



FIRST ANNUAL REPORT



Software Technology Parks of India



Governing Council

Shri C. K. Modi , Secretary Department of Electronics Electronics Niketan 6 CGO Complex, Lodi Road New Delhi-110003	Chairman
Shri V. K. Malhotra , Joint Secretary Ministry of Home Affairs, North Block New Delhi-110001	Member
Shri U. K. Sen , Joint Secretary Department of Revenue, North Block New Delhi-110001	Member
Shri Shyamal Dutta , Joint Director Intelligence Bureau 25 Akbar Road New Delhi-110001	Member
Shri Ashok Jha , Joint Secretary Ministry of Commerce Udyog Bhavan New Delhi-110001	Member
Shri S. W. Oak , Joint Secretary & Financial Advisor Department of Electronics Electronics Niketan 6 CGO Complex, Lodi Road New Delhi-110003	Member
Shri N. Gopalaswami , Joint Secretary Department of Electronics Electronics Niketan 6 CGO Complex, Lodi Road New Delhi-110003	Member
Shri R. H. Naqvi , Executive Director Electronics & Computer Software Export Promotion Council (ESC) PHD House, Opp Asian Games Village New Delhi-110016	Member
Shri A. K. Mittal , Director (CS) Department of Telecommunications Sanchar Bhavan, New Delhi-110001	Member
Shri N. R. Narayanmurthy Infosys Consultants (Pvt.) Ltd. K 310, 1st Main Road 5th Block, Koromangala Bangalore-560034	Member
Shri S. Padmanabhan Mafatlal Centre 7th Floor, Nariman Point Bombay-400021	Member
Shri S. W. Patwardhan , Manager (Project Finance Division) IDBI (Industrial Development Bank of India) Bombay-400005	Member
Dr. Sunil K. Agrawal , Director Software Technology Parks of India New Delhi-110003	Member Secretary

The Governing Council of Software Technology Parks of India (STPI) have great pleasure in presenting the first annual report on the activities of the society for the period covering September 1991 - March 1993.

1.0 INTRODUCTION

Information Technology (IT) is becoming a dominant industry in the world economy. In India, the potential leverage of IT is considerable, particularly, in computer software exports. Computer software industry is a skilled manpower and knowledge intensive sector, does not need a very high capital base and hence has the potential to create gainful employment on a significant scale in India considering our wide base in technical education and our pool of professional talent. The software development industry is also non-polluting, low on power consumption and location independent. All these make for high potential for growth and the Indian computer software industry has also shown fast growth over the last few years. But the lack of infrastructure was impeding development and consequently, the potential was not being realised fully and our share of the world market remained rather insignificant. Keeping in view the above factors, the Department of Electronics conceived the Software Technology Park (STP) Scheme to give a boost to Software industry in general and software exports in particular.

2.0 STPI AND THE STP SCHEME

2.1 **Software Technology Parks of India (STPI)** was established and registered as a society under Societies Registration Act 1860, under the Department of Electronics, Govt. of India on June 5, 1991 with the purpose of managing the operations of Software Technology Parks (STPs) that were to be established at Hyderabad, Noida, Gandhinagar and Thiruvananthapuram. These STPs were established in August 1991. In September, 1991 the management of STPs at Pune, Bhubaneswar and Bangalore was brought under STPI.

2.2 The **Software Technology Park (STP) scheme** is a 100% export oriented scheme for encouraging software development for export. The STPs also act as resource centres for the member computer software exporting units by offering general infrastructural facilities like utility power, ready to use built-up space, centralised computing facility and data communication facility depending upon requirement of the STP units. Units under STP scheme can be set-up in the STP complex; they can also operate from their own premises but in both the cases units will have access to the centralised infrastructural facilities and services offered by STPs.

