



सत्यमेव जयते

भारत सरकार
GOVERNMENT OF INDIA



वा.जा.सां.म.नि.
DGCIS

वाणिज्यिक जासूसी एवं सांख्यिकी महानिदेशालय
Directorate General of Commercial Intelligence & Statistics

Report on Service Export Reporting Form for FY 2024-25

Directorate General of Commercial Intelligence & Statistics

Ministry of Commerce & Industry

INDEX

Chapter 1 : Introduction.....	1
Chapter 2 : Export of Software Services at 6-Digit Service Accounting Code Level....	8
Chapter 3 : Export of Services at 5-Digit Service Accounting Code Level.....	17
Chapter 4 : Country Profile of Export of Services	22
Chapter 5 : Comparison of SERF data for FY 2024-25 with SERF data for FY 2023-24 and FY 2022-23	333
Chapter 6 : Explaining SERF Data	40
Annexure-I : (Service Exports Reporting Form).....	42
Annexure-II : (Details of major Services Accounting Codes (SACs))	45

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&I	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

Chapter 1

Introduction

1.1 Services Trade-Definition

A service is an intangible product or act that a customer pays for. Services are different from physical goods which are physically procured, held and consumed.

As per United Nations, 2012 definition and the General Agreement on Trade in Services of World Trade Organisation, International Trade in services takes place when a service is supplied in any of the following modes: Mode 1: from one economy to another (services cross the border); or Mode 2: within an economy to service a consumer of another economy (consumer crosses the border); or Mode 3: through establishing a commercial presence (business/professional establishment) in the territory of another country; or Mode 4: through the presence of natural persons of one economy in another economy (supplier crosses the border). Moreover, a particular form of service can be rendered or provided to a non-resident entity in various ways or modes.

Export in services denotes cross-border sale or supply of services by residents of one country (domestic) to the residents/entities of another country (foreign) and receipt of payment in return. The Export of Services rules has its roots in the General Agreement on Tariffs and Trade (GATT) and the subsequent General Agreement on Trade in Services (GATS). A brief overview of GATT is as under:

- **GATT (1947)**: Focused on reducing tariffs and trade barriers for goods.
- **URUGUAY ROUND (1986-1994)**: The 8th round of GATT negotiations, which aimed to address new areas like Agriculture, Services, Intellectual Property Rights (IPR), Trade-Related Investment Measures (TRIMs).
- **GATS (1995)**: Emerged from the Uruguay Round, establishing the first multilateral, legally enforceable rules for international trade in services.

GATS sets guidelines for trade in services covering four major modes of service trade. Objectives of GATS are to promote economic growth, development, and cooperation through increased transparency, reduced trade barriers, improved market access and encouraging competition. GATS has played a crucial role in shaping the global services trade landscape and providing a foundation for countries to develop their services sectors and engage in international trade. A detailed exposition of the services export concept is as under:

Cross-border supply of services (Mode 1): Only the service crosses the border. This type of service is often supplied via online portals, phone, e-mail, digital media platforms. All IT and IT enabled services would qualify under this segment over and above legal services, consultancy and project consultancy services, market research & analytical services, accounting and financial services, telecommunication (including telemedicine and online education) services, audio visual, design services, etc.

Consumption of services abroad (Mode 2): The customer crosses the border and makes use of the service you supply in your market. This type of service is provided in the field of Tourism and Hospitality segment, transport segment, medical treatment segment, education segment, etc.

Commercial presence abroad (Mode 3): This involves opening a subsidiary or branch or representative office in the territories of another country. This involves Foreign/Overseas Direct Investment and plausible segments are Financial, Legal, Consultancy (including Project Consultancy), Education, Communication, etc.

Presence of natural persons abroad (Mode 4): If an employee of one country travels abroad to supply a service in another country on temporary basis, then the service is being provided via presence of a natural person abroad. Sectors which often supply services via employees abroad include ICT services, engineering or professional services, legal services, maintenance services, etc.

1.2 India's Services Sector

The services sector has become the cornerstone of India's economic growth, positioning itself as a purposeful driver of productive, high-quality and inclusive to its pivotal role in realising the vision of Viksit Bharat @ 2047.

India's services sector at this juncture encompasses a wide array of economic activities, which can be broadly classified into two categories: contact-intensive which comprises trade, hospitality, transport, real estate, social, community and personal services and non-contact-intensive services comprising of financial, information technology, professional, and communication, broadcasting, and storage services. The sector also incorporates public administration and defence services.

India's services sector has seen its contribution to the total GVA at current prices rise from 50.6% in FY 2013-14 to approximately 55% in FY 2024-25. This growth, highlighted in the Economic Survey 2024-25, underscores the sector's role as the economy's steadiest contributor to Gross Value Added (GVA).

Over the last decade, India's service sector has demonstrated remarkable resilience, with real GVA growth consistently exceeding 6% annually, barring the pandemic-induced contraction in FY21. Notably, the sector has entered an accelerated growth phase post-pandemic; the average growth rate climbed to 8.3% (FY23–FY25), up from a pre-pandemic average of 8%. Beyond its fiscal contribution, the sector remains a vital pillar for livelihoods, supporting approximately 30% of the national workforce.

India's services sector has emerged as a vital stabilizer for the nation's external trade. Over the last two decades, its share in global services exports has risen steadily, reaching 4.3% and ranking India seventh globally. This consistent growth has effectively buffered the economy against the oscillations seen in India's share of global merchandise exports.

1.3 Service Sector Trade Data

The intangible nature of services indeed poses unique challenges for tracking and measuring international trade in services. Unlike goods, which are physical and can be easily quantified, services are often delivered digitally or through personal interactions, making them harder to capture and classify. The Manual on Statistics of International Trade in Services 2010 (MSITS) is a definitive guide for collecting, compiling, and analysing service trade statistics. Developed by the United Nations Statistical Commission in collaboration with Eurostat (European Statistical Office), OECD (Organisation for Economic Co-operation and Development), WTO (World Trade Organization), other international organizations; MSITS provides a comprehensive framework for classifying services trade according to international standards, collecting data from various sources (viz. surveys, administrative records, etc.), compiling and analysing service trade statistics, addressing challenges in measuring service trade (viz. intangibility, non-physical movement).

Globally there is a growing need for breaking down services trade data into specific categories and sub-categories. Developing more detailed and accurate classification systems to capture the diverse aspects and forms of services trade by creating new frameworks to account for the unique characteristics of services trade and collaborating globally to standardize data collection and reporting methods would enable all stakeholders to understand services trade better and create more effective and coherent policies.

1.4 Export in Services of Information and Communication Technologies (ICTs)

In 21st Century Information and Communication Technologies (ICTs) has become the key element in the field of global service exports. The pandemic has catalysed a structural shift in global demand towards digitally delivered services. In digitally delivered services segment, India has ranked 5th with a share of 5.8% in global digitally delivered services exports.

Further, it states that India's growing reputation as the preferred destination for Global Capability Centres (GCCs) by multinational corporations seeking efficiency gains and reduced business costs has significantly boosted software and business services exports from India. To keep the pace with the global dynamics Indian policy-makers need more detailed and precise data on service exports and imports.

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

- Telecommunications
- Computer Services (including computer software)
- Sales and marketing services, not including trade and leasing services
- Information services
- Insurance services
- Financial services
- Management, administration and back-office services
- Licensing services
- Engineering, related technical services and R&D
- Education and training services.

1.5 Key Data Sources for export of services in India

Reserve Bank of India (RBI)

The Reserve Bank of India (RBI) is India's central bank and regulatory body responsible for regulation of the Indian banking system. RBI commenced its operations on 1 April, 1935 in accordance with the Reserve Bank of India Act, 1934 and was nationalised on 1 January, 1949, almost a year and a half after India's independence. RBI is one of the key institutions involved in the process of compiling & disseminating services trade data. It publishes data on services trade in its regular publication namely '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 1999 (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 designated zone wherein businesses enjoy tax and easier legal compliances with unique economic regulations. It is an area in which the business and trade laws are different from the rest of the country. 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 and the major exported services are Software, Support, ITeS, Research, Maintenance, Logistics, Engineering, etc.

Software Technology Parks of India (STPI)

Software Technology Parks of India was established and registered as an Autonomous body 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 to set-up and manage infrastructure facilities and provide other services like technology assessment and professional training. It is engaged in promoting IT/ITES Industry, innovation, R&D, start-ups, product/IP creation in the field of emerging technologies like IoT (Internet of Things), Blockchain, Artificial Intelligence (AI), Machine Learning (ML), Computer Vision, Robotics, Robotics Process Automation (RPA), Augmented & Virtual Reality, Animation & Visual effect, Data Science & Analytics for various domains like Gaming, FinTech, Agritech, MedTech, Autonomous Connected Electric & Shared(ACES) Mobility, ESDM (Electronics System Designing and Manufacturing), Cyber Security, Industry 4.0, Drone, Efficiency Augmentation, etc.

SEZ and Software Technology Parks of India (STPI) together are the key agencies involved in generating national level service sector exports in the fields of IT and IT-enabled services.

1.6 Formation and Objective of SERF Committee

Prior to SERF there was no structured mechanism for collection of information about the service exports being done by Special Economic Zone (SEZ) Units. It was identified and analysed that, Softex Forms prescribed by RBI do not cover the entire gamut of services exported from SEZ and filing timelines result in delay in compilation and dissemination of data. Additionally, manually data was also collected by Specified Officer from SEZs and this information was 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 to ensure comprehensive reporting of all Service Export Invoices. The Committee considered the issues and recommended that an online facility may 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 for compilation of services exports data of STPIs. 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 has enabled all SEZ entities to submit details of all Service Export Invoices issued in a timely manner.

Service Export Reporting Form (SERF) Format

The Service Export Reporting Form along with detailed information on the variables involved is at Annex I. The SERF comprises following four sections/parts:

1. Part-A: General Information Section.
2. Part-B: Service Exports (IT & IT-enabled Services).
3. Part-C: Service Exports other than IT and IT-enabled Services.
4. Part-D: Exporter Declaration.

1.7 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 while filing and submitting SERF.

1.8 Data from SEZ & STPI – Current Scenario

All kinds of service exports taking place through SEZ or STPI are being captured through SERF. The data, irrespective of whether they are IT-enabled or otherwise, available with SEZ (Special Economic Zone) or STPI (Software Technology Parks of India) are being shared with DGCI&S on monthly basis. This report is based on the data provided by SEZ and STPI for financial year 2024-25. A summary is presented below:

Table 1.6.1: Total Number and Total Value of Transactions in INR Crores from SEZ and STPI during FY 2024-25

Type	Transaction (Nos)	Total Value of Transactions INR (Crores)	% Share in Total Transactions	% Share in Total Transaction Value
SEZ	3599278	872660.07	64.69	45.63
STPI	1964825	1039825.72	35.31	54.37
TOTAL	5564103	1912485.79	100.00	100.00

Table 1.6.2: Total Number of Units and Total Value of Transactions in INR Crores from SEZ and STPI during FY 2024-25

Type	No. of Units	Total Services Export in INR (Crores)	Per unit contribution (INR Crores)
SEZ	1770	872660.07	493.03
STPI	5153	1039825.72	201.79
TOTAL	6923	1912485.79	276.25

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	Information Technology (IT) infrastructure and network management services
998319	Other Information Technology services n.e.c
998434	Software downloads

Chapter 2

Export of Software Services at 6-Digit Service Accounting Code Level

DGCI&S has identified seven (6-digit Level) codes as software services codes from the complete list of SACs which are presented as under. This chapter concentrates on the exports of software services (6-digit level) done through SEZ and STPI based on the 7 identified SAC codes.

