



*Quick Reference*

*Guidelines*

*On*

*STP Services*

# **Software Technology Parks of India - Noida**

## **CONTENTS**

- **Guidelines to STP members after STP approval**
- **Certification of Software Exports - Offshore Services**
- **Data Communication Services**
- **Value added services**
- **STPI-Noida Contact Details**

# Software Technology Parks of India – Noida

## Guidelines to STP Members after STP Approval

Steps to be followed after getting STP approval and signing export obligation agreement:

### **A) Green card -**

Green Card helps the STP unit to get preferential treatment in matters relating to implementation of the project, at the level of both Central and State Governments for allotment of steel, cement, land, finance and other clearances and also allotment of foreign exchange by RBI, telephones/telex/electricity connection etc. The Green Card, issued by the Jurisdictional Director of STPI is valid for a period of five years from the date of issue.

### **B) Attested Plant and Machinery -**

This is a list of the proposed plant and machinery that the unit projects to use over the next 5 years. STPI is attesting the Plant and Machinery List for the purpose of obtaining the Custom Bonding License.

### **Custom Bonding of STP registered unit :-**

The first step after STP registration is Custom Bonding of the premises where export activity is expected to take place.

The STP member is required to get its premises custom bonded, whether it avails of the benefits of Customs Duty (Import) / Excise Duty (Indigenous) exemption or not. **At present, it is mandatory.**

The STP unit may approach the Customs Department to bond the area where it is proposed to start STP operations. Units operating under the STP scheme require a private bonded warehouse license under section 58 of the Customs Act 1962, with a bond manufacturing facility under section 65. For this purpose, the unit may apply in the standard format in triplicate to **Deputy Commissioner (DC) Of Customs, in your jurisdiction**, along with following documents.

- Letter of approval issued by the Director, STPI Noida – Two copies.
- True Copy of STP Export Obligation Agreement.
- Copy of Green Card issued by STPI Noida.
- One copy of List of Proposed Plant and Machinery attested by STPI.
- Copy of Importer Exporter Code No. (IEC).
- Bond Application – Two copies duly signed.
- Affidavit.
- B-17 Bond (25% of the custom duty amount. This bond is executed after receiving license u/s 58 and 65 from Custom Authority).
- Bank Guarantee for 5% of the B-17 Bond amount.
- Process of manufacture - On Company Letter Head.
- Solvency Certificate - From the bank.
- Memorandum and Articles of Association.
- One copy of Purchase / Lease deed of building/premises.
- Ground plan of Premises - certified by Architecture.
- Insurance Certificate in original (The insurance for Fire and Burglary for the proposed plant and machinery, the policy to be taken on the name of Customs Commissioner account of the company name).
- List of Directors.

After submission of the above documents to the Customs department, range superintendent will visit the STP premises for supervision. The customs department through its designated officers (Deputy Commissioner) will issue a license for private custom bond warehousing and in Bond manufacturing under section 58 and 65.

After obtaining private bonded warehousing license from customs, a copy of the same should be forwarded to STPI-Noida immediately.

**Note:** Standard formats are available on <http://www.noida.stpi.in>

# Software Technology Parks of India - Noida

## 1. **Import Certificate -**

The import of the equipment is covered by exemption under the customs notification no. 140-CUS/91 dated 22.10.91. STP unit is entitled for complete customs duty exemption on capital goods / office equipment / data communication equipment / telecommunication equipment / power equipment as per the Foreign Trade Policy.

To obtain Import Certificate, submit an application in standard format along with 2 copies of Shipping or Commercial Invoice of the overseas supplier.

STPI scrutinizes the application and will issue an Import Certificate within 1 or 2 days.

## 2. **Excise Exemption -**

STP unit is entitled for excise duty exemption for indigenous purchases. STP units can obtain excise exemption on capital goods / office equipment / data communication equipment / telecommunication equipment / power equipment. Excise exemption is available to the STP unit only if the goods are purchased from the manufacturer.

