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Annual Report 1996-97

*Dr. M. K. ...*



Software Technology Parks of India



# *Annual Report*

## *1996-97*



**Software Technology Parks of India**

*In the service of software exporter*

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## Annual Report 1996-97

The Governing Council, Software Technology Parks of India (STPI) has great pleasure in presenting the Annual Report on the activities of the Society for the period April, 1996 to March, 1997.

### **1. INTRODUCTION**

The Information Technology (IT) or informatics is emerging as dominant industry in the global economy. IT offers variety of services, products and technologies as a driver to enhance the productivity of the industrial production, which in turn helps in improving the GNP of nations. As an industry, IT perhaps is the largest, fastest growing and the most profitable industry in the world today. India already enjoys the competitive advantage in this fastest growing segment i.e. computer software.

In Indian context, the potential leverage of IT is enormous in general and software in particular. Government has identified this as an area of extreme focus and announced a Policy in 1986 making "Software Exports, software development and training" as major thrust area. Further, Government has identified some of the factors impeding the growth of the software industry and formulated "Software Technology Park" (STP) scheme with a view to boost software exports from the country as a primary objective. In order to meet this, suitable frame work has been formulated covering aspects like simplification/rationalization of procedures by providing single point contact services to the industry. Software export industry in general and Small and Medium Enterprises (SMEs) in particular are given help by providing basic common amenities needed for export operations with nearly no gestation period and share captive infrastructure facilities like computing and data communication facilities in cost effective manner thus enabling them to remain competitive in the global market.

### **2. SOFTWARE TECHNOLOGY PARKS OF INDIA (STPI) AND THE SOFTWARE TECHNOLOGY PARK (STP) SCHEME**

#### **2.1 Software Technology Parks of India**

Software Technology Parks of India (STPI) was established and registered as a Society under Societies Registration Act 1860, under the Department of Electronics, Government of India on June 05, 1991 with the purpose of managing the operations of the Software Technology Parks of India (STPI) with its centres at Pune, Bangalore, Bhubaneswar, Hyderabad, Noida, Gandhinagar (near Ahmedabad) and Thiruvananthapuram.

## 2.2 Software Technology Park (STP) Scheme

Software Technology Park (STP) scheme is a 100% export oriented scheme for the development and export of computer software using data communication links or in the form of physical media including export of professional services. This scheme is unique in its nature as it focuses on one product/sector i.e. computer software. The scheme integrates the concept of 100% Export Oriented Units (EoU)/Export Processing Zone (EPZ) scheme of Government of India and the concept of Science Parks/Technology Parks elsewhere in the world which provide captive state-of-the-art technical infrastructure as a centralized resource. For implementing the STP scheme, Government of India has established Software Technology Parks of India (STPI) as an autonomous organization. STPI has established Software Technology Park complexes at Pune, Bangalore, Bhubaneswar, Hyderabad, Noida, Gandhinagar & Thiruvananthapuram for serving the member industries operating under STP scheme in these regions. State Government of West Bengal and Rajasthan have set up STPs in Calcutta and Jaipur respectively under the umbrella of STPI. These STPs are 100% export oriented resource centres for the member software exporting units.

However, the unique feature of this scheme is the provisioning of Single Point Contact services to the member units enabling them to conduct the export operations at pace commensurate with international practices. Services of STPs to the entrepreneurs begins from the time a new entrepreneur comes and contacts STP authorities about establishing export oriented unit under this scheme. Once the application is filed with the STP authorities, necessary coordination for approval is taken care in hassle free environment. After obtaining the approval of the government, STP authorities support entrepreneurs by providing various professional services like issuance of import certificates, Green Cards, Import Export Code (IEC), Export declarations, monitoring the operation of the units as a part of single point service to the industry. In fact STPI has created a conducive environment in which software export industry may perform at global standards and flourish.

STPI has made significant achievements in the following areas since its inception in 1991

- Shifting the focus of industry to off-shore projects/services contribute 85% of national off-shore software export.
- Export contribution 50% of National figures
- Dispersal of software industry to other locations like Pune, Thiruvananthapuram, Gandhinagar, Bhubaneswar etc.
- Nurturing and Developing of 100% reliable/dependable and efficient High Speed Data Communication (HSDC) facilities for software exports thus converting

constraints like physical distances and time difference with advanced countries, as an added advantage to the Indian Software Industry.

- Realized Single Window Concept.
- Incubating infrastructure to Small and Medium Enterprises (SMEs)

### 2.3 Objectives of STPI

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

- *To establish and manage the highly sophisticated infrastructural resources for the development of computer software such as datacomm, Core computer facilities as well as required 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 purpose. To take all the approvals on behalf of STP units from different Government Organizations as a part of One Stop Solution.*
- *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.*

### 2.4 Management Structure of STPI

The Hon'ble Minister In-charge of the Department of Electronics (DoE), is the Visitor of the Society. The organizational 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**" (SEB) operates under delegated powers of GC with STPI Director as Chairman and representatives from the State Government, Customs, User industry, etc.

### **3. PROGRESS MADE DURING THE YEAR**

#### **3.1 Incubating Infrastructure**

Small and Medium Entrepreneurs (SMEs) are vital engines for growth of this industry. One of the important functions of STPI is to provide incubating infrastructure to the SMEs enabling them to commence their operations without any gestation period. Incubating infrastructure available in various STPI centres not only enables SMEs to avoid capital investment in the creation of captive facilities for themselves but also ensures optimal use of the available facilities which are shared among various member units. The needs of SMEs are being addressed through self sustaining service system and High Speed Data Communication networks.

Software Industries operating under STPI scheme cater to the entire spectrum of software industry with small enterprise consisting of only 5 – 10 persons operations to large enterprises/multinational operations. In order to cater to the needs of this demanding industry, STP centres serve the member industry operating under their jurisdiction. They act as resource centres for member software exporting community having all general infrastructural facilities like utility power, ready to use built-up space, state-of-the-art computing and High Speed Data Communication (HSDC) facilities. Considering the number of Small and Medium Enterprises (SMEs), STPs are equipped with basic incubating infrastructure like utility & back-up power, EPABX, security, training aids, common Library, Photocopier, Fax facilities, etc. All such facilities are created in STPs based on the member unit requirements and are made available on cost recovery basis. Such a concept enables the SMEs to set up operations with in a time bound manner.