2.1 Export of software services (7 identified codes) captured through SERF

Out of the total exports reported by SEZ and STPI (Rs. 1912485.79 cr) total exports of the 7 identified codes i.e., software exports (Rs.1566272.10 cr) is about 82%. It may be noted in this context that in SEZ, 998313, 998314, 998315, 998316, 998319 & 998434 are reported in 6-digit format but 99733 (Licensing services for the right to use intellectual property and similar products) are reported at 5-digit level as well as at 6-digit level (997331). However, for STPI, all SACs including these 7 codes are reported 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 service code 997331. Based on this, the services export data received w.r.t. code 99733 from SEZ are aggregated at code level 997331. This may result in slight overestimation of total software export value as reported in this Report.

The major contributors in the total value of exports of software services done through SEZ & STPI are IT design and development services (998314) and IT consulting and support services (998313). Together they have accounted for 76.68% of the total value of exports executed through SEZ & STPI during FY 2024-25 (Ref: Table 2.1.1) and the percentage share of export of each seven identified codes under software group is represented in Chart 2.1.1. It is clear from the Table 2.1.1 and Chart 2.1.1. that Information Technology (IT) design and development services (998314) has contributed 45.53% of total software services export.

Table 2.1.1: Value of Export (SEZ and STPI combined) of Software Services (7 SACs)

Sl. No.	Service Classification Codes for Software	Service Code Description	2023-24	2024-25		Share percentage of SAC-wise exports in total software service exports
			Value of Export in	Value of Export in		
			INR Crores	INR Crores	USD Million	
1	997331	Licensing services for the right to use computer software and database	11810.79	16198.56	1915.06	1.03
2	998313	Information technology (IT) consulting and support services	403314.77	487949.60	57675.61	31.15
3	998314	Information technology (IT) design and development services	612716.22	713149.74	84323.21	45.53
4	998315	Hosting and Information Technology (IT) provisioning services	10572.79	11090.96	1309.95	0.71
5	998316	IT infrastructure and network management services	23388.50	28111.68	3332.06	1.79
6	998319	Other Information technology services n.e.c	284976.10	309593.28	36592.22	19.77
7	998434	Software downloads	182.51	178.29	21.14	0.01
Total Exports of 7 identified Software SACs	Grand Total		1346961.68	1566272.10	185169.25	100.00
Total Exports from SEZ & STPI	Total Export		1646685.80	1912485.79	226104.88	

Chart 2.1.1 Percentage Share Classification of Software Services Export (7 identified SACs) during FY during 2024-25

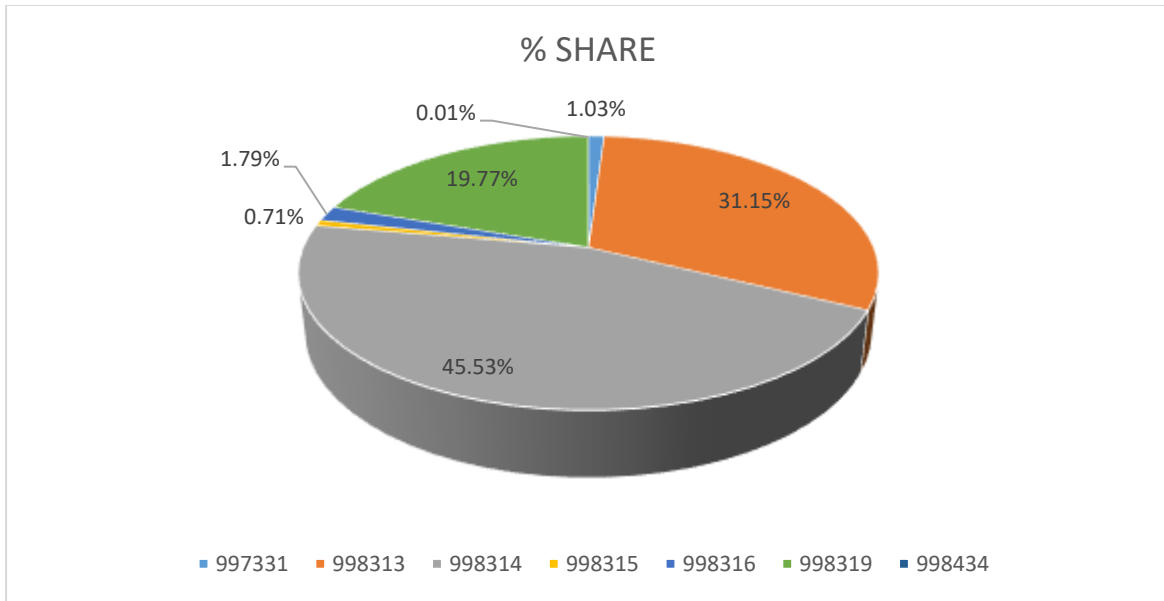


Table 2.1.2: YoY Percentage Change in Software Export Earnings from 7 SACs between FY 2024-25 w.r.t FY 2023-24

SAC	Service Code Description	2023-24	2024-25	YoY percentage change in Software Export Earnings from 7 SACs
		Value (INR Crores)	Value (INR Crores)	
997331	Licensing services for the right to use computer software and database	11810.79	16198.56	37.15
998313	Information technology (IT) consulting and support services	403314.77	487949.60	20.98
998314	Information technology (IT) design and development services	612716.22	713149.74	16.39
998315	Hosting and Information Technology (IT) provisioning services	10572.79	11090.96	4.90
998316	IT infrastructure and network management services	23388.50	28111.68	20.19
998319	Other Information technology services n.e.c	284976.10	309593.28	8.64
998434	Software downloads	182.51	178.29	-2.31
Total Exports of 7 identified SACs		1346961.68	1566272.10	16.28
Total Exports from SEZ & STPI		1646685.80	1912485.79	16.14

Growth of export earnings from these seven identified software codes in FY 2024-25 as compared to FY 2023-24 is presented above in Table 2.1.2. It is observed that the total exports from SEZ and STPI units (combined) have increased by 16.14% and of the total, exports of software services (7 identified services) have increased by 16.28% in FY2024-25 vis-a-vis FY 2023-24. The highest increase in export earnings (37.15%) is observed in case of Licensing services for the right to use computer software and databases (bearing SAC-997331) whereas the export value earned in case of Software downloads (bearing SAC-998434) has declined by 2.31% on YoY basis.

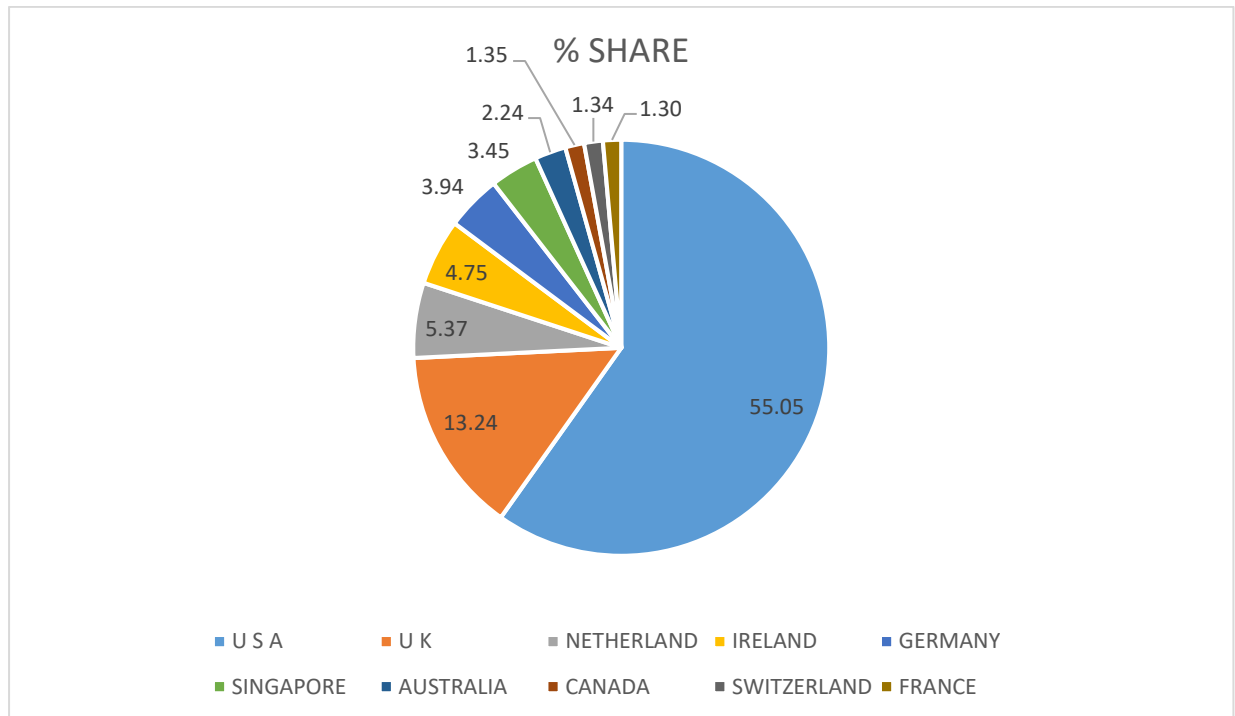
2.2 Country-wise export of Software Services from India

The major end user of software services from India is the United States. The export of software services is maximum to the United States with a share of almost 60% followed distantly by United Kingdom with a share of 14.39% and Netherlands with a share of only 5.85%. Table 2.2.1 represents the export value of software services to top 10 countries and Chart 2.2.1 represent the top 10 country-wise percentage share of export of software services. It is interesting to see that top 10 countries accounted for bulk 92.03% of total export of software services by India during FY 2024-25.

Table 2.2.1: Value of Export of Software Services (in INR & USD) to Top 10 Countries during FY 2024-25

Sl. No.	COUNTRY	INR (Crore)	USD (Million)	% Share
1	United States	862220.38	101940.76	55.05
2	United Kingdom	207395.30	24518.34	13.24
3	Netherlands	84249.29	9944.22	5.37
4	Ireland	74333.75	8794.32	4.75
5	Germany	61703.78	7298.40	3.94
6	Singapore	53965.76	6378.06	3.45
7	Australia	35026.93	4143.83	2.24
8	Canada	21172.49	2503.58	1.35
9	Switzerland	20970.15	2471.35	1.34
10	France	20343.84	2406.80	1.30
Total				92.03
Total Software Services Export to top 10 countries		1441381.68	170399.66	92.03
Total Software Services Export to Other Countries		124890.43	14769.59	7.97
Total Export of Software Services		1566272.10	185169.25	100

Chart: 2.2.1: Percentage share of Software Services Exports to top 10 countries (92.03%) in FY 2024-25



