

Report on

Service Exports Reporting Form

For 2022-23

Directorate General of Commercial Intelligence and Statistics
Ministry of Commerce and Industry
Government of India

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Report on Service Exports Reporting Form**List of Acronyms used in the Report**

DGCIS	Directorate General of Commercial Intelligence and Statistics
DOC	Department of Commerce
EXIM	Export Import
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act
FTP	Foreign Trade Policy
FY	Financial Year
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GST	Goods and Services Tax
GVA	Gross Value Added
HSN	Harmonized System of Nomenclature
ICT	Information and Communication Technology
INR	Indian Rupee
IT	Information Technology
ITRS	International Transaction Reporting System
MAI	Market Access Initiative
MDA	Market Development Assistance
MoC	Ministry of Commerce and Industry
MSITS	Manual on Statistics of International Trade in Services 2010
NSDL	National Securities Depository Limited
OECD	Organisation for Economic Co-operation and Development
RBI	Reserve Bank of India
SAC	Service Accounting Code
SCC	Service Classification Code
SERF	Service Export Reporting Form
SEZ	Special Economic Zone
SFTP	Secured File Transfer Protocol
STPI	Software Technology Parks of India
UNCTAD	United Nations Conference on Trade and Development
USD	United States Dollar
WTO	World Trade Organisation
RPG	Role-Playing Games

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Chapter 1 Introduction

1.1 Export in Services

Export of services means the sales of services provided to non-resident importers. It corresponds to the services for which payment is made directly to an enterprise by a non-resident entity (including a foreign affiliate of the enterprise). Exports include services provided by an enterprise or its employees working abroad, or some other resident entity on whose behalf the enterprise receives payment. Exports exclude services that are provided to non-residents by the enterprise and paid for through other unrelated resident entities.

Today, Services have become more tradable and are being more traded. In fact, Services exports contribute significantly to Indian economy. In terms of Gross Value Added (GVA) at current prices, the export of goods and services together is negative in 2020-21 over 2019-20 but the export of service was positive. Covid pandemic wrecked the world mainly during entire 2020-21 and first two quarters of 2021-22, significantly affecting world trade both in terms of goods and services. That is why, when we compare export of goods and services in 2021-22 over 2020-21, we see significant growth both in terms of exports of goods (44.5%) and services (24.2%). Lower contribution in terms of growth by services exports is mainly attributed to the intangible nature of services trade delivery and thus their capturing constraints. Percentage contribution of export of services in GDP has increased from 7.7% in 2020-21 to 8.1% in 2021-22. On comparing over period, the growth of export of services was rather on a sluggish trajectory in recent past which is quite obvious owing to its rapid growth during some preceding years. But, on revival of the world economy from Covid pandemic, services exports picked up with a staggering growth rate of 24.2% between 2020-21 and 2021-22. (*Statement 1.1: Key aggregates of National Accounts 2021-22, National Statistical Office, Ministry of Statistics and Programme Implementation*)

Services are intangible, because of their character. Trade in services has more constraints than trade in goods. That's why the need to generate disaggregated level services trade data has increased significantly but the statistical system for classifying and capturing these international transactions lags behind.

Trade in goods, i.e. export of goods has a simple clause that it needs to cross the boundaries of the country. However, services need not necessarily cross the borders of a country for trade to take place. This makes it a challenge to measure export in services. In several cases, services are consumed abroad. On the other hand, there are a number of services that require the physical proximity of supplier & customer, means they are non-transportable like availing the service of barber where the customer has to visit a barber shop.

The Export of Service rules owes its origin to GATT (General agreement on Tariffs and Trade). In the early 1970's, a need was felt to regulate the rules in certain areas like agriculture, services, IPR, etc., across the world. Hence in the 8th round of GATT i.e., the Uruguay Round, negotiations were carried on in the area of Services which led to the General Agreement on Trade in Services (GATS). The GATS constitutes the first set of legally enforceable disciplines and rules at the multilateral level established to cover international trade in services. To tackle the complexity involved in trade in services, GATS defines services in four different types of modes:

Mode 1: Cross-border supply- services supplied from the territory of one country into the territory of another,

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Mode 2: Consumption abroad - services supplied in the territory of a nation to the consumers belonging to another nation,

Mode 3: Commercial Presence - services supplied through any type of business or professional establishment of one country in the territory of another (i.e., FDI), and

Mode 4: Presence of natural person – services supplied by nationals of a country in the territory of another.

A veritable source of information for all matters related to measuring of service statistics is the Manual on Statistics of International Trade in Services 2010(MSITS) which has been brought out by United Nations Statistical Commission in collaboration with bodies like Eurostat, OECD, WTO etc.

In the recent years, the Government of India has taken some important steps for the improvement of service-based export. The Foreign Trade Policy included setting up of Services Export Promotion Council for promoting the Indian service sector in the foreign market. Government of India has also introduced Market Development Assistance (MDA), Market Access Initiative (MAI) scheme, proactive EXIM Policy and EXIM Bank schemes. Government also provides exemption on service tax for export of consultancy services.

1.2 Export in Services of Information and Communications Technologies (ICTs)

Information and communications technologies (ICTs) have emerged as the main enabling factors in the export of services across the world. ICT and ICT enabled services are the major contributing factor to services exports in India as per RBI data. Telecommunication, Computer & Information Services along with Other Business Services account for about 87% of service exports value in 2022-23. Services trade is evolving from basic call centres, simple software coding, and generation of digital content to more complex business process such as system design and R&D (UNCTAD, 2009, 2012). It is, therefore, crucial that policymakers gain the ability to characterize and quantify services imports and exports in more detail and with more precision than the current statistical system allows. India, with its rapid growth in the ICT sector coupled with the dominant position it holds in world services trade, is no exception to this demand.

ICT-enabled services, as defined by UNCTAD, are "services products delivered remotely over ICT networks". The following 10 categories of services are identified as potentially ICT-enabled services:

- i. Telecommunications
- ii. Computer Services (including computer software)
- iii. Sales and marketing services, not including trade and leasing services
- iv. Information services
- v. Insurance services
- vi. Financial services
- vii. Management, administration and back office services
- viii. Licensing services
- ix. Engineering, related technical services and R&D
- x. Education and training services.

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1.3 Data Sources for export of services in India

Reserve Bank of India (RBI)

In India, the Reserve Bank of India (RBI) is the agency compiling & disseminating services trade data. It publishes data on services trade in its regular publication, 'Reserve Bank of India Bulletin' on the basis of information collected through the International Transaction Reporting System (ITRS) implemented under the Foreign Exchange Management Act (FEMA). Apart from this, the RBI has also been conducting annual surveys on (i) Computer Software & Information Technology Enabled Services Exports since 2002-03 and (ii) International Trade in Banking services to enable compilation of disaggregated level statistics of trade in services for these two sectors.

Special Economic Zone (SEZ)

A Special Economic Zone is a dedicated zone wherein businesses enjoy tax and easier legal compliances. SEZs are located within a country's national borders. However, they are treated as a foreign territory for tax purposes. In India, the SEZ Act, 2005, supported by SEZ Rules, came into effect on 10th February, 2006, providing for drastic simplification of procedures and for single window clearance on matters relating to central as well as state governments. The main objectives of the SEZ Act are:

- generation of additional economic activity
- promotion of exports of goods and services
- promotion of investment from domestic and foreign sources
- creation of employment opportunities
- development of infrastructure facilities

Services exports are a significant portion of overall exports from SEZs. The SEZ Units are exporting various types of services such as Software, Support, ITeS, Research, Maintenance, Logistics, and Warehousing etc.

Software Technology Parks of India (STPI)

Software Technology Parks of India was established and registered as an Autonomous Society under the Societies Registration Act 1860, under the Ministry of Electronics and Information Technology, (the then Department of Electronics) Government of India on 5th June 1991 with an objective to implement STP Scheme, set-up and manage infrastructure facilities and provide other services like technology assessment and professional training.

SEZ and Software Technology Parks of India (STPI) are the also the key agencies for generating national level service sector exports figure for ICT enabled services on regular basis.

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1.4 Formation and Objective of SERF Committee

Previously there was no structured mechanism for collection of information about the service exports being done by Special Economic Zone (SEZ) Units. Softex Forms prescribed by RBI do not cover the entire gamut of services and filing timelines result in delay in compilation of data for reporting. In order to compile information, it was manually collected by Specified Officer from Zones and this information is only aggregated, summarized information.

In order to identify the mechanism to facilitate and ensure, collection of structured, comprehensive information in a timely manner, a Committee was formed by SEZ Division, Ministry of Commerce and Industry, under Chairmanship of Shri L B Singhal (Development Commissioner, Noida SEZ) and with members from Reserve Bank of India (RBI), Director General of Commercial Intelligence & Statistics (DGCI&S), Software Technology Parks of India (STPI) and NSDL to formulate a process for reporting of all Service Exports being performed by SEZ entities in 2018.

The objective of forming the committee was ensuring comprehensive reporting of all Service Export Invoices. The Committee considered the issues and recommended that an online facility needs to be provided to all SEZ Units to report the details of all service exports on a monthly basis through SEZ Online System. The recommendation of the committee was accepted by SEZ Division, Ministry of Commerce and Industry and NSDL was requested to implement the same. The SERF module was developed and made effective from September 2018.

SERF module features

Some important features of the SERF module are detailed below:

- It is a completely online form and does not require submission of signed documents (unless specifically requested by DC Office).
- The module primarily relies upon Self-Declaration framework for developing estimates of overall exports from services sector.
- It will enable all SEZ entities to submit details of all Service Export Invoices issued during previous month.

Service Export Reporting Form Format

The Service Export Reporting Form along with detailed information on the variables involved is at Annex I. The SERF has been divided into four section/ parts, viz. Part A - General Information Section, Part B - Service Exports (IT & IT enabled Services), Part C - : Service Exports other than IT & IT enabled Services, and Part D - Exporter Declaration.

1.5 Service Accounting Codes (SAC) or Service Classification Codes (SCC)

SACs (Services Accounting Code) are used for the identification of the service. Like goods, services are also classified uniformly for recognition, measurement and taxation. Codes for services are called SAC or SCC. SERF uses the SAC provided under the GST regime. The reporting units are required to map the services being exported with the applicable SAC or SCC. The codes are available at 6-digit level. The number of codes at 5-digit level are around 52.

Report on Service Exports Reporting Form**1.6 Data from SEZ & STPI – Current Scenario**

All kinds of service exports taking place through SEZ or STPI are being captured through SERF and the whole data, irrespective of whether they are ICT enabled or otherwise, available with SEZ or STPI are being shared with DGCIS on monthly basis. However, the service exports by units not registered under anyone of them cannot be captured currently. Presently, monthly data is shared with DGCI&S from SEZ through secured file transfer protocol (SFTP) and it is being shared over email from STPI.

This report is based on the data provided by SEZ and STPI for financial year 2022-23. A broad summary is given below:

Type	Transaction	INR (Million)	% Share in Transaction	% Share in Value
SEZ	3240701	75,77,365.90	67.27	50.62
STPI	1576589	73,90,384.00	32.73	49.38
TOTAL	4817290	1,49,67,749.90	100.00	100.00

Type	No. of Unit	Services Export in INR (Million)	Per unit contribution
SEZ	2427	75,77,365.90	3,122.11
STPI	4341	73,90,384.00	1,702.46
TOTAL	6768	1,49,67,749.90	2,211.55

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Chapter 2 Export of Software Services at 6-Digit Level

DGCIS identified seven codes as software services codes among the list of SAC codes. They are as below:

Service Classification Codes for Software	Service Classification Code Description
997331	Licensing services for the right to use computer software and databases.
998313	Information technology (IT) consulting and support services
998314	Information technology (IT) design and development services
998315	Hosting and information technology (IT) infrastructure provisioning services
998316	IT infrastructure and network management services
998319	Other information technology services n.e.c
998434	Software downloads

This chapter concentrates on the exports of software services (at 6-digit level) done through SEZ and STPI based on the 7 identified SAC codes.

