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संयुक्त महानिदेशक विदेश व्यापार का कार्यालय  
केन्द्रीय सदन, सुल्तान बाजार, हैदराबाद-५०० ११५.  
GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE AND INDUSTRY  
OFFICE OF THE  
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Dear Sir,

I am enclosing the Minutes of the Joint Meeting of the DGFT and Customs for redressal of the grievance of the exporters, held in my office on 2.7.2007, for your information and necessary action.

With regards,

Yours sincerely,

( M. GOPINATH )

Encl: as above.

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**GOVERNMENT OF INDIA / MINISTRY OF COMMERCE & INDUSTRY  
OFFICE OF JOINT DIRECTOR GENERAL OF FOREIGN TRADE  
1<sup>st</sup> FLOOR, KENDRIYA SADAN, SULTAN BAZAR  
HYDERABAD - 500 095.**

**MINUTES OF THE JOINT MEETING OF DGFT AND CUSTOMS FOR  
REDRESSAL OF THE GRIEVANCE OF THE EXPORTERS, HELD IN THE  
O/O.JOINT DGFT, HYDERABAD ON 02.07.2007 AT 11.30 AM**

The Meeting was attended by the following :-

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|------------------------------|---------------------------------------|
| 1. Shri C.P. Rao, I.R.S.     | Commissioner of Customs, Hyd          |
| 2. Shri M. Sai Kumar, I.A.S. | Zonal Joint DGFT, Chennai             |
| 3. Shri M. Gopinath, I.T.S.  | Regional Joint DGFT, Hyd.             |
| 4. Shri K. C. Sekhar, I.R.S. | Addl. Commissioner of Customs, Hyd    |
| 5. Dr. P.V. Appaji           | Executive Director, PHARMEXCIL, Hyd   |
| 6. Shri D. Anil, I.R.S.      | Dy. Commissioner, Air Cargo, Hyd.     |
| 7. Shri K.Kuppurajan, I.T.S  | Dy. DGFT, Hyderabad                   |
| 8. Shri P. Sai Babu,         | F T D O, Hyderabad                    |
| 9. Shri Sudarshan,           | NIC, Hyderabad                        |
| 10. Shri R.Durga Prasad      | System Administrator, O/o.JDGFT, Hyd. |

One of the main issues highlighted in the meeting was on delay in transmission of Shipping Bill data from the Customs Server to DGFT Server. Due to this delay the exporters are unable to capture the Shipping Bill data and file their application in time. The Licensing Authority, JDGFT, Hyderabad has been imposing a cut of 10% for delayed submission of application as per Foreign Trade Procedures. The cut of 10% imposed on the entitlement of DEPB benefits to certain exporters has been taken up for discussion.

2. The Commissioner of Customs was of the view that his department has been loading the data as and when the Shipping Bills are finally assessed and therefore there was no delay on their part in transmitting the data. This was appreciated by all the members in the meeting. However, there is a technical snag in the Customs Server as well as DGFT Server, due to which the data has not been transmitted by the Customs Server to DGFT Server regularly. The Committee deliberated this point in detail about the process involved in transmission of the Shipping Bill data. The Committee also gave a patient hearing to one of the exporters, Mr. Suryanarayana, Director, M/s.Dr. Reddy's Laboratories Ltd., who appeared before the Committee and explained the entire case in detail. He also narrated that his company has exported the goods and

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obtained the hard copies of the documents. However, he could not file the application for DEPB benefits in time due to non-availability of data in the system. **As per the policy, the exporters have to file the application through EDI mode only by capturing the Shipping Bills data online from the DGFT website. Since the data has not been transmitted and was not available online, they could not capture the data and file the application in time.**

3. By the time they file the application after capturing the data, the stipulated time as per para 9.3 of Hand Book is over, and it amounts to delay in filing the application and automatically the system deducts 10% for the late submission of application. The Director also explained that there is no human error in the entire transmission which could be rectified by the officials of Customs and DGFT manually. Since the transmission of data is done by the system itself, it is not possible for the DGFT officials to intervene manually and then allow full DEPB without cut.