To obtain an excise exemption, application alongwith 2 copies of Proforma Invoice from manufacturer need to be submitted to STPI.

STPI scrutinizes the application and will issue a No Objection Certificate (NOC) for excise exemption within 2 or 3 days.

To avail the excise duty exemption, the STP unit has to get endorsement by customs on the CT-3 form along with the NOC of excise exemption issued by STPI.

## 3. **Approval for Domestic Tariff Area (DTA) Sales -**

As per the Foreign Trade Policy, the STP units can make local sales to the extent of 50% of the FOB value of exports and/or foreign exchange earned. This is a **DTA entitlement**. To avail the DTA entitlement, apply in the standard format along with Purchase Order / Contract / Agreement / MOU with domestic client. On the basis of application submitted by STP unit and DTA entitlement, STPI will issue permission to do DTA Sales.

STPI scrutinizes the application and will issue an approval for DTA Sales within 5 or 6 days.

## 4. **Change of Name -**

As and when you require the approval for change of name, please submit an application along with the copy of Fresh Certificate of Incorporation consequent to change of name issued by Registrar of Companies (ROC).

STPI scrutinizes the application and issues No Objection Certificate for Change of Name within 2 or 3 days.

## 5. **Change of Location-**

STPI permits Change of Location from place mentioned in the LOP/LOI (Approval Letter) to another location. As and when you require the approval for change of location, submit an application along with the copy of Lease and License agreement, Floor plan & original Green card .

STPI scrutinizes the application and issues No Objection Certificate for Change of Location within 2 or 3 days.

The STP unit shall also obtain the amendment to the custom bonding license directly for change of name and change of location. Please apply to the Customs along with the No Objection Certificate (NOC) issued by STPI.

Immediately after you receive the amendment to the custom bonding license, kindly arrange to submit the same to us for updating our records.

## Software Technology Parks of India - Noida

### 6. Expansion of STP Location –

STPI permits to include additional location to the place mentioned in the LOP/LOI (Approval Letter). The expansion of STP location is permitted under the Foreign Trade Policy.

As and when you require, the approval for expansion of STP location, submit an application along with the ground plan for the expanded location and copy of the leave and license agreement for the same.

STPI scrutinizes the application and issues permission for expansion of STP location.

After obtaining an expansion letter from STPI, STP unit has to apply for amendment in Custom bonding license for the expanded unit.

Immediately after you receive the amendment to the custom bonding license, kindly arrange to submit the same to us for updating our records.

### 7. Transfer of Imported / Indigenous Goods -

As per Foreign Trade Policy, transfer of manufactured goods including processed / semi finished goods from one EOU/EPZ/EHTP/STP unit to another EOU/EPZ/EHTP/STP unit is permissible.

Please submit an application along with the list of equipments and 3 copies of invoices to enable us to issue the No Objection Certificate (NOC) for transfer.

STPI will issue a NOC for transfer of equipment from one EOU/EPZ/EHTP/STP unit to another EOU/EPZ/EHTP/STP unit within 2 or 3 days.

### 8. Re-Export of Imported Capital Goods -

STP units can re-export imported capital goods. They are allowed to re-export the capital goods imported in situations explained below:

#### a) Re-export of CG for Replacement :

Goods or parts thereof on being imported and found defective as otherwise unfit for use or which have been damaged after import may be exported, and goods in replacement thereof may be supplied free of cost by the foreign supplier.

#### b) Re-export of CG imported on Loan :

Capital Goods imported for specific project/period of time can be re-exported with the permission of the Director, STPI.

#### c) Re-export of CG for Repair and Return :

Capital Goods imported for a project if found defective the same may be re-exported for repair and return.

Please submit an application alongwith the list of equipment and 3 copies of invoices to enable us to issue a NOC for re-export of Imported Capital goods.

