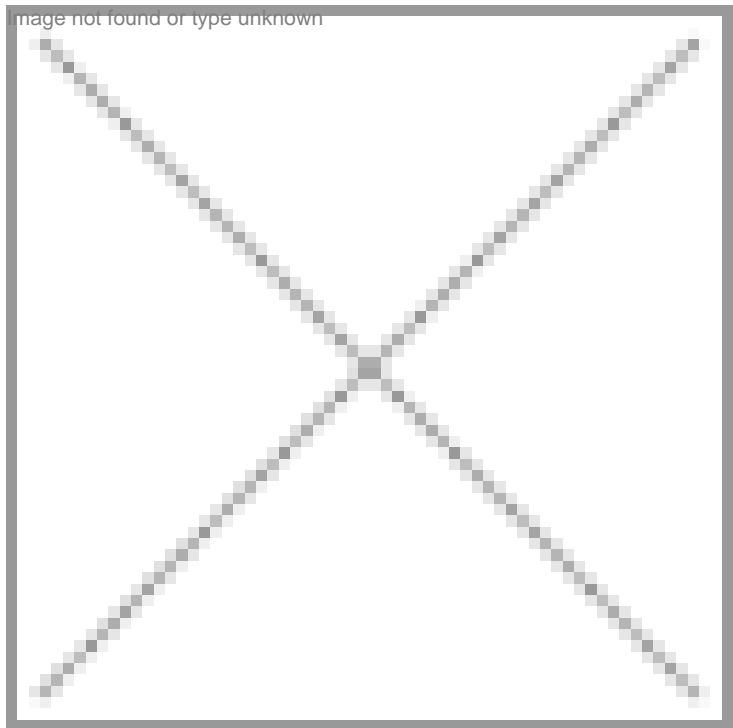


"TDB's role encompasses that of a venture capitalist and a financial institution but is still broader in scope"

10 May 2005 | News



In a chat with with BioSpectrum, Dr H Purushottam, advisor, TDB, outlines the unique features of the Board and its various initiatives.

What is the mandate of the Technology Development Board?

The Technology Development Board is the first organization of its kind within the government framework with the sole objective of translating the fruits of indigenous research into commercial products and services. The board plays a proactive role by encouraging commercial enterprises to take up technology-oriented projects.

It offers soft loans to the Small and Medium Enterprises (SMEs), to technopreneurs, for commercializing new innovative indigenous technologies, for adapting foreign technologies to Indian conditions in terms of raw material and process.

What are the unique features of the Board?

The TDB is a unique institution operating in this arena in the country. Its role encompasses that of a venture capitalist and a financial institution but is still broader in scope. Besides the financial assistance, it offers handholding, techno marketing, mentoring, technical assistance and an enabling environment to the organization. Thus the board offers the best of both worlds to an entrepreneur.

The TDB offers brand equity, which is evident from the fact that by leveraging its funds, the board has been able to mobilize about Rs 2,000 crore for the entrepreneurs from banks and other financial institutions.

Secondly, the board funds about 50 percent of the total project cost and offers soft loans at the rate 5 percent simple interest in comparison to 13-14 percent interest charged by banks and financial institutions. The board does not levy processing, administrative or commitment charges. There is no levy of royalty too.

The board has given a great boost to the first generation entrepreneurs and has created many success stories. At present we are collaborating with financial institutions, state financial cooperatives, commercial banks, industrial cooperatives and venture capitalists to leverage on TBD's techno financial resources to have a large impact on the society.

What is the biggest strength of the TDB?

The biggest strength of the TDB is its highly technically competent project evaluation committee, project monitoring committee, and the committee of experts.

Before the approval of a project, the board does a technical appraisal of the submitted proposal. This is done so thoroughly that it is considered a benchmark. The success rate of screening of project proposals by the TDB is just 35-40 percent because of its stringent and scientific approval. Most of the banks and financial institutions to which the project is later submitted for further assistance, do not bother to do the technical appraisal again. The TDB has experts like Dr NK Ganguly, director general, ICMR, Prof G Padmanabhan, honorary professor, IISc, on its board, which help in the evaluation and feasibility study of projects. This is the primary reason for the high rate of success of the TDB and its brand equity.

What is the time frame for approval of projects?

The time taken for approval ranges from 2-4 months depending on the size of the funding required and the completeness of the application. If the project funding is to the tune of Rs 5 crore or less, then the time required for approval is about two months and if the funding required is between Rs 5 and 20 crore, then the time taken for approval is about 4 months.

What are the new initiatives launched by the TDB?

To leverage its investment, the TDB has joined hands with the private venture capitalists to provide equity to start-ups or companies in the growth phase. It is a part of the Rs 150-crore APIDC Venture Capital Fund, Hyderabad exclusively focused on biotechnology and the board's share is about Rs 30 crore in it. The TBD is also a part of the Rs 700-crore UTI VF's Ascent India Fund and Rs 115 crore UTI-ITUVS, Bangalore, which concentrate on IT, telecom, biotechnology, pharma and healthcare. These funds help in identifying potential entrepreneurs and start-ups.

Another initiative is to provide seed funding to the Technology Business Incubators in the country. For this, five incubators have been selected and Rs one crore has been made available to each of them through the National Science and Technology Entrepreneur Development Board. This money shall be used by the incubator manager to help some of the potential technologies to arrive at the proof of concept stage. The shortlisted incubators are Vellore Institute of Technology, Vellore; JSS Academy, Noida; IIM Ahmedabad; IIT Mumbai; and Science and Technology Entrepreneur Park (STEP) Trichy. This initiative will help the entrepreneurs to arrive at the experimental proof of concept stage in their projects.

We have recently signed an MoU recently with 'Anvar', France, an agency similar to the TDB in India, for synergizing on efforts in commercializing technologies in both the countries.

The board has launched an aggressive outreach program too. The TDB along with the DST are coordinating the "Technology Day" award function for entrepreneurs for successful commercialization of indigenous technology.

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