



Software Technology Parks of India
General Rules (2004)

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Section (A): General

1. Title, Applicability and Commencement:

- (a) These rules shall be called “The Software Technology Parks of India General Rules (2004)” (STPI General Rules for short). They shall be applicable to the entire organization including all its constituent units and Divisions.
- (b) These rules shall, except as otherwise expressly provided herein, shall come into force from the date of approval for the same by the Government.

2. Scope:

These rules incorporate the broad policies which regulate the various activities of the Society subject to the provisions of the Memorandum of Association and the Rules for Conducting the Business of the Society.

3. Definitions:

- (a) The following terms and expressions used in these rules are assigned the meanings noted against them herein below :

A

“ACP” scheme means the Assured Career Progression Scheme for Central Civil Services notified in Per. & Trg.O.M.No.35034/1/97-Estt.(D) dated 9-8-1999

C

“Conduct Rules of the Central Government” means Central Civil Services (Conduct) Rules 1964

C&AG means the Comptroller and Auditor General of India

D

“Disciplinary rules of the Central Government” means Central Civil Services (Classification, Control and Appeal) Rules 1965.

F

“Flexible Complementing Scheme (FCS)” means the scheme notified in Department of Personnel & Training communication No.2/41/97-PIC dated 09-11-1998 by the Government of India (GSR No.660(CE) in the Gazette dated 09-11-1998)

O

“OBC” means Other Backward Classes

- (b) Terms and expressions which are not defined in these rules shall have the same meaning as assigned in the STPI Memorandum of Association & the Rules for Conducting the business of the Society or the Service Rules of the Central Government in relation to Civil Services.

4. Scope of the Rules:

- (a) These rules shall cover the basic policies of the Society for application in the following functional areas :
- (i) Personnel management ;
 - (ii) Financial management;
 - (iii) Welfare activities ;
 - (iv) Organizational matters ;
 - (v) Support systems; and
 - (vi) All other matters incidental to the fulfillment of the mandate for giving effect to the provisions of the higher tiers of the Statute viz: Memorandum of Association and the Rules for conducting the business of the Society.
- (b) These rules shall be consistent with the Memorandum of Association and the Rules for Conducting the business of the Society.

5. Approval for the rules:

Please see the Table in Rule 4 (a) of the Rules for Conducting the business of the Society.

Section (B): Personnel Management

6. Regulatory framework for Personnel Management

6.1 Parity with Central Government Staff:

(a) The Society shall so regulate the service benefits granted to its employees including the basic conditions of service, benefits and obligations incidental to service that, by and large, they are broadly similar to those granted to the Government servants of corresponding categories.

(b) The aforesaid parity shall relate *inter alia* to the following matters:

- (i) Age of superannuation and eligibility for Voluntary Retirement
- (ii) Pay scales
- (iii) DA
- (iv) House Rent Allowance/Classification of cities for HRA/CCA
- (v) Fixation of Pay / Increments / Stagnation increments / Incentive for promoting small family norms, etc.
- (vi) Group Insurance
- (vii) Loans & Advances (short terms advances)
- (viii) Conduct Rules
- (ix) Disciplinary Rules
- (x) Leave Travel Concession
- (xi) Verification of character and antecedents on regular appointment
- (xii) Contributory Provident Fund
- (xiii) Promotions to Officers/Staff(Technical) both Group 'A' and below Group 'A' in terms of Flexible Complimenting Scheme (FCS)/DIT norms.
- (xiv) Annual Confidential Reports.

- (xv) Reservation for SCs/STs/OBC's/Physically Handicapped.
- (xvi) Compassionate appointments.
- (xvii) Kinds of Leave/entitlement for quantum of leave for regular employees.
- (xviii) Medical examination on first appointment.
- (xix) Sealed cover procedure in the context of promotion.
- (xx) Deputation to and from STPI.
- (xxi) Joining Time
- (xxii) Concessions when posted to North-East Region.
- (xxiii) Transfer TA

6.2 Organization specific provisions:

6.2.1 Notwithstanding the provisions of Rule 6.1, the statute may provide for organization specific rules needed for the following purposes.

- (a) for institutional strengthening of STPI to make it competitive by global standards;
- (b) for passing on the benefit of higher standards of service by STPI to the software industry in general and the exporters in particular and generate a cascading effect on the economy of the country through higher levels of employment, enlargement of the knowledge base of the professionals and improvement of management practices.