2.1 Export of Software Services captured through SERF

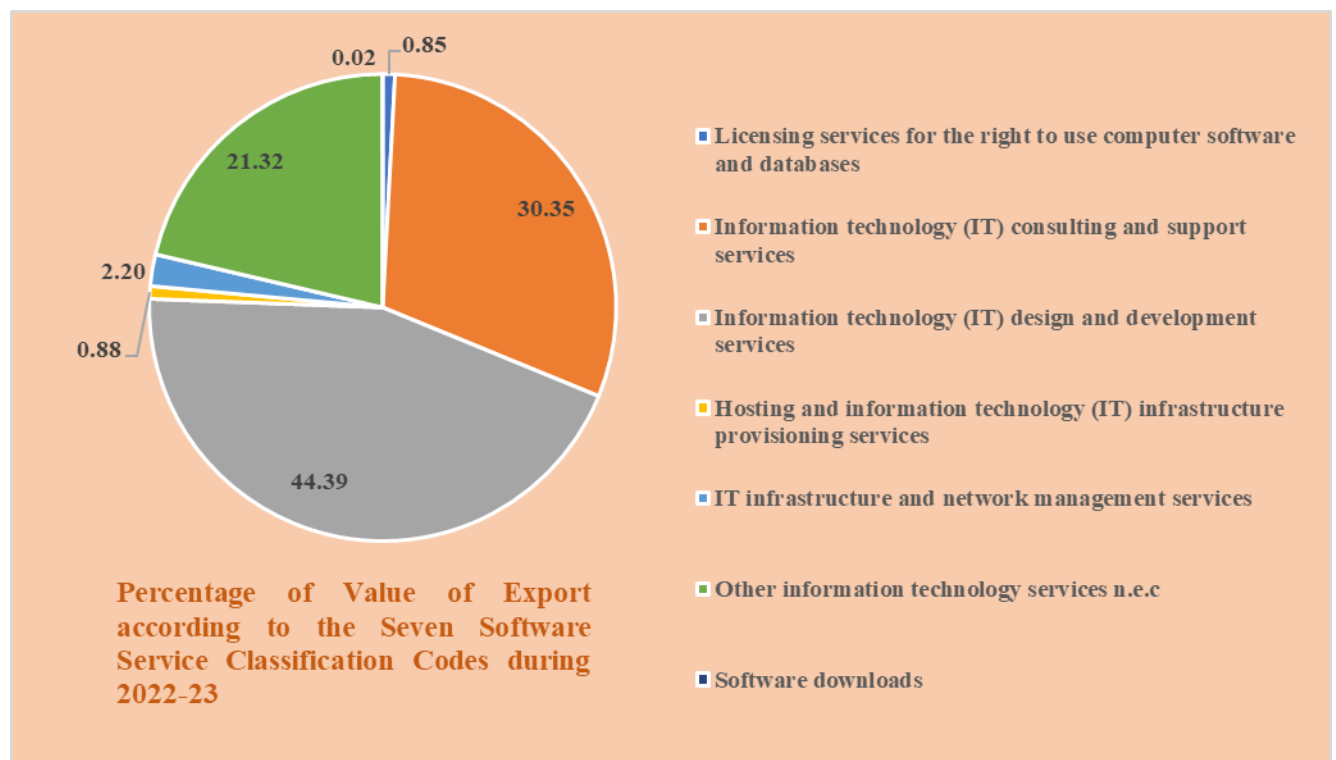
Out of the total exports reported by SEZ and STPI, percentage share in value of the 7 identified codes i.e., software exports is about 84%. It may be noted in this context that in SEZ, 998313, 998314, 998315, 998316 & 998319 are reported only in 6-digit but 99733 (Licensing services for the right to use intellectual property and similar products) & 99843 (On-line content services) are reported in 5-digit level as well as in 6-digit level (997331 and 998434). STPI however reports all SAC codes including these 7 codes at 6-digit level. It is observed from services export data received from STPI in SERF format that more than 99% of Services export value within 99733 is attributed to software code 997331. Similarly, more than 90% of services export value within 99843 is attributed to software code 998434. Hence, the services export data received in code 99733 and 99843 from SEZ are aggregated at code level 997331 and 998434. This may result in slight overestimation of software export value in totality as reported in the Report.

The major contributors in the total value of exports of software services done through SEZ & STPI are IT design and development services and IT consulting and support services. Together they account for about 75% of the total value of exports of software services through SEZ & STPI (Ref: Table 2.1.1).

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Table 2.1.1: Value of Export (SEZ and STPI combined) of Software Services (7 SCC)				
Sl. No.	Service Classification Codes for Software	Service Code Description	2022-23	
			Value of Export in	
			INR (Million)	USD (Million)
1	997331	Licensing services for the right to use computer software and databases	1,05,901.36	1,317.01
2	998313	Information technology (IT) consulting and support services	38,02,260.82	47,482.12
3	998314	Information technology (IT) design and development services	55,61,202.85	69,448.26
4	998315	Hosting and information technology (IT) infrastructure provisioning services	1,09,956.72	1,360.59
5	998316	IT infrastructure and network management services	2,75,009.10	3,432.80
6	998319	Other information technology services n.e.c	26,70,243.11	33,344.58
7	998434	Software downloads	2,363.05	30.22
Total for 7 codes			1,25,26,937.01	1,56,415.58
Total for all codes			1,49,67,749.90	1,86,909.57

Chart 2.1.1: Percentage Distribution of Value of Software Export according to the Seven Software Service Accounting Codes during 2022-23



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2.2 Country-wise export of software services

The major end user of the software services is the United States. The export of software services to the United States is about 57%. The export of software services to the United Kingdom is only about 13% and rest of 30% to other countries. The Chart 2.2.1 represents the top 10 country-wise percentage of export of software services.

Chart 2.2.1: Country-wise Percentage of Export of Software Services for Top 10 countries during 2022-23

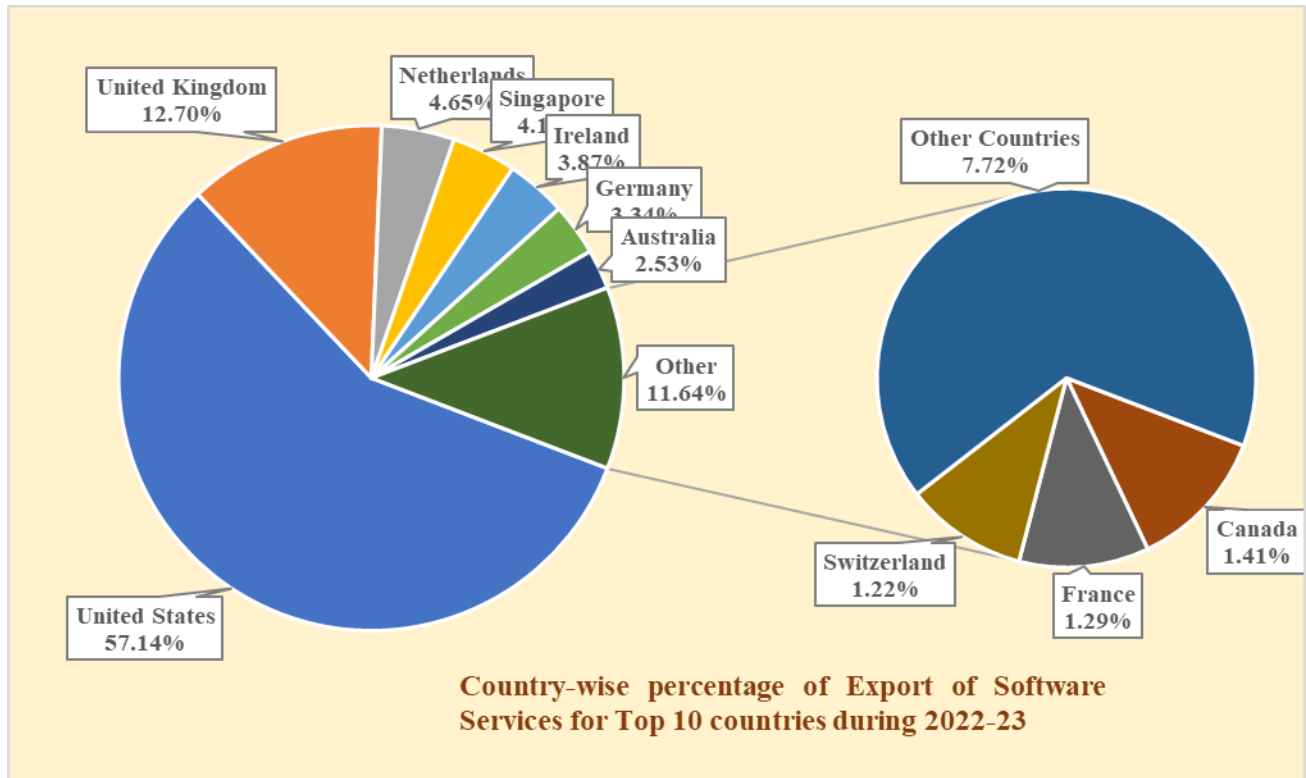


Table 2.2.1: Value of export (in INR and USD) of software services to Top 10 Countries during 2022-23

Sl. No.	Country Name	Value of Export in	
		INR (Million)	USD (Million)
1	United States	71,57,411.02	89,403.42
2	United Kingdom	15,91,347.44	19,833.81
3	Netherlands	5,82,930.97	7,276.29
4	Singapore	5,17,013.14	6,445.67
5	Ireland	4,85,383.82	6,066.39
6	Germany	4,17,841.85	5,217.71
7	Australia	3,17,495.84	3,961.55
8	Canada	1,76,766.83	2,205.17
9	France	1,61,770.55	2,021.42
10	Switzerland	1,52,324.69	1,903.34
11	Other Countries	9,66,650.87	12,080.83
All Countries		1,25,26,937.01	1,56,415.58

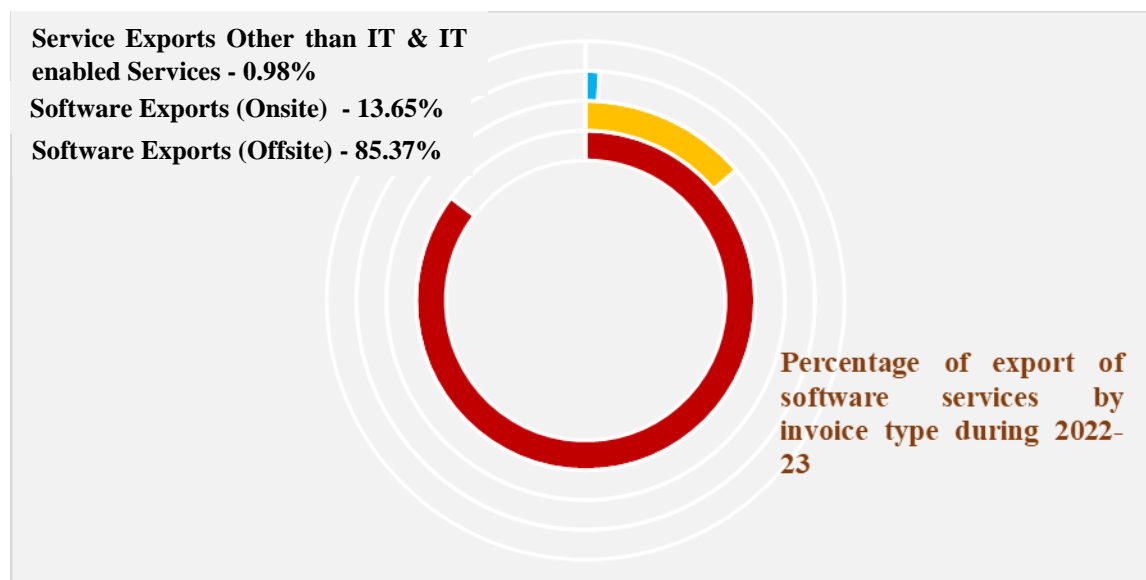
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2.3 Export of Software Services by Invoice Type

The Invoice type of most of the exports of software services belong to Software Export (Offsite) (about 85% of value). The percentage of service exported through invoice type ‘other than IT and IT enabled services’ are almost negligible (only around 1%) and percentage of exports via invoice type ‘Royalty from Software’ is nearly zero (Ref: Chart 2.3.1). It may be noted here that Invoice Type “Service Exports Other than IT & IT enabled Services” for software services is reported only from SEZ.

Invoice Type	Value of Export in	
	INR (Million)	USD (Million)
Software Exports (Offsite)	1,06,93,987.84	1,33,564.04
Software Exports (Onsite)	17,09,730.47	21,305.05
Service Exports Other than IT & IT enabled Services	1,22,448.31	1,536.72
Royalty from Software	770.39	9.76
Total	1,25,26,937.01	1,56,415.58

Chart 2.3.1: Percentage of export of software services by invoice type during 2022-23



Note: Export via Invoice Type Royalty from Software is negligible.

