

# The Technology Development Board Rules, 1996

UNION OF INDIA

India

## The Technology Development Board Rules, 1996

### Rule THE-TECHNOLOGY-DEVELOPMENT-BOARD-RULES-1996 of 1996

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**1736.**

G.S.R. 523 (E), dated 14th November, 1996. - In exercise of the powers conferred by Section 21 of the Technology Development Board Act, 1995 (44 of 1995), the Central Government hereby makes the following rules, namely:-

#### 1. Short title and commencement.

(1) These rules may be called the Technology Development Board Rules, 1996. (2) They shall come into force on the date of their publication in the Official Gazette.

#### 2. Definitions.

- In these rules, unless the context otherwise requires,---(a) "Act" means the Technology Development Board Act, 1995 (44 of 1995); (b) "Board" means the Technology Development Board constituted under sub-section (1) of Section 3 of the Act; (c) "Form" means the form annexed to these rules; (d) all other words and expressions used in these rules, but defined in the Act or the Research and Development Cess Act, 1986 (32 of 1986) shall have the meaning respectively assigned to them in those Acts.

#### 3. Technology Development Board.

(1) The Board shall be constituted in accordance with the provisions of sub-section (3) of Section 3 of

the Act.(2)Four members shall be appointed to the Board under clause (g) of sub-section (3) of Section 3 of the Act.(3)The members appointed under sub-rule (2), shall hold office for a period of three years and shall be eligible for re-appointment.

#### **4. Meeting.**

- The Board shall ordinarily hold at least two meetings in a year on dates to be fixed by the Chairperson for the transaction of business.

#### **5. Resignation.**

(1)A member appointed under clause (g) of sub-section (3) of Section 3 of the Act, may resign his seat by writing under his hand addressed to the Chairperson of the Board, who shall cause to forward it to the Central Government.(2)The office of the member of the Board falls vacant from the date on which his resignation is accepted by the Central Government.

#### **6. Removal from the Board.**

- The Central Government may remove any member of the Board appointed under clause (g) of sub-section(3)of Section 3 of the Act,-(a)if he is of unsound mind and stands so declared by a competent court; or(b)if he is an undischarged insolvent; or(c)if he is convicted of any offence involving moral turpitude; or(d)if his conduct is found to be unbecoming of a member.

#### **7. Disclosure of interest by members.**

- If any member of the Board or his/her family members has any interest in a proposal submitted for consideration of the Board, the member shall disclose the extent of his interest in the proposal.

#### **8. Presiding over the meetings of the Board.**

- The Chairperson or in his absence, such other member present as is decided by the Board shall preside at every meeting of the Board.

#### **9. Quorum.**

(1)The quorum necessary for the transaction of business at a meeting of the Board shall be one-half of the total number of members.(2)If at any time there is no quorum, the Chairperson or the person presiding over a meeting shall adjourn the meeting until there is a quorum.(3)Where a meeting has been adjourned under sub-rule (2), the business which would have been brought before the original meeting if there had been a quorum present shall be brought before, and may be transacted at an adjourned meeting whether there is quorum present or not.

## **10. Power to call Board Meetings.**

- The Chairperson of the Board may at any time call a meeting of the Board and shall do so if a requisition for that purpose is presented to him by at least four members of the Board.

## **11. Notice of meetings and business.**

- A list of the business to be transacted at every meeting except at an adjourned meeting signed by the Secretary of the Board or an officer authorised by the Chairperson, shall be sent to the address of each member at least seven days before the day fixed for such meeting, and no business shall except where the Chairperson or the person presiding over the meeting otherwise directs, be brought before, or transacted at; in any meeting other than the business of which a notice has been so given.

## **12. Voting.**

(1) All matters brought before any meeting of the Board shall be decided by the majority of the votes of the members present and voting. (2) The Chairperson or the person presiding over a meeting shall have and exercise a second or a casting vote in all cases of equality of votes.

## **13. Invitees to the Board meetings.**

- The Chairperson of the Board may invite any person or persons to attend any meeting of the Board but such persons shall have no right to vote.

## **14. Record of business.**

(1) The record of business transacted at every meeting of the Board shall be prepared by the Secretary for approval by the Chairperson or the member presiding at such meeting. (2) When any business is transacted by circulation of papers, the Secretary shall prepare a record of the business so transacted for approval by Chairperson of the Board directing the Circulation. (3) The record of business transacted at every meeting of the Board shall be approved and signed by the Chairperson or the member presiding at such meeting, and the approved record of business shall be submitted to the Board at its next meeting. (4) A record shall be maintained by the Secretary of items of business transacted by the Board or the committees thereof.

