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**STANDING COMMITTEE ON
FINANCE
(1995-96)**

TENTH LOK SABHA

**THE TECHNOLOGY DEVELOPMENT BOARD
BILL, 1995**

SEVENTEENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

May, 1995/Jyaistha, 1917 (Saka)

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STANDING COMMITTEE ON
FINANCE
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TENTH LOK SABHA

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Presented to Lok Sabha on 1 June, 1995
Laid in Rajya Sabha on 1 June, 1995

LOK SABHA SECRETARIAT
NEW DELHI

May, 1995/Jyaishta, 1917 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON FINANCE
(1995-96)

Dr. Debiprosad Pal—*Chairman*

MEMBERS

Lok Sabha

2. Shri Magunta Subbarama Reddy
3. Prof. K. V. Thomas
4. Dr. K.V.R. Chowdary
5. Shri Chhitubhai Gamit
6. Shri Prithviraj D. Chavan
7. Shri S.B. Sidnal
8. Smt. Maragatham Chandrasekhar
9. Shri P.C. Chacko
10. Shri Prakash V. Patil
11. Shri Mahendra Kumar Singh Thakur
12. Shri B. Akber Pasha
13. Shri Satyapal Singh Yadav
14. Shri Sushil Chandra Varma
15. Shri Jeevan Sharma
16. Shri Chetan P.S. Chauhan
17. Shri Dilcepbbhai Sanghani
18. Shri Manabendra Shah
19. Shri Sartaj Singh Chhatwal
20. Shri Harin Pathak
21. Shri Nirmal Kanti Chatterjee
22. Prof. Susanta Chakraborty
23. Shri T.J. Anjalose
24. Shri Srikanta Jena
25. Shri Bhogendra Jha
26. Shri George Fernandes
27. Shri Abdul Ghafoor
28. Shri Kadambur M.R. Janardhanan

Rajya Sabha

29. Shri Satish Agarwal
30. Shri Krishna Kumar Birla
31. Shri Triloki Nath Chaturvedi
32. Shri Sanjay Dalmia

33. Dr. Biplab Dasgupta
34. Shri Gurudas Das Gupta
35. Shri K.R. Jayadevappa
36. Dr. Shrikant Ramchandra Jichkar
37. Shri Chimanbhai Mehta
38. Shri Rajubhai A. Parmar
39. Shri Narendra Pradhan
40. Shri T. Venkatram Reddy
41. Shri Surinder Kumar Singla
42. Shri S. Viduthalai Virumbi

SECRETARIAT

1. Shri S.N. Mishar — *Additional Secretary*
2. Shri G.C. Malhotra — *Joint Secretary*
3. Shri Satish Loomba — *Deputy Secretary*
4. Shri T.K. Mukherjee — *Assistant Director*

INTRODUCTION

I, the Chairman of the Standing Committee on Finance (1995-96) having been authorised by the Committee to submit the Report on their behalf, present this Seventeenth Report on the Technology Development Board Bill, 1995 of the Ministry of Finance.

2. The Bill was introduced in Lok Sabha on 2 May, 1995. It was referred to the Committee by Hon'ble Speaker, Lok Sabha under Rule 331(E) of the Rules of Procedure and Conduct of Business in Lok Sabha for examination and Report.

3. The Committee held two sittings on 24 and 29 May, 1995 to consider the Bill. At its sitting held on 29 May, 1995, the Committee considered the Bill Clause-by-Clause. The representatives of the Ministries of Finance, Law and the Department of Science and Technology assisted the Committee in the consideration of the Bill.

4. The Committee considered and adopted the Report on the Bill at its sitting held on 30 May, 1995.

NEW DELHI;
30 May, 1995

9 Jyaishta, 1917 (Saka)

DR. DEBIPROSAD PAL,
Chairman,
Standing Committee on Finance.

REPORT

Technology is one of the key instruments that plays an effective role for solving economic and social problems of the nation in an increasingly competitive environment. With this in view, Government has been encouraging science and technology in the country by various measures. The country now has adequate infrastructural facilities in the form of a chain of national laboratories dealing with almost all walk of life, a number of universities, engineering colleges, polytechnics and management institutions capable of providing highly skilled human resource, developing indigenous technology and adapting or assimilating the imported technology.