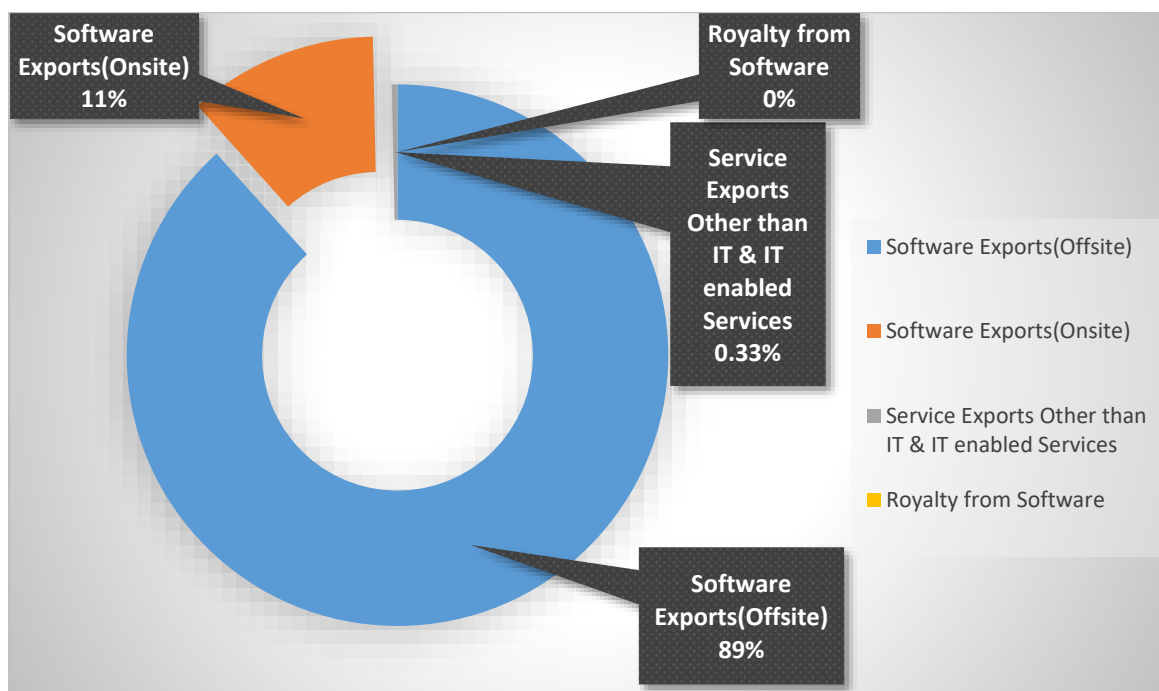
2.3 Export of Software Services by Invoice Type

The invoice type-wise export of all identified 7 SACs is presented in Table 2.3.1 which clearly indicates that the dominant invoice type of software services exports in FY 2024-25 was Software Exports (Offsite) with a share of nearly 88% followed distantly by Software Exports (Onsite) category with a share close to 11%. Together these two components accounted for the entire gamut of software services exports with shares of software services exports “other than IT and IT enabled services” and “Royalty from Software almost negligible” (Ref: Chart 2.3.1).

Table 2.3.1.: Export of Software Services by Invoice Type during FY 2024-25

Invoice Type	INR(Crore)	USD(Million)	% Share
Software Exports (Offsite)	1383888.35	163591.86	88.36
Software Exports (Onsite)	177097.16	20952.94	11.31
Service Exports Other than IT & IT enabled Services	5243.82	619.37	0.33
Royalty from Software	42.76	5.07	0.00
Total Export of Software Services	1566272.10	185169.25	100.00

Chart 2.3.1: Percentage share of export of software services by invoice type during FY 2024-25



2.4 Share of SEZ and STPI in Export of Software Services

Tables 2.4.1 and Table 2.4.2 represent the value of Software Services Exports for SEZ and STPI respectively for the seven identified codes, viz., 997331, 998313, 998314, 998315, 998316, 998319 and 998434 at 6-digit level.

From Table 2.4.1, it is observed that about 95% of software services from SEZ may be attributed to three service codes i.e., 998314 (Information technology (IT) design and development services), 998313 (Information technology (IT) consulting and support services) and 998319 (Other information technology service n.e.c.). Similarly, these three leading exported software services codes have constituted around 97% of total software services export from STPI. IT design and development services bearing code 998314 has the most significant contributions to the extent of 45.63% from SEZ and 45.45% from STPI. Contribution in software services export from rest of the four software service codes is minimal both in case of SEZ and STPI.

Table 2.4.1 Value of Software Exports -SEZ during FY 2024-25

Sl. No.	SAC	Service Code Description	Value of Export		Share (%) in Total Software Service Exports-SEZ
			(INR Crore)	(USD Million)	
1	997331	Licensing services for the right to use computer software and database	10545.50	1245.13	1.45
2	998313	Information technology (IT) consulting and support services	208995.16	24704.11	28.83
3	998314	Information technology (IT) design and development services	330787.16	39096.16	45.63
4	998315	Hosting and information technology (IT) infrastructure provisioning services	2116.84	250.70	0.29
5	998316	IT infrastructure and network management services	20012.98	2374.64	2.76
6	998319	Other information technology services n.e.c	152381.46	18000.83	21.02
7	998434	Software downloads	97.38	11.55	0.01
	Total		724936.48	85683.12	100

Table 2.4.2 Value of Software Exports -STPI during FY 2024-25

Sl. No.	SAC	Service Code Description	Value of Export		Share (%) in Total Software Service Exports-STPI
			INR (Crore)	USD (Million)	
1	997331	Licensing services for the right to use computer software and database	5653.06	669.92	0.67
2	998313	Information technology (IT) consulting and support services	278954.44	32971.50	33.16
3	998314	Information technology (IT) design and development services	382362.57	45227.04	45.45
4	998315	Hosting and information technology (IT) infrastructure provisioning services	8974.12	1059.25	1.07
5	998316	IT infrastructure and network management services	8098.70	957.41	0.96
6	998319	Other information technology services n.e.c	157211.83	18591.41	18.69
7	998434	Software downloads	80.90	9.60	0.01
Total			841335.62	99486.13	100

Chart 2.4.1 Share (%) of SEZ and STPI in Value of Software Exports during FY 2024-25

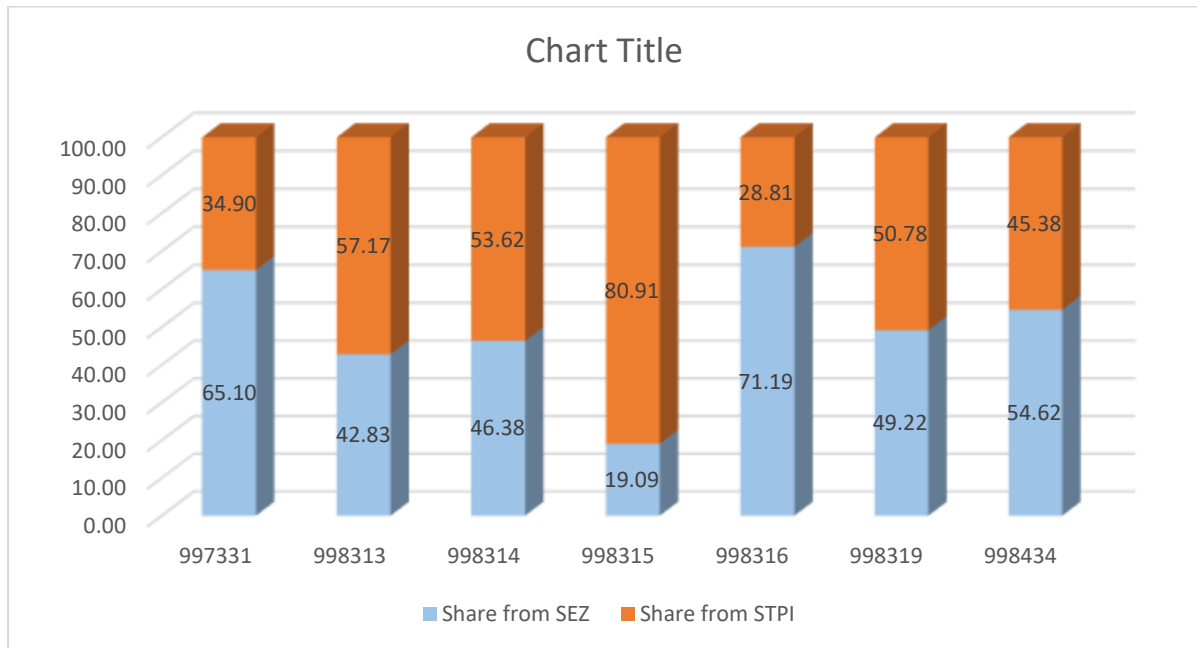


Chart 2.4.1 above depicts that the share of STPI vis-à-vis share of SEZ in the total value of software exports for the service codes 998313 (Information technology (IT) consulting and support services) and 998315 (Hosting and information technology (IT) infrastructure provisioning services) is more. For codes 997331 (Licensing services for the right to use computer software and databases), 998314 (Information Technology (IT) Design and Development Services), 998316 (IT infrastructure and network management services), 998319 (Other Information Technology Services n.e.c.) and 998434 (Software Downloads).

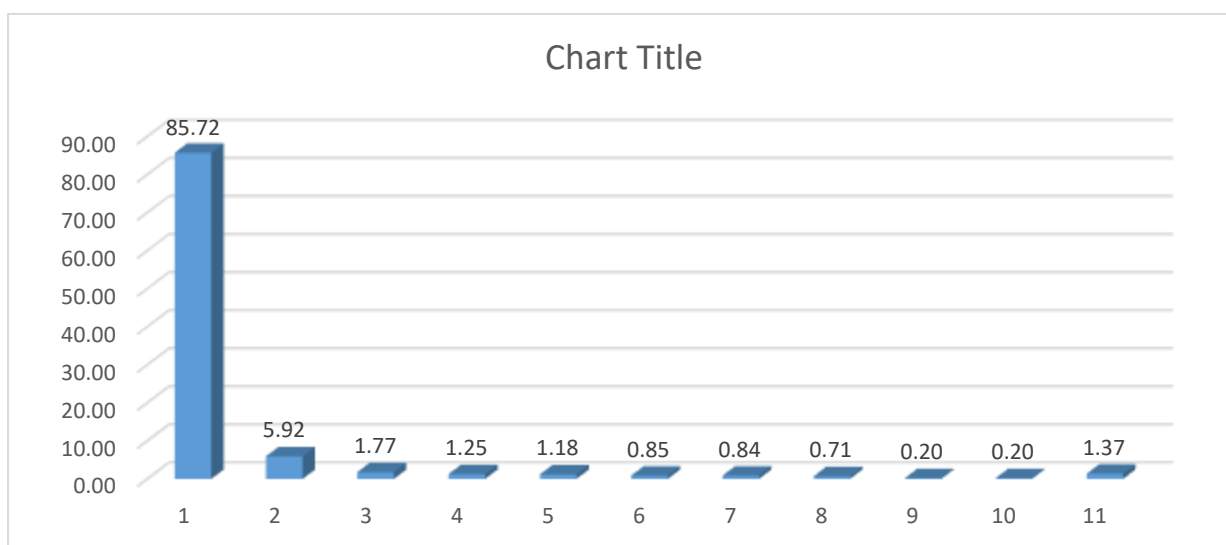
Chapter 3

Export of Services at 5-Digit Service Accounting Code Level

This chapter summarizes the services export from SEZ and STPI based on 5-digit SAC classification 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

Chart 3.1.1: Percentage Share of Services Exports (both software and non-software services) of top 10 SAC codes (at 5 Digit Level) during FY 2024-25



Service Accounting Codes and Their Descriptions for Chart 3.1.1	
1. 99831	Management consulting and management services; information technology services
2. 99859	Other support services
3. 99833	Engineering Services
4. 99822	Accounting, auditing and book keeping services
5. 99839	Other professional, technical and business services
6. 99811	Research and experimental development services in natural sciences and engineering
7. 99851	Employment services including personnel search/referral services & labour supply service
8. 99733	Licensing services for the right to use intellectual property and similar products.
9. 99711	Financial services (export investment banking, insurance services and pension services)
10. 99871	Maintenance and repair services of fabricated
11.	Others SACs

Chart 3.1.1 depicts the percentage share of top 10 SACs at 5-digit level (comprising both software and non-software services) in total services exports in from SEZ and STPI in FY 2024-25.