## **15. Appointment of Committees.**

(1) The Board may appoint such committee or committees as the Board deems necessary to exercise such powers and discharge such functions as may be delegated to it under these rules. (2) The Chairperson may, on the recommendation of the Board, appoint such Committee or Committees set up under sub-rule (1). (3) The Board shall determine the terms of reference, tenure, membership and other related aspect of the Committee or the Committees. (4) The Committee or Committees shall submit its report or finding to the Chairperson of the Board within the stipulated time unless

extended by the Board.

## **16. Powers and duties of the Chairperson.**

- The Chairperson shall :-(1)be responsible for the proper functioning of the Board and the committees thereof and the implementation of the decisions arrived at by the Board or by the committee and the discharge of duties, imposed on him by these rules under the provisions of the Act;(2)exercise such supervisory and administrative control over all officers and staff of the Board as may be necessary for efficient discharge of functions under the Act;(3)require the Board or any committee thereof defer taking action in pursuance of any decision taken by the Board, pending a reference to the Central Government on such decision;(4)take decision on urgent matters that cannot await disposal by the Board and such decisions shall be put up to the Board for approval at its next meeting:-Provided that where the Board modifies or reverses the decision taken by the Chairperson, such modification or reversion shall be without prejudice to the validity of any action taken before such modification or reversion.

## **17. Powers and duties of the Secretary.**

- Subject to the overall supervision, direction, control and guidance of the Chairperson the Secretary of the Board shall :-(1)be the Chief Executive Officer of the Board;(2)be responsible for implementing the decisions of the Board;(3)process applications related to financial assistance and refund of cess;(4)cause to prepare and submit the budget proposal, annual report and the annual accounts to the Board for its approval;(5)issue notices, prepare and circulate the agenda/minutes and convene meetings of the Board;(6)open bank accounts with the approval of the Board and regulate the operations of bank accounts;(7)sanction office expenses including salaries, contingencies subject to the budgetary provisions;(8)regulate tenders and entering into contracts with any person on behalf of the Board, for the procurement of equipment, stationary, subject to the budgetary provisions;(9)prepare staff structure, and their service conditions, and place before the Board for its approval;(10)take such actions as may be necessary to defend the interest of the Board at any court of law; and(11)carry out any other duties required/assigned by the Chairperson and the Board.

## **18. Starting up of Fund for Technology Development and Application.**

- There shall be constituted a Fund for Technology Development and Application into which credits of amounts of grants and income from investment along with other monies specified in sub-section (1) of Section 9 and Section 10 of the Act shall be accredited:Provided that any amount having been credited to the Fund is ordered or directed as payable to any claimant by orders of appellate authority or court, shall be paid from the Fund.

## **19. Procedure for financial assistance.**

(1)The Board may provide financial assistance as provided for under Section 6 of the Act.(2)Any

applicant who is desirous to seek financial assistance from the Fund, shall apply to the Board in Form A.(3)The Secretary of the Board or an officer authorised by the Board shall, as soon as may be, after the receipt of an application referred to in sub-rule (2), process the application.(4)It shall be open to the Board or its authorised officer.(a)to call for any further information from the applicant;(b)to appoint an expert or experts to make an investigation and report on any aspect relating to the application.(5)No refusal of grant of financial assistance shall be made unless an opportunity is given to the applicant of being heard.(6)The decision of the Board on any application shall be final.(7)An authorised officer may disburse the financial assistance approved by the Board as per the terms and conditions laid down by the Board.(8)The disbursement of financial assistance referred to in sub-rule (7) shall be subject to an agreement between the Board and the applicant, as laid down by the Board.(9)The interest to be charged on the loan shall be at a rate as decided by the Board.(10)In case of any default in repayment of the amount of the loan, or payment of any instalment thereof or interest thereon, an additional interest as may be fixed by the Board on the amount of default shall be payable by the loanee.(11)The Board may, in part or in full, waive the payment of such additional interest under special circumstances.(12)The repayment of loan together with interest thereon shall commence one year after the project is successfully completed and in any case before the end of the fourth year from the date of disbursement of loan, and the loan amount along with interest due thereon shall be recoverable [in five years.] [Substituted words "in five annual instalments" by Notification No. G.S.R. 180(E) dated 10.3.2004 (w.e.f. 14.11.1996)][Provided that the accumulated interest up to the repayment of the first instalment may be distributed over a period of three years commencing from the second year of repayment and terminating in the fourth year of repayment.] [Inserted by Notification No. G.S.R. 180(E) dated 10.3.2004 (w.e.f. 14.11.1996)](13)In case of the project having been declared as a failure in terms of provisions of the agreement, the Board may consider waiving of the recovery of the interest and the loan amount; and in such an eventuality, the unutilised balance amount shall be refunded to the Board and the assets created shall be disposed of in a manner decided by the Board.(14)[ The Board may revise, postpone or vary the repayment of the principal amount of the loan and payment of interest accrued or the balance outstanding upon such terms and conditions as the Board may decide after taking into consideration the cash generation capacity of the industrial concern.(15)The Board may, in exceptional cases, decide one time settlement with the industrial concern or any agency in respect of the amount due from it to the Board. Any industrial concern that has benefited from one-time settlement would be ineligible for any financial assistance from the Board in future.] [Inserted by Notification No. G.S.R. 180(E) dated 10.3.2004 (w.e.f. 14.11.1996)]