#### **3.2 Built-up space**

STPs all together have a built-up space of 18,414 Sqmtrs out of which 94% of the space has already been occupied by SMEs (software exporting units). In places like Noida, Pune, Hyderabad, Bangalore, the complexes are almost fully occupied and STP authorities are looking for alternatives to provide built-up space for the units. The details of the built up space available at various STPI centres are depicted as follows:

(Area in Sqmtrs)

STPI Locations	Area Earmarked	Area Occupied	%age of Occupancy
Pune	1425	1425	100
Bangalore	4216	4216	100
Bhubaneswar	621	412	66
Hyderabad	5906	5626	95
Noida	4000	4000	100
Gandhinagar	1196	864	72
Thiruvananthapuram	1050	830	79
<b>Total</b>	<b>18414</b>	<b>17373</b>	<b>94</b>

Besides, the large organizations, whose requirement of built-up space are more, operates from their own premises.

### 3.3 Computing facilities

STPI centres at Bangalore, Bhubaneswar and Hyderabad have been providing centralized computing facilities to their member units. The facility is based around IBM AS/400 computer system. With the focus shifting to client server architecture, the market for software development for AS/400 computer system is rather limited and accordingly these facilities are now only being used to provide specialized training programmes.

### 3.4 SoftNET - (Software Exporters Network) High Speed Data Communication facility

STPI has designed and developed Software Exporters Network (SoftNET) exclusively for software exporters. The High Speed Data Communication (HSDC) facilities are the back-bone for the software development activities and are being provided to the member STP units. STPI has installed six earth stations at its locations at Bangalore, Hyderabad, Thiruvananthapuram, Noida, Gandhinagar & Bhubaneswar which act as International Gateways. Out of these six earth stations, four have become fully operational and the remaining two earth stations i.e. at Bhubaneswar and Gandhinagar would become operational early next year. These are F-3 IBS earth stations looking to Intelsat 66 degree IOR Satellite. Local access to International Gateways at STPI centres is provided through Point-to-Multipoint Multi Access Radio (MAR) or through

Point-to-Point CDMA links as a solution to the local loop problem. STPI, therefore operates one of the largest nation-wide networks for the software exporting units called "SoftNET" providing shelf of services to the software exporting units.

Mission statement of Software Exporters Network (SoftNET) is "EXPLORING NETWORKING ALTERNATIVES FOR BETTER DATA COMMUNICATION NEEDS"

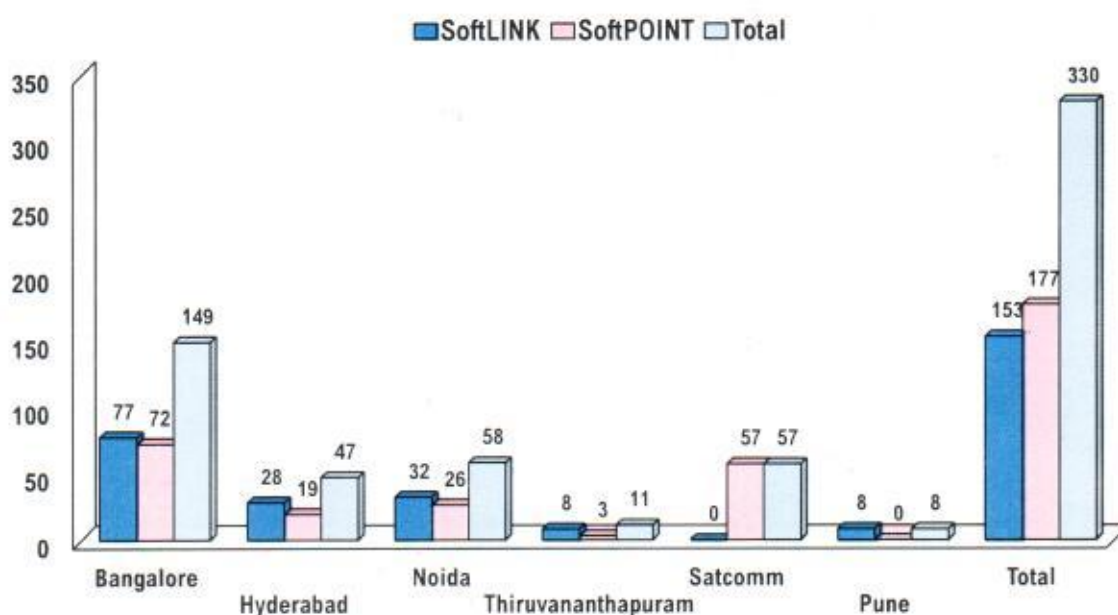
SoftNET - being a ever evolving technology, STPI tries to keep pace with the contemporary development and adopt the same to provide better and yet efficient HSDC Services at internationally competitive rates.

The SoftNET facilities at STPI include:

- ❖ F3 -IBS Earth Stations, which serve as International Gateway.
- ❖ International Gateways integrated with line-of-sight point-to-point digital TDMA equipment for connecting the user premises located outside the complex by means of microwave links. This eliminates the last-mile problem.
- ❖ The units operating inside the STPI campus have access to these facilities through the Local Area Network (LAN) based on 10 BASE T (IEEE 802.3) established in the complexes.
- ❖ An integrated network service called "SoftNET" was designed and established in the STPs for providing wide variety of value added services that are needed for software development and export operations. SoftNET provides the following services :
  - ◆ SoftPOINT, leased channel digital point-to-point service. Different data rate options are available.
  - ◆ SoftLINK, a TCP/IP based multi vendor network providing access to Internet. Following are the value added services available through SoftLINK:
    - E-Mail
    - Remote Log-in
    - Data Base Access
    - Wide Area Information Search (WAIS)
    - World Wide Web (WWW)
    - File transfer
  - ◆ SoftCONF: STPI has planned to have facilities for video conferencing initially from Noida, Hyderabad, Bangalore to the rest of the World.

