



***Software Technology Parks of India (STPI)***  
***Memorandum of Association (2004)***  
***Effective from 15<sup>th</sup> April 2010***



## CONTENTS

<b>Clause No.</b>	<b>Heading</b>	<b>Page No.</b>
1.	Name & Registered Office	3
2.	Legal status	3
3.	Objectives	3
4.	Functions	4
5.	Restraint on acceptance of conditional benefaction	6
6.	Title to the properties and Restraint on distribution of profit	6
7.	Head of the Society	7
8.	Membership of the Society and General Body	7
9.	Organs/ Authorities of the Society	7
10.	Vice Chairman	8
11.	Governing Council	8
12.	Title to the properties	10
13.	Powers of the Government to issue directions to the Governing Council	10
14.	Executive Committee of Directors (ECOD)	11
15.	Standing Executive Boards (SEBs)	13
16.	Chief Executive Officer and other authorities	14
17.	Takeover and Dissolution	15
18.	Interpretation	15
19.	Date of effect of this Memorandum	15
20.	Repeal of Existing Memorandum	15
21.	Amendments to the Memorandum of Association	15
22.	Power to remove difficulties	15



**The Software Technology Parks of India**  
**Memorandum of Association (2004)**

**1. Name & Registered Office:**

The name of the Society shall be “Software Technology Parks of India” hereinafter referred to as “STPI”.

The registered office of the Software Technology Parks of India shall be at New Delhi in the National Capital Region. The following is its present address:

Electronics Niketan  
6, CGO complex, Lodhi Road  
New Delhi -110 003.

**2. Legal status:**

The legal status of the STPI is that of a Society within the meaning of the expression assigned in the Societies Registration Act 1860.

**3. Objectives:**

The objectives of the Software Technology Parks of India are:

- (a) to promote the development and export of software and software services including Information Technology (IT) enabled services/ Bio- IT.
- (b) to provide statutory and other promotional services to the exporters by implementing Software Technology Parks (STP)/ Electronics and Hardware Technology Parks (EHTP) Schemes and other such schemes which may be formulated and entrusted by the Government from time to time.
- (c) to provide data communication services including value added services to IT / IT enabled Services (ITES) related industries.
- (d) to promote micro, small and medium entrepreneurs by creating conducive environment for entrepreneurship in the field of IT/ITES.



#### **4. Functions:**

4.1. The STPI shall perform all functions necessary to fulfill the objectives outlined in Clause 3.

4.2. Without prejudice to the generality of the foregoing provisions in Clause 4.1, the functions of the STPI shall include the following:

(1) To establish Software Technology Parks / centers at various locations in the country;

- (a) to perform all functions in the capacity of the successor to the erstwhile Software Technology Park Complex which were taken over by the STPI
- (b) to establish and manage the infrastructural resources such as integrated infrastructure including International communication / Data center / Incubating facilities etc. for 100% export oriented units and to render similar services to the users other than exporters.
- (c) to undertake other export promotional activities such as technology assessments, market analysis, market segmentation as also to organize workshops/exhibitions/seminars/conferences etc.
- (d) to facilitate specialized training in the niche areas to meet the above objectives.
- (e) to work closely with respective State Government and act as an interface between Industry and Government.
- (f) to promote secondary and tertiary locations by establishing STPI presence to promote STP/EHTP Scheme, and promotional schemes announced by Government.
- (g) to promote entrepreneurship through incubation programmes / seed funds / IP development and other awareness programmes.
- (h) to assist State Governments in formulating IT policies and liaison for promoting the IT industries in respective states to achieve an exponential growth of exports.



- (i) to promote quality and security standards in the IT industries.
- (j) to work jointly with venture capitalists for providing financial assistance to the IT industries.
- (k) to provide Project Management and Consultancy services both at national and international level in the areas of expertise of STPI.

(2) To perform financial management functions which comprise *inter alia* the following activities;

- (a) to obtain or accept grants, subscription, donations, gifts, bequests from Government, Corporations, Trusts, Organizations or any person for fulfilling the objectives of the STPI.

**Note :** Whenever any gifts, bequests from foreign Governments/ organizations are accepted / obtained they shall be routed through Government and be regulated by such directions as may be issued by Government.

(b) to maintain a fund to which shall be credited :

- all money provided by the Central Government, State Governments, Corporations, Universities etc.,
- all fees and other charges received by the STPI,
- all money received by the STPI by way of grants, gifts, donations, benefactions, bequests or transfers; and
- all money received by the STPI in any other manner or from any other source.

