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ANNUAL REPORT 1994 - 95

Signature



Software Technology Parks of India
IN THE SERVICE OF SOFTWARE EXPORTERS



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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, 1994 to March, 1995.

1. Introduction

The Information Technology (IT) is a high growth rate industry in the Global economy and in Indian economy as well. IT provides various products and services to improve significantly the competitiveness of the industry in the global market. In the Indian context too, the potential leverage of IT industry is significant. Among the IT market segments, computer software has high potential for growth as the country has wide base in technical education and proven professional talent, particularly in the area of computer software and related services. As this Industry has high value addition potential, software exports can lead to significant Net Foreign Exchange (NFE) and it has also the 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 Societies Registration Act 1860, under the Department of Electronics, Government of India on June 5, 1991 with the purpose of managing the operations of Software Technology Parks of India (STPI) centres at Pune, Bangalore, Bhubaneswar, Hyderabad, Noida, Gandhinagar/Ahmedabad and Thiruvananthapuram.

2.2 **The Software Technology Park (STP) Scheme** is a 100% export oriented scheme for encouraging software development for export. The STPI 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 the requirement of the STP units. Units under STP scheme can be set-up in the STPI 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 STPI centres.

2.2.1 During the year various policy initiatives were taken by the Government in respect of the STP scheme. The following are the highlights :

- Ministry of Finance (Department of Revenue) had notified for debonding of capital goods, office equipment's, etc. on payment of an amount equal to the custom duty leviable on the depreciated value on the rate of custom duty inforce on the date of payment vide Gazette Notification No. 110/94 dated 15th April, 1994 as an amendment to the Notifications

No. 138/Customs/91 and 140-Customs/91 dated 22nd October, 1991.

- Ministry of Finance (Department of Revenue) had notified to allow the supply/transfer of goods imported by a unit to another 100% Export Oriented Unit (EOU) or a unit in Export Processing Zone (EPZ)/Free Trade Zone (FTZ) for the purpose of development of software for export vide Gazette Notification No. 192/94 dated 6th December, 1994 as an amendment to the Notifications No. 138/Customs/91 and 140/Customs/91 dated 22nd October, 1991. Further, it is also mentioned in the Notification that the infrastructural facilities created by STPs as centralised infrastructure can be linked to the educational and research community (other than institutes engaged in commercial activities) as an amendment to the Notification No. 138/Customs/91 dated 22nd October, 1991.
- Ministry of Finance (Department of Revenue) had notified the Tax holiday benefits under 10A and 10B to the software exporting units under STPI/EPZs/100% EOUs vide Circular No. 696 (F.No. 149/68/94-TPL) dated 23rd November, 1994.
- Ministry of Finance (Department of Revenue) had notified the exemption of excise duty on the domestic purchases made by the STPI/STP units to allow the export vide Gazette Notification No. 1/95 dated 4th January, 1995.
- Ministry of Finance (Department of Revenue) had notified to allow STP units to sell in the Domestic Tariff Area upto a value not exceeding 25% of the value of the software produced vide Gazette Notification No. 2/95 dated 4th January, 1995.

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 have 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

During the year STPI has made considerable progress in setting up and managing the general infrastructural facilities like built-up space and other common amenities. The occupancy level of built-up space provided by the STPI centres have significantly improved during the year and in some STPI centres there is 100% occupancy. Presently, out of occupyable space in all STPI centres an area of 17,525 Sqm. has been allotted to 87 member units thus resulting in 91% occupancy level.

3.2 Computing Facility

During the year, IBM AS/400 system available in STPI-Pune has been shifted to Hyderabad centre for use by the Industry

3.3 High Speed Data Communication facility

3.3.1 During the year, IBS Earth Station installation at Gandhinagar has been completed and INTELSAT had classified this facility as F3 Earth Station. With this the facilities at STPI centres at Bangalore, Hyderabad, Thiruvananthapuram and Gandhinagar/Ahmedabad have been identified by INTELSAT for operating international gateway facilities.

3.3.2 At STPI-Bhubaneswar centre, civil work related to Earth Station installation has been completed. Installation of the Antenna system, back-up systems like UPS, etc. have been completed. Installation of the Ground Control Equipments are under progress.

3.3.3 At STPI-Noida centre, the HSDC facilities were established by SATCOMM Services (India), another society of DoE, and made operational during July 94. Noida Authority have given loan for establishing IBS Earth Station at STPI-Noida centre. STPI has finalised the configuration and completed the necessary formalities including placement of orders for procuring Earth Station equipments. The activities related to civil work are also under progress.

