GOVERNMENT OF INDIA SCIENCE AND TECHNOLOGY LOK SABHA

STARRED QUESTION NO:28 ANSWERED ON:22.07.2015 Financial Assistance by TDB K. Shri Parasuraman

Will the Minister of SCIENCE AND TECHNOLOGY be pleased to state:

- (a) the objectives and the role of Technology Development Board (TDB) and the nature of projects/institutions/activities being funded by the Board including the modes of financial assistance;
- (b) whether the financial assistance provided by TDB to the industrial sector is significantly very small;
- (c) if so, the details thereof and the reasons therefor including the financial assistance provided by TDB to various sectors during each of the last three years and the current year; and
- (d) whether the Board proposes to increase the financial assistance so as to encourage/ promote research and development of indigenous technology and if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER FOR MINISTRY OF SCIENCE AND TECHNOLOGY AND EARTH SCIENCES (DR. HARSH VARDHAN)

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(a) to (d): A statement is laid on the Table of the House. Contd..2/-

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STATEMENT AS REFERRED IN REPLY TO PARTS (a) to (d) OF LOK SABHA STARRED QUESTION NO. 28 FOR 22.07.2015 REGARDING FINANCIAL ASSISTANCE BY TDB

(a) By the Technology Development Board Act of 1995, the Government of India has constituted a Technology Development Board (TDB) to provide equity capital or any other financial assistance to industrial concerns and other agencies attempting commercial application of indigenous technology or adapting imported technology for wider domestic application.

For the above stated purpose TDB can provide financial assistance in the form of equity, loan or grant. So far grant is concerned, it has been provided only to the projects of public sector units, projects in north east and under seed support scheme to the National Science and Technology Entrepreneurship Development Board (NSTEDB), Department of Science and Technology (DST) supported incubators for providing seed level financing to start ups.

The equity has been provided in some projects where it was felt that they are of national importance and by way of contribution in Venture Capital Funds who primarily invest in technology oriented projects.

The main chunk of TDB's financial assistance is in the form of soft loan @ 5% simple interest per annum limited to 50% of the project cost for a project undertaking commercialization of indigenous technologies.

Since inception till June, 2015, TDB has so far provided financial assistance of Rs. 1249.85 crores to the industrial concerns in 324 projects with the details given as under:

• Soft Loans to 264 Companies with a total disbursement of Rs. 876.84 Cr. approx.

• Equity Investments in 5 Companies with a total disbursement of Rs. 13.33 Cr. approx.

• Equity Contribution in 13 VCFs with a total disbursement of Rs. 222.85 Cr. approx.

• Grants to 42 projects with a total disbursement of Rs. 136.83 Cr. Approx.

(b) As per Technology Development Board (TDB's) mandate, TDB provides financial assistance to the industrial concerns/companies which are undertaking commercialization of indigenous technologies or adapting imported technologies for wider domestic application.

Although there is no cap on TDB funding to the projects, however, as most of the projects are for commercialization of indigenous technology, it has been seen that the project cost in Contd..3/-

projects financed by TDB so far ranges from Rs. 1.00 crore to Rs. 30.00 crores and as per TDB's policy, the financial assistance is limited to 50% of the project cost.

© TDB"s support covers various sectors such as Healthcare, Engineering, Agriculture, Energy & Waste Utilization, Telecommunication and Information Technology etc. The year wise details of technology projects received and financed during the last three (3) years are as under:

Year Technology Proposals received Projects financed Year Amount disbursed

(Rs. in crores)

2012-13 65 25 116.21

2013-14 44 17 99.11

2014-15 28 NIL 10.19

2015-16

(Current year) 5 NIL 16.21

Sector-wise Details of TDB funded projects in 2012-13, 2013-14, 2014-15 & 2015-16
Year Sector No. of Projects funded Type of funding
(1) (2) (3) (4)
2012-13 Health & Medical 6 Loan
Engineering 4 Loan
Electronics 2 Loan
Chemical 3 Loan
Agriculture 1 Loan
Information Technology 6 Loan
Others
VCFs 2 Equity
Millennium Alliance (MA) 1 Grant
Total 25

2013-14 Health & Medical 6 Loan Engineering 5 Loan Electronics 1 Loan Chemical 1 Loan Agriculture 1 Loan Information Technology 1 Loan Telecom 1 Loan Others GITA 1 Equity Total 17 2014-15 NIL 2015-16 NIL

Contd..4/-

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(d) All the proposals which were received were put to TDB's evaluation process and the ones which were found fit were provided TDB's financial assistance which is limited to 50% of the project cost. The matter to increase financial assistance under TDB therefore is not under consideration at the moment.