

File No. G -3/1/2016-SEZ  
Government of India/ Bharat Sarkar  
Ministry of Commerce and Industry/ Vanijya Aur Udyog Mantralaya  
Department of Commerce/ Vanijya Vibhag  
SEZ Division  
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Udyog Bhawan, New Delhi - 110107  
Dated the 31<sup>st</sup> January, 2017

To,  
All Development Commissioners,  
Special Economic Zones.

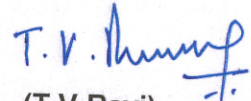
**Subject: Clarification on the issue of process of achieving NFE by FTWZ units.**

Sir/ Madam,

I am directed to say that references have been received from various stakeholders raising certain doubts about the calculation of NFE in respect of FTWZ units. There is a need to make distinction in respect of rendering of services by FTWZ units.

2. In this regard, this is to clarify that if goods are held by a FTWZ unit in warehouse in SEZ on behalf of foreign supplier and thus rendering warehousing services, the value of goods kept in warehouse in SEZ will not be part of NFE calculations. This should be dealt as per Rule 53(k) of SEZ Rules, 2006 dealing with rendering of services. However, if the goods are purchased by an FTWZ unit and sold, that should be dealt as per Rule 53(o) and value of goods kept in SEZ warehouse will form part of NFE calculation.

Yours faithfully,

  
(T.V.Ravi)  
Director  
31/1/17.

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