3.3.4 Utilisation of HSDC resources have doubled both in terms of band-width user as well as population of users. At present 98 units have become users of HSDC facilities in STPI centres at Bangalore, Hyderabad and Thiruvananthapuram. The total band-width under utilisation is around 3 Mbps, in which 2.4 Mbps has been destined to USA and remaining 0.6 Mbps to EC countries.

3.4 Industry Profile

3.4.1 STP scheme attracted many of the entrepreneurs who are in software development and software export operations. During the year 118 units have been approved to operate under STP scheme, of which 35 units proposed to set-up operations inside the STPI complexes and remaining 83 to operate from their own premises. The details of approvals accorded are as follows:

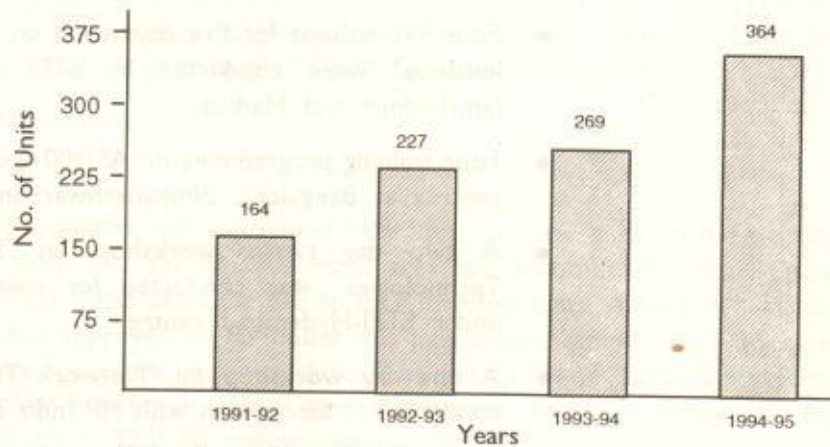
Approving authority	No. of unit approved
FIPB/EC	25
IMSC	10
Jurisdictional Directors	83

3.4.2 The units approved during the year have projected Gross and Net Foreign Exchange earnings of Rs.14456 million (US\$ 452 million) and Rs.10640 million (US\$ 332.50 million) respectively for next five years. These units are expected to generate employment opportunities for about 11,000 people at various levels. Shown below is the break-up, category-wise of the proposed investment:

Category	Investment Projected for next 5 Yrs	
	(Rs. million)	(US\$ million)
Foreign Investments	322.40	10.10
NRI Investments	154.00	4.81
Indian Investments	1614.50	50.45
Total	2090.90	65.36

3.4.3 The number of units approved cumulatively stands at 364. During the year approvals of some of the units who had not commenced operations within stipulated period of three years have been cancelled by Inter-Ministerial Standing Committee (IMSC). During the year 77 units have commenced their operations including 41 units, which have been approved during the year. With this the total number of units established have reached to 227.

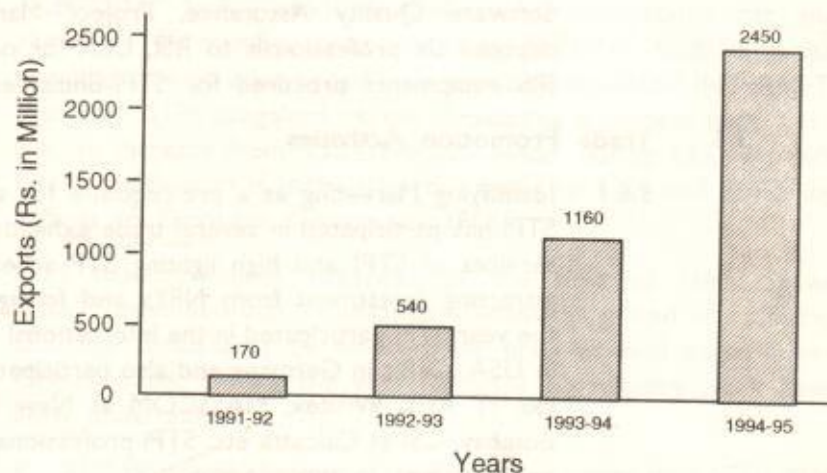
Growth of STPI units over the years is depicted in the bar chart below:



(The above figures indicate the cumulative status of the units approved under STP scheme excluding the cancelled ones).

3.4.4 Exports Growth:

Contribution of member units to software exports has increased from Rs.1160 million (US\$ 37.5 millions) to Rs.2450 million (US\$ 77.40 million) with a growth rate of 111%. These exports have been contributed by 108 member units. The growth of Exports under STP scheme since 1991-95 is as depicted in the chart below:



3.5 Training

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

- A three day distant learning programme on "Applying Software Measure Effectively" using two way video conferencing facilities was conducted by STPI-Bangalore centre. This was totally an

interactive programme between participants at Bangalore and faculty at Washington, USA.