Explanatory Note

The organisation specific provisions in the statute shall be evaluated not exclusively from the stand point of financial impact on the STPI as reflected by its Profit & Loss Account and Balance Sheet. The right places to look for the results is the state of health of the software industry especially the exporting sectors. While the results of the functioning of STPI can be assessed on the basis of systematically collected data, a very substantial part of it cannot be immediately quantified. It can be conceptualised or at best be

evaluated in theoretical framework. However, the nation which has set for itself the target of becoming a super power cannot afford to ignore the unquantifiable impact of the functioning of STPI on the software industry. Simple mechanical parity with Central Government in regulation of basic service conditions/service benefits of the employees in particular impose inherent and formidable constraints on securing human resources of the requisite quality and is bound to prejudice the objectives of the STPI.

The bye-laws relating to specific functional areas which are immediately next below these rules in the multi-tier structure of the statute shall be framed consistent with the perception and policy stated above.

6.2.2 (a) The scope of the organization specific provisions shall cover the entire range of functions and activities of the STPI.

(b) Without prejudice to the generality of the provisions of the foregoing Clause (a) the statute may provide for organization specific practices in regard to the following matters:

- (i) Human Resources
- (ii) Retirement Benefit Schemes
- (iii) Social Security
- (iv) Grievance redressal
- (v) Management systems related to execution of grassroot level activities viz: delegation of powers for purchases, formulation of purchase procedures, outsourcing and other activities incidental to execution of projects and fulfillment of contractual obligations.



Section (C) : Personnel Management & Human Resource Development - Policy Statements

7. HRD:

Personnel management and human resource development are two faces of the same coin in organizations in the service sector of the economy. The focus of this section is on the policies which regulate organization specific provisions in the bye-laws relating to these functions. Other policies which are referred to in Rule 6.1 are covered on an exception basis.

8. Recruitment policies and cadre administration:

8.1 STPI shall prepare manpower plans (long term and short term). The short term plan shall be for one year. It is the basis for budgeting, organizing recruitment and other related processes.

8.2 For the purpose of manpower planning human resource index shall be built up and be updated on continuous basis.

8.3 The recruitment policies and cadre administration shall be subject to implementation of the orders issued by the Government of India in the matter of reservation in appointments or concessions in appointments or / and facilities for various special categories of staff including SC, ST, OBC, sports persons, physically handicapped persons, ex-servicemen, expatriates of Indian origin returning to India and residents of the States categorized as “disturbed areas” for specified periods such as J&K, Assam.

8.4 Recruitment of personnel shall be so organized as to secure the best persons possible by giving adequate publicity to the employment notice where recruitment is done by the method of direct recruitment. In respect of appointments made by promotion, due weightage shall be given to merit assessed on the basis of the performance report such as the ACRs and any other appropriate method of assessment which is an organization specific method.

8.5 Wherever direct recruitment takes place in STPI, the in-house candidates shall be encouraged to appear for selection subject to fulfilling the requisite qualifications (academic and experience) as prescribed for direct recruits. Standing orders may be issued for relaxation of upper age limits.

8.6 Appropriate explicit provision shall be made in the bye-laws to enable the various appointing authorities to recruit staff on contract basis subject to the following parameters:

- (a) The terms of contract must be clear and unambiguous.
- (b) The contract must be drawn up in standard formats prescribed by the STPI.
- (c) The powers to appoint contract staff may be delegated down the line to facilitate expeditious completion of the time bound projects.
- (d) The flexibility in cadre administration which is derived from the practice of appointing contract staff shall subject to administrative convenience be put to use by liberal sanctions of requests of the regular employees.

8.7 Guidelines shall be formulated to regulate grant of advance increments to direct recruits and also for protection of pay last drawn in the previous employment with due regard to the need to attract experienced persons of talent to the service of STPI.

8.8 (a) Appointment by deputation should be resorted to only when the post cannot be filled by any other method within the framework of the recruitment rules. The policy of immediate absorption of persons who migrate from Government to Autonomous Bodies right from the day of entering the latter which has already been approved by the Government of India with effect from 1987 shall be implemented.

(b) Notwithstanding the application of policy outlined at (a) above, the following categories of posts, as and when created, may be filled only by appointment on deputation basis for the purpose of securing impartial and effective discharge of duties which a person drawn from outside the STPI would be in a better position to perform in view of the fact that unlike a cadre officer who experiences inhibitions in conducting

checks against his colleagues in the same organization the deputationist is free from psychological constraints.

- (i) Internal Audit Officer(Finance) and his staff
- (ii) Internal Audit Officer (Personnel) and his staff
- (iii) Vigilance Officer

8.9 While generally the pay scales of the officers and staff of STPI shall be same as sanctioned for the staff of corresponding category in the Government of India, the STPI is not precluded from taking necessary action with the approval of the Governing Council for measures aimed at making the remuneration package realistic and equitable with reference to the market conditions in the software industry so that it would be possible for it to retain the existing human resources who would otherwise be inclined to move to greener pastures .