2.3 OBJECTIVES

2.3.1 Software Technology Parks have been set-up with the following main objectives.

- * To establish and manage the infrastructural resources such as data communication facilities, core computer facilities, built-up space, common amenities, etc.
- * To provide services (import certification, software valuation, project approvals, etc.) to the users who undertake software development for export purposes.
- * To promote development and export of software and software services through technology assessments, market analysis, marketing segmentation, marketing support, etc.
- * To train professionals and to encourage design and development in the field of software technology and software engineering.

2.3.2 The Hon'ble Minister incharge of the Department of Electronics (DoE), is the Visitor of the Society. The organisational activities of the Society are managed by the Governing Council (GC). The Secretary to the Govt of India, Department of Electronics is the Chairman of the Governing Council. The Governing Council has representatives from Ministry of Commerce, Department of Telecommunications, Department of Revenue, Department of Electronics etc. At each STP centre a local Management Committee known as the Standing Executive Board has been established with the Director of the STP as Chairman and with representation from the state government and user industry.

3.0 ACHIEVEMENTS

3.1 GENERAL INFRASTRUCTURE

During the period under report, all the STPs have been able to put together general infrastructural facilities that are required by the STP member units for setting up their operations such as ready to use built-up space, utility power including back-up power (UPS & DG sets), security, EPABX, office automation equipments, etc.

3.2 COMPUTING FACILITY

Based on the requirements of the STP units, centralised computing facilities were established. Presently IBM AS/400 mainframe computer is available as Central Computing facility at the STPs at Pune, Bangalore and Bhubaneswar.

3.3 HIGH SPEED DATA COMMUNICATION (HSDC) FACILITY

3.3.1 Realising the importance of reliable and efficient data communication facilities in computer software exports and also keeping in view the existing inadequate data communication infrastructure in the country, a decision was taken by STPI to invest in High Speed Data Communication facilities in the STPs located at Bangalore, Thiruvananthapuram, Hyderabad and Gandhinagar. F-3 IBS Earth Stations serving as International Gateways providing nx64 Kbps data communication connectivity with access to STP units are being established in these centres. STP units within 30 Kms radius of the earth station will also be connected through line-of-sight point-to-multipoint TDMA microwave links, bypassing the relatively less reliable terrestrial lines, thus eliminating the 'last-mile' problem. The installation of earth station facilities has been entrusted to the Videsh Sanchar Nigam Limited (VSNL).

3.3.2 The installations and the integration of earth station and TDMA system has been completed at Bangalore. At Hyderabad IBS earth station has been installed and integration with TDMA equipment is currently in progress.

3.3.3 Value Added Services

An integrated network service called 'SoftNET' was designed and developed for providing various value added services like E-Mail, File Transfer, Video Conferencing etc. required by software exporters doing off-shore development of software. An extensive portfolio of services has been planned under SoftNET to cater to the needs of software exporters. 'SoftNET' users shall have access to the following services:

- * **SoftPOINT** a point to point nx64 fully digital leased channel service.
- * **SoftLINK** a TCP/IP based multi vendor INTERNET network service.
- * **SoftPAC** a X.25 based Public Switched Data Network (PSDN) service.

3.4 INDUSTRY PROFILE

Around 227 software exporting units have been accorded Government's approval to operate under STP scheme. Software worth Rs.7100 lacs has been exported by the units operating under STP scheme during the period under report.

3.5 TRAINING

As training is necessary for skill formation for software development, STPs have conducted the following training courses during the period under report.

1. Four training programmes on IBM-AS 400 at Pune and Bangalore.
2. Software Quality Assurance Seminar on ISO 9000 at STP Hyderabad

4.0 PROJECT IMPLEMENTATION

4.1 The approved outlay for the project at different centres is as follows:

		(Rs.in lacs)
Location		Approved outlay
Bangalore		495.00
Pune		400.00
Bhubaneswar		495.00
Hyderabad]	
Noida		1900.00
Thiruvananthapuram		
Gandhinagar		
Total outlay		3290.00

4.2 An annual export target of Rs.3000 lacs has been stipulated for each centre from the fourth year after the commencement of the project.