- Four Workshops for five days each on "Software Engineering Initiative" were conducted by STPI at Bangalore, Noida, Jamshedpur and Madras.
- Four training programmes on AS/400 were conducted by STPI centres at Bangalore, Bhubaneswar and Hyderabad.
- A two day seminar/workshop on "Data Communication Technologies" was conducted for member units operating under STPI-Hyderabad centre.
- A one day workshop on "Network Trouble Shooting" was conducted in association with HP India by STPI-Noida centre.
- A work-shop on Customs, Excise and RBI procedure applicable to STP Scheme was conducted at Madras by STPI-Bangalore centre.

3.5.2 Approximately 300 software professionals have benefited from these programmes/courses.

3.5.3 In addition to the conducting seminars for the member units, STPI has also deputed their professionals for various seminars for acquiring skills in Data Communications, Software Engineering, Software Quality Assurance, Project Management, etc. STPI deputed six professionals to RSI, USA for on-site training on the IBS equipments procured for STPI-Bhubaneswar centre.

3.6 Trade Promotion Activities

3.6.1 Identifying Marketing as a pre-requisite for the software exports, STPI has participated in several trade exhibitions for marketing the services of STPI and highlighting STP scheme benefits and also attracting investment from NRI's and foreign companies. During the year STPI participated in the international events like COMDEX in USA, CeBit in Germany and also participated in National events like IT Asia, Wisitex, NASSCOM at New Delhi, Telecom'94 at Bombay, CSI at Calcutta etc. STPI professionals had made technical presentations in these events.

3.6.2 STPI has brought out several publications from time to time on Software Industry in India and on STPI highlighting the infrastructural facilities, industry friendly policies and skilled manpower available in India for Software Exports & Service industry.

3.6.3 Information dissemination over the data networks has become easy as compared with the other media and is also a cost effective solution. Consequently, STPI has developed Home Page on its World Wide Web (WWW) Servers located at STPI-Hyderabad

and Bangalore centres for dissemination of information about STPI operations. WWW provides most advanced browsing and searching system deployed on the INTERNET and works on Hypertext/Hypermedia paradigm. So far 50,000 persons have accessed this information through INTERNET around the globe.

4. Project Implementation

4.1 Pune

STPI-Pune centre had augmented 685 Sqm. built-up space to the existing space. With this the total rentable area has become 1403 Sqm. Space of 1250 Sqm. has been allotted to four member units. A total of 44 units have been approved so far under this jurisdiction, out of which 15 units have been accorded approval during the year 1994-95. Software exports from this jurisdiction have increased from Rs.16.20 million during 1993-94 to Rs.7355.30 million during 1994-95.

4.2 Bangalore

4.2.1 All physical and technical infrastructural facilities required for software exporters have been created and are made available for their operations. STPI-Bangalore centre having 4216 Sqm. built-up space is fully occupied by 16 member units.

4.2.2 Users of HSDC facilities have increased during the year from 25 member units to 66 units of which 20 member units are using "SoftPOINT" facility which provides point-to-point connectivity and remaining 46 member units are using SoftLINK facilities which provides various value added services based on Global INTERNET. Presently, STPI Bangalore centre is radiating 6 carriers with 2.496 Mb, an increase from 0.704 Mb band-width during 1993-94. 80% of the band-width is utilised for the traffic to USA and remaining 20% is to European Community (EC).

4.2.3 STPI has developed expertise in the field of High Speed Data Communication, Computer Networking and is offering technical consultancy to the member units as well as to other Organisations. During the year following consultancy work have been undertaken:

- STPI-Bangalore centre prepared a detailed report for SATCOMM for establishing IP Network at Delhi, Bombay and Madras.
- The installation and commissioning of the VSAT Hub of SATWAN (ERNET, a project of DoE) and its integration with IBS equipment of STPI Bangalore centre has been completed. Necessary infrastructural facilities for maintaining this facility have been created including the design and establishment of the network management centre. The management of operations

and the monitoring of various links are performed by STPI-Bangalore centre.

- 4.2.4 During the year, 45 units have been approved under this jurisdiction, of which 18 units were approved to operate in the State of Tamilnadu and remaining 27 to operate in the State of Karnataka. With these additions, total number of units approved has become 116. During the year 37 units have established the operations taking the total number of units established reached to 68. The software exports from this jurisdiction have increased from Rs.566.00 million during 1993-94 to Rs.1263.50 million during 1994-95.

