



MOOWR, 2019

Manufacturing and Other Operations under Warehouse Regulations

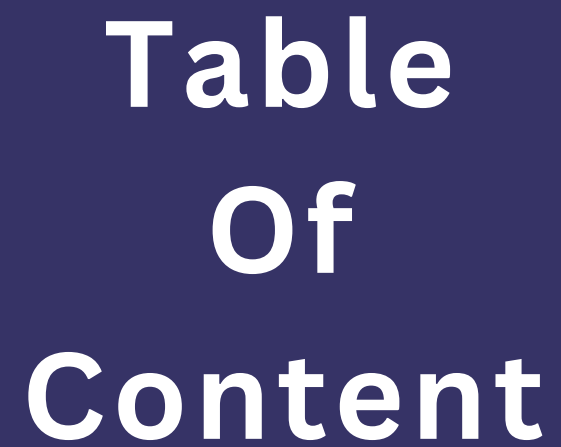


Table Of Content

- **Introduction**
- **Incentive Under the MOOWR Scheme**
- **Other relaxations under the MOOWR scheme**
- **Who is eligible ?**
- **How it's works ?**
- **Compliances under the Scheme**

Introduction

- **To promote Manufacturing in India, Government of India ('GOI') has launched a new initiative, under Manufacturing and Other Operations in Warehouse Regulations, 2019 ('MOOWR Scheme').**
- **MOOWR Scheme is open for all types of manufacturers without any minimum threshold for investment.**
- **In line with GOI's commitment towards increasing ease of doing business in India, only one time registration is required to take benefit of the MOOWR Scheme.**
- **There are no other conditions/ obligations such as export obligation, minimum employment generation, minimum investment in plant and machinery, etc.**

Incentive Under the MOOWR Scheme

- **Duty-deferment in case of import of capital goods - Customs duty shall be payable only when the capital goods are removed from the manufacturing unit.**
- **Duty-deferment in case of import of raw material - Customs duty shall be payable when the manufactured goods are removed from the unit.**
- **Deferment of customs duty on capital goods will actually result in savings of the duties as Capital goods are not removed from the unit for years.**

- **Whereas, deferment of customs duty on raw material will result in freeing up the working capital and savings in interest cost.**
- **Further, customs duty is not required to be paid on the imported raw materials if the manufactured goods are directly exported from the manufacturing unit.**

Other relaxations under the MOOWR scheme

- **Standard Input Output Norms on Self Declaration basis**
- **Duty Free transfer of goods from one MOOWR Unit to another MOOWR Unit**
- **No Need to Furnish Bank Guarantee**
- **No Restriction on Sale of Output domestic market.**

Who is eligible ?

- **Any manufacturer importing raw materials and capital goods can avail the benefit under the MOOWR Scheme.**
- **Additionally, an existing manufacturing unit can also avail the benefits under the MOOWR Scheme.**
- **Even, a job worker doing job work (process which amounts to manufacture) for other manufacturers can also import capital goods under this Scheme without payment of customs duties.**

How it works ?

- **Under the MOOWR Scheme, the manufacturing facility is converted into a Private Customs Bonded Warehouse.**
- **Imported goods (raw material as well as capital goods) can be deposited in the Private Customs Bonded Warehouse i.e. MOOWR unit, by way of filing a bill of entry for warehousing, without payment of any Customs duty + IGST.**
- **Further, manufacturing or other operations can be carried out on such goods in the MOOWR unit and manufactured goods can be removed from the MOOWR unit for local sales or export.**

- **When the manufactured goods are cleared for local sales, proportionate import duty is required to be paid only on the imported raw materials consumed in the production of such goods.**
- **If manufactured goods are exported, in addition to the waiver of BCD + IGST on the imported goods used, the GST on the finished goods can also be zero-rated.**

Compliances Under the Scheme

- **Unit would be required to maintain records with respect to activities, operations and actions undertaken in respect of warehoused goods in prescribed formats.**
- **The MOOWR unit would be required to appoint a warehouse keeper having sufficient experience.**
- **Requirement to furnish monthly returns in specified format.**

THANK YOU



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