(c) to deposit all money credited to the Fund in Scheduled Banks / Nationalized Banks or to invest in such a manner for the benefit of the STPI as may be prescribed. Atleast 60% of the funds shall be placed with the Public Sector Banks or in such a manner as may be prescribed by the Government from time to time.

(d) to draw, make, accept, endorse and discount cheques, notes or other negotiable instruments and for this purpose, to sign, execute and deliver such assurance and deeds as may be necessary for the purposes of the STPI.



(e) to pay out of the funds maintained by STPI or part thereof, the expenses incurred by the STPI from time to time including all expenses incidental to the formation and reorganization of the STPI and management and administration of any of the foregoing activities including all rents, rates, taxes, outgoings and the salaries of the employees.

(f) to acquire, hold and dispose of the property in any manner whatsoever for the purposes of the STPI, with the prior approval of Governing Council as per the procedure laid down by Government.

(3) To do all such acts and things as may be required in order to fulfill the objectives of the STPI.

**5. Restraint on acceptance of conditional benefaction:**

No benefaction shall be accepted by the STPI which, in its opinion, involves conditions or obligations opposed to the spirit and objectives of the STPI or the approved policies of the Government.

**6. Title to the properties and Restraint on distribution of profit:**

(a) Title to the properties of the Society shall be vested in the Society.

(b) All the income, moveable/immovable properties of the STPI shall be solely utilized and applied towards the promotion of its objectives as set forth in the Memorandum of Association and no profit shall be paid or transferred directly or indirectly by way of dividends, bonds, profits or in any other manner whatsoever to the present or past Members of the STPI or to any person claiming through anyone or more of the present or the past members. No member of the STPI shall have any personal claim in any properties of the STPI or make any profits, whatsoever, by virtue of his membership.



## 7. Head of the Society:

- (a) The Head of the Society (Chairman) shall also be the Visitor.
- (b) The Hon'ble Minister in the concerned Administrative Ministry shall be the *ex-officio* Chairman & Visitor.

**Note:** The term "Administrative Ministry" means the Ministry or Department which, in terms of the statutory rules made by the President of India under the enabling provisions of Article 77(3) of the Constitution of India, has supervisory jurisdiction over the functions assigned to the STPI through this Memorandum of Association.

## 8. Membership of the Society:

(A) Besides the Hon'ble Minister of the Administrative Ministry (Chairman), the following designated officers of the Administrative Ministry shall be the Members of the Society:-

- (1) Secretary
- (2) Additional Secretary/ Group Coordinator for STPI
- (3) Financial Advisor
- (4) Joint Secretary (Societies)

(B) The General Body shall comprise Hon'ble Minister of the Administrative Ministry (Chairman), all the Members of the Society and the Government Representatives in the Governing Council.

## 9. Organs / Authorities of the Society:

The Society shall function through the following organs /authorities:-

- (1) Chairman
- (2) Vice Chairman
- (3) Governing Council
- (4) Executive Committee of Directors (ECOD)
- (5) Standing Executive Boards (SEBs)
- (6) Chief Executive Officer
- (7) Deputy Chief Executive Officer
- (8) Head of Center



Provided that any other body duly constituted under the enabling provisions of the Rules for Conducting the business of the Society or any officer may be declared by the Governing Council as an “organ / authority” within the meaning of this clause and may be vested with such powers as are delegated by the Governing Council.

#### **10. Vice-Chairman:**

The Secretary in the Administrative Ministry shall be the *ex-officio* Vice Chairman of the Society.

#### **11. Governing Council:**

##### **11.1 Composition:**

(a) The Governing Council is the legislative organ and an apex body which regulates the policies and administers the Society. Subject to a minimum of 15 and maximum of 18 members, it shall comprise the following:

- (1) Hon’ble Minister, Administrative Ministry (**Chairman**)
- (2) Secretary, Administrative Ministry (**Vice-Chairman**)

##### **Members**

- (3) Additional Secretary/ Group Coordinator for STPI, Administrative Ministry
- (4) Joint Secretary (Societies), Administrative Ministry
- (5) Financial Advisor, Administrative Ministry
- (6) One Representative of Department of Telecommunications not below the rank of Joint Secretary
- (7) One Representative of Ministry of Home Affairs not below the rank of Joint Secretary
- (8) One Representative of Intelligence Bureau not below the rank of Joint Secretary
- (9) One Representative of Ministry of Finance not below the rank of Joint Secretary



- (10) One Representative of Department of Commerce, not below the rank of Joint Secretary
- (11) Chairman, Electronics and Computer Software Export Promotion Council
- (12) Up to three persons of eminence in the disciplines related to the functions of STPI.(e.g. Electronics, Computer Software, International Trade, Finance etc) nominated by the Chairman
- (13) Upto two representatives of trade / professional bodies related to the Industry nominated by the Chairman
- (14) Deputy Chief Executive Officer, STPI
- (15) Chief Executive Officer, STPI. (**Member Secretary**)

(b) The tenure of the non-official members shall be two years. The Chairman may re-nominate a non-official member for more than one term. In the event of a vacancy caused by resignation of a member, the tenure of the person who is nominated to fill the said vacancy shall be only for the balance period.