4.3 Bhubaneswar

- 4.3.1 All the basic amenities required for software exporters have been made available. An area of 110 Sqm. has been allotted to four member units out of total available area of 668.0 Sqm.

- 4.3.2 The Earth Station Equipment alongwith suport systems like UPS, DG set, etc. have been procured during the year. The State Government of Orissa have allotted an area of 2913.80 Sqm. at Chandrashekharapur for installation of HSDC facilities. The site preparation work and building for housing the Earth Station Equipment and support systems were completed by the State Government authorities. The installation of Earth Station Antenna has been completed and ground control equipments are being installed.

- 4.3.3 During the year one unit has been approved to operate inside the complex, with this total no. of units approved has become four. All the units have established their operations and two units have exported software worth of Rs.4.87 million during 1994-95 against their exports revenue of Rs.2.7 million during 1993-94.

- 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.

4.4 Hyderabad

- 4.4.1 All the physical and technical infrastructure required for software exporters have been made available. Keeping in view the further requirement of built-up space, an additional 427 Sqm. was taken on lease from Hyderabad Urban Development Authority (HUDA), taking the total area to 6448 Sqm. all of which have been allotted to 25 member units and have been taken posession by the units. Human Resource Development (HRD) centre has been created

as a centralised amenity for the use of the member units for conducting various seminar/training programmes.

4.4.2 IBM AS/400 available at STPI-Pune centre has been shifted to Hyderabad centre based on demand of the industry and also considering their commitment to use it for next three years.

4.4.3 Usage of HSDC facilities have increased during the year from 14 member units to 31 units of which three member units are using "SoftPOINT" facility which provides point-to-point connectivity and remaining 28 member units are using SoftLINK facility which provides various value added services based on Global INTERNET & E-Mail. Presently, STPI-Hyderabad centre is radiating single carrier with a band-width of 384 Kbps destinating to USA.

4.4.4 During the year 25 units have been approved under this jurisdiction, of which 10 units were approved to operate inside the complex and remaining 15 to operate in their own premises. Total number of units approved so far under this jurisdiction is 53. During the year 13 units have established the operations taking the number of units established to 37. The software exports from this jurisdiction have increased from Rs.98.38 million during 1993-94 to Rs.247.35 million during 1994-95.

4.4.5 STPI-Hyderabad centre has developed in-house expertise to manage day to day operations of Satellite Earth Station (SES), IP Network and Metropolitan Network based on digital point to multipoint equipment. During the year STPI-Hyderabad centre has offered consultancy in Local Area Network (LAN) planning and implementation to four of its member units.

4.4.6 STPI-Hyderabad centre had signed Memorandum of Understanding (MoU) with M/s i2N, UK for providing software services on Lotus Notes and the project has been completed.

4.5 Noida

4.5.1 During the year STPI-Noida centre at Sector 29, Noida was made operational. Total of 4300 Sqm. built-up space available in places at NEPZ and Ganga Shopping Complex, Sector 29, Noida have been fully allotted to 18 member units. All the physical infrastructure required for software exporters have been made available.

4.5.2 Data Communication facilities offered by SATCOMM were made operational during the year. 10 member units have become users of this facility utilising a band-width of 384 Kbps.

4.5.3 The Government of Uttar Pradesh (UP) through Noida Authority have given loan for the establishment of High Speed Data Communication facilities configured around Satellite Earth Station.

The identification of the equipments, vendor selection and placement of orders have been completed. The facility is likely to be commissioned during second quarter of 1995-96. However, work related to development of site for the installation of SES and preparation of site for housing the ground control equipments and Antenna system is nearing completion.

4.5.4 During the year 36 units have been approved under this jurisdiction, of which 15 units were approved to operate inside the complex and remaining 21 to operate in their own premises. Total number of units approved so far under this jurisdiction is 66. During the year 19 units have established their operations. With this the number of units established has gone upto 41. The software exports from this jurisdiction have increased from Rs.457 million during 1993-94 to Rs.820.64 million during 1994-95.

4.5.5 STPI-Noida centre has extended necessary support to National Small Industries Corporation (NSIC) and Haryana Electronics Development Corporation (HARTRON) in planning and setting-up STP complexes at Okhla and Guragoern respectively.

4.6 Ahmedabad/Gandhinagar

4.6.1 An area of 366 Sqm. has been allotted to two member units out of total available area of 1200 Sqm.

4.6.2 The support systems required for Earth Station like UPS, DG set, etc. have been procured during the year. The site preparation work and installation of the support systems have been completed. The installation and testing of Earth Station Equipment have been completed and have been made ready for commissioning of operations.