2.4 Share of SEZ and STPI in Export of Software Services

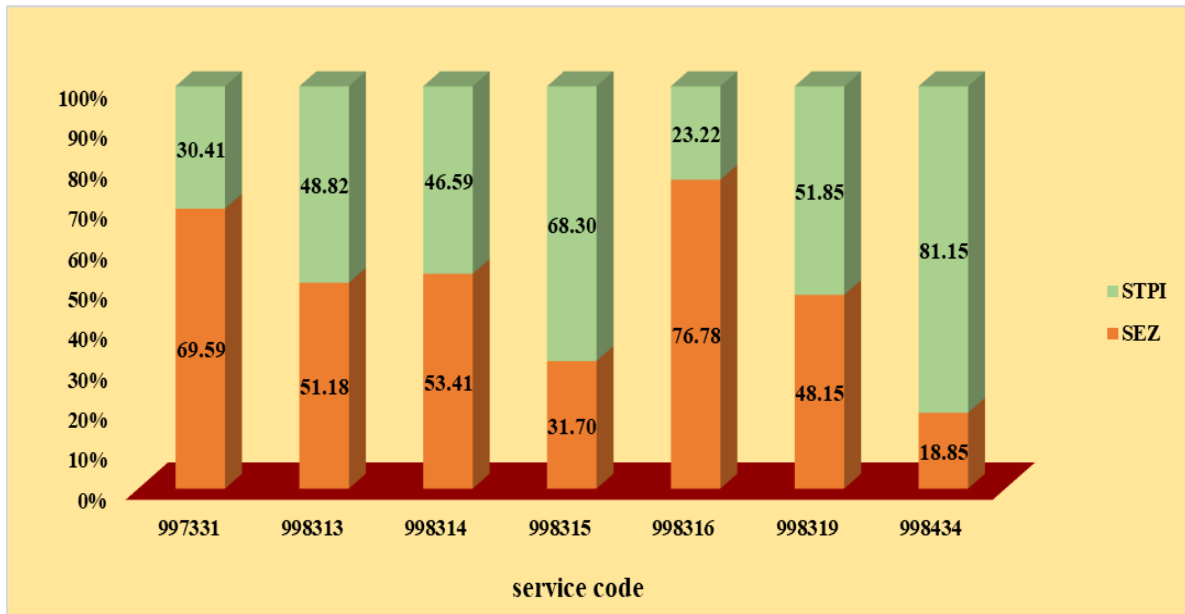
Chart 2.4.1 depicts that the share of STPI in the total value of software export for the service codes 998315 (Hosting and information technology (IT) infrastructure provisioning services), 998319 (Other information technology service), 998434 (Software downloads) is more whereas, for the 997331 (Licensing services for the right to use computer software and databases), 998313 (Information technology (IT) consulting and support services), 998314 (Information technology (IT) design and development services), 998316 (IT infrastructure and network management services), the share of SEZ is higher compared to that from STPI in terms of the total value of software export.

Table 2.4.1 gives the Value of Software Export combined for SEZ and STPI, Table 2.4.2 for SEZ and Table 2.4.3 for STPI respectively for the seven service codes, viz 997331, 998313, 998314, 998315, 998316, 998319 and 998434 at 6-digit level. From Table 2.4.1, it is

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observed that around 96% of software services exported from SEZ and STPI may be attributed to three service code 998314 (Information technology (IT) design and development services), 998313 (Information technology (IT) consulting and support services) and 998319 (Other information technology service). Contribution in software services export from rest of the software services codes was negligible.

Chart 2.4.1: Percentage share of SEZ and STPI in Value of Software Exports during 2022-23



Sl. No.	Service Classification Codes for Software	Service Code Description	2022-23	
			Value of Export in	
			INR (Million)	USD (Million)
1	997331	Licensing services for the right to use computer software and databases	1,05,901.36	1,317.01
2	998313	Information technology (IT) consulting and support services	38,02,260.82	47,482.12
3	998314	Information technology (IT) design and development services	55,61,202.85	69,448.26
4	998315	Hosting and information technology (IT) infrastructure provisioning services	1,09,956.72	1,360.59
5	998316	IT infrastructure and network management services	2,75,009.10	3,432.80
6	998319	Other information technology services n.e.c	26,70,243.11	33,344.58
7	998434	Software downloads	2,363.05	30.22
Total for 7 codes			1,25,26,937.01	1,56,415.58

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Table 2.4.2: Value of Software Export—SEZ during 2022-23				
Sl. No.	Service Classification Codes for Software	Service Code Description	Value of Export in	
			INR (Million)	USD (Million)
1	997331	Licensing services for the right to use computer software and databases.	73,695.46	911.68
2	998313	Information technology (IT) consulting and support services	19,46,045.93	24,176.30
3	998314	Information technology (IT) design and development services	29,70,159.67	36,888.83
4	998315	Hosting and information technology (IT) infrastructure provisioning services	34,855.46	423.47
5	998316	IT infrastructure and network management services	2,11,144.68	2,630.69
6	998319	Other information technology services n.e.c	12,85,766.45	15,980.92
7	998434	Software downloads	445.33	5.48
Total for 7 codes			65,22,112.97	81,017.37

Table 2.4.3: Value of Software Export—STPI during 2022-23				
Sl. No.	Service Classification Codes for Software	Service Code Description	Value of Export in	
			INR (Million)	USD (Million)
1	997331	Licensing services for the right to use computer software and databases.	32,205.90	405.33
2	998313	Information technology (IT) consulting and support services	18,56,214.89	23,305.82
3	998314	Information technology (IT) design and development services	25,91,043.18	32,559.43
4	998315	Hosting and information technology (IT) infrastructure provisioning services	75,101.27	937.12
5	998316	IT infrastructure and network management services	63,864.42	802.10
6	998319	Other information technology services n.e.c	13,84,476.66	17,363.66
7	998434	Software downloads	1,917.72	24.74
Total for 7 codes			60,04,824.04	75,398.21

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Chapter 3

Export of Services at 5-Digit Service Accounting Code

This chapter analyses the Services export from SEZ and STPI at 5-digit level concentrating on total export of services including both software as well as other than software services.

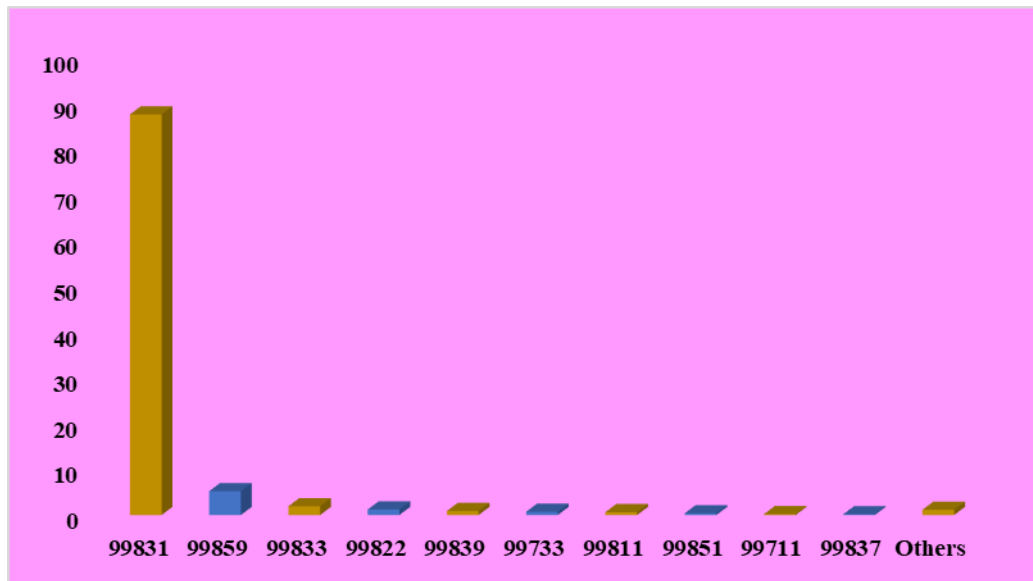
3.1 Export of Services including both software as well as other than software services (At 5 Digit Level)

Chart 3.1.1 throws light on the status of services export including both software as well as non-software services corresponding to top 10 SAC in terms of value of export in INR million and USD million at 5-digit level. It indicates that the around 88% of value of export of services through SEZ and STPI is from Management consulting and management services; information technology services (Service code 99831), 5% is from other support services (Service code 99859) and 7% is from the rest. Detail description of the major SAC codes are given in Annexure-II.

Sl. No.	Service Code	Service Code Description	Value of Export in	
			INR(Million)	USD(Million)
1	99831	Management consulting and management services; information technology services.	1,31,15,865.50	1,63,807.59
2	99859	Other support services	7,79,694.69	9,739.59
3	99833	Engineering services	2,86,409.14	3,577.67
4	99822	Accounting, auditing and bookkeeping services	1,79,105.74	2,234.69
5	99839	Other professional, technical and business services.	1,31,641.30	1,636.25
6	99733	Licensing services for the right to use intellectual property and similar products	1,05,924.94	1,317.30
7	99811	Research and experimental development services in natural sciences and engineering.	94,165.78	1,165.83
8	99851	Employment services including personnel search/referral service & labour supply service	54,645.82	678.72
9	99711	Financial services (except investment banking, insurance services and pension services)	27,143.89	336.10
10	99837	Market research and public opinion polling services	22,875.77	285.90
11	Others		1,70,277.33	2,129.92
Total			1,49,67,749.90	1,86,909.57

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Chart 3.1.1: Percentage Share of Value of Export of Services including non-software services of top 10 SAC codes (at 5 Digit Level) during 2022-23



Service Code and their Descriptions for Chart 3.1.1	
99831	Management consulting and management services; information technology services.
99859	Other support services
99833	Engineering services
99822	Accounting, auditing and bookkeeping services
99839	Other professional, technical and business services.
99811	Research and experimental development services in natural sciences and engineering.
99733	Licensing services for the right to use intellectual property and similar products
99851	Employment services including personnel search/referral service & labour supply service
99871	Maintenance and repair services of fabricated metal products, machinery and equipment
99837	Market research and public opinion polling services

It is evident from Chart 3.1.1 that alone Code 99831 (998311: Management consulting and management services including financial, strategic, human resources, marketing, operations and supply chain management; 998312: Business consulting services including public relations services; 998313: Information technology (IT) consulting and support services; 998314: Information technology (IT) design and development services; 998315: Hosting and information technology (IT) infrastructure provisioning services; 998316: IT infrastructure and network management services & 998319: Other information technology services n.e.c) is the highest contributor in the total services exports.

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3.2 Export of Services at 5-digit level (those corresponding to 7 identified codes for software services)

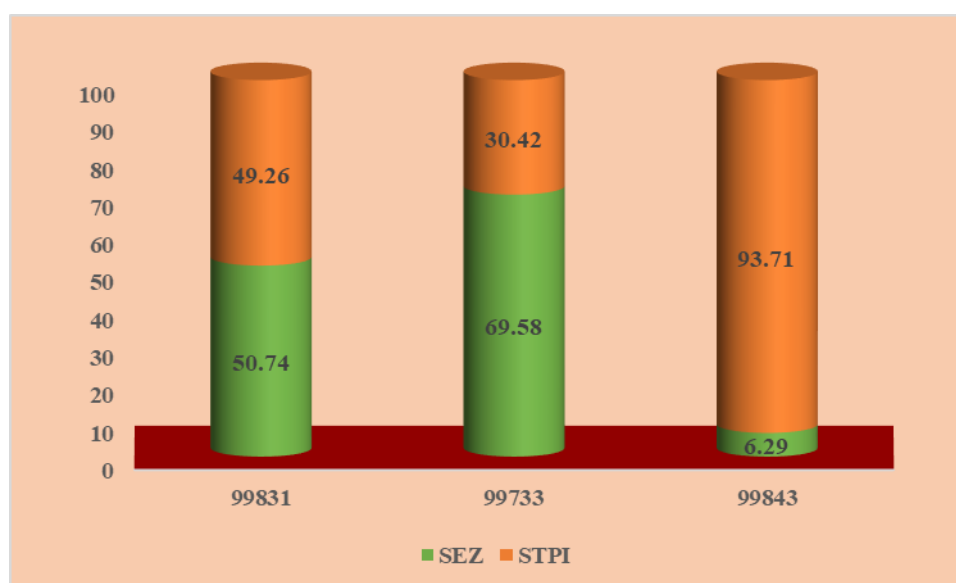
Sl. No.	Service Code	Service Code Description	Value of Export in	
			INR (Million)	USD (Million)
1	99831	Management consulting and management services; information technology services.	1,31,15,865.50	1,63,807.59
2	99733	Licensing services for the right to use intellectual property and similar products	1,05,924.94	1,317.30
3	99843	On-line content services	7,154.80	90.09
Total			1,32,28,945.23	1,65,214.98

It may be noted that 99831 comprises of seven 6-digit codes, 99733 comprises of nine 6-digit codes and 99843 comprises of five 6-digit codes. Out of these twenty one codes, seven codes have been identified at 6-digit level as codes relevant to software services (997331, 998313, 998314, 998315, 998316, 998319, and 998434). These seven identified codes, however, contributed for almost 95% of the total service exports value from the above mentioned three 5-digit service accounting codes.