- ❖ For the establishment of SoftNET facilities at STPI Gandhinagar and Bhubaneswar, earth station equipment along with necessary support systems have been installed at the site. To make the facility available to the member units SSOG verification tests with Intelsat have already been completed. These international gateways are expected to be operational in the first half of coming year.
- ❖ The shared data communication (Internet) services have been made fully operational at STPI Noida centre during the year.
- ❖ STPI Noida have established hubs in Delhi & Gurgaon with 2 Mbps (E1 Link) backbone in order to provide service to customers in the entire National Capital Region.
- ❖ STPI Pune centre has commissioned 64 Kbps Internet facilities by using VSNL's link and the same is available to its member units from May, 1996.
- ❖ A total of 330 units are using the SoftNET facilities of STPI for their software development and export operations. Following is the status of its usage:

STP Location	SoftLINK	SoftPOINT	Total
Bangalore	77	72	149
Hyderabad	28	19	47
Noida	32	26	58
Thiruvananthapuram	08	03	11
Satcomm	-	57	57
Pune	08	-	08
<b>Total</b>	<b>153</b>	<b>177</b>	<b>330</b>



STPI operates Point-to-Point International Private Digital Leased Circuits (IPLC) and shared datacom service popularly called Internet. STPI operates following carriers with various International Carriers from various locations:

Name of Carrier	Size of the Carrier (In Kbps)				No. of Carriers
	Bangalore	Noida	Thiruvananthapuram	Hyderabad	
IDB	1280 1024 1024	1280	64	1280	6
MCI	128	-	-	-	1
PTT Netherland	128	-	-	64 128	3
German Telecom	384	-	64	-	2
British Telecom	256	-	-	-	1
Teleglobe	1024	-	-	-	1
Bosch Telecom	-	128	64	-	2
Swiss Telecom	-	128	-	-	1
France Telecom	-	128	-	-	1
Singapore Telecom	-	-	-	64	1
<b>Total</b>	<b>5248</b>	<b>1664</b>	<b>192</b>	<b>1536</b>	<b>19</b>
<b>Total Bandwidth radiated</b>	<b>8640</b>				

### 3.5 Growth of Units

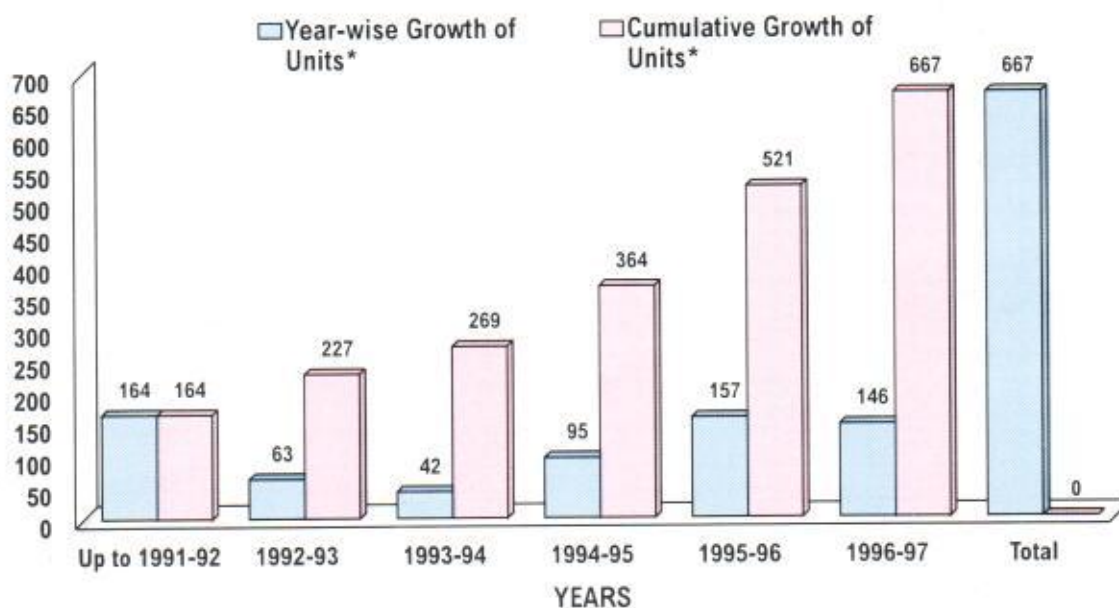
STP scheme has attracted many of the entrepreneurs who are in the area of software developments and software exports operations. A total of 667 units have been approved, out of which 146 units have been approved during 1996-97. Around 461 units have commenced operations and remaining units are in various stages of establishment.

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

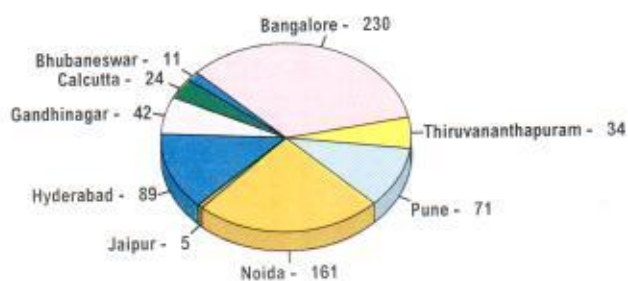
Year	Year-wise Growth of units*	Cumulative Growth of units*
<b>Up to 1991-92</b>	164	164
<b>1992-93</b>	63	227
<b>1993-94</b>	42	269
<b>1994-95</b>	95	364
<b>1995-96</b>	157	521
<b>1996-97</b>	146	667
<b>Total</b>	<b>667</b>	

\* Cumulative figures take care of cancelled units.

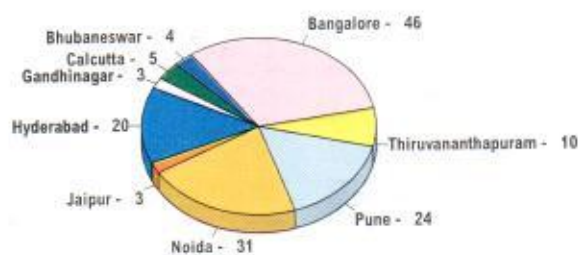
### Growth of Units



### Centre-wise approval of Units during the Year 1996-97



### Centre-wise Cumulative Growth of Units till March '97



The centre-wise concentration of STP units upto the year 1996-97 is depicted as under:

STP Location	No. of units approved	No. of units Operating	No. of units Exporting
Bangalore	170	132	81
Chennai	60	41	29
Bhubaneswar	11	8	2
Calcutta	24	20	10
Gandhinagar	42	12	11
Hyderabad	89	63	44
Jaipur	5	4	2
Noida	161	109	71
Pune	71	50	34
Thiruvananthapuram	34	22	14
<b>Total</b>	<b>667</b>	<b>461</b>	<b>298</b>

### 3.6 Growth of Exports

The export revenues of the STP units are showing continuous growth of about more than 100% every year. The STP units have exported Rs.17800 million worth of software during the year 1996-97 with a growth rate of 144.84%. These exports have been contributed by 289 member units.

