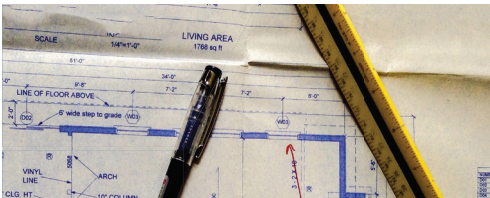
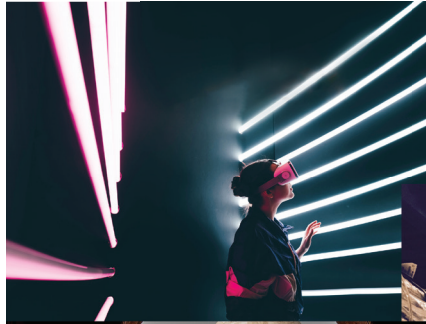
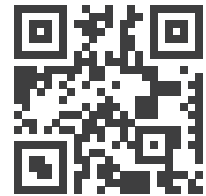


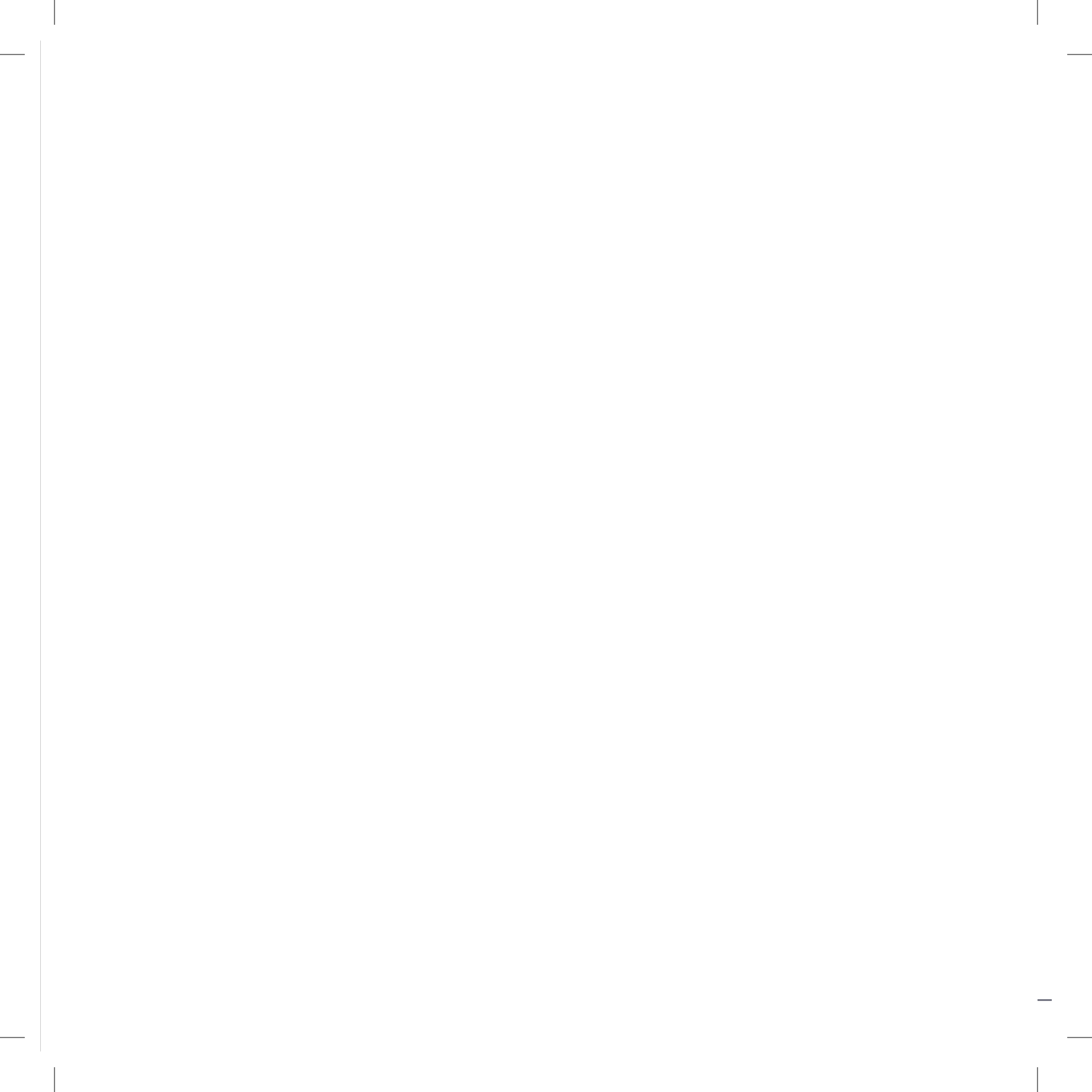
SEPC

SERVICES EXPORT PROMOTION COUNCIL
(Setup by Ministry of Commerce & Industry, Govt. of India)



ANNUAL REPORT 2021





Vision

To make India an international services exports powerhouse by effectively promoting and representing every sector of Indian services and contributing to the overall growth of the economy.

SEPC

SERVICES EXPORT PROMOTION COUNCIL

Mission

- To be an effective voice of the Indian services sector globally, raising its profile through interventions and exchanges leading to increase in business.
- To serve as a bridge between government and other stakeholders and the services sector.
- To disseminate knowledge and recognize the achievements of organizations in their quest to increase services exports.

Annual Report 2020-21

Content List

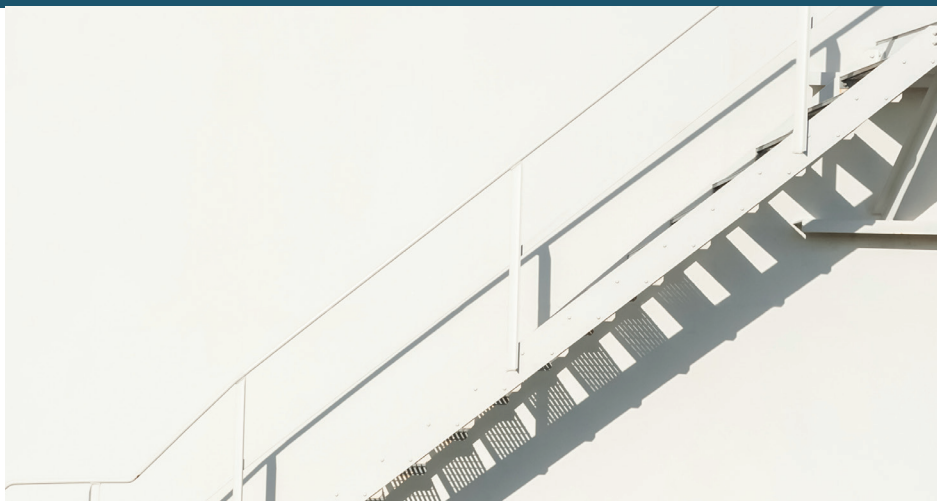
CGC Members	06
From the Chairman	08
Audited Annual Accounts of SEPC for FY 2020-21	85
Membership Statistics	108



19

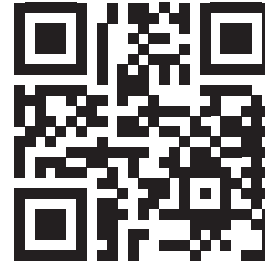
Services Sector

An overview of status and performance



04

About SEPC



SERVICES EXPORT PROMOTION COUNCIL

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14

Initiatives 2020-21

70

Events/Activities

Overview of Services offered by SEPC

Services Export Promotion Council set up in 2006 by Ministry of Commerce & Industry, Government of India is an apex trade body to promote exports of services from India.

TRADE INTELLIGENCE



Trade Information
Market Analysis
Business Contacts
Business Opportunities
Market Access Conditions

EXPORT DEVELOPMENT



Export Readiness
Training & Counselling
Strategy Formulation & Development
Value Chain Optimisation

EXPORT PROMOTION



Export Promotion
Investment Promotion

ENABLING BUSINESS ENVIRONMENT



Facilitating Cross Border Trade
Policy Advocacy
Facilitating Access to Resources

Services Covered under SEPC

In order to enhance the competitiveness of services exports and enable services industry to generate employment, the Union Cabinet chaired by Honourable Prime Minister Shri Narendra Modi in 2018 identified 12 Champion Services Sector. The following table provides the mapping of identified Champion Services vis-a vis the services covered under SEPC and BPM6 classification. Sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) is developed by IMF in collaboration with compilers and other interested parties worldwide and used by most of the countries to record and report services trade data.

S.N.	Services covered under SEPC	Champion Services	BPM6 Classification
1	Accounting/Auditing and Bookkeeping Services	Accounting and Finance Services	Other business services
2	Consultancy Services	-	
3	Legal Services	Legal services	
4	Architectural Services and related services	Construction and related Engineering services	
5	Environmental services	Environmental services	
6	Marketing Research and Public Opinion Polling Services/Management services	-	
7	Advertising Services		
8	Printing and Publishing services		
9	Other services (IT & ITES, Communication Services)	IT & ITES, Communication services	Telecommunications, computer, and information services
10	Hotel and Tourism Related Services	Tourism and Hospitality Services	Travel
11	Education Services	Education services	
12	Healthcare services including services by nurses, physiotherapist and paramedical personnel	Medical Value Travel Services	
13	Maritime Transport Services	Transport and Logistics services	Transport
14	Distribution Services		
15	Other services (Financial Services)	Financial Services	Financial services
			Insurance and pension services
16	Entertainment services including Audio-visual services	Audio-visual services	Personal, cultural, and recreational services
17	Other Services	-	Charges for the use of intellectual property n.i.e.
		-	<ul style="list-style-type: none"> • Government goods and services n.i.e. • Manufacturing services on physical inputs owned by others • Maintenance and repair services n.i.e.
		Construction and related Engineering services	Construction

SEPC

SERVICES EXPORT PROMOTION COUNCIL



CGC Members



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Mr. Maneck E. Davar

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Vice Chairman

CA. Mr. Sunil H. Talati

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“ FROM THE CHAIRMAN



□ Dear Members,

It is heartening to note that despite pandemic affecting businesses and exports India's services sector stood out as the one having immense resilience and able to attain exports to the tune of 206 bn USD in FY 2020-21.

Despite the slight downslide by 3% in FY 2021-22 as compared with FY 2019-20, services exports continue to contribute 41% in India's total exports and offsets about 80-90% of trade deficit seen in merchandise exports. In the FY 2020-21, services trade surplus covered 87 percent of merchandise trade deficit. Services sector remains the mainstay of Indian economy.

Complimenting the indomitable spirit of services sector, I am pleased to present the Annual Report 2020-21. As I have often mentioned that SEPC exists for its members and I am thankful to your continued association and patronage. In line with its vision and mission, SEPC is committed to add value to your exports endeavour.

Services sector, though contributing significantly in India's GDP, has often been the poor cousin in terms of its recognition when compared with manufacturing. Services sectors has always faced the issue of perception. In almost all deliberations and policy frameworks manufacturing sector gets the focus and centre stage. In the last one-year SEPC has strived hard to bring a change to that perception and fervently made efforts to seek the recognition and acknowledgment of the role of services sector and its exports. I have personally taken it up with Hon'ble Minister of Commerce and Industry in private and public forums.

One of the major concern of services sector had been

the pending notification of SEIS for FY 2019-20 as the services sector were rattled with the liquidity, working capital and business continuity issues. SEPC took up the matter and raised it at the highest level as well. Our efforts have been duly rewarded with the announcements of allocation of Rs. 10,002 Crore comprising of SEIS for Rs. 2061 crore for FY 2019-20 and all previous pending claims.

For upcoming Foreign Trade Policy, SEPC came up with "Duty Remission for Service Export Scheme (DRESS)" taking into account the unrebated levies and duties. An extensive interaction with members from various services sectors were carried out on virtual platforms. The details have been submitted for consideration by DGFT. To connect with our Missions abroad and leverage their local network and strengths to explore business opportunities for services exporters from India we started regular interaction. We are getting regular updates and insights on business opportunities, market access issues from our embassies and missions.

In one of the significant step forward, we launched the monthly e-newsletter "India Serves," which brings to you sectoral feature and lots of information on CPC codes and overseas market information. This is being circulated among all our members, all embassies and missions and line Ministries relevant to services sector. This is an initiative to build Brand India in Services.

We also initiated News Alert and Notification Alert on daily basis for the members in line with our policy of maintaining a regular connect with members.

SEPC has strengthened its network with sectoral associations to synergise the efforts towards export promotion, building capacities and export competences. We have signed an MoU with ICAI and will be signing few more in future.

Due to pandemic, we couldn't do any physical events and had to rely on ensuring the export promotion activities through virtual medium. SEPC organised host of webinars to enlighten the members and all key stakeholders on developments in different sectors. Members of SEPC were supported to participate in virtual India pavilion at MIPCOM online+ during October – November 2020. To support the distressed travel and tourism industry SEPC sponsored the participation of 75 members in SATTE GEN X 2020 in South Asia's first virtual travel exhibition in October 2020. Over 1000 business visitors interacted with exhibitors.

To help exporters, SEPC organised a series of Virtual Global Buyer Seller Meets from 22nd to 30th March 2021 with ASEAN, Africa, CIS, European and Latin America regions with the support of Indian Embassy of the respective regions to showcase the strength of India's Service Industry and to provide a platform for business delegates to explore opportunities in Services Exports. More than 600 B2B meetings between Indian Exporters and Overseas buyers took place. Webinars to promote Indian exports and explore trade opportunities were also organised with Uzbekistan, Hungary, Peru, Colombia and other regions. SEPC in association with Quality Council of India organized a marathon of focused webinars

for Udyog Manthan on Productivity in Indian Industry and Services. The objective of the webinars was to identify and find solutions for promoting productivity, quality & their inter-linkages in Indian Industry with a focus on the discussion on productivity and quality.

Over the years services exporters were facing long delays in getting their RCMC and renewals. We have been able to reduce the turnaround time to just one day. We have taken steps to integrate the payment gateway with the modified RCMC module. To serve you in the best possible manner we urge our members and every services exporter to provide their complete profile. The detailed profile will enable us to get potential overseas business contact.

You are aware that SEPC shifted to its own premise in New Delhi and has also opened a branch office in Mumbai. We have expanded the team at secretariat to focus on respective sectors and related responsibilities.

My efforts to give new direction to SEPC would not have been possible with the support of Ministry of Commerce and Industry, Vice Chairman, members of Central Governing Council and the entire staff.

Please stay connected with SEPC and actively participate in interactions and all export promotion activities being planned for future in physical mode. At the same time we continue to seek your valuable inputs and suggestions to take a giant leap forward in serving you. We have taken few key initial steps to begin with in your service.

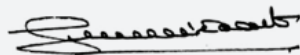
Our efforts have been duly rewarded with the announcements of allocation of Rs. 10,002 Crore comprising of SEIS for Rs. 2061 crore for FY 2019-20 and all previous pending claims.



Maneck E. Davar

Chairman, SEPC

Expecting the services sector to achieve the growth trajectory to attain the goal of 1TRN USD by 2030. This can be only possible through a strategic roadmap and focused action



CA. Sunil H. Talati

Vice-Chairman, SEPC

“ From the Vice-Chairman



My Dear Members

As the world having gone through the worst of its time is coming to terms with post covid new normal, the economic activity across the globe is now gradually getting resumed. Though there is lurking fear of a third wave in India and in many parts of the world, the lessons learnt in the past one year will certainly help us to tide over the situation. The business has learnt to revive, survive and continue in virtual mode and now ushering into hybrid mode.

The global economy after coming to a screeching halt last year and facing intermittent phases of uncertainties has shown a V shaped growth. India's services sector export being the worst hit has shown immense resilience and managed to achieve 206BN USD mark in FY 2020-21 as compared to 213BN USD exports in FY 2019-20.

On this note of tenacity of the services sector, I am pleased to share the Annual Report for the FY 2020-21.

Services happens to the growth engine of the Indian economy and one of the fastest growing sectors despite the pandemic. India has emerged as a global hub for supply of various services, and today India exports over \$200 billion of services annually, which contribute to 7% India's GDP. Services account for 54 per cent of India's Gross Value Added (GVA) and contribute more than 40 percent to India's total global exports. Services exports lead directly to employment of approximately 2.6 crores people in India (accounting for around 31 per cent share), while leading to indirect employment as well. As per SEPC's estimates, the country's services exports are expected to grow 10 per cent in 2021-22 due to healthy growth of sectors such as professional and management consulting, audio visual, freight transport, and telecommunications.



Department of Commerce has already laid out a target of 250BN USD services exports in the FY 2021-22 and expecting the services sector to achieve the growth trajectory to attain the goal of 1TRN USD by 2030. This can be only possible through a strategic roadmap and focused action. Government has assured all support. In due recognition of our efforts SEIS for 2019-20 has been allocated in addition to the fund being set aside for all pending claims of services exporters. The total amount which has been allocated under SEIS is Rs.10002 Crore.

Taking note of our representations Department of Commerce has covered Services sectors extensively in modified Market Access Initiative Scheme (MAI). This scheme provides immense support to exporters. SEPC is creating awareness about the scheme at every forum. Likewise, we do believe that upcoming Foreign Trade Policy will also have specific focus on services sector on the lines of SEIS.

In line with Department of Commerce and Industry's objective of developing competence for exports of services in every district of the country we have proposed to States for setting up Trade Facilitation and Information Centre. In coming months, we will be able to set up such centres with support from State Government.

As an organization, we have always strived to better our performance by continually deepening our domain expertise, strengthening capabilities and expanding our reach to various sectors. SEPC took numerous initiatives throughout the year to serve the services sector.

With focus shifting on Free Trade Agreements (FTAs) to gain a greater market access in identified regions and countries like EU, Australia, Switzerland, UK, Singapore and many more, Department of Commerce is ensuring to address issues concerning all modes of exports of services. It is expected that SEPC plays a key role in addressing the subject.

SEPC is the only Council mandated to serve the diverse sector having their own unique characteristics. We look forward to very active participation of our members for their inputs and suggestions. We will also be ensuring the active participation of various Ministries related to respective sectors and synergise their policies and schemes towards export promotion, capacity building and enhancing export competitiveness. I extend my gratitude to the Ministry of Commerce and Industry, SEPC staff, all members of CGC for their stinted support. A very special thanks to Chairman, SEPC for having led the organization through its most difficult times and now the mantle to be carried forward.

Looking forward to your continued support.



The suggested scheme title DRESS has been submitted to DGFT for the favourable consideration for inclusion in Foreign Trade Policy 2021-26.

Dr. Abhay Sinha

Director General, SEPC

From the Director General

Dear Members,

The Covid 19 enveloped the entire globe and brought businesses to a standstill. Many of the sectors especially Travel and Tourism, Hospitality, Medical Value Tourism, Healthcare, Education and several other sectors were severely impacted by the pandemic. The business continuity posed an insurmountable challenge.

Bracing with lockdown, SEPC team under the guidance of Chairman, Vice-Chairman and with immense support from Central Governing Council Members strived to serve the membership in the best possible.

Entrusted with the key responsibility to take the services sector to the next level of growth, I feel privileged to present the Annual Report for the FY 2020-21. Despite seemingly insurmountable challenges posed by the pandemic and eminent lockdown,



SEPC took numerous initiatives for the services sector. Those initiatives have laid the foundation for an organisation that would add value to every aspect to services sector and its exports in line with its vision and mission.

Throughout the year, the organization also played a prominent role in boosting the morale of the exporters by relentlessly pursuing with the Government for the continuation of export incentives not only in the form of notification of SEIS for 2019-20 but also by suggesting an alternative scheme to SEIS to reimburse all embedded taxes in the export supply chain to ensure India's services exports remain competitive. The suggested scheme title DRESS has been submitted to DGFT for the favourable consideration for inclusion in Foreign Trade Policy 2021-26.

While SEIS remained high on priority, we tried to create awareness among members about Market Access Initiative Scheme. We improved on our connectivity with members through News Alert, Notification Alert, Circulars on key developments and the monthly e-Newsletter “India Serves.”

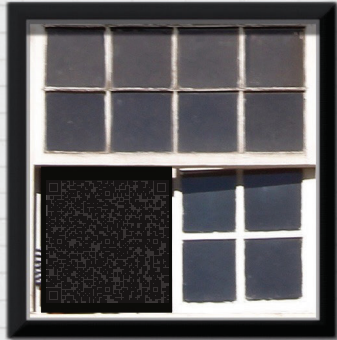
As a nodal organisation for services export promotion, we redefined the activities under four broad categories-Trade Intelligence, Export Development, Export Promotion and Enabling Business Environment.

To ensure business continuity, region specific buyer seller meets were organized. Additionally, a diverse range of areas were targeted to create multi-faceted and long-reaching awareness. During the course of the year, SEPC organized a host of webinars to enlighten the members and all key stakeholders on developments in different sectors. Various interactive sessions were also coordinated with Indian missions abroad to create trade and export opportunities for our members with other countries.

In 2021-22, SEPC has lined up a series of events, exhibitions and webinars, setting up Services Trade Facilitation centers in States, Capacity building programmes for exporters and various others initiatives through the MAI scheme and would continue to not only support the exporting community but also provide inputs and recommendations to the Government and key stakeholders from time to time to ensure that the sector gets the due attention and a level playing field with manufacturing.

In the end, I would like to take this opportunity to thank my entire office for their valuable contribution and service to the organization in trying times. I would also like to express my gratitude to the Chairman, Vice-Chairman and the members of the Central Governing Council for their continued guidance and support.

With the strong team SEPC is committed to serve the nation in the best possible way within the objectives mandated for its establishment.



SEPC

SERVICES EXPORT PROMOTION COUNCIL

INITIATIVES

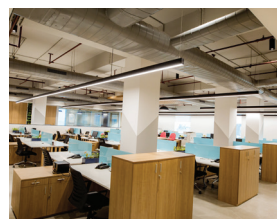
2020-21



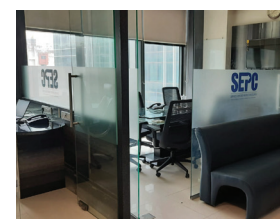
New Offices



Delhi



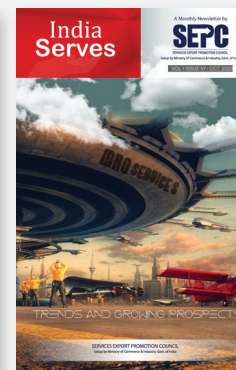
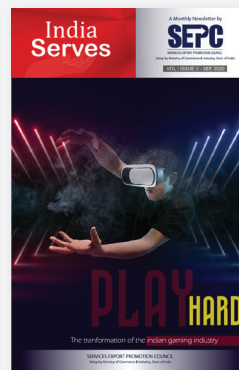
Mumbai



SEPC moves to new offices at Dehi and Mumbai. The new office offers state of the art facilities with easy access to all important places.

Monthly E-Newsletter India Serves

An initiative to build Brand India in Services. “India Serves,” highlights sectoral feature, CPC codes and overseas market information. This is being circulated to all members, all embassies and missions and line Ministries relevant to services sector.



