



Alfa Laval, a leading multinational manufacturer/exporter had partnered with Weume to create a comprehensive business technology solution to manage its duty free import obligation system. Alfa Laval wanted an intelligent system, which would enable them to be proactive, a system that would bring in efficiency and help them reduce cost while managing their import obligations. Weume worked along with Alfa to do just that and to make the system smart.

## Alfa Laval partnered with Weume to

- Develop a comprehensive system to meet the needs of their Import Export business.
- Maintain a database of Advance License obtained from the Govt. of India.
- Support effective usage and utilization of the obtained licenses while importing and exporting.
- Provide appropriate reports for the clients (users) of Duty Free Import Obligation Management System.

## About Alfa Laval

Alfa Laval is a leading global provider of specialized products and engineering solutions. The equipment, systems and service are dedicated to assisting customers in optimizing the performance of their processes, Time and time again. The company helps their customers to heat, cool, separate and transport products such as oil, water, chemicals, beverages, foodstuff, starch and pharmaceuticals. Alfa Laval is a global market leader with its three key technologies - Centrifugal Separation, Heat Transfer and Fluid Handling.

## Overview of the project

### EXIM Policy of the Government of India (Duty exemption Scheme)

To promote exports and foreign currency earnings, the government of India provides certain incentives for the import of products that goes into the making of products for exports. A manufacturer or exporter

can avail the privilege of **Duty Exemption Scheme**; this scheme enables the duty free import of inputs required for export production. To avail duty exemptions for imports, the exporter has to procure a license from the government of India. This is known as Advance license.

## Advance License

An Advance License is issued to allow duty free import of inputs, which are physically incorporated in the export product (making normal allowance for wastage). In addition, fuel, oil, energy, catalysts etc., which are consumed in the course of their use to obtain the export product, may also be allowed under the scheme.

The period of fulfillment to meet export obligation under an Advance License shall commence from the date of issuance of license. The export obligation shall be fulfilled within a period of 18 months except in the case of supplies under Advance License for Deemed Exports/ Advance License to the projects/turnkey projects in India/abroad where the export obligation must be

fulfilled during the contracted duration of execution of the project/turnkey project.



### Attributes of License

- Normal life span is 18 months
- Import value is specified in Indian Rupees (CIF) & USD
- Export value is given in USD (FOB) & Indian rupees.
- If the license is utilized for an export order being sent abroad then the export value must be greater than the import value

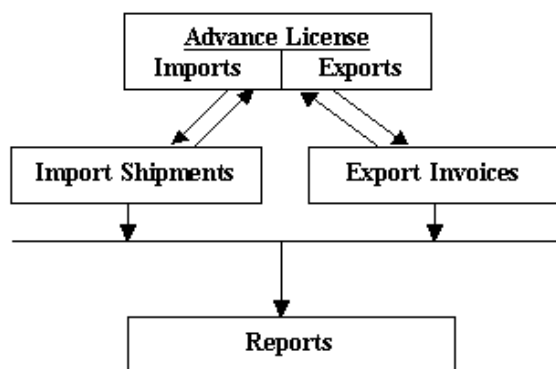
If a particular import item specified under the license is utilized from the current stock then the life span of the license can increase to about a year done semi-annually i.e. every six month.

If a license /certificate / permission holder violates any condition of the license / certificate / permission or fails to fulfill the export obligation, he shall be liable for action in accordance with the Act, the Rules and Orders made there under, the Policy and any other law for the time being in force.

### Alfa Laval's Requirement in a Nutshell

- Maintain a database of Advance Licenses acquired from the Govt. of India.
- The Advance license includes information pertaining to quantities and values of import products and export products along with the license validity for both export and import.
- Store data related to Import Shipments and Export invoices.
- Generate a letter to be submitted to the customs with all import products' details for a shipment.
- Provision for linking the shipments and invoices to the existing valid advance licenses.
- Generate a summary of the Advance Licenses.
- Generate a report specifying the validity (number of days left) of the Advance Licenses for Import and Export.
- Calculate the penalty to be paid to the Government upon failing to meet the obligation set for duty free Imports.
- The system should support multi users.

### A pictorial representation of Alfa's requirement





## The Challenge

There were two major challenges at the onset of the project:

To understand the business process of Alfa's import department, to educate us about the EXIM policy of the government of India and subsequently fill in the gaps between processes and policies. **(So many if's and but's)**

Alfa's division leaders' backgrounds were in manufacturing and imports rather than in information technology. They expected a system that would substitute for the work they did manually. They wanted the system to be flexible and accommodate alterations and amendments to advance licenses

As a first step to counter these challenges, Weume team had numerous discussions with Alfa's division leaders and we sought the assistances of few domain experts. We had organized a workshop for their team leaders, which had dual purpose of understanding their process and educate them about the opportunities and challenges of technology and business as it relates to their strategic goals.