## **20. Travelling and other Allowance to Members of the Board and its Committees.**

(1)A member of the Board or any Committee other than a Government servant, shall be entitled to draw, in respect of any journey performed by him for the purpose of attending a meeting of the Board or of a duly constituted Committee there or for the purpose of discharging any duty assigned to him by the Board or the Committee concerned, travelling allowances and daily allowances at the highest rates as admissible to the officials of the Government Undertakings (Category 'A') for the time being in force.(2)In case of any journey performed by an official of the Central or the State Government especially nominated by the Board to serve on any ad hoc Committee or any other

Committee or to attend to any other business of the Board, the Travelling and Daily Allowances admissible to him shall be payable by the Board, at rates admissible to him under the rules of the Government under which he is for the time being employed.(3)No Travelling Allowance or Daily Allowance shall be allowed to a member of the Board or of any Committee unless he certifies that he has not drawn any Travelling or Daily Allowance from any other source in respect of the journey and half for which the claim is made.(4)Travelling Allowance shall be payable from the usual place of residence of Member of the Board or any of the Committees to the place of the meeting or the place where he has gone to attend to any business of the Board and back to his place of residence:Provided that when the journey commences from or the return journey terminates at any other place the Travelling Allowances shall be limited to the amount that would have been payable had the journey commenced from or terminated at the usual place of residence, or to the amount payable in respect of the actual journey undertaken whichever is less:Provided further that in special circumstances the Chairperson may grant Travelling Allowance from places other than the usual place of residence of a member.

## **21. Conveyance Allowances.**

- No Conveyance Allowance for attending meetings of the Board or any of the Committees of any other business of the Board shall be paid to those members of the Board or any of the Committee who draw Travelling Allowance:Provided that a Member of the Board of the Committees who is resident at a place where the meeting of the Board or any of the Committee is held or where any other business of the Board is transacted, may be paid the actual expenditure incurred on conveyance by him in addition to the daily allowance, as admissible under Rule 20.

## **22. Opening of Branch Offices.**

- The Board may with the prior approval of the Central Government, set up its branch office/offices at any other place.

## **23. Consultation with the Central Government.**

- The Board may, if it considers necessary, seek the advice of the Central Government for the administration of the Technology Development Board Act, 1995 (44 of 1995), and the Research and Development Cess Act, 1986 (32 of 1986), as amended from time to time.

## **24. Interpretation of rules.**

- Where any doubt arises as to the interpretation of these rules, interpretation shall be referred to the Central Government for its decision.

## **25. Power to relax.**

- Where the Board is satisfied that the operation of any of these rules, causes, undue hardship in any particular case, it may, by order, for reasons to be recorded in writing, relax the requirement of that rule to such extent and subject to such conditions, as it may consider necessary for dealing with the case in a just and equitable manner :Provided that no such order shall be made, except with the previous approval of the Central Government.

## **26. Head Office of the Board.**

- The Head Office of the Board shall be at Delhi.

