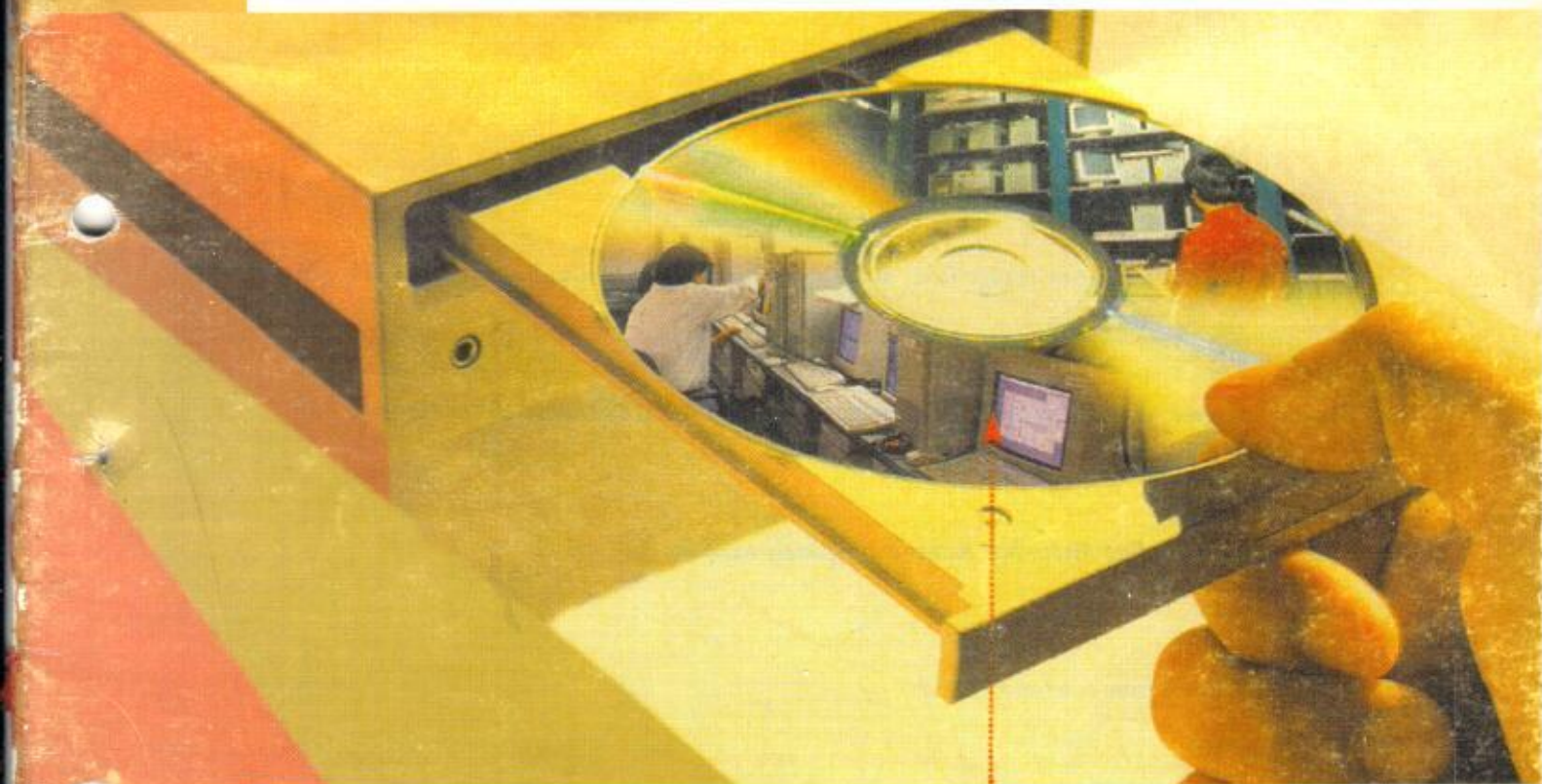


# ANNUAL REPORT 1995-96

A handwritten signature in blue ink, likely belonging to a senior official of STPI, positioned above the title of the report.

SOFTWARE TECHNOLOGY PARKS OF INDIA  
IN THE SERVICE OF SOFTWARE EXPORTERS



# **ANNUAL REPORT 1995-96**

**Software Technology Parks of India**  
IN THE SERVICE OF SOFTWARE EXPORTERS



The Governing Council of Software Technology Parks of India (STPI) have great pleasure in presenting the Annual Report on the activities of the Society for the period April 1995 to March, 1996.

## **1. Introduction**

The Information Technology (IT) is a high growth rate industry in the global economy and this is extremely relevant in the Indian Context. IT provides various products and services to significantly enhance the global competitiveness of the IT industry. In the Indian context, the potential leverage of IT industry is significant and software components are increasingly becoming the major driving force. Among the market segments, computer software has high potential for growth as the country has wide base in technical education and proven professional talent. As this industry has high value addition potential, software exports is contributing significantly to Net Foreign Exchange (NFE) earning. It is recognised that this industry has high potential to create higher level of employment per unit cost. Department of Electronics (DoE) conceived the Software Technology Park (STP) scheme to give a boost to the software industry in general and software export industry in particular.