8.10 Methods of promotion (i.e the criteria adopted for empanelment in the select panel) shall be so prescribed in the recruitment rules that some balance is maintained between merit and seniority.

8.11 Building up human resources by intensive training of the staff shall be a priority function. Delegation of financial powers to meet the cost of training shall be so regulated that they are in tune with the priorities.

8.12 Appropriate schemes shall be formulated for granting incentives to the employees for acquiring higher academic qualifications relevant to the functions of STPI and also for attaining high standards of performance. The incentives may be either monetary or non-monetary such as issuing commendation certificates.

8.13(a) For the purpose of career progression, the employees may be categorised as :

- Scientific staff within the meaning of the definition approved by the Ministry of Science and Technology, Government of India ; and
- Other employees



(b) The Flexible Complementing Scheme (FCS) and norms as approved by the Government of India and/or Administrative Ministry for the scientific staff in the Government/Administrative Ministry shall also be applicable to the scientific staff in STPI.

(c) Promotions of Non-S&T Cadres shall be made under STPI Person Oriented Policy (POP). Other employees, who are not covered under FCS / DIT norms, shall also be considered for promotion under STPI Person Oriented Policy.

8.14 (a) Seniority and the benefits accruing therefrom are not fundamental rights. They are merely service benefits which are regulated by principles in the form of specific provisions in the bye-laws. The guiding factor in formulation of these principles is the interests of the management. The discretion of STPI shall be restricted to prescribing the principles and policies. After approval for such principles they shall be strictly applied. There shall be no discretion in the matter of application.

8.15 Cadre management practices including recruitment and regulation of career progression shall be characterized by complete transparency so that it operates as an internal control against generating avoidable frustration and grievances of the staff.

8.16 Provision may be made in the bye-laws for conducting audit against personnel management and submission of a report to the Governing Council at the end of each financial year.

9. Grievance redressal:

- (a) The grievances of the employees may be broadly categorized as related to:
- (i) administrative matters such as transfers etc;
 - (ii) disciplinary proceedings ; and
 - (iii) administrative matters[other than those listed at (i) above] which have an impact on career progression such as recording of adverse remarks in the ACRs, denial of promotion, supersession by junior, rejection of the personal claims of the employees, interpretation of rules and regulations

to the disadvantage of the employee in the matters of financial entitlements etc.

(b) Appropriate arrangements shall be made for counselling the employees as well as the supervisory officers for the purpose of preempting situations which may possibly crystallise into grievances.

(c) Grievance redressal system shall be duly documented in the procedure manuals.

Explanatory Note

The implication is that as per the established practices speaking orders would be necessary in respect of appeals relating to matters in category (a) (iii) also.

10. Vigilance:

10.1 The rules for conduct and discipline approved by the Government of India in relation to Civil Services shall also apply to the employees of STPI.

10.2 The functional jurisdiction of the Central Vigilance Commission extends to STPI also.

10.3 For the purpose of vigilance, the definition of “Public Servant” covers not only the regular employees of STPI and the contract staff but also any other person who renders any service to it on payment of honorarium or remuneration of any other kind such as examiner for valuation of answer scripts of examinations for recruitment, private individuals nominated as members of Selection Committees in their capacity as experts and any other person declared as a public servant by specific provision in the bye-laws.

11. Retirement Benefit Schemes

11.1 No employee of STPI shall be left outside the purview of the Retirement Benefit Scheme(s).

11.2 The regular staff shall be governed by the Contributory Provident Fund Rules as applicable to Central Civil Services and in addition the STPI shall frame a scheme for payment of gratuity.

11.3 A separate social security scheme shall be framed for staff not covered by the CPF such as the contract staff. In case such a separate scheme is not feasible, the section comprising this category of employees shall be declared as a distinct establishment within the meaning of that expression in the EPF Act and on the basis of such declaration be covered by the Employees Provident Fund Scheme 1952. The CPF scheme as indicated at Rule No. 11.2 and the EPF scheme shall co-exist and run in the same organization on the basis of the aforesaid declaration. As and when a person covered by the EPF scheme is appointed to a post in STPI on regular basis the balance in the EPF shall be transferred to the CPF by monetary settlement between the Employees Provident Fund Commissioner and the STPI.

12. Social Security

12.1 Group Insurance Scheme shall be made applicable to all the employees including the contract staff. The scope of insurance shall cover life as well as healthcare.