4.6.3 During the year three units have been approved to operate in their own premises. With this total no. of units approved now stands at 23. Five units have established their operations during the year. These units have exported Rs.12.15 millions worth of software during the year.

4.7 Thiruvananthapuram

4.7.1 All the basic amenities required for software exporters have been made available. An area of 835 Sqm. has been allotted to 17 member units out of total available area of 1050 Sqm.

4.7.2 During the year the operations of HSDC were stabilised. One member unit is using this facility of 64 Kbps to USA. The plans for establishment of shared data communication have been finalised in consultation with member units.

- 4.7.3 During the year seven units have been approved to operate in this jurisdiction, of which four units are approved to operate inside the complex. With this the total number of units approved under this jurisdiction goes upto 33. Six units have established their operations during the year. With this a total of 18 units have commenced their operations. The software exports from this jurisdiction have increased from Rs.17.36 million during 1993-94 to Rs.22.80 million during 1994-95.

5. Statement of Accounts

The Audited Statement of Accounts for the financial year 1994-95 is placed at Annexure-I.

6. Future Plans

- 6.1 With the establishment of Satellite Earth Station in STPI-Noida centre, captive infrastructure would be in place in all the STPI centres. The efforts in the coming years would be to commission the SES in Ahmedabad/Gandhinagar, Bhubaneswar and Noida and to stabilise the operations. The establishment of shared data communication facilities would be yet another area where STPI would be concentrating since this facility has emerged as an extremely popular service with the Small and Medium sized Enterprises (SMEs). STPI would continue to maintain high standards for the HSDC services provided by its centres especially in view of the aggressive promotional efforts by other service providers.
- 6.2 STPI plans to conduct seminars/workshops/training programmes as part of skill formation in the emerging areas of Software Engineering, Software Quality Assurance, Project Management, Data Communication, etc.
- 6.3 STPI would continue to assist the member units in their marketing efforts, by disseminating trade information, participating in the national and international trade events, etc.

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.

Sd/-

(N Vittal)

Chairman, GC, STPI
and the Secretary
Department of Electronics
Government of India

Date : November 8, 1995
Place : New Delhi

**ANNUAL ACCOUNTS
AND
AUDITOR'S REPORT**

AUDITOR'S REPORT

The Governing Council
Software Technology Parks of India
New Delhi-110003

We have audited the attached Balance Sheet of the Software Technology Parks of India, New Delhi-110003 as at 31st March, 1995 and also the annexed Income & Expenditure Account for the year 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 accounts.
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 read together with the notes in Schedule "B", 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, 1995; and
 - b) In the case of Income & Expenditure Account, of the excess of Income over Expenditure for the year ended on that date.

For H.S. Rustagi & Co.
Chartered Accountants

Sd/-
(Narendra Kumar Rustagi)
Partner

Dated : November 4, 1995
Place : New Delhi

Annual Report



BALANCE SHEET AS AT 31ST MARCH, 1995

(Amount in Rs.)

Particulars	Schedule	This Year	Previous Year
Sources of Funds			
Grants in Aid		297,052,600.00	277,052,600.00
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	30,000,000.00		Nil
	68,230,599.43	68,230,599.43	
Reserve & Surplus			
Reserve			
Assets Replacement Fund		45,581,909.49	10,053,119.49
Surplus			
Excess of Income over Expenditure		1,681,775.72	0.00
		412,546,884.64	325,336,318.92
Application of Funds			
Fixed Assets	"A"		
Current Assets, Loans & Advances		244,894,831.91	198,252,871.36
Current Assets			
Cash in Hand	51,398.10		25,952.00
Balances with Scheduled Banks			
- In Saving Accounts	31,804,612.29		62,384,099.01
- In Fixed deposits/Margin money A/cs	157,884,420.00		68,443,351.00
Cheques in Hand	4,552.25		17,570,000.00
Stamps in Hand	535.00		1,078.00
Sundry Debtors	9,829,281.54		8,293,100.90
General Standby Stores	2,619,214.00		Nil
Advances & Deposits	12,823,626.50		11,050,282.83
(Recoverable in cash or in kind or for value to be received)			
Tax Deducted at Source	318,475.00		Nil
	215,336,114.68		167,767,863.74
Less : Current Liabilities			
Sundry Creditors	14,186,857.81		14,177,521.12
Advances/Deposits from Members	23,237,150.32		13,937,696.26
Outstanding Liabilities	7,876,890.72		12,569,198.80
Project Advances	2,383,163.10		Nil
	47,684,061.95		40,684,416.18
Net Current Assets		167,652,052.73	127,083,447.56
Notes forming part of Account	"B"		
		412,546,884.64	325,336,318.92