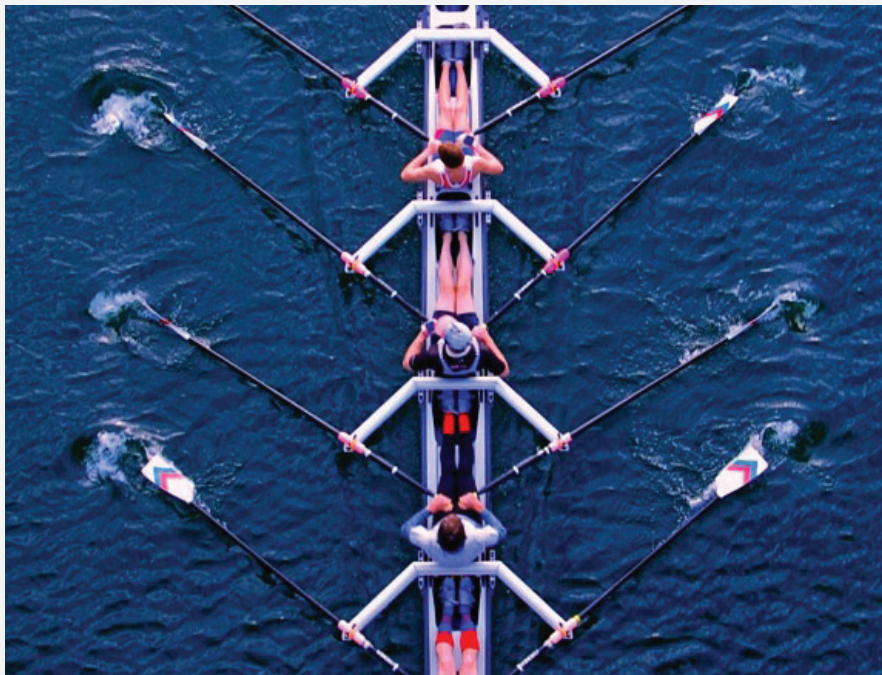
PM Cares Fund

SEPC made a donation of Rs. one crore to the Prime Minister's CARES Fund.



Team Expansion

SEPC enhanced its organisational structure adding more departments within the Council. With the recruitment of many qualified and experienced officials, the Council has a dedicated officer to work for the development and addressal of each services sector along with a dedicated team to support their activities. SEPC now has dedicated teams for Policy & Research, Membership, Events, International Relations & Market Development, Branding, Media & Communications.



Proposal to set-up Services Trade Information & Facilitation Centre

SEPC has Proposed to all States and UTs to set-up Services Exports information and facilitation center. 14 states have responded so far, and initial meetings have been held.



Search...

Digital Platform/Portal

SEPC plans to come up with a robust portal to ensure global business networking. The portal will work as an interface between Foreign Buyers and Indian Sellers of services; provide comprehensive information of Indian Services Exporters, Services offered by Indian exporters, domestic and foreign market regulations, trade flows related information, all events related information which are conducted by SEPC, such as Buyer Seller Meets (BSM), Reverse Buyer Seller Meets (RBSM), Exhibitions, Conferences, etc.



Overseas Market Connect

SEPC is connecting proactively with Indian missions abroad and Foreign Embassies in India besides foreign chambers to work jointly for mutual growth. SEPC organised several virtual programmes jointly with Indian missions abroad and foreign chambers to explore business opportunities and challenges between India and foreign entities.



Virtual B2B

During difficult times due to COVID-19, when physical events were not possible, SEPC had taken the initiative to organise virtual B2B for each services sector covering all global markets and regions.

Regions

CIS
Africa
ASEAN
European
Latin America

100+ Countries

40+ Indian Companies

250+ Foreign Delegates

700+ Meetings



Services Sectors

□ An overview





Services industry is becoming all the more important for the world economy in current times with its contribution in the global GDP going up to 65 per cent in 2019. Global trade of services has also increased many folds within a decade. Global services exports stood at USD 2.6 trillion in 2005 and it went up to USD 6.2 trillion in 2019. However, the year 2020 experienced an overall negative growth of 20 per cent in services exports due to COVID-19 pandemic. This negative growth was mainly due to the huge fall of around USD 920 billion in travel services and a fall of around USD 200 billion in transport services. These two sectors together represent almost 40 per cent of the global services trade.

Due to the pandemic related restrictions on cross border movement, most of the major services exporting countries experienced high fall in services exports in the year 2020; Netherlands (-32%); Japan (-23%); USA (-19%); France (-17%); UK (-16%); Singapore (-14%) and Germany (-10%). The only country among the top exporters which experienced positive growth is

Ireland, which mainly exports IT & ITES. *India was the least affected services exporting country after Ireland and China with a negative growth of 5 per cent* as in case of India, the transport and travel services related exports' fall was almost covered by high growth in IT & ITES exports.

Services sector is very significant for the Indian economy. It contributed 55.39 per cent of the total Gross Value Added (GVA) in the financial year 2021. Services sector GVA increased at a Compound Annual Growth Rate (CAGR) of 11.43 per cent during the period 2016-20. Services industry is receiving a lot of foreign attention as well. Services industry in India attracted cumulative Foreign Direct Investment (FDI) worth USD 283 billion between April 2000 and March 2021. As per data released by the Department for Promotion of Industry and Internal Trade (DPIIT), India's services sector is the largest recipient of Foreign Direct Investment with 53 per cent of total FDI inflow during 2000-2021. Sub-sector wise details of FDI inflows in India have been provided in table-1.

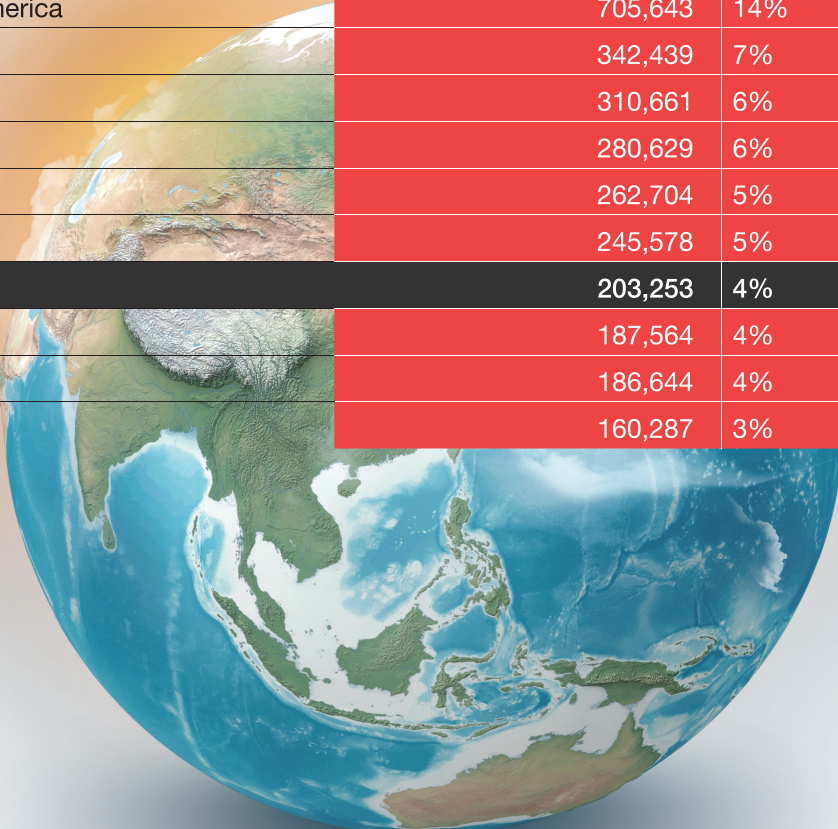
Table 1: Foreign Direct Investment in Services Sector (2000-2021)

Services Sectors (Value in Million USD)	2000-2021	Share in Total FDI Inflows
Services sector (Fin., Banking, Insurance, Non-Fin/Business, Outsourcing, R&D, Courier, Tech. Testing and analysis, other)	87,063.18	16%
Computer software & hardware	71,055.91	13%
Telecommunications	37,663.06	7%
Trading	30,203.17	6%
Information & Broadcasting (including print media)	9,522.03	2%
Hotel & Tourism	15,657.93	3%
Hospital & Diagnostic Centres	7,228.09	1%
Education	4,495.19	1%
Retail Trading	3,465.08	1%
Consultancy services	6,773.25	1%
Sea transport	4,536.09	1%
Air transport (including air freight)	2,956.02	1%
Agriculture services	2,288.98	0%
Total Services	282,907.98	53%

Source: DPIIT, Ministry of Commerce

India has moved up the ladder by two positions in the year 2020 to become 7th largest services exporter in the world. Also, India's share in global services exports has increased from 3 per cent in 2019 to 4 per cent in 2020. The top ten countries represent 58 per cent of the global services exports (Refer Table-2).

Table 2: World's Top Services Exporting Countries - 2020



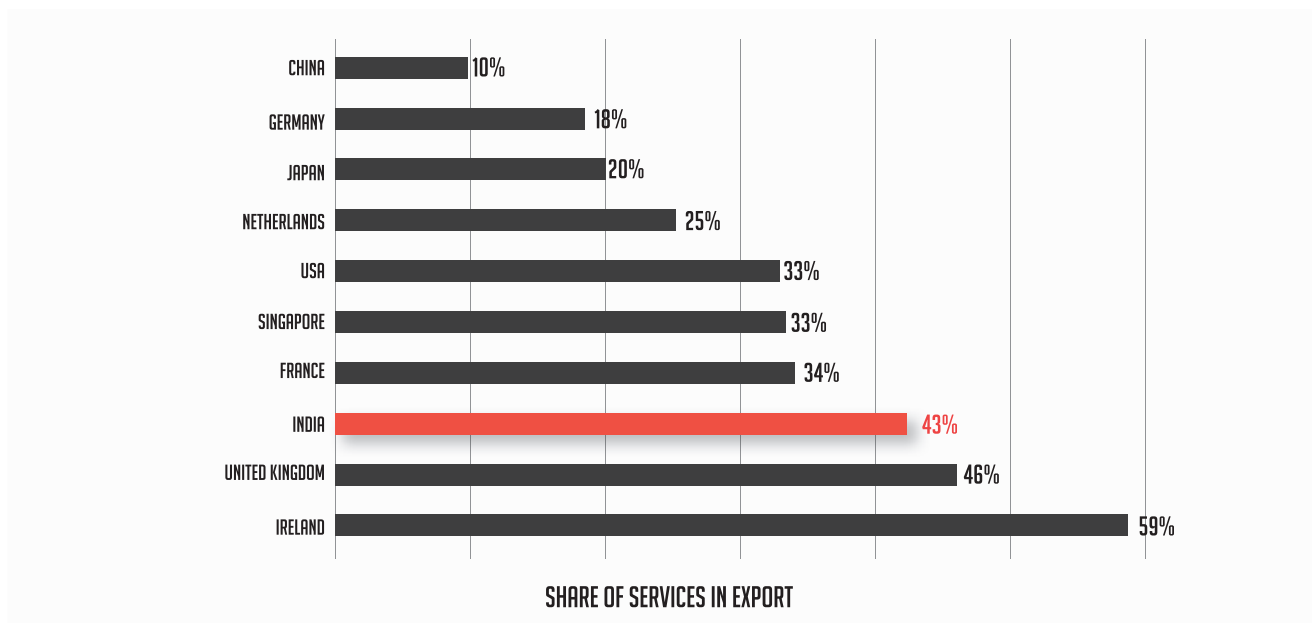
Country	Exports - 2020 (Million USD)	Share	Global Ranking
United States of America	705,643	14%	1
United Kingdom	342,439	7%	2
Germany	310,661	6%	3
China	280,629	6%	4
Ireland	262,704	5%	5
France	245,578	5%	6
India	203,253	4%	7
Singapore	187,564	4%	8
Netherlands	186,644	4%	9
Japan	160,287	3%	10

Source: Trade Map

Services Export from India contributes 43 per cent in total exports from India and country receives trade surplus from services trade to the tune that it covers large portion of about 80-90 per cent trade deficit from merchandise trade. In the FY 2020-21, services trade surplus covered 87 per cent of merchandise trade deficit (see Figure-1).

Figure 1:

Share of Services Exports in Total Exports of Top Services Exporting Nations - 2020



Source: Trade Map

As per RBI data released on 30th June 2021, India's exports of services is improving on quarterly basis. In the first quarter of FY 2020-21, India exported around USD 47 billion worth of services which went up to USD 50 billion in second quarter, USD 54 billion in the third quarter and USD 56 billion in the fourth quarter. As per monthly exports data as well, India's services exports

experienced a growth of 24.1 per cent in the month of June 2021, and 10.7 per cent in the month of May 2021. The data reveals that this growth is not confined to any single sector or sub-sector but across services industry except few sectors like 'Manufacturing services on physical inputs owned by others', 'Construction', and 'IP related services' (Refer Tabel-3).

Table 3:

India's Services Trade - Sector Wise Quarterly Data up to March 2021 (Million USD)

BPM6 Categories	Apr-Jun 2020 PR		Jul-Sep 2020 PR		Oct-Dec 2020 P		Jan-March 2021 P	
	Export	Import	Export	Import	Export	Import	Export	Import
Manufacturing services on physical inputs owned by others	77	6	68	11	49	5	102	6
Maintenance and repair services n.i.e.	32	128	35	204	38	291	54	211
Transport	4,810	4,216	5,368	4,759	5,602	5,147	6,080	5,633
Travel	1,868	2,766	2,138	2,764	2,170	2,833	2,308	3,141
Construction	659	625	589	563	619	705	752	713
Insurance and pension services	565	378	590	537	575	577	647	566
Financial services	1,009	1,062	1,003	1,107	1,068	1,192	1,258	1,402
Charges for the use of intellectual property n.i.e.	399	1,847	313	1,456	359	2,297	238	2,107
Telecommunications, computer, and information services	23,396	2,269	25,515	3,290	26,498	2,810	27,574	3,909
Other business services	11,282	11,514	11,624	12,354	12,534	12,799	13,324	12,847
Personal, cultural, and recreational services	500	347	530	817	579	768	727	878
Government goods and services n.i.e.	148	330	144	190	179	260	159	241
Others n.i.e.	2,062	817	1,725	707	3,471	448	2,781	865
All Services	46,809	26,306	49,643	28,760	53,741	30,131	56,004	32,520

Source: Reserve Bank of India

Note: Data released up to 30st June 2021 has been taken into calculations

At the aggregate level services exports for the FY 2020-21 have experienced a decline of 3.8 percent. At the sector level, almost all sectors have experienced positive growth, except Maintenance and repair services n.i.e., Travel, Construction, Insurance and Pension Services and Financial Services (Refer Table-4).

Table 4:
Services Exports from India - Sector wise Annual data (Million USD)

	2016-17	2017-18	2018-19	2019-20	2020-21
Manufacturing services on physical in-puts owned by others	115	147	260	232	296
Maintenance and repair services n.i.e.	182	211	189	194	159
Transport	15,851	17,441	19,464	20,988	21,854
Travel	23,244	28,355	28,441	29,998	8,483
Construction	2,144	2,256	3,388	3,096	2,620
Insurance and pension services	2,206	2,506	2,661	2,431	2,376
Financial services	5,099	5,164	4,858	4,734	4,338
Charges for the use of intellectual property n.i.e.	568	732	692	934	1,310
Telecommunications, computer, and in-formation services	77,044	79,840	86,344	96,110	103,078
Other business services	32,946	37,346	39,112	45,716	49,161
Personal, cultural, and recreational services	1,392	1,618	1,853	2,207	2,336
Government goods and services n.i.e.	588	664	610	659	630
Others n.i.e.	2,818	18,807	20,128	5,892	9,447
All Services	164,197	195,089	208,000	213,191	206,090

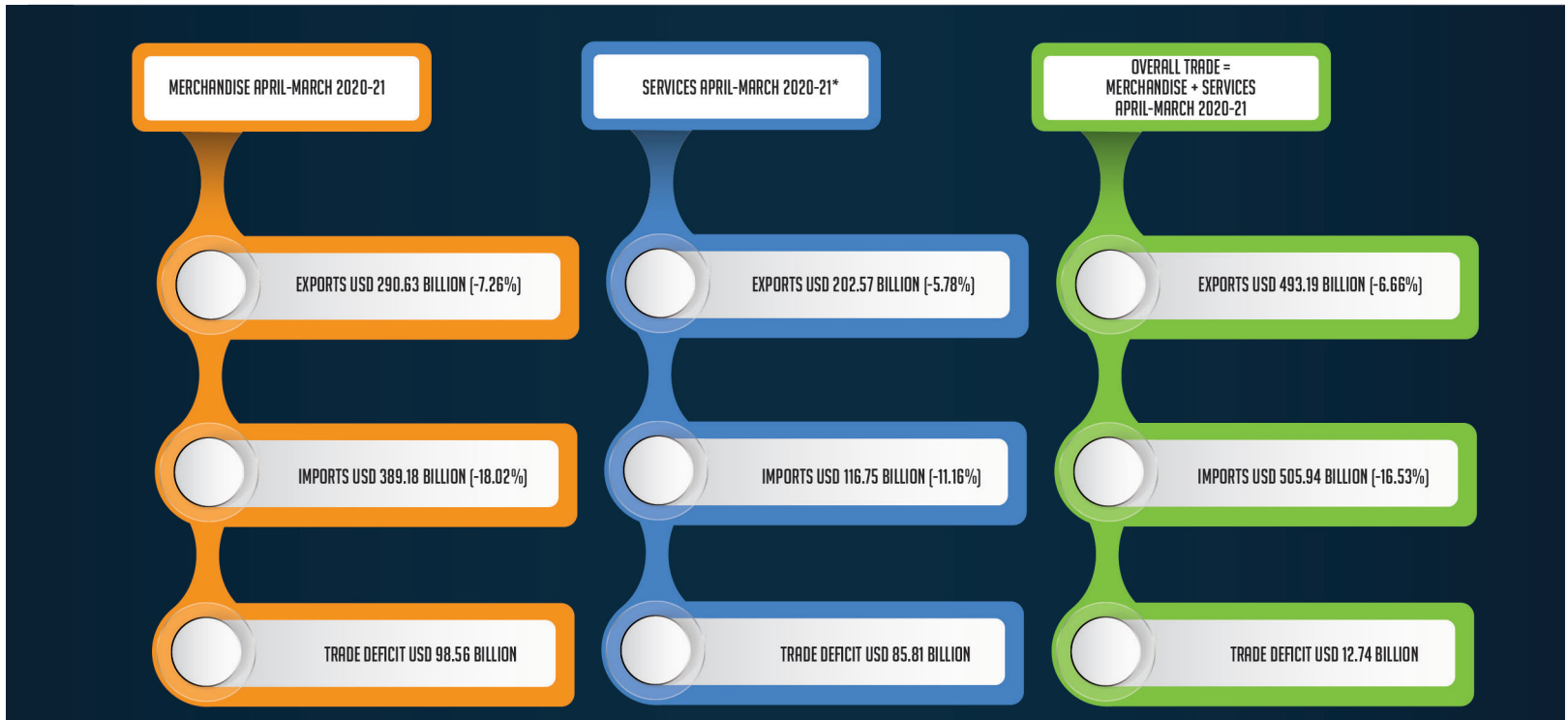
Source: Reserve Bank of India

Note: Data released up to 30th June 2021 has been taken into calculations

Despite experiencing negative growth in the FY 2020-21, services had a trade surplus of around 86 billion US Dollar whereas Merchandise sector had a trade deficit of around 99 billion US Dollar. (see Figure -2)

Figure 2:

India's Trade Balance – Merchandise vs Services trade (2020-21)



Source: Reserve Bank of India

Note: i) The latest data for services sector taken from RBI is for February 2021. The data for March 2021 is an estimation, which will be revised based on RBI's subsequent release ii) the figures in bracket are growth rates vis-à-vis corresponding period of last year.

The services sectors that have been impacted the most with the outburst of COVID-19 are Travel and Tourism, Education, Medical Value Travel, Aviation, etc where supply of services is mostly dependent on cross border movement of natural persons. Also, there are sectors which have not been affected adversely by the pandemic and continued to grow even during pandemic are Telecommunications, computer, and information services and Other Business Services. Now since most governments around the world are easing restrictions in phased manner, the sectors which were

not able to do any business in the last more than a year, have slowly started recovering.

Services Export Promotion Council as a nodal agency of government of India for services exports sets targets for services exports at 240 billion USD in line with Prime Minister, Shri Narendra Modi's merchandise exports target of 400 billion USD for the financial year 2021-22. SEPC makes services export projection at sector level using BPM6 classification based on data from RBI (refer Table-5).

Table 5:
Services Exports Projection for 2021-22 - Sector wise

Sectors (BPM6) - Million USD	2019-20	2020-21	2021-22*
Manufacturing services on physical inputs owned by others	232	296	353
Maintenance and repair services n.i.e.	194	159	237
Transport	20,988	21,854	24,225
Travel	29,998	8,483	30,034
Construction	3,096	2,620	3,422
Insurance and pension services	2,431	2,376	3,086
Financial services	4,734	4,338	6,131
Charges for the use of intellectual property n.i.e.	934	1,310	1,589
Telecommunications, computer, and information services	96,110	103,078	112,110
Other business services	45,716	49,161	59,635
Personal, cultural, and recreational services	2,207	2,336	2,384
Government goods and services n.i.e.	659	630	798
Others n.i.e.	5,892	9,447	5,996
All Services	213,191	206,090	250,000

*SEPC's projection

Source: Reserve Bank of India

Note: The services exports' target of 240 billion USD has been set based on services exports' overall average annual growth in pre-covid era and services exports' share in total exports from India. (Merchandise export has been set to reach 400 billion USD in the FY 2021-22). In the same way, sub-sector level targets have been determined based on their five years' average share in total services exports, except for sub-sectors in which average share leads to target with negative growth. In such cases, share of these sub-sectors in the last year has been considered for setting the target.



Healthcare Services

Medical Value Travel

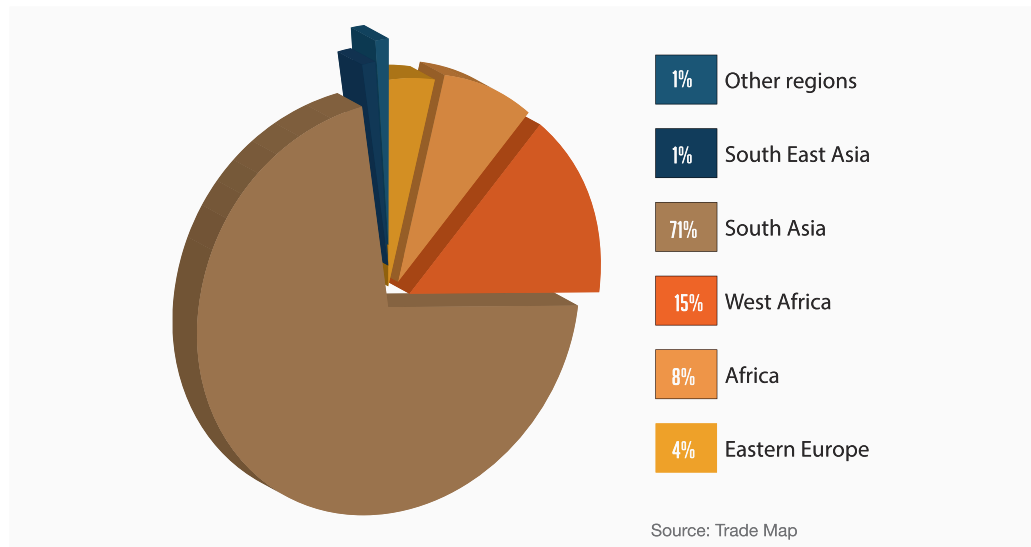
India has one of the largest healthcare industries in the world with one of the largest networks of hospitals. India has a total of 69,364 hospitals (43,486 private hospitals, and 25,778 public hospitals) with 1.2 million registered doctors, achieving WHO recommended doctor population ratio. Indian doctors and nurses are not only offering their services domestically but also globally. Every 7th doctor in the United States is Indian, India is the largest exporter of doctors and nurses to Europe. Overall, India's healthcare industry is worth around USD100 billion.