The top ten software exporters contributed in software exports under STP scheme and their export revenues during the year are as under:

(Rs. million)

S.No.	Name of STP Unit	Exports
1.	Wipro Systems Ltd., Bangalore	1518.29
2.	Infosys Technologies P. Ltd., Bangalore	1213.74
3.	Wipro Infotech Ltd., Bangalore	701.05
4.	Information Management Resources (I) P.Ltd, Bangalore	605.30
5.	NIIT Ltd., Noida	477.44
6.	Dun & Bradstreet-Satyam Software P.Ltd., Chennai	467.70
7.	Texas Instruments (I) P.Ltd., Bangalore	356.40
8.	Citicorp Info. Tech. Industries Ltd., Bangalore	353.01
9.	Wipro Systems Ltd., Hyderabad	340.59
10.	Siemens Information Systems Ltd., Bangalore	339.15

The jurisdiction-wise top exporters operating under STP scheme is as under:

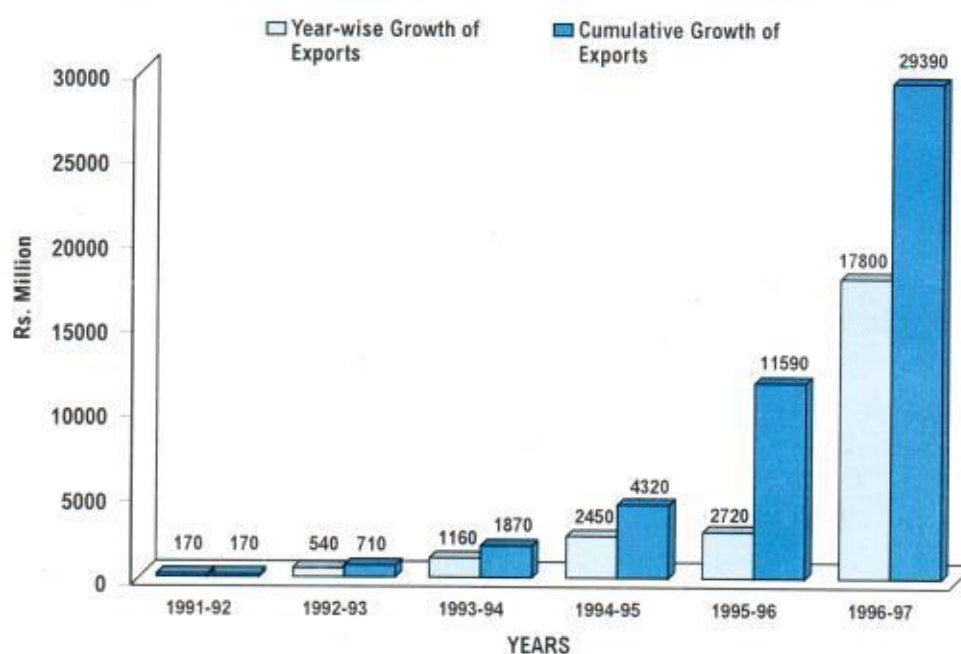


STPI Location	Name of member units
Pune	Mahindra British Telecom
Bangalore	Wipro Ltd.
Hyderabad	Satyam Computers Services P.Ltd.
Noida	NIIT Ltd.
Gandhinagar	Geotech Digital Bharat P. Ltd.
Thiruvananthapuram	Network Systems & Tech. P.Ltd.
Jaipur	Geotech Software Ltd.
Calcutta	Techna Digital Service P.Ltd.

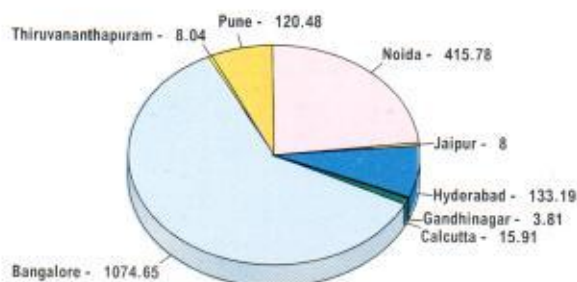
The growth trend in respect of exports made by the STP units during the last six years is as under:

(Rs. million)

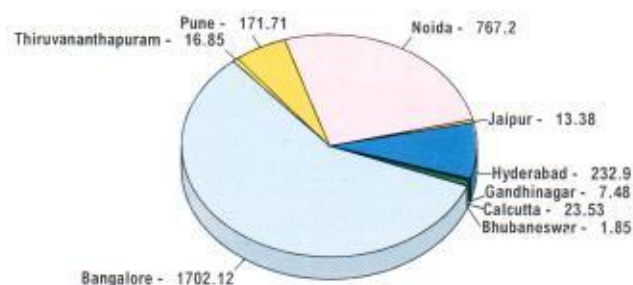
Year	Year wise Growth of Exports	Cumulative Growth of Exports
1991-92	170	170
1992-93	540	710
1993-94	1160	1870
1994-95	2450	4320
1995-96	2720	11590
1996-97	17800	29390



### Centre-wise Exports during the Year 1996-97



### Cumulative Exports till March '97



#### 4. Training & Seminars

- STPI's Bhubaneswar and Hyderabad conducted a user meet on Internet. More than 70 professionals from STP member units and State Government attended this meet.
- STPI Noida centre organized one day seminar on networking option for the software industries, inaugurated by Shri R. Basu, the then Secretary Dept. of Electronics.
- STPI organized two technical events on (a) "Hubless VSAT Communication using FATMA technology" (b) "Estimating Cost, Schedule & Risk for Development & Maintaining complex software projects" for software export industries.
- STPI Bhubaneswar conducted seminar on Multimedia and Data Communication '96 (STMUDA'96). The seminar was attended by 40 software professionals/engineers.
- STPI Bhubaneswar conducted a workshop on the problem year 2000 (Y2K) and solution to the problem faced by IT Industry. The workshop was attended by 35 software professionals from STP member units and State Government officials.
- STPI Noida centre has conducted a user meet to deliberate on a proposal to have Object Technology Centre (OTC) at Noida. OTC is a technology transfer centre that specializes in the rapid development and deployment of the infrastructure necessary to successfully use object-oriented software development techniques at Corporate level. A special interest group has been formed to formulate strategy in this regard.
- STPI Hyderabad centre has started training programmes on MRP/ERP
- The training programmes on AS/400 have been conducted at STP Bhubaneswar & Bangalore.