2. In the current scenario of global competition, there is need to provide more focussed efforts in the country towards research, design and development activities leading to technological innovation not only to improve our industrial productivity but also to develop new technologies appropriate to our needs.

3. While presenting the Central Government Budget for 1994-95, the Finance Minister stated in February 1994 that a great deal more needs to be done to make science and technology effective instrument to accelerate the development and application of indigenous technology to production processes, a new fund for Technology Development and Application would be created out of the cess collected under The Research and Development Cess Act, 1986.

4. The introduction of the Technology Development Board Bill and The Research & Development Cess (Amendment) Bill in Lok Sabha on 2 May, 1995 is a follow-up action by the Government.

5. The Technology Development Board Bill is complementary to The Research and Development Cess (Amendment) Bill, 1995. Under The Research and Development Cess (Amendment) Bill, 1995 it is proposed that the cess levied and collected under The Research and Development Cess Act, 1986 shall be credited to a Fund created under this Bill. The Technology Development Board Bill also seeks to constitute a Technology Development Board with the objective of providing equity capital or financial assistance to industrial concerns attempting commercial application of indigenous technologies or adapting imported technology to wider domestic application. The Board will also provide financial assistance to research and development institutions engaged in developing indigenous technology or assisting in adaptation of imported technology by industrial concerns.

6. The Technology Development Board Bill also seeks to constitute a Fund to be called 'Fund for Technology Development and Application'.

Apart from the cess collected this Fund will receive grants and loan from the Central Government and any sums received by the Board from any other sources. The Bill also contains the composition of the Board, provisions for powers of the Board, functions of the Board, powers of the Central Government to supersede in case of emergency or non-functioning of the Board, audit and accounts, laying of the Annual Report in the Parliament etc.

7. The Committee after considering the Bill has suggested certain amendments to the said Bill which are given in the succeeding paragraphs.

Long title of the Bill

8. The Committee notes that the proposed long title of the Bill is restricting the functions of the Board for payment of equity capital or any other financial assistance to industrial concerns only and also confined to commercial application of indigenous technology and does not provide for the development of indigenous technology as referred to in clause 6 of the Bill. *The Committee, therefore, recommend that the long title of the Bill may be amended as follows:—*

“A

Bill

to provide for the constitution of a Board for payment of equity capital or any other financial assistance to industrial concerns and other agencies attempting development & commercial application of indigenous technology or adopting imported technology to wider domestic applications and for matters connected therewith or incidental thereto”.

Constitution and incorporation of the Board

9. Sub-clause 3 of clause 3 in Chapter II of the Bill provides for the composition of the Board to be called the Technology Development Board. After considerable debate on the composition of the Board, *the Committee concluded that the following item should be added after the item (e) of sub-clause (3) of clause 3 of the proposed Bill:—*

‘(f) the Secretary to the Government of India incharge of the Ministry or Department of the Central Government dealing with Rural Development’.

10. *The Committee is also of the opinion that the Board should consist of persons having experience in technology development and application in banking and finance, industry, agriculture and rural development. The Committee, therefore, propose that the following words should be added after the words “technology development and application” in item (f) of sub-clause (3) of clause 3:—*

“banking and finance, industry, agriculture and rural development”

The existing items (f) and (g) should be re-numbered accordingly.

Functions of the Board

11. Item (a) of clause 6 provides that the Board may provide equity capital or any other financial assistance to industrial concerns attempting commercial application of indigenous technology or adapting imported technology to wider domestic applications. *The Committee, however, feels that in order to avoid all subjectivity, the following words should be added after the words "equity capital" in item (a) of clause 6 of the proposed Bill:—*

"Subject to such conditions as may be determined by regulations".

Power of the Board to make regulations

12. Clause 22 of the Bill provides for the power of the Board to make regulations. In order to bring consistency with the amendments suggested in item (a) of clause 6 of the Bill, *the Committee recommends that the following item may be added after item (a) of sub-clause (2) of clause 22:—*

(b) the conditions subject to which equity capital may be provided by the Board under item (a) of clause 6"

Item (b) of sub-clause (2) may be renumbered as item (c).