Significant reforms have been carried out in the field of medical education. During the last six years, MBBS Seats in the country have increased by 56 per cent from 54,348 seats in 2014 to 84,649 seats in 2020 and the number of PG seats have increased by 80 per cent from 30,191 seats in 2014 to 54,275 seats in 2020.

During the same period, 179 new medical colleges have been established and now the country has 558 (Govt: 289, Pvt: 269) medical colleges.

India is performing quite well in the Medical Value Travel and has been able to attract large number of foreign patients. India was included among top 10 best medical services providers in the world by Medical Treatment Index (MTI), 2020-21. This is despite the fact that India is among the lowest spending countries in the world on healthcare services. Share of India's healthcare expenditure as a per centage of GDP is only 3.6 per cent, whereas world's average is around 10 per cent. India's MVT competitors spend much higher than India; Canada – 10.8 per cent, Israel – 7.5 per cent, Japan – 11 per cent, Jordan – 7.8 per cent, Korea – 7.6 per cent, Thailand – 3.8 per cent (see Figure-3).

Figure 3: Top origins of foreign patients in India - region wise (2019)



Indian government's measures to promote Medical Tourism

- Medical Value Travel has been included in the list of 12 champion services sectors identified by Government of India for promotion.
- A new category of 'Medical Visa' has been introduced, which can be given for specific purpose to foreign tourist coming to India for medical treatment.
- The Ministry of Tourism has included the promotion of Medical Tourism as new initiatives. The Marketing Development Assistance Scheme (MDA), administered by the Ministry of Tourism, Government of India, provides financial support to approved tourism service providers.
- SEPC with financial support from Ministry of Commerce, organises a global event named 'India Heals' every year to promote India's medical services in the international market besides other events which cover all sectors.
- NABH has established a robust framework for accreditation of hospitals. The same needs to be highlighted in various source markets.

Nursing Services

According to the latest data, India is ranked 75th out of 133 developing countries in terms of the number of nurses and continues to be a major supplier of doctors and nurses to developed countries. Today, India's healthcare industry is not only a popular hub for medical tourism but also a key supplier of healthcare professionals across the developed world including nurses. According to INC data, there are about **30 lakh** registered nurses in India including ANMs, RN&RM and LHVs.

India is known as the second largest nurse-sending country after the Philippines. Many Indian nurses work in the Gulf countries, OECD countries, and some of Asian countries such as Singapore and Malaysia. It was reported that the number of overseas Indian nurses

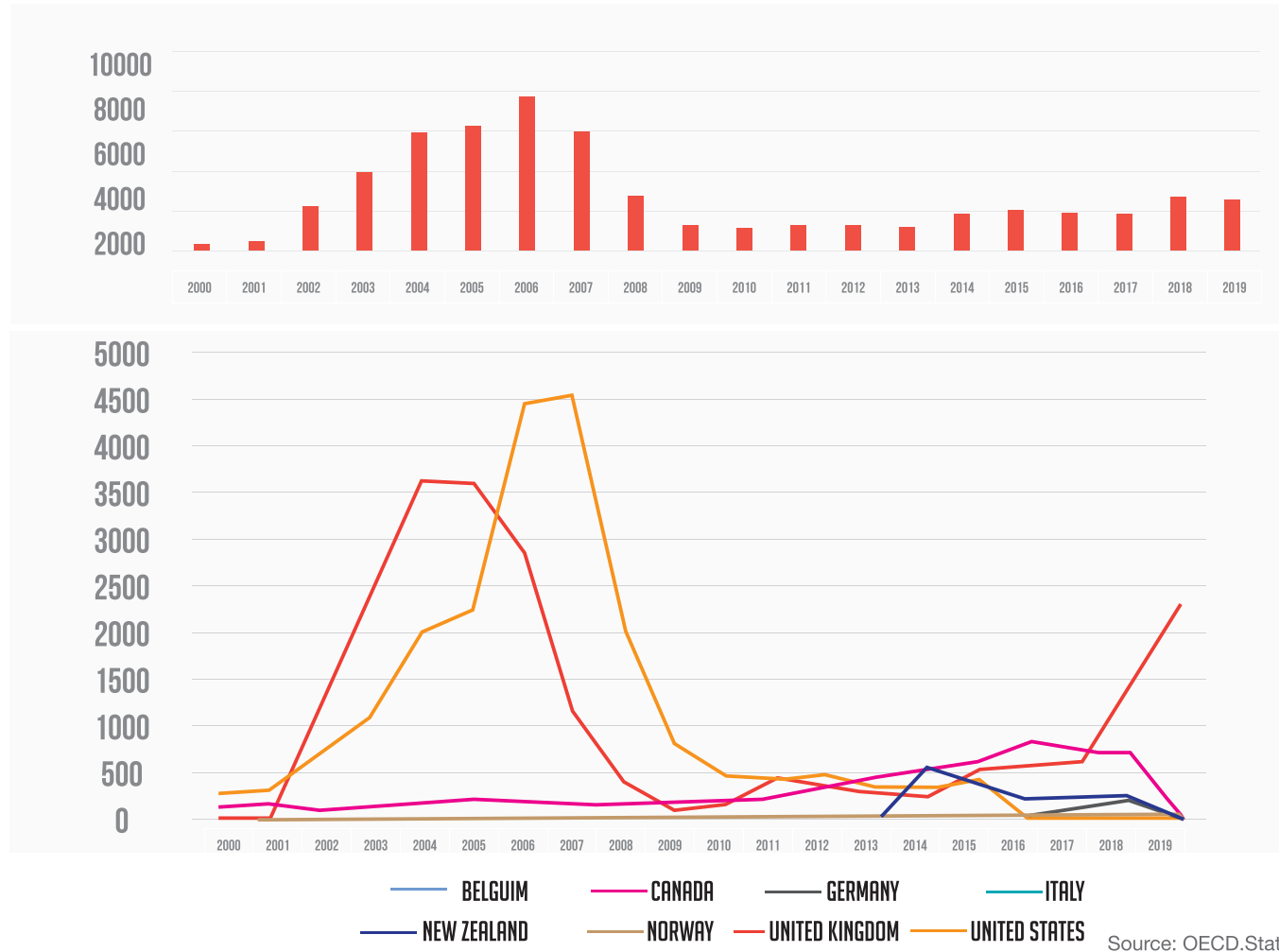
was a little bit more than 640,000 in 2011. (Irudaya Rajan & Nair 2013)

OECD is a huge market for foreign nurses besides GCC and ASEAN. There were around 4,82,066 foreign nurses working in the OECD countries in 2012 (Year for which most of the countries reported). Within OECD, USA is the biggest market with more than 2.5 lakh foreign nurses registered in the country.

As per OECD database, there were more than 21 thousand Indian nurses in the United Kingdom in 2019 out of which 2,330 added in 2019 itself. There are 10,663 Indian nurses in Australia and around 5,000 in Canada (see Figure 4).

Figure 4:

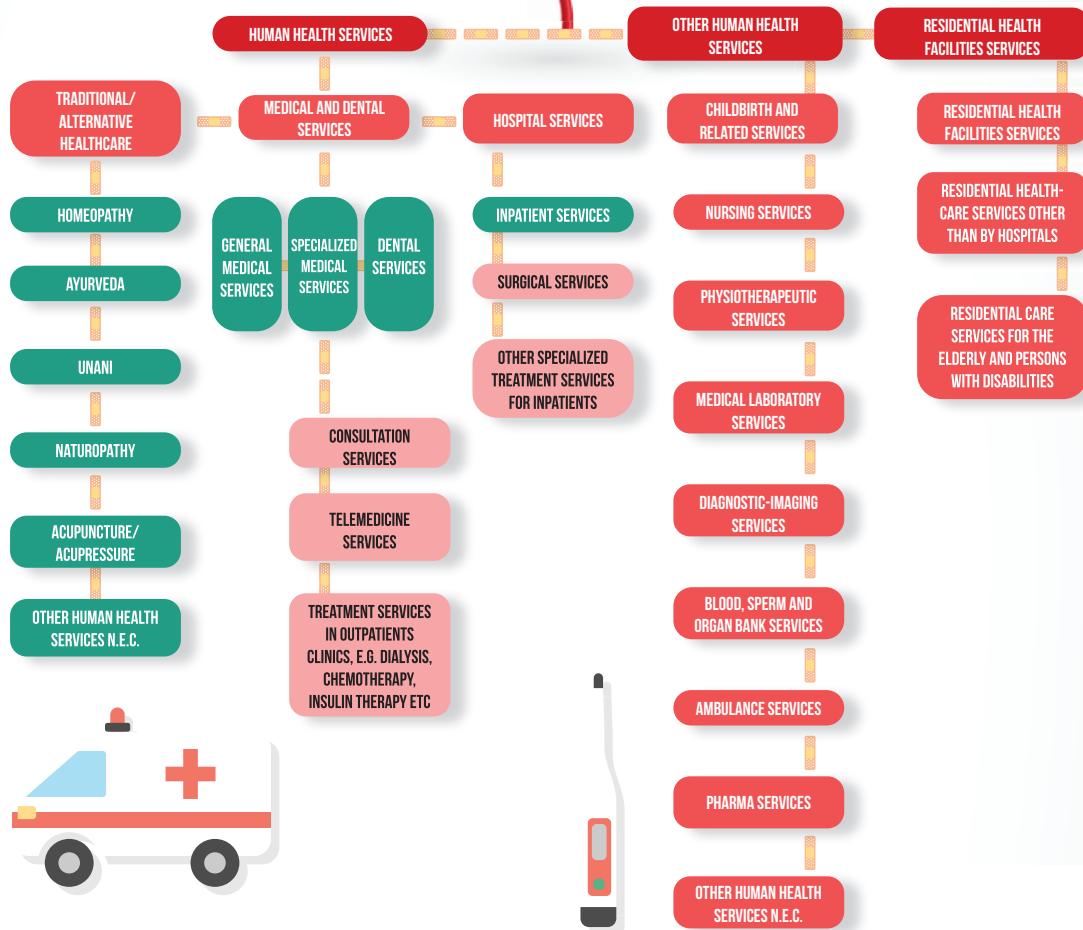
Indian nurses' annual outflow to OECD countries (2000-19)



The health care industry in India currently employs nearly 5 million people. With strengthened coverage, scale-up of public health programs and increased investments by both public and private stakeholders, this number is expected to increase to about 7.5 million people by 2022. With a shift in focus toward quality of service, the industry requires specialized and highly skilled resources, including doctors, nurses and other paramedical staff. As a result, the demand for trained manpower, especially nurses, is expected to increase every coming year.

HEALTHCARE SERVICES

MEDICAL VALUE TRAVEL (MVT)





Education Services

Indian IBCs abroad

Many Indian private universities already have their campuses in foreign countries. A list of such campuses has been provided below (Refer Table-6). Many more universities are planning to establish campuses abroad. Mumbai University is at a final stage to establish its campus in UAE, Delhi University announced in 2020 that it is planning to open campuses in Dubai (United Arab Emirates), Singapore and Mauritius. Some of Indian campuses in foreign countries are as old as 20 years. S P Jain School of Global Management established its first international campus in Dubai in 2004. Soon, in 2006, the Singapore campus was set up on invitation by the Singapore government. The third international campus was set up in Sydney, Australia, in 2012. Amity university has international campuses in 12 countries; London, Singapore, New York, San Francisco, Dubai, Abu Dhabi, Sharjah, Tashkent, Mauritius, South

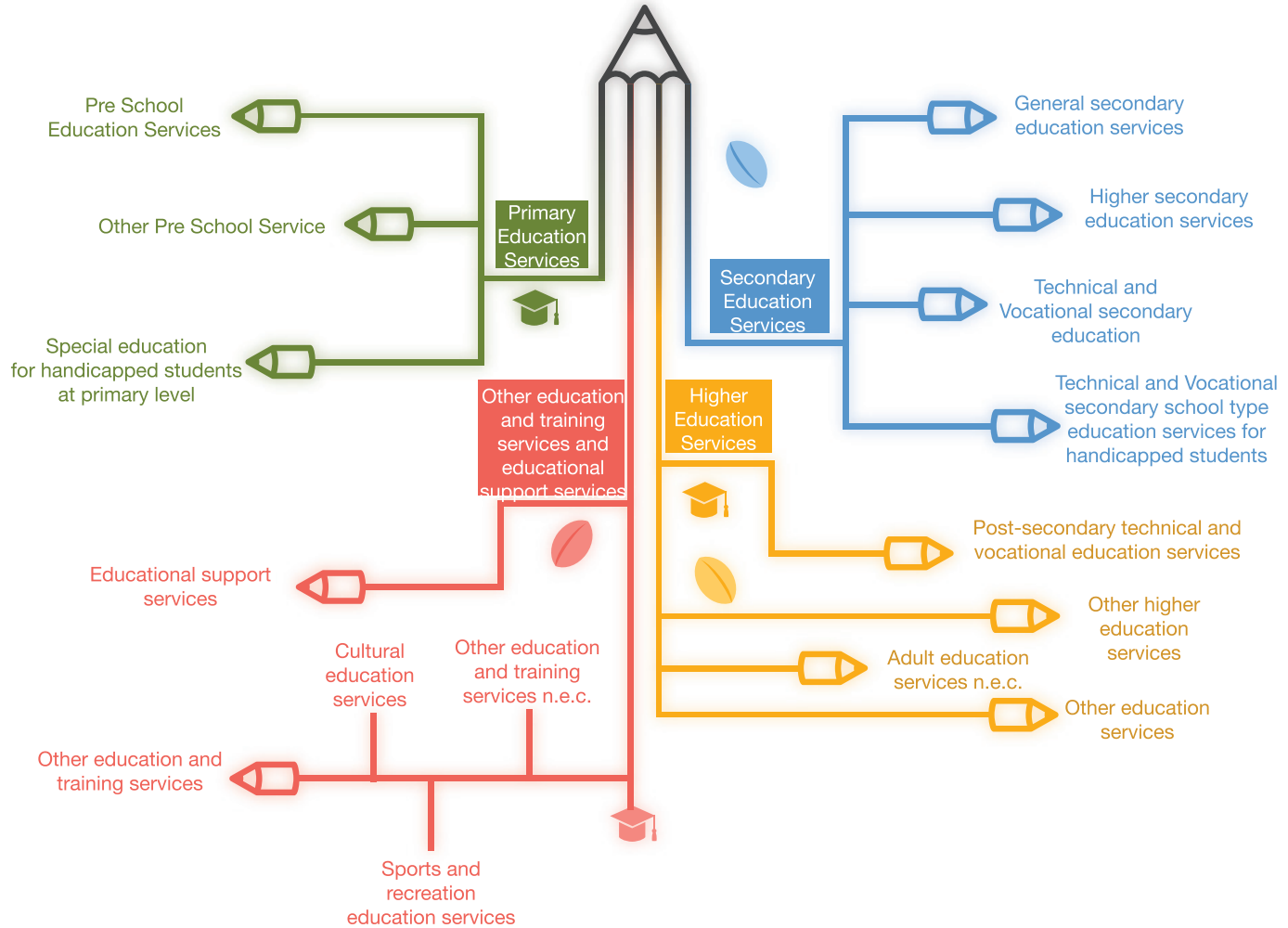
Africa, Kenya. University of Pune became the first government-run institution to open its campus in UAE in 2009. Following a relatively muted response from the student community, the University of Pune (UoP), in Ras al Khaimah (RAK), United Arab Emirates, is set to do some soul searching and examine areas where it went wrong. The University did not admit students in September 2010, when Dubai begins its academic year. Pune University is not the only university which has faced hard time in running an IBC in UAE, in the past, US' George Mason University which opened a campus in RAK in 2006 shut operations in 2009. Last year, Michigan State University's branch campus terminated its services in Dubai after setting up a campus in 2008. Vellore Institute of Technology University, National Law School of India and Mahatma Gandhi University also have their campuses in UAE.

Table 6:

Indian universities' campuses abroad - 2016

	Indian Universities	International Branch Campuses
1	Amity University	London, Singapore, New York, San Francisco, Dubai, Abu Dhabi, Sharjah, Tashkent, Mauritius, South Africa, Kenya
2	S P Jain School of Global Management	Dubai, Singapore, Australia
3	Pune University	Ras al Khaimah (RAK), UAE
4	Vellore Institute of Technology University,	UAE
5	National Law School of India	UAE
6	Mahatma Gandhi University	UAE
7	Manipal University	UAE, Nepal
8	Birla Institute of Technology and Science	UAE
9	Institute of Management Technology	UAE

Education services





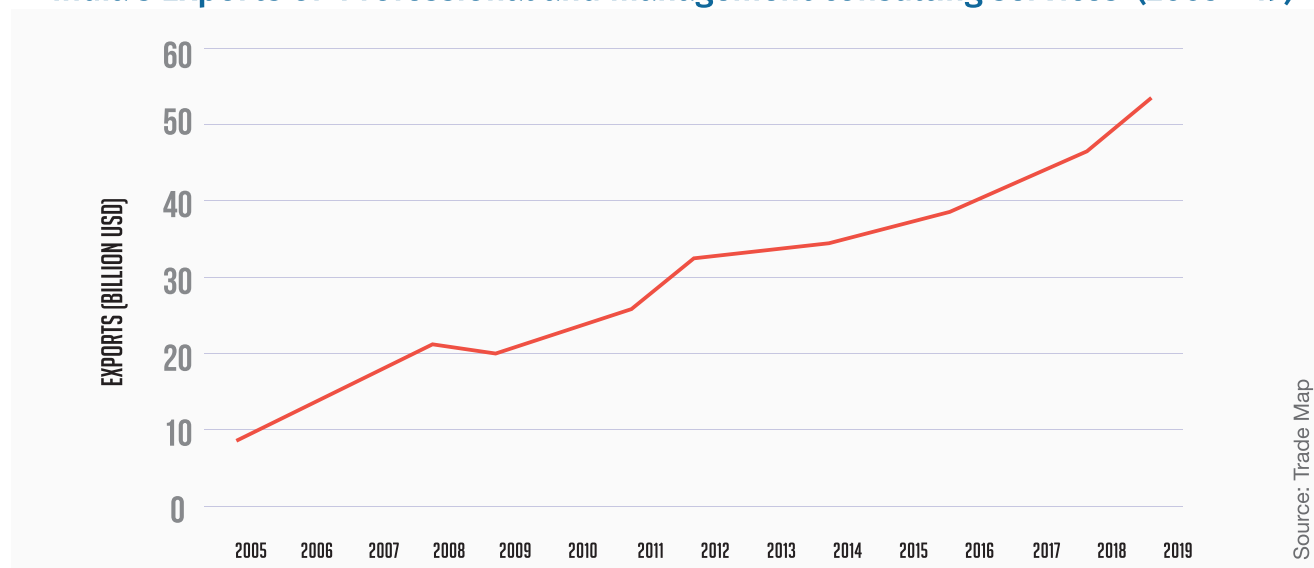
Management Consulting Services

India is third largest exporter and 11th largest importer of Professional and Management Consulting Services. India's exports have increased with a very high average annual growth of 13 per cent during the period 2005-2019. In the year 2005 total exports of Professional

and Management Consulting Services from India was only USD 9 billion which rose to USD 54 billion in 2019. This is one services sector in which India did never see negative growth except for one year during the global financial crisis of 2009 (see Figure-5).

Figure 5:

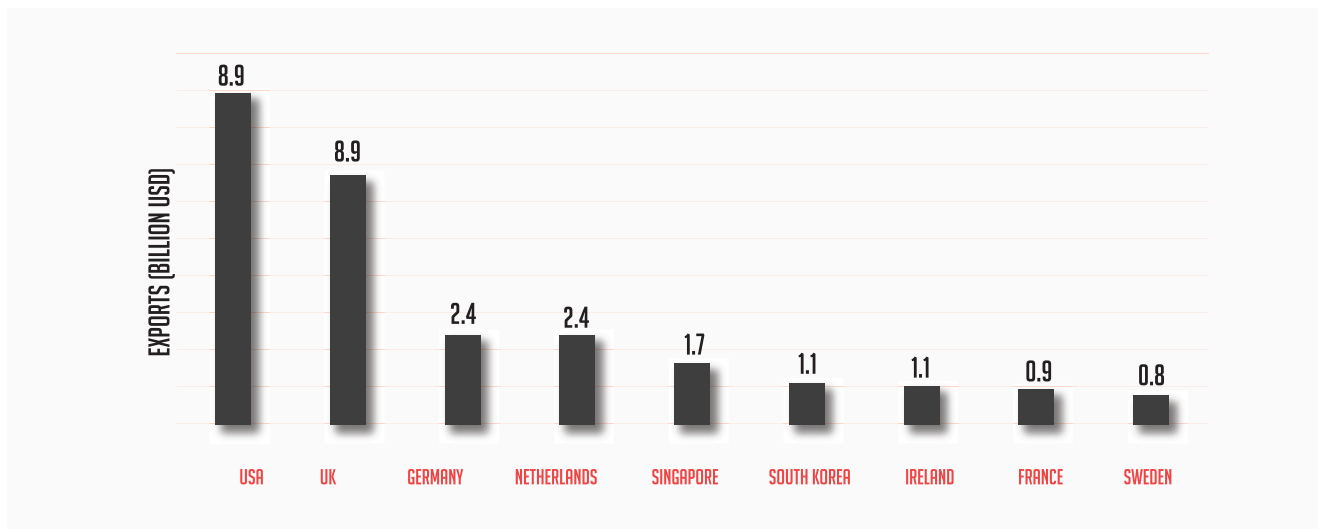
India's Exports of 'Professional and management consulting services' (2005 - 19)



The consulting industry in India is worth billions of dollars, and is home to hundreds of consulting firms – large, mid-sized, boutique and niche consultancies – serving clients across all industries and segments, and specialised in every conceivable area of expertise. As per the Economic-activity wise classification of active companies, highest number of companies are in Business Services comprising of 32 per cent of the total share of active companies. Business Services comprise of Information Technology, Research & Development and other business activities such as law, auditing & accounting and consultancy, etc.

Since bilateral trade data is not available at subsector level, data of broader category of Other Business Services has been used to understand India's bilateral export trend. India's top destinations for Other business services exports which contains around 50-60 per cent Professional and Management Consulting Services are USA, UK, Germany, Netherlands, Singapore, South Korea, Ireland, France and Sweden (see Figure-6). These countries are also the major global markets for Consulting services as shown above in earlier graphs.