## **5. 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 initiated the following initiatives:

- For promoting STP Scheme, STPI has participated in International events like COMDEX in USA & CeBIT in Germany.
- Trade delegations from Colombia, Chile and Thailand had visited STPI centres.
- The “Softcopy” of “STPI Trade Directory” & “Compendium on Indian Software Development Centre – Government Policy, Procedure & Guidelines” has been brought out for the use of perspective entrepreneurs. This Softcopy is available under Windows environment.

## **6. In-house Software Development Project**

- STPI Hyderabad has initiated a pilot project of conversion of scanned images to engineering drawing.
- STPI Bangalore has successfully executed 1st Phase of Software Development Project with M/s Fujitsu – Aichi Engineering Ltd., Japan.
- Industry Information Server (IIS) project has been undertaken by STPI Hq. Through this project one can easily access information on corporate profiles of industry including its Performance, Infrastructure Availability, Policy, Procedure & Government Support, Future Plans, etc.

## **7. Visits of dignitaries**

STPI has received considerable attention from various Governments around the globe. Various delegations including trade and industry delegations have visited STPI, which has become synonymous with the local industry performance. However, STPI had following VVIPs visits.

- ❖ H.E. Prime Minister, Republic of Trinidad and Tobago, Shri Basdeo Panday visited STPI Bangalore centre on January 30, 1997 along with his official and business delegation.
- ❖ The Joint Parliamentary Committee on Science & Technology and Environment visited and reviewed the performance of STPI Noida centre and shown their keen interest in the SoftNET facilities including Internet Services.

## 8. Industry Interaction

STPI has been acting as a vital link between Industry and the Government and has provided crucial input to the Government with regard to various issues related to policies and procedures. In order to strengthen this process and also to provide inputs to Government for 'Export - Import (Exim) Policy 1997-2002, Open House meetings were organized by STPI in Pune, Bangalore, Noida, Hyderabad, Thiruvananthapuram, Chennai & Calcutta which were presided over by Secretary, Department of Electronics (DoE). Various suggestions made during these meetings have been suitably incorporated in the Exim Policy. These formal interactions have generated greater confidence in the industry.

## 9. Future Plans

STPI is working on the Vision 2000 document which would cover perspective plans for STPI up to the year 2000. STPI plans to achieve ten times growth in exports by STP units by the turn of this century. Accordingly, following activities are being given the extreme focus:

- *Expanding and building redundant Wide band Data Communication infrastructure;*
- *Promoting Secondary cities as Software Hamlets;*
- *Enhancing the productivity by promoting Software Engineering Methodologies;*
- *Promoting R&D and development of Software Products/Packages.*

## 10. Statement of Accounts

The Audited Statement of Accounts for the financial year 1996-97 is placed at Annexure-I.

## Acknowledgements

The Council gratefully acknowledge 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, International carriers and the Statutory Auditors. The Council also acknowledges the untiring efforts of the staff of the STPI in its successful working.

Sd/-

**(Shyamal Ghosh)**

Chairman, GC, STPI

and the Secretary Department of Electronics  
Government of India

Dated : October 28, 1997

Place : New Delhi

*Annual Accounts  
and  
Auditor's Report*

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**K. B. CHANDNA & CO.**

CHARTERED ACCOUNTANTS

E-27, SOUTH EXTENSION II, NEW DELHI - 110049

PHONES : 6442762, 6461306

FAX : 6440944

**AUDITOR'S REPORT**

We have audited the attached Balance Sheet of Software Technology Parks of India, consisting of Headquarters at New Delhi and eight units as on March 31, 1997 and the Income and Expenditure Account for the year ended on that date. We report that:

1. The Society has during the year transferred to Andhra Pradesh Industrial Investment Corporation (A State Govt. Undertaking) 6 acres of land allotted to Hyderabad Unit, free of cost, by Andhra Pradesh Government in exchange of unspecified built-up area to be constructed by the aforesaid Corporation in collaboration with M/s Larsen & Toubro Limited. As informed, consideration for the said transaction has been fixed at Rs. 1,16,16,000/- for which no effect has been taken in accounts.
2. No provision has been made for License fee payable to Department of Telecommunication, Government of India, amounting to Rs. 8.40 lacs for the year and a sum of Rs.244.36 lacs till date.
3. The Society has not provided depreciation on its fixed assets. Quantum thereof has also not been ascertained. However, Assets Replacement Fund (ARF) has been established.
4. The Society has an elaborate purchase procedure. However, there is scope for further improvement.
5. Immovable properties <sup>except the land at WODR</sup> are still to be registered in the name of Society.
6. Balances in personal accounts are subject to confirmation and consequential adjustments.

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 explanations given to us, the said Balance Sheet and Income and Expenditure Account together with schedules attached and read with Accounting Policies and Notes give a true and fair view of the State of Society's affairs as on March 31, 1997 and its Income and Expenditure Account for the year ended on that date.