4.3 The software export by the units registered under STP scheme was Rs.5400 lacs during the year 1992-93. This constituted 25 per cent of country's software exports through off-shore development. Under STP scheme, so far, 227 units have been given approval of which 156 units are to operate within the complexes set up by STPI and 71 from their own premises. Centre-wise status is in the following paragraphs.

4.4 Bangalore

"Ready-to-use" space of about 4,500 Sqmt has been made available to the Industry. There are 63 units approved by the Government for setting up their operation under this scheme out of which 33 units have commenced their operation and 12 of them are within the STP complex. The total export from STP units in Bangalore was Rs. 3,900 lacs during this period.

An integrated network called 'SoftNET' was designed and commissioned during this period.

4.5 Pune

Usable space at this location is 3,500 Sqmt. Out of 23 units approved, 5 units have commenced their operation during the period within the complex. These units have made exports valued at Rs.70 lacs during the period of this report.

4.6 Bhubaneswar

Usable space of approx. 700 Sqmt has been made available to the units. There are 24 units approved by Government out of which 3 units have commenced their operation in the complex.

4.7 Hyderabad

Usable space of approx. 5,700 Sqmt. has been made available to the industry. There are 35 units approved out of which 17 units have commenced their operation, 11 of them are within the complex. The contribution to exports of these units was Rs. 476 lacs during this period.

4.8 Noida

Usable space of approx. 320 Sqmt has been made available to the units. There are 38 units which have been accorded approval by the Government out of which 23 units have commenced their operation, 13 of them are in the complex. The contribution to export of these units was Rs.2,400 lacs.

4.9 Thiruvananthapuram

Usable space of approx. 1,300 Sqmt. was made available to the industry. There are 25 approved units, out of which 9 units have commenced their operation, all of them are within the STP complex. The contribution to export from this location is Rs. 118 lacs.

4.10 Gandhinagar

Usable space of approx. 1,200 Sqmt. has been made available for the use by the industry. 19 units have been approved, of which 2 units have commenced their operation, the export contribution during the year being Rs. 94 lacs.

5.0 STATEMENT OF ACCOUNTS

The audited statement of accounts for the period under report is placed at **Annexure-I**.

6.0 FUTURE PLANS

During the year 1993-94, the HSDC facilities will be commissioned at STPs at Hyderabad, Thiruvananthapuram, Gandhinagar and Bhubaneswar. The HSDC facilities at STP Noida would be made available through SATCOMM Services - another autonomous society under the Department of Electronics, Government of India. The STP units in Pune will have access to the HSDC facilities through an earth station being established by a private entrepreneur. Thus all the seven STP location will have state-of-the-art data communication facilities.

7.0 COUNCIL MEMBERS

Shri CK Modi in his capacity as the Secretary, Department of Electronics took over as the Chairman of the Governing Council, STPI on July 24, 1993 from Shri N Vittal till then Secretary, Department of Electronics and Chairman, Governing Council of STPI. The Council places on record their sincere gratitude and appreciation of Shri Vittal's services to STPI.

Shri BN Yugandhar, Secretary, Ministry of Rural Development ceased to be a member of the GC, STPI. The Council places on record their appreciation for his services.

During the year Shri BK Das, Joint Secretary, Ministry of Home Affairs, Dr. Jayant Ray, Economic Adviser, Ministry of Commerce, Shri SS Oberoi, Sr. Director, Department of Electronics and Shri S Rangarajan, General Manager, BEL, Bangalore ceased to be the members of the Governing Council. The Council places on record their appreciation for their services.

ACKNOWLEDGEMENTS

The Council gratefully acknowledges the help received from various Ministries and the Departments of the Government of India, our bankers and the Statutory Auditors. The Council also acknowledges the untiring efforts of the staff of the STPI in its successful working.