STPI scrutinizes the application and issues No Objection Certificate for re-export within 2 or 3 days.

### 9. Reconditioning, Repair & Re-Engineering –

As per Foreign Trade Policy, EOU/EPZ/EHTP/STP units may be permitted to import goods of any origin to carry out reconditioning, repair, testing, calibration, quality improvement, up-gradation of technology and re-engineering activities for export in freely convertible foreign currency.

STP unit may apply in standard format along with the 3 copies of invoices to enable us to issue a No Objection Certificate for the same.

STPI scrutinizes the application and issues No Objection Certificate within 2 or 3 days.

*Note: Standard formats are available on <http://www.noida.stpi.in>*

# Software Technology Parks of India - Noida

## 10. Replacement of Indigenous goods –

As per Foreign Trade Policy, goods or parts thereof on being indigenously procured and found defective or otherwise unfit for use or which have been damaged or become defective after procurement may be returned or destroyed and replacement thereof for the same goods after repairs, may be brought back from their authorized supplier in India / indigenous supplier.

STP unit may apply for the same alongwith the 3 copies of invoices to enable us to issue a No Objection Certificate for the same.

STPI scrutinizes the application and issues No Objection Certificate within 2 or 3 days.

## 11. CST Reimbursement -

STP unit may get Central Sales Tax reimbursement under public notification number 50 (PN) 1997-2002 dated 27<sup>th</sup> October 1997.

### *Eligibility:*

- > Registered STP unit
- > Custom Bonded u/s 58 and 65 of Customs act 1962.
- > Export performance of the company for the previous year.
- > Reimbursement of CST would be admissible only to STP units who have registered with the Sales Tax Authorities for ST/CST and the supplier also should be registered with Sales Tax Authorities for ST/CST.
- > Reimbursement limited to the payment of CST against 'C' form only.
- > Claims admissible only if the payment is made through the Bank or by the Demand draft.
- > Only one consolidated claim for a quarter will be admitted for reimbursement of CST and reimbursement will be made on quarterly basis. No supplementary claim shall be entertained.
- > No claim for reimbursement will normally be entertained if not claimed within a period of 180 days of the invoice date or the date of final payment whichever is later. In exceptional cases on application, the Director may consider delayed applications after satisfying that the delay is due to genuine reasons. Claims delayed beyond one year will be rejected.
- > Claim for CST reimbursement for amount below Rs. 100/= on any single invoice or multiple invoices will not be entertained.
- > All claims shall be subjected to post-audit. The unit shall preserve for three years all the original documents viz. original invoice/bill, bank statement for random/sample checking and produce the same as and when called for by the office of the Director of STPI – Noida.
- > Supplier should be only a DTA and not a STP/EOU/EPZ unit. No claim will be entertained if both are STP/EOU/EPZ unit.
- > Criteria for reimbursement – The quarter will start from the date of full payment.

Details for CST reimbursement along with formats and procedures are readily available on the website i.e. <http://www.noida.stpi.in>

STPI scrutinizes the application and reimbursed the Central Sales Tax when all the documents are in proper order.

## Software Technology Parks of India - Noida

### 12. Enhancement of Capital Goods –

STP units, on exhaustion of the approved value of capital goods should apply to STPI for the enhancement of the same. As per Foreign Trade Policy 2002-07, Para no. 6.27 b(ii), the Capital Goods enhancement value restriction is being withdrawn. The jurisdictional Director of STPI will allow to enhance the limit of Capital Goods. **The CG limit can be enhanced more than once.**

Documents to be submitted for enhancement of Capital Goods limit:

- A request letter with Performance Report and Projected Performance
- Details of Capital Goods imported duty free as per bond register.
- Wage Bill, FE Outgo (i.e. FE expenses incurred other than capital goods imports) certified by Chartered Accountant.
- Copy of Private Bonded Warehouse License - On obtaining the approval for enhancement in the Capital Goods limit, the unit needs to submit a list of proposed plant and machinery as per the approved value to STPI for certification. The certified list of proposed plant and machinery should then be submitted to the Customs for their records.