## **27. Revision.**

(1)The Central Government may, for reasons to be recorded in writing, review any decision of the Board or its Committees and pass such order in the matter as it thinks fit.(2)A copy of such order of the Central Government shall thereupon be sent to the Board or the Committee concerned, as the case may be, by the Central Government.(3)On receipt of a copy of the order as aforesaid, the Board or the Committee, as the case may be, may make a representation to the Central Government against the said order and the Central Government may after considering the said representation, either cancel, modify or confirm the order passed by it under sub-rule (1) or take such other action in respect of the matter as maybe in the opinion of the Central Government, be just or expedient having regard to all the circumstances of the case.[FORM-A [Substituted by Notification No. G.S.R. 180(E) dated 10.3.2004 (w.e.f. 14.11.1996)][See Rule 19 (2)]Important: Please fill up this format for submitting your application. Read the instructions before filling up the details.

### **1. Title of the project.**

### **2. Name of the applicant.**

### **3. Address in full including PIN code**

(i)Registered Office with telephone numbers/ fax/ e-mail(ii)Administrative Office with telephone numbers/ fax/ e-mail

### **4. Date of incorporation or registration number**

### **5. (a) Whether the applicant has an in-house R&D unit recognized by the Government?**

(b)If so, details of recognition

## 6. Description of the project and technology

(including product/ service, process, whether indigenous/ imported technology, its source, patent status, technical specification of the product/ service, other competing players and uniqueness of the technology)

## 7. Cost of the project

(Rupees in lakhs)

Heads of expenditure	Expenditure Incurred till the date of application	Expenditure to be incurred	Total
(1)	(2)	(3)	(4)
LandSite DevelopmentBuilding/ Civil Works(i)Factory(ii) Administrative(iii) OthersPlant and Machinery(i) Imported(ii) IndigenousMiscellaneous Fixed AssetsTechnical know-how FeesCost of filing patent(s)Preliminary and Pre-operativeExpensesContingencyMargin Money for Working Capital			

Note: Justification on the above heads of expenditure would be required to be presented by the applicant at the time of detailed evaluation.

## 8. Means of finance

(Assistance from Technology Development Board can be sought either for loan or for equity and not for both)(Rupees in lakhs)

Means of financial assistance	Status on date of application	Additional amount proposed	Total
(1)	(2)	(3)	(4)
EquityPromotersOthers (specify)			
LoanFinancial InstitutionBankOthers (specify)			
Assistance from TechnologyDevelopment BoardLoan orEquity (specify)			
Total			

## 9. Project location



**10. (a) Extent of land required for the project.**

(b)Details of land already available for the project.

**11. (a) Duration of the project**

(b)Implementation schedule with milestones (Annex bar charts)

**12. (a) Has the applicant applied for financial assistance for the same project to any other institution/ agency?**

(b)If so, details and status thereof.

**13. (a) Is the applicant expecting any subsidy or any other concession from any Government department or other agency?**

(b)If so, details thereof.

**14. (a) Submit a Business Plan indicating production and sale.**

(b)Cash flow projections for the proposed product/ service (Indicate for five years after commencement of commercial production)

**15. Financial Indicators for the project**

(a)Debt: Equity(b)IRR(c)DSCR(d)Pay back period(e)Break even point

**16. Indicate the type of collateral you wish to provide in favour of Technology Development Board.**

(a)Bank guarantee(b)Corporate guarantee from other sister/ group company(c)Own corporate guarantee(d)Personal guarantee of the promoters/ Directors(e)Pledge of shares by promoters/ Directors(f)Hypothecation of assets(g)Mortgage of property(h)Any other form of security (specify)

**17. Furnish complete details of loans outstanding against the applicant for**

(a)the proposed project(b)other project(s) including re-scheduling and defaults, if any.

**18. Name of the entrepreneur and his track record**

**19. Applicant's background (including association with other companies and other enterprises and contribution in them)**

**20. (a) Has the applicant applied for assistance from Technology Development Board earlier?**

(b) If so, details thereof.

