

Agreement For Software Technology Park

An agreement made this ____ day of _____ 200_ between M/s. _____ a 100 % export oriented Unit having its registered office at “_____” as “the Unit” which expression shall include its successors and assigns of the one part and President of India acting through Director of STPI (hereinafter referred to as “Government” which expression shall include his successors in office and assigns) of the other part.

WHEREAS the Government has communicated vide letter No. STPIC/IMSC/_____ dated _____ to the unit the terms and conditions for setting up / renewal of the 100% export oriented unit under Software Technology Park (STP) scheme of Ministry of Communication and Information Technology for the development of computer software and/or services and the unit has duly accepted the said terms and conditions vide their Letter No. _____ dated _____.

AND WHEREAS the unit has been granted the status of 100% export oriented unit, as defined in Ministry of Commerce notification No. 33/ (RE)/ 92 – 97 dated 22nd March 1994, on Software Technology Parks.

AND WHEREAS the unit has been allowed to import/purchase indigenously the capital goods, raw material, spares and consumables etc. free of Import/Excise duty for development of computer Software and/or services for export.

AND WHEREAS the approval has been granted to the unit by the Government, subject to the achievement of positive NFE as provided in the STP Scheme by exporting 100% of the production of export product, namely Computer Software and/or Services for **a period of five years** beginning from the first day after completion of the gestation period allowed by the Government (hereinafter referred to as the prescribed date).

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

The unit shall achieve positive NFE cumulatively over a **period of Five Years** as provided in the STP scheme.

The unit shall earn foreign exchange by exporting 100% of their production of Computer Software and/or Services **for a period of five years**, counting from the prescribed date. For the purpose of counting NFE under the STP scheme, exports to Bhutan or Nepal shall qualify, if payment is made in foreign exchange.

1. The Unit shall intimate the date of commencement of production for 100% export within one month of such date to the concerned Director of STPI.
2. The unit shall not dispose of its production in the domestic market except in terms of the provisions of STP Scheme and / or when specifically allowed by the competent authority.
3. The unit under implementation shall submit quarterly report in the prescribed format to the concerned Director of STPI
4. The Unit shall after the commencement of production/operation, submit to the Director of STP, quarterly performance report in the prescribed format for the period ending March / June / September and December every year within 30 days of the close of quarter giving details of the imports/ exports effected and purchase made from the Domestic Tariff area by the unit during the period. An annual performance report shall also be submitted in the prescribed format within a period of 90 days following the close of financial year failing which further imports and DTA Sale will not be permitted. Annual Performance Reports shall be certified by a Chartered Accountant. In case of wrong submission of such information or failure to submit such information within the stipulated time, Director of STPI may withdraw the permission granted to the unit for operation.
5. The Minimum Export Performance on the STP unit on Net Foreign Exchange terms will be as follows :

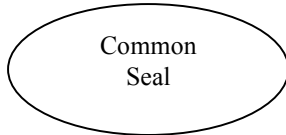
The unit shall be a positive net foreign exchange earner. Net Foreign Exchange Earnings (NFE) shall be calculated cumulatively for **a period of five years** from the commencement of production according to the formula given below. Items of manufacture for export specified in the Letter of Permission (LOP)/ Letter of Intent (LOI) alone shall be taken into account for calculation of NFE.

Positive NFE = $A - B > 0$

Where NFE is Net Foreign Exchange Earning.

- A) is the FOB value of exports by the EOU/EHTP/STP unit; and
- B) is the sum total of the CIF value of all imported inputs and the CIF value of all imported capital goods, and the value of all payments made in foreign exchange by way of commission, royalty, fees, dividends, interest on external borrowings during the first five year period or any other charges. "Inputs" mean raw materials, intermediates, components, consumables, parts and packing materials
6. In the event the Unit failing to fulfill the terms & conditions of Letter of Permission (LOP)/ Letter of Intent (LOI) and NFE as prescribed in the STP Scheme, except when the fulfillment of such conditions is prevented or delayed because of any law & order, proclamation, regulation / ordinance of the Government or the shortfall in fulfillment of NFE is within the permissible norms specified in the monitoring guidelines given at Appendix 14-IG of the STP Scheme, the unit would be liable for penal action under the provisions of Foreign Trade (Development & Regulation) Act, 1992 and the Rules & Orders made thereunder.
7. The unit shall also be subject to the conditions stipulated and required for availing exemption from duty of Customs and Excise under the relevant Customs & Excise Notifications and any Customs duties / Excise duties and interest payable to / leviable by the Government for failure to fulfil such conditions shall also, without prejudice to any other mode of recovery be recoverable in accordance with the provisions of Section 142 of the Customs Act, 1962 / Section II of the Central Excise Act, 1944 and rules made thereunder and / or from any payment due to the Unit from the Government.
8. Any order issued by the Government in this regard shall be final and binding and the Unit thereby undertakes to comply unconditionally with such an order.
9. The unit shall be bound by the changes made in the provisions of STP Scheme from time to time.
10. The unit shall have an operational Web-Site.
11. Any changes in the telephone Nos., E-mail address, Web-Site, Passport No., Bank Address and Factory address shall be duly intimated by the unit within a fortnight.
12. Any stamp duties payable on this document or any document executed there under shall be borne by the unit.

In witness where of the Common Seal of 'M/s. _____',
has been here into affixed and for and on behalf _____ (Name of the company / firm)
Proprietor has set and subscribed his hands here into common seal of the within named Unit has
been affixed here into in the presence of.



Signature of Shri

(Residential Address)

Proprietor who has been duly authorized for the purpose and who has signed in the presence of:

1. _____
(Signature)

(Name, Designation & Address, Tel. No., e-mail address)

2. _____
(Signature)

(Name, Designation & Address, Tel. No., e-mail address)

Signed for and on behalf of the President of India:

J. Parthasarathy
Director

In the presence of:

1.

2.