

AN OVERVIEW

The Government of India constituted the Technology Development Board (TDB) in September 1996, as per the provisions of the Technology Development Board Act, 1995.

The Act enables creation of a Fund for Technology Development and Application to be administered by TDB. The Fund receives grants from the Government of India out of the Cess collected by the Government from the industrial concerns under the provisions of the Research and Development Cess Act, 1986, as amended in 1995. Any income from investment of the amount of the Fund and the recoveries made of the amounts granted from the Fund are credited to the Fund. The Finance Act, 1999, enabled full deductions to donations made to the Fund for income tax purposes.

During the years 1996-2009, a total amount of Rs.1843.58 crore R&D cess has been collected by the Government. Out of this, TDB has received a cumulative sum of Rs. 501.42 crore over the period of 13 years. This works out to be 27.20 % of the R&D cess collections.

The mandate of the TDB is to provide financial assistance to the industrial concerns and other agencies attempting development and commercial application of indigenous technology or adapting imported technology for wider domestic application.

The financial assistance from TDB is available in the form of loan or equity and/or in exceptional cases, grant. The loan assistance is provided up to 50 percent of the approved project cost and carries 5 percent simple rate of interest per annum. Royalty is also payable on sales of products under TDB's project during currency of loan. Alternatively, TDB may also subscribe by way of equity capital in a company, subject to maximum of 25 percent of the approved project cost. The financial assistance is provided during the commencement, start-up or growth stages of industrial concerns.

TDB accepts applications for financial assistance from all sectors of economy throughout the year. An industrial concern desirous of seeking financial assistance from TDB applies in a prescribed format. A copy of the Project Funding Guidelines including the format of application can be obtained free of cost from TDB or by accessing TDB website (www.tdb.gov.in).

TDB has also participated in Venture Capital Funds to wider its scheme for spreading support to technology oriented projects. Further, it also provides support to incubators through its Seed Support Scheme give to Incubators.

As on 31st March 2009, TDB has signed total 218 agreements (since its inception in 1996) with the total project cost of Rs. 3274.30 crore involving TDB's commitment of Rs. 992.26 crore against which TDB has disbursed Rs. 835.41 crore from the grants provided by the government and through internal accruals. TDB so far has supported 7 Venture Capital funds with commitment / participation of Rs. 190 crores leveraging total funds aggregating to Rs. 733 crores from other investors. TDB has approved grant assistance of Rs. 1 crores each of the ten Incubators under the Seed Support Scheme.

TDB has partnered with venture capital funds to within its scope with a view to leverage investment in technology oriented venture and supported R&D initiatives by the incubator

though its Seed Support Fund. In the recent past, TDB has partnered with the UTIVF, APIDC Venture Capital Fund and Gujarat Venture Funds Ltd. The fund targeted to support, technology oriented ventures in various sectors such as IT / ITES, Biotechnology, Health, Telecommunication, Nano-technology etc. to widen its scope with a view to leverage investment in innovative projects.

TDB has entered into agreement with 7 Ventures funds with a total commitment of Rs. 190 crores till March 2009.