## Business Solution

After analyzing Alfa's requirement and understanding the EXIM policy, Weume proposed the duty free import obligation management system.

The system consists of four modules, which includes The Master module, The Transaction module, Tools and Reports. Masters for the system include Company Master, Currency Master, Unit of Measurement Master, Import Product Master and Export Product Master. Import product master and Export product master collects data related to import products and export products.

The currency master was included in order to support multiple currencies. The transaction menu includes the License Register, Import Shipments and the Export invoices.



License Register collects information related to the Advance Licenses. These details include the license number; date of issue of the license and the expiry date for both import and export licenses and the product information. Six various status of the licenses are shown to the user with color variations for identifying the status of the licenses. The status indicated in the license include

New license.

- Obligation Completed.
- License being used and obligation pending.
- Expired without usage of the license.
- Expired without completing obligation.
- Export obligation completed but yet to import.

The License Register validates the input for the constraint that the value in USD for Exports should be greater than the value in USD for imports.

Import shipment allows user to add and edit the imports made. It also helps the users to link up the shipment with their corresponding advance license acquired.

From the import shipment users can print/view custom clearance letter to be submitted to the Govt. of India.

Export invoices collect information related to the exports made by the enterprise/manufacturer. The users can link up the corresponding licenses acquired in Advance license.

The system allows the user to select any currency for the products in license register, in Import shipment and Export Invoices also the user can specify any currency,

but while linking up the Imports and Exports with the existing licenses the system allows the user to select license based on the available value in USD.



Weume's Duty Free Import Obligation Management system provides Alfa Laval with as many as fifteen reports with print option. Highlighted, Unique and Important among them are

1. License Register:

Provides Advance License details along with their corresponding product information, which include the Product name, the obligation, utilized, and pending quantities and values.

2. License Expiry Report

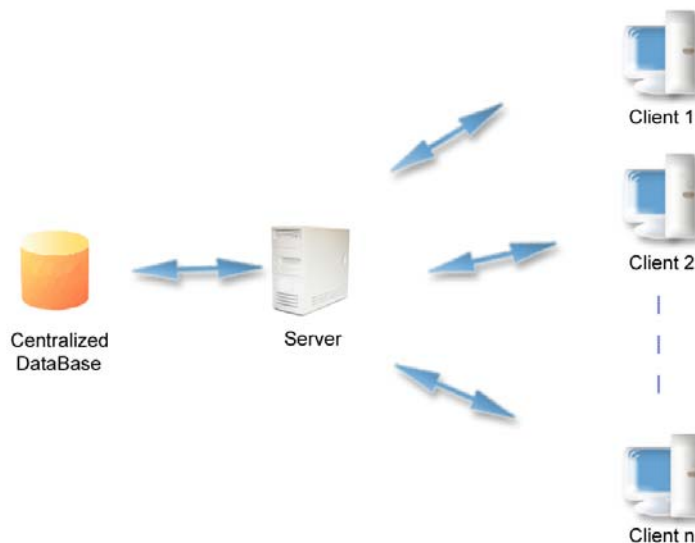
Provides details on the Advance licenses along with their product names, obligation, utilized and pending quantities along with the number of days left for expiry.

3. Duty Liability Report

This report calculates the fine to be paid to the Govt. of India on the basis of Imports made and Exports haven't been on a specific date.

## Technical Solution

The system is deployed over a network and it caters to the needs of multiple users working over a central database. The data consistency is maintained whilst serving multiple users concurrently, using state-of-the-art techniques. The requests from different users are maintained and served, taking into consideration the number of users already using the system to obtain the maximum possible consistency.





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The system is provided with Weume's help support system, which can be called by the user at any point of time.

The system has been designed to support two categories of users

- (1). The Admin Users
- (2). End Users.

The admin users are provided with the option of creating, deleting and editing end users, also the admin users have the provision of assigning module rights to the end users.

Provision for Backup: We had made a provision for the admin of the system to back up the database to any system within the network.

Scalability: To start off, we have built the system to support MS-Access 2000 but when the need arises the system can be easily migrated to Oracle or MS SQL database.

## Technologies Used

- Microsoft Visual Basic 6.0
- Microsoft Access 2000
- Microsoft Active X Data Objects
- XML
- Seagate Crystal Reports for Reports
- Microsoft HTML Help Workshop for preparing the help system.

## About Weume

Weume Infosys Pvt Ltd, pronounced as **We-U-Me**, provides leading edge technology solutions to enable interactive mobile messaging, mobile communication and mobile Internet services. We offer wired to wireless technology platforms, applications and integration services to global enterprises and mobile network operators/service providers. Weume is focused on developing mobile data applications for operators, which are dedicated to contributing to the growth of ARPU by adding value on top of the existing network infrastructure.

Founded in 2000, Weume is a privately held company based in Chennai, India with marketing offices in Europe and USA.

For more Information on Weume, please visit [www.weume.com](http://www.weume.com)

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