Figure 6: India's top destinations for exports of Other Business Services - 2019



Source: World Trade Organisation





IT & ITES

IT & ITES is an important sector for India as well as for the world and today when travelling has become challenging and the world is moving towards automation and digitalization, the sector becomes even more important. IT & ITES represent around 30 to 45 per cent of India's services exports depending on the definition followed. If we consider only computer services of BPM6 at level 2, it represents 29 per cent of India's total services exports and if we club BPM with IT services, it represents 45 percent of India's services exports, 8 per cent of India's GDP, and 41 lakh jobs. Looking at the importance of the sector, IT and ITES services is one of the 12 champion services sectors identified by the government of India for development and promotion (Refer Table-6).

Table 6:

India's Services Exports - sector wise with shares (2015 & 2019)

Code	Service label	2015	2019	Share
10	Other business services	50,097	74,004	35%
9	Telecommunications, computer, and information services	55,046	64,933	30%
9.2	--- Computer services*	52,761	61,785	95%
9.1	--- Telecommunications services	2,088	2,851	4%
9.3	--- Information services	196	297	0%
4	Travel	21,013	30,720	14%
3	Transport	14,319	21,128	10%
SN	Services not allocated	4,374	9,304	4%
7	Financial services	5,344	4,821	2%
5	Construction	1,483	2,912	1%
6	Insurance and pension services	1,985	2,527	1%
11	Personal, cultural, and recreational services	1,266	2,069	1%
8	Charges for the use of intellectual property n.i.e.	467	872	0%
12	Government goods and services n.i.e.	561	634	0%
1	Manufacturing services on physical inputs owned by others	167	245	0%
2	Maintenance and repair services n.i.e.	158	194	0%
S	All services	156,278	214,364	

Source: TradeMap

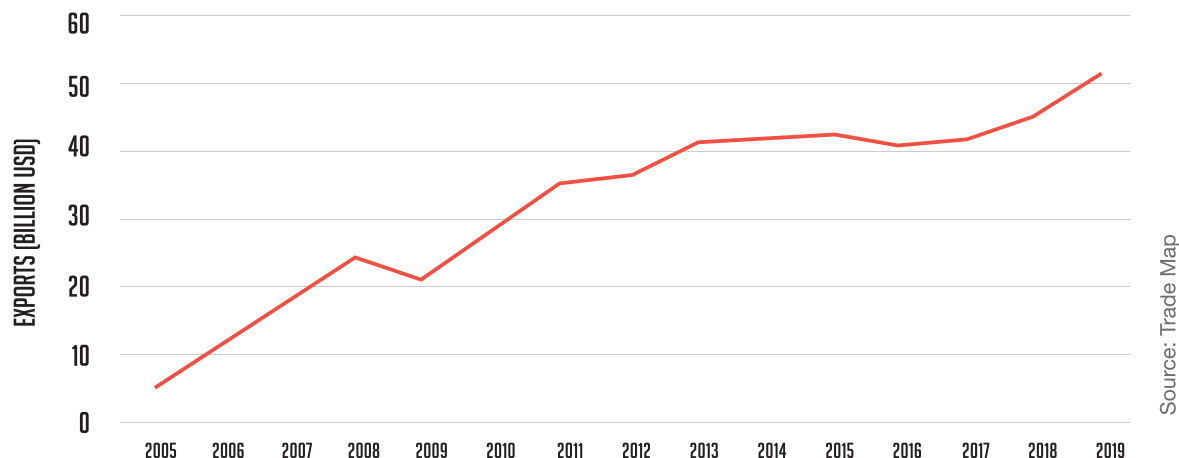
*Figures are estimated by WTO, UNCTAD and ITC. They are estimated based on data reported on computer services by the Reserve Bank of India and exclude estimates for Information Technology Enabled Services (ITES) and Business Process Outsourcing Services (BPO), (source: RBI, Survey on Computer Software & Information Technology Services Exports, various issues), which have been included under other business services.

The Indian IT & ITES industry has contributed immensely in positioning the country as a preferred investment destination amongst global investors and has been creating a lot of job opportunities within the country as well as overseas in places like USA, Europe and other parts of the world. The industry has differentiated itself in the global competition on account of consistent service and guaranteed results and has also helped forge strong bilateral ties with nations.

The Indian IT-Business Process Management (IT-BPM) industry has played a key role in India's economic growth over the last ten years. The industry has grown over five-fold in revenue terms, thus contributing substantially to country's GDP. More importantly, the industry has led the economic transformation of the country and altered the perception of India in the global economy. According to Trade Map data, India's exports in the computer services were pegged at USD 62 billion for the year 2019, though as per RBI estimates, it is USD 93 billion for the financial year 2019-20. India's export of computer services was only USD 16 billion in 2005 and increased at the compound annual growth rate (CAGR) of 8 per cent during the period 2005-19 to reach at USD 62 billion in 2019 (see Figure-7).

Figure 7:

Computer Services Exports from India (2005-19)



In FY 2017-18, Indian IT and ITES companies set up over 271 new global delivery centres around the world. IT industry is fuelling the growth of start-ups in India with the presence of around 7,000-7,200 start-ups making India the world's 2nd largest start-up ecosystem. Many of these are working on very niche technologies – AI, blockchain, robotics, analytics, automation, cyber-security etc. These start-ups, coupled with new and emerging technologies, are enhancing the digital economy of the country and are creating IT and electronics led new job opportunities in both traditional as well as new sectors of the economy, such as, transport, healthcare, power, agriculture, and tourism.

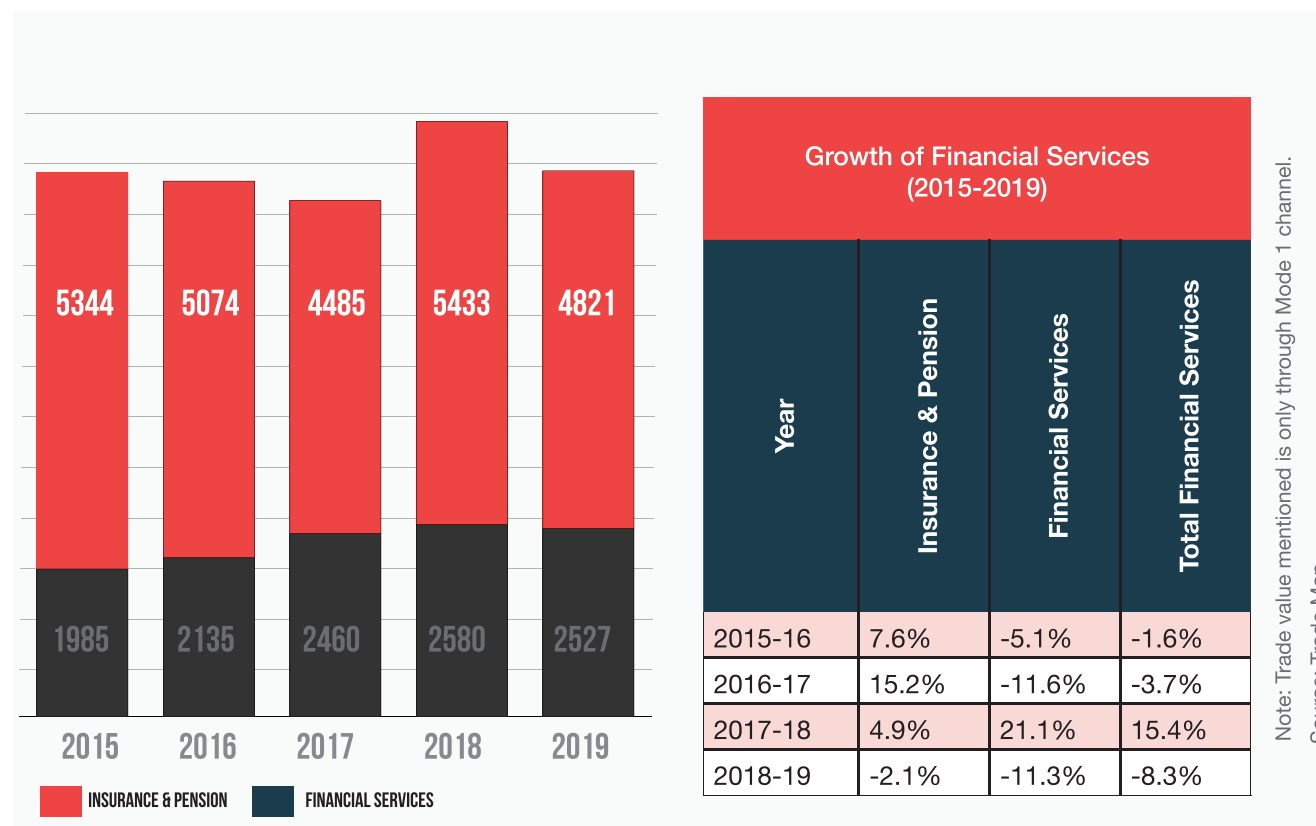


Financial Services

India is one of the leading economies engaged in exports of Financial Services and poised to grow further. According to a report by KPMG-CII, India's banking sector is on the way to becoming the third largest in the world by 2025 and bank credit is expected to grow at 17 per cent CAGR. At present, India holds 16th position in the global exports of Financial Services with 1.1 per cent share in global exports. At the sub-sector level, insurance sector is growing substantially (see Figure-8), even though it's share is relatively less; in 2015 India's export to world was USD 1.9 Billion and in 2019 it has risen to USD 2.5 Billion with a CAGR of 5 per cent. On the other hand, exports in Financial Services have suffered a decline with negative CAGR of 2 per cent.

Figure 8:

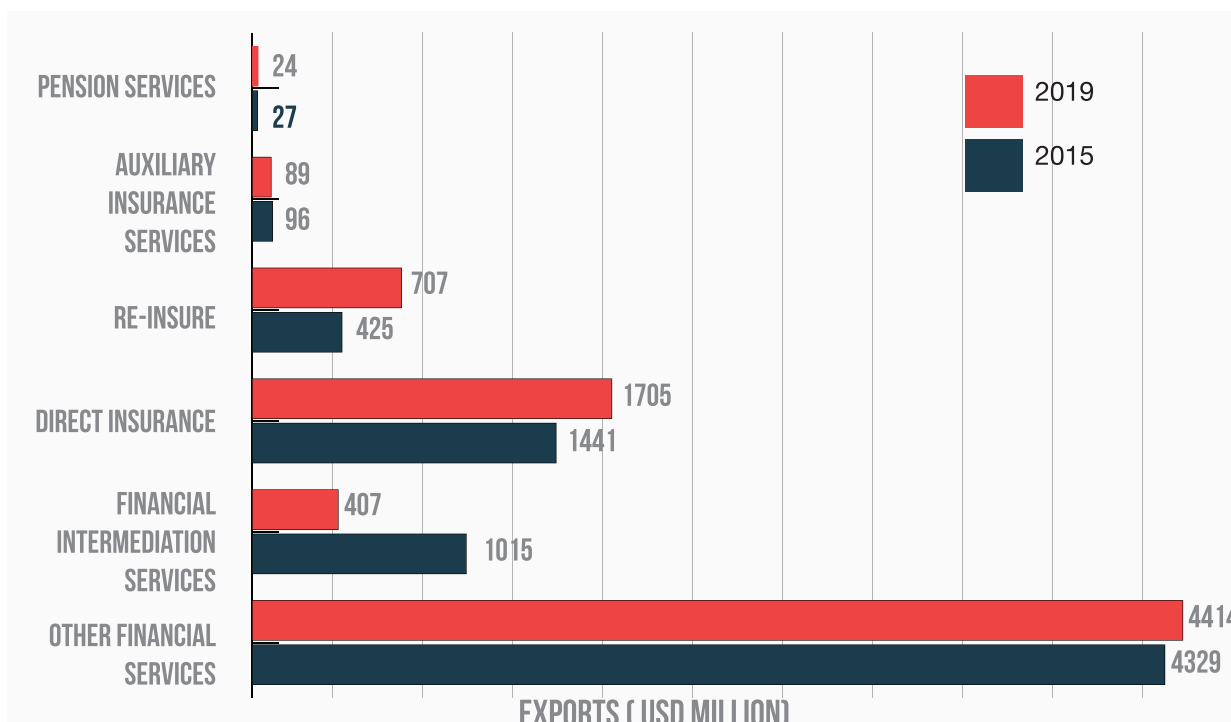
India's exports of Financial Services to world



Moreover, Direct Insurance, Reinsurance and Other Financial Services enjoy major proportion i.e., 23%, 10%, and 60% respectively, in India's exports of Financial services, as depicted in Figure 2. India's Exports in Direct Insurance sector has relatively enjoyed high growth rate i.e., 66%, throughout the period. On the other hand, Financial Intermediation services (Indirectly Measured) witnessed 60% decline i.e., from 1,015 Million USD in 2015 to 407 Million USD in 2019 (see Figure-9).

Figure 9:

Trend of India's exports of Financial Services to world (Sub-sector wise) – 2015-19



Source: Trade Map

Note: Financial Intermediation Services represents the FISIM i.e., Financial Intermediation Services that are Indirectly Measured



INSURANCE AND RELATED SERVICES

- LIFE, ACCIDENT AND HUMAN INSURANCE SERVICES
- NON LIFE INSURANCE SERVICES
- REINSURANCE AND RETROCESSION
- SERVICES AUXILIARY TO INSURANCE (INCLUDING BROKERING AND AGENCY SERVICES)

BANKING AND OTHER FINANCIAL SERVICES

- OTHER SERVICES AUXILIARY TO FINANCIAL SERVICES
 - FINANCIAL CONSULTANCY SERVICES
 - FOREIGN EXCHANGE SERVICES
 - FINANCIAL TRANSACTION PROCESSING AND CLEARING HOUSE SERVICES
 - SERVICES RELATED TO INVESTMENT BANKING
 - PORTFOLIO MANAGEMENT SERVICES EXCEPT PENSION FUNDS
 - SERVICES RELATED TO ADMINISTRATION OF FINANCIAL MARKET
 - BROKERAGE AND RELATED SECURITIES AND COMMODITIES SERVICES
 - SERVICES OF HOLDING FINANCIAL ASSETS
- FINANCIAL SERVICES EXCEPT INVESTMENT BANKING, INSURANCE AND PENSION SERVICES
 - CENTRAL BANKING SERVICES
 - CREDIT GRANTING SERVICES
 - FINANCIAL LEASING SERVICES



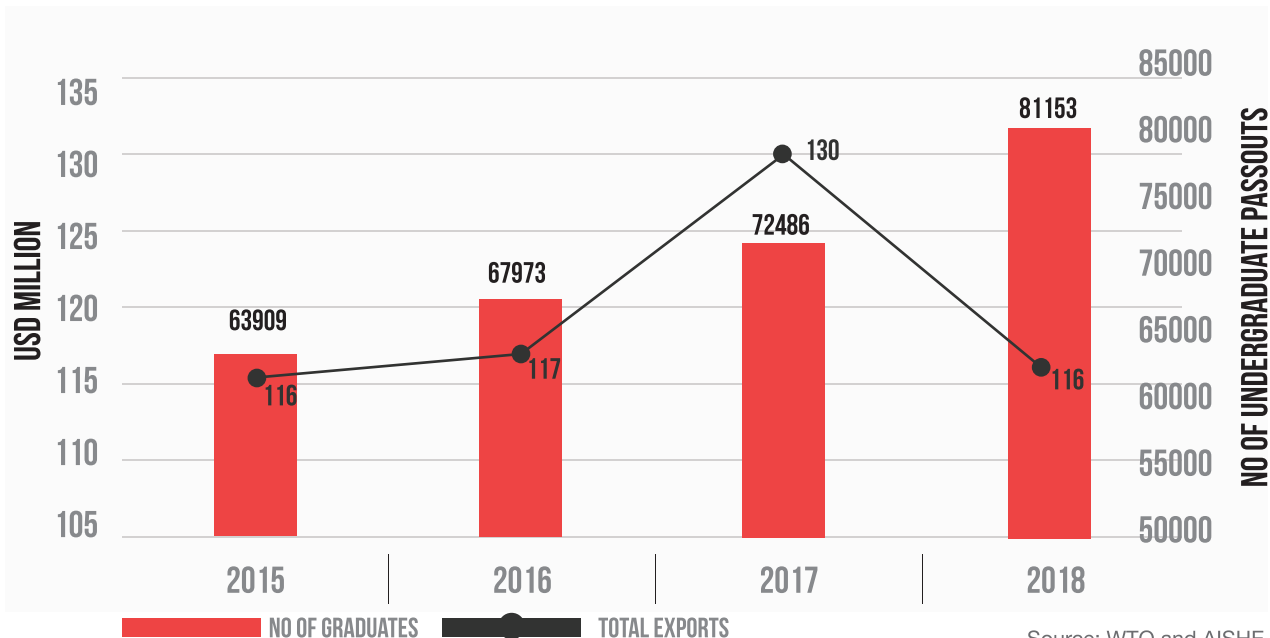
Legal Services

Indian government has a special focus on legal services. This is one of the 12 champion services sectors identified by the government of India for promotion and development. Country has many advantages in the sector besides low cost and good quality of services. India has a very strong human resource base in the form of legal services professionals and majority of them have the ability to offer their services using multiple languages including English which is one of widely used languages in the world giving Indian professionals an advantage in the international market. India being a part of common wealth nations, the legal system and education curriculum of India matches with many countries in the world especially the Commonwealth nations members.

There are currently over a million lawyers in India and an average of 75,000 more passing out every year from Indian law schools. India with its crop of intellectual lawyers has the relevant skill-set to handle even high value legal tasks like legal research, drafting contracts and making determination regarding responsiveness of the document and privilege. India's legal services are affordable, efficient, and above all, skilled. Outsourcing legal work to India costs almost 80% less than the cost of using the services of American law firms. Top of all, Indian legal system is constituted from various developed countries legal systems making it easier for the professionals to comprehend notes from their client's legal landscape (see Figure-10).

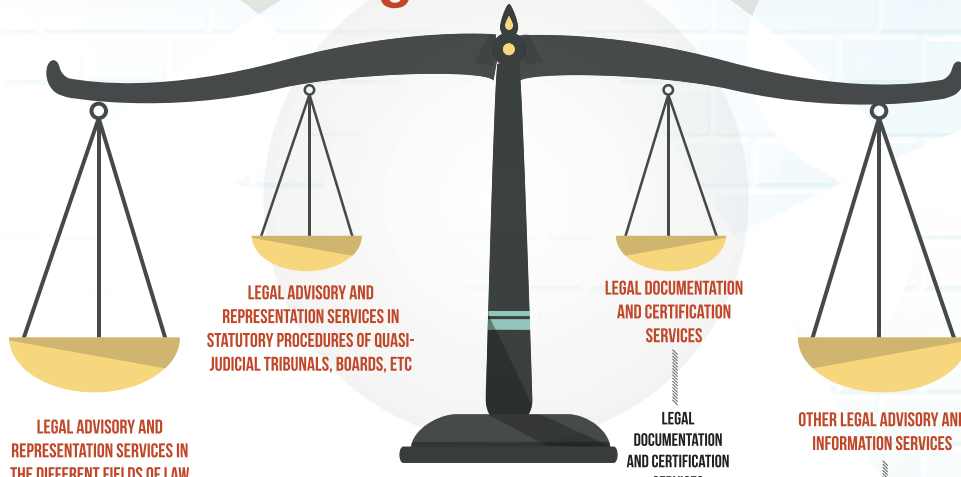
Figure 10:

India's legal services industry - Exports & human resources (2015-18)



Source: WTO and AISHE

Legal Services



LEGAL ADVISORY AND REPRESENTATION SERVICES IN THE DIFFERENT FIELDS OF LAW

LEGAL ADVISORY AND REPRESENTATION SERVICES IN JUDICIAL PROCEDURES CONCERNING OTHER FIELDS OF LAW

LEGAL ADVISORY AND REPRESENTATION SERVICES CONCERNING CRIMINAL LAW

LEGAL ADVISORY AND REPRESENTATION SERVICES IN STATUTORY PROCEDURES OF QUASI-JUDICIAL TRIBUNALS, BOARDS, ETC

LEGAL DOCUMENTATION AND CERTIFICATION SERVICES

LEGAL DOCUMENTATION AND CERTIFICATION SERVICES CONCERNING PATENTS, COPYRIGHTS AND OTHER INTELLECTUAL PROPERTY RIGHTS

LEGAL DOCUMENTATION AND CERTIFICATION SERVICES CONCERNING WILLS, MARRIAGE CONTRACTS, COMMERCIAL CONTRACTS, BUSINESS CHARTERS & OTHER LEGAL DOCUMENTS N.E.C.

OTHER LEGAL ADVISORY AND INFORMATION SERVICES

ARBITRATION AND CONCILIATION SERVICES

OTHER ARBITRATION AND RECONCILIATION SERVICES N.E.C.

ARBITRATION AND CONCILIATION SERVICES BETWEEN BUSINESSES

ARBITRATION AND CONCILIATION SERVICES BETWEEN LABOUR AND MANAGEMENT

ARBITRATION AND CONCILIATION SERVICES BETWEEN INDIVIDUALS

OTHER LEGAL SERVICES N.E.C.



Environmental Services

The International Trade Administration's 2019 Top Markets Report on Environmental Technologies ranks India as the sixth largest world market overall, with subsector rankings of second for water/wastewater management, ninth for air pollution control, and eighth for solid waste and recycling segments.

The market for environmental services in developing countries like India has been growing due to increased environmental regulations, urbanization, industrialization and international commitments. Services such as performance monitoring and maintenance of renewable energy infrastructures are more likely to be internationally traded because of the widespread use of advanced information technologies in global value chains, increasing urbanization and greater environmental consciousness in countries are leading to a growing demand for modern environmental technologies and services which in return would result in large investments to develop and upgrade the environmental services.

With a view to promote environment services sector, the

government has identified it as one of the '12' champion services sectors and realising its real potential they have establishment a Rs 5,000 crore dedicated fund in order to increase value addition and promote exports and push the MSME companies in the sector.

Indian environment companies are poised for a big leap forward in the Solar PV power development area in the foreseeable future. The Govt. has recently ramped up previous target of 175 GW to achieve 225 GW of RE power capacity by 2022 as a part of its Paris agreement commitments. In addition to this, the government has introduced schemes for small, mini & micro enterprises in the sector. It is estimated that with India's prowess in the sector it is endowed for a hydro potential of about 2,50,000 MW and various other programmes like Namami Gange, Smart city programmes in accord to the United Nations Sustainable goals and various other schemes by the Ministry of Environment, Forest & Climate change which has helped build indigenous capacities and strengthened manpower in multi-disciplinary aspects and work upon new and emerging areas of environmental services.

Figure 11: India's Exports in Environment Services



Source: World Trade Organisation

In case of environment services, data is primarily collected with the Harmonized System codes associated with the environment services related products and mostly services data is not available as it is embedded in the total cost of the product, making statistical assessments for environment services challenging. With the available data at WTO, India's export in environment services is concentrated in Netherlands, USA, Sweden and Poland. However, with industries excerpts Indian environment related services exports are also targeted to countries in ASEAN and African region with a rapid pace.

