

The Technology Development Board Act, 1995

(ACT NO. 44 OF 1995)

[*As on the 1st June*, 2026]

LIST OF ABBREVIATIONS USED

G.S.R.	*for*	General Statutory Rules.
S.O	„	Statutory Order.
Notifn.	„	Notification.

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THE TECHNOLOGY DEVELOPMENT BOARD ACT, 1995

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THE TECHNOLOGY DEVELOPMENT BOARD ACT, 1995

ACT NO. 44 OF 1995

[16*th December,* 1995.]

An Act 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 and commercial application of indigenous technology or adapting 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. Short title and commencement.—(*1)* This Act may be called the Technology Development Board Act, 1995.

(*2*) It shall come into force on such date[1] as the Central Government may, by notification in the Official Gazette, appoint.

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

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

(*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;

(*g*) words and expressions used herein and not defined but defined in the Research and Development Cess Act, 1986 (32 of 1986), shall have the meanings respectively assigned to them in that Act.

CHAPTER II

TECHNOLOGY DEVELOPMENT BOARD

3. Constitution and incorporation of the Board.—(*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;

1. 1st November, 1996, *vide* notification No. S.O. 602(E), dated 29th August, 1996, *see* Gazette of India, Extraordinary, Part II, sec. 3(*ii*).

(*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*) the Secretary to the Government of India incharge of the Ministry or Department of the Central Government dealing with Rural Development	*ex officio;*
(*g*) such number of persons, not exceeding four as may be prescribed, to be appointed by the Central Government from amongst persons having experience in technology development and application, banking and finance, industry, agriculture and rural development; and	
(*h*) Secretary of the Board.	*ex officio.*

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

(*5*) The Chairperson shall, in addition to presiding over the meetings of the Board, 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.

4. Secretary and other officers and employees of the Board.—(*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.

5. Committees of the Board.—(*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.

6. Functions of the Board.—The Board may—

(*a*) provide equity capital, subject to such conditions as may be determind by regulations, or any other financial assistance to industrial concerns and other agencies 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 adaptation 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. Application for grant of financial assistance, etc.—(*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.

(*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. Grants and loans by the Central Government.—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.

9. Fund for Technology Development and Application.—(*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—

(*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. Transfer of money receipts and liabilities.—On and from the commencement of this Act,—

(*a*) the moneys standing at the credit of the Venture Capital Fund formed under section 5 of the Research and Development Cess Act, 1986 (32 of 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 (18 of 1964) shall stand transferred to and vest in the Board;

(*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

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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.

11. Budget.—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.

12. Annual report.—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.

13. Accounts and audit.—(*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. Annual report and auditor's report to be laid before Parliament.—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.

CHAPTER V

MISCELLANEOUS

15. Returns to be furnished to the Board.—(*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.

(*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. Power of the Central Government to issue directions.—(*1*) Without prejudice to the foregoing provisions of this Act, 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:

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. Power of Central Government to supersede the Board.—(*1*) If at any time the Central Government is of opinion—

(*a*) that on account of grave emergency, the Board is unable to discharge the functions and the 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.

18. Delegation.—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, if 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.

19. Members, officers and employees of the Board to be public servants.—All members, officers and another 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 (45 of 1860).

20. Protection of action taken in good faith.—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.

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

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

(*a*) the number of members of the Board under clause (*g*) 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 of which provisions is to be, or may be, made by rules.

22. Power of Board to make regulations.—(*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 this Act.

(*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 conditions subject to which equity capital may be provided by the Board under clause (*a*) of section 6;

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

23. Rules and regulations to be laid before Parliament.—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.

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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.

MANMOHAN SINGH.

NEW DELHI;

The 13*th February,* 1995.

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