## **2. Software Technology Parks of India (STPI) and the Software Technology Park (STP) scheme**

- 2.1** Software Technology Parks of India (STPI) was established and registered as a Society under the Societies Registration Act 1860, under the Department of Electronics, Government of India on June 5, 1991 with the purpose of managing the operations of the Software Technology Parks of India (STPI) with its centers at Pune, Bangalore, Bhubaneswar, Hyderabad, Noida, Gandhinagar (near Ahmedabad) and Thiruvananthapuram.
- 2.2** Software Technology Park (STP) Scheme is a 100% export oriented scheme for encouraging software development for export. The STPI also acts 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 and High Speed Data Communication (HSDC) facility. Units under STP scheme can be set-up in the STPI complex or they may also operate from their own premises. But in both the cases units will have access to the centralised infrastructural facilities and services offered by STPI centres.

## 2.3 Objectives of STPI

2.3.1 Software Technology Parks of India have been set-up with the following main objectives:

- *To establish and manage the infrastructural resources such as datacomm, 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 in-charge 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 Government of India, Department of Electronics is the Chairman of the Governing Council. The Governing Council has representatives from Ministry of Commerce, Department of Telecommunications, Revenue, Electronics & Members from user industry etc. At each STPI centre, a local Management Committee known as the Standing Executive Board has been established with the Director of the STPI centre as Chairman and representatives from the State Government, Customs, User industry, etc.

## 3. Achievements

### 3.1 General Infrastructure

STPI have made significant contribution in setting export industries and managing the infrastructural facilities like built-up space and other common amenities for the benefit of STP member units. The Occupancy level of the built-up space provided in various STPI centres, has significantly improved during the year and in certain locations there is 100% occupancy. Further the STPs are taking appropriate steps in association with the State Government to provide more ready to use built-up space. Presently, out of occupiable



space of 19,285 sq.mtrs. in all STPI centres, an area of 18,000 sq.mtrs. has been allotted to 90 member units accounting for 92% of occupancy.

### 3.2 Computing Facility

The Computing facilities available at STPI locations (Bangalore, Hyderabad, Bhubaneswar) are being used by member units for software development. Moreover, these facilities are also used for organising specialised training programmes.

### 3.3 Data Communication & Networking

**3.3.1** In order to provide HSDC facilities to software exporters in Noida region, the IBS F3 Standard Earth Station at STPI Noida centre has been commissioned.

The first bearer between Noida and Zurich, Holland of 128 Kbps has been tested on September, 1995. Since then, in the relentless pursuit of providing datacomm facility to software exporters, the following bearers are being radiated:

Noida Zurich/NPI	128Kbps
Noida Newyork/NPI	1MB
Noida Germany/NPI	128 Kbps

**3.3.2** For the stabilisation of HSDC facilities at STPI Bhubaneswar centre earth station equipments alongwith necessary support systems like UPS, DG Set, Air Conditioners have been installed at the site. Necessary testing of the installed equipments has been completed. To make the facility available to member units, SSOG verification test is likely to be undertaken shortly which is awaiting action from VSNL/DoT.

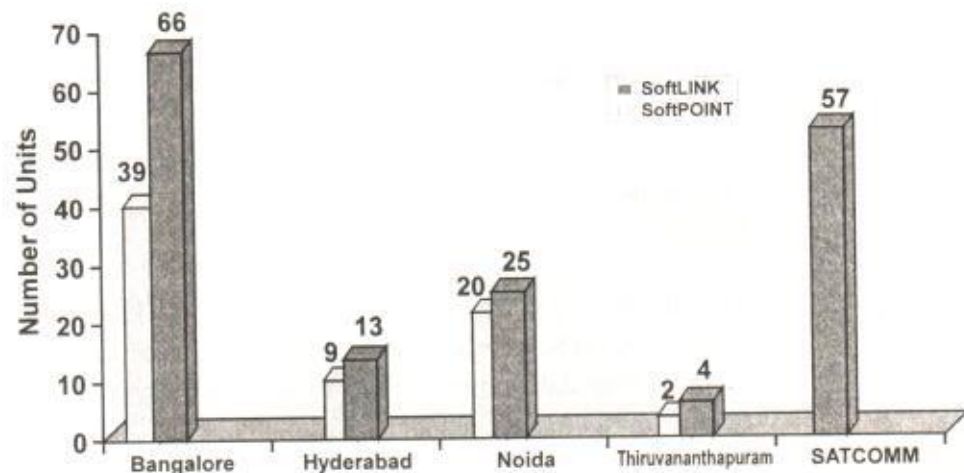
**3.3.3** For the establishment of HSDC facility at STPI Gandhinagar centre, Earth Station alongwith other support systems has been installed. The band-width allocation from VSNL/DoT is awaited.

**3.3.4** A Point-to-point HSDC link to USA has been in operation since January 1994. Another point-to-point High Speed Datacom Link to Germany has been commissioned in July 1995 by STPI Thiruvananthapuram centre.

**3.3.5** Shared data communication facilities (Internet facility) in Noida and Thiruvananthapuram has been commissioned and made available to the users.

3.3.6 The operations of Satcomm Services (India), providing point-to-point nx64 connectivity for users in Delhi, Mumbai and Chennai which have been merged with STPI is now operating as its Division.

3.3.7 A total of 235 units are using the HSDC facilities of STPI for their software development and export operations. Following is the status of HSDC usage:



### 3.4 Industry Profile

3.4.1 STP Scheme has attracted many of the entrepreneurs who are in software development and software export operations. A total of 521 units have been approved, out of which 157 units have been approved during 1995-96. Around 260 units have commenced operations and remaining units are in various stages of establishment.

The trend of growth in the number of approvals accorded during the past five years may be seen from the following table:

Year	Growth of Units	Cumulative Growth of Units
1991-92	54	164
1992-93	63	227
1993-94	68	269
1994-95	124	364
1995-96	157	521
<b>Total</b>	<b>521*</b>	

\* Includes statistics for the approval accorded prior to 1991-92 and defaulters/cancelled units.