The chart reflects, that Management consulting and management services; information technology services (bearing code 99831) has contributed the lion's share i.e., around 86% to total service export earnings followed by other support services (bearing code 99859), which has around 6% share in the total value of export of services through SEZ and STPI in FY 2024-25. Rest of the 8 top enlisted Services (other than Service code 99831 and 99859) have only a combined share of 8% in total service export earnings. Table 3.1.1 below, presents the export value earned by top 10 (5-digit level) SACs in absolute terms i.e. in INR Crores and USD Million. Code 99831 alone has total export earnings to the tune of Rs 1639293.91 crores which is equivalent to USD 193796.80 million (USD 193.8 billion). A Detailed description of the major SAC codes is laid out at Annexure-II.

Table 3.1.1: Total Value of Export of Services (Including software and non-software) during FY 2024-25 of top 10 SACs (5-digit level)

Sl. No.	SAC	Service Code Description	Value of Export	
			INR(Crore)	USD(Million)
1	99831	Management consulting and management services; information technology services	1639293.91	193796.80
2	99859	Other support services	113250.43	13387.55
3	99833	Engineering Services	33759.60	3993.90
4	99822	Accounting, auditing and book keeping services	23962.01	2834.13
5	99839	Other professional, technical and business services	22594.05	2675.31
6	99733	Licensing services for the right to use intellectual property and similar products	16216.38	1917.16
7	99851	Employment services including personnel search/referral services & labour supply service	15992.70	1891.85
8	99811	Research and experimental development services in natural sciences and engineering	13567.85	1604.57
9	99715	Services auxiliary to financial services (other than to insurance and pensions)	3847.06	455.25
10	99711	Financial services (export investment banking, insurance services and pension services)	3751.97	442.88
Other SACs			26249.83	3105.47
Total Export of Services from SEZ and STPI			1912485.79	226104.87

3.2: Export of Services bearing 5-digit level SACs (corresponding to 7 identified 6-digit level codes exclusively for software services)

Sl. No.	SAC	Service Code Description	Value of Export		Share (%)
			INR(Crore)	USD(Million)	
1	99831	Management consulting and management services; Information technology services.	1639293.91	193796.8	98.97
2	99733	Licensing services for the right to use intellectual property and similar products	16216.38	1917.16	0.98
3	99843	On-line content services	772.76	91.45	0.05
Total			1656283.05	195805.41	100.00

From Table 3.2.1 it is observed that, of the three major services codes (at 5-digit level) tabulated therein (which have corresponding identified seven 6-digit level software services codes), 99831 has the bulk 98.97% share and the remaining two codes i.e. 99733 and 99843 have negligible 0.98% and 0.05% shares respectively. As per available records and data, Code 99831 comprises **seven** 6-digit codes; Code 99733 comprises of **nine** 6-digit codes; and Code 99843 comprises **five** 6-digit codes. Out of these **twenty-one codes**, **seven codes** have been identified at 6-digit level as codes relevant and significant software services (997331, 998313, 998314, 998315, 998316, 998319, and 998434) and the same has been dealt with extensively in Chapter 2 of this Report.

Of these three 5-digit level codes, two codes qualify in the list of top 10 SACs i.e. 99831 and 99733. In totality, codes 99831, 99733 and 99843 have contributed almost 87% of total service exports from SEZ and STPI and within this 87% share of total exports, bulk 98.97% is contribution of Code 99831 alone.

3.3 Contribution of SEZ and STPI in Export of Services with 5-digit service code classifications (99733, 99831 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 45.30% contribution from SEZ and 54.70% contribution from STPI. For 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), contribution of STPI significantly outweighs contribution of SEZ.

However, it needs to be mentioned herein that, in absolute value terms, export earnings on account of service codes 99733 and 99843 are very minimal vis-à-vis export earnings from service code 99831 and in this segment both SEZ and STPI have significant shares. Service code 99831 can thus be considered as one of India’s areas of strength in terms of export and in the context of services exports from SEZ and STPI it is undoubtedly the leading exported service product. The export value details from SEZ and STPI are presented in Table 3.3.1 and Table 3.3.2 respectively.

Chart 3.3.1 Source-wise Percentage share of Export of Services Codes 99733, 99831 and 99843 during FY 2024-25

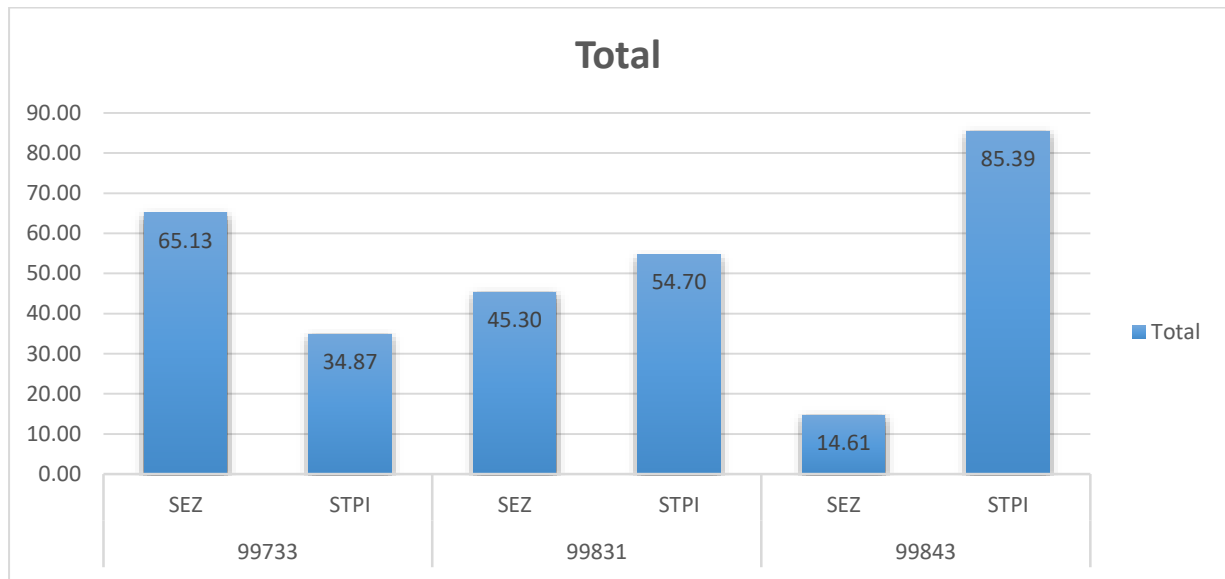


Table 3.3.1: Value of Export of Services from SEZ w.r.t codes 99733, 99831 and 99843 during FY 2024-25

Sl. No	SAC	Service Code Description	Value of Export		Share (%)
			INR(Crore)	USD(Million)	
1	99733	Licensing Services for the right to use intellectual property and similar products	10562.05	1247.091	1.40
2	99831	Management consulting and management services, information technology services	742586.06	87769.25	98.58
3	99843	On-line content services	112.88	13.40	0.02
Total			753260.99	89029.75	100

Table 3.3.2: Value of Export of Services from STPI w.r.t codes 99733, 99831 and 99843 during FY 2024-25

Sl. No	SAC	Service Code Description	Value of Export		Share (%)
			INR(Crore)	USD(Million)	
1	99733	Licensing Services for the right to use intellectual property and similar products	5654.33	670.07	0.63
2	99831	Management consulting and management services, information technology services	896707.85	106027.53	99.30
3	99843	On-line content services	659.88	78.06	0.07
Total			903022.06	106775.66	100

From Chart 3.1.1 and Table 3.1.1, it has been observed that the leading 5-digit level SACs contributing to export earnings from SEZ and STPI during FY 2024-25 are 99831, 99859 and 99833 with respective shares of 85.71%, 5.92% and 1.76% in the Total Export of Services from SEZ and STPI. The details of export values corresponding to these three codes with specific descriptions, separately from both SEZ and STPI are presented below in Table 3.3.3 and Table 3.3.4.

Table 3.3.3: Value of Export of Services through SEZ for top 3 SACs (5-digit level) during FY 2024-25

Sl. No.	SAC	Service Code Description	Unit Type	Value of Export		Share (%)
				INR(Crore)	USD(Million)	
1	99831	Management consulting and management services; information technology services.	SEZ	742586.06	87769.26	93.11
2	99859	Other support services	SEZ	33946.01	4011.51	4.26
3	99833	Engineering services	SEZ	20994.65	2482.86	2.63
Total				797526.72	94263.63	100

Table 3.3.4: Value of Export of Services through STPI for top 3 SACs (5-digit level) during FY 2024-25

Sl. No.	SAC	Service Code Description	Unit Type	Value of Export		Share (%)
				INR(Crore)	USD(Million)	
1	99831	Management consulting and management services; information technology services	STPI	896707.85	106027.53	90.68
2	99859	Other support services	STPI	79304.42	9376.03	8.02
3	99822	Accounting, auditing and book keeping services	STPI	12825.96	1516.47	1.30
Total				988838.23	116920.03	100

A review of Tables 3.3.3 and 3.3.4 above indicate that for Service Codes 99831 and 99859 export value from STPI units are more than export value from SEZ units. Service Codes 99859 and 99833 are classified under non-software services.

Chapter 4

Country Profile of Export of Services

Trade in Services refers to the sale and delivery of an often-intangible product. International Trade in services usually takes place when two entities i.e. a producer and/or seller and a consumer are entities of two different nations.

4.1 Country-wise export of services from SEZ and STPI

United States is traditionally the major end user of services exported from India through SEZ & STPI followed by United Kingdom and Netherlands (Ref: Table 4.1.1). In FY 2024-25, it is observed that the share of export of total services through SEZ and STPI to the United States has been to the tune of 54.61% followed next by United Kingdom and Netherlands with 13.79% and 5.49% shares respectively. The top 10 export-country partners accounted for nearly 92% of total services exports from SEZ and STPI units of India in FY 2024-25. (Ref: Chart 4.1.1)

Table 4.1.1: Top 10 country in terms of value of export (in INR and USD) for total services exports through SEZ and STPI comprising both software and non-software services during FY 2024-25

Sl. No.	Country Name	Value of Export		Share (%)
		INR (Crore)	USD (Million)	
1	U S A	1044458.21	123471.70	54.61
2	U K	263777.25	31185.32	13.79
3	NETHERLAND	104905.07	12400.39	5.49
4	IRELAND	79667.29	9422.94	4.17
5	GERMANY	77404.70	9156.18	4.05
6	SINGAPORE	65039.76	7687.19	3.40
7	AUSTRALIA	41243.80	4878.78	2.16
8	SWITZERLAND	28407.90	3350.77	1.49
9	FRANCE	27491.59	3251.57	1.44
10	CANADA	23594.40	2790.08	1.23
Other Countries		156495.81	18509.95	8.18
Total Export of Services from SEZ & STPI		1912485.79	226104.87	100.00

Chart 4.1.1: Country-wise percentage share of total services exports from SEZ and STPI, comprising software and non-software services during FY 2024-25

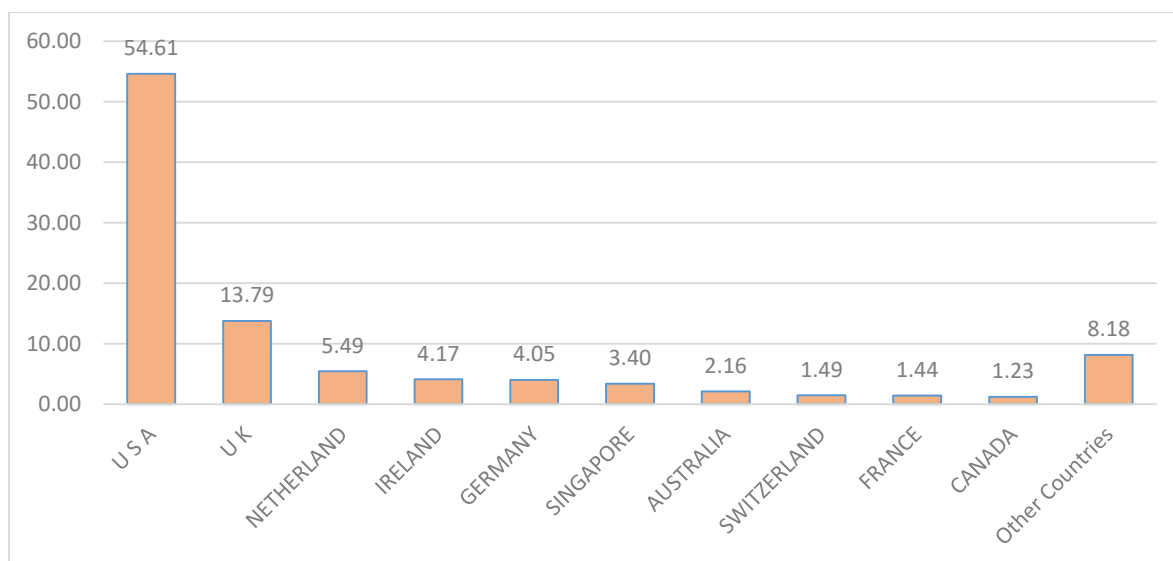


Table 4.1.2 below represents the top four export country partners of India for software services export during FY 2024-25. The export in software is determined by seven identified SAC codes (Ref: Chapter 2). United States is the leading export country partner with respect to software exports and in FY 2024-25, USA alone had a share of 55.05% in the total software exports from SEZ and STPI units of India. The export of non-software services of these top four countries is presented in Table 4.1.3.