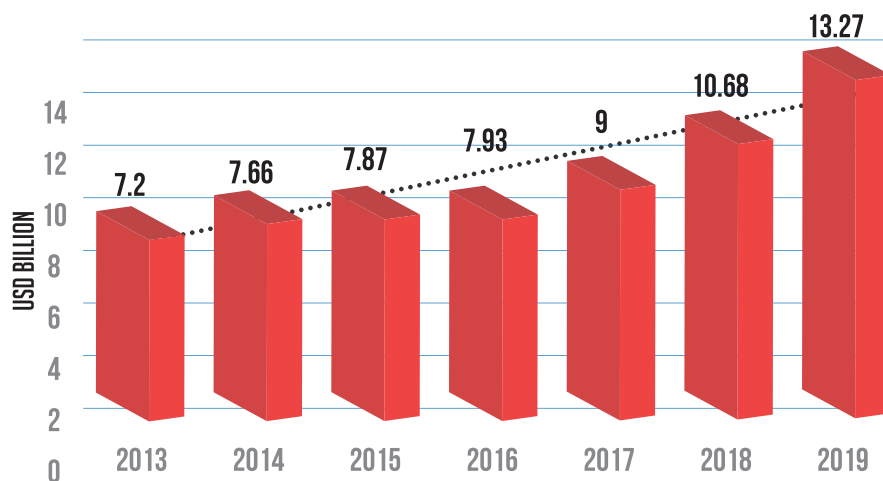
As per UNESCAP, (WTO) Environmental services are often supplied in conjunction with environmental goods, representing about 65% of the package value, an analysis of market trends in Environmental goods will be helpful in understanding the market.

India's growth potential both in Environmental goods & services is remarkable because of increase in urbanization & industrialization, as we can observe from the Figure 12, that there has been a substantial growth in India's exports in environmental goods from 2013 to 2019 i.e., 84%. There is an upward trend in India's exports throughout the period.

More than 50% of India's exports in environmental services is destined to only 15 countries, out of which 15% goes to the United States and 5% to China. There has also been a tremendous growth in the India's exports to the United States and China, as shown in the Figure 5. Other destinations where India's exports has seen high growth are Nigeria, Mexico and Indonesia (Refer Table-13).

Figure 12:

India's exports in Environmental goods

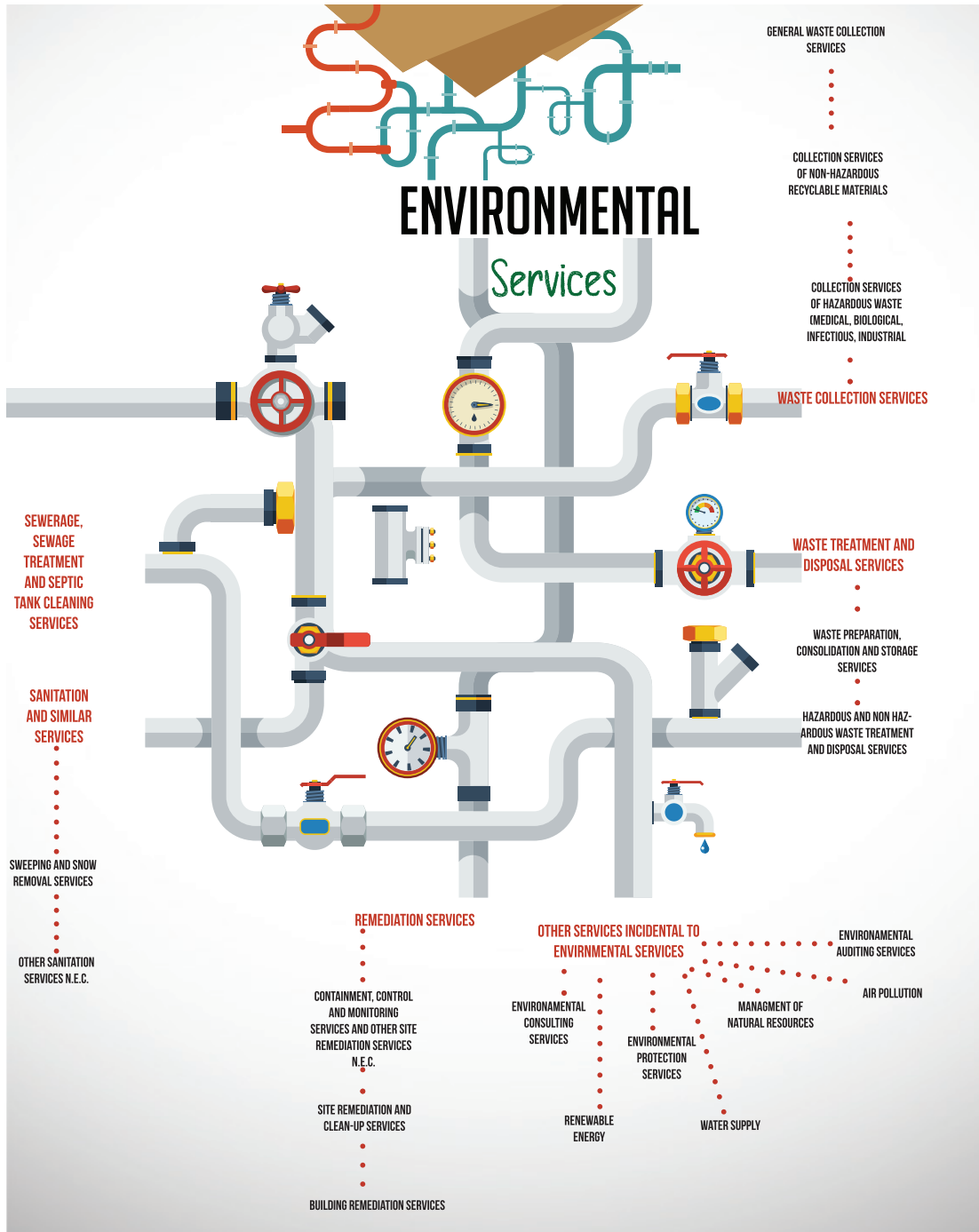


Source: World Integrated Trade Solution, World Bank

Figure 13:
Major Importers of Environmental goods from India (Million USD)

Partner Name	2017	2019	Growth	Share
United States	653	1,380	111%	15%
China	234	594	154%	5%
Bangladesh	175	292	67%	4%
Nigeria	62	224	259%	1%
Indonesia	107	220	105%	2%
United Arab Emirates	184	213	16%	4%
France	131	203	55%	3%
Germany	150	188	25%	3%
Nepal	86	169	97%	2%
Japan	91	131	44%	2%
United Kingdom	109	128	18%	2%
Vietnam	156	127	-19%	3%
Saudi Arabia	105	124	18%	2%
Mexico	47	123	163%	1%
Singapore	115	118	2%	3%

Source: World Integrated Trade Solution, World Bank

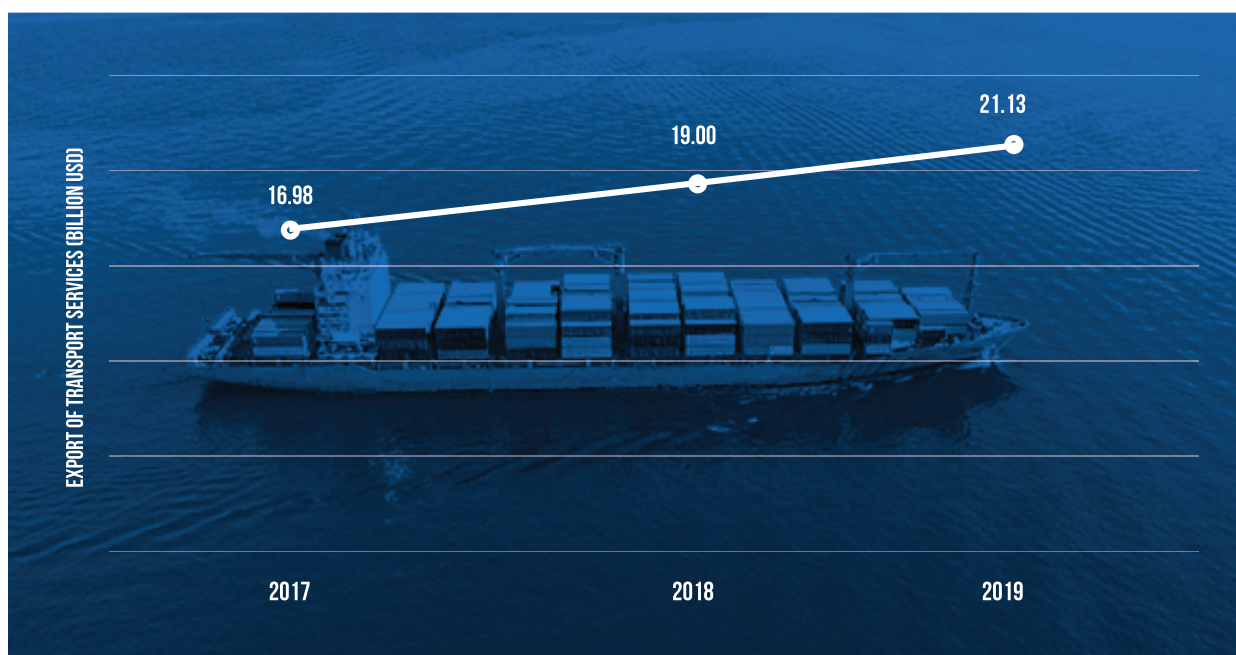


An aerial, top-down view of a large, dark-hulled ship, likely a tanker or cargo vessel, moving through dark blue water. The ship's wake is visible as white foam trailing behind it. The ship's deck is detailed with various structures, including masts, cranes, and equipment. The text "Transport Services" is overlaid in a large, white, sans-serif font across the center of the image.

Transport Services

India exported more than USD 21 billion worth of transport services in the year 2019. India's export of transport services has grown at an average growth rate of 9 per cent during 2005-2019 (see Figure-14). Transport services represented around 10 per cent of India's total services export of USD 214 billion in 2019. Almost 65-70 per cent of India's transport services export is represented by Maritime transport services and around 30 per cent by Air transport services.

Figure 14: India's Global Export of Transport Services (2017-19)

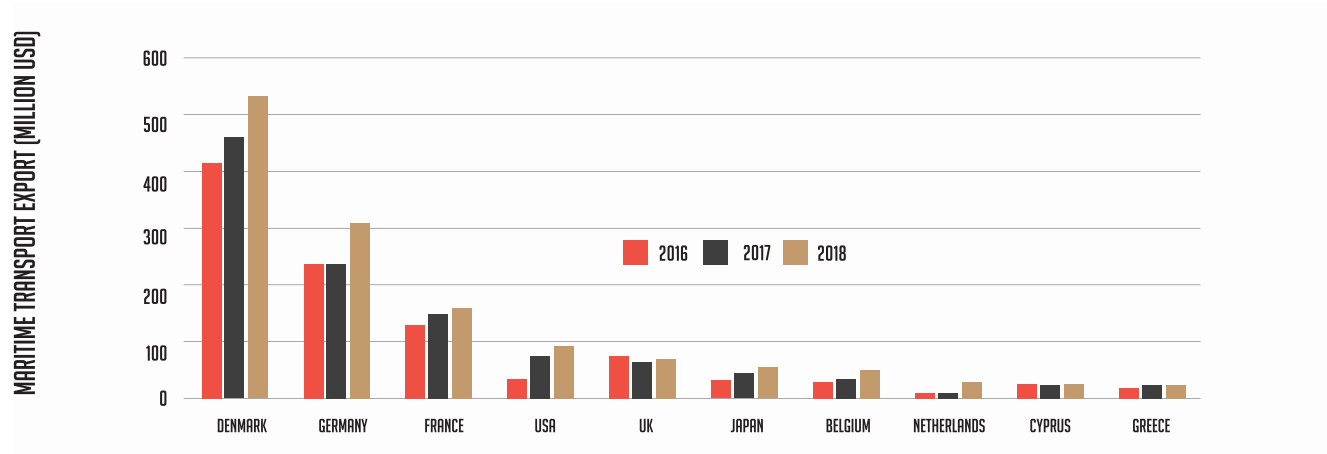


Source: i-tip, WTO

Shipping is an important indicator of both commodity and services trade. It plays an important role in Indian economy, with around 95% of India's trade by volume and 65-70% in terms of value being transported by sea. India's shipping tonnage was only 1.92 lakh Gross Tonnage (GT) on the eve of independence. It increased gradually thereafter, but was mostly stagnant at around 7 million gross tonnage (GT) till the beginning of 2004-05. (Ministry of Shipping) However, the tonnage tax regime introduced by the Government of India in 2004-05 boosted the growth of the Indian fleet as well as its tonnage. Now India has one of the largest merchant shipping fleets among the developing countries.

Figure 15:

India's top Maritime services export destinations (2016-18)



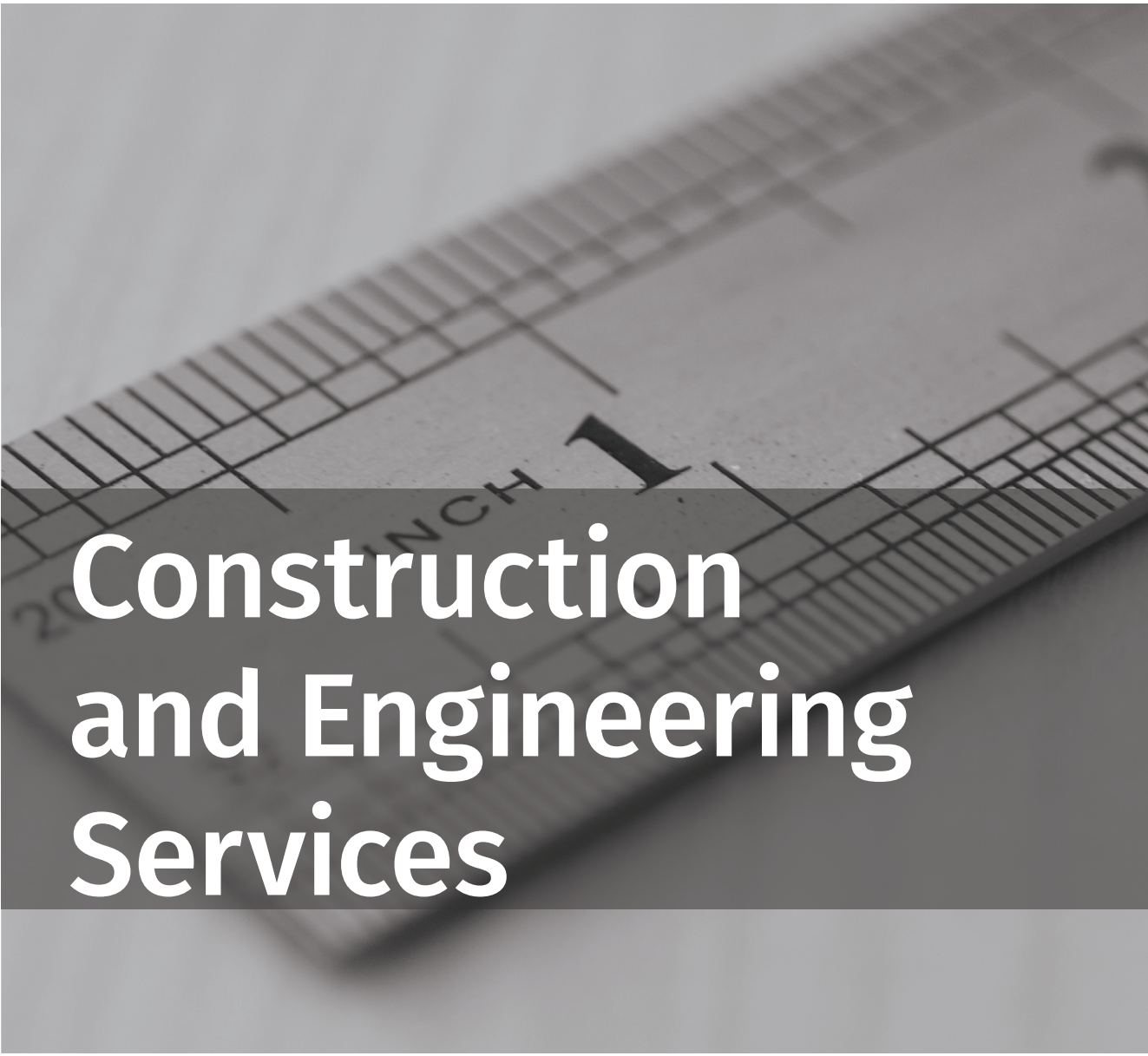
Source: WTO

During the last few years, India's overseas trade has expanded considerably both in terms of composition and direction due to the policy of export promotion being pursued by the Government of India. At the same time, efforts are being made to provide and improve the trade related infrastructure, especially transport and logistics related infrastructure, to facilitate the movement of traffic more efficiently. So far as the movement of traffic by ships to overseas destinations is concerned, both Indian as well as foreign flag ships operating. Consortium liner shipping services have

been providing the services either directly or through transshipment arrangements for the general cargo in break-bulk or containerized form. Similarly, for the bulk cargo moving either inbound or outbound, the services of tranships, both Indian and foreign, usually engaged on chartering basis, are available to all the destinations.

The pace of addition to Indian container fleet was 41.9% in CY 19 while the world container fleet grew by 2.6 %. (UNCTAD). Indian shipping companies are growing faster than the world average.





Construction and Engineering Services

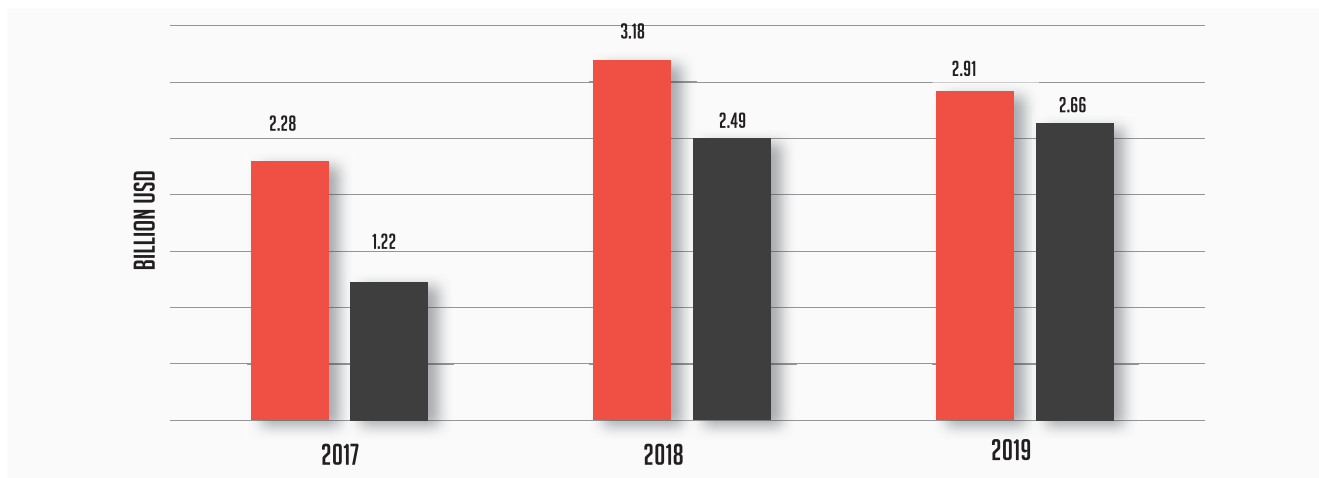
India is 11th largest exporter of construction services in 2019 with USD 2.9 billion of exports (see Figure-16). Country has seen substantial growth in exports of construction services growing from merely USD 346 million in 2005 to USD 2.9 billion in 2019 (see Figure-17). India is a net exporter in this sector.

The Engineering and Construction sector has been a

key driver for the Indian economy, and contributes to India's overall development. The sector, accordingly, receives focused attention and resource allocation from both Central and State Governments. FY 2019-20 was a challenging year both for the Indian economy, which performed below its true potential, as well as the construction sector, which recorded a six-year low growth of 1.3 per cent.

Figure 16:

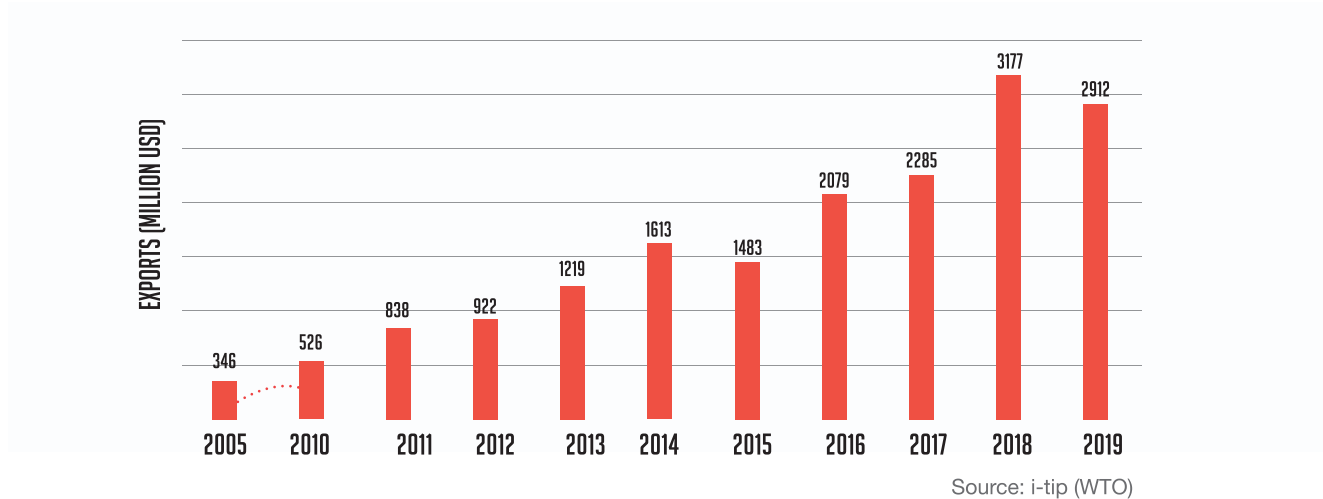
India's trade of 'Construction and Engineering Services' with world



Source: i-tip (WTO)

Figure 17:

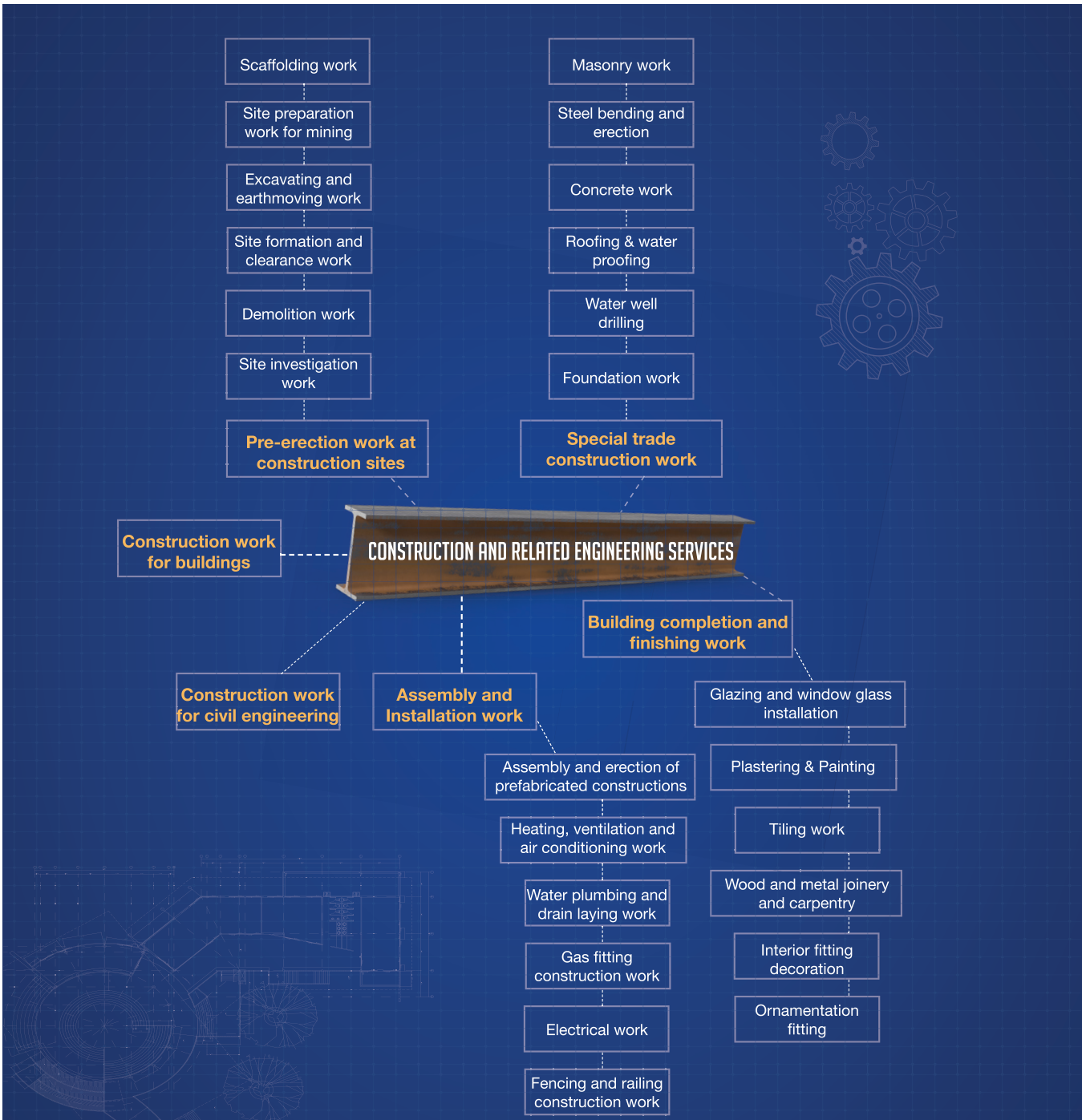
India's Export of Construction Services (2005-2019)



As per the industry trends India's exports in construction services are augmented towards the Middle East, North and East Africa, South Asia and few Indian companies are steadily increasing their presence in South East Asian countries.