The citywise concentration of STP units during the year is depicted as under:

Location	City Name	No. of Unit	No. of Units approved
Pune	Bombay	20	50
	Pune	30	
Bangalore	Bangalore	149	181
	Madras	32	
Bhubaneswar	Bhubaneswar	5	6
	Patna	1	
Hyderabad	Hyderabad	76	76
Noida	Delhi	77	132
	Noida	34	
	Chandigarh/Mohali	12	
	Indore	4	
	Gurgaon	5	
Gandhinagar	Ahmedabad/Gandhinagar	23	23
Thiruvananthapuram	Thiruvananthapuram	26	26
Calcutta	Calcutta	25	25
Jaipur	Jaipur	2	2
Total		521	521

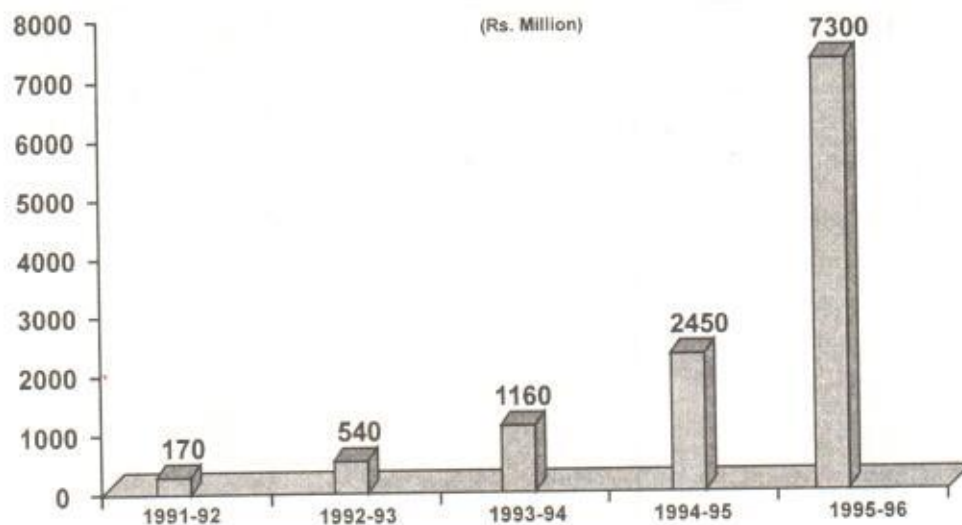
Further, major portion of the units approved under STP scheme belongs to Private Sector (80%) followed by partnership companies (18.85%). The Government/Public Sector Undertakings do not have significant presence. So far 106 NRI companies have been given approval under STP scheme.

### 3.4.2 Exports Growth

Export revenues of the STP units are showing continuous growth of about 100% every year, whereas the industry growth rate is 15%. The STP units have exported Rs. 7300 million worth of software during the year 1995-96 with a growth rate of 156.33% over the period 1994-95. Infosys Technologies (P) Ltd. is the top performer in STP units followed by NIIT.

The growth trend in respect of exports made by STP units during the last 5 years is as under:





### 3.5 Training & Seminars

3.5.1 As Human Resource Development is necessary for skill formation for software development, STPI centres have conducted the following programmes/seminars/courses during the year:

- STPI has conducted 3 training programmes on INTERNET application and one workshop 'SOFTWARE ENGINEERING'.
- STPI has conducted three training programmes on AS/400 at Bhubaneswar centre.
- STPI has conducted 2 seminars on "Awareness of INTERNET" at Delhi.
- STPI has conducted one seminar on "Multimedia & Datacommunication" at Bhubaneswar centre.

### 3.6 Trade Promotion Activities

Identifying the need of disseminating information and providing necessary global software market trends to the member STP units, Trade Promotion Wing has nucleated the following initiatives in this direction.

- For promoting STP scheme, STPI has participated in International events like COMDEX in USA, CeBIT in Germany and Software India Conference in Australia.



- Trade delegations have been organised by DoE/STPI in association with NASSCOM to USA and Australia for attracting NRI & Foreign Investment to the STPI Gandhinagar/Ahmedabad.
- Trade Directories for STP units have been brought out with the help of "Industry Information Server", as in-house project of STPI.
- A Compendium on "Indian Software Development Centre'1996 - Government Policy, Procedure & Guidelines" has been brought out for the use of perspective entrepreneurs. This Compendium contains various Notifications/Circulars issued by various related Ministries.
- STPI Home page has been developed on the Web created in Delhi which has a special focus on upcoming STPI centres like Gandhinagar and Bhubaneswar.

### **3.7 In-house Software Development Project**

- An Industry Information Server has been designed and incorporated 521 + Indian Software Companies (STP Units) corporate profiles.
- Multimedia presentation on STPI has been developed and demonstrated in Exhibition held at WISITEX and Electronics Exhibition at Goa.
- Home Page on STPI has been developed and has been put up on the Network (URL <http://www.stpi.ncr-ip.soft.net>).
- The Web site of the STPI Hyderabad centre has been given 3 star rating by International Magellan Group's professional editorial team.

### **3.8 Setting up of STPI in other Location**

Satcomm Services (India), an autonomous Society under Department of Electronics was dissolved and its operations merged with STPI with effect from August 1995. On merger it is operating as a Division of STPI.