Table 4.1.2 Export of Software Services to Top 3 Countries during FY 2024-25

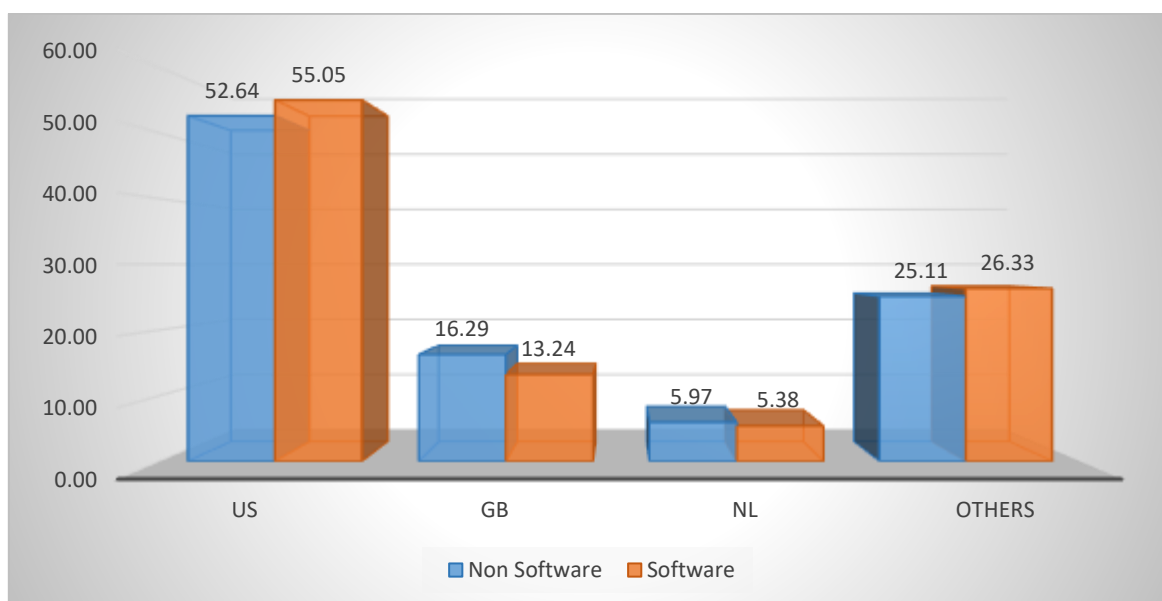
Sl. No.	Country Name	Value of Export		Export Share (%)
		INR (Crore)	USD (Million)	
1	USA	862220.38	101940.76	55.05
2	UK/GB	207395.30	24518.34	13.24
3	Netherlands	84249.29	9944.22	5.38
4	Other Countries	412407.13	48765.93	26.33
Total Software Services Export		1566272.10	185169.25	100.00

Table 4.1.3 Export of Non-Software Services to Top 3 Countries during FY 2024-25

Sl. No.	Country Name	Value of Export		Export Share (%)
		INR (Crore)	USD (Million)	
1	USA	182237.83	21530.94	52.64
2	UK/GB	56381.95	6666.98	16.29
3	Netherlands	20655.78	2456.17	5.97
4	Other Countries	86938.13	10281.54	25.11
Total Non-Software Services Exports		346213.69	40935.63	100.00

A review of Tables 4.1.2 and 4.1.3 indicate that, the top three export country partners predominantly import software services from India vis-à-vis non-software services. The same has been depicted in Chart 4.1.2. For United States out of its total import of services from SEZ and STPI units of India to the tune of Rs 1044458.21 crores in FY 2024-25, share of software services consumption is 82.55% and share of non-software services consumption is 17.45%. Similar pattern is observed in case of remaining countries; however, for UK/GB and Netherland, the share of non-software services imports from Indian SEZ and STPI units at 21.37% and 19.68% respectively are relatively higher vis-à-vis 17.45% of US.

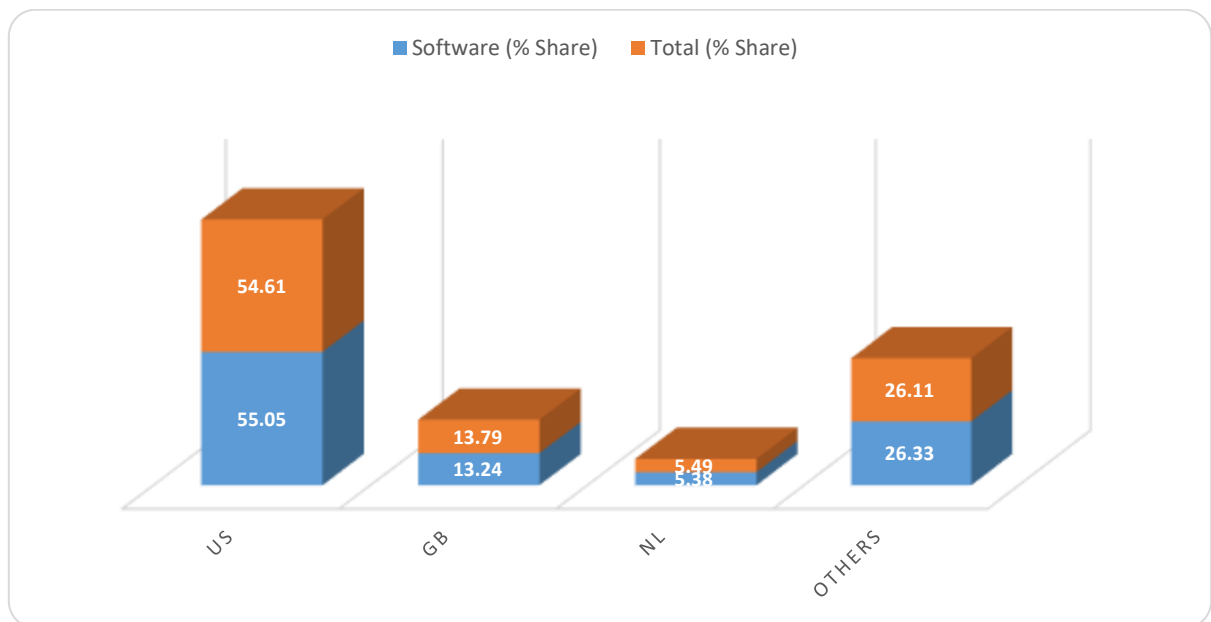
Chart 4.1.2: Country-wise Percentage Share of Value of Export of Software and Non-Software Services during FY 2024-25 from SEZ and STPI units of India



On an overall basis, of the total services exports from SEZ and STPI in FY 2024-25, share of software services is close to 82% at Rs 1566272.10 crores and the remaining 18% at Rs 346213.69 crores is the share of non-software segment.

The following Chart 4.1.3 clearly shows that USA is the main end user of total services exports through SEZ and STPI from India with a share of 54.61% and as regards software services specifically, USA's share is a significant 55.05%. US is distantly followed by UK/GB with a share of 13.79% in overall services exports from SEZ and STPI units of India and as regards software services UK/GB's share is 13.24%. In FY 2023-24, the top three export country partners and their rankings were exactly same, and USA's share in software services exports was 55.71% and UK/GB's share was 13.47%.

Chart 4.1.3: Percentage share of United States, Great Britain, Netherlands, and other Countries in Value of Export of Software Services and Total Export of Services during 2024-25



A country-wise break-up (considering top 3 countries i.e. USA, UK/GB and Netherland) of export of all seven (7) identified SACs for Software Services (Ref: Chapter 2) in FY 2024-25 is presented in Chart 4.1.4. It is observed that share of value of export of software services w.r.t. all the 7 SACs is highest for United States. For SAC 998315 (Hosting and IT provisioning services) USA has a share of 85.31% and for SAC 998316 (IT infrastructure and network management service), UK has quite an observable share of 43.72%. As regards SAC 998314 (IT design and development services), which is the most predominant software service exported from SEZ and STPI units, USA has a share of almost 55% (54.79%) followed by UK/GB with 9.49%

share and Netherlands with 6.83% share. A decent 28.89% share in this segment is held by all other countries.

Chart 4.1.4: Percentage share of top 3 export country partners in Software Services Export (w.r.t. 7 identified software SACs) in FY 2024-25