12.2 The Healthcare Scheme shall cover the regular employees with the attendant benefits of OPD treatment, diagnostic processes and hospitalization whereas the contract staff may be granted reimbursement of expenses only for OPD treatment or alternatively they may be granted a fixed medical allowance.

12.3 The quality of healthcare provided by an employer to the employees is a critical factor which influences acceptance of a job offered to a professional. The Healthcare Scheme applicable to the regular staff shall be conceived as part of an overall programme to attract talented people to the service of the STPI and retain them on a long term basis thereby strengthening the human resource base which is the foundation of service

oriented organization and whose success depends on attainment of global standards of quality. Accordingly, the scheme shall be so formulated that:

- (i) the ceilings on cost of treatment and eligibility for various medical services including eligibility for private ward and life saving drugs shall be related to the nature of the disease and the market rates in the sphere of medical services.
- (ii) unlike the offices of the Central Government which are very large in number and are spread over the entire country, the offices of STPI are few and located in a small number of places thereby injecting some flexibility into the administration of the healthcare scheme. STPI shall utilize this flexibility and enter into organization specific Memorandum of Understanding with selected private hospitals of repute and recognize them on the basis of such M.O.U. The package rates of cost of treatment shall be separately negotiated with each hospital taking into account the quality of medical services and the latest facilities for treatment. **Alternatively**, STPI may make arrangements in this regard with an Insurance company.
- (iii) no employee shall be expected to raise his private resources for initial payment to the hospital and wait for reimbursement by the STPI. The recognized hospital shall be required to honor the identity card issued to the employee of the STPI and commence the treatment. If necessary, the hospital can check his identity online from the STPI. The hospitals shall be recognized on the specific condition that they will claim payment directly from the STPI or the Insurance Company as the case may be.

13. Other aspects of personnel management and human resource development:

Note: This slot is earmarked for future use

Section D: Finance and Accounting - Policy Statements

14. Policy framework for finance and accounting:

14.1 High standards of financial propriety shall be observed by all the employees of STPI.

14.2 The accounts of STPI shall be so designed and built up that they disclose a true picture of the finances of the organization.

14.3 The accounts must be prepared as per the widely accepted principles and practices of commercial accounting which include the adoption of accrual as a basis coupled with double entry system.

14.4 The structure of accounts, the Chart of Accounts containing the various account heads, the formats used for recording the initial data and also for processing it and the method of preparation of the annual accounts shall be approved in consultation with the C&AG.

14.5 The scope of each account head in the Chart of Accounts shall also be formally recorded and incorporated in the procedure manual.

14.6 The STPI shall establish and maintain a formal system of costing for the services rendered by it and update the data from time to time.

14.7 The complete finance and accounting system shall be documented in the form of procedure manual.

14.8 The Finance and Accounting Manual shall incorporate the provisions relating to delegation of the financial powers. Exercise of such powers shall be regulated by the following parameters:

- (a) Subject to the provisions of the Memorandum of Association and the Rules for Conducting the business of the Society any authority to whom the financial powers have been delegated shall not re-delegate them to subordinate officers except where it is permitted to do so under an express provision in the statute.
- (b) The delegation of powers shall be reviewed at such intervals as may be fixed by the Governing Council and revised wherever necessary.
- (c) The software engineers and other professionals who are entrusted with the responsibility of executing the various technical projects shall be encouraged to play a proactive role in making proposals for delegation of financial powers.

14.9 The Head of Finance at the Head Quarter shall exercise full technical control over the finance staff not only in the Headquarters office but also over those posted in the various centers and other offices. The concerned Heads of the centers and Head of Finance shall exercise joint administrative control over the staff borne on finance cadres and working in the centers. He / She shall also function as secretary of sub committee referred to at Clause No. 14.3 of Memorandum of Association.

14.10 As far as possible an officer who is vested with the powers to give financial sanction for expenditure shall not be entrusted with the work of processing the payments either on regular basis or as an additional charge arrangement. Subject to administrative convenience, the administrative cadres shall be separated from finance cadres at the level of Group B officers and above.

14.11 The officers and staff entrusted with payments shall not be allowed to remain in the same functional location beyond a prescribed ceiling which may range from three to five years. They shall be rotated from place to place as a routine practice and any exception thereto would require the approval of the Director General.

14.12 All financial transactions must be so conducted and the records should be so written that there is full transparency to the degree required to make them amenable to vigilance checks, enforcement of accountability on the part of the concerned employees.

14.13 The Director General shall prescribe the period of preservation of the various account records ensuring that the records needed for the following purposes are not destroyed prematurely.