Dated : November 4, 1995
Place : New Delhi

As per our attached report of even date
For H.S. Rustagi & Co.
Chartered Accountants

Sd/-
(N. Gopalaswami)
Director General

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

Sd/-
(Narendra Kumar Rustagi)
Partner

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1995

Particulars	(Amount in Rs.)	
	This Year	Previous Year
Income		
Service Charges Received	63,725,512.51	32,544,748.72
Income from Training & Seminars	506,700.00	152,500.00
Interest earned	11,578,554.00	5,215,472.07
Misc. Income	1,464,872.95	945,936.85
	<u>77,275,639.46</u>	<u>38,858,657.64</u>
Expenditures		
Advertisement Expenses	324,404.00	386,734.00
Travelling & Conveyance	2,221,191.03	1,244,824.16
Training & Seminars	532,507.20	88,378.65
Salaries, wages & amenities	5,402,128.03	3,711,457.35
Earth Station Expenses	14,208,968.00	10,495,073.39
Communication cost	3,499,153.85	2,439,983.60
Rent	6,978,315.51	4,085,487.20
Repair & Maintenance	2,190,901.55	1,797,679.75
Audit fees	65,000.00	46,000.00
Printing & Stationery	551,323.25	367,609.15
Water & Electricity charges	2,307,084.47	668,557.58
Professional charges	153,922.00	67,939.00
Vehicle Running & Hire Charges	915,179.70	710,926.30
Insurance	243,830.50	177,681.60
Interest on loan	890,400.00	Nil
Security Hire charges	1,150,442.85	695,828.30
Other expenses	579,563.55	721,902.63
	<u>42,214,315.49</u>	<u>27,706,062.66</u>
Net Surplus for the year	35,061,323.97	11,152,594.98
Add Prior Period Adjustments (NET)	2,149,241.75	(1,099,475.49)
Surplus available for appropriation	37,210,565.72	10,053,119.49
Transfer to Assets Replacement Fund	35,528,790.00	10,053,119.49
Net Balance carried to Balance Sheet	<u>1,681,775.72</u>	<u>00.00</u>

Dated : November 4, 1995
Place : New Delhi

As per our attached report of even date
For H.S. Rustagi & Co.
Chartered Accountants

Sd/-
(N. Gopaldaswami)
Director General

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

Sd/-
(Narendra Kumar Rustagi)
Partner

Annual Report



SCHEDULE "A" : FIXED ASSETS

(Amount in Rs.)

Particulars	This Year	Previous Year
Land & Building	4,999,871.87	4,651,276.18
Office Flats	7,040,449.04	7,040,449.04
✓ Computer Peripherals	32,841,215.07	27,912,848.66
Electrical Installations	20,904,367.41	14,653,081.42
✓ Fire Fighting Equipments	891,653.11	804,219.35
Furniture & Fixtures	14,364,066.89	13,822,024.15
✓ Office Equipments	5,991,288.35	3,848,821.11
Other Fixed Assets	131,500.64	76,436.70
✓ Vehicles	161,116.15	148,747.96
✓ Earth Station	123,430,851.39	119,787,058.26
Pre-operative Expenses pending Allocation	2,538,775.52	4,407,067.48
Capital Work in Progress	31,599,676.47	1,100,841.05
	<u>244,894,831.91</u>	<u>198,252,871.36</u>

Diff in Assets 4,66,41,960

SCHEDULE "B"

NOTES FORMING PART OF ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 1995

1. Previous year figures have been regrouped/reclassified wherever necessary;
2. During the previous year, Datacom facilities commenced commercial operations at three locations and two Software Technology Parks out of the seven Parks under STPI had commenced commercial operation, and likewise in this year commercial operation started at one STP, hence the previous year figures relating to Income & Expenditures are not comparable;
3. Balance in personal accounts are subject to confirmation;
4. The Society being a non-profit making institution, the depreciation has not been provided in the accounts;
5. 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 Parks/locations have been treated as pre-operative expenses;
6. 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;
7. The unsecured loan from Kerala Government and Andhra Pradesh Government are free of interest. Pending final agreement with Noida Authority, interest on the loan taken from them has been provided @10% p.a.;
8. Land and Office Flats have not been registered in the name of the Society;
9. 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; ✓
10. 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;
11. 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 :	-- do --