3.3 Contribution of SEZ and STPI in Export of 5-digit service codes 99831, 99733 and 99843

Chart 3.3.1 depicts that the value of export for the service code 99831 (Management consulting and management services; information technology services) has almost equal share from SEZ and STPI. Whereas for the service code 99733 (Licensing services for the right to use intellectual property and similar products), contribution from SEZ is significantly higher than STPI and for service code 99843 (On-line content services), it is the other way around.

Chart 3.3.1: Source-wise Percentage Share of Export of Services of 99831, 99733 and 99843 during 2022-23



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Sl. No.	Service Code	Service Code Description	Value of Export in	
			INR (Million)	USD (Million)
1	99831	Management consulting and management services; information technology services.	66,55,086.56	82,674.23
2	99733	Licensing services for the right to use intellectual property and similar products	73,705.29	911.80
3	99843	On-line content services	450.24	5.54
Total			67,29,242.09	83,591.58

Sl. No.	Service Code	Service Code Description	Value of Export in	
			INR (Million)	USD (Million)
1	99831	Management consulting and management services; information technology services.	64,60,778.94	81,133.35
2	99733	Licensing services for the right to use intellectual property and similar products	32,219.64	405.50
3	99843	On-line content services	6,704.55	84.55
Total			64,99,703.14	81,623.41

SCC	Service Code Description	Type	INR (In Million)	USD (In Million)
99831	Management consulting and management services; information technology services.	SEZ	66,55,086.56	82,674.23
99859	Other support services	SEZ	2,43,663.04	3,028.79
99833	Engineering services	SEZ	2,15,861.12	2,689.14

SCC	Service Code Description	Type	INR (In Million)	USD (In Million)
99831	Management consulting and management services; information technology services.	STPI	64,60,778.94	81,133.35
99859	Other support services	STPI	5,36,031.65	6,710.80
99822	Accounting, auditing and bookkeeping services	STPI	96,902.14	1,213.47

Between SEZ and STPI, set of top three service codes in terms of export of services at 5-digit level are not the same for 2022-23. Only 99831 (Management consulting and management services; information technology services) and 99859 (other support services) constitute a common pool for both SEZ and STPI. For 99831, both SEZ and STPI enjoy almost an equal share of service export value whereas for 99859, contribution of STPI is more.

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Chapter 4

Country Profile of Export of Services

Trade in Services refers to the sale and delivery of an often intangible product, called a service, between a producer and consumer. Trade in services that takes place between a producer and consumer those are, in legal terms, based in different countries is called International Trade in Services.

4.1 Country-wise export of services through SERF

United States is the major end user of services exported from India through SEZ & STPI followed by United Kingdom and Netherlands. The share of export of total services through SEZ and STPI to the United States is around 56% whereas to United Kingdom and Netherlands these are 14% and 5% respectively. Remaining 25% of the total export of services is to other countries (Ref: Chart 4.1.1). Out of total export of services to United States, share of export of software services is about 85% and share of export of services other than software stands only at 15% (Ref: Chart 4.1.2).

Sl. No.	Country Name	Value of Export in	
		INR (Million)	USD (Million)
1	United States	83,83,273.69	1,04,717.70
2	United Kingdom	20,04,746.88	25,000.99
3	Netherlands	7,96,135.80	9,933.43
4	Singapore	6,21,774.48	7,760.72
5	Ireland	5,15,274.03	6,438.70
6	Germany	5,05,322.07	6,311.32
7	Australia	3,51,154.42	4,381.66
8	France	2,04,982.04	2,559.48
9	Switzerland	2,02,521.50	2,531.09
10	Canada	1,93,757.95	2,417.56
11	Other Countries	11,88,807.05	14,856.93
All Countries		1,49,67,749.90	1,86,909.57

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Chart 4.1.1: Country-wise percentage of export of total services through SEZ and STPI including software as well as non-software services for Top 10 Countries during 2022-23

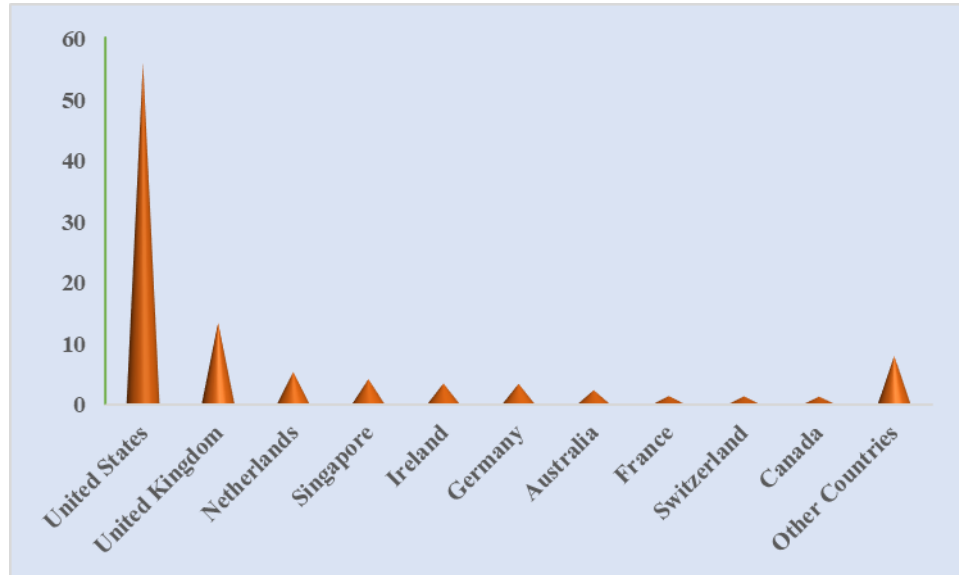
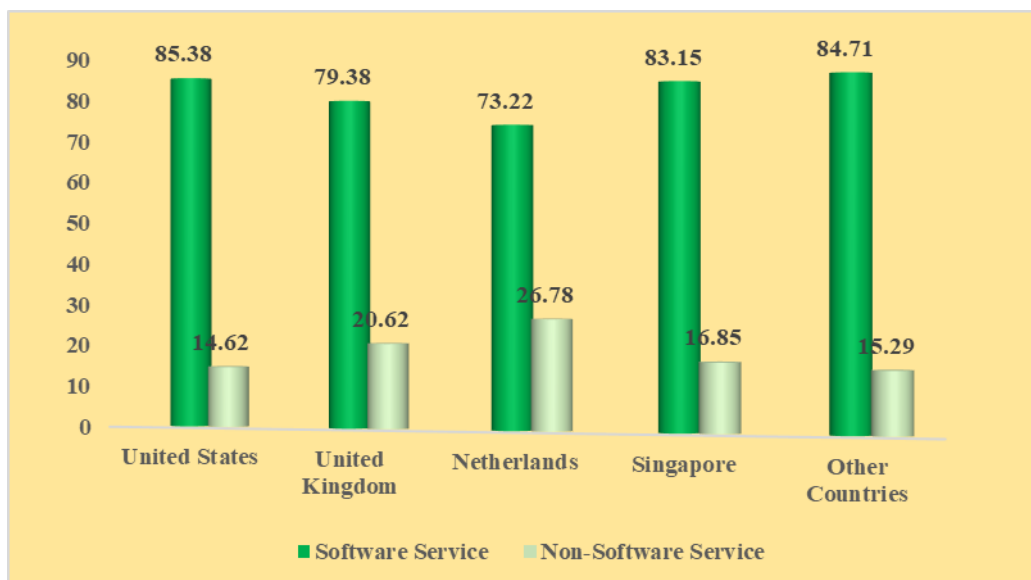


Chart 4.1.2: Country-wise Percentage Share of Value of Export of Software and Non-Software Services during 2022-23



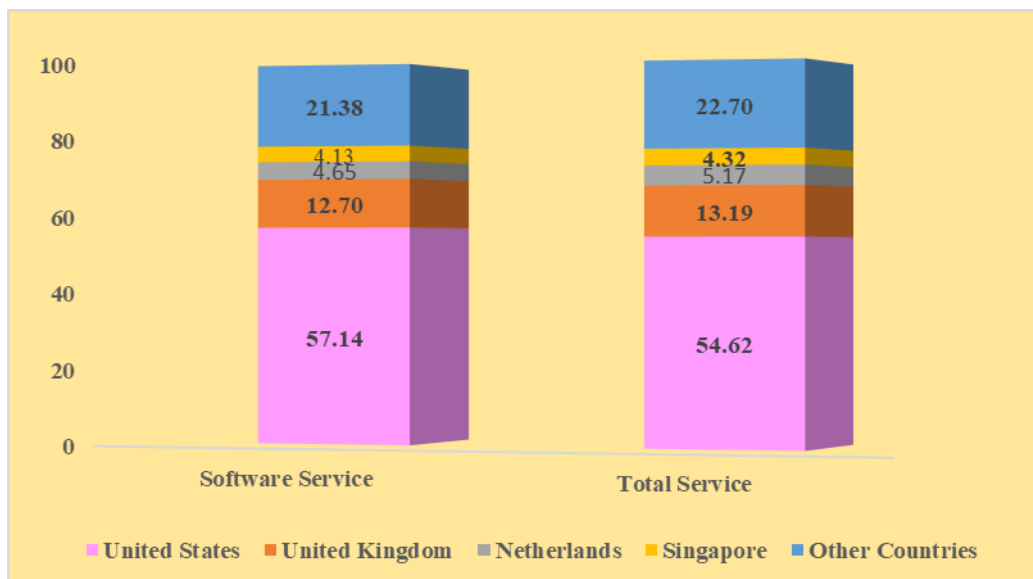
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Sl. No.	Country Name	Value of Export in	
		INR (Million)	USD (Million)
1	United States	71,57,411.02	89,403.42
2	United Kingdom	15,91,347.44	19,833.81
3	Netherlands	5,82,930.97	7,276.29
4	Singapore	5,17,013.14	6,445.67
5	Other Countries	26,78,234.44	33,456.40
All	Total	1,25,26,937.01	1,56,415.58

Sl. No.	Country Name	Value of Export in	
		INR (Million)	USD (Million)
1	United States	12,25,862.67	15,314.28
2	United Kingdom	4,13,399.44	5,167.18
3	Netherlands	2,13,204.83	2,657.14
4	Singapore	1,04,761.34	1,315.05
5	Other Countries	4,83,584.61	6,040.33
All	Total	24,40,812.89	30,493.99

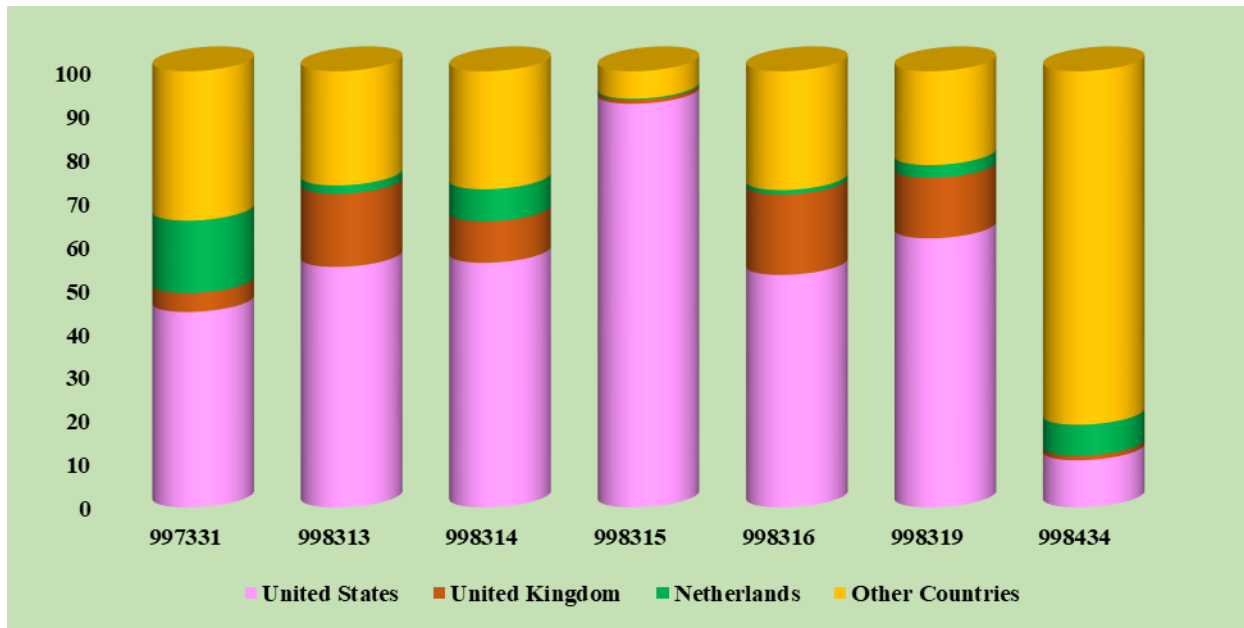
The chart 4.1.3 clearly shows that the United States is the main end user of services exported through SEZ and STPI from India with more than 50% share in both Value of Export of Software related Services and Total Export of Services followed distantly by United Kingdom.