## **4. Project Implementation**

### **4.1 Pune**

- 4.1.1** STPI Pune centre had 1403 sq.mtrs. built-up space, 89% of which is occupied by the member units. To provide HSDC facility to member

units on shared basis, STPI Pune centre acquired a space of approximately 40 Sq.mtrs. in city area.

- 4.1.2 A total of 50 units have been approved so far under this jurisdiction, out of which six units have been accorded approval during the year 1995-96. Software export from this jurisdiction is Rs. 415.38 millions during the year 1995-96.

## 4.2 Bangalore

- 4.2.1 The service infrastructure has been well stabilised and STPI Bangalore is continuously refocussing the various activities in terms of offering Consultancy, Training in the field of Networking, Software Engineering related activities. STPI Bangalore centre having built up space of 4216 Sq.mtrs is 100% occupied by the members units. Besides, serving the member units at Madras region, STPI Bangalore has opened a sub-office in Madras by taking a 30 Sq.mtrs office space.

- 4.2.2 During the year users of HSDC facilities have increased during the year from 66 members units to 105 units, out of which 39 member units are using "SoftPOINT" facility which provides point-to-point connectivity and remaining 66 members units are using "SoftLINK" facilities which provide various value added services based on global INTERNET.

- 4.2.3 STPI Bangalore has upgraded the IP International bandwidth from 64 Kbps to 256 Kbps to facilitate better thru'put for the IP customers. It is expected to provide better response time to increased number of customers.

An Integrated Network Operations centre has been planned and established. All the Transmission and Switching Equipments have been shifted to the new facility. Network Management Modules have been identified and these are in the process of development.

SoftNET has established MBONE feed which enables Desktop Video Conferencing as well as capturing MBONE broadcast. A World Wide Web Server is also operational and services like "Industry Information" have been maintained on this world wide access.

- 4.2.4 STPI Bangalore has started offering Consultancy in the related fields to the Industry. The industry has evinced a lot of interest in this. STPI Bangalore has won a software development contract for Fujitsu from Japan and has already executed first phase of the project successfully.



**4.2.5** ERNET VSAT Network is completely operational and the Network is stabilised. About 18 VSAT Remotes are operational all over the country. A 128 Kbps link has been made operational exclusively for ERNET International access.

**4.2.6** During the year 65 units have been accorded approval under this jurisdiction. With this addition, total number of units approved has become 181. The software exports from this jurisdiction have increased from Rs.1263.50 million during 1994-95 to Rs.4055 million during 1995-96.

### **4.3 Bhubaneswar**

**4.3.1** All the basic amenities required for software exporters have been made available. An area of 668 Sq.mtrs is available at this centre of which 60% space is occupied by the member units.

**4.3.2** For the stabilisation of HSDC facilities at STPI Bhubaneswar centre Earth Station equipments alongwith necessary support systems like UPS, DG Set, Air conditioners have been installed at the site. Necessary testing of the installed equipments have been completed. To make the facility available to member units, SSOG verification test is likely to be undertaken shortly which is awaiting action from VSNL/DoT.

Planning and Network design for shared data communication facilities for STPI Bhubaneswar has been completed.

Utilisation of computing facility (IBM AS/400) has been increased due to series of AS/400 based manpower development programmes, being conducted by STPI Bhubaneswar centre.

**4.3.3** During the year four units have been approved. With this the total number of units approved has become six. The software exports from this jurisdiction has increased to Rs.10.85 million during 1995-96 against their exports revenue of Rs.4.87 million during 1994-95.

**4.3.4** STPI Bhubaneswar centre is promoting manpower development programmes in association with Agriculture University, Utkal University, Xavier Institute of Management (XIM), Orissa by providing necessary training to the students of these institutions. STPI Bhubaneswar in association with DST Government of Orissa and OSEDX, Orissa, had drawn up IPR, Orissa, identifying computer software and hardware field as thrust areas; facilities/benefits. State

Government subsidies have been incorporated in IPR in order to provide wide opening to State, Inter-State and foreign, IT industries.

#### 4.4 Hyderabad

4.4.1 All the physical and technical infrastructure required for software exporters have been made available. The entire space of about 650 Sq.mtrs. available for allotment to the units has been fully occupied by the member units. Due to lack of built-up space some of the functioning units in the complex have also taken space outside the complex for their expansion activities.

4.4.2 usage of HSDC facilities have increased during the year from 31 members units to 60 units of which twelve member units are using "SoftPOINT" facility which provides point-to-point connectivity and remaining 48 member units are using "SoftLINK" facilities which provides value added services based on global Internet.

During the year US Carrier size has been increased from 384 Kbps to 768 Kbps to USA and a new carrier of 64 Kbps to Holland has been commissioned. One channel in the US Carrier is being used for shared network facility from STPI Complex.

4.4.3 So far 76 units have been approved to operate under STP Scheme under this jurisdiction, of which 23 units were approved during the year 1995-96. The software exports from this jurisdiction have increased from Rs. 247.35 million during 1994-95 to Rs. 603.68 million during 1995-96.

4.4.4 The Core computing facility is provided in STPI centre after shifting the IBM AS/400 Computer System from STPI Pune centre. The terminal usage has also increased from nine terminals to twelve terminals during the year 1995-96.

4.4.5 STPI Hyderabad centre has conducted various seminars/Workshops during the year 1995-96. Internet workshops were repeated on demand. A separate seminar was conducted on "World Wide Web" awareness programme for Andhra Pradesh State Government IAS Officers.

