

Decision Matrix Report

Customs duty savings
under MOOWR scheme



Decision for MOOWR: Amount in Rs. Profit

Analysis of the information:

Particulars	Amount in Rs.
For Capital Goods	
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	
For Inputs	
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) *	
Duty on Raw Materials saved on Good Exported	
Net Profit	

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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