Chart 4.1.3: Percentage Share of United States, United Kingdom, Netherlands, Singapore and Other Countries in Value of Export of Software Services and Total Export of Services during 2022-23



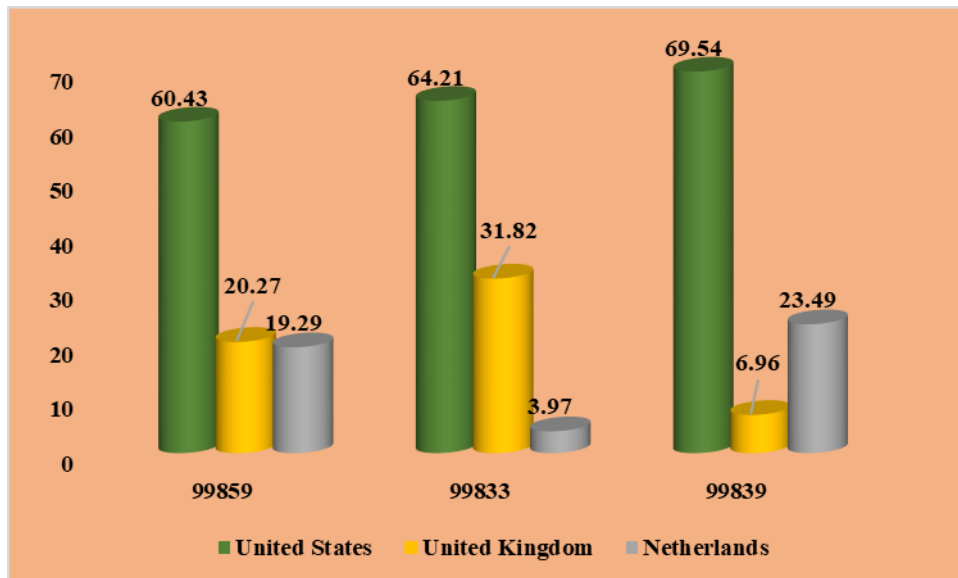
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Chart 4.1.4: Percentage Share of Export reported by top 3 countries and other countries for Software related SACs during 2022-23



It is clear from the chart 4.1.4 that the percentage share of the value of export of software services from all the related service codes is highest for United States.

Chart 4.1.5: Percentage Comparison of Top Three Countries on Services Exports for Total value of Export of Other than Software related Services at 5-digit level for three common codes during 2022-23



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Chart 4.1.5 shows the comparison of United States, United Kingdom and Netherlands for Total value of Export of Other than Software related Services for three common SAC codes namely for 99859 (Other support services), 99833 (Engineering services) and 99839 (Other professional, technical and business services). It is evident that United States leads in the export of other than software related services in terms of all three common 5-digit service codes.

Table 4.1.4 to 4.1.7 show the Value of Export of Software related Services and Value of Export of Top 10 Other than Software related Services at 5-Digit level for the financial year 2022-23 for the top four service exporting countries i.e., United States, United Kingdom, Netherlands and Singapore.

United States

Table 4.1.4: Value of Export of Software related Services and Value of Export of Top 10 Other than Software related Services at 5-Digit level for United States during 2022-23				
Sl. No.	Service Code	Service Code Description	Value of Export in	
			INR (Million)	USD (Million)
1	99831	Management consulting and management services; information technology services.	75,17,051.86	93,910.53
2	99733	Licensing services for the right to use intellectual property and similar products	47,447.78	589.40
3	99843	On-line content services	4,821.26	60.23
Total value of Export of Software related Services at 5-digit level			75,69,320.91	94,560.16
1	99859	Other support services	3,96,838.67	4,953.95
2	99822	Accounting, auditing and bookkeeping services	1,07,243.50	1,337.72
3	99833	Engineering services	96,962.29	1,213.20
4	99839	Other professional, technical and business services.	67,852.30	843.14
5	99851	Employment services including personnel search/referral service & labour supply service	31,555.15	390.76
6	99823	Tax consultancy and preparation services	18,069.49	226.11
7	99871	Maintenance and repair services of fabricated metal products, machinery and equipment	15,725.96	195.56
8	99811	Research and experimental development services in natural sciences and engineering.	15,140.80	188.28
9	99711	Financial services (except investment banking, insurance services and pension services)	14,455.15	179.76
10	99837	Market research and public opinion polling services	14,430.18	180.60
Total value of Export of other than Software related Services at 5-digit level			8,13,952.78	10,157.54
Grand Total (including Other than Software related Services)			83,83,273.69	1,04,717.70

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United Kingdom

Table 4.1.5: Value of Export of Software related Services and Value of Export of Top 10 Other than Software related Services at 5-Digit level for United Kingdom during 2022-23				
Sl. No.	Service Code	Service Code Description	Value of Export in	
			INR (Million)	USD (Million)
1	99831	Management consulting and management services; information technology services.	17,16,407.44	21,403.44
2	99733	Licensing services for the right to use intellectual property and similar products	4,592.21	56.57
3	99843	On-line content services	53.34	0.66
Total value of Export of Software related Services at 5-digit level			17,21,052.99	21,460.68
1	99859	Other support services	1,33,107.57	1,664.38
2	99833	Engineering services	48,056.08	600.24
3	99822	Accounting, auditing and bookkeeping services	43,799.81	545.10
4	99811	Research and experimental development services in natural sciences and engineering.	25,850.33	318.53
5	99839	Other professional, technical and business services.	6,795.76	84.77
6	99841	Telephony and other telecommunications services	6,031.05	74.97
7	99851	Employment services including personnel search/referral service & labour supply service	4,635.78	58.51
8	99837	Market research and public opinion polling services	4,301.66	53.82
9	99715	Services auxiliary to financial services (other than to insurance and pensions)	1,982.36	25.18
10	99871	Maintenance and repair services of fabricated metal products, machinery and equipment	1,271.78	15.95
Total value of Export of other than Software related Services at 5-digit level			2,83,693.89	3,540.31
Grand Total (including Other than Software related Services)			20,04,746.88	25,000.99

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Netherlands

Table 4.1.6: Value of Export of Software related Services and Value of Export of Top 10 Other than Software related Services at 5-Digit level for Netherlands during 2022-23				
Sl. No.	Service Code	Service Code Description	Value of Export in	
			INR (Million)	USD (Million)
1	99831	Management consulting and management services; information technology services.	5,84,675.49	7,299.03
2	99733	Licensing services for the right to use intellectual property and similar products	17,604.82	219.46
3	99843	On-line content services	168.54	2.10
Total value of Export of Software related Services at 5-digit level			6,02,448.85	7,520.60
1	99859	Other support services	1,26,696.94	1,581.73
2	99811	Research and experimental development services in natural sciences and engineering.	23,969.20	295.28
3	99839	Other professional, technical and business services.	22,922.16	284.30
4	99544	Assembly and erection of prefabricated constructions	6,424.10	80.74
5	99833	Engineering services	5,999.70	74.88
6	99834	Scientific and other technical services	3,425.87	42.87
7	99832	Architectural services, urban and land planning and landscape architectural services	2,035.94	25.44
8	99822	Accounting, auditing and bookkeeping services	820.42	10.42
9	99837	Market research and public opinion polling services	427.87	5.27
10	99851	Employment services including personnel search/referral service & labour supply service	242.84	2.96
Total value of Export of other than Software related Services at 5-digit level			1,93,686.95	2,412.83
Grand Total (including Other than Software related Services)			7,96,135.80	9,933.43

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Singapore

Table 4.1.7: Value of Export of Software related Services and Value of Export of Top 10 Other than Software related Services at 5-Digit level for Singapore during 2022-23				
Sl. No.	Service Code	Service Code Description	Value of Export in	
			INR (Million)	USD (Million)
1	99831	Management consulting and management services; information technology services.	5,39,635.38	6,735.94
2	99733	Licensing services for the right to use intellectual property and similar products	13,042.40	162.45
3	99843	On-line content services	50.80	0.63
Total value of Export of Software related Services at 5-digit level			5,52,728.57	6,899.02
1	99859	Other support services	27,214.51	340.38
2	99851	Employment services including personnel search/referral service & labour supply service	15,946.52	198.46
3	99711	Financial services (except investment banking, insurance services and pension services)	8,948.80	110.29
4	99833	Engineering services	6,388.18	79.89
5	99822	Accounting, auditing and bookkeeping services	3,141.31	39.17
6	99731	Leasing or rental services concerning machinery and equipment with or without operator	3,007.85	38.52
7	99715	Services auxiliary to financial services (other than to insurance and pensions)	1,726.05	21.48
8	99839	Other professional, technical and business services.	599.94	7.45
9	99837	Market research and public opinion polling services	547.10	6.87
10	99834	Scientific and other technical services	413.83	5.16
Total value of Export of other than Software related Services at 5-digit level			69,045.90	861.70
Grand Total (including Other than Software related Services)			6,21,774.48	7,760.72

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Chapter 5

Comparison of SERF data 2022-23 over SERF data 2021-22 and 2020-21

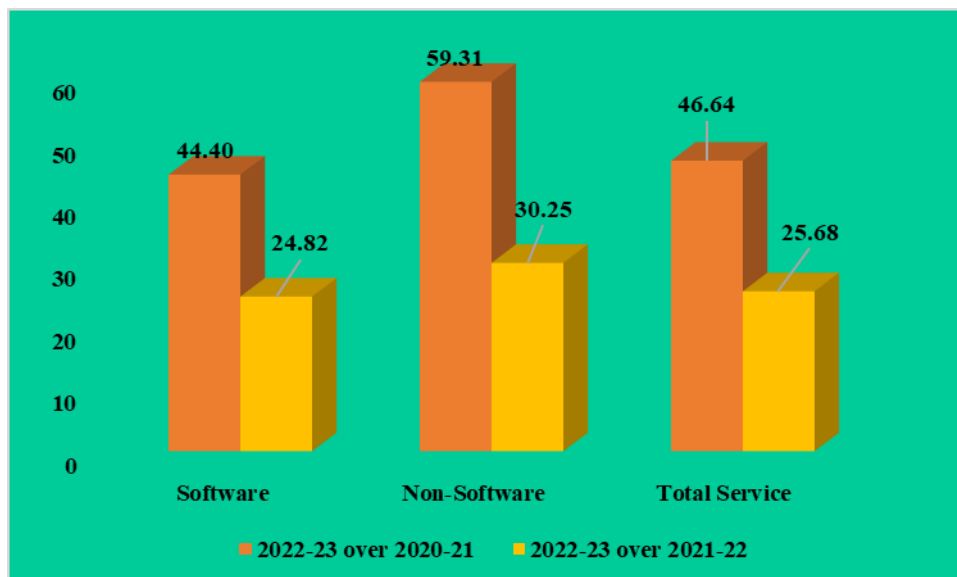
5.1 Comparative analysis is indispensable part of interpretation of results revealed by a given data set owing to its capacity of throwing light on significant areas of interest. While deep mining SERF data 2022-23 vis-à-vis SERF data 2021-22 and 2020-21, a similar overall trend is observed to persist over the two periods in consideration. Some key comparisons are presented below.