#### 4.5 Noida

4.5.1 By considering the built-up space constraints in NEPZ, an area of 4000 sq. mtrs. spread over second & third floor of Block-IV in Ganga Shopping Complex, Sector-29, Noida was taken from Noida Authority.



To make more space available to new entrepreneurs, arrangements had been made to create STP complex with NSIC and Hartron at Okhla, New Delhi and Electronics City, Gurgaon respectively. These were completed in 1995 and the building was allotted to the users. The users have taken possession of respective areas for establishing their operations.

As such no built-up space is available to be allotted to new units now. Effort have been made to create more space for future requirements.

- 4.5.2** In order to provide HSDC facilities to software exporters in Noida region, the IBS F-3 Standard Earth Station at STPI Noida centre has been established.

The first bearer between Noida and Zurich, Holland of 128 Kbps has been tested on September, 1995.

Planning and network design for shared data communication facilities has been completed and the facility is operational at STPI Noida centre.

- 4.5.3** During the year 66 units have been approved under this jurisdiction. Total number of units approved so far under this jurisdiction is 132. The software exports from this jurisdiction have increased from Rs.820.64 million during 1994-95 to Rs. 2001 million during the year 1995-96.

- 4.5.4** During the year the SoftNET facility at STPI Noida centre has been commissioned. At present 45 member units are using this facility, of which 20 member units are using "SoftPOINT" facility which provides point-to-point connectivity and remaining 25 member units are using "SoftLINK" facilities which provides value added services based on global Internet.

#### **4.6 Gandhinagar**

- 4.6.1** Flatted sheds of 83 Sq.mtrs. and 166 Sq.mtrs. has been availed from GIDC for letting out to member units on rental basis.

- 4.6.2** For the establishment of HSDC facility at STPI Gandhinagar centre, Earth Station alongwith other support system have been installed. The bandwidth allocation from VSNL/DoT is awaited.

Planning and Network design for shared data communication facilities for STPI Gandhinagar centre has been completed.

**4.6.3** So far 23 units have been approved to operate under STP Scheme under this jurisdiction. The software exports from this jurisdiction have increased from Rs. 12.15 million during 1994-95 to Rs. 15 million during 1995-96.

**4.6.4** Seminar on Software Exports opportunities in Gujarat had been organised in co-ordination with Computer Society of India, Ahmedabad Chapter.

#### **4.7 Thiruvananthapuram**

**4.7.1** All the basic amenities required for software exporters have been made available. An area of 1050 Sq. mtrs. is available for allotment, of which 79% is occupied by the member units.

**4.7.2** A Point-to-point HSDC link to USA has been working since January, 1994. Another point-to-point HSDC link to Germany has been commissioned in July 1995 by STPI Thiruvananthapuram centre.

Planning and network design for shared data communication facilities for STPI Thiruvananthapuram centre has been completed. Necessary equipments for this purpose have been procured for STPI Thiruvananthapuram centre.

**4.7.3** So far 26 units have been approved to operate under this jurisdiction. The software exports from this jurisdiction have increased from Rs.22.80 million during the year 1994-95 to Rs. 36 million during the year 1995-96.

#### **4.8 Satcomm Division**

**4.8.1** Satcomm Services (India) was set up as an autonomous Society in June, 1992 under the administrative control of Department of Electronics with a mandate to manage and operate the High Speed Value Added Network (HSVAN) facility for computer software exporters, initially at Delhi, Bombay and Madras. The project was implemented in association with Videsh Sanchar Nigam Ltd. (VSNL).

**4.8.2** At the time of setting up of the Society, third party equity participation was envisaged. However, due to liberalisation and easy availability of value added service in telecom sector, the issue regarding third party equity did not materialise. Accordingly, as per the decision of the Government of India, to have better scales of economy/ uniformity as also to avoid existence of multi-agencies for similar activities under



DoE, the Society - Satcomm Services (India) - was dissolved and its operations were merged with STPI w.e.f. August 1, 1995 and all the activities of the erstwhile society are now looked after by Satcomm Division under STPI.

**4.8.3** During the year Network capacity was partially expanded from 45x64 Kbps to 60x64 Kbps data links at all the three centres taken together. Effective marketing was pursued during the year and in physical terms 86% of the expanded installed capacity was utilised.

## **5. Statement of Accounts**

The Audited Statement of Accounts for the financial year 1995-96 is placed at Annexure-I.

## **6. Future Plans**

- Internet facility at STPI Pune centre is proposed to be provided by taking bulk channel capacity from VSNL. The STP member units would access the STPI Pune Node through radio modems or by leased terrestrial lines. The units located in STPI Complex would however use the facility through local area network.
- In order to provide Consultancy as well as to undertake software development activity, it is proposed to initiate suitable action plan for creating projects and consultancy wing in selected STPI centres. The above activities are likely to make additional revenue for STPI and would also provide job enrichment to the professionals besides helping them to upgrade their skills.
- STPI will also participate in the International trade events for attracting foreign investments as well as to market the resources that are available to at STPI locations.
- Marketing of products and services of STPI member units enabling them to get export contracts, collaborations, joint ventures etc.
- STPI would market corporate profiles of member units using electronics and other media.
- Dessimination of information regarding market segmentation/export contracts etc.
- STPI would continue to have focus on promoting Software Engineering (SE) practices within the organisations and co-ordinate training/workshops on

specialised topics like project management and quality assurance etc.

- STPI is to have a focused Consultancy Cell to help and guide the entrepreneurs to take up complete work related to establishing STP operations.
- STPI would focus on providing specialised training in close co-ordination with industry in order to make skilled manpower available to industry enabling them to commence operations in the minimum possible time.

