

1. What the Board does?

The Technology Development Board invest in equity capital or gives soft loans to industrial concerns and other agencies, as applicable, attempting development and commercial application of indigenous technology, or adapting imported technology to wider domestic application.

2. Who can be funded?

The Technology Development Board invests in equity capital or gives loan to industrial concerns and other agencies, attempting development and commercial application of indigenous technology, or adapting imported technology to wider domestic applications.

2.1 Commercial enterprises, (excluding sole entrepreneur sole proprietorship concerns) cooperatives and other agencies are eligible to seek money from the Board for the development and application of technology-based product or service.

2.2 If the project is for the commercialisation of technology, developed by a domestic R&D institution, the enterprise should apply, along with an agreement signed by the R&D institution willing to transfer the technology. The R&D institution shall be any one of the following: -

- National laboratory
- State laboratory
- Academic institution
- Co-operative Research Association
- Registered R&D Foundation/Trust/Society
- In-house R&D unit in industry recognised by Government (Department of Scientific and Industrial Research - DSIR)
- Scientific and Industrial Research Organisation recognised by Government (DSIR)
- Commercial R&D company recognised by DSIR

2.3 If an enterprise has developed the technology with the assistance of an R&D institution (listed in 2.2 above), the application to the Board by such enterprise or its associate will also be considered (contract or joint or sponsored research).

2.4 Applications from enterprises, with or without any, other partners (listed in 2.2 above), for commercialization of indigenous technologies may be considered if the project is for commercialization of technology developed through the financial support provided under Home Grown Technology (HGT) /Mission projects / Technology Vision 2020 implementation projects of Technology Information, Forecasting and Assessment Council (TIFAC) or under the Programme Aimed at Technological Self Reliance (PATSER) of DSIR or under the Technopreneur Promotion Programme (TePP) jointly operated by DSIR and DST.

2.5 Start-up companies and/or technocrat-entrepreneurs, with or without any other partners (listed in 2.2 above), in agricultural product processing, information technology or designing and developing special engineering machinery are encouraged to apply for projects in these areas.

2.6 Where legal title to domestically generated intellectual property is held (or filed for) by an individual generator (e.g. inventor) of such property or by an industrial concern, such individual or industrial concern shall also be eligible to apply

2.7 If the activity adapting and commercialising imported technology, financial assistance from the Board may be provided for :-

1. effecting crucial modifications for wider domestic applications through an 'R&D institution' (listed in 2.2 above) or through an individual (2.6 above) and/or.
2. further development of commercialisable technology imported when that technology is at 'proof-of-concept' or design stage.

3. What types of projects can be funded?

The type of projects include-

- Development and commercialisation of a new product/process/application through indigenous technology.
- Significant improvements in the existing product/ process/ application.

- Substantial quality upgradation, reduced material consumption, reduced energy consumption, cost reduction, improved competitiveness, improved ergonomics.
- Development and deployment of technology or design to satisfy existing occupational health and/or safety standards, or improve upon them.
- Development and deployment of technology or design necessary to satisfy domestic or foreign environmental requirements or standards current or anticipated.
- Development and deployment of technology or design necessary to satisfy the requirements of domestic legislation, and/or decisions of the judiciary or product liability legislation in export markets.
- Adaptation/modification to product/process which has been imported so as to make it suitable for wider domestic application.
- Replacement of imported raw materials/components with indigenous substitutes.
- Proving the socio-commercial viability of new and/or renewable sources of energy commercially delivered to consumers.
- Development of technology to meet the medical standards and proving socio-commercial viability of bio-medical equipment and devices.
- Hazardous, waste recycling management.

4. Which activities / expenditures can be funded?

These may include–

- Development, test and evaluation necessary for establishing proof-of-applicability of product, process or application.
- Costs of a capital nature including cost of acquisition of technology of foreign origin which is at "proof-of-concept" or design stage requiring substantial indigenous technology development.
- Fabrication, testing and trial of prototypes.
- Setting-up pilot/demonstration plant including testing and trials.
- Industrial product design.
- Field trials (including limited market development, except as stand-alone activity)
- Setting-up the first or demonstrator commercial scale manufacturing unit using the innovative technology.
- Cost of studies, surveys and blue or grey-collar training necessary or incidental to the above.
- R&D / engineering consultancy for prototype / pilot plant / trials and testing.

The expenditure incurred by the applicant before the date of application shall not be reimbursed.

5. Accessing the Fund:

The Board may provide, in instalment(s) equity capital or loan assistance to enterprises or grants to enterprises /agencies.

The Board does not levy any processing, administrative or commitment charges from the applicant.

The duration of the project should not normally exceed three years.

The Board shall consider each application on merits and mere fulfilment of these guidelines shall not qualify an application for financial assistance.

(a) Equity Participation:

(i) The Board may invest by way of equity capital in a company (incorporated under the Companies Act, 1956) on its commencement, start-up and / or growth stages according to the requirements as assessed by the Board and keeping in view the debt-equity ratio.

(ii) Such investment in equity shares of a company may be upto 25 percent of the project cost, including margin money for working capital, provided such investment does not exceed the capital paid-up by the promoters. In the case of a new company, the Board may decide the quantum of capital to be paid up by the promoters.

(iii) The company shall issue, at par, its share certificates to the Board equivalent to the amount subscribed by the Board. No brokerage shall be charged by the company on such issue.