5.2 Overall Broad Comparison:

The overall trend/ picture regarding the country wise distribution or SAC wise distribution has remained almost similar during 2022-23 vis-à-vis 2021-22 and 2020-21.

Out of the total value of services exported through SEZ and STPI, though share of value of export in terms of non-software services is not that significant compared to its software counterpart, but non-software services has the maximum growth rate in terms of value of services export in 2022-23 vis-à-vis 2020-21 and 2021-22. While comparing growth in total services exports during 2022-23 over 2020-21, a significant growth is observed, which to some extent may be attributed to resuming global trade in full swing post Covid period. Overall, we see a moderate growth rate to prevail in terms of value of total services export and software services export in 2022-23 vis-à-vis 2020-21 and 2021-22 (Ref: Chart 5.2.1).

Chart 5.2.1: Percentage Growth in Value of Export of Software, Non-Software and Total Services (SEZ & STPI combined) during 2022-23 vis-à-vis 2020-21 and 2021-22



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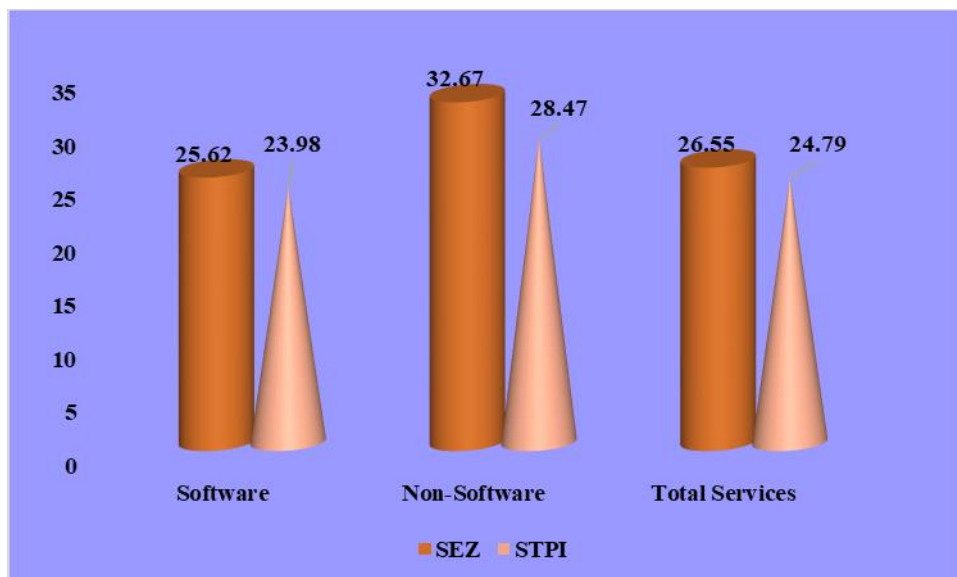
Table 5.2.1: Total Count of Records and Total Services Export value in INR Million from SEZ and STPI during 2020-21, 2021-22 and 2022-23

Type	Count of Transactions			Services Export Value (INR Million)		
	2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
SEZ	2,212,476	2,762,861	3240701	51,93,909.50	59,87,540.20	75,77,365.90
STPI	1,290,435	1,405,983	1576589	50,13,376.70	59,22,076.50	73,90,384.00
Total	3,502,911	4,168,844	4817290	1,02,07,286.20	1,19,09,616.70	1,49,67,749.90

Table 5.2.2: Percentage Growth in Transaction and Value during 2020-21, 2021-22 and 2022-23

Period	Percentage Growth in Transaction			Percentage Growth in Value		
	SEZ					
	2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
2020-21	0	24.88	46.47	0	15.28	45.89
2021-22		0	17.30		0	26.55
2022-23			0			0
STPI						
2020-21	0	8.95	22.18	0	18.13	47.41
2021-22		0	12.13		0	24.79
2022-23			0			0
Total						
2020-21	0	19.01	37.52	0	16.68	46.64
2021-22		0	15.55		0	25.68
2022-23			0			0

If we see the percentage growth in value of export of software, non-software and total services in 2022-23 over 2021-22 between SEZ and STPI, we see that there is no significant variation in terms of growth of export of software, non-software and total services between SEZ and STPI. (Ref: Chart 5.2.2).

Chart 5.2.2: Growth in Value of Export of Software, Non-Software and Total Services from SEZ and STPI during 2022-23 over 2021-22

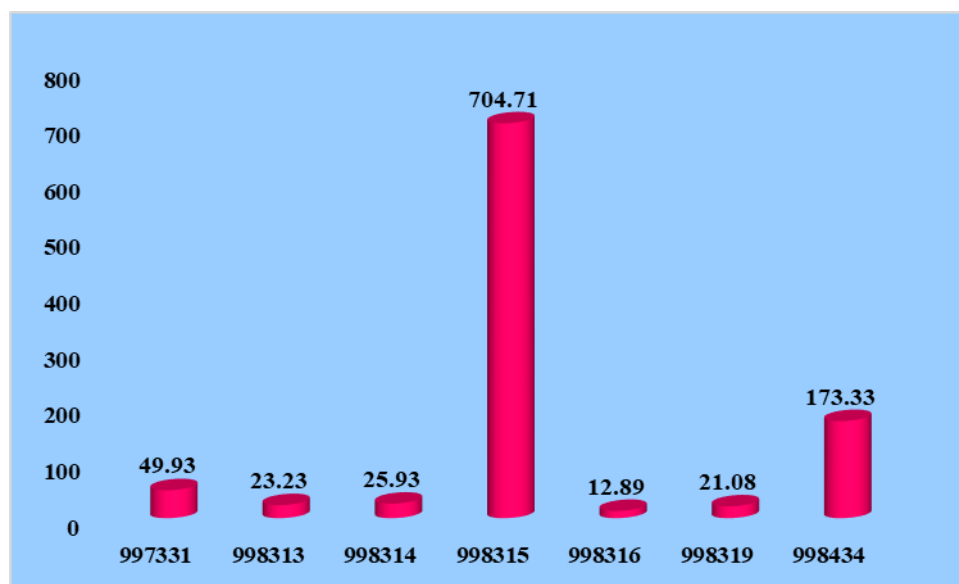
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5.3 Growth in Value of Software Services Export for Seven 6-Digit Software related SAC:

If we study the growth in export of software services (in terms of seven SACs viz. 997331: Licensing services for the right to use computer software and databases; 998313: Information technology (IT) consulting and support services; 998314: Information technology (IT) design and development services; 998315: Hosting and information technology (IT) infrastructure provisioning services; 998316: IT infrastructure and network management services; 998319: Other information technology services n.e.c; 998434: Software downloads) from SEZ and STPI combined, we see that growth in export of software services is the highest in terms of SAC 998315, distantly followed by 998434 and 997331 respectively. In totality, for all these seven SACs, around 25% growth in services export is experienced (Ref: Chart 5.3.1).

It is quite encouraging that a decent 23% and 26% growth rates are observed in software services export for 998313 and 998314 respectively which happen to be the major contributor in terms of software services export among these seven SACs in both 2021-22 and 2022-23. Interestingly, highest growth rate in software services export happens to be for 998315 which is one of the least contributors in terms of software services export over both time periods combining both SEZ and STPI and majority of this growth in software export for 998315 is owing to STPI over SEZ. Thus, it appears that this growth may not contribute significantly to total growth of software services export. Almost similar trend is experienced in 2022-23 over 2020-21.

Chart 5.3.1: Percentage Growth in Value of Software Services Export for seven 6-digit Software related SAC in 2022-23 over 2021-22

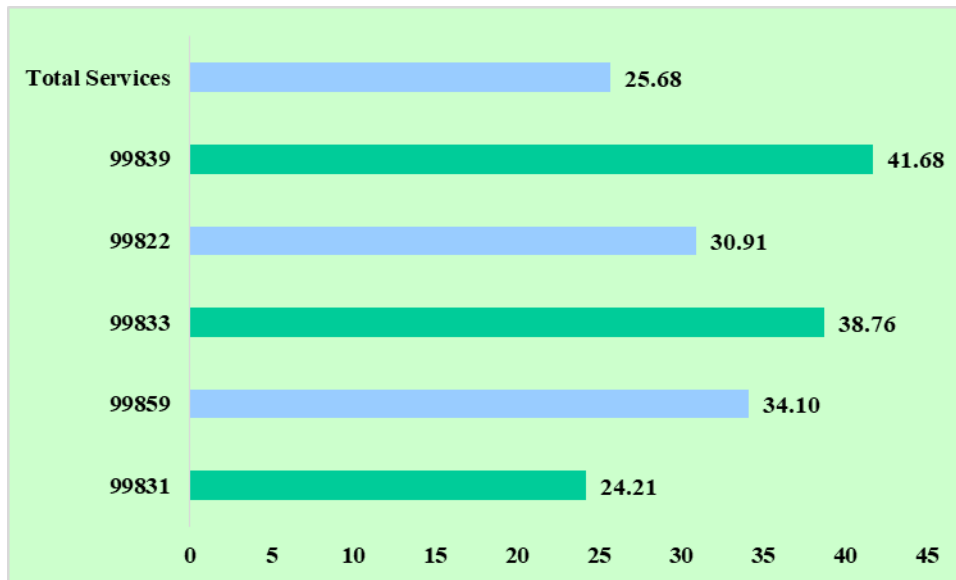


5.4 Growth in Value of Services Export for Top 5-Digit SAC: If export of services is analysed at 5-digit SAC level for the top five 5-digit SAC in terms of total services export, it is seen that SAC 99839 (Other professional, technical and business services including services on interior design, fashion design, industrial design, brand promotion services, etc.) has played a pivotal role in the growth of services export in 2022-23 over 2021-22 followed closely by 99833 (Engineering services) and 99859 (Other support services). It may be noted that though volume of services export wise, 99831 (Management consulting and management services; information

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technology services) contributed the most in both time periods owing to its software related services exports, it only experienced a moderate growth of around 24% between 2021-22 and 2022-23 (Ref: Chart 5.5.1).

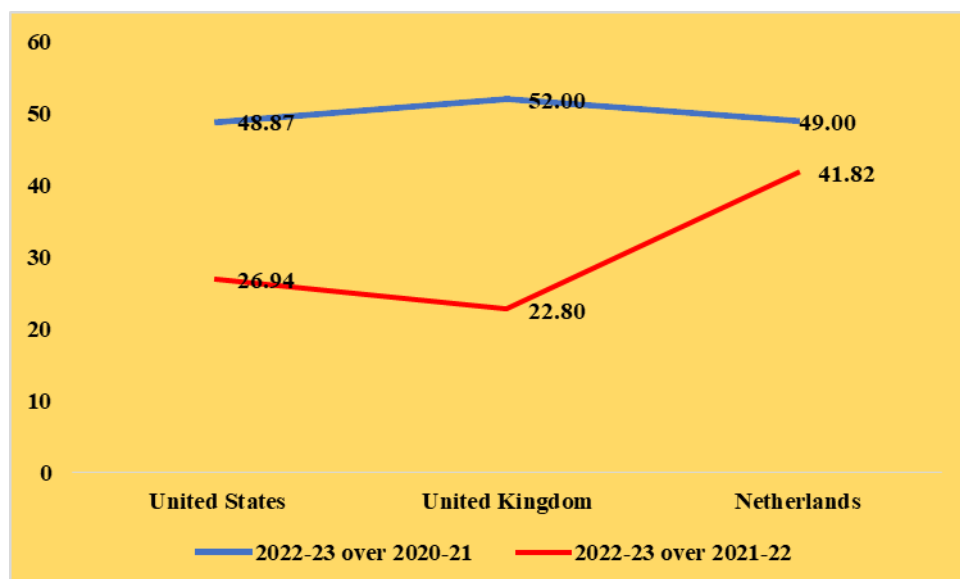
Chart 5.4.1: Percentage Growth in Value of Services Export for Top 5 Digit SAC in 2022-23 over 2021-22



5.5 Growth in Value of Services Export to Top 4 Service Exporting Countries:

United States, though being the country where maximum volume of services is exported in 2020-21, 2021-22 and 2022-23, it is Netherlands which experienced the highest growth of services export between 2021-22 and 2022-23 followed by United States. Between 2020-21 and 2022-23, though significant growth in services export is observed with respect to all three countries, highest growth is observed for United Kingdom (Ref: Chart 5.5.1).