13. Having considered the proposed Bill clause by clause, the Committee approve the Technology Development Board Bill, 1995 with the proposed amendments as given in the preceding paragraphs of the Report.

NEW DELHI;
30 May, 1995

DR. DEBIPROSAD PAL,
Chairman,
Standing Committee on Finance.

9 Jyaishta, 1917 (Saka)

ANNEXURE I

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON
FINANCE HELD ON 24 MAY, 1995**

The Committee sat from 9.30 hrs. to 10.45 hrs. in Committee Room 'C', Parliament House Annexe and from 17.30 hrs. to 18.45 hrs. in Committee Room 62, Parliament House, New Delhi.

PRESENT

Dr. Debiprosed Pal — *Chairman*

MEMBERS

Lok Sabha

2. Dr. K.V.R. Chowdary
3. Shri Prithviraj D. Chavan
4. Shri S.B. Sidnal
5. Shri P.C. Chacko
6. Shri Prakash V. Patil
7. Shri B. Akber Pasha
8. Shri Sushil Chandra Varma
9. Shri Nirmal Kanti Chatterjee
10. Shri Bhogendra Jha

Rajya Sabha

11. Dr. Biplab Dasgupta
12. Dr. Shrikant Ramchandra Jichkar
13. Shri Chimanbhai Mehta
14. Shri Rajubhai A. Parmar
15. Shri T. Venkatram Reddy
16. Shri Surinder Kumar Singla
17. Shri S. Viduthalai Virumbi

SECRETARIAT

1. Shri G.C. Malhotra — *Joint Secretary*
2. Shri Satish Loomba — *Deputy Secretary*
3. Shri T.K. Mukherjee — *Assistant Director*

**OFFICIALS FROM THE MINISTRIES OF FINANCE, SCIENCE & TECHNOLOGY
AND LAW, JUSTICE AND COMPANY AFFAIRS**

1. Dr. Montek Singh Ahluwalia — *Finance Secretary.*
2. Shri P. Rama Rao — *Secretary, Science & Technology.*

3. Shri S.B. Krishnan — JS & FA, Deptt. of Science and Technology.
4. Shri K.N. Chaturvedi — Addl. Legislative Counsel, Legislative Deptt., Ministry of Law, Justice & Company Affairs.

The Chairman requested the members to express their views on the Technology Development Board Bill, 1995. Members expressed their views on the composition of the Board under Sub-clause (f) of Section 3(3) of the Bill. Some members were of the view that persons having experience in Finance and Banking should be included. Some other members were of the view that the Chairman of All India Council for Technical Education, Chairman of UGC, representative from ICAR, Members of Parliament should be also included and representation of States should be there by rotation. Some other Members were of the view that specialists from industry and agriculture are also essential on the Board. Thereafter, the Committee sought clarifications on the voting right of the co-opted members of the Committee appointed by the Board under Clause (2) of Section 5 of the Bill which were given by representatives of the Ministries. The Committee then adjourned to meet again at 17.30 hours on the same day.

When the Committee re-assembled, the Chairman placed the draft Report on The Union Duties of Excise (Distribution) Amendment Bill, 1995 for consideration of the Committee. The Committee adopted the same without any amendment and authorised the Chairman to finalise and present the Report to the Parliament.

Thereafter, the Committee took up further consideration of the Technology Development Board Bill, 1995. Clarification sought on 'indigenous technology' was given by the representatives of the Ministry. Some Members again expressed their views on the composition of the Board and desired representation of Secretary, Rural Development and Members of Parliament on the Board while some other Members expressed their reservations on such inclusions and consequent expansion of the Board.

The Chairman requested the Members to send their written suggestions/ amendments on the Bill in writing to the Secretariat latest by Friday *i.e.* 26 May, 1995.

The Committee then adjourned.

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON
FINANCE HELD ON 29 MAY, 1995

The Committee sat from 1600 hrs. to 1900 hrs in Committee Room '50',
Parliament House, New Delhi.