The Indian E&C industry has placed the right bets with greater investment in technology giving them an edge over others and probably by the next decade the industry will be amongst the top exporters over the globe.





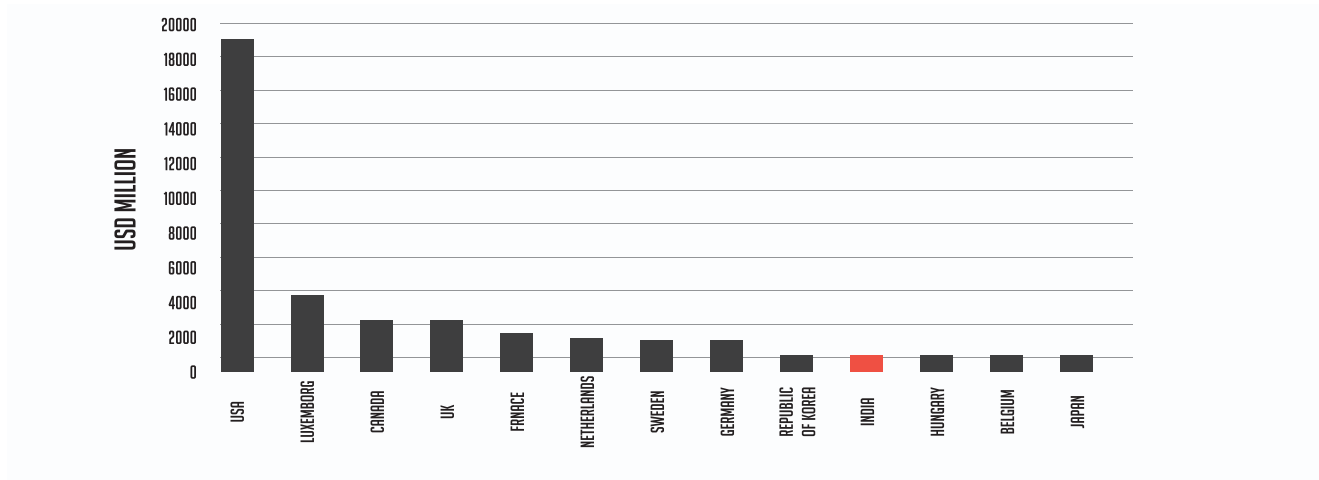


India is the 7th largest exporter of Audio-Visual Services in the world with export value of USD 772 million in 2019 (see Figure-18) has positive trade balance due to its technology and cost competitiveness as compared to other economies.

- The other major exporters are USA, Luxembourg, Canada, UK, France, Netherlands, Sweden, Germany, South Korea, Hungary, Belgium and Japan.
- Government of India gives the sector due importance and Audio-Visual services has been identified by the government as a champion services sector among 11 other sectors.
- Proving its resilience to the world, Indian AV industry is on strong phase of growth, backed by rising consumer demand and cost-effective services offered by the industry.
- The industry has largely been driven by increasing digitisation and higher internet usage over the last decade.
- Internet has almost become a mainstream medium for entertainment and information for most of the people.
- In 2019 India's media and entertainment exports were valued at USD 1 billion. (TPCI)
- The gaming industry globally is primarily dominated by the US and China. China's gaming market has crossed USD 30 billion and the USA is behind China with market size of 24 billion US Dollar. Despite having a strong base of Software Development infrastructure, India lags behind significantly.

Figure 18:

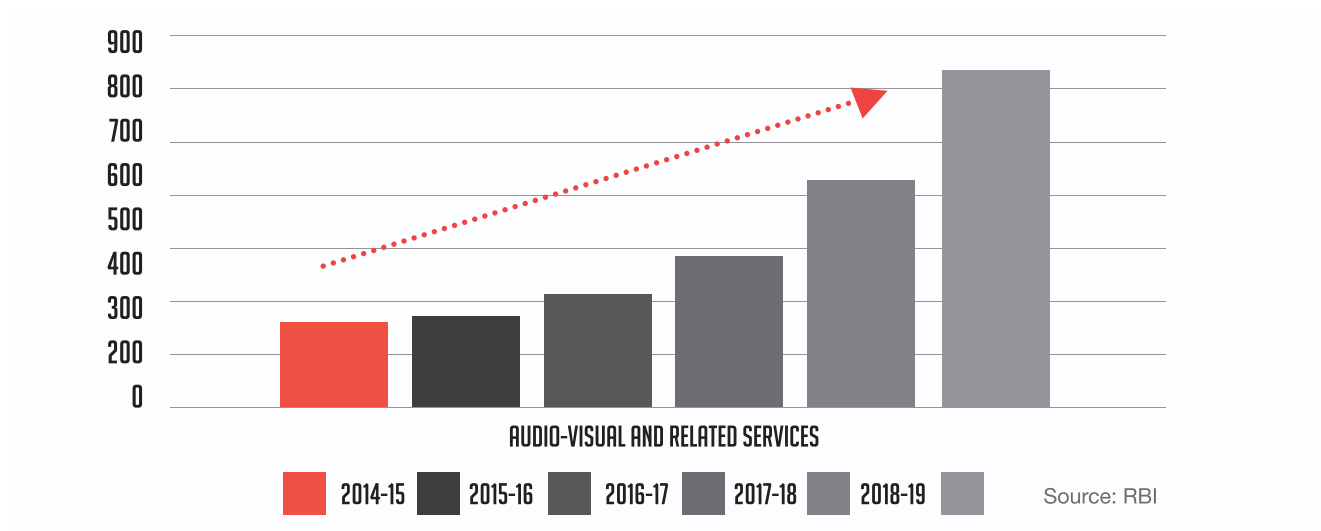
Top global exporters of Audio-Visual Services (2019)



Source: WTO

Media content is consumed by people across demographics and various avenues such as television, films, out-of-home (OOH), radio, animation, and visual effect (VFX), music, gaming, digital advertising, and print.

Figure 19: India's Exports of Audio-Visual and related Services (2014-2020)



India exported USD 835 million worth of audio-visual services in the FY 2019-20 (see Figure-19) which has grown with compound annual growth rate of 15 per cent since 2014-15. The top export destinations for India's Audio-visual services are USA, UK, Germany and Finland.

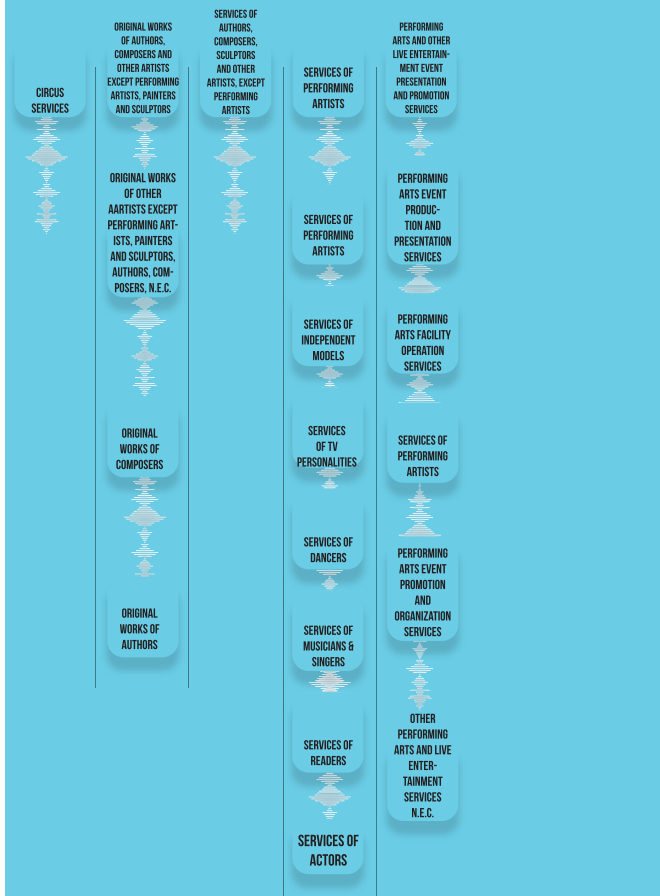


**ENTERTAINMENT SERVICES
INCLUDING AUDIO-VISUAL
SERVICES**

AUDIO VISUAL SERVICES



ENTERTAINMENT SERVICES





Accounting, Auditing and Book keeping Services

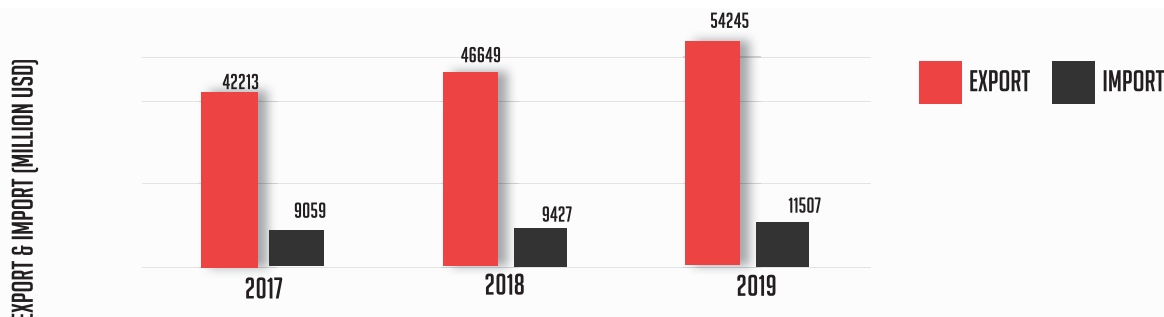
Accounting services are covered under the Professional Services in General Agreement on Trade in Services (GATS) of World Trade Organization (WTO). As per WTO, Accounting & auditing services constitute the core activities of accountancy firms, a wide range of additional services may also be offered, most notably merger audits, insolvency services, tax advice, investment services & management consulting. Accounting services basically help firms with analyzing their business transactions and reporting the analysis and results to regulators and government agencies.

The accounting and auditing services as a business is largely accelerating due to increased demand for expertise on accounting standards that is compelling enterprises to take services of external accounting and auditing services providers. Specially the tax compliance and audit service segments companies have the majority share in given category. Stringent audit-related regulations and frequent outsourcing of the services by various sectors have promoted the category growth around the globe. According to Research and Markets.com, the global accounting services market reached a value of nearly \$574.4 billion in 2019, having grown at a compound annual growth rate (CAGR) of 5.7% since 2015. The accounting services market is segregated by the type of services offered which comprise of payroll services, tax preparation services, and bookkeeping, financial auditing and other accounting services. The bookkeeping, financial auditing and other accounting services was the largest segment of the accounting market, accounting for \$424.18 billion or 73.8% of the total market in 2019. It is also expected to be the fastest-growing

segment going forward at a CAGR of 6.6%. As per WTO, top exporting countries of Accounting services are UK, Netherlands, Poland, USA, Belgium, France, Germany, Hungary, Italy and Luxembourg. North America is the largest region in the accounting services market, accounting for 42.6% of the global market in 2019. The accounting services market expected to reach a value of nearly 868 billion US Dollar by 2022, significantly growing at a CAGR of more than 9% during the forecast period. The demand for accounting services in the near future based on market trends is expected to be in areas such as cloud based accounting software, blockchain technology, communication technology, and artificial intelligence where investments would take place making it imperative for companies to adapt to automating the redundant processes that involve manual labor. Every company in the accounting services business would need to invest in technology to digitalize their business, explore new markets and be open to acquisitions and mergers to strengthen their services and remain competitive in the business. India has been performing well in the export of Accounting and Bookkeeping services. Since the data at sub-sector level is not available, we have relied on broad category of sector, 'Professional and management consulting services' which includes legal, accounting, management consulting, and public relations services, advertising, market research, and public opinion polling services. Though the data is not specifically for Accounting sector but it gives a reflection of the sector. As may be seen in the Figure-1, India is a net exporter of these services and export volumes are as high as 54 billion USD in 2019 growing at the rate of 9 percent from 42 billion USD in 2017.

Figure 20:

India's trade of 'Professional and management consulting services'*

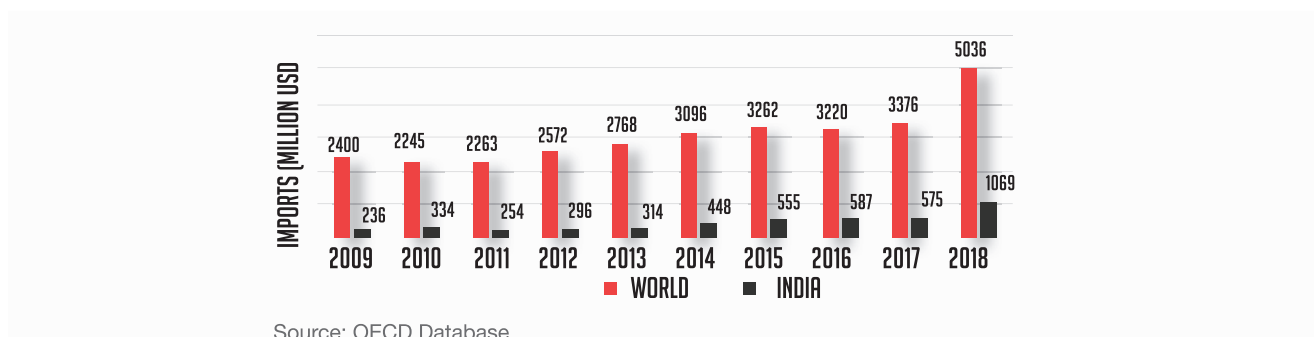


Source: I-TIP, WTO

*It includes legal, accounting, management consulting, and public relations services, advertising, market research, and public opinion polling services

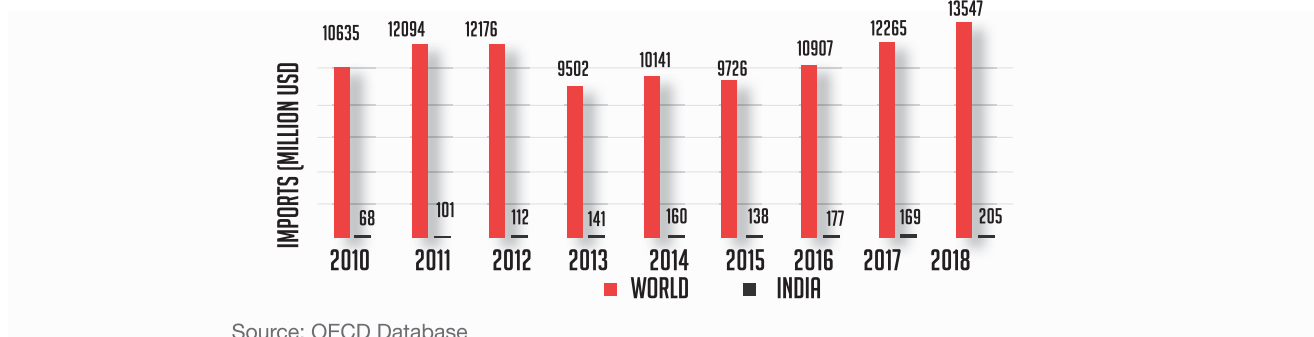
The biggest global markets for Accounting services is European Union and United States of America. India exports more than one billion USD of Accounting, Auditing, Bookkeeping and Tax consulting services to USA which is more than 20 percent of USA's total global imports. India's exports to USA has increased from merely 200 million USD in 2009 to more than 1 billion USD in 2019 growing at the rate of 9 percent. (see Figure-21)

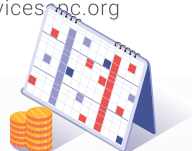
Figure 21:
India's share in USA's total imports of 'Accounting, auditing, bookkeeping, and tax consulting services'



European Union is a 13 billion USD market but Indian exporters have not been able to tap this market. India exported only 200 million USD worth of services to EU in 2019. Though most of trade in this service happens within the region of EU among the member countries but they import around 4 billion USD worth of Accounting, Auditing, Bookkeeping, and Tax Consulting services from Non-EU countries. (see Figure-22)

Figure 22: India's share in EU's total imports of 'Accounting, auditing, bookkeeping, and tax consulting services'





ACCOUNTING SERVICES

Accounting Services Exports offered by India

Accounting, Auditing and Bookkeeping services		₹₹	Taxation Services	₹₹
Accounting and Auditing Services	Book-keeping services, except tax returns	\$\$\$	Business tax planning and consulting services	\$\$\$
Financial auditing services		¥¥¥	Business Tax preparation and review services	¥¥¥
Compilation of financial statements services		€€€	Preparation and filling of Tax return of all kind (Business)	€€€
Accounting review services		₹₹₹	Individual tax preparation and plannings	₹₹₹
Other accounting services		\$\$\$	Other tax related services	\$\$\$
				Insolvency and receivership services
Total		₹₹₹	Total	₹₹₹





EVENTS / ACTIVITIES

FY 2020-21

SEPC Pavilion at SATTE GenX2020

Virtual SEPC Pavilion at SATTE GenX 2020 Hotel and Tourism, 5-6 Oct 2020: **Services Export Promotion Council (SEPC)** joined hands with Informa Markets in organising SATTE GenX 2020, South Asia's first virtual travel exhibition in which SEPC provided free virtual pavilion to 75 participants. The aim of this virtual exhibition was to ensure that Indian companies connect with their prospective clients, revive their business and ensure business continuity.



SEPC Pavilion at MIPCOM

Virtual SEPC India Pavilion at MIPCOM Online + Entertainment 5 Oct to 17 Nov 2020: SEPC organised virtual SEPC India pavilion at MIPCOM online + which is one of the world's largest entertainment content market. 32 participants from 14 leading Indian companies from sector of Animation, feature film production & distribution, TV shows producers etc. participated under the umbrella of SEPC India pavilion.



Leaders of Tomorrow MASERCLASS: “Budget Edition – The Analysis”

Mr. Maneck Davar, Chairman, SEPC participated in a programme titled Leaders of Tomorrow MASERCLASS: “Budget Edition – The Analysis” organised by ET Now media channel with experts on February 12, 2021.

India Tourism Mart

SEPC supported and participated in the “India Tourism Mart” (ITM) which was organised by FAITH during 18th to 20th February 2021. Chairman, SEPC addressed the participants in the Inaugural Session on February 18, 2021.



Trade Summit

SEPC actively participated in a virtual summit on Global Women in Trade Summit. Dr Abhay Sinha, Director General, SEPC was the Chief Guest at the virtual Trade Summit 2021, organised on March 05, 2021 by the Global Council for the Promotion of International Trade.

“Tapping Professional Opportunities abroad”

SEPC organized a webinar on Tapping Professional Opportunities abroad in association with ICAI on April 05, 2020 focusing on the opportunities and challenges in the export of accounting and book keeping services arising from an increase in global exports of these services due to the changing global political and socio-economic environment. More than 600 participants participated in this webinar.



“Legal Perspective on Employer-Employee Relationship in time of COVID 19”

SEPC organised a webinar on “Legal Perspective on Employer-Employee Relationship in time of COVID 19” with the support from IACC and SILF on 22nd April 2020. This webinar majorly focused on the effect of lockdown which caused disruption in the continuity of business. Processes and issues related to employment such as payment of wages, retention, redundancies and resultant termination of services was discussed. Over 500 participants participated in this webinar

“Rebooting and Reinventing: Travel and Tourism Business Continuity Post COVID 19”

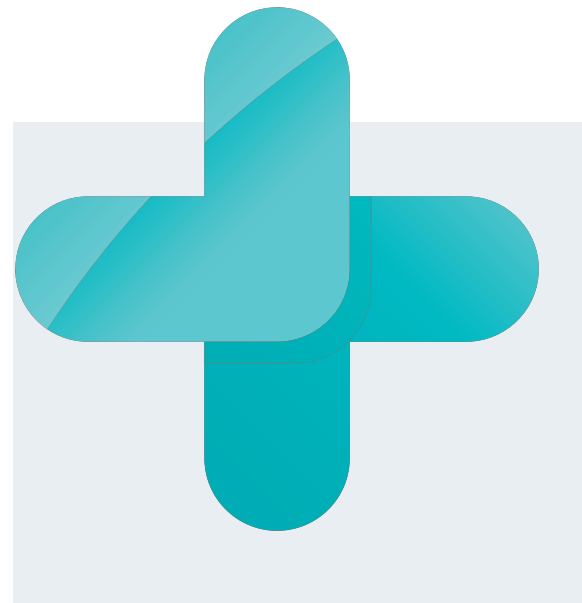
SEPC organised a webinar on “Rebooting and Reinventing: Travel and Tourism Business Continuity Post COVID 19 on May 06, 2020. This webinar majorly focused on impact of COVID-19 on Indian Tourism Industry, how much time the industry will take to revive and get back to normalcy, new emerging business models and government support. More than 350 participants participated in this webinar.