Date : December 14, 1993
Place: New Delhi

Sd/-
(C.K. Modi)
Chairman, GC, STPI
and the Secretary
Department of Electronics
Government of India

Annexure - I

**Annual Accounts
and
Auditor's Report**

1900-1901

Annual Accounts
and
Auditor's Report

AUDITOR'S REPORT

The Members

SOFTWARE TECHNOLOGY PARKS OF INDIA

New Delhi-110 003

We have audited the attached Balance Sheet of the SOFTWARE TECHNOLOGY PARKS OF INDIA, NEW DELHI-110 003 as at 31st March, 1993 and also the annexed Income & Expenditure account for the period ended on that date and we report as under :-

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, the Society has maintained proper books of accounts which are in conformity with the generally accepted accounting principles, so far as appears from our examination of the books of accounts.
3. The Balance Sheet and the Income & Expenditure Account dealt with by this report are in agreement with the books of account.
4. The management has physically verified the fixed assets whereon no discrepancy was found;
5. In our opinion and to the best of our information and according to the explanation given to us, the said accounts subject to the notes on accounts particularly note no. 5 to 12, give a true and fair view :-
 - a) In the case of Balance Sheet, of the state of affairs of the Society as at 31st March, 1993; and
 - b) In the case of Income & Expenditure Account of the excess of expenditure over income for period ended on that date

For H.S. Rustagi & Co.
Chartered Accountants

Place : New Delhi
Dated : December 14, 1993

(Narendra Kumar Rustagi)
Partner

BALANCE SHEET AS AT 31ST MARCH, 1993

Particulars	Schedule	Amount (In Rs.)
Sources of Funds		
GRANT-IN-AID		21,08,07,600.00
Unsecured Loan (From Government of Kerala)		1,50,00,000.00
		22,58,07,600.00
Application of Funds		
Fixed Assets	"A"	14,22,99,195.17
Current Assets, Loans & Advances		
Current Assets		
Cash in Hand		19,256.90
Balance with scheduled banks		
- In saving/current accounts		4,20,20,442.53
- In fixed deposits accounts		2,94,11,587.09
- In margin money account		1,11,16,450.00
Cheques in hand		40,179.95
Stamps in hand		382.00
Sundry debtors		34,77,230.86
Advances recoverable in cash or in kind		2,17,47,125.38
		10,78,32,654.71
Less :		
Sundry Creditors		59,92,529.87
Advances/Deposits Recd.		1,72,74,252.45
Outstanding liabilities		19,86,619.03
		2,52,53,401.35
Net Current Assets		8,25,79,253.36
Excess of Expenditure over Income		9,29,151.47
		22,58,07,600.00
Notes forming part of Accounts		
	"B"	
	Sd/- (N. Gopalaswami) Director General	Subject to our attached report of even date For H.S. Rustagi & Co. Chartered Accountants
	Sd/- (Dr. Sunil K. Agrawal) Director	Sd/- (Narendra Kumar Rustagi) Partner
Place : New Delhi		
Dated : December 14, 1993		

Annual Report

Software Technology Parks of India, New Delhi

INCOME & EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 1993

Particulars	Amount (In Rs.)
Income	
Service Charges Received	54,01,168.92
Interest from Bank	18,00,931.38
Training & Workshop Fees	1,32,200.00
Misc. Income	3,80,170.65
	77,14,470.95
Expenditures	
Advertisement Expenses	38,482.00
Travelling & Conveyance	6,20,262.00
Training & Seminar Exp.	1,33,902.81
Establishments Exp.	26,99,189.82
Communication Cost	8,76,575.87
Rent	17,49,871.50
Repair & Maintenance	4,35,935.45
Audit Fees	43,500.00
Printing & Stationery	3,63,518.82
Computer Expenses	1,32,371.40
Electricity Charges	4,28,030.65
Guest House Expenses	2,57,496.85
Professional Charges	60,699.00
Vehicle Running & Hire Charges	5,03,001.05
Other Expenses	3,00,785.20
	86,43,622.42
Excess of Expenditure Over Income	9,29,151.47

Sd/-
(N. Gopalaswami)
Director General

Sd/-
(Dr. Sunil K. Agrawal)
Director

Place : New Delhi
Dated : December 14, 1993

Subject to our attached report of even date
For H.S. Rustagi & Co.
Chartered Accountants
Sd/-
(Narendra Kumar Rustagi)
Partner