PRESENT

Dr. Debiprosad Pal — *Chairman*

MEMBERS

Lok Sabha

2. Dr. K.V.R. Chowdary
3. Shri Prithviraj D. Chavan
4. Shri S.B. Sidal
5. Shri Manabendra Shah
6. Shri Nirmal Kanti Chatterjee
7. Prof. Susanta Chakraborty
8. Shri Bhogendra Jha

Rajya Sabha

9. Shri Triloki Nath Chaturvedi
10. Dr. Biplab Dasgupta
11. Shri K.R. Jayadevappa
12. Shri Chimantbhai Mehta
13. Shri Rajubhai A. Parmar
14. Shri Surinder Kumar Singla
15. Dr. Shrikant Ramchandra Jichkar
16. Shri T. Venkatram Reddy

SECRETARIAT

1. Shri T.K. Mukherjee — *Assistant Director*

OFFICIALS FROM THE MINISTRIES OF FINANCE, SCIENCE AND TECHNOLOGY,
LAW, JUSTICE & COMPANY AFFAIRS

1. Shri P. Rama Rao, Secretary, Deptt. of Science & Technology
2. Shri S.B. Krishnan, Joint Secretary, Deptt. of Science and Technology.
3. Shri P.J. Nayak, Joint Secretary, Deptt. of Economic Affairs.
4. Shri K.N. Chaturvedi, Addl. Legislative Counsel, Legislative Department.
5. Shri N.K. Nampoothiry, Asstt. Legislative Counsel, Ministry of Law.
6. Shri Pradeep Puri, Director, Deptt. of Economic Affairs.
7. Shri V. Saraswathy, Under Secretary, Deptt. of Economic Affairs.

After welcoming the Members and representatives of the Ministries, the Chairman placed the draft Report on the Research and Development Cess (Amendment) Bill, 1995 for consideration of the Committee. The Committee adopted the same without any amendment and authorised the Chairman to finalise and present the report to the Parliament.

Thereafter, the Chairman invited the attention of the members to the Additional Duties of Excise (Goods of Special Importance) Amendment Bill, 1995 referred to the Committee under Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha. The Chairman also informed the members that the Bill has been brought for giving effect to the recommendations of the Tenth Finance Commission. The Committee considered the Bill and decided to support it without any amendment.

The Committee then took up clause by clause consideration of the Technology Development Board Bill, 1995 in the light of amendments received from the members.

The Long title of the Bill was discussed in detail. It was felt by the Committee that the long title of the Bill is restricting the functions of the Board for payment of equity capital/assistance to industrial concerns and it also does not provide for the development of indigenous technology and as such not consistent with clause 6 of the Bill. After considering the amendments received on the subject, it was decided that in line two of the long title of the Bill after the words "industrial concerns", the words "and other agencies" should be added. It was also decided that after the word "attempting" the words "development &" should also be added.

In Clause 3 of the Bill which provides for the composition and incorporation of Technology Development Board, it was agreed that a new item (f) may be added after the item (c) to include the Secretary to the Government of India incharge of the Ministry or Department of Central Government dealing with Rural Development as a member of the Board.

Members of the Committee were also of the view that the Board should consist of persons having experience in Technology Development and application, Banking and Finance, Industry, Agriculture and Rural Development. It was agreed that words "Banking and Finance, Industry, Agriculture and Rural Development" be added after the words "technology development and application" in item (f) of sub-clause (3) of clause 3.

Consequently, the existing items (f) and (g) should be renumbered accordingly.

On item (a) clause 6 which provides for the functions of the Board, it was felt that element of subjectivity should be avoided. It was agreed that the words "subject to such conditions as may be determined by regulations" should be added after the words "equity capital" in item (a) of clause 6.

The Committee also considered to add a new item under sub-clause (2) of clause 22 in order to bring in consistency with the amendments suggested in item (a) of clause 6 of the Bill. It was decided that a new item providing that the conditions subject to which equity capital may be provided by the Board under item (a) of clause 6 should be added after item (a) of sub-clause (2) and the existing items should be re-numbered.

All the amendments proposed were discussed but only the ones mentioned above were accepted by the Committee and certain other amendments were withdrawn by the proposers themselves.

The Bill with these amendments/modifications was adopted by the Committee.