Chart 5.5.1: Percentage Growth in Value of Services Export to Top 3 Service Exporting Countries in 2022-23 vis-à-vis 2021-22 and 2020-21



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5.6 Growth in Value of Export of Services from SEZ and STPI over different Months of 2021-22 and 2022-23:

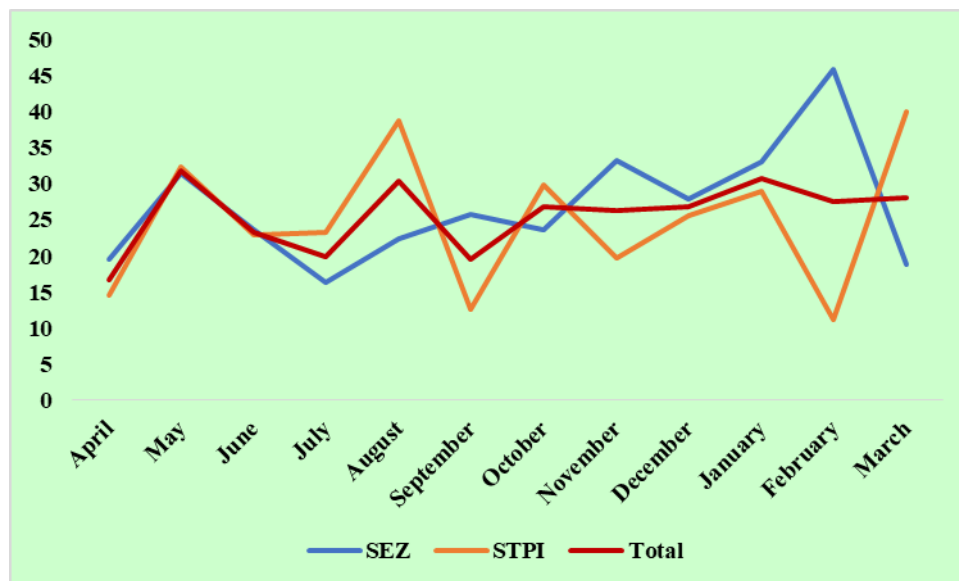
If we further extend our horizon of consideration to export of services from SEZ and STPI over different months of financial years 2021-22 and 2022-23, we find that month-over-month growth in export of services were most stable in May 2022-23 over May 2021-22 and followed closely by January 2022-23 over January 2021-22 (Ref: Chart 5.6.1).

Table 5.6.1: Percentage Growth (Gr) in Value of Export of Services from SEZ and STPI over different Months of 2021-22 and 2022-23

Months	Services Export Value								
	SEZ			STPI			Total		
	2021-22	2022-23	Gr	2021-22	2022-23	Gr	2021-22	2022-23	Gr
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
April	4,30,088.20	5,14,224.60	19.56	5,61,115.30	6,42,878.90	14.57	9,91,203.50	11,57,103.50	16.74
May	4,20,017.10	5,52,022.50	31.43	4,09,798.30	5,42,250.90	32.32	8,29,815.30	10,94,273.40	31.87
June	5,04,261.50	6,23,620.10	23.67	4,45,920.50	5,48,031.30	22.90	9,50,182.00	11,71,651.40	23.31
July	4,86,156.80	5,65,760.40	16.37	5,15,644.70	6,36,048.30	23.35	10,01,801.50	12,01,808.60	19.96
August	4,62,863.20	5,66,152.50	22.32	4,50,002.60	6,24,741.40	38.83	9,12,865.70	11,90,893.90	30.46
September	5,27,114.90	6,62,797.60	25.74	4,72,202.40	5,31,656.00	12.59	9,99,317.20	11,94,453.60	19.53
October	5,08,032.50	6,28,178.30	23.65	5,37,546.00	6,98,179.10	29.88	10,45,578.60	13,26,357.40	26.85
November	4,86,982.90	6,48,525.80	33.17	5,04,290.70	6,03,896.80	19.75	9,91,273.70	12,52,422.60	26.34
December	5,95,457.00	7,61,667.60	27.91	4,88,414.50	6,13,682.80	25.65	10,83,871.60	13,75,350.50	26.89
January	4,64,669.60	6,17,936.30	32.98	5,25,764.70	6,77,679.70	28.89	9,90,434.30	12,95,616.00	30.81
February	4,70,517.60	6,86,434.70	45.89	5,20,381.80	5,78,258.60	11.12	9,90,899.40	12,64,693.30	27.63
March	6,31,379.00	7,50,045.60	18.79	4,95,013.50	6,93,080.20	40.01	11,26,392.50	14,43,125.80	28.12
All	59,87,540.20	75,77,365.90	26.55	59,22,076.50	73,90,384.00	24.79	1,19,09,616.70	1,49,67,749.90	25.68

Note: (1) figures in cols. (2), (3), (5), (6), (8) and (9) are reported in **INR Million**
(2) figures in cols. (2), (3), (5), (6), (8) and (9) may not be additive due to rounding effect.

Chart 5.6.1: Percentage Growth in Export of Services from SEZ and STPI over different Months of 2022-23 over 2021-22



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Chapter 6

Comparison with data from RBI

6.1 Reserve Bank of India publishes data on service statistics. They also conduct a survey on the ICT enabled services. National Accounts Division uses RBI data in their GDP calculation. ICT and ICT enabled services are the major contributing factor to services exports in India as per RBI data. Telecommunication, Computer & Information Services along with Other Business Services account for about 87% of service exports value in 2022-23. Other Business Services also includes a number of codes that correspond to ICT enabled services.

6.2 RBI, however, publishes data according to purpose codes whereas SERF data is available in terms of Service Accounting Codes (SAC) used in GST. An attempt was made to study plausible relationships among the RBI Purpose Codes and SAC and it turned out that for majority of the SAC, the relationships with Purpose Codes are many to many. This makes it difficult to reach at any objective conclusion about correlation between Purpose Codes and SAC so as to arrive at SAC wise values of services exports from RBI data. RBI Purpose Codes are quite broad in terms of scope of coverage in a sense that one Purpose Code may cover a range of service activities for which no explicit correspondence/ identification is available.

6.3 A comparative study between Software Services Export data received from SEZ & STPI (in terms of SAC viz. 997331,998313,998314, 998315, 998316, 998319 and 998434) and RBI Purpose Code on “Computer Services (including Computer Software)” (viz., P0801, to P0809) is provided below for the Financial Year 2022-23:

Table 6.3.1: Total Count of Records and Total value in INR Million for FY 2022-23 from SERF SAC relating to Software Services Export		
SCC	Count	Value (INR Million)
997331	7,474	1,05,901.40
998313	11,80,224	38,02,260.80
998314	17,60,869	55,61,202.90
998315	5,062	1,09,956.70
998316	84,163	2,75,009.10
998319	12,60,549	26,70,243.10
998434	371	2,363.10
Total	42,98,712	1,25,26,937.00
Note: SAC descriptions are given in Annexure II		

Table 6.3.2: Total Count of Records and Total value in INR Million for FY 2022-23 from RBI Purpose Codes relating to Purpose Group ‘Telecommunication, Computer & Information Services’		
Purpose Code	Count	Value (INR Million)
P0801	34613	9,441.00
P0802	2308042	25,04,658.90
P0803	398798	1,76,194.90
P0804	77533	46,088.10
P0805	194617	5,070.70
P0806	991171	22,321.80
P0807	419351	1,33,19,541.80
P0808	137654	3,84,209.50
P0809	850	11,954.30
TOTAL	4562629	1,64,79,481.00
Note: Purpose Codes descriptions are given in Annexure III		

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Table 6.3.3: Comparison between Software Services Export data received from SEZ & STPI and RBI on “Computer Services (including Computer Software)” wise data for the Financial Year 2022-23 from Table 6.3.1 and Table 6.3.2			
Broad Comparison	SEZ & STPI- SAC wise Export on Software Services	RBI Purpose Codes wise export on Computer Services (including Computer Software)	Percentage of Col. (2) with respect to Col. (3)
(1)	(2)	(3)	(4)
Value in INR Million	1,25,26,937.00	1,64,79,481.00	76.02

If the comparison is restricted to the RBI Purpose Codes on Computer Services (including Computer Software) with Software related SACs, then we see from Table 6.3.3 that, during 2022-23, export value-wise seven Software Services related SACs viz., 997331,998313,998314, 998315, 998316, 998319 and 998434 contributed to almost 76% of the total values of Purpose Group P08 (‘Telecommunication, Computer & Information Services’) having Codes viz. P0801 to P0809 and almost 78% of the total values of five purpose Codes viz. P0801, P0802, P0803, P0804 and P0807 which may be treated as the ‘Core Software Purpose Codes’ within the broad Purpose Group ‘Telecommunication, Computer & Information Services’. This signifies that export of software services are represented quite well through SEZ and STPI data.

But for the services other than software related services, at least broadly, SACs for other than software services account for only around 32% of the total export value reported in terms of RBI Purpose Codes for other than software i.e., excluding Purpose Group P08: ‘Telecommunication, Computer & Information Services’.

Table 6.3.4: Comparison between Total Services Export data received from SEZ & STPI and Total Services data received from RBI for the Financial Year 2022-23			
Broad Comparison	SEZ & STPI- SCC wise Export on Total Services	RBI Purpose Codes wise export on Total Services	Percentage of Col. (2) with respect to Col. (3)
(1)	(2)	(3)	(4)
Value in INR Million	1,49,67,749.90	2,41,63,620.00	61.94

At an aggregate level, as seen from Table 6.3.4, services exported through SEZ and STPI reflect a decent 62% contribution of the total services export value reported in terms of RBI Purpose Codes. It may be noted that almost 84% of the total services export value from SEZ and STPI are Software related services.

6.4 Though mapping is quite difficult between service accounting codes and purpose codes, on a broader level, SEZ/STPI data appears to be in conformation to the RBI data. However, obtaining mode-wise data still remains a major challenge. Also, this may be noted that demarcation between software and non-software services is not made crystal clear either in terms of SAC or Purpose Codes. The so-called non-software services may have an essential component which may be Software related in both SAC and Purpose Codes. This signifies that the above observations are true on a majority case basis.

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Chapter 7

Explaining SERF data

7.1 SERF was implemented in the year 2018-19 but it took some time to stabilize and for SEZ and STPI to share data in standard format to DGCIS. Till date the data received from SEZ and STPI comes in different format, though the main variables remain the same. One of the major differences between the data received from SEZ and STPI is that the data is available at 6-digit level for all codes from STPI. However, data is received at 5-digit level from SEZ for most of the codes. This makes it difficult to carry out a 6-digit level study on the overall data. However, the codes 998313,998314,998315,998316 & 998319 are reported at 6-digit level by SEZ also.

7.2 Thus, out of the 7 codes identified by DGCIS as Software codes, 5 codes are available at 6-digit level from both SEZ and STPI but 2 codes namely 99733 and 99843 are available at 5-digit level from SEZ. However, it has been observed from services export data received from STPI that more than 99% of services export value within the 5-digit level code 99733 is attributed to software code 997331. Similarly, more than 90% of services export value within 99843 is attributed to software code 998434. Hence, for the services export data received in code 99733 and 99843 from SEZ are aggregated at code level 997331 and 998434. This may result in slight over estimation of software export value reported in the study.

7.3 In case of service statistics, the most challenging part is to get the data for the different modes of services namely-

Mode 1: Cross-border supply- services supplied from the territory of one country into the territory of another,

Mode 2: Consumption abroad - services supplied in the territory of a nation to the consumers belonging to another nation,

Mode 3: Commercial Presence - services supplied through any type of business or professional establishment of one country in the territory of another (i.e., FDI), and

Mode 4: Presence of natural person – services supplied by nationals of a country in the territory of another.

In SERF data there is a field denoting invoice type wherein the types are specified as Software Exports (Offsite), Software Exports (Onsite), Service Exports Other than IT & IT enabled Services and Royalty from Software. Going by the wordings, Software exports (Offsite) may represent Mode 1 whereas Software exports (onsite) may represent Mode 3 & 4. However, it may be difficult to assign Mode 2 to any one of them. Further, exporters may be reporting in an overlapping fashion, making it difficult to say that the mappings will be one-to-one.