### **Acknowledgements**

The Council gratefully acknowledges the help received from various Ministries and the Departments of the Government of India, Reserve Bank of India, State Governments, Indian Missions abroad, VSNL, Intelsat, our Bankers, Member STP Units, Software Industry Association and the Statutory Auditors. The Council also acknowledges the untiring efforts of the staff of the STPI in its successful working.

Dated: November 13, 1996  
Place: New Delhi

Sd/-  
**(Shyamal Ghosh)**  
Chairman, GC, STPI  
and the Secretary  
Department of Electronics  
Government of India



# **ANNUAL ACCOUNTS AND AUDITOR'S REPORT**

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**AUDITORS' REPORT**

The Governing Council  
**Software Technology Parks of India**  
New Delhi - 110 003

We have audited the attached Balance Sheet of Software Technology Parks of India, as on 31st March 1996 and the Income and Expenditure Account for the year ended on that date. We report that :

1. No provision has been made for License Fees payable to Department of Telecommunication, Government of India, amounting to Rs. 52.5 lacs for the year and a sum of Rs. 236.25 lacs till date.
2. The Society has not provided depreciation on its fixed assets. Quantum thereof has also not been ascertained.
3. The fixed assets register is maintained except for assets purchased at Bangalore and Noida.
4. Internal Audit is being carried out at Headquarters and its various locations. However, the scope thereof needs to be strengthened.
5. There is no formal agreement with Videsh Sanchar Nigam Limited regarding erection of Earth Stations, as also operation and maintenance charges payable by Bangalore, Hyderabad and Thiruvananthapuram locations. In absence of such agreement, there is not clarity regarding the amount payable.
6. The internal control procedure for purchases needs to be strengthened. Further system regarding verification of bills from public sector undertakings for supplies/work done need to be streamlined.
7. Immovable properties are still to be registered in the name of Society.
8. Terms and conditions in respect of 3850 sq.mtrs. land allotted by NOIDA on which building for IBS Earth Station is in progress have not been communicated to the Society. Accordingly the same has not been capitalised so far.
9. Prior-period Expenses/ Income have been booked in natural head of Accounts and not disclosed separately.



Subject to the above, 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.

In our opinion and to the best of our information and according to the explanations given to us, the statement together with schedules attached and read with Accounting Policies and Notes give a true and fair view.

- i) In the case of Balance Sheet of the State of Society's affairs as at 31st March, 1996; and
- ii) In the case of the Income and Expenditure Account, of the surplus for the year ended on that date.

Place : New Delhi  
Dated : November 7, 1996

**For K.B. Chandna & Co.**  
Chartered Accountants

Sd/-  
**(V.K. GUREJA)**  
Partner

**BALANCE SHEET AS AT 31st MARCH, 1996**

Particulars	Schedule	(Amount in Rs.)	
		This Year	Previous Year
<b>Sources of Funds</b>			
Grants in Aid		507,485,430.00	297,052,600.00
Unsecured Loan From			
- Andhra Pradesh Govt.	10,000,000.00		10,000,000.00
- Kerala Govt.	28,230,599.43		28,230,599.43
- Noida Authority	<u>30,000,000.00</u>		<u>30,000,000.00</u>
		68,230,599.43	
<b>Reserve &amp; Surplus</b>			
Reserve			
Assets Replacement Fund		164,091,847.65	45,581,909.49
Surplus			
Excess of Income Over Expenditure		<u>22,796,615.60</u>	<u>1,681,775.72</u>
		<u>762,604,492.68</u>	<u>412,546,884.64</u>
<b>Application of Funds</b>			
Fixed Assets	"A"	533,796,595.12	244,894,831.91
Current Assets, Loans & Advances			
Current Assets			
Cash in Hand	71,626.30		51,398.10
Balance with Scheduled Banks			
- In Saving Accounts	24,154,518.32		31,804,612.29
- In Fixed Deposits / Margin Money A/cs	240,821,089.47		157,884,420.00
- Interest Accrued but not due	7,603,248.55		6,047,229.00
Cheques in Hand	0.00		4,552.25
Stamps in Hand	1,218.00		535.00
Sundry Debtors	42,266,656.79		9,829,281.54
Less : Provision for Doubtful Debts	717,108.00		
General Standby Stores	3,263,200.55		2,619,214.00
Advances & Deposits	11,487,333.01		6,776,397.50
(Recoverable for Cash or in Kind or for value to be received)			
Tax Deducted at Source	<u>630,666.00</u>		<u>318,475.00</u>
	329,582,448.99		215,336,114.68
Less : Current Liabilities			
Sundry Creditors	46,631,126.19		14,186,857.81
Advances/Deposits from Members	40,883,842.32		23,237,150.32
Outstanding Liabilities	11,259,582.92		7,876,890.72
Project Advances	<u>2,000,000.00</u>		<u>2,383,163.10</u>
	100,774,551.43		47,684,061.95
Net Current Assets		228,807,897.56	167,652,052.73
Notes Forming Part of Accounts	"B"	<u>762,604,492.68</u>	<u>412,546,884.64</u>