The Committee then adjourned

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON
FINANCE HELD ON 30 MAY, 1995

The Committee sat from 1600 hrs. to 1700 hrs. in Committee Room 50,
Parliament House, New Delhi.

PRESENT

Dr. Debiprosad Pal — *Chairman*

MEMBERS

Lok Sabha

2. Dr. K.V.R. Chowdary
3. Shri S.B. Sidnal
4. Smt. Maragatham Chandrasekhar
5. Shri B. Akber Pasha
6. Shri Manabendra Shah
7. Shri Nirmal Kanti Chatterjee
8. Shri Bhogendra Jha

Rajya Sabha

9. Shri Triloki Nath Chaturvedi
10. Dr. Biplab Dasgupta
11. Shri K.R. Jayadevappa
12. Dr. Shrikant Ramchandra Jichkar
13. Shri Rajubhai A. Parmar
14. Shri T. Venkatram Reddy
15. Shri Surinder Kumar Singla

SECRETARIAT

1. Shri Satish Loomba — *Deputy Secretary*
2. Shri T.K. Mukherjee — *Assistant Director*

The Chairman welcomed the members and placed the draft reports on the two bills, viz., (i) The Technology Development Board Bill, 1995 and (ii) Additional Duties of Excise (Goods of Special Importance) Amendment Bill, 1995 for the consideration of the Committee. The Draft Report on Additional Duties of Excise (Goods of Special Importance) Amendment Bill, 1995 was adopted unanimously by the Committee without any amendment. The Draft Report on the Technology Development Board Bill, 1995 was also adopted with minor linguistic changes. However, one member, Shri Bhogendra Jha suggested the

inclusion of Members of Parliament in the composition of the Board. Despite dissuasion by the other members, who were not in favour of this amendment. Shri Bhogendra Jha insisted on retention of this amendment to which the Committee did not agree. Consequently, Shri Jha gave a Note of Dissent.

The Committee authorised the Chairman to finalise and present the Reports to Parliament.

The Committee then adjourned

Date: 30.5.95

NOTE OF DISSENT

It is good that the Standing Committee on Finance discussed The Technology Development Board Bill, 1995 (Bill No. 26 of 1995) and amended it on some important points unanimously. Particularly heartening is the inclusion of the Secretary of the Ministry or Department of Rural Development. A country of our size having above nine hundred millions of heads and double of that hands requires development of indigenous technology and adaptation of even foreign technology suiting our conditions. Hence, appropriate technology, whether big or medium or small or tiny has got to be developed and propagated for widespread application to the maximum extent possible.

With that end in view I had suggested one more amendment in Clause 3 of the Bill to have members in the Board representing both Houses of Parliament. This can supplement and compliment the experience and knowledge of the officials from various Ministries and Departments. Members of Parliament from both the Houses will be in a position to pool the experiences of the developed and developing technologies from various parts of the country. Such technologies are developed in various fields by small innovators in rural and urban areas but are not utilised for the country's advancement due to the lack of resources and means at their disposal. Members of Parliament can be an instrument in pooling such experiences resulting in more comprehensive assessment and decisions by the Board. My amendment had suggested inclusion of eleven members of Parliament. But the number can be altered. Non-inclusion of representatives of Parliament and through it of the people will disable the Board from taking a more comprehensive view and to that extent the Board will remain incomplete and one-sided.

Hence, I deem it my duty to submit this note of dissent to the otherwise unanimously adopted Report of the Committee.

Sd/-
(BHOGRENDRA JHA)
Div. No. 279

THE TECHNOLOGY DEVELOPMENT BOARD BILL, 1995

A

BILL

to provide for the constitution of a Board for payment of equity capital or any other financial assistance to industrial concerns attempting commercial application of indigenous technology or adopting imported technology to wider domestic applications and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Forty-sixth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Technology Development Board Act, 1995. *Short title, and Commencement.*

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. In this Act, unless the context otherwise requires,—

(a) "Board" means the Technology Development Board constituted under sub-section (1) of section 3; *Definitions.*

(b) "Chairperson" means the Chairperson of the Board;

(c) "Fund" means the Fund for Technology Development and Application constituted under sub-section (1) of section 9;

(d) "member" means a member of the Board and includes the Chairperson;

(e) "prescribed" means prescribed by rules made under this Act;

(f) "Secretary" means the Secretary of the Board appointed under sub-section (1) of section 4;

32 of 1986.