- for enforcing recoveries from contractors, suppliers and others from whom the money is due to STPI ;
- for completion of statutory audit;
- for conducting the proceedings before an Arbitrator or a Court of Law

or before a Parliamentary Committee such as Public Accounts Committee;
- for final settlement of the personal claims of the employees ; and
- for any other purpose as may be considered necessary by the Director General

14.14 A separate Department of Internal Audit shall be operational round the year. It shall be headed by an officer not below the rank of the Chief Finance Officer. For the purpose of making Internal Audit effective and insulated against the psychological inhibitions against auditing the transactions conducted by their colleagues within the same organization, the post of Internal Audit Officer shall always be filled by a deputationist from organized services such the IA&AS, ICAS etc.

14.15 (a) The C&AG conducts statutory audit of the accounts of STPI in terms of the Act of Parliament which regulates his audit jurisdiction in respect of Autonomous Bodies which receive grants from the Government. In the normal course, audit of receipts as well as expenditure are within his purview. Accordingly, audit against sanctions for fixation of cost of services rendered by the STPI referred to in Rule No.14.6 falls within the purview of the statutory audit. Even before statutory audit of cost of services is

conducted, the Internal Audit shall be required to thoroughly audit the same and submit timely reports to the Director General.

(b) The scope of statutory audit extends to audit of the various software programmes for generating financial and cost accounts. Instead of waiting for statutory audit to take place after the closure of the financial year the programmes may be forwarded to the C&AG for audit immediately after they are considered to be ready for operation.

14.16 Wherever these rules are silent in regard to any matter, the relevant policies of the Government of India as laid down in the General Financial Rules and related executive orders shall apply to STPI.

Section E: Support systems

15. Office Management:

(a) Office Management shall be regulated by procedure manual with due regard to the approved practices which are in vogue in the Government of India.

(b) Organization specific provisions related to computers necessitated by adoption of sophisticated technology shall also be incorporated.

16. Records Management:

An officer of STPI shall be nominated as Records Officer. His duties shall be prescribed in the procedure manual.

17. Security:

17.1 A security manual shall be prepared in consultation with the Administrative Ministry.

17.2 The relevant portions of the security manual which are not confidential shall be incorporated in the Office Management Manual for the purpose of wide publicity and guidance to the officers and the staff.

18. Other support systems:

Note: This slot is earmarked for future use.

19. Method of giving effect to the policies:

19.1 The bye-laws shall incorporate the entitlements of the employees and other relevant aspects in terms of the approved policies as laid down in these rules. Clause 14.5 of the Memorandum of Association empowers the Financial Advisor of Administrative Ministry to exercise internal control by way of keeping in abeyance the implementation of any decision of the ECOD/Governing Council which, in his opinion, requires to be considered by the Government in terms of Clause 13 of the Memorandum of Association.

19.2 Wherever the rules of the Government are adopted by STPI *mutatis mutandis* there is a need to identify the corresponding officers in STPI who will exercise the powers conferred on the various authorities in the Government viz: The President, Secretary of the Administrative Ministry, Nodal Ministries such as Finance, Personnel, Health and Family Welfare etc, Heads of Department and Heads of Offices. This need shall be met by incorporating suitable provisions in the bye-laws relating to specific functional areas. Wherever the relevant bye-laws are silent in regard to any matter, the Concordance Table in Rule 16 of the Rules for Conducting the business of the Society would be operative.

19.3 Rule No.24 in these rules contains the procedure for removal of difficulties in implementation of the same.

20. Customer satisfaction survey:

A Customer Satisfaction Survey shall be conducted annually by an agency to be nominated by the Director General and the results shall be placed before the Governing Council for necessary action.



21. Review of policies and systems:

The policies and systems shall be reviewed at intervals not more than five years without prejudice to the normal practice of conducting a review immediately on the occurrence of any material development.

22. Interpretation:

The power to interpret these rules shall be vested in the Government.

23. Repeal of existing provisions in the statute:

All the rules in the existing statute which prescribed the policies of STPI, by whatever name they are called, and the related orders in terms of the enabling provisions thereof are hereby repealed to the extent they are inconsistent with the provisions of these rules without prejudice to the validity of the acts done or measures already implemented prior to the coming into force of these Rules.

24. Removal of difficulties:

If any difficulty arises in giving effect to the provisions of these rules either in the context of transition to the new statute or in the context of application of the Government of India rules *mutatis mutandis* in terms of Rule 6 of these rules, the Director General may, by order, make suitable provision, not inconsistent with these rules and the higher tiers of this statute, for removal of the difficulty.