12. During the year, the Society has changed the basis for transfers to the Assets Replacement Fund from the lower of "10% of the cost of all the Fixed Assets or the available surplus in the Income & Expenditure A/c" to the "Different percentage on certain assets depending on their nature subject to minimum of available surplus in the Income & Expenditure A/c". Accordingly an amount of Rs.35,528,790/- have been transferred to the Assets Replacement Fund compared to Rs.10,053,119.49 and the effect of such change in the basis in Rs.11,039,307/- being excess provision compared with that as the earlier basis of transfer. The rates at which such transfer has been made are :-

Assets	Rates
Buildings	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%

13. The Service charges in the income side of the Income & Expenditure Account includes rental income, charges for infrastructure services like photocopying, fax charges, telephone charges, canteen facilities, etc. and certification work provided to member units of STPs;
14. The Society has not provided for gratuity liabilities and the exact liability of the Society in respect of Provident Fund has not been provided for by the Society;
15. No provision has been made in respect of bad & doubtful debts. The same would be made and accounted for on receipt of the necessary approvals.

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. 8.	Auditor's comments	Land and office flats have not been registered in the name of Society.
	STPI's comments	Possession Certificate was received by STP in July, 1990 in the Name of DoE/STP-Bangalore. The land is on 10 years lease and registration can be done only after the expiry of this period.
Point No. 9.	Auditors comments	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 Society.
	STPI's comments	Alienation proposal is under consideration with the Andhra Pradesh Government.

MEMBERS OF THE SOCIETY

Shri SS Oberoi ✓
 Adviser
 Department of Electronics
 Electronics Niketan
 6, CGO Complex, Lodi Road
 N. Delhi - 110003 ✓

Shri N. Vittal ^{Shyam Gosh} Secretary ✓	Chairman
Department of Electronics Electronics Niketan 6, CGO Complex, Lodi Road New Delhi - 110 003	
Shri VK Malhotra, Joint Secretary Ministry of Home Affairs North Block New Delhi - 110 001	Member
Shri PRV Ramanan ^{PRV Ramanan} ✓	Member
Shri UK Sen, Joint Secretary Department of Revenue ^{Ministry of Finance} North Block New Delhi - 110 001	
Shri R. Chandrasekhar, Joint Secretary Ministry of Commerce Udyog Bhavan New Delhi - 110 001	Member
Shri SW Oak ^{JS Maini} ✓, Jt. Secy. & Fin. Adviser	Member
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Shri RH Naqvi, Executive Director Electronics & Computer Software Export Promotion Council (ESC) PHD House, Opp. Asian Games Village New Delhi - 110 016	Member
Shri AK Mittal Director (CS) Department of Telecom. Sanchar Bhavan New Delhi - 110 001	Member
Dr. Sunil K Agrawal, Director Software Technology Parks of India Electronics Niketan 6, CGO Complex, Lodi Road New Delhi - 110 003	Member Secretary