“India Heals”

SEPC organised a webinar on “India Heals: Infusing life in healthcare services exports” on May 16, 2020. Mr. Darpan Jain, Joint Secretary, Ministry of Commerce and Industry was the Guest of Honour and apart from Chairman, SEPC, Mr. Maneck Davar, prominent speakers from Health Care Industries also addressed the webinar. Some of the Key points of discussion were:

- Impact of COVID19 on Healthcare Services Exports, MVT, Future Business Outlook, Emerging Potential.
- Support Expected from Government and mandatory compliances for MVT and related healthcare services.
- Guidelines on Tele-medicines
- Government perspective on Emerging Global Business Opportunities in Healthcare services and how the industry needs to position in times of Corona



“Export Market Opportunities in Healthcare Sector”

SEPC organised a webinar on “Export Market Opportunities in Healthcare Sector” on Tuesday, August 11, 2020 with wide participation from healthcare sector representatives, medical practitioners, healthcare trainers and other stakeholders. Some of the important take away points were:

- Importance of quality, standards, recognition/mutual recognition agreements, insurance portability between countries, etc. SEPC was advised to develop criteria and issue special memberships to raise standards of India’s healthcare services exports.
- Developing a web portal to ensure the credibility of service providers.



“Aligning India’s Education Sector with Global Practices and Export Opportunities”

SEPC organized a webinar on “Aligning India’s Education Sector with Global Practices and Export Opportunities” on August 25, 2020 in collaboration with Association of Indian Universities (AIU). The webinar was attended by 234 participants including hosts and presenters. The action points that emerged from the Webinar are as follows:

- Joins efforts needed for Internationalization of Education; Setting up a network of Education comprising of all key stakeholders in the education set up;
- To attract more foreign students into India by enhancing the education eco system;
- To focus on pedagogy and Industry connect which are crucial to internationalization of education;
- To adopt best practices and models from other countries to enhance the education services in India especially analyse the Singapore and Australia models and SEPC to collaborate with Edcil.

“Animation, VFX and Gaming: The Road Ahead”

SEPC organised a webinar on Animation, VFX and Gaming: The Road Ahead on September 19, 2020 focussing on the rapid changes across multiple dimensions in AVGC sector that are sweeping across the world as well as in India and discussed the potential and chalked out the Road Ahead to enhance exports of Indian AVGC services. Some of the key points discussed were:

- India’s top competitors in Animation are Canada, Korea, and France. Canada gives subsidies to Animation producers to the tune of 30 per cent of the salary paid to employees.
- In terms of potential markets, USA, Brazil and Indonesia are great destinations for Animation exports. Russia and Korea are emerging markets. China is a big market but it’s a bit difficult to tap it.
- Centre for Animation related study and research being established with help from IIT-Mumbai. There should be a level playing field - Apple and Google give more priorities to games from the USA, EU and China.
- NCOE will have courses on Gaming with short term courses for those who are already in the industry
- A lot of Hollywood back-end effects work is being done in India. There are more than 6000 professionals still VFX industry is short of people.



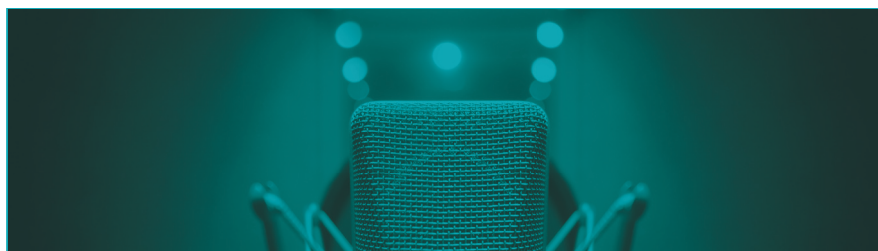
“India’s Entertainment Services in Global Market”

To explore the available opportunities and to create awareness for the greater market access for the entertainment industry a webinar on “India’s Entertainment Services in Global Market” organised by SEPC on October 31, 2020. This webinar focused on the rapid changes happening across the Entertainment Spectrum and to bring forth awareness on the market trends and explore potential business opportunities across the Globe. While reflecting on the potential and opportunities the areas of concerns and challenges too will be brought to the fore for taking it up with respective Ministries and Government Departments.



“Interaction with Members of Audio Visual and Entertainment Services”

A session was organised by SEPC on November 06, 2020 to interact with members specifically from the Audio Visual and Entertainment Services and get their inputs for alternative scheme



“Financial Services”

SEPC organized a webinar on Financial Services on February 05, 2021 to understand the business opportunities that can be explored in the global market. Several experts including SEPC chairman **Mr. Maneck Davar, Vice-Chairman Mr. Sunil Talati (Head of Financial Services Sectoral Panel at SEPC)** and also **Mr. Hansraj Chugh (Committee Chairman for Development of International Trade, Services and WTO at ICAI, New Delhi)** spoke in the webinar.



Udyog Manthan Webinars

SEPC in association with Quality Council of India organised a marathon of focused webinars for Udyog Manthan on Productivity in Indian Industry and Services from January 04, 2021 to March 02, 2021. This collaborate exercise is an initiative of the Department of Promotion of Industry and Internal Trade (DPIIT) in association with Department of Commerce (DoC), Quality Council of India (QCI), National Productivity Council, Bureau of Indian Standards and Industry Chambers. The objective of the webinars was to identify and find solutions for promoting productivity, quality & their inter-linkages in Indian Industry with a focus on the discussion on productivity and quality. **SEPC was actively involved in contributing speakers in legal, Medical Value Travel, Accounting & Financial, Communication, Education and Environment Services.**

10th Annual General Meeting

10th Annual General Meeting of Services Export Promotion Council (SEPC) held on September 30, 2020 from 3.30 PM to 5 PM under the Chairmanship of SEPC chairman Mr. Maneck Davar through video conferencing due to COVID 19.

M/s. Thakur Vaidyanath Aiyer & Co., Chartered Accountants, as Statutory Auditors for the Council to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.



INTERNATIONAL ACTIVITIES:



SERVICES EXPORT PROMOTION COUNCIL

India – Hungary Webinar on “Economic Impact of COVID 19 and the Way Forward”



In continuation to the India-Hungary webinar on “Economic Impact of Covid 19” organised on May 22, 2020 to reach out and seek feedback on the disruption caused by Covid-19 and ascertain inputs for the way forward, The Embassy organised the 2nd India-Hungary webinar on “Economic Impacts of Covid 19 and the Way Forward” on June 09, 2020.

The focus of the webinar was on “services” and companies from environmental services, IT and IT enabled services, Educational Services, Travel and Tourism services and Trade Services participated. The Indian Ambassador to Hungary H E Mr. Kumar Tuhin gave a detailed account of recent policy measures particularly on “Atma Nirbhar Bharat” and other high priority areas such as food processing, agriculture and farming, digital highways, health care sector cooperation, mobility partnership, effective waste management etc., He further highlighted about the new possible areas of cooperation between the two countries and advised the businesses on both sides to explore the opportunities that were available. There was a general consensus that IT and digitalization would play a significant role in the post-covid scenario on how the business organisations would leverage their respective strengths. The companies and organisations on the two sides were also able to look at opportunities available on enhancing collaboration to boost India – Hungary trade and economic cooperation.

“Synergies between India & Peru on Education & Healthcare Services”

A webinar was organised by SEPC in collaboration with Indian Embassy in Peru on issues related to Education and Healthcare on November 05, 2020. Chairman, SEPC, Mr. Maneck Davar, SEPC's sectoral heads of Education and Healthcare, Indian Ambassador to Peru, H E Mr. M. Subbarayudu and others participated in the event and deliberated on bilateral trade potentials in the sectors of Healthcare and Education. Director, Department of Commerce also spoke in the webinar.



India – Singapore CECA Service Trade

SEPC participated in the Online Webinar with the Department of Commerce on scope of third review of India-Singapore CECA Services Trade on 23rd December 2020.

Interaction with Government of Uzbekistan

SEPC organised a discussion meeting with Health Officials, Government of Uzbekistan on 13th January 2021 to explore the possibilities of enhancing trade in healthcare services between the two countries. This will be soon followed by virtual Buyer Seller Meet (BSM).

India – Latin America: Strengthening Partnership in Services Sector

SEPC organised a webinar on India – Latin America: Strengthening the Partnership in Services Sector on 19th February 2021 in association with Indian Missions in Argentina and Peru.

“Perspective of Doing Business in Philippines: A way forward for Domestic and Foreign Investors”

SEPC participated in a virtual programme on “Perspective of Doing Business in the Philippines: A Way forward for Domestic and Foreign Investors” on 26th February 2021 organised by Embassy of India, Philippines, Federation of Indian Chambers of Commerce Philippines (FICCI-PHIL) & India Business Forum Philippines Asso. Inc. (IBF). Dr Abhay Sinha, DDG, SEPC was one of the speakers at this programme.

Opportunities in Central America

Meeting with H E Mr. B S Mubarak, Indian Ambassador to Guatemala on 11th March 2021 to discuss about the potential areas of interest and the scope of services sector in Guatemala for Indian export service providers.

Interaction With Directorate General Of Foreign Trade

SEPC team interacted with the DG, DGCIS on October 08, 2020 to discuss the services trade related data issues and challenges and probable ways to manage research and analysis based on available data points. DG, DGCIS informed SEPC about the efforts being made at DGCIS to collect and organise services trade data.

Representations To Department Of Commerce And Industry

SEPC has been continuously following up with the Ministry of Commerce to retain the SEIS scheme in the upcoming Foreign Trade Policy 2020-25 (now expected in 2021 due to COVID 19). Chairman, SEPC interacted with Hon'ble Minister of Commerce and Industry Shri. Piyush Goyal and made fervent request to retain SEIS.

The immediate relief sought was as follows:

- Issue SEIS notification for the year 2019- 20
- Release SEIS benefits of earlier years
- Extension of the deadline for submission of application for SEIS for the FY 2016-17
- On broader economic front SEPC requested for the following support from the Government
- Ensure speedy refunds of TDS and GST
- Ensure banks pass on REPO rate cut to customers
- Governments should speedily release outstanding payments to service providers
- Government to bear provident fund payments of all labour earning Rs. 15,000 p.m. and below and not just companies with less than 100 workforces.

A video meeting on 10th April, 2020 was organised to discuss SEIS pendency and related matters with Senior Officials of Department of Commerce, DGFT and representatives from travel and tourism industry. The meeting was Chaired by Mr. Sudhanshu Pandey, IAS, Additional Secretary. DG DGFT also participated in the meeting. Taking note of the issues on SEIS application submission and the process of the examination of documents, SEPC had been advised to work on SOP and make the process online. In this regard SEPC also wrote to its members to provide their inputs and suggestions. Further SEPC has been regularly writing to its members to provide feedback on SEIS claims and pending cases. SEPC received responses from 630 members.

SEPC has given a representation for the continuation of the SEIS scheme and notification for 2019-20 and 2020-21 to PM of India, Minister of Finance and Commerce and Industry Minister on January 19, 2021.

SEPC submitted a detailed report and recommendations on the alternative framework to the SEIS scheme to DGFT and DOC on February 12, 2021 for inclusion in the forthcoming New Foreign Trade Policy.

Study on an Alternative Scheme to SEIS for the proposed New Foreign Trade Policy (2021-26)

Study on an Alternative Scheme to SEIS for the proposed New Foreign Trade Policy (2021-26)

A study on Policy framework to provide impetus to Export of Services in the new FTP was commissioned by SEPC in consultation with DOC and was carried out by the consultancy firm E&Y. Apart from giving a detailed overview of the sector, the study inter alia proposes an Innovative Mechanism to Support Services Exports focusing on issues such as diversification, employment generation, needs of specific sectors, burden of unrebated taxes/levies and promotion of MSMEs etc. In the next few sections, we present to you the rationale for the scheme and its various aspects along with SEPC recommendations and clarifications with respect to modes of supply, assumptions in the analysis for embedded taxes and duties, Gross vs net foreign exchange etc.

The study was conducted to examine ways to enhance competitiveness and thereby export of services from India. Amongst the factors examined were the disadvantages faced by Indian services industry in terms of taxes that get exported embedded in the cost of services exported and the additional infrastructural/ cost of doing business in India.

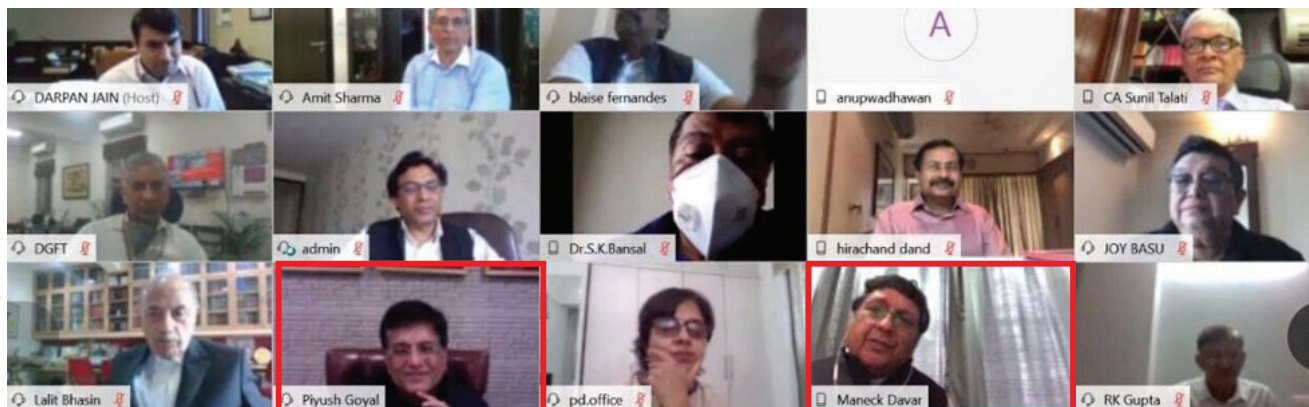
A series of interactive webinars were organized with members from specific sectors and overall members to brief them and to receive their valuable inputs for the study on the alternative scheme to SEIS

Webinar on “Inputs on Incentive Schemes as Suitable Alternative to SEIS for Proposed FTP (2021-25)” A session was organised by SEPC on November 09, 2020 to interact with all SEPC members and get their inputs for alternative scheme

A webinar was organised by SEPC on “Inputs on Incentive Schemes as Suitable Alternative to SEIS for Proposed FTP (2021-25)” on 19th October 2020 for the Audio Visual and Entertainment Services Sector to get members’ inputs for the alternate scheme

A webinar was organised on “Inputs on Incentive Schemes as Suitable Alternative to SEIS for Proposed FTP (2021-25)” on October 26, 2020 for the Accounting and Financial Services sector to receive members’ inputs for a study being conducted by EY for SEPC

Interactions with Hon'ble Minister of Commerce Industry



A team of SEPC representatives including Chairman, Mr. Maneck Davar, and all Central Governance Council (CGC) members participated in an online meeting with Hon'ble Minister of Commerce, Shri Piyush Goyal on June 23, 2020. CGC members who are also sector panel heads, raised issues related to their respective sectors besides an overall presentation made by the Chairman, SEPC covering almost all sectors and major issues faced by services sectors. Continuation of SEIS for the FY 2019-20 and its inclusion in the Foreign Trade Policy (2021-25) was discussed in detail.

SEPC participated in a Video Conference meeting of all Export Promotion Councils with the Hon'ble Commerce Industry Minister Shri. Piyush Goyal for a stakeholder's consultation on forthcoming new FTP on February 11, 2021. Chairman Mr. Maneck Davar, represented SEPC.

Mr. Maneck E Davar, Chairman, SEPC participated in an interaction of all Exports Promotion Councils with Shri. Piyush Goyal, Hon'ble Minister of Commerce and Industries, Government of India on March 22, 2021 to discuss Foreign Trade Policy matters and other exports related issues.



Audited Annual Accounts
FY 2020-21

THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants
New Delhi, Mumbai, Kolkata,
Chennai. Patna and Chandigarh

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INDEPENDENT AUDITOR'S REPORT

To the Members
Services Export Promotion Council,
New Delhi

Opinion

We have audited the accompanying Financial Statements of **Services Export Promotion Council** which comprise the Balance Sheet as at **31st March 2021**, the statement of Income and Expenditure and Receipt and Payment Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Societies Registration Act, 1860 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In case of the Balance Sheet, of the state of affairs of the Council at 31st March 2021;
- b. In case of the Income and Expenditure, of the surplus for the year ended on that date;
- c. In case of the Receipt and Payment account, of cash flows for the year ended on that date;

Basis for Opinion

We conducted our audit in accordance with the Standards on Accounting (SAs) issued by the Institute of Chartered Accountant of India. Our responsibilities under, those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Council in accordance with the Code of Ethics issued by the Institute of Chartered Accountant of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Societies Registration Act, 1860 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.



Responsibilities of those charged with Governance for the Financial Statements

The CGC of the Council is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position and expenditure of the Council in accordance with the accounting principles generally accepted in India, including Accounting Standards, to the extent applicable, prescribed by the Institute of Chartered Accountants of India. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Council and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The CGC of the Council is responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose for expressing our opinion on effectiveness of the Council internal financial control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We also communicate with the CGC of the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the CGC of the Council with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

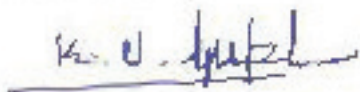
Report on Other Legal and Regulatory Requirements

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Council so far as appears from our examination of those books;
- c. The Balance Sheet, Statement of Income and Expenditure Account and Receipts and Payment Account dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Income and Expenditure and Receipts and Payment Account comply with the Accounting Standards, to the extent applicable, issued by the Institute of Chartered Accountants of India.

For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants

FRN: 000038N



(K. N. Gupta)

Partner

M. No. 009169

UDIN: 21009169AAAAAV9983

Place: New Delhi

Date: 30.06.2021



SERVICES EXPORT PROMOTION COUNCIL

Annual Report III

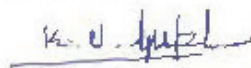
DPT-417, 4th Floor, Prime Towers, Plot No-79 & 80, Pocket-F, Okhla Industrial Area Ph-1 New Delhi - 110020

BALANCE SHEET AS AT 31st March, 2021 (Amount in Rs.)

PARTICULARS	Note No.	As at 31-03-2021	As at 31-03-2020
LIABILITIES			
Capital Reserve Fund			
a) Seed Money from Founder Members	1	4,50,000	4,50,000
b) Life Membership & Admission Fees Fund	2	6,38,35,000	6,38,35,000
Accumulated Fund u/s 11(2) of Income Tax Act, 1961	3	8,21,76,379	8,57,73,756
General Fund	4	26,09,92,765	22,58,46,000
Sub Total (1+2+3+4)		40,74,54,144	37,59,04,756
a) Non-Current Liabilities			
Long Term Provisions	5	35,09,534	21,31,734
b) Current Liabilities			
Amount Payables	6	58,23,536	68,53,366
Other Current Liabilities	7	88,67,537	2,44,79,776
Short Term Provisions	8	21,15,121	10,96,846
Unutilised MAI Grants	9	29,64,528	10,07,125
Sub Total (5+6+7+8+9)		2,32,80,256	3,55,68,847
TOTAL		43,07,34,400	41,14,73,603
ASSETS			
Non Current Assets			
Fixed Assets			
10			
- Tangible Assets		17,07,35,312	14,79,27,146
- Intangible Assets		5,84,525	2,59,367
Sub Total (10)		17,13,19,837	14,81,86,513
Current Assets			
Amount Receivable	11	40,96,608	87,70,230
Cash and Cash Equivalent	12	23,96,90,262	21,01,73,669
Other Current Assets	13	1,56,27,693	4,43,43,191
Sub Total (11+12+13)		25,94,14,563	26,32,87,090
TOTAL		43,07,34,400	41,14,73,603

Significant Accounting Policies & Notes to the financial statements from Note no. 1 to 18 form an Integral part of this Balance Sheet.

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
FRN: 000038N



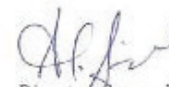
(K. N. Gupta)
Partner
M. No. 009169
UDIN: 21009169AAAAAV9983

Place: New Delhi
Date: 30.06.2021



FOR SERVICES EXPORT PROMOTION COUNCIL


Chairman


Director General



SERVICES EXPORT PROMOTION COUNCIL

DPT-417, 4th Floor, Prime Towers, Plot No-79 & 80, Pocket-F, Okhla Industrial Area Ph-1 New Delhi - 110020

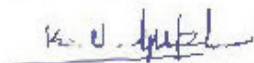
STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31st March, 2021 (Amount in Rs.)

PARTICULARS	Note No.	Year Ended 31-03-2021	Year Ended 31-03-2020
REVENUE FROM OPERATIONS			
Membership Fees		5,98,55,000	6,96,35,000
Admission Fees & Life Membership Fees		1,01,90,000	1,71,40,000
Exhibition Services		8,06,061	2,42,27,612
Reimbursement of Champion Services Web Portal		-	8,03,710
Other Income	14	2,33,98,189	1,75,83,231
TOTAL INCOME		9,42,49,250	12,93,89,553
EXPENSES			
Expenses on Services Trade Promotion Activities	15	82,16,220	2,63,39,700
Establishment Expenses	16	2,43,97,162	1,07,91,511
Depreciation and Amortization Expenses	10	73,63,586	7,91,068
Administrative Expenses	17	2,27,22,894	1,59,43,373
TOTAL EXPENSES		6,26,99,862	5,38,65,652
Surplus before amount accumulated u/s 11(2) of Income Tax Act,1961		3,15,49,388	7,55,23,901
Amount set apart for Specified Purposes u/s. 11 (2) of Income Tax Act 1961		2,50,00,000	5,62,00,000
Surplus transferred to Balance Sheet		65,49,388	1,93,23,901

Significant Accounting Policies & Notes to the financial statements from Note no. 1 to 18 form an Integral part of this Income & Expenditure statement.

As per our report on even date attached.

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
FRN: 000038N

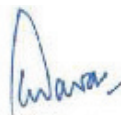


(K. N. Gupta)
Partner
M. No. 009169
UDIN: 21009169AAAAAV9983

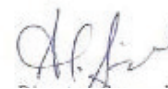
Place: New Delhi
Date: 30.06.2021



FOR SERVICES EXPORT PROMOTION COUNCIL



Chairman



Director General



SERVICES EXPORT PROMOTION COUNCIL

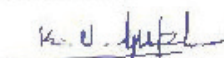
DPT-417, 4th Floor, Prime Towers, Plot No-79 & 80, Pocket-F, Okhla Industrial Area Ph-1 New Delhi - 110020

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2021 (Amount in Rs.)