7.4 For the value field, there are two fields reported in SERF. One is the software export value whereas the other is net realisable value. Software export value is the gross value of invoice whereas net realisable value is the value after all applicable deductions are adjusted, if any. There can be certain value which could be deducted by the entity which is procuring services on account of certain expenditure ex. duties, taxes. Thus, net realisable value = software export value – deductible value. Further, an invoice amendment facility is provided by SEZ and STPI

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whereby the entity can declare an amended details of an invoice submitted earlier. In case the value of invoice needs to be reduced/cancelled, the entity has the provision of declaring negative value in net realisable value. The occurrence of such cases, however, is very rare. This value is shared with DGCIS also for the updating the records. Further, at the end of the financial year, the final updated values are once again shared by SEZ. However, such gross and net realisable value figures in INR are not available from STPI side. Hence, for the reported value we are considering the gross value i.e., the software export value. This is because the details of the deductions for a software export transaction and its reconciliation thereafter are rather difficult to follow up properly. Such updated figures are mostly reported on a much later date, making it further difficult to reconcile.

7.5 The data contains country reported as IN i.e., INDIA. The reason behind it is that there can be SERF invoice declarations by SEZ entity where the service invoice is raised for services provided to some other SEZ. In those cases, SEZ would mention country code as IN. In case the service contract is with Indian company, they will file the SERF declaration in INR. There are few other cases where the SEZ entities submitting “Cargo Handling Charges” invoices has declared client country as “IN” and currency in “INR”.

7.6 For the purpose of generating reports, few records with country code “IN” with negligible contribution to services export have been excluded irrespective of the currency code of the transaction reported with the assumption that these transactions might have occurred either with an Indian firm or with a foreign firm but for domestic consumption only (in case currency code is INR).

7.7 Services export values in the report are expressed both in INR and USD. For deriving the export value figures in USD, monthly average exchange rate for INR against USD as received from RBI has been put to use.

Annexure-I

**Service Exports Reporting Form
Service & Software Export Reporting Form**

Part A: General Information Section

Request ID			
Name & Address of Exporter (SEZ/STPI unit)		IEC Code	
		GSTIN	
LOA Number		LOA Date	
SEZ Name/STPI Directorate		Location & Port Code for SEZ	
Date of submission		Reporting Month	

Part B: Service Exports (IT & IT enabled Services)**B1: Software Exports (Offsite)**

Sr. No.	Client Name	Client Address	Country	Contract/ Agreement No. & Date	Software Type*	Invoice No.	Invoice Date	Currency	Value of Software Exports	Deduction (if any)	Net Realizable Value

B2: Software Exports (Onsite)

Sr. No.	Client Name	Client Address	Country	Contract/ Agreement No. & Date	Software Type*	Invoice No.	Invoice Date	Currency	Value of Software Exports	Deduction (if any)	Net Realizable Value

B3: Royalty from Software

Sr. No.	Client Name	Client Address	Country	Contract/ Agreement No. & Date	Software Type*	Invoice No.	Invoice Date	Currency	Royalty Value	Deduction (if any)	Net Realizable Value

Part C: Service Exports other than IT & IT enabled Services

Sr. No.	Service Code*	Service Category Name	Client Name	Client Address	Country	Contract/ Agreement No. & Date	Invoice No.	Invoice Date	Currency	Value of Export	Deduction	Net Realizable Value

* Code for Service Export Category will be available as a master value

Part D: Exporter Declaration

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As per instructions/circulars/public notice issued in this regard, we are submitting herewith the details of all the invoices issued by SEZ /STPI Unit towards export of services. It is submitted herewith that these services exports pertain directly to the SEZ/STPI Unit and are eligible to be considered as exports of the SEZ/STPI Unit and export proceeds will be realized in accordance with the norms stipulated by RBI from time to time.

Place Date Name &
Designation

Report on Service Exports Reporting Form**Annexure-II**

Details of major Services Accounting Code (SAC) and 3 identified software services codes

SAC (Services Accounting Code) are used for the identification of the service. Like goods, services are also classified uniformly for recognition, measurement and taxation. Codes for services are called Services Accounting Code or SAC.

For example, Legal documentation and certification services concerning patents, copyrights and other intellectual property rights—998213. The first two digits are same for all services i.e. 99. The next two digits (82) represent the major nature of service, in this case, legal services. The last two digits (13) represent detailed nature of service, i.e., legal documentation for patents etc.

Software Service Accounting Code

The Service Accounting Codes (SAC) relating to Software Export in Software Export Reporting Format (SERF) from SEZ and STPI are as follows:

Description of Software Service related SAC	
SAC	Description
997331	Licensing services for the right to use computer software and databases.
998313	Information technology (IT) consulting and support services
998314	Information technology (IT) design and development services
998315	Hosting and information technology (IT) infrastructure provisioning services
998316	IT infrastructure and network management services
998319	Other information technology services n.e.c
998434	Software downloads

The 5-digit codes related to the 7 codes are as below:

1. 99831: Management consulting and management services; information technology services.

Services Accounting Codes 99831 is used for the Management consulting and management services; information technology services, under Goods and Service Tax classification. This service comes under heading Other professional, technical and business services. This service code includes

- i) coordination and supervision of resources in preparing, running and completing a project on behalf of the client;
- ii) project management services, which can involve budgeting, accounting and cost control, procurement, planning of time scales and other operating conditions, coordination of subcontractors' work, inspection and quality control, etc;
- iii) project management services that include management and office management services, with or without the provision of their own staff; other information technology services n.e.c.

This service code does not include construction project management services (998339).

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2. 99733: Licensing services for the right to use intellectual property and similar products.

Services Accounting Codes 99733 is used for the Licensing services for the right to use intellectual property and similar products under Goods and Service Tax classification. This service comes under heading Leasing or rental services with or without operator.

This service code includes licensing services for the right to use other kinds of intellectual property products, such as architectural and engineering plans, industrial designs etc.

3. 99843: On-line content services.

Services Accounting Codes 99843 is used for the On-line content services under Goods and Service Tax classification. This service comes under heading Telecommunications, broadcasting and information supply services.

This service code includes games that are intended to be played on the Internet such as role-playing games (RPGs), strategy games, action games, card games, children's games; software that is intended to be executed on-line, except game software; mature theme, sexually explicit content published or broadcast over the Internet including graphics, live feeds, interactive performances and virtual activities; content provided on web search portals, i.e. extensive databases of Internet addresses and content in an easily searchable format; statistics or other information, including streamed news; other on-line content not included above such as greeting cards, jokes, cartoons, graphics, maps

This service code does not include software downloads (998434), on-line gambling services (999692) and adult content in on-line newspapers, periodicals, books, directories (998431).

Other Top Service Accounting Codes

1. 99859: Other Support Services

This service comes under heading Support services.

This service code includes business brokerage and appraisal services other than for real estate; business services of intermediaries and brokers; specialist advice other than for real estate, insurance and engineering (specialist services in art, specialist services for courts of law, etc.); services by agencies and agents on behalf of individuals seeking engagements in motion pictures, theatrical productions, modelling or other entertainment or sports attractions; placement of books, plays, artwork, photographs, etc., with publishers, producers, etc.; issue of reduced-price coupons and gift stamps; management services for copyrights and their revenues (except from films); management services for rights to industrial property (patents, licences, trademarks, franchises, etc.); auctioning services other than in connection with legal procedures; reading of electric, gas and water meters; data preparation services; specialized stenotype services such as court reporting; public stenography services; other business support services not elsewhere classified.

This service code does not include maintenance of electricity, gas and water meters (996911, 996912, 996921), services related to advertising and sales promotion (99836),

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management services for motion picture rights (999614), art facilities operation services (999623), management services for artistic rights (999629) and sports events organization services (999651).

2. 99833: Engineering Services

This service comes under heading Other professional, technical and business services.

This service code includes services of assuming overall responsibility for the successful completion of a construction project on behalf of a client, including organizing the financing and the design, requesting tenders, and performing management and control functions; project management services provided by engineers or architects.

This service code does not include general construction services (99541, 99542).

3. 99839: Other professional, technical and business services

This service comes under heading Other professional, technical and business services.

This service code includes drafting services (detailed layouts, drawings, plans and illustrations of buildings, structures, systems or components from engineering and architectural specifications, done by architectural draftsmen or engineering technicians); compilation services of facts and information (i.e. databases), n.e.c.

4. 99822: Accounting, auditing and bookkeeping services

This service comes under heading Legal and accounting services.

This service includes financial auditing services, accounting & bookkeeping services, payroll services and other similar services n.e.c.

5. 99811: Research and experimental development services in natural sciences and engineering.

This service comes under heading Research and development services.

This service code includes basic and applied research services and experimental development services related to agricultural techniques, fruit culture, forestry, stock breeding, fisheries, etc.

6. 99871: Maintenance and repair services of fabricated metal products, machinery and equipment

This service comes under heading Maintenance, repair and installation (except construction) services.

This service code includes

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- i. maintenance and repair services of medical, precision and optical instruments like irradiation, electromedical and electrotherapeutic equipment, such as magnetic resonance imaging equipment, medical ultrasound equipment, pacemakers, hearing aids, electrocardiographs, electromedical endoscopic equipment, irradiation apparatus, orthopedic and prosthetic devices, instruments and apparatus for measuring, checking, testing and navigating and other purposes such as aircraft engine instruments, automotive emissions testing equipment, meteorological instruments, physical, electrical and chemical properties testing and inspection equipment, surveying instruments, radiation detection and monitoring instruments, professional photographic, cinematographic and optical instruments;
- ii. repair, maintenance and rewinding services of electric motors, generators and transformers; maintenance and repair services of electricity distribution and control apparatus; maintenance and repair services of other electrical equipment n.e.c.; repair of fishing nets (also mending), ropes, riggings, canvas and tarps, fertilizer and chemical storage bags; repair or reconditioning of wooden pallets, shipping drums or barrels, and similar items; repair of pinball machines and other coin-operated games

7. 99851: Employment services including personnel search/referral service & labour supply service

This service comes under heading Support services.

8. 99883: Wood and paper manufacturing services

This service comes under heading Manufacturing services on physical inputs (goods) owned by others.

This service code includes pulp, paper and paperboard manufacturing services, corrugated paper and paperboard manufacturing services and other paper article manufacturing services

9. 99837: Market research and public opinion polling services

This service comes under heading Other professional, technical and business services.

This service code includes investigation services designed to secure information on public opinions regarding social, economic, political and other issues. This service code does not include public relations services (998312).

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Annexure III

A. 2-digit RBI Purpose Group	
Gr. No.	Purpose Group Name
01	Exports (of Goods)
02	Transport
03	Travel
05	Construction Services
06	Insurance and Pension Services
07	Financial Services
08	Telecommunication, Computer & Information Services
09	Charges for the use of intellectual property n.i.e
10	Other Business Services
11	Personal, Cultural & Recreational services
12	Govt. not included elsewhere (G.n.i.e.)
13	Secondary Income
14	Primary Income
15	Others
16	Maintenance and repair services n.i.e
17	Manufacturing services

B. The RBI Purpose Codes relating to Purpose Group 'Telecommunication, Computer & Information Services' are as follows:

Description of RBI Purpose Group 'Telecommunication, Computer & Information Services'		
Purpose Group	Purpose Code	Description
Telecommunication, Computer & Information Services	P0801	Hardware consultancy/implementation
	P0802	Software consultancy/implementation (other than those covered in SOFTEX form)
	P0803	Data base, data processing charges
	P0804	Repair and maintenance of computer and software
	P0805	News agency services
	P0806	Other information services- Subscription to newspapers, periodicals, etc.
	P0807	Off-site Software Exports
	P0808	Telecommunication services including electronic mail services and voice mail services
	P0809	Satellite services including space shuttle and rockets, etc.

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C. The RBI Purpose Codes relating to Purpose Group 'Other Business Services' are as follows:

Description of RBI Purpose Group 'Other Business Services'		
Purpose Group	Purpose Code	Description
Other Business Services	P1002	Trade related services – commission on exports / imports
	P1003	Operational leasing services (other than financial leasing) without operating crew, including charter hire- Airlines companies
	P1004	Legal services
	P1005	Accounting, auditing, book keeping services
	P1006	Business and management consultancy and public relations services
	P1007	Advertising, trade fair service
	P1008	Research & Development services
	P1009	Architectural services
	P1010	Agricultural services like protection against insects & disease, increasing of harvest yields, forestry services.
	P1011	Inward remittance for maintenance of offices in India
	P1013	Environmental Services
	P1014	Engineering Services
	P1015	Tax consulting services
	P1016	Market research and public opinion polling service
	P1017	Publishing and printing services
	P1018	Mining services like on-site processing services analysis of ores etc.
	P1019	Commission agent services
	P1020	Wholesale and retailing trade services.
	P1021	Operational leasing services (other than financial leasing) without operating crew, including charter hire- Shipping companies
P1022	Other Technical Services including scientific/space services.	
P1099	Other services not included elsewhere	