4. It was highlighted that this delay in transmitting the Shipping Bill data is due to a technical problem/snap in the servers of both Customs and the DGFT. In order to avoid this problem, it was unanimously decided that the exporters may approach the Customs where the EDI Shipping Bills are finally assessed and obtain a letter from them stating that the Shipping Bills have been assessed and the data has been transmitted date-wise. That is, if there is a delay in transmission of Shipping Bills from Customs Server to DGFT Server, and the applicant is unable to apply for DEPB due to non-transmission of Shipping Bills online, he would approach the Customs and get a letter that the delay was due to non-transmission of shipping bills by the Servers. Based on the confirmation letter of Shipping Bill data, the licensing authority may internally review all the cases where cuts were imposed and restore the benefits deducted on this score in the system itself as the exporter is not at fault.

5. The second issue discussed in the meeting was on the delay in transmission of DEPB licence data by the DGFT server to Customs server. In other words, the DEPBs issued by the Licensing Authorities are not transmitted by the DGFT server to the Customs server so as to enable the Customs to verify the licence data online and allow clearance of goods against these DEPBs.

6. The DGFT vide Public Notice No.57 (RE-2005)/2004-09, dt.6.10.2005 declared that henceforth all the DEPB licences issued by the RLAs would be transmitted to ICE GATE website. The same was confirmed by the Central Board of Excise & Customs vide Circular No.11/2007-Customs, dt.13.2.2007. According to this, all the DEPBs transmitted by DGFT, Customs will make the online registration of the said licences thereby the exporters for facilitating the exporters to utilise the licence.

7. All the licences that are issued by RLAs are not getting transmitted from DGFT to ICE GATE resulting in affecting the online registration at Customs and thereby the exporters are compelled to pay cash and clear their import consignments though they have physical DEPB licences in hand.

8. In order to avoid this problem, Zonal Joint DGFT, Chennai directed the officials to re-transmit the data once again to the Customs server in the system. He also said that in case the data is not captured again, then the licensing authority can issue a letter giving the details of DEPB licences issued to the Customs so that the latter would be in a position to allow clearance. He also opined that delay in transmission of the data should be avoided so that the system captures the data properly and transmit the same.

9. The NIC officials informed that at present there is no provision to re-transmit the data and therefore, the NIC officials are of the view that the NIC, DGFT, New Delhi will have to update the software so as to enable the RLAs to re-transmit the licence data online.

10. Thus the problems faced by the exporters on both the ways – one, on the transmission of Shipping Bill data by the Customs Server to the DGFT Server and the second, on the licensing data back to the Customs Server for online verification – were thoroughly discussed.

11. The Committee also listened to the views of the representatives from M/s. Inventaa Chemicals Ltd. and M/s. Aurobindo Pharma Ltd. on the same issues.

12. The Commissioner of Customs requested the Executive Director of PHARMEXCIL, present in the meeting, to issue a circular to the trade and industry on the modalities to be followed to avoid EGM errors while transmitting the data of shipping bills in the system. Dr. Appaji, Executive Director agreed to enlighten the trade and industry on this issue.

13. To a query raised by Shri M. Gopinath, Regional Joint DGFT, Hyderabad whether 6APA, being an intermediate, requires the drug licence or not, Dr. Appaji clarified that he had already issued a clarificatory letter in writing stating that 6APA is an intermediate and therefore does not require drug licence.

14. Mr. Suryanarayana, Director of Dr. Reddy's Laboratories Ltd. wanted animal quarantine facilities in Hyderabad Airport for importing animals for research purpose in their R&D laboratory. As of now, this facility is not available and they are importing animals from Mumbai and Chennai causing severe problems to the animals enroute. He was advised to take up the matter with the concerned authorities at the higher level for creating necessary facilities in the Air Cargo Complex, Hyderabad.

The meeting ended with a vote of thanks.