STPI scrutinizes the application and enhances the Capital Goods Limit within 7-8 days.

# Software Technology Parks of India - Noida

## CERTIFICATION OF SOFTWARE EXPORTS

### Offshore Services -

Export of computer software in non-physical form i.e. export through data communication! satellite links should be declared through SOFTEX form. Each set of SOFTEX forms comprises of three copies marked Original, Duplicate and Triplicate. All the three forms in each set should be completely filled and entire set should be submitted for the purpose of certification along with relevant documents like **\*Agreement / Contract or MOU with foreign client, Copy of Purchase Order, Statement of Contract**, Statement of Invoices (3 Copies) and 1 Invoice copy. The exporter must have an account with an authorized (FE) dealer Banks, whom export documents in respect of all software exports needs to be submitted by the exporter along with the duly certified SOFTEX forms for realization.

*\* Note :- These documents are required to be submitted only once. Softex forms can be submitted under the referenced contract till the completion of contract / validity of contract.*

### Submission of Export order / Contract / MOU :

STP Units are required to file a copy of Purchase Order!Agreement!Contract of their foreign client, with STPI as soon as it is entered into or at the time of raising the first invoice. However, it is suggested to file the copy of the Purchase Order! Agreement! Contract! MOU with foreign client well in advance, so that any clarifications related to it can be cleared and certification of the SOFTEX form is not withheld for such clarifications. Valid data communication proof needs to be submitted to STPI along with the Softex Forms.

### Check For:

- SOFTEX form is neatly typed /computerized. (*Kindly do not put any softex form number*)
  - Name & address of the exporter.
  - STPI center Address.
  - Importer and Exporter Code Number.
  - Buyer's name and address.
  - Date and number of Invoice.
  - Agreement / Contract / Purchase order submitted to STPI.
  - Confirm if there is any Royalty.
  - Data Comm. Service Provider (STPI/VSNL/DOT/Internet/Others).
  - Type of Software category defined (906,907,908, 909, 910 and 911).
- Export Value of the Currency and amount as per the Export Invoice and Agreement/Contract/Purchase Order.
  - Authorized (FE) Dealer (Bank) Name and Code Number.
  - Any Royalty on Software package! Product Exported.
- Duly complete the Section 'C' with authorized signature, Date, Name Designation and official Rubber Stamp of the Exporter.
  - Data Communication Services.

### Checklist for the invoice/statement of invoice enclosed with Softex forms:

- Buyer's name and address should be cross verified with the export order and softex form.
  - Invoice Number and Date.
  - Export Destination.
  - Export Agreement/Contract/Purchase Order Number and Date.
  - Currency and Amount.
- Duly signed with authorized signature and official Rubber Stamp of the Exporter.

*Note: Standard formats are available on <http://www.noida.stpi.in>*



# Software Technology Parks of India - Noida

## **Submission of certified Softex forms -**

After certification of all the three copies of SOFTEX form, STPI forwards the original directly to the nearest office of the Exchange Control Department of RBI. The duplicate is returned to the exporter and the triplicate retained by STPI for record purpose. Within 21 days, from the date of certification of SOFTEX Form by STPI, the exporter needs to submit the duplicate copy along with a copy of the supporting documents to his authorized dealer. The authorized dealer retains the duplicate copy of the form along with relevant documents till full export proceeds have been realized and repatriated. Thereafter it is submitted to RBI, duly certified under cover of an appropriate (R) return along with the copy of invoice/ statement of invoices by authorized dealers (Banker).