### **11.2 Powers and Functions:**

All the powers, functions and responsibilities of the Society shall be vested in the Governing Council which will oversee the functioning of the STPI through the Organs/ authorities of the Society.

### **11.3 Framing of Rules to regulate the Business of the Society:**

(a) The Governing Council shall, subject to and consistent with the provisions of the Memorandum of Association, frame rules to regulate the business of the Society (Legislative and Executive).

(b) Without prejudice to the generality of the foregoing provisions at (a) above the said rules shall provide for the following:

- (i) Regulation of the tenure of the members of the Governing Council in circumstances not covered by the Memorandum of Association and the procedures for conducting the meetings



of the various organs of the Society viz: frequency of the meetings, quorum, voting powers etc.

- (ii) Powers of the various organs/ authorities of the Society (please see Clause No.9 for the definition of the expression organs/ authorities).
- (iii) The functional scope of the various tiers/segments of the statutes of the Society which would regulate the various functions and activities (viz: General Rules to record the basic policies, the bye-laws relating to specific functional areas to regulate the entitlements of the employees in terms of the approved policies and the procedure manuals which contain the detailed instructions for operating the various systems).
- (iv) Financial management systems
- (v) Welfare Schemes
- (vi) Organizational and Office Management system.

## **12. Title to the properties:**

The title to the properties of STPI shall be vested in the Society. The power to administer the properties shall be vested in the Governing Council which may delegate its powers in this regard to the Organs/ Authorities of the Society to the extent necessary.

## **13. Powers of the Government to issue directions to the Governing Council:**

- (a) The Government may issue such directions in policy matters to the STPI as it may consider necessary for fulfillment of its objectives and for ensuring its proper and effective functioning or to resolve any disagreement over policy matters which arise in the course of conducting the proceedings of any organ of the Society.

Provided that where instructions of the aforesaid nature have the effect of repealing any rule / bye-law approved by the Governing Council or reversing an executive order of the Council, an opportunity of hearing shall be granted to the Governing Council.



- (b) The final orders of the Government shall be complied with by the Governing Council.

#### **14. Executive Committee of Directors (ECOD)**

14.1 The ECOD which is an organ of the Society in terms of Clause 9 of this Memorandum shall perform functions in the following matters:

- (a) Examination of new proposals/schemes and budget.
- (b) Review and rationalization of system and management practices relating to common issues such as staff matters including review promotions and staff welfare, service conditions, delegation of powers.
- (c) Examination of proposals to write off irrecoverable dues and obsolete stores.
- (d) In addition to the matters as at (a) above, examination of all other proposals involving financial implications including regulation of delegation of powers.
- (e) Any other matter which the Governing Council may remit to it for consideration and advice.

Except where the powers are vested in the ECOD, it shall render advice to the Governing Council.

14.2 The ECOD shall comprise the following members:

- |  |                  |
|--|------------------|
| (a) Additional Secretary/Group Coordinator for STPI, Administrative Ministry | Chairman         |
| (b) Chief Executive Officer, STPI  | Vice Chairman    |
| (c) Financial Advisor, Administrative Ministry                               | Member           |
| (d) Joint Secretary (Societies), Administrative Ministry                     | Member           |
| (e) Head of Centre (Three Nos.), STPI (By seniority)                         | Member           |
| (f) Head of Programme Division for STPI, Administrative Ministry             | Member           |
| (g) Deputy Chief Executive Officer, STPI                                     | Member Secretary |



14.3 The ECOD may constitute a Finance Sub Committee to advice on the management systems relating to finance and accounts and in addition to deal with financial proposals for expenditure as well as resource mobilization and make recommendations which shall be considered by ECOD before submission to the Governing Council. It would also scrutinize the audited Annual Accounts before the same is submitted to the Governing Council. The jurisdiction of the Sub-Committee shall also cover the budget, delegation of financial powers, costing for the services rendered by the STPI to other organizations (public and private sector companies) and consideration of statutory audit reports.

14.4 The Finance Sub-Committee shall be presided over by the Chairman of ECOD and shall have besides the Chief Executive Officer, STPI and Financial Advisor of the Administrative Ministry, two persons from ECOD as members. Outside expert(s) may also be nominated in this committee by the Council.