**21. Provide the following information on the past performance of the applicant for the last three years.**

(Rupees in lakhs)

Sales

Gross profit

Depreciation

Tax

Net profit

Share capital

Secured loan

Unsecured loan

Net worth

**22. Please finish a note on the present activities of the applicant including commitment to R&D.**

**23. Enclose a techno-economic feasibility study report on the proposed project.**

**24. Details of prosecution, if any, in a court of law, launched against the applicant, during the last five years.**

**25. Annexures to be attached**

(i) Constitution of the organisation/ Articles and Memorandum of Association. (ii) Certificate of Registration or Certificate of Incorporation (iii) Certificate of commencement of business (iv) Names and addresses of the Board of Directors/ Management Committee along with their telephone numbers (v) Promoters' background (including association with other companies and contribution in those companies) (vi) Recognition as in-house R&D unit. (vii) Techno-economic feasibility study report (viii) Agreement for transfer of technology (ix) Chart indicating the project duration and

implementation schedule with milestones(x)Annual Reports with audited statements of accounts for the last three years(xi)Copies of Tax Returns of the applicant for the last three years(xii)Details of loans outstanding against the applicant including re-scheduled loans and defaults.

Declaration(To be signed by the applicant or its authorised agent)The particulars given are true and correct. Nothing material has been suppressed. It is certified that I/we have read the guidelines, terms and conditions governing the scheme and undertake to abide by them on behalf of my/our organisation/ institution. The financial assistance, if provided, shall be put to the declared use.{|

APPLICANT / AUTHORISED SIGNATORY(With Seal)

Date:Place:(Strike out whichever is not-applicable)|}Instructions for preparing the application formPlease fill up the form furnishing correct details sought for based on verifiable true state of affairs without causing suppression of any material information, which if resorted to, shall entail refusal of the financial assistance under the Technology Development Board Act, 1955.

Serial Indicate briefly the correct title of the project.e.g.Development and commercialisation of  
No. 1: .....

Serial In case of a company, indicate the date of incorporation underthe Indian Companies Act.  
No. 4: Indicate the registration number if itis a cooperative

Serial Give a write-up covering all the points mentioned.  
No. 6:

Serial If the applicant has applied for financial assistance for thesame project to any other  
No. 12: institution/ agency, give details andthe present status of the application. Even if the application hasbeen rejected, furnish details.

Serial Enclose the details of calculation for financial indicators.  
No. 15:

Serial Furnish details of reschedulement enclosing letters ofsanction.  
No. 17:

Serial Give a description the entrepreneur/ main promoter, experienceand track record.  
No. 18:

Serial Give a description of the applicant's involvement in othercompanies, and other  
No. 19: enterprises and the contribution madeincluding the present status of those companies and enterprises.

Serial If the applicant has applied for assistance from TDB earlier,please furnish brief details of  
No. 20: the project, name of the applicantaddress, TDB's reference (file) number and the status.

]Substituted by Notification No. G.S.R. 180(E) dated 10.3.2004 (w.e.f. 14.11.1996)

FORM-A[See Rule 19(2)]Important: Please fill up this form furnishing correct details sought for based on verifiable true state of affairs without causing suppression of any material information which if resorted to shall entail refusal of the financial assistance under the Act:1. Name and full postal address of the applicant:2. Name of the industrial concern, research: and development institution or other agency seeking/applying for financial assistance and its date of establishment :3. Whether registered under the Societies Registration Act, 1860 (21 of 1860) or any other relevant Act or created under any other Act.4. If yes; number and year of registration/creation (Attested copy of registration certificate to be enclosed) :5. Whether the organisation is of national/state level

:6. Details of the Managing Committee/Board along with names, addresses and occupation of the office bearers :7. Brief details of the organisations, objectives and activities during the last three years :8. Complete particulars of technology: (indigenous/imported) :9. Purpose for which the amount is: required (Please state the details of the project and its proposed implementation) :10. Amount and nature of financial: assistance required, item-wise details under recurring/non-recurring to be enclosed :11. Time schedule of the activities arranged :12. The total amount incurred/invested by the applicant or likely to be incurred by the applicant :13. Sources of funding of balance amount whether the organisation is getting financial assistance from any other official/non-official source. If yes, give details :14. Details of prosecution, if any, in a court of law launched against the applicant, during the last five years in civil, criminal or taxation matters :15. Copies of the following documents to be attached :(i) Constitution of the organisation and Articles/Memorandum of Association as applicable.(ii) Annual Reports and audited statements of accounts (last three years).DECLARATION(To be signed by the applicant or its authorised agent).The particulars heretofore given are true and correct. Nothing material has been suppressed. It is certified that I/we have read the guidelines, terms and conditions governing the scheme and undertake to abide by them on behalf of our organisation/institution. The financial assistance, if provided, shall be put to the declared use. (Strike out whichever is inapplicable).Applicant/Authorised Signatory