Dated : November 7, 1996  
Place : New Delhi

As per our report of even date  
For K.B. Chandna & Co.,  
Chartered Accountants

Sd/-  
(DR. SUNIL K. AGRAWAL)  
Director

Sd/-  
(V.K. GUREJA)  
Partner



**INCOME & EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH, 1996**

Partiulars	This Year	(Amount in Rs.) Previous Year
<b>Income</b>		
Charges Received	166,661,599.75	63,725,512.51
Income from Training & Seminars	490,838.00	506,700.00
Interest Earned	20,948,438.16	11,578,554.00
Misc. Income	982,044.80	1,464,872.95
	<u>189,082,920.71</u>	<u>77,275,639.46</u>
<b>Expenditures</b>		
Advertisement Expenses	115,994.85	324,404.00
Travelling & Conveyance	2,652,715.50	2,221,191.03
Training & Seminars	525,494.39	532,507.20
Salaries, Wages & Amenities	7,719,595.35	5,402,128.03
Data Link Charges	38,106,038.77	14,208,968.00
Communication Cost	4,540,870.85	3,499,153.85
Rent, Rate & Taxes	7,858,068.91	6,978,315.51
Repair & Maintenance	3,967,540.80	2,190,901.55
Audit Fees	70,000.00	65,000.00
Printing & Stationery	1,518,588.50	551,323.25
Water & Electricity Charges	2,510,260.00	2,307,084.47
Professional Charges	210,221.30	153,922.00
Vehicle Running & Hire Charges	1,566,983.20	915,179.70
Insurance	819,628.00	243,830.50
Interest on Loan	3,210,000.00	890,400.00
Security Hire Charges	1,458,255.75	1,150,442.85
Provision for Bad Debts	597,813.00	
Newspaper, Books & Periodicals	128,971.45	147,129.25
Other Expenses	1,689,997.96	432,434.30
	<u>79,267,038.58</u>	<u>42,214,315.49</u>
Net Surplus for the Year	109,815,882.13	35,061,323.97
Add Prior period adjustments (NET)	0.00	2,149,241.75
Surplus available for appropriation	109,815,882.13	37,210,565.72
Transfer to assets replacement fund	93,351,074.55	35,528,790.00
	<u>16,464,807.58</u>	<u>1,681,775.72</u>
Net Balance carried to Balance Sheet		

Date : Nov. 07, 1996

Place : New Delhi

As per our report of even date  
For K.B. Chandna & Co.,  
Chartered Accountants,

Sd/-  
(DR. SUNIL K. AGRAWAL)  
Director

Sd/-  
(V.K. GUREJA)  
Partner

## SCHEDULE "A": FIXED ASSETS

Partiulars	This Year	(Amount in Rs.) Previous Year
Land	2,430,902.00	2,400,000.00
Building	10,800,408.51	9,640,320.91
Computer Peripherals	33,891,157.44	32,841,215.07
Electrical Installations	22,873,996.28	20,904,367.41
Fire Fighting Equipment	1,006,268.11	891,653.11
Furniture & Fixtures	15,144,933.39	14,364,066.89
Office Equipment	8,234,049.07	5,991,288.35
Other Fixed Assets	327,310.88	131,500.64
Vehicles	161,116.15	161,116.15
High Speed Data Communication Equipments	403,871,999.33	123,430,851.39
Preoperative expenses pending allocation	3,026,936.49	2,538,775.52
Capital work in progress	32,027,517.47	31,599,676.47
	<u>533,796,595.12</u>	<u>244,894,831.91</u>

Date: Nov. 07, 1996  
Place: New Delhi

As per our report of even date  
for K.B. Chandna & Co.,  
Chartered Accountants,

Sd/-  
(DR. SUNIL K. AGRAWAL)  
Director

Sd/-  
(V.K. GUREJA)  
Partner



## SCHEDULE 'B'

### NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 1996

#### 1. Accounting Policies

- (a) The charges received account includes charges for ready to use space, other infrastructure services like photocopying, fax, telephone, canteen facilities etc., and other certification work provided to member units of STPs.
- (b) Salaries, wages & amenities includes salaries, wages & other payments made to staff of ER & DC for providing services of their staff at Thiruvananthapuram. As per the arrangements, all other benefits payable to the staff are reimbursed to the aforesaid organisations. Accordingly, such payments are being debited to salaries, PF etc.
- (c) Various charges, paid to Videsh Sanchar Nigam Ltd., such as space segment allocation, installation, operation and maintenance are based on meeting and discussions from time to time in absence of any formal agreement.
- (d) The society being a non-profit making institution, the depreciation has not been provided in the accounts and assets replacement fund is created in order to replace the assets on future date as under

Assets	Rates
Building	10%
Computer Peripherals	15%
Electrical Installations	15%
Fire Fighting Equipments	15%
Furniture & Fixtures	10%
Office Equipments	15%
Other Fixed Assets	15%
Vehicles	20%
Earth Station	20%

- (e) Prior period expenses/income have been merged into natural heads of accounts.

#### 2. Contingent Liabilities:-

- (a) Licence fee payable to Department of Telecommunication to the extent unprovided amounting to Rs. 236.25 lacs

- (b) Debit note received from VSNL in respect of assets transferred by them to erstwhile SATCOMM Division amounting to Rs. 6,67,064/-.
- (c) Additional service charges payable to Bhubaneswar Development Authority @1% of the market value of the premises (Amount not quantifiable).
- (d) PAD connection charges not provided pending receipt of the bill from VSNL (Amount not quantifiable).

### 3. During the year

- (a) High Speed Data Communication facilities in STPI-Noida has been made operational.
  - (b) Satcomm Services (India), a registered society has merged w.e.f. 1st August '95, and is functioning now as a Division of STPI.
  - (c) The Society has setup high speed data communication facilities at Ghandhinagar for providing infrastructure facilities to software exporters. Till such time these facilities become operational net expenses of Rs. 4,88,160.97 are treated as pre-operative expenses.
4. Immovable properties are still to be registered in the name of the Society.
  5. An insurance policy from Life Insurance Corporation of India has been taken to cover gratuity liabilities. Accordingly, the entire gratuity till date amounting to a sum of Rs. 1,82,705/- has been provided in the books during the year.
  6. (a) Previous year figures have been regrouped/reclassified wherever necessary.
  - (b) Previous year figures are not comparable as SATCOMM society has been merged during the year.