Dated: October 14, 1997

Place : New Delhi

**For KB Chandna & Company**  
Chartered Accountants

Sd/-

**(DR. SUNIL K AGRAWAL)**  
**DIRECTOR/STPI**

Sd/-

**(VK GUREJA)**  
**PARTNER**

SOFTWARE TECHNOLOGY PARKS OF INDIA  
BALANCE SHEET AS AT 31/03/97

PARTICULARS	SCHEDULE	THIS YEAR AMOUNT IN RS.	PRE. YEAR AMOUNT IN RS.
<b>SOURCES OF FUNDS</b>		507,485,430.00	507,485,430.00
GRANTS IN AID			
UNSECURED LOAN FROM			10,000,000.00
- ANDHRA PRADESH GOVT.	9,000,000.00		28,230,599.43
- KERALA GOVT.	28,230,599.43		30,000,000.00
- NOIDA AUTHORITY	<u>30,000,000.00</u>	67,230,599.43	
<b>RESERVE &amp; SURPLUS</b>			
RESERVE		300,703,363.52	164,091,847.65
ASSETS REPLACEMENT FUND			
SURPLUS		32,295,164.39	22,796,615.60
EXCESS OF INCOME OVER EXPENDITURE		<u>907,714,557.34</u>	<u>762,604,492.68</u>
<b>APPLICATION OF FUNDS</b>	<b>"A"</b>	606,803,494.06	533,796,595.12
FIXED ASSETS			
CURRENT ASSETS, LOANS & ADVANCES			
CURRENT ASSETS			71,626.30
CASH IN HAND	70,178.36		
BALANCES WITH SCHEDULED BANKS			24,154,518.32
- IN SAVING ACCOUNTS	31,967,503.40		240,821,089.47
- IN FIXED DEPOSITS/MARGIN MONEY A/Cs	294,669,566.00		7,603,248.55
- INTEREST ACCRUED BUT NOT DUE	21,134,913.73		0.00
CHEQUES IN HAND	866,748.00		1,218.00
STAMPS IN HAND	441.00		42,266,656.79
SUNDRY DEBTORS	51,265,708.97		717,108.00
LESS PROVISION FOR DOUBLE DEBTS	1,531,986.00		3,263,200.55
GENERAL STANDBY STORES	2,978,961.37		
	17,273,079.15		11,487,333.01
<b>ADVANCES &amp; DEPOSITS</b>			
(RECOVERABLE FOR CASH OR IN KIND OR FOR VALUE TO BE RECEIVED)			630,666.00
TAX DEDUCTED AT SOURCE	<u>755,807.00</u>		329,582,448.99
	419,450,920.98		
LESS : CURRENT LIABILITIES			46,631,126.19
SUNDRY CREDITORS	39,260,243.36		40,883,842.32
ADVANCES/DEPOSITS FROM MEMBERS	38,015,621.32		11,259,582.92
OUTSTANDING LIABILITIES	39,263,993.02		<u>2,000,000.00</u>
PROJECT ADVANCES	<u>2,000,000.00</u>		100,774,551.43
	118,539,857.70		
NET CURRENT ASSETS		300,911,063.28	228,807,897.56
NOTES FORMING PART OF ACCOUNTS	<b>"B"</b>	<u>907,714,557.34</u>	<u>762,604,492.68</u>

DATE : OCTOBER 14, 1997  
PLACE : NEW DELHI

Sd/-

(DR. SUNIL K. AGRAWAL)  
DIRECTOR

AS PER OUR REPORT OF EVEN DATE  
FOR K.B. CHANDNA & CO.  
CHARTERED ACCOUNTANTS

Sd/-

(VK GUREJA)  
PARTNER

# INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 1997

PARTICULARS	SCHEDULE	THIS YEAR AMOUNT IN RS.	PRE. YEAR AMOUNT IN RS.
<b>INCOME</b>			
Charges Received		259886824.52 ✓	166661599.75
Income from Training & Seminar		584360.00 ✓	490838.00
Interest earned		31415005.90 ✓	20948438.16
Misc. Income		2656107.36 ✓	982044.80
Prior Period Income	"C"	2841116.75 ✓	0.00
<b>Total : (A)</b>		<b>297383414.53 ✓</b>	<b>189082920.71</b>
<b>EXPENDITURE</b>			
Data link charges ✓		74958208.01 ✓	38106038.77
Communication cost		5129032.52 ✓	4540870.85
Salaries, Wages & Amenities ✓		20857100.70 ✓	7719595.35
Rent, Rates & Taxes		10979278.20 ✓	7858068.91
Repair & Maintenance		9010007.05 ✓	3967540.80
Water & Elec. Charges		5847058.28 ✓	2510260.00
Travelling & Conveyance		4910090.94 ✓	2652715.50
Vehicle running & Hire Ch.		2561687.25 ✓	1566983.20
Security hire charges		1861541.10 ✓	1458255.75
Interest on loan		2201655.00 ✓	3210000.00
Other Expenses		1931738.50 ✓	1689997.96
Printing & Stationary		1217062.75 ✓	1518588.50
Insurance		1209158.00 ✓	819628.00
Provision for bad debts		814878.00 ✓	597813.00
Training & Seminars		554637.60 ✓	525494.39
Newspapers, Books & Periodicals		349131.47 ✓	128971.45
Advertisement Exp.		311775.00 ✓	115994.85
Professional Charges		203803.00 ✓	210221.30
Audit Fees		80000.00 ✓	70000.00
Prior period expenses	"D"	6285506.50 ✓	0.00
<b>Total : (B)</b>		<b>151273349.87 ✓</b>	<b>79267038.58</b>
Net Surplus for the Year (A-B) :		146110064.66	109815882.13
Surplus available for appropriation :		146110064.66	109815882.13
Transfer to Assets replacement fund :		137168683.87	93351074.55
Net Balance Carried to Balance Sheet :		8941380.79	16464807.58

DATE : OCTOBER 14, 1997  
PLACE : NEW DELHI

AS PER OUR REPORT OF EVEN DATE  
FOR K.B. CHANDNA & CO.  
CHARTERED ACCOUNTANTS

Sd/-

(DR. SUNIL K. AGRAWAL)  
DIRECTOR / STPI

Sd/-

(VK GUREJA)  
PARTNER

## SOFTWARE TECHNOLOGY PARKS OF INDIA

### SCHEDULE "A" FIXED ASSETS

Particulars	Total	Previous Year
Land	4363511.00 ✓	2430902.00
Building	10332305.51 ✓	10800408.51
Computer Peripherals	42535320.04 ✓	33891157.44
Electrical Installations	26464231.91 ✓	22873996.28
Fire Fighting Equipment	1006268.11 ✓	1006268.11
Furniture & Fixtures	17300147.79 ✓	15144933.39
Office Equipment	7436088.54 ✓	8234049.07
Vehicles	161116.15 ✓	161116.15
Other Fixed Assets	430050.28 ✓	327310.88
High Speed Data Communication Equipment	458852797.60 ✓	403871999.33
Pre-operative expenses pending allocation	38238498.99 ✓	3026936.49
Capital Work in Progress	34097808.14 ✓	32027517.47
<b>Total</b>	<b>606803494.06 ✓</b>	<b>533796595.12</b>