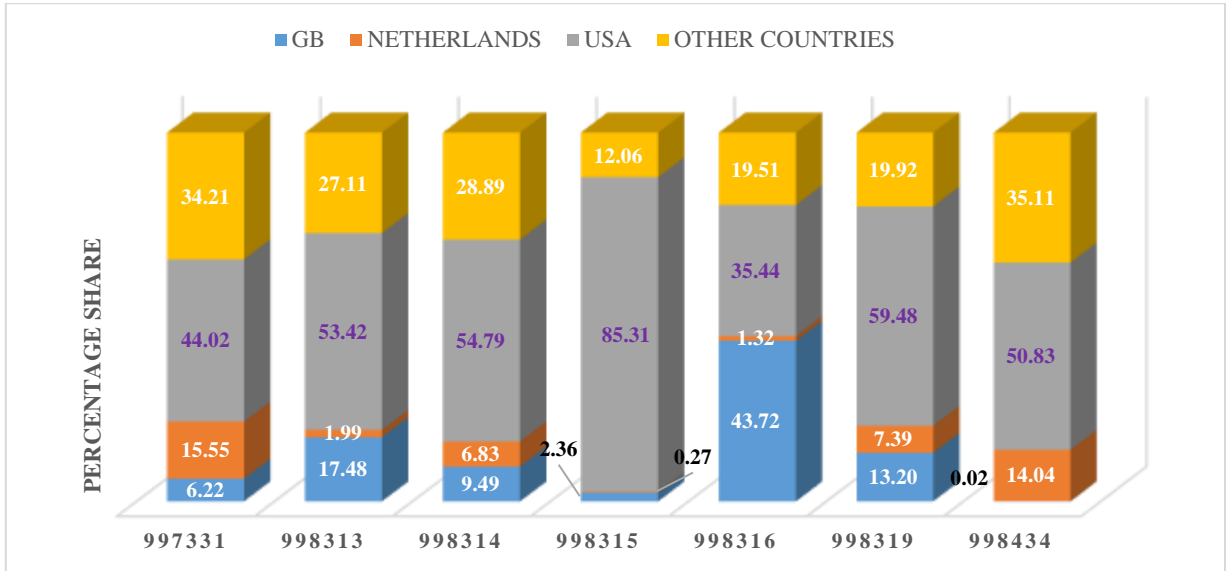
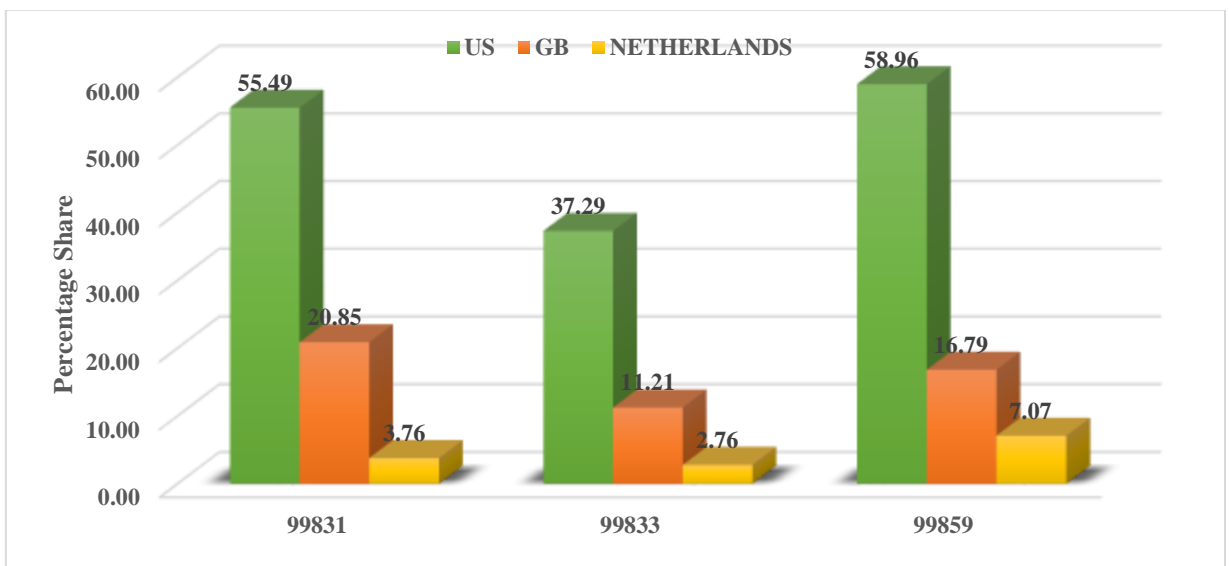


Chart 4.1.5 below shows the export share (%) of only top 3 export country partners i.e. United States, UK/GB and Netherlands for non-software related services. The three major SACs (at 5-digit level) identified under non-software category for FY 2024-25 are 99859 (Other Support Services), 99833(Engineering Services) and 99831 (Management consulting and management services; information technology services.). Like software services, USA is the lead consumer of non-software services also.

Chart 4.1.5: Percentage share of top 3 export country partners in Non-Software Services Export (for SACs 99831, 99833 and 99859) in FY 2024-25



It is observed from Chart-representation that, for Service Code 99833 (Engineering Services), the top 3 export country partners together constituted 51.26% of total exports from SEZ and STPI and the remaining 48.74% share was exported to other countries. The share of other countries in this case is quite high when compared vis-à-vis Service Codes 99859 and 99831 wherein the bulk customers of India's exports from SEZ and STPI are from USA.

Tables 4.1.4 to 4.1.6 depict the value of export of leading three software related services and value of Export of top 10 non-software related services at 5-Digit Level for FY 2024-25 w.r.t. India's three leading service export country partners i.e. USA, UK/GB and Netherland.

USA

Table 4.1.4: Value of Export of leading Software as well as Non-software related services at 5-Digit level for USA during FY 2024-25				
Sl. No.	Service Code	Service Code Description	INR (Crore)	USD (Million)
1	99831	Information technology services;(Excluding Management consulting and management services)	854998.86	101086.92
2	99733	Licensing services for the right to use computer software and databases (excluding intellectual property and similar products)	7130.91	843.04
3	99843	Software downloads (excluding On-line content services)	90.62	10.80
Total Value of Export of Software Services at 5-Digit Level			862220.38	101940.76
1	99859	Other Support Services	66768.45	7883.95
2	99831	Management consulting and management services (excluding information technology services)	49608.36	5861.88
3	99822	Accounting, auditing and bookkeeping services	13656.33	1613.66

4	99833	Engineering services	12519.88	1481.73
5	99839	Other professional, technical and business services.	11291.70	1333.82
6	99851	Employment services including personnel search/referral service and labour supply service	8766.51	1036.62
7	99715	Services auxiliary to financial services (Other than to insurance and pensions)	2618.33	309.89
8	99823	Tax consultancy and preparation services	2581.23	305.12
9	99871	Maintenance and repair services of fabricated metal products, machinery and equipment	2249.94	265.46
10	99711	Financial services (export investment banking, insurance services and pension services)	2198.96	259.47
11	Total of other 5-Digit Level Codes		9978.13	1179.34
Total Value of Export of Non-Software Services at 5-Digit Level			182237.83	21530.94
Grand Total (including Software and Non-software)			1044458.21	123471.70

Table 4.1.5: Value of Export of leading Software as well as Non-software related services at 5-Digit level for UK/GB during FY 2024-25				
Sl. No.	Service Code	Service Code Description	INR (Crore)	USD (Million)
1	99831	Information technology services;(Excluding Management consulting and management services)	206387.73	24399.17
2	99733	Licensing services for the right to use computer software and databases (excluding intellectual property and similar products)	1007.53	119.16
3	99843	Software downloads (excluding On-line content services)	0.04	0.00
Total Value of Export of Software Services at 5-Digit Level			207395.30	24518.34
1	99859	Other Support Services	19018.21	2248.75
2	99831	Management consulting and management services (excluding information technology services)	18644.07	2202.15
3	99822	Accounting, auditing and bookkeeping services	4379.26	518.84
4	99833	Engineering services	3765.51	445.29
5	99851	Employment services including personnel search/referral service and labour supply service	3039.54	359.91
6	99811	Research and experimental development services in natural sciences and engineering	2299.94	272.24
7	99839	Other professional, technical and business services.	1961.29	232.35
8	99841	Telephony and other telecommunications services	1058.20	125.42

9	99715	Services auxiliary to financial services (Other than to insurance and pensions)	517.98	61.37
10	99837	Market research and public opinion polling services	464.90	55.11
11	Total of other 5-Digit Level Codes		1233.03	145.56
Total Value of Export of Non-Software Services at 5-Digit Level			56381.95	6666.98
Grand Total (including Software and Non-software)			263777.25	31185.32

NETHERLANDS

Table 4.1.6: Value of Export of leading Software as well as Non-software related services at 5-Digit level for Netherlands during FY 2024-25				
Sl. No.	Service Code	Service Code Description	INR (Crore)	USD (Million)
1	99831	Information technology services (excluding Management consulting and management services)	81705.89	9643.40
2	99733	Licensing services for the right to use computer software and databases (excluding intellectual property and similar products)	2518.37	297.87
3	99843	Software downloads (excluding On-line content services)	25.04	2.94
Total Value of Export of Software Services at 5-Digit Level			84249.29	9944.22
1	99859	Other Support Services	8004.35	955.79
2	99831	Management consulting and management services (excluding information technology services)	3359.52	397.05

3	99811	Research and experimental development services in natural sciences and engineering	2582.29	305.57
4	99839	Other professional, technical and business services	2436.73	290.76
5	99544	Assembly and erection of prefabricated constructions	1895.24	225.58
6	99833	Engineering services	928.15	109.95
7	99832	Architectural services, urban and land planning and landscape architectural services	526.95	62.41
8	99834	Scientific and other technical services	403.42	47.66
9	99822	Accounting, auditing and bookkeeping services	116.34	13.77
10	99851	Employment services including personnel search/referral services & labour supply service	85.45	10.14
11	Total of other 5-Digit Level Codes		317.35	37.48
Total Value of Export of Non-Software Services at 5-Digit Level			20655.78	2456.17
Grand Total (including Software and Non-software)			104905.07	12400.39

Chapter 5

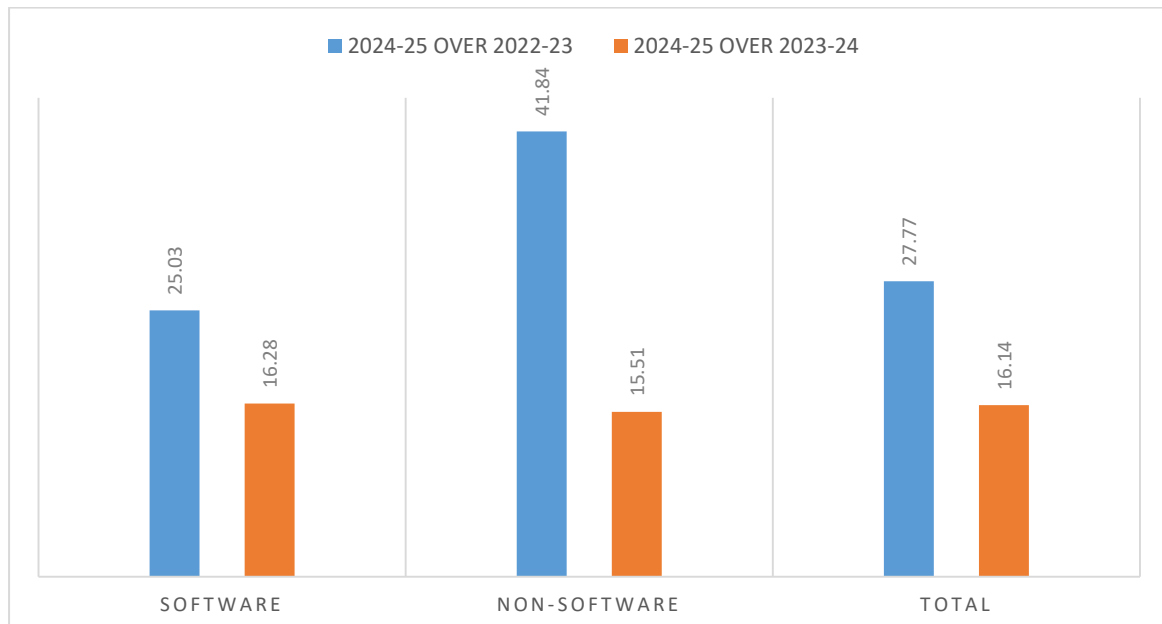
Comparison of SERF data for FY 2024-25 with SERF data for FY 2023-24 and FY 2022-23

Comparative analysis is an important and integral part of a holistic exercise involved in statistical and economic analysis on any given data set spread over a specified time-period. Based on SERF database for FY 2022-23, 2023-24 and 2024-25, comparative analysis has been attempted to identify trends and developments in the context of services exports from SEZ and STPI and the same is presented below.

5.1 General Overview

The overall trend w.r.t. leading SACs in terms of services exports from SEZ and STPI units of India and the export country partners have remained quite consistent during FY 2022-23, 2023-24 and 2024-25. Out of the total value of services exported through SEZ and STPI, the share of export of software services (in absolute terms) is predominant and significant vis-à-vis non-software services. However, in terms of growth, non-software services has experienced higher growth rate vis-à-vis that of software services.