(g) words and expressions used herein and not defined but defined in the Research and Development Cess Act, 1986, shall have the meanings respectively assigned to them in that Act.

CHAPTER II

TECHNOLOGY DEVELOPMENT BOARD

*Constitution and
incorporation of
the Board.*

3. (1) The Central Government shall, by notification in the Official Gazette, constitute, for the purposes of this Act, a Board, to be called the Technology Development Board.

(2) The Board shall be a body corporate by the name aforesaid having perpetual succession and a common seal with power, subject to the provisions of this Act, to contract and shall, by the said name, sue and be sued.

(3) The Board shall consist of the following members, namely:—

(a) the Secretary to the Government of India incharge of the Ministry or Department of the Central Government dealing with Science and Technology

*ex-officio
Chairperson;*

(b) the Secretary to the Government of India incharge of the Ministry or Department of the Central Government dealing with Scientific and Industrial Research

ex-officio;

(c) the Secretary to the Government of India incharge of the Ministry or Department of the Central Government dealing with Finance (Expenditure)—

ex-officio;

(d) the Secretary to the Government of India incharge of the Ministry or Department of the Central Government dealing with Defence Research and Development—

ex-officio;

(e) the Secretary to the Government of India incharge of the Ministry or Department of the Central Government dealing with Industrial Development—

ex-officio;

(f) such number of persons, not exceeding four as may be prescribed, to be appointed by the Central Government from amongst persons have experience in technology development and application; and

(g) Secretary of the Board—

ex-officio.

(4) The term of office and other conditions of service of members specified in clause (f) of the sub-section (3) shall be such as may be prescribed.

(5) The chairperson shall, in addition to presiding over the meetings of the Borad, exercise and discharge such powers and duties of the Board as may, be delegated to him by the Board and such other powers and duties as may be, prescribed.

(6) No act or proceeding of the Board shall be invalidated merely by reason of—

(a) any vacancy in, or any defect in the constitution of, the Board;

(b) any defect in the appointment of a person acting as a member of the Board;

(c) any irregularity in the procedure of the Board not affecting the merits of the case.

Secretary and other officers and employees of the Board.

4. (1) The Board may appoint the Secretary and such other officers and employees as it considers necessary for the efficient discharge of its functions under this Act.

(2) The terms and conditions of service of the Secretary and other officers and employees of the Board shall be such as may be determined by regulations.

Committees of the Board.

5. (1) Subject to the rules made in this behalf, the Board may appoint such committees as may be necessary for the efficient discharge of its duties and performance of its functions under this Act.

(2) The Board shall have the power to co-opt as members of any committee appointed under sub-section (1) such number of persons who are not members of the Board as it may think fit, and the person so co-opted shall have the right to attend the meetings of the committee, and take part in the proceedings of the committee, but shall not have the right to vote.

Functions of Board.

6. The Board may—

(a) Provide equity capital or any other financial assistance to industrial concerns attempting commercial application of indigenous technology or adapting imported technology to wider domestic applications;

(b) Provide financial assistance to such research and development institutions engaged in developing indigenous technology or adaption of imported technology for Commercial application as may be recognised by the Central Government;

(c) Perform such other functions as may be entrusted to it by the Central Government.

CHAPTER III

APPLICATION FOR GRANT OF FINANCIAL ASSISTANCE

7. (1) An application for grant of financial assistance for the purposes mentioned under section 6 shall be made to the Board in such form as may be prescribed.

Application for grant of financial assistance, etc.

(2) The Board may, after examining the application and after making such enquiries as it deems necessary by order in writing, either grant the financial assistance or refuse to grant the same:

Provided that no refusal of grant shall be made unless an opportunity is given to the applicant of being heard.

CHAPTER IV

FINANCE ACCOUNTS AND AUDIT

8. The Central Government may, after due appropriation made by Parliament by law, in this behalf, make to the Board grants and loans of such sums of money as that Government may consider necessary.

Grants and loans by the Central Government.