Dated: October 14, 1997

Place : New Delhi

**For KB Chandna & Company**  
Chartered Accountants

Sd/-

Sd/-

**(DR. SUNIL K. AGRAWAL)**  
**DIRECTOR/STPI**

**(VK GUREJA)**  
**PARTNER**

## SCHEDULE "B"

### NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 1997

#### 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 and amenities include salary, wages and other payments made to staff of ER&DC for providing services to their staff at Thiruvananthapuram. As per the arrangements, all other benefits payable to the staff are reimbursed to the aforesaid organization. Accordingly, such payments are being debited to salaries, wages & amenities accounts.
- (c) The Society being a non-profit making institution, the depreciation has not been provided in the accounts and assets replacement fund on straight line method 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 Equipment	15%
Furniture and Fixtures	10%
Office Equipment	15%
Other Fixed Assets	15%
Vehicles	20%
Earth Station	20%

#### 2. CONTINGENT LIABILITIES

- (a) License fee payable to Department of Telecommunication amounting to Rs.8.46 lacs for the year and Rs.244.36 lacs till date.
- (b) Royalty and License Fee amounting to Rs.25.06 lacs payable to Wireless Planning & Coordination Wing.
- (c) Debit Note received from Videsh Sanchar Nigam Limited in respect of assets transferred by them to erstwhile SATCOMM Division amounting to Rs.6,67,064/-
- (d) Additional service charges payable to Bhubaneswar Development Authority @ 1% of the market value of the premises (amount not quantifiable).
- (e) Custom duty payable to the extent of Rs.50 lacs at Bangalore and a further sum of Rs.35 lacs each by Hyderabad, Thiruvananthapuram, Bhubaneswar and Gandhinagar resulting from Governing Council's decision of debonding various equipment acquired by the aforesaid units.

### 3. DURING THE YEAR

- (a) The Society has transferred to Andhra Pradesh Industrial Investment Corporation (State of Andhra Pradesh Undertaking) 6 acres of land allotted to Hyderabad unit, free of cost, by Andhra Pradesh Government in exchange of built-up area, in accordance with CPWD norms valuing Rs.1,16,16,000 to be constructed by aforesaid Corporation in collaboration with M/s Larsen & Toubro Limited. The said transaction shall be accounted for on execution of Deed of Exchange.
- (b) NOIDA Units has made payment of Rs.43 lacs on account of custom duty on the imported equipment debonded during the year. The said amount has been shown as addition to fixed assets.
- (c) The Society has created Employees Welfare Account for the welfare of employees based on surplus generated by STPI during the financial year 1995-96. Accordingly, a provision of Rs. 94,00,000.00 has been made under the head salaries, wages & amenities.
- (d) The Society has set up high speed data communication facilities at Gandhinagar for providing infrastructure facilities to software exporters. Till such time these facilities become operational, net expenses of Rs. 4,34,544.29 are to be treated as pre-operative expenses.
- (e) Separate schedule has been prepared in respect of prior period income/expenditure which was being shown under natural heads of account till last year.
- (f) Amount transferred to assets replacement fund includes deficiency of Rs. 3,09,21,861.87 pertaining to earlier years.

### 4. Immovable properties are still to be registered in the name of the society

### 5. Previous year figures have been re-grouped/re-classified wherever necessary.

**SOFTWARE TECHNOLOGY PARKS OF INDIA**

**For KB Chandna & Company**  
Chartered Accountants

Sd/-

**(DR. SUNIL K. AGRAWAL)**  
**DIRECTOR**

Sd/-

**(VK GUREJA)**  
**PARTNER**

SOFTWARE TECHNOLOGY PARKS OF INDIA

SCHEDULE "C"  
PRIOR PERIOD INCOME

Particulars	Total
Charges received	2796532.75
Interest Earned	1551.00
Miscellaneous Income	43033.00
Total	2841116.75

DATE : OCTOBER 14, 1997  
PLACE : NEW DELHI

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

AS PER OUR REPORT OF EVEN DATE  
FOR K.B. CHANDNA & CO.  
CHARTERED ACCOUNTANTS

Sd/-  
(VK GUREJA)  
PARTNER

## SCHEDULE "D"

### PRIOR PERIOD EXPENDITURE

Particulars	Total
Salaries & Wages	11767.00
Other Expenses	10117.00
Printing & Stationary	5625.00
Vehicle Hire Charges	9842.00
Professional Charges	10000.00
Communication Cost	5571.00
Repair & maintenance	418918.00
Travelling & conveyance	4540.00
Water & Electricity charges	16710.00
Data link charges	2234960.50
Rent, Rates & Taxes	3557456.00
<b>Total</b>	<b>6285506.50</b>

DATE : OCTOBER 14, 1997  
PLACE : NEW DELHI

AS PER OUR REPORT OF EVEN DATE  
FOR K.B. CHANDNA & CO.  
CHARTERED ACCOUNTANTS

Sd/-

(DR. SUNIL K. AGRAWAL)  
DIRECTOR

Sd/-

(VK GUREJA)  
PARTNER

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

The following are the replies to the comments of Auditors

Point No.1	Auditor's Observation	The Society has during the year transferred to Andhra Pradesh Industrial Investment Corporation (A State Government Undertaking) 6 acres of land allotted to Hyderabad Unit, free of cost, by Andhra Pradesh Government in exchange of unspecified built-up area to be constructed by the aforesaid Corporation with M/s Larsen & Toubro Ltd. As informed, consideration for the said transaction has been fixed at Rs. 1,16,16,000/- for which no effect has been taken in account.
	STPI's comments	The observation is explanatory in nature. Moreover, STPI has taken up with APIIC for formal lease deed to be executed.
Point No.2	Auditor's Observation	No provision has been made for License fee payable to Dept. of Telecommunication, Government of India, amounting to Rs. 8.40 lacs for the year and a sum of Rs.244.36 lacs till date.
	STPI's Comments	The matter has been taken up with Dept. of Telecommunication and the same is under active consideration.
Point No.3	Auditor's Observation	The Society has not provided depreciation on its fixed assets. Quantum thereof has also not been ascertained. However, Assets Replacement Fund (ARF) has been established.
	STPI's Comments	The observation is explanatory in nature
Point No.4	Auditor's Observation	The Society has elaborate purchase procedures. However, there is a scope for further improvement.
	STPI's Comments	Noted for compliance
Point No.5	Auditor's Observation	Immovable properties are still to be registered in the name of society.
	STPI's Comments	Noted for compliance.
Point No.6	Auditor's Observation	Balances in personal account are subject to confirmation and consequential adjustments.
	STPI's Comments	The auditors have sent a few letters for confirmation of balances to various parties. However, a few of them have not responded back.