Chart 5.1.1 Percentage Growth in Value of Export of Software, Non- Software and Total Services (SEZ and STPI combined) in FY 2024-25 over FY 2022-23 and FY 2024-25 over FY 2023-24



From Chart 5.1.1 it is observed that for non-software services, percentage growth rate in value of exports was 41.84% in FY 2024-25 over FY 2022-23 which is way higher than percentage growth rate in value of software services exports over the same reference period recorded at 25.03%. As regards FY 2024-25 over FY 2023-24 the percentage growth rates

have substantially moderated down and are recorded at 15.51% for non-software services and 16.28% for software services. As regards total export of services, the growth rate in FY 2024-25 over FY 2022-23 is 27.77% whereas vis-à-vis FY 2023-24 the growth rate is recorded at 16.14%. It needs to be mentioned herein that, due to Covid-19 pandemic services exports had been impacted and services exports from India had reportedly started picking up from FY 2023-24.

A detailed review of Table 5.1.1 indicates that from 2022-23 to 2023-24, total number of transactions had increased by a significant 2.54% from 4817290 transactions to 4939887 transactions. However, from 2023-24 to 2024-25, the increase was just a minimal 12.64% from 4939887 transactions to 5564103 transactions.

A review of Table 5.1.2 indicates that value of exports from **SEZ units** increased in 2024-25 by 15.17% vis-à-vis 2022-23 and by 2.96% vis-à-vis 2023-24. As regards **STPI units**, the value of exports increased in 2024-25 by 40.70% vis-à-vis 2022-23 and by 30.12% vis-à-vis 2023-24. The increase in export value is higher in case of SEZ units vis-à-vis STPI units. Similarly in case of increase in total number of transactions, SEZ units have outweighed STPI units.

Table 5.1.1 Record of Total Transactions and Total Services Export Value in INR Crore and USD Million from SEZ and STPI during FY 2022-23, 2023-24 and 2024-25

Type	Count of Transaction			Export Value (INR Crore)			Export Value (USD Million)		
	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25
SEZ	3240701	3356255	3599278	757736.59	847558.43	872660.07	94125.10	102368.45	103150.67
STPI	1576589	1583632	1964825	739038.40	799127.37	1039825.72	92784.48	96527.85	122954.20
Total	4817290	4939887	5564103	1496774.99	1646685.80	1912485.79	186909.57	198896.29	226104.87

Table 5.1.2: Percentage Growth in Transaction Numbers and Export Value during 2022-23, 2023-24 and 2024-25

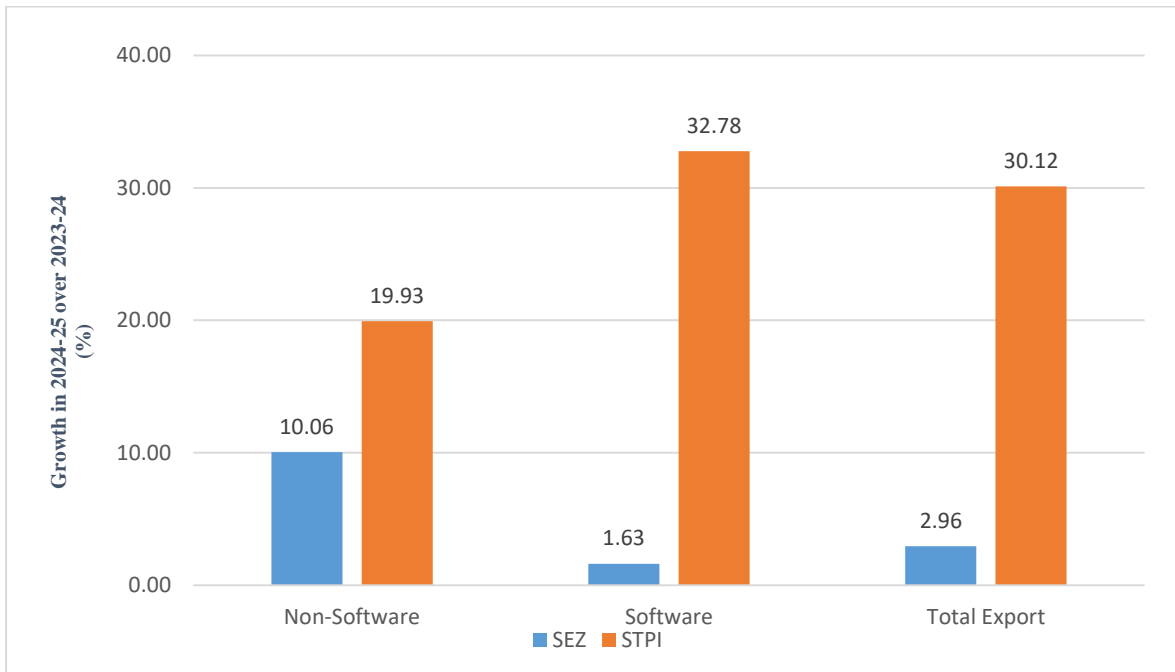
	Percentage Growth in Transaction Numbers			Percentage Growth in Value		
	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25
SEZ						
2022-23	0	3.57	11.06	0	11.85	15.17
2023-24		0	7.24		0	2.96
STPI						
2022-23	0	0.45	24.63	0	8.13	40.70
2023-24		0	24.07		0	30.12

	Total					
2022-23	0	2.54	15.50	0	10.02	27.77
2023-24		0	12.64		0	16.14

Chart 5.1.2 below further represents the percentage growth in export value of software services, non-software services and total services in FY 2024-25 vis-à-vis FY 2023-24 separately for both SEZ and STPI. As previously seen in Chart 5.1.1, growth in non-software services export value is higher than software services export value from both SEZ and STPI units. However, when compared between SEZ and STPI, the recorded growth rates are higher in case of SEZ. For software services, SEZ units recorded an increase of 1.63% vis-à-vis STPI's 32.78% rise. Similarly for non-software segment, SEZ units recorded 10.06% rise vis-à-vis STPI's 19.93% rise.

At the onset in Table 1.6.2 (Ref: Chapter 1), it has been duly recorded that total number of units (5153) are way more than total number of units in SEZ (1770) and thus per unit contribution of SEZ (INR 493.03 crores) is significantly more than per unit contribution of STPI (INR 201.79 crores).

Chart 5.1.2: Growth in Value of Export of Software, Non-Software and Total Services from SEZ and STPI during FY 2024-25 over FY 2023-24



5.2 Growth in Value of Software Services Export for the seven identified 6-Digit Level Software SACs

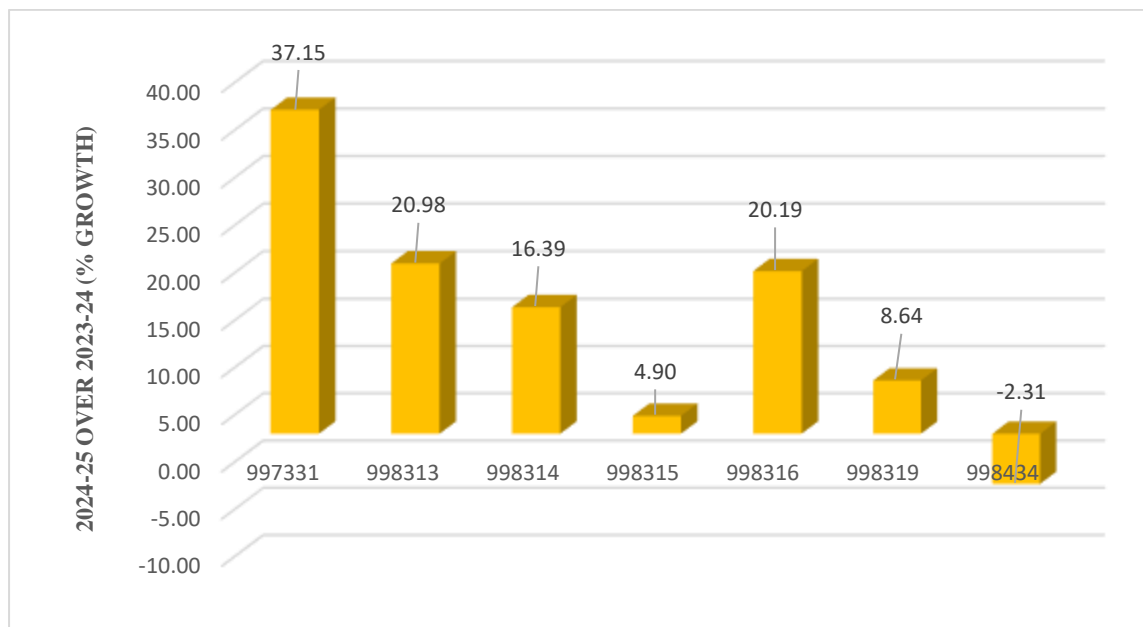
A Y-o-Y comparative study considering the seven-identified 6-Digit Level Software SACs indicates that, growth in export earnings is highest in case of 997331 (Licensing

services for the right to use computer software and databases) at 37.15% followed by 998313 (IT consulting and support services), 998316 (IT infrastructure and network management services), 998314 (IT design and development services), 998319 (Other IT services) and 998315(Hosting and IT infrastructure provisioning services) with respective growth rates of 20.98%, 20.19%, 16.39%, 8.64% and 4.90%. In totality for all the seven Software SACs 16.28% growth in export earnings is recorded in FY 2024-25 over FY 2023-24.

Negative growth rate is recorded in case of 998434 (Software download services) at -2.31%

It is very much encouraging that decent 20.98% and 16.39% growth rates are observed in software services export for codes 998313 and 998314 respectively which happen to be the major contributors in terms of software services export among these seven SACs in both FY 2023-24 and FY 2024-25. In FY 2024-25 the respective shares are 31.15% and 45.53% (Table 2.1.) in total software services export. Interestingly, highest growth rate in software services export happens is recorded in case of code 997331 which is one of the least contributors in terms of software services export as observed in both FYs 2023-24 and 2024-25. In FY 2024-25 the share is only 1.03% in total software services export.

Chart 5.2.1: Percentage Growth in Value of Software Services Export for seven 6-digit Software related SACs in 2024-25 over 2023-24



5.3 Growth in Value of Software Services Export for five major 5-Digit Level SACs

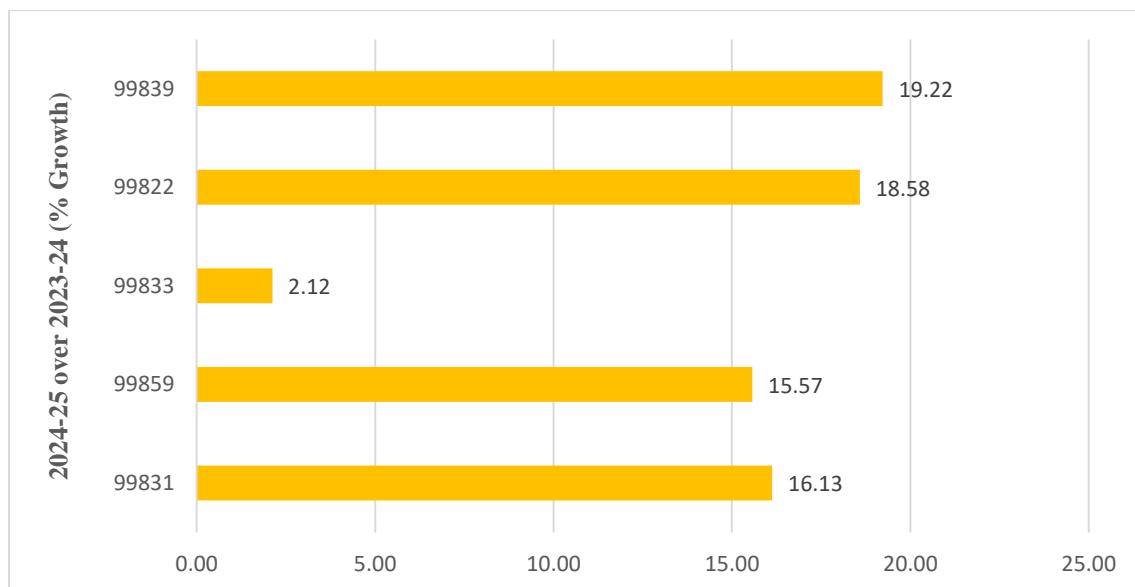
Growth in export of services in FY 2024-25 vis-à-vis FY 2023-24 has been analysed for five major 5-digit level SACs and the same is presented in chart 5.3.1 below. Of the major five, four are typically non-software services, and code 99831 is a software service.