9. (1) There shall be constituted a Fund to be called the Fund for Technology Development and Application and there shall be credited to the Fund—

Fund for Technology Development and Application.

(a) any grants and loans made to the Board by the Central Government under section 8;

(b) all sums received by the Board from any other source;

(c) recoveries made of the amounts granted from the Fund; and

(d) any income from investment of the amount of the Fund.

(2) The Fund shall be applied for meeting—

(a) expenses on the objects and for the purposes authorised by this Act;

(b) salaries, allowances and other expenses of officers and other employees of the Board; and

(c) expenses of the Board in the discharge of its functions under this Act.

10. On and from the commencement of this Act,—

Transfer of money receipts and liabilities.

(a) the moneys standing at the credit of the Venture Capital Fund formed under section 5 of the Research and Development Cess Act, 1986 which is part of the Development Assistance Fund established by the Development Bank under section 14 of the Industrial Development Bank of India Act, 1964 shall stand transferred to and vest in the Board;

32 of 1986.

18 of 1964.

(b) all sums of money due to the Development Bank immediately before such commencement shall be deemed to be due to the Board;

(c) all debts, obligations and liabilities incurred, all contracts or agreements entered into and all matters and things engaged to be done by, with or for the Development Bank immediately before such commencement for or in connection with the purpose of the Venture Capital Fund shall be deemed to have been incurred, entered into or engaged to be done by, with or for the Board; and

(d) all suits and other legal proceedings instituted or which could have been instituted by or against the Development Bank immediately before such commencement may be continued or instituted by or against the Board.

Budget.

11. The Board shall prepare in such form and at such time in each financial year, as may be prescribed, its budget for the next financial year, showing the estimated receipts and expenditure of the Board and forward the same to the Central Government.

Annual report.

12. The Board shall prepare, in such form and at such time in each financial year, as may be prescribed, its annual report, giving a full account of its activities during the previous financial year, and submit a copy thereof to the Central Government.

Accounts and audit.

13. (1) The Board shall maintain proper accounts and other relevant records and prepare an annual statement of accounts in such form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor-General of India.

(2) The Comptroller and Auditor-General of India or any other person appointed by him in connection with the auditing of the accounts of the Board under this Act shall have the same rights and privileges and the authority in connection with such audit as the Comptroller and Auditor-General of India has in connection with the auditing of the Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the Board under this Act.

(3) The accounts of the Board shall be audited by the Comptroller and Auditor-General of India annually and any expenditure incurred in connection with such audit shall be payable by the Board to the Comptroller and Auditor General of India.

(4) The Board shall furnish to the Central Government before such date as may be prescribed its audited copy of accounts together with auditor's report.

14. The Central Government shall cause the annual report and auditor's report to be laid, as soon as may be after they are received, before each House of Parliament.

Annual report and auditor's report to be laid before Parliament.

CHAPTER V MISCELLANEOUS

15. (1) An industrial concern or an institution receiving financial assistance from the Board shall furnish returns to the Board in such form and at such time as may be determined by regulations.

Returns to be furnished to the Board.

(2) The Board may authorise an officer to visit any industrial concern or institution referred to in sub-section (1) at any time to verify the accuracy of any return made under this section.

16. (1) Without prejudice to the foregoing provisions of this Act, to the Board shall, in the discharge of its functions and duties under this Act, be bound by such directions on questions of policy as the Central Government may give in writing to it from time to time:

Power of the Central Government to issue directions.

Provided that the Board shall, as far as practicable, be given an opportunity to express its views before any direction is given under this sub-section.

(2) The decision of the Central Government whether a question is one of the policy or not shall be final.

17. (1) If at any time the Central Government is of opinion—

Power of the Central Government to supercede the Board.

(a) that on account of grave emergency, the Board is unable to discharge the functions and duties imposed on it by or under the provisions of this Act; or

(b) that the Board has persistently made default in complying with any direction issued by the Central Government under this Act or in the discharge of the functions and duties imposed on it by or under the provisions of this Act and as a result of such default the financial position of the Board or the administration of the Board has deteriorated; or

(c) that circumstances exist which render it necessary in the public interest so to do.

the Central Government may, by notification in the

Official Gazette, supersede the Board for such period, not exceeding six months, as may be specified in the notification.