14.5 If, in the opinion of Financial Advisor of the Administrative Ministry, any decision of the Committee is either not in the interest of the Society or is violative of the approved policies of the Government or is not desirable for any other reason, he may require that implementation of any measure pursuant to such decision be held in abeyance till it is considered by the Government in terms of Clause No. 13. He shall exercise the same internal control if a similar situation arising in the course of the proceedings of the Governing Council on the occasion of consideration of the recommendations of the ECOD or any other proposal.

14.6 There may be a sub-committee nominated by Chief Executive Officer and Vice Chairman of ECOD to review the Personnel / General Administration and advise ECOD Chairman.

## 15. Standing Executive Boards (SEBs):

- (a) A Standing Executive Board (SEB) which is an organ of the Society in terms of Clause 9 of this Memorandum shall be constituted for each State where the STPI has a Centre/sub-Centre to act as an interface with the industry and Central/ State Government for policy and operational issues. The SEBs shall also prepare the future expansion plans for the Centre/sub-Centers, augmentation of facilities, annual plan and budget for each STP and advise the Chief Executive Officer.
- (b) The composition shall be as indicated below:

(i)	Chief Executive Officer, STPI	Chairman
(ii)	Deputy Chief Executive Officer, STPI Chairman	Vice
(iii)	Head of Programme Division for STPI, Administrative Ministry/ Representative	Member
(iv)	Secretary, IT, State Govt./ Representative	Member
(v)	Commissioner (Custom & Excise)/ his Representative	Member
(vi)	Commissioner (Income Tax)/ his Representative	Member
(vii)	Two representatives of local IT industry	Member
(viii)	Representative of IB	Member
(ix)	Head of Centre , STPI	Member Secretary

Chairman may co-opt any other person, as may be necessary.



**16A Chief Executive Officer:**

16A(1) Chief Executive Officer of STPI shall be Member Secretary of the Council, Vice Chairman of the ECOD and Chairman of the SEBs. He shall be responsible for fulfillment of the objectives of the Society and its overall management and functioning under the guidance of the Council. He shall be appointed by the Governing Council with the approval of the Government.

16A(2) The tenure of the Chief Executive Officer shall be five years or till the superannuation age, whichever is earlier.

16A(3) Subject to the provisions of this Memorandum of Association, his powers shall be such as laid down in the relevant Bye-Laws and in addition such powers as may be delegated to him by the Governing Council.

**16B Deputy Chief Executive Officer:**

16B(1) Deputy Chief Executive Officer of STPI shall be the Member of the Council, Member Secretary of the ECOD and Vice Chairman of the SEBs. He shall be the administrative Head of STPI Headquarter. He shall be appointed by the Governing Council with the approval of the Government.

16B(2) Subject to the provisions of this Memorandum of Association, his powers shall be such as laid down in the relevant Bye-Laws and in addition such powers as may be delegated to him by the Governing Council.

**16C Head of Centre:**

16C(1) Head of Centre shall be Administrative and Technical Head of respective STPI centre and Member Secretary of SEB(s). He shall be appointed by Governing Council.

16C(2) Subject to the provisions of this Memorandum of Association, his powers shall be such as laid down in the relevant Bye-Laws and in addition such powers as may be delegated to him by the Governing Council.



### **17. Takeover and Dissolution:**

In the event of a need to reorganize the Society (by takeover, merger, or bifurcation) or need for dissolution of the Society, the power to execute the necessary measures in terms of the Societies Registration Act 1860 and the related statutory rules of the National Capital Region shall be vested in the Government.

### **18. Interpretation:**

The power to interpret the provisions of this Memorandum shall be vested in the Government whose decision shall be final.

### **19. Date of effect of this Memorandum:**

This revised Memorandum shall come into force from the date of approval by the Government.

### **20. Repeal of Existing Memorandum:**

The existing Memorandum of Association of STPI and the related rules and regulations made and orders issued in terms thereof are hereby repealed in so far as they are inconsistent with the provisions of this Memorandum of Association (i.e. 2004) without prejudice to the validity of the acts done or measures already implemented prior to the coming into force of this Memorandum.

### **21. Amendments to the Memorandum of Association:**

- (a) The power to amend this Memorandum shall be vested in the Government.
- (b) Subject to the provisions of the Societies Registration Act 1860, amendments to this Memorandum shall be made by adopting the same procedure which regulates the approval for the initial Memorandum.

### **22. Power to remove difficulties:**

If any difficulty arises in giving effect to the provisions of this revised Memorandum, the Governing Council may issue such orders not inconsistent with the objectives of the Society as it may deem necessary for removal of the difficulty.

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