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**STPI'S COMMENTS TO THE OBSERVATIONS  
MADE BY THE STATUTORY AUDITORS**

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The following are the replies to the comments of Auditors:

<b>Point No. 1. Auditor's comments</b>	No provision has been made for License Fees payable to Department of Telecommunication, Government of India, amounting to Rs. 52.5 lacs for the year and a sum of Rs. 236.25 lacs till date.
<b>STPI's comments</b>	The matter has been taken up with DoT for fixing of License fee @ Rs. 25,000/- per link per year instead of Rs. 2 lacs per link per year and also to be charge the same as per actual utilisation.
<b>Point No. 2. Auditor's comments</b>	The Society has not provided depreciation on its fixed assets. Quantum thereof has also not been ascertained.
<b>STPI's comments</b>	This observation is taken note of. In order to replace the assets on later dates, 'ASSET REPLACEMENT FUND' has been created.
<b>Point No. 3. Auditor's comments</b>	The fixed assets register is maintained except for assets purchased at Bangalore and Noida.
<b>STPI's comments</b>	Noted for compliance.
<b>Point No. 4. Auditor's comments</b>	Internal Audit is being carried out at Headquarters and its various locations. However, the scope thereof needs to be strengthened.
<b>STPI's comments</b>	Noted for compliance.

<b>Point No. 5. Auditor's comments</b>	There is no formal agreement with Videsh Sanchar Nigam Limited regarding erection of Earth Stations, as also operation and maintenance charges payable by Bangalore, Hyderabad and Thiruvananthapuram locations. In absence of such agreement, there is not clarity regarding the amount payable.
<b>STPI's comments</b>	Noted, all payments related to installation, operation and maintenance have been settled with VSNL.
<b>Point No. 6. Auditor's comments</b>	The internal control procedure for purchases needs to be strengthened. Further system regarding verification of bills from public sector undertakings for supplies/work done need to be streamlined.
<b>STPI's comments</b>	Noted for compliance
<b>Point No. 7. Auditor's comments</b>	Immovable properties are still to be registered in the name of Society.
<b>STPI's comments</b>	Noted.
<b>Point No. 8. Auditor's comments</b>	Terms and conditions in respect of 3850 sq.mtrs. land allotted by NOIDA on which building for IBS Earth Station is in progress have not been communicated to the Society. Accordingly the same has not been capitalised so far.
<b>STPI's comments</b>	The proposal is under consideration with Noida Authorities.
<b>Point No. 9. Auditor's comments</b>	Prior-period Expenses/ Income have been booked in natural head of Accounts and not disclosed separately.
<b>STPI's comments</b>	The observation is explanatory in nature.



# MEMBERS OF THE SOCIETY

<b>Shri Shyamal Ghosh</b> , Secretary Department of Electronics Electronics Niketan 6, CGO Complex, Lodi Road New Delhi - 110 003	Chairman
<b>Shri S S Oberoi</b> , Adviser Department of Electronics Electronics Niketan 6, CGO Complex, Lodi Road New Delhi - 110 003	Member
<b>Shri J S Maini</b> , Jt. Secretary & Fin. Adviser Department of Electronics Electronics Niketan 6, CGO Complex, Lodi Road New Delhi - 110 003	Member
<b>Shri V K Malhotra</b> , Joint Secretary Ministry of Home Affairs North Block New Delhi - 110 001	Member
<b>Shri P R V Ramanan</b> , Joint Secretary Ministry of Finance North Block New Delhi - 110 001	Member
<b>Shri R Chandrasekhar</b> , Joint Secretary Ministry of Commerce Udyog Bhavan New Delhi - 110 001	Member
<b>Shri A K Mittal</b> , Director (CS) Department of Telecommunication Sanchar Bhavan New Delhi - 110 001	Member
<b>Shri R H Naqvi</b> , Executive Director Electronics & Computer Software Export Promotion Council (ESC) PHD House, Opp. Asian Games Village New Delhi - 110 016	Member
<b>Dr. Sunil K Agrawal</b> , Director Software Technology Parks of India Electronics Niketan 6, CGO Complex, Lodi Road New Delhi - 110 003	Member Secretary

# MEMBERS OF THE GOVERNING COUNCIL

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<b>Shri S S Oberoi</b> Adviser Department of Electronics Electronics Niketan 6, CGO Complex, Lodi Road New Delhi - 110 003	Member
<b>Shri J S Maini</b> Jt. Secretary & Fin. Adviser Department of Electronics Electronics Niketan 6, CGO Complex, Lodi Road New Delhi - 110 003	Member
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<b>Shri P R V Ramanan</b> Joint Secretary Ministry of Finance North Block New Delhi - 110 001	Member
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**SOFTWARE TECHNOLOGY PARKS OF INDIA**  
**ADDRESSES OF CENTRES**

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## SOFTWARE TECHNOLOGY PARKS OF INDIA

(An Autonomous Society under Govt. of India, Deptt. of Electronics)  
Electronics Niketan, 6, C.G.O. Complex, Lodi Road, New Delhi-110003

IN THE SERVICE OF SOFTWARE EXPORTERS