(2) Upon the publication of a notification under sub-section (1) superseding the Board,—

(a) all the members shall, as from the date of supersession, vacate their offices as such;

(b) all the powers, functions and duties which may, by or under the provisions of this Act, be exercised or discharged by or on behalf of the Board, shall, until the Board is reconstituted under sub-section (3), be exercised and discharged by such person or persons as the Central Government may direct; and

(c) all property owned or controlled by the Board shall, until the Board is reconstituted under sub-section (3), vest in the Central Government.

(3) On the expiration of the period of supersession specified in the notification issued under sub-section (1), the Central Government may reconstitute the Board by a fresh appointment and in such case any person or persons who vacated their offices under clause (a) of sub-section (2), shall not be deemed to be disqualified for appointment:

Provided that the Central Government may, at any time, before the expiration of the period of supersession, take action under this sub-section.

(4) The Central Government shall cause a notification issued under sub-section (1) and a full report of any action taken under this section and the circumstances leading to such action to be laid before each House of Parliament at the earliest.

Delegation.

18. The Board may, by general or special order in writing delegate to the Chairperson or any other member or to any officer of the Board, subject to such conditions and limitations, of any, as may be specified in the order, such of its powers and functions under this Act (except the power under section 22) as it may deem necessary.

Members, officers and employees of the Board to be public servants.

19. All members, officers and other employees of the Board shall be deemed, when acting or purporting to act in pursuance of any of the provisions of this Act, to be public servants within the meaning of section 21 of the Indian Penal Code.

20. No prosecution or other legal proceeding shall lie against the Government, or the Board or any committee appointed by it, or any member of the Board or such committee, or any officer or employee of the Government or the Board or any other person authorised by the Government or the Board for anything which is in good faith done or intended to be done under this Act or the rules or regulations made thereunder.

Protection of action taken in good faith.

21. (1) The Central Government may, by notification in the Official Gazette, make rules to carry out the provisions of this Act.

Power of Central Government to make rules.

(2) Without prejudice to the generality of the foregoing power such rules may provide for all or any of the following matters, namely:—

(a) the number of members of the Board under clause (f) of sub-section (3) of section 3;

(b) the term of office and other conditions of service of the members of the Board under sub-section (4) of section 3;

(c) the powers and duties of the Chairperson under sub-section (5) of section 3;

(d) the constitution of committees under sub-section (1) of section 5;

(e) the form of application under sub-section (1) of section 7;

(f) the form in which, and the time at which, the Board shall prepare its budget under section 11, and its annual report under section 12;

(g) the form of annual statement of accounts under sub-section (1) of section 13 and the date before which the audited copy of the accounts may be furnished to the Central Government under sub-section (4) of that section;

(h) any other matter which is to be, or may be, prescribed or in respect to which provision is to be, or may be, made by rules.

22. (1) The Board may, with the previous approval of the Central Government, by notification in the Official Gazette, make regulations consistent with this Act and the rules generally to carry out the provisions of the Act.

Power of Board to make regulations.

(2) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely:—

(a) The terms and conditions of service of the Secretary and other officers and employees of the Board under sub-section (2) of section 4;

(b) The form in which and the time at which returns may be furnished to the Board under sub-section (1) of section 15.

Rules and regulations to be laid before Parliament.

23. Every rule and every regulation made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or regulation or both Houses agree that the rule or regulation should not be made, the rule or regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be, so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or regulation.

STATEMENT OF OBJECTS AND REASONS

This Bill is complementary to the Research and Development Cess (Amendment) Bill, 1995. Under the Research and Development Cess (Amendment) Bill, 1995 it is proposed that the cess levied and collected under the Research and Development Cess Act, 1986 shall be credited to a fund created under this Bill.

2. The Technology Development Board Bill, 1995 seeks to provide for the constitution of a Board for payment of equity capital or any other financial assistance to industrial concerns and institutions attempting commercial application of indigenous technology or adapting imported technology to wider domestic applications and for matters connected therewith or incidental thereto.

3. The Bill seeks to achieve the above objects.

NEW DELHI;
The 13th February, 1995.

MANMOHAN SINGH