Members of the General Body of the Society

<b>1.</b>	<b>Shri Shyamal Ghosh</b> Secretary, DoE Department of Electronics Electronics Niketan 6 CGO Complex, Lodi Road New Delhi - 110 003	<b>Chairman</b>
<b>2.</b>	<b>Shri Nripendra Misra</b> Addl Secretary (Commerce) Ministry of Commerce Udyog Bhavan New Delhi - 110 011	<b>Member</b>
<b>3.</b>	<b>Shri AK Chakravarti</b> Adviser Department of Electronics Electronics Niketan 6 CGO Complex, Lodi Road New Delhi - 110 003	<b>Member</b>
<b>4.</b>	<b>Shri PRV Ramanan</b> Joint Secretary (Customs) Central Board of Excise & Customs Ministry of Finance Department of Revenue, North Block New Delhi - 110 003	<b>Member</b>
<b>5.</b>	<b>Shri VK Malhotra</b> Joint Secretary Ministry of Home Affairs Room No.194, North Block New Delhi - 110 001	<b>Member</b>
<b>6.</b>	<b>Shri AK Mittal</b> Director Dept of Telecommunication Sanchar Bhavan New Delhi - 110 003	<b>Member</b>

- |    |  |                         |
|----|--|-------------------------|
| 7. | <b>Shri RH Naqvi</b><br>Executive Director<br>Electronics & Computer Software<br>Export Promotion Council (ESC)<br>PHD House, Opp Asian Games Village<br>New Delhi | <b>Member</b>           |
| 8. | <b>Dr. Sunil K Agrawal</b><br>Director<br>Software Technology Parks of India<br>6, CGO Complex, Lodi Road<br>New Delhi - 110 003                                   | <b>Member Secretary</b> |

### Members of the Governing Council

<b>1.</b>	<b>Shri Shyamal Ghosh</b> Secretary, DoE Department of Electronics Electronics Niketan 6 CGO Complex, Lodi Road New Delhi - 110 003	<b>Chairman</b>
<b>2.</b>	<b>Shri Nripendra Misra</b> Addl Secretary (Commerce) Ministry of Commerce Udyog Bhavan New Delhi - 110 011	<b>Member</b>
<b>3.</b>	<b>Shri N Gopalaswami</b> Adviser Planning Commission Yojana Bhavan Parliament Street New Delhi - 110 001	<b>Member</b>
<b>4.</b>	<b>Shri AK Chakravarti</b> Adviser Department of Electronics Electronics Niketan 6 CGO Complex, Lodi Road New Delhi - 110 003	<b>Member</b>
<b>5.</b>	<b>Shri JS Maini</b> Jt. Secretary & Fin. Adviser Department of Electronics Electronics Niketan 6 CGO Complex, Lodi Road New Delhi - 110 003	<b>Member</b>
<b>6.</b>	<b>Shri PRV Ramanan</b> Joint Secretary (Customs) Central Board of Excise & Customs Ministry of Finance Department of Revenue, North Block New Delhi - 110 003	<b>Member</b>
<b>7.</b>	<b>Shri VK Malhotra</b> Joint Secretary Ministry of Home Affairs Room No.194, North Block New Delhi - 110 001	<b>Member</b>

<b>8.</b>	<b>Smt PM Singh</b> Joint Secretary Department of Electronics Electronics Niketan 6 CGO Complex, Lodi Road New Delhi - 110 003	<b>Member</b>
<b>9.</b>	<b>Shri KP Singh</b> Joint Director Intelligence Bureau 25 Akbar Road New Delhi - 110 001	<b>Member</b>
<b>10.</b>	<b>Shri AK Mittal</b> Director Dept of Telecommunication Sanchar Bhavan New Delhi - 110 003	<b>Member</b>
<b>11.</b>	<b>Shri FC Kohli</b> Deputy Chairman Tata Consultancy Services Park West II, Raheja Estates Kullupwadi Road, Borivali (E) Bombay - 400 066	<b>Member</b>
<b>12.</b>	<b>Shri Dewang Mehta</b> Executive Director National Association of Software Services and Computer (NASSCOM) #109 Ashok Hotel, Chankya Puri New Delhi - 110 021	<b>Member</b>
<b>13.</b>	<b>Shri RH Naqvi</b> Executive Director Electronics & Computer Software Export Promotion Council (ESC) PHD House, Opp Asian Games Village New Delhi	<b>Member</b>
<b>14.</b>	<b>Shri Srini Rajam</b> Managing Director Texas Instruments (I) P.Ltd. Wind Tunnel Road Nurgesh Palya Bangalore	<b>Member</b>

15.	<b>Shri PS Narotra</b> Director Software Technology Parks of India Block 4, Sector 29 Ganga Shopping Complex Noida (UP)	<b>Member</b>
16.	<b>Dr. Sunil K Agrawal</b> Director Software Technology Parks of India 6, CGO Complex, Lodhi Road New Delhi - 110 0003	<b>Member Secretary</b>

## Software Technology Parks of India

### Addresses of Centres

<p><b>Dr. Sunil K Agrawal</b>, Director Software Technology Parks of India 6, CGO Complex, Lodhi Road New Delhi - 110 003</p>
<p><b>Shri BV Naidu</b>, Director-in charge Software Technology Parks of India Block III, Multi Stories Complex Keonics Electronics City, Hosur Road Bangalore - 561 229</p>
<p><b>Shri JA Chawdary</b>, Director Software Technology Parks of India 407, Maitri Vanam Complex, Sanjeeva Reddy Nagar Post, Hyderabad - 500 038</p>
<p><b>Shri Manas Patnaik</b>, Director-in charge Software Technology Parks of India Priyadarshini Market, 2nd Floor, CRP Square, Nayapalli Bhubaneswar - 751 001</p>
<p><b>Shri PS Narotra</b>, Director Software Technology Parks of India IInd Floor, Block 4, Ganga Shopping Complex, Sector 29, Noida - 201 301</p>
<p><b>Shri SK Gupta</b>, Director Software Technology Parks of India Unit No. 35 &amp; 38, Electronics Sadan No. II MIDC Bhosari Block Pune- 411 026</p>
<p><b>Shri Ajay Sharma</b>, Director Software Technology Parks of India 3 LK Society, Opp. Gurukul Drive-in-road Ahmedabad - 380 052</p>
<p><b>Dr. SR Uttarwar</b>, Director Software Technology Parks of India PB No. 5517, JV Centre Bakery Jn. Thiruvananthapuram - 695 034</p>