What is Technology Development Fund (TDF) Scheme?

July 12, 2024 • vajiramandravi.com

About Technology Development Fund (TDF) Scheme:

- It has been established to promote **self-reliance in Defence Technology** as a part of the 'Make in India' initiative.
- It is a programme of the **Ministry of Defence.**
- This programme is **executed by the DRDO** to meet the requirements of the Tri-Services, Defence Production, and DRDO.
- The Scheme **encourages the participation of public/private industries**, **especially MSMEs and startups**, so as to create an ecosystem for enhancing cutting-edge technology capability in the defence sector.
- In addition to providing the **grants-in-aid** for the **development of indigenous technology**, the scheme also provides the industry with various benefits.
- **Funding Support**:

    - The project cost of **up to INR 50 crore** will be considered for funding.
    - The funding may be **up to 90% of** the **total project cost.**
    - Industry **may work** in **collaboration with academia** or research institutions. The work **involvement of academia cannot exceed 40%** of the total **project cost**.
    - The **funding** will be **linked to mutually agreed milestones**.
    - Funds will be **released either in advance** against a bank guarantee of the same amount as collateral, **or reimbursement based on the completion of milestones**.
    - Subsequent installments will be released on successful completion of milestones.
- **Project Duration:** The maximum development period will be **four (4) years.**
- **Eligibility**:
    - **A public limited company, a private limited company**, a **partnership firm**, a limited liability partnership, a **one-person company**, or a sole proprietorship registered as per applicable Indian laws registered in India **especially MSMEs** and **Startups.**
    - The industry must be **owned and controlled by a resident Indian citizen**.
    - An entity with **excess of 49 percentforeign investment** will **not be eligible.**
    - **Startups must be recognized by the** Department for Promotion of Industry and Internal Trade (**DPIIT**) as per Government of India (GOI) guidelines.
    - **Startups incorporated for less than three years** from date of submission of application will be considered as **nascent startups**.
- A nascent Startup should be incubated at one of the Central/State government assisted incubators.
    - **Startups should not** have **received any grants**/grants-in-aid by any government scheme **for a similar technology.**
    - The **startup** must be **owned and controlled by a Resident Indian citizen** with a **shareholding of at least 51%.**

Q1: What is the Defence Research and Development Organisation (DRDO)?

DRDO is the R&D wing of Ministry of Defence, Govt of India, with a vision to empower India with cutting-edge defence technologies and a mission to achieve self-reliance in critical defence technologies and systems, while equipping our armed forces with state-of-the-art weapon systems and equipment in accordance with requirements laid down by the three Services. DRDO was formed in 1958 by merging the then-existing Technical Development Establishment (TDEs) of the Indian Army and the Directorate of Technical Development and Production (DTDP) with the Defence Science Organisation (DSO).

Source: DRDO approves seven technologies for development by private sector

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