

## **Decision Matrix Report**

Customs duty savings  
under MOOWR scheme



**Decision for MOOWR:** Amount in Rs. Profit/Loss

**Analysis of the information:**

Particulars	Amount in Rs.
<b>For Capital Goods</b>	
Duties of Customs deferred at the time of import	
NPV of the Duties of Customs payable after intended use	
Savings in cost of working capital - IGST	
<b>For Inputs</b>	
Savings in cost of working capital on deferred duties of Customs (NPV - 10 years)	
Savings in cost of working capital on deferred IGST (NPV for 10 years)	
RoDTEP & AIR Dbk on exports, forgone by a MOOWR unit (NPV for 10 years)*	
Net Benefit	

**Merits of operating under MOOWR scheme**

**Import of Capital Goods**

- Improved cash flows due to import of CG without upfront payment of the duties of Customs
- Old and second-hand goods allowed for such duty deferment
- No interest on permitted and extended periods of warehousing for the inputs and capital goods required for manufacturing operations
- One time license of Private Warehouse and permission to manufacture. No renewal required
- No foreign exchange earning obligations
- Bonded goods can be sent for job working outside the MOOWR unit
- Reconditioning, repairing activities in respect of used imported goods can be carried out under MOOWR
- Remittance of Customs duty, if the imported raw material is exported or used in manufacture of the exported goods

**Import of raw material**

- Deferment of all customs duties on imported RM & CG used in manufacture till the time of DTA clearance of resultant products
- When resultant goods are cleared for home consumption, the duties of Customs are paid:
  - a. on import value of the bonded content
  - b. at rate duties prevailing on the date of clearance for home consumption
  - c. without interest
- No obligation of minimum investment or import threshold
- Monetary & logistical ease within its ambit with improved guidelines and assistance which are superior than the existing schemes such as the AA, EPCG, EOU, etc.

- On export, resultant goods being 'made in India', can claim import benefit under PTA/FTA – subject to conditions in the agreement

**Demerits**

- No depreciation on value of capital goods on de-bonding
- Goods imported (inputs) by MOOWR unit cannot be delivered elsewhere as the shipment must be delivered in the MOOWR unit first
- Goods imported by another person cannot be deposited in a MOOWR unit
- MOOWR unit is not eligible for all industry rate of DBK (AIR) and RoDTEP
- On DTA clearances of resultant goods One to one co-relation needed for discharging duty on bonded content in DTA sales

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