

Government notifies the list of eligible services and rates under SEIS for services rendered in FY 2019-20

24 September 2021



Summary

The government has notified the list of eligible services and rates for claiming benefit under the Services Exports from India Scheme (SEIS) for services rendered in Financial Year (FY) 2019-20.

Key changes notified¹

- **Maximum entitlement:** Service providers of eligible services shall be entitled to duty credit scrips at notified rates on net foreign exchange earned. The entitlement shall be capped at INR 5 crore per Import-Export Code (IEC) for FY 2019-20.
- **Last date for filing application:** The last date for filing online application for SEIS claim for FY 2019-20 shall be 31 December 2021.
- **Late cut:** Provision of late cut shall not apply for SEIS applications for FY 2019-20 and such applications shall get time barred after 31 December 2021.
- **Payments in Indian rupees:** Facility to claim benefits under SEIS for payments

in Indian rupees shall not be available for services rendered in FY 2019-20.

¹ Notification No. 29/2015-2020 dated 23 September 2021

Our comments

After various representations, the long-awaited rates for SEIS for FY 2019-20 have finally been announced. However, the duty entitlement under the recently notified list has been reduced from 7% to 5% and from 5% to 3%.

Further, the benefit under the SEIS has been withdrawn for certain important services such as management consulting and related services, technical testing and analysis service, cargo handling services, etc., which were earlier claiming benefits at 7% or 5%.

Given the hardship and working capital issues due to COVID-19 pandemic faced by the businesses currently, such reduction/withdrawal of benefits will likely cause immense pressure on businesses.

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