MEMBERS OF THE GOVERNING COUNCIL

<p><i>Shyamal Ghosh</i> Shri N. Vittal Secretary Department of Electronics Electronics Niketan 6, CGO Complex, Lodi Road New Delhi - 110 003</p>	Chairman	<p><i>Shri RH Naqvi</i> Executive Director Electronics & Computer Software Export Promotion Council (ESC) PHD House, Opp. Asian Games Village New Delhi - 110 016</p>	Member
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<p><i>Maini</i> Shri UK Sen Joint Secretary Department of Revenue <i>Ministry of Finance</i> North Block New Delhi - 110 001</p>	Member	<p><i>Shri S Desai</i> Vice President (Soft. Systems) Information Systems Division ITC Limited, Pulikeshinagar P.O. Bangalore- 560 005</p>	Member
<p><i>PM SG</i> Shri KP Singh Joint Director Intelligence Bureau, 25 Akbar Road New Delhi - 110 001</p>	Member	<p><i>Shri P Mohan Ram</i> Manager Industrial Development Bank of India (IDBI) Bombay- 400 005</p>	Member
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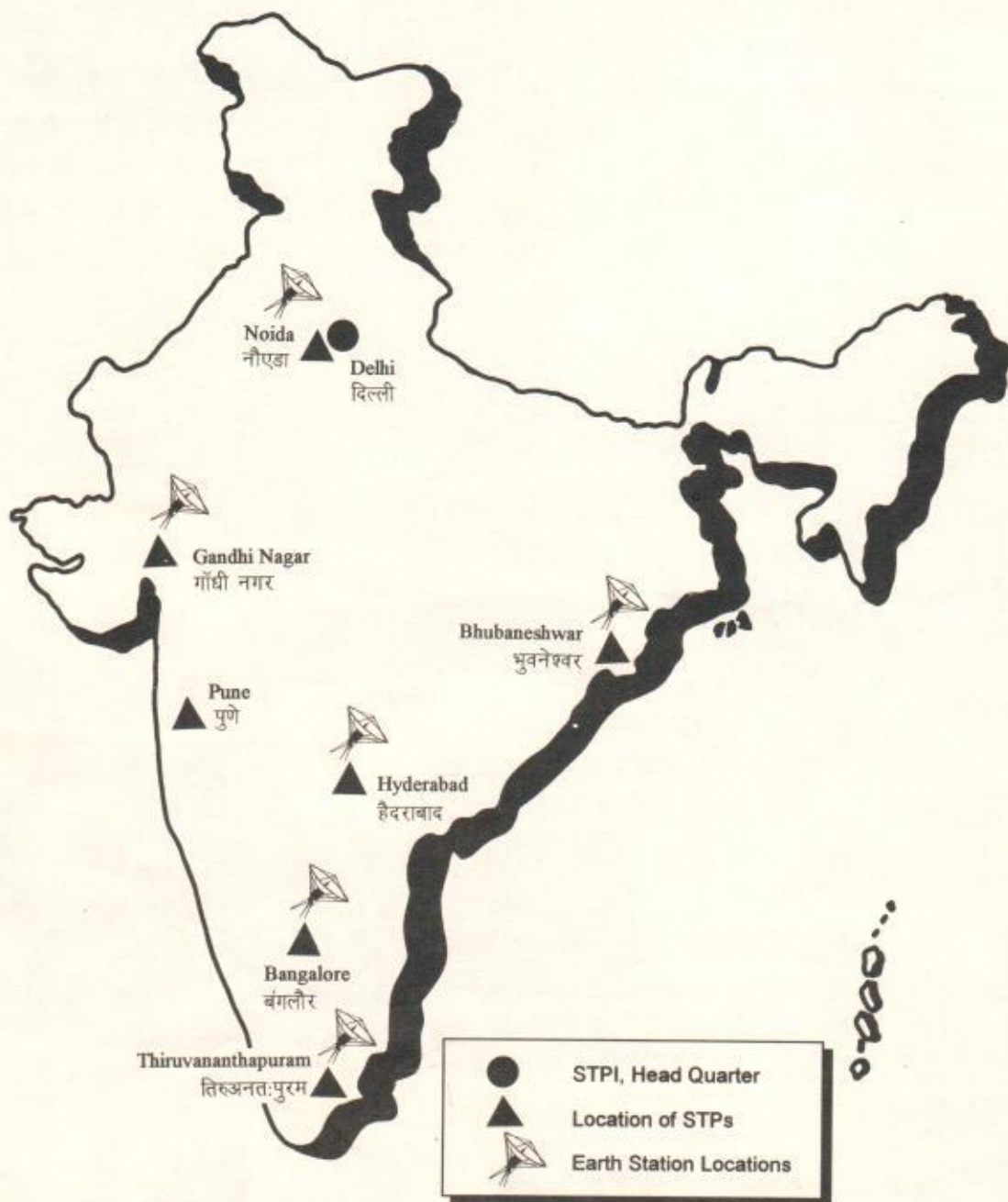
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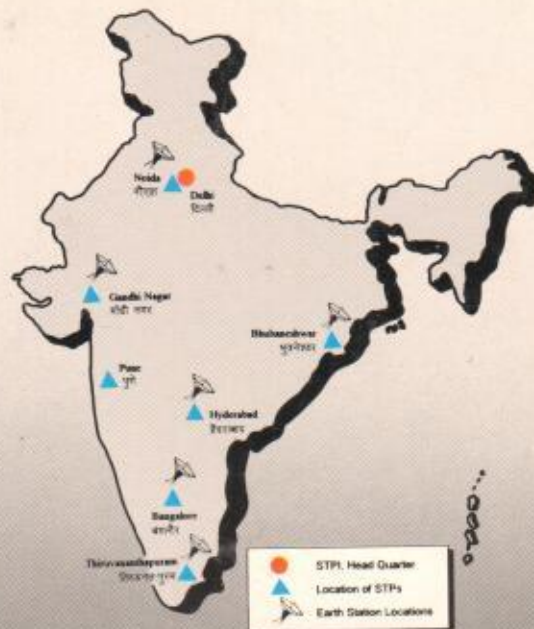
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NETWORK OPERATIONS CENTRE
SOFTWARE TECHNOLOGY PARKS OF INDIA



Software Technology Parks of India

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IN THE SERVICE OF SOFTWARE EXPORTERS