*Note: Standard formats are available on <http://www.noida.stpi.in>*

# Software Technology Parks of India - Noida

## DATA COMMUNICATION SERVICES

### » SOFTPOINT :

High speed data communication is the lifeline for software exporter. Soft Point is STPI's "International Private Leased circuit" service offering, commonly known as IPLC and ranging from 64Kbps to N \* 64Kbps. An IPLC is a point-to-point private line used by an organization to communicate between offices that are spread across the world. It is a committed & secured private data communication.

The IPLC's are digital circuits available for international telecommunications to be used for data transmission, communication etc. IPLC's are secure and exclusive to the user, and are ideal for companies that have high volume of International data transmission. IPLC's provide efficient, reliable and secure point-to-point connection to your business partners 24 hours a day, anywhere in the world. Wide range of data transmission speeds allows you to grow your services as required. The interfaces offered are V.35, G.703 etc.

The many typical applications that can run over an IPLC are:

- Linking Mainframes
- CAD/CAM
- Medium to bulk data transfer
- Medical transcription
- Call centers

### Features:

- High security and reliability - the point-to-point and dedicated link via telecommunication network provides maximum security and reliable transmission.
- Cost-effective - saves substantial cost on international Communications.
- Latest Network Management tools are used to manage the services end to end.
- Bandwidths from 64Kbps onwards.
- End interfaces available are V.35, G.703 etc.
- Single point contact for all support activities.
- Fault logs available on the intranet.
- Delivery options on fiber or/and satellite.
- 24\*7\*365 helpdesk.

### Service Destination

**There is no limit to the service destination. Presently the services are offered to destinations such as North America covering United States, Canada etc. Europe covering United Kingdom, Germany, Netherlands, Ireland etc. APAC covering Hong Kong, Thailand, Singapore, Japan etc.**

## » SOFTLINK :

**SoftLink is an internet service developed specially to cater to the needs of the IT industry of the business. The Internet represents one of the most successful examples of the benefits of sustained investment and commitment to research and development of information infrastructure.**

**Soft Link is a service offering Leased Internet access in two flavors viz. Standard and Premium qualities Each having its own Quality of Service Parameters. This service was launched to cater to the rising needs of the industry for quality and committed service. Soft Link services have found a large customer base.**

### **Features of the SoftLINK services include .**

- Multi-homed network connectivity to major tier-one back bone in the world.
- Network management end-to-end service delivery.
- Local Loop on terrestrial fiber and / or Microwave radios .
- Single point contact for all support activities.
- Monthly reports generated for all customers.
- Soft LINK service by the virtue of multi-homing enjoys robust network configuration and consistent service customized for co-location.
- The services under SoftLINK include Internet services from 64 kbps to DS3/STM for software industries.

## VALUE ADDED SERVICES

**STPI offers the following value added services to STP units.**

**1 Consultancy and implementation of Large LANs, WANs and Call Centres -**

The strength of STPI is the expertise available in-house and this is offered for consulting services in planning and implementation of networks using variety of technologies ranging from VSATs to ATM based networks

**2. Incubation Facility –** STPI offers office space with communication infrastructure to start-ups/industries.

**3. Co-location Servers -** STPI offers services for collocating servers at STPI at Noida. Facility includes the Rack space with secure surroundings and uninterrupted power supply.

### **Why STPI?**

- STPI has a strong focus on the data communication requirements of the Software Industry
- STPI has a strong customer base through out the country.
- We have well qualified technical team for round the clock technical assistance who can provide LAN/ WAN consultancy as per customer's needs.
- Class 'A' Internet service provider
- Our existing set up can be utilized for providing infrastructure facilities.

# **Software Technology Parks of India - Noida**

## **How it will be beneficial to the Customers ?**

- Up-time of services as per international standards.
- All services at one place-Single window service provider.
- Focused attention 24 x 7 hours Technical Helpdesk for customers.
- Competent pricing.
- Countrywide Network.
- Increased Business opportunities for small & medium entrepreneurs.
- Value added services at the customer's doorstep under the single window scheme.



## HEAD – QUARTERS

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