



### **About MOOWR**

The Government of India is making continuous efforts to promote India as a global manufacturing hub and has made a commitment towards enabling ease of doing business.

The Manufacturing & Other Operations in Warehouse Regulation ("MOOWR Scheme") allows importers to import raw materials and capital goods without payment of duties of customs and IGST. The duty on such imports is deferred, which provides additional working capital support to the manufacturer, i.e. working capital of anything upwards of 30% of the project cost can be saved through this initiative.

This scheme has been introduced with the intention of giving the 'Make in India' campaign a boost and opening India's doors to manufacturers wanting to either establish or shift their setup from other neighbouring countries into India.

## Features of the scheme

The features of the scheme are focused on ease of doing business for manufacturers:

Deferment of duty on import of raw material and capital goods: A person whose MOOWR license has been granted can import raw materials and capital goods for manufacturing and other operations on deferred payment of Customs duty. If the manufactured goods are exported, the Customs duty becomes exempt.

**No set-out export obligations:** Units under MOOWR are not bound to fulfil export obligations.

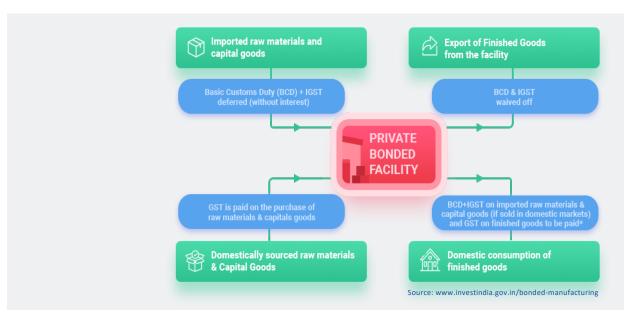
No restriction on geographical location: The warehouse under this scheme can be set up at any location.

**Move your existing Indian facility to MOOWR**: Even an existing facility can also be registered under MOOWR.

**No minimum investment threshold:** There is no minimum investment threshold, which makes the scheme open for all.

Single point of approval and easy compliance: Commissioner of Customs acts as the single point of contact for all approvals

**Unlimited period of warehousing:** Capital and non-capital goods (raw materials, components, etc.) can remain warehoused until clearance or consumption.



www.mgiworld.com India – MOOWR Scheme



For better understanding, illustration below shows how a manufacturer benefits from bonded manufacturing:

Compounding Magic Of MOOWR: A case study on optimizing MOOWR as a source of interest free working capital finance

The duty on such imported machineries and inputs is deferred, which provides additional working capital support to the manufacturer.

The manufacturer exports 70% of the total produced vehicles and deferred duty on that portion is waived while deferred Custom Duty and IGST are paid on the remaining 30% vehicles at the time of their sale domestically across

The manufacturer benefits from relief of import duty and can use the same as additional working capital, thereby saving finance costs. The manufacturer benefits by way of reduced production cost due to duty-free imports.

To conclude, the scheme is very lucrative and beneficial for manufacturers. What makes it even more attractive is the huge savings on working capital requirements. The scheme was launched at the right time right before the pandemic struck. The trade is quickly adopting the scheme and it will soon become the next popular initiative for the 'Invest in India' crusade.

For enquiries or questions relating to the MOOWR Scheme and doing business in India more generally, contact Anuj Sharedalal.

#### **About MGI Worldwide with CPAAI**



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## mgiworld.com

## **REGISTER NOW** India's MOOWR Scheme Webinar

10 March 2022

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In this interactive webinar-come-meeting, MGI Worldwide members from India explain the features of the MOOWR Scheme.

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# **Questions & Enquiries contact:**



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