SCHEDULE A : FIXED ASSETS**Amount (In Rs.)**

Land	24,00,000.00
Office Flats	74,18,681.37
Capital Work in Progress	8,05,76,598.01
Computer Systems	2,43,66,256.04
Electricity Installations	70,44,350.88
Fire Fighting Equipments	35,644.25
Furniture & Fittings	75,94,394.90
Office Equipments	45,71,726.58
Other Fixed Assets	79,427.95
Vehicle	1,37,605.95
Preoperative Expenses Pending Allocation	80,74,509.24
	<u>14,22,99,195.17</u>

SCHEDULE 'B'

NOTES FORMING PARTS OF ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 1993

1. The Society was registered on 5th June, 1991 although the activities could commence only in September, 91 with the first release of funds from the Government.
2. The Accounts are prepared for the period from 5th June, 1991 to 31st March, 1993;
3. This Accounts being the first accounts of the Society, previous year figures are not applicable;
4. Balance in personal accounts are subject to confirmation;
5. The Society being a non-profit making institution, the depreciation has not been provided in the accounts;
6. The Society has been set-up primarily for providing infrastructure facilities to Software Exporters in the Country. Such facilities includes Core Computer and Data Communication Facility. Till the time such facilities are under installation/ commissioning, all the expenses at the respective centres have been treated as preoperative expenses;
7. In the absence of the information about the nature of the Grant in aid received from the Government of India, the same has been treated as Capital Receipt;
8. The unsecured loan from Kerala Government is free of interest;
9. Land and office flats have not been registered in the name of the Society;
10. In the absence of the information in respect of Electricity charges for Bhubaneswar, E-Mail charges for certain period for Bangalore and PAD Charges for Bangalore, Bhubaneswar and Pune, the corresponding recovery could not be effected from the members units;
11. Government of Andhra Pradesh has given one Acre of land free of charge for Earth Station Installation, which has not been accounted for in the books of accounts. The land has yet to be registered in the name of the Society;
12. Pending completion of installation and final testing of Earth Station at Bangalore, charges payable in respect of Installation & Testing payable to Videsh Sanchar Nigam Limited have not been accounted for;
13. Preoperative expenditure pending allocation includes Rs.22,500/- for Audit fee;
14. **Contingent Liability:**

In respect of additional Service charges payable to Bhubaneswar Development Authority @ 1% of the market value of the premises.	Amount not quantifiable
In respect of PAD Connection Charges not provided pending receipt of the bill from VSNL	-- do --
Claims not acknowledged as debts:	
In respect of service charges payable to Semiconductor Complex Limited for procurement of Earth Station Equipment.	Rs. 24.20 Lacs
15. The Assets and Liabilities of the erstwhile Societies registered at Pune, Bangalore and Bhubaneswar having similar objectives, have been taken over by the society at book value as on the date of their dissolution.

STPI'S COMMENTS TO THE NOTES ON ACCOUNTS MADE BY THE STATUTORY AUDITORS

The following are the replies to the comments of Auditors:

Point No. 9

Auditor's comments

Land and office flats have not been registered in the name of the Society

STPI's comments

Pune

This has been completed on June 28, 1993.

Bangalore

Possession Certificate was received by STP in July '90 in the name of DoE/STP-B. The land is on 10 years lease and registration can be done only after the expiry of this period

Point No.11

Auditor's comments

Government of Andhra Pradesh has given one acre land free of charge for Earth Station Installation, which has not been accounted for in the books of accounts. The land has yet to be registered in the name of the Society.

STPI's comments

Possession obtained in May 5, 1992. Alienation proposal is under process with the Government of Andhra Pradesh.



STPI, Head Quarter
Location of STPs
Earth Station Locations

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Software Technology Parks of India

(An Autonomous Society under Govt. of India, Deptt. of Electronics)
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IN THE SERVICE OF SOFTWARE EXPORTERS