It is observed that code 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 2024-25 over 2023-24 with a significant growth rate of 19% (19.22%); followed by codes 99822 (Accounting, auditing and book-keeping services) and 99831 (Management consulting and management services; Information technology services) with growth rates of 18.58% and 16.13% respectively.

As regards code 99833 (Engineering services) which has 1.77% share in total services exports (software as well as non-software) for the FY 2024-25, it has experienced a moderate growth rate of only 2.12% in FY 2024-25 over FY 2023-24.

Of the leading five (5-digit level SACs), 99833 has the lowest positive growth rate of 2.12% with code 99859 (Other support services) having higher growth rate of 15.57%.

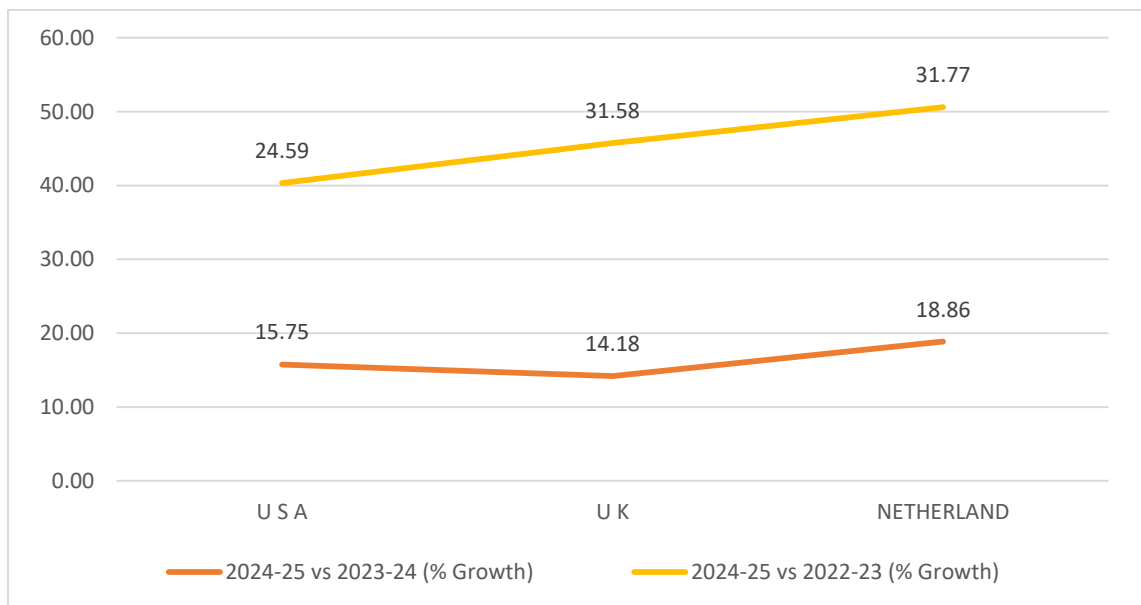
5.3.1: Percentage Growth in Value of Services Export for Top 5 Digit SACs in FY 2024-25 over FY 2023-24



5.4 Growth in Value of Services Export to Top 4 Partner Countries

USA has consistently held the top slot in consecutive three FYs 2022-23, 2023-24 and 2024-25 followed by UK. Netherland has experienced the highest growth rate of services export (18.86%) between FY 2023-24 and FY 2024-25 followed by USA (15.75%). Between FY 2022-23 and FY 2024-25, significant growth in services export is observed with respect to all three leading partner countries and highest growth rate of 31.77% is recorded in case of Netherland followed by UK with 31.58% growth rate and USA with 24.59% growth rate.

Chart 5.4.1: Percentage Growth in Value of Services Export to Top 3 Partner Countries in FY 2024-25 vis-à-vis FY 2023-24 and FY 2022-23



5.5 Month-wise Growth in Value of Export of Services from SEZ and STPI during FY 2024-25 over FY 2023-24

A Y-o-Y (month-wise) growth rate in export earnings analysis is presented in Table 5.5.1 and Chart 5.5.1 below. For SEZ, export of services was maximum in *May '24* over *May '23* at 9.53%. Negative growth rate has been recorded in *July '24* over *July '23* at -5.60%, *August '24* over *August '23* at -10.18% and *October '24* over *October '23* at -9.46%

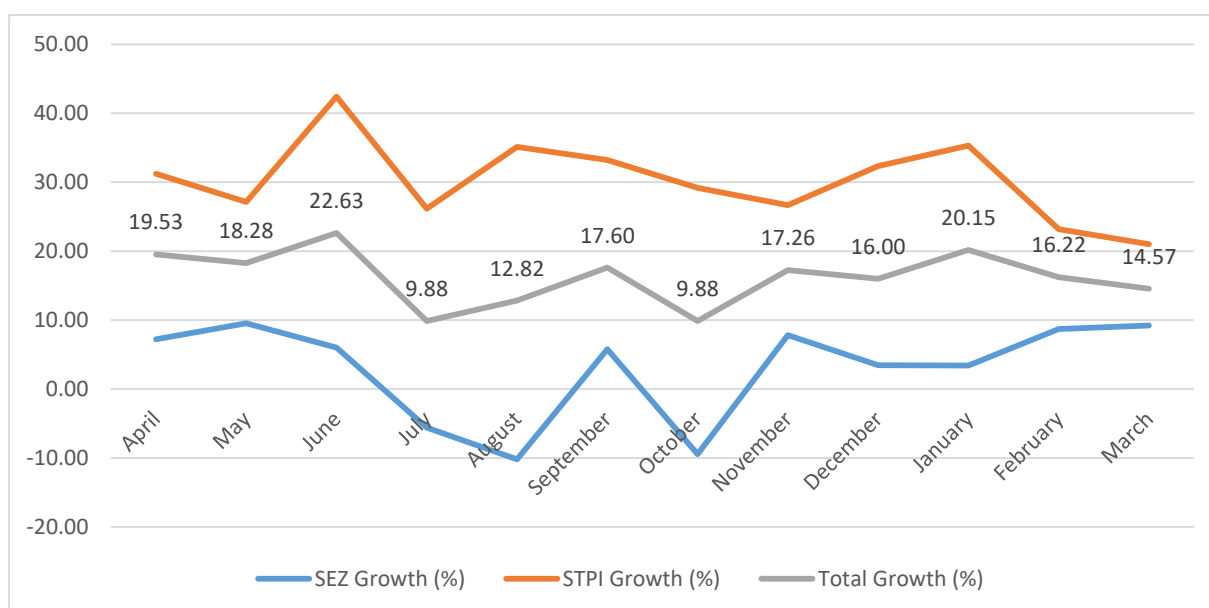
For STPI, highest growth rate was recorded in *June '24* over *June '23* at 42.39% and lowest growth rate was recorded in *March '25* over *March '24* at 20.99%.

In totality, the most significant growth rates were recorded in *June '24* at 22.63% and *January '25* at 20.15% vis-à-vis respective months of the previous year.

Table 5.5.1: Month-wise YoY Percentage Growth in Value of Export of Services from SEZ and STPI

Months	Services Export Value								
	SEZ			STPI			Total		
	2023-24	2024-25	Gr (%)	2023-24	2024-25	Gr (%)	2023-24	2024-25	Gr (%)
APR	63366.95	67941.07	7.22	66816.30	87665.56	31.20	130183.25	155606.63	19.53
MAY	62371.41	68313.35	9.53	61469.29	78162.26	27.16	123840.71	146475.61	18.28
JUN	74761.91	79239.08	5.99	62968.22	89662.69	42.39	137730.12	168901.77	22.63
JUL	76452.39	72172.89	-5.60	72711.75	91733.66	26.16	149164.14	163906.54	9.88
AUG	65924.19	59212.88	-10.18	67980.16	91858.76	35.13	133904.35	151071.64	12.82
SEP	75584.87	79957.71	5.79	57177.48	76166.77	33.21	132762.36	156124.48	17.60
OCT	69994.31	63369.87	-9.46	70176.14	90647.16	29.17	140170.45	154017.03	9.88
NOV	66209.00	71389.07	7.82	66361.95	84057.05	26.66	132570.95	155446.12	17.26
DEC	79749.09	82512.91	3.47	61176.04	80963.31	32.34	140925.12	163476.22	16.00
JAN	66548.50	68809.96	3.40	73657.23	99650.69	35.29	140205.74	168460.66	20.15
FEB	64437.03	70029.95	8.68	69902.14	86100.61	23.17	134339.18	156130.56	16.22
MAR	82158.77	89711.34	9.19	68730.67	83157.19	20.99	150889.44	172868.53	14.57
Total	847558.43	872660.07	2.96	799127.37	1039825.72	30.12	1646685.80	1912485.79	16.14

Chart 5.5.1: Month-wise YoY Percentage Growth in Value of Export of Services from SEZ and STPI



Chapter 6

Explaining SERF Data

6.1 SERF was rolled out in 2018-19 however, it took some time to formalize the data sharing system in a standard format with DGCI&S from SEZ and STPI units across India. Till date, the data received from SEZ and STPI come in different formats, although the main variables are quite uniform. 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 slightly difficult to carry out 6-digit level analysis on the overall data combining both SEZ and STPI.

6.2 However, the codes 998313, 998314, 998315, 998316, 998319 and 998434 i.e. the software codes are reported at 6-digit level by SEZ also. Thus, out of the seven codes identified by DGCI&S as Software codes, data for six codes are available at 6-digit level from both SEZ and STPI but one code namely 99733 is available at 5-digit level from SEZ. However, it has been observed from STPI based services export data that more than 99% of services export value within the 5-digit level code 99733 is classified as 997331. Hence, the services export data received in code 99733 from SEZ is aggregated at code level 997331. This may result in slight over estimation of entire software export value reported in the study.

6.3 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 exactly map the service type with mode of delivery on one-to-one basis.

6.4 For the **value field**, there are two fields reported in SERF. One is the software export value whereas the other is net realizable value. Software export value is the gross value of invoice whereas net realizable 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 viz. duties, taxes. Thus, **net realisable value = software export value – deductible value**. Further, an invoice amendment facility is provided by SEZ and STPI 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 and information is received by DGCI&S for 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 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.

6.5 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.

**Service Export 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 Exports Category will be available as a master value

Part D: Exporter Declaration

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

Details of major Services Accounting Codes (SACs)

SAC (Services Accounting Code) is 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 Codes

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	Information Technology (IT) infrastructure and network management services
998319	Other information technology services n.e.c
998434	Software downloads

The top three 5-digit codes related to Software Services:

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

Services Accounting Code 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).

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

Services Accounting Code 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 Code 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 on-line gambling services (999692) and adult content in on-line newspapers, periodicals, books, directories (998431).

Other Top Service Accounting Codes (Non-software services)

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), 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

- 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, orthopaedic 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).

10. 99990: Services provided by extraterritorial organizations and bodies