Particulars	Year Ended 31-03-2021	Year Ended 31-03-2020
RECEIPTS		
Opening Balances (Bank+Cash)		
Bank of India	3,52,38,007	26,69,541
IDBI Bank Ltd	1,02,38,948	2,45,72,765
Cash in Hand	12,762	6,189
Sub Total	4,54,89,717	2,72,48,495
Received During the year		
Advance from Members (Net of TDS)	8,02,09,734	10,70,40,267
Grant Received from Ministry of Commerce	3,18,37,198	3,83,22,657
Sundry Debtors - Events & Others	66,40,432	2,34,77,914
Received from SP Securities Ltd	-	10,73,221
IT Refund Received including Interest	35,50,628	11,30,138
Interest on SB A/c	3,56,250	7,62,710
FDRs Maturity	-	11,27,72,266
Misc Receipts	232	930
Refund of Security Deposits	6,925	-
Sub Total	12,26,01,399	28,45,80,105
TOTAL RECEIPTS	16,80,91,116	31,18,28,600
PAYMENTS		
Payment During the year		
Duties & Taxes	1,55,76,598	1,79,21,668
Expenses Payable	1,75,21,050	84,77,304
Sundry Creditors	6,81,36,627	8,97,64,690
Amount Refund to Members & Event's Debtors	21,65,895	12,50,567
Capital Advance & Security Deposit to DLF	-	10,36,15,757
Fixed Deposits	4,51,27,581	4,50,00,000
Unspent Grant Refunded to Ministry of Commerce	11,71,524	-
Payment of Administrative Expenses	1,20,511	3,08,897
Sub Total	14,98,19,786	26,63,38,883
Closing Balances (Bank+Cash)		
Bank of India	47,37,003	3,52,38,007
IDBI Bank Ltd	1,35,16,053	1,02,38,948
Cash in Hand	18,273	12,762
Total	1,82,71,329	4,54,89,717

Significant Accounting Policies & Notes to the financial statements from Note no. 1 to 18 form an Integral part of this Income & Expenditure Statement.

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
FRN: 000038N



(K. N. Gupta)
Partner
M. No. 009169
UDIN: 21009169AAAAAV9983

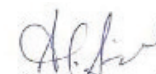
Place: New Delhi
Date: 30.06.2021



FOR SERVICES EXPORT PROMOTION COUNCIL



Chairman



Director General



NOTE NO. 1 - CAPITAL RESERVE FUND

(Amount in Rs.)

PARTICULARS	As at 31-03-2021	As at 31-03-2020
"Seed Money" from Founder Members	4,50,000	4,50,000
Total	4,50,000	4,50,000

NOTE NO. 2 - LIFE MEMBERSHIP & ADMISSION FEES FUND

(Amount in Rs.)

PARTICULARS	As at 31-03-2021	As at 31-03-2020
Life Membership Fund	1,20,00,000	1,20,00,000
Admission Fee Fund	5,18,35,000	5,18,35,000
TOTAL	6,38,35,000	6,38,35,000

NOTE NO. 3 - ACCUMULATED FUND U/S 11(2) OF INCOME TAX ACT

(Amount in Rs.)

PARTICULARS	As at 31-03-2021	As at 31-03-2020
Opening Balance	8,57,73,756	17,42,69,913
Less : Amount accumulated in earlier years utilised and adjusted against accumulation made u/s 11(2)	2,85,97,377	14,46,96,157
Add: Amount transferred from Statement of Income & Expenditure for Setting Apart for Specified Purposes u/s 11(2) of the Income Tax Act, 1961	2,50,00,000	5,62,00,000
Closing Balance	8,21,76,379	8,57,73,756



NOTE NO. 4 - GENERAL FUND

(Amount in Rs.)

PARTICULARS	As at 31-03-2021	As at 31-03-2020
A) UTILISED SEC 11(2) FUND IN PURPOSE STATED		
Opening Balance	14,46,96,157	-
Add: Transfer of amount accumulated in earlier years utilised	2,85,97,377	14,46,96,157
Sub Total (A)	17,32,93,534	14,46,96,157
B) EXCESS OF INCOME OVER EXPENDITURE		
Opening Balance	8,11,49,843	6,18,25,942
Add: Surplus for the year transferred from Statement of Income & Expenditure	65,49,388	1,93,23,901
Sub Total (B)	8,76,99,231	8,11,49,843
Total (A+B)	26,09,92,765	22,58,46,000

NOTE NO. 5 - LONG TERM PROVISIONS

(Amount in Rs.)

PARTICULARS	As at 31-03-2021	As at 31-03-2020
Gratuity Payable	20,66,940*	13,47,394
Leave Encashment Payable	14,42,594	7,84,340
Total	35,09,534	21,31,734

*Gratuity Payable includes Rs. 20,350 as Current Liability & Rs. 20,46,590 as Non-Current Liability



NOTE NO. 6 - AMOUNT PAYABLES

(Amount in Rs.)

PARTICULARS	As at 31-03-2021	As at 31-03-2020
Payable to Vendors	58,23,536	68,53,366
Total	58,23,536	68,53,366

NOTE NO. 7 - OTHER CURRENT LIABILITIES

(Amount in Rs.)

PARTICULARS	As at 31-03-2021	As at 31-03-2020
TDS Payable	4,30,420	3,59,860
GST Payable (Net)	-	91,780
EPF Payable	4,40,358	-
ESIC Payable	2,052	-
Other Expenses Payable	6,99,679	26,07,472
Advance from Customers	6,95,117	7,42,880
Advance from Members More Than 3 Years	-	64,34,529
Advance from Members Less Than 3 Years	65,99,911	1,42,43,255
TOTAL	88,67,537	2,44,79,776

NOTE NO. 8 - SHORT TERM PROVISIONS

(Amount in Rs.)

PARTICULARS	As at 31-03-2021	As at 31-03-2020
Provision for Audit Fees	2,22,000	2,66,220
Provision for Other Expenses	18,93,121	8,30,626
TOTAL	21,15,121	10,96,846



NOTE NO. 9 - UNUTILISED MDA & MAI GRANTS

(Amount in Rs.)

PARTICULARS	As at 31-03-2021	As at 31-03-2020
Unutilised MAI Grants		
Opening Balance	10,07,125	-
Add: Received during the year	33,68,750	3,83,22,656
Less: Utilised by Council	4,04,222	3,80,59,357
Less: Refunded by Council	10,07,125	-
Add: Balance amount receivable from MOC for the C.Yr.	-	7,43,826
Closing Balance of Unutilised MAI Grants	29,64,528	10,07,125

NOTE NO. 11 - AMOUNT RECEIVABLE

(Amount in Rs.)

PARTICULARS	As at 31-03-2021	As at 31-03-2020
Amount outstanding for a period exceeding 6 months		
Unsecured Considered good	40,96,608	18,78,976
Amount Receivable (Others)		
Unsecured Considered good	-	68,91,254
Total	40,96,608	87,70,230



NOTE NO. 12 - CASH AND CASH EQUIVALENT

(Amount in Rs.)

PARTICULARS	As at 31-03-2021	As at 31-03-2020
a) Cash and Bank Balances		
Cash in Hand	18,273	12,762
Bank Balances	1,82,53,056	4,54,76,955
Sub Total (a)	1,82,71,329	4,54,89,717
b) Deposits with Schedules Banks		
Fixed Deposits with Banks including accrued interest	22,14,18,933	16,46,83,952
Sub Total (b)	22,14,18,933	16,46,83,952
TOTAL (a+b)	23,96,90,262	21,01,73,669

NOTE NO. 13 - OTHER CURRENT ASSETS

(Amount in Rs.)

PARTICULARS	As at 31-03-2021	As at 31-03-2020
A. Other Current Assets (Unsecured, Considered Good)		
Security Deposits	55,94,822	58,22,622
TDS Receivables for current year	11,39,587	26,46,334
Income Tax Refund (As Per List)	27,35,968	34,08,389
Prepaid Expenses & Insurance	9,39,187	3,50,219
Advance to Suppliers	4,632	87,422
Balance MAI Grants Receivable from MOC	18,90,752	3,18,54,924
Interest Receivable on Security Deposit	1,83,601	13,887
Balance with GST Department	31,39,144	1,59,394
Sub Total (A)	1,56,27,693	4,43,43,191



SERVICES EXPORT PROMOTION COUNCIL

Assessment year 2021-22

NOTE NO. 10

(Amount in Rs.)

Particulars	Rate of Depreciation (%)	W.D.V.				As at 31st March, 2021	Depreciation for the year	Loss on Sale of Fixed Assets	Net Block
		As at 1st April, 2020	Additions I Half	Additions II Half	Deletions / adjustments/ Trfd during the year				Written Down Value As at 31st March, 2021
TANGIBLE ASSETS:									
A. Office Building		-	-						
(i) Building-NBCC (Not Put to Use)	0%	4,47,69,913	-	-	-	4,47,69,913	-	4,47,69,913	
(ii) Office Building-DLF (Put to Use-15.12.2020)	10%	9,99,26,244	69,96,026	-	-	10,69,22,270	53,46,114	10,15,76,157	
(a) Interior & Designing Work in DPT-417	10%	-	-	1,49,41,708	-	1,49,41,708	7,47,085	1,41,94,623	
(b) Electrical Fitting & ELV Installation-DPT-417	10%	-	-	62,69,643	-	62,69,643	3,13,482	59,56,161	
B. Furniture & Fixtures	10%	14,83,523	-	4,39,000	-	19,22,523	1,70,302	17,52,221	
C. Motor Vehicles	15%	3,79,523	-	-	-	3,79,523	56,928	3,22,595	
D. Office Equipments	15%	3,22,129	1,500	8,21,411	-	11,45,040	1,10,150	10,34,890	
E. Computers, Softwares & Printers	40%	10,45,813	44,161	5,93,460	-	16,83,434	5,54,682	11,28,753	
Sub Total -1		14,79,27,146	70,41,687	2,30,65,222	-	17,80,34,055	72,98,744	17,07,35,312	
F. INTANGIBLE ASSETS:									
(i) Web Portal-RCMC Registration Online	25%	8,117	-	-	-	8,117	2,029	6,088	
(ii) Web Portal-Events Registration Online	25%	2,51,250	-	-	-	2,51,250	62,813	1,88,437	
(iii) SEPC Portal- Indiaserves. Org -WIP Under Development	0%	-	-	3,90,000	-	3,90,000	-	3,90,000	
Sub Total-2		2,59,367	-	3,90,000	-	6,49,367	64,842	5,84,525	
GRAND TOTAL ASSETS (1+2)		14,81,86,513	70,41,687	2,34,55,222	-	17,86,83,422	73,63,586	17,13,19,837	
G. CAPITAL WORK IN PROGRESS:									
(i) Interior work Including Architech Fee for designing & Supervision-DPT 417	0%	-	13,76,272	1,35,65,436	1,49,41,708	-	-	-	
(ii) Electrical Work and ELV Installation-DPT-417	0%	-	-	62,69,643	62,69,643	-	-	-	
Sub Total-3		-	13,76,272	1,98,35,079	2,12,11,351	-	-	-	



NOTE NO. 14 - OTHER INCOME

(Amount in Rs.)

PARTICULARS	Year Ended 31-03-2021	Year Ended 31-03-2020
Interest Income		
Interest on Fixed Deposits	1,26,23,016	1,66,14,535
Interest on Saving Banks	3,56,250	7,62,710
Interest on IT Refund	2,32,573	1,21,079
Interest on Security Deposit	1,83,475	15,430
Sub Total (1)	1,33,95,314	1,75,13,754
Misc. Income		
Sale of Scrap	-	930
Creditors Write Back	2,32,629	68,547
Amounts Write Back	97,70,246	-
Sub Total (2)	1,00,02,875	69,477
Total(1+2)	2,33,98,189	1,75,83,231



NOTE NO. 15 - EXPENSES ON SERVICES TRADE PROMOTION ACTIVITIES

(Amount in Rs.)

PARTICULARS	Year Ended 31-03-2021	Year Ended 31-03-2020
I. Exhibitions/ Trade Fairs/ Seminars Abroad		
a. Expenses Claimable Under MAI Scheme Events		
Venue Cost & Other Organizing Expenditure	6,59,505	97,88,790
Publicity /Advertisement/Printing /Translator Exp	1,72,717	11,91,846
Less: Amount Received from Grants	33,68,750	22,50,000
Less: Amount Recoverable from Grants	4,28,000	87,30,636
Add: Grant Amount Refundable DOC	29,64,528	-
Sub Total-I(a)	-	-
b. Expenses Not Claimable Under MAI Scheme Events		
Venue Cost & Other Organizing Expenditure	11,37,105	52,70,887
Publicity /Advertisement/Printing /Translator Exp	98,447	6,41,763
Sub Total-I (b)	12,35,552	59,12,650
II. Exhibitions/ Trade Fairs/ Seminars in India		
c. Expenses Claimable Under MAI Scheme Events		
Venue Cost & Other Organizing Expenditure	2,79,412	1,22,45,049
Publicity /Advertisement/Printing /Translator Exp	5,588	17,45,573
Air Fare & Hotel Stay Cost of Delegates	-	1,61,33,236
Less: Amount Received from Grants	-	2,82,50,000
Less: Amount Receivable from Grants	2,85,000	28,80,984
Add: Grant Amount Refundable DOC	-	10,07,126
Sub Total- II (C)	-	0
d. Expenses Not Claimable Under MAI Scheme Events		
Venue Cost & Other Organizing Expenditure	2,20,588	75,62,123
Publicity /Advertisement/Printing /Translator Exp	4,412	10,67,902
Air Fare & Hotel Stay Cost of Delegates	-	19,48,524
Sub Total-II (d)	2,25,000	1,05,78,549
III.Exhibitions/ Trade Fairs/ Seminars in Abroad Other Than MAI Scheme		
Venue Cost & Other Organizing Expenditure	17,46,998	2,16,212
Publicity /Advertisement/Printing /Translator Exp	86,971	21,471



Continues**

**

Air Fare & Hotel Stay Cost of Delegates & Others	3,68,585	6,86,415
Interest on Unspent Grant	-	-
Sub Total-III	22,02,554	9,24,098
IV.Exhibitions/ Trade Fairs/ Seminars in India Other Than MAI Scheme		
Venue Cost & Other Organizing Expenditure	50,073	10,847
Advertisement/Publication/Tender/Printing/Ads Exp	7,76,620	3,25,372
Air Fare & Hotel Stay Cost of Delegates & Others	3,39,126	45,09,751
Sponsorship Fees	4,43,221	11,69,492
Interest on Unspent Grant	-	1,88,875
Sub Total-IV	16,09,040	62,04,336
V. Other Expenses for Promotion of Services Exports		
Web Portal Design & Development Exp for MOC	-	13,99,210
Website Maintenance & Development Charges	9,60,322	13,08,949
Business Promotion & Business Meeting Expenses	2,63,752	11,908
Council Election Exp	1,00,000	-
Data Survey & Research Expenses for Member	16,20,000	-
Sub Total-V	29,44,074	27,20,067
Total (I+II+III+IV+V)	82,16,220	2,63,39,700



**

NOTE NO. 16 - ESTABLISHMENT EXPENSES

(Amount in Rs.)

PARTICULARS	Year Ended 31-03-2021	Year Ended 31-03-2020
Salaries	1,84,63,014	75,07,569
Bonus & Exgratia	14,28,322	7,21,726
Leave Encashment	7,70,919	9,44,959
Employer Contributors of EPF/ESIC	16,84,271	-
Gratuity Exp for Current Year	7,19,546	2,51,148
Reimbursement of Exp to Staffs	6,90,967	3,32,500
Staff Welfare Expenses	2,69,952	1,93,103
Staff Medical Insurance	3,70,172	2,96,792
Staffs Recruitment & Research Expenses	-	5,43,714
Sub Total	2,43,97,162	1,07,91,511



NOTE NO. 17 - ADMINISTRATIVE EXPENSES

(Amount in Rs.)

PARTICULARS	Year Ended 31-03-2021	Year Ended 31-03-2020
Auditor's Remuneration		
- Statutory Audit Fees*	2,00,000	2,50,000
- Tax Audit Fees	50,000	40,000
- GST Audit Fees	1,13,400	1,31,600
Legal, Professional & Consultancy Charges	11,68,833	11,74,967
Management Consultancy & Retainership Fee	36,85,277	69,20,483
Bank Charges	76,518	73,599
News Papers & Periodicals	29,437	9,820
Subscription & Membership Fees	6,250	6,250
Office Repair & Maintenance	15,86,871	6,16,483
Car Running & Maintenance	1,54,937	1,39,636
Council Meeting Expenses	28,508	2,60,500
Insurance of Car & Assets	25,055	27,657
Electricity & Water Expenses	3,78,029	3,43,932
Fees & Taxes	74,463	40,371
Telephone & Internet Expenses	2,81,146	1,19,212
Local Conveyance	63,899	92,641
Postage & Courier Charges	5,09,437	3,10,438
Printing & Stationery Expenses	3,40,286	3,36,344
Office Rent	37,89,903	50,28,875
Repair and Maintenance of Computers	33,672	15,375
Charity & Donations	1,00,00,000	-
Transportation Charges	91,000	-
Misc. Expenses	35,974	5,190
Sub Total	2,27,22,894	1,59,43,373

* Includes Rs.50,000/- in the Previous Year Figures for the FY-18-19.



SERVICES EXPORT PROMOTION COUNCIL

NOTE NO. 18

Note No.18 Schedule forming part of the financial statements for the year ended 31st March, 2021

(A) BACKGROUND

The Council is registered as a Society under The Societies Registration Act, 1860, on 27th November, 2006. The Council is also registered under Section 12A and 80G of the Income Tax Act, 1961.

(B) SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

The financial statements have been prepared under the historical cost convention on accrual basis of accounting in accordance with the generally accepted accounting principles in India (Indian GAAP) and applicable accounting standards issued by The Institute of Chartered Accountants of India, unless otherwise stated. The accounting policies have been consistently applied by SEPC and are consistent with those used in the previous year.

2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires SEPC to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revisions to accounting estimates is recognized prospectively in current and future periods.

3. Revenue Recognition

- a. Membership subscription is accounted only when RCMC (Registration cum member certificate) issued to the members and if RCMC not issued, the same is treated as Advance from Members.
- b. Interest on investment in the form of Fixed Deposits is accounted for on accrual basis as per bank certificates.



- c. Admission fee and Life Membership fee (one time) received from members has been treated as part of turnover in Income & Expenditure statement.

4. Fund Accounting

- a. Admission Fee (one time) received from members has been treated as capital receipt and shown as “Admission Fees Fund” in Balance Sheet till the FY- 2017-18.
- b. “Seed Money” received from founder members have been treated as Capital Reserve Fund.
- c. Life Membership Fees, being one-time contribution, has been treated as capital receipt as Life Membership Fund till the FY-2017-18.

5. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition/construction includes freight, duties, taxes and other incidental expenses incurred until installation/commissioning of the asset concerned.

Fixed assets are depreciated on the written down value method at the following rates of depreciation:

Furniture & Fixtures	10%
Motor Vehicle	15%
Office Equipments (including mobile Phones)	15%
Computer & Software	40%
Intangible Assets	25%
Building (DLF Prime Tower)	10%
Building (NBCC)	0%

6. Investments

Investments include deposits with banks for more than one year. Investments are stated at Cost plus accrued interest.

7. Grants

Government Grants are recognized as reimbursement of expenses incurred by Council for organizing of



promotional activity and events as per sanction letter and unutilized amount of grant/ grant receivable are carried forward for utilization /refund / recovery as per terms/ conditions of Grant.

8. Taxes on Income

SEPC prepares the computation of taxable income and application of income under the Income Tax Act 1961 as per Statement of Income and Expenditure (on accrual basis). Since there is no business activity carried out by SEPC and all expenses incurred are towards achieving the objects of the Council which are exempted under Section 12A of Income Tax Act.

9. Contingent Liabilities & Provisions

SEPC makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made. A disclosure is made for a contingent liability when there is a:

- a. Possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of SEPC.
- b. Present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations, or
- c. Present obligation, where a reliable estimate cannot be made

Where there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(C) NOTES TO ACCOUNTS

1. Employee Benefits

- a. The provisions of Employees Provident Fund, ESIC and Miscellaneous Provisions Act, 1952 are presently applicable to the Society.
- b. Provision for gratuity and leave encashment liability has been made in the books of accounts as per actuarial valuation and staffing committee of the Council.

2. Accumulation u/s 11(2) of the Income Tax Act, 1961

The Council has accumulated a sum of Rs. 2.50 crores u/s 11(2) of the Income Tax Act, 1961 on 31st March, 2021, which will be utilized within the next five years i.e. up to 31st March, 2026.



3. Impact of COVID - 19

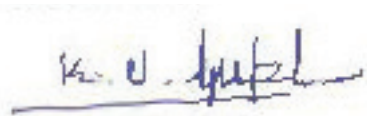
The novel coronavirus (COVID-19) outbreak which was declared as global pandemic by the World Health Organization (WHO) on March 11, 2020 continues to spread across the globe including India resulting in significant impact on global and India's economic environment.

The Council has assessed the impact of COVID-19, to the best of its information, on its operations, as well its financial statements, including but not limited to the areas of revenue, costs, operational controls and processes followed, debtors and other assets, as at March 31, 2021. Based on the overall assessment, the Council is of the view that no additional provision need to be created in books of account for the year ended March 31, 2021.

Further, there is no material impact on the financial statements due to the changes in the operational controls and processes followed by the Council during the COVID- 19 pandemic situation in the country considering the lockdown implemented w.e.f. March 25, 2020. The Council will however continue to closely monitor any material changes to the future economic conditions that may have any significant impact on its business and financial position.

4. Previous year figures have been regrouped or reclassified wherever considered necessary to make them comparable with the current year figures.

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
FRN: 000038N

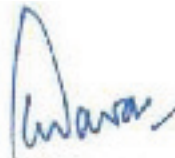


(K. N. Gupta)
Partner
M. No. 009169
UDIN: 21009169AAAAAV9983

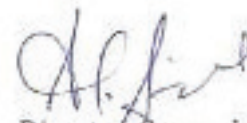
Place: New Delhi
Date: 30.06.2021



FOR SERVICES EXPORT PROMOTION COUNCIL



Chairman



Director General





S. NO	Service sectors	New Membership		Renewed Membership		Life Members	Total Membership
		Individuals	Institutional	Individuals	Institutional		
1.	Healthcare services including services by nurses, physiotherapist and paramedical personnel	4	19	15	98	0	136
2.	Educational Services	2	7	1	38	4	52
3.	Entertainment services including Audio-visual services	16	21	13	58	1	109
4.	Consultancy Services	58	141	107	411	1	718
5.	Architectural Services and related services	10	19	7	19	0	55
6.	Distribution Services	4	0	2	9	0	15
7.	Accounting/Auditing and Book Keeping Services	26	46	56	122	0	250
8.	Environmental Services	0	2	0	4	0	6
9.	Maritime Transport Services	6	26	11	136	2	181
10.	Advertising Services	9	27	8	41	0	85
11.	Marketing Research and Public Opinion Polling Services Management Services	9	47	10	110	0	176
12.	Printing & Publishing Services	4	7	2	16	0	29
13.	Legal Services	20	1	51	14	3	89
14.	Hotel and Tourism related services	14	58	88	504	13	677
15.	Other Services	34	173	28	256	1	492
16.	Information Technology & Information Technology Enabled Services (Others)	5	12	0	0	0	17
17.	Communication Services (Others)	0	2	0	0	0	2
18.	Financial Services (Others)	0	0	0	0	0	0
	Total	221	608	399	1836	25	3089



- 0** Finance Services
- 2** Communication Services
- 17** IT Services
- 492** Other Services
- 677** Hotel Services
- 89** Legal Services
- 29** Printing Services
- 176** Marketing Services
- 85** Advertising Services
- 181** Maritime Services
- 6** Environmental Services
- 250** Accounting Services
- 15** Distribution Services
- 55** Architectural Services
- 718** Consultancy Services
- 109** Entertainment Services
- 52** Educational Services
- 136** Healthcare Services

ANNUAL REPORT 2020-21

SEPC

SERVICES EXPORT PROMOTION COUNCIL
(Setup by Ministry of Commerce & Industry, Govt. of India)

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