(iv) The pre-subscription conditions includes promoters should have subscribed and fully paid up their portion of the capital. The promoters shall pledge their shares to the board of a value equal to the equity subscription by the Board. The company shall not recognise or register any transfer of shares in the company's capital made by the promoters and

as such other persons as may be specified by the Board. The Board shall not provide any guarantee including 'no default guarantee' or undertaking to any institution. The Board shall not subscribe any additional capital for any overrun in the project or any shortfall in the means of finance.

The Board shall have the right to nominate, from time to time, a person or persons to be a Director or Directors of the Board of Directors of the company. The nominee Director(s) shall not be required to hold qualification shares and shall not be liable to retire by rotation.

(v) The Board may disinvest its shareholdings after three years of completion of the project or five years from the date of subscription in accordance with the procedure prescribed in the TDB (equity capital) Regulations.

(vi) The Board may after examining the application of the company and after making such enquiries as it deems necessary, either approve the equity participation with or without additional conditionalities or refuse to approve the same.

(b) Loan assistance:

Although the assistance from the Board will take into account the totality of the financial environment in which the enterprise is to operate, the money will normally be limited to half the estimated outlay on the activities eligible for funding.

The enterprise has to produce evidence of arrangement for the remainder of the money required. A commitment letter from a third party investor such as another established company, a venture capital company, financial institution or commercial bank will facilitate speedier processing.

The interest on loan shall be at the rate of five percent (5%) per annum (simple interest) and may require collateral guarantees.

The repayment of loan, together with interest thereon, shall commence within one year after the project is completed and shall be repaid in five years.

The accumulated interest up to the repayment of the first installment may be distributed over a period of three years commencing from the second year of repayment and terminating in the fourth year of repayment.

(c) Grants:

Grants may be provided by the Board in exceptional cases. However, the Board is not a substitute for funding by the Government or other appropriate institutions for R&D purposes.

The recipient may be required to pay the Board (equivalent to grant) out of royalty received by it. The recipient may be required to share the profit with the Board proportionate to the investments made by participating agencies.

6. Evaluation criteria:

Applications will be evaluated for their scientific, technological, commercial and financial merits. The evaluation criteria include:

- The soundness, scientific quality and technological merit
- The potential for wide application and the benefits expected to accrue from commercialisation
- The adequacy of the proposed effort
- The capability of the R&D institution(s) in the proposed action network
- The organisational and commercial capability of the enterprise including its internal accruals
- The reasonableness of the proposed cost and financing pattern
- Measurable objectives, targets and mile-stones.
- Track record of the entrepreneur.
- The evaluation will include on-site visits.

7. Pro-active Role

The Board has decided to take a pro-active role in addition to responding to the proposals received. This thrust is at the heart of Board's Vision document. Its aim is to enhance exports or towards producing competitive consumer products; encourage industries and R&D institutions for product innovation or improvisation to suit the Indian market; technology to be goal-oriented, socially relevant and profitable. It will identify and act in areas requiring strategic interventions.

The Board encourages new ideas from small enterprises even at the risk of failures.

While a few Indian industries themselves are capable of taking lead in modern technologies, balance of advantage for

taking a lead in other areas lies dormant with many national laboratories. The pro-active role of the TDB lies in creating formal linkages to generate viable partnerships.

Information for selecting suitable projects is available in the TIFAC reports on Technology Vision for India upto 2020; proposals which aim at implementing / improving upon them may also be considered by the Board.

8. Contractual matters:

All approved proposals will be financed under negotiated contract. The clauses may include, inter alia, payment of royalty for a limited period on commercialisation in case of grants, nomination of Director(s) on the Board of Directors (when the Board provides equity), buy-back/disposal/pledging of shares, providing collateral guarantees, hypothecation and/or mortgage of assets, monitoring the project, inspection, examination of records. re-payment schedules, termination, resolution of disputes, etc.

A specific payment schedule will be incorporated in the contract. The payment will be made periodically as per work programmes in accordance with risk-associated milestones. The Board shall monitor the progress of the project before the release of second and successive installments- To facilitate monitoring of the project and project completion, the enterprise is required to submit the prescribed returns in the enclosed format.

9. Intellectual property:

The cost of filing of applications by industrial concerns for obtaining necessary patents in India as well as abroad shall be taken into account in the total project cost for providing financial assistance to industrial concerns.

The disposition of intellectual property is a bilateral contractual matter between the technology provider and the enterprise. However, the Board, in exceptional cases, may retain a royalty-free license for the use of the intellectual property for the purposes of the Government of India: and may reserve the right to require the holder of the intellectual property to license others in certain circumstances to manufacture and 01 sell the product in India.

10. Money from the Board is not available for:

- Refinancing.
- Basic research.
- Establishment of new R&D centres.
- Travel, conferences, workshops, etc. unless they form an essential component of the project approved by the Board.
- Any form of grants-in-aid or loan for the mere creation of technical infrastructure.
- More than two projects at one time to an industrial concern.
- An industrial concern that is sick or incipiently sick.

11. Submission of applications:

The Board receives the application for financial assistance through out the year.

The applicant is requested to carefully study the instructions before filling in the application form. The applicant should also fill in the acknowledgement form, in the prescribed format (download below).

The application with supporting documents may be sent, in 10 copies to :-

The Secretary,
TECHNOLOGY DEVELOPMENT BOARD
Department of Science and Technology
Ground Floor, A-8, USO Road, Qutab Institutional Area,
New Delhi - 110 067
Telephone No. 26537349, 26540111
Fax No. 26531862, 26540137

[Click Here to Download](#) the Loan Application form, take a print out of it, fill it up and post it to us at the above mentioned address.

Note: The Board reserves the right to amend these Project Funding Guidelines, without notice.