

# Terms of Reference

## 1.1 Scope of Work

The scope of work primarily covers implementation of an Enterprise Class Solution “RISe” for automation of the key functional, administrative, financial and managerial areas of SEEPZ SEZ based on role and authorisation. A comprehensive MIS shall also form part of the envisaged system. It is required to put in place a proper system where in all stakeholders will have access to all the relevant information to take informed decisions

### 1.1.1 About Special Economic Zones (SEZ)

India was one of the first in Asia to recognize the effectiveness of the Export Processing Zone (EPZ) model in promoting exports, with Asia's first EPZ set up in Kandla in 1965. With a view to overcome the shortcomings experienced on account of the multiplicity of controls and clearances; absence of world-class infrastructure, and an unstable fiscal regime and with a view to attract larger foreign investments in India, the Special Economic Zones (SEZs) Policy was announced in April 2000.

Government of India (GOI) has identified that a strong and well-functioning Special Economic Zone (SEZ) is a critical element for the growth aspirations of our country. It will be an inter-Ministerial initiative where all ministries and departments will offer their own services to the public. The Public private partnership model will be adopted selectively. After extensive consultations, the SEZ Act, 2005, supported by SEZ Rules, came into effect on 10th February 2006, providing for drastic simplification of procedures and for single window clearance on matters relating to central as well as state governments. The main objectives of the SEZ Act are:

- Generation of additional economic activity
- Promotion of exports of goods and services
- Promotion of investment from domestic and foreign sources

- Creation of employment opportunities
- Development of infrastructure facilities

The SEZ Act 2005 envisages key role for the State Governments in Export Promotion and creation of related infrastructure. A Single Window SEZ approval mechanism has been provided through a 19-member inter-ministerial SEZ Board of Approval (BoA). The applications duly recommended by the respective State Governments/UT Administration are considered by this BoA periodically. All decisions of the Board of approvals are with consensus.

The SEZ Rules provide for different minimum land requirement for different class of SEZs. Every SEZ is divided into a processing area where alone the SEZ units would come up and the non-processing area where the supporting infrastructure is to be created.

**The SEZ Rules provide for:**

- Simplified procedures for development, operation, and maintenance of the Special Economic Zones and for setting up units and conducting business in SEZs;
- Single window clearance for setting up of an SEZ;
- Single window clearance for setting up a unit in a Special Economic Zone;
- Single Window clearance on matters relating to Central as well as State Governments;
- Simplified compliance procedures and documentation with an emphasis on self-certification

**Administrative set up of SEZ**

The functioning of the SEZs is governed by a three-tier administrative set up. The Board of Approval is the apex body and is headed by the Secretary, Department of Commerce. The Approval Committee at the Zone level deals with approval of units in the SEZs and other related issues. Each Zone is headed by a Development Commissioner, who is ex-officio chairperson of the Approval Committee.

Once an SEZ has been approved by the Board of Approval and Central Government has notified the area of the SEZ, units are allowed to be set up in the SEZ. All the proposals for setting up of units in the SEZ are approved at the Zone level by the Approval Committee consisting of Development Commissioner, Customs Authorities, and representatives of State Government. All post approval clearances including grant of importer-exporter code number, change in the name of the company or implementing agency, broad banding diversification, etc. are given at the Zone level by the Development Commissioner. The performance of the SEZ units is periodically monitored by the Approval Committee and units are liable for penal action under the provision of Foreign Trade (Development and Regulation) Act, in case of violation of the conditions of the approval.

### **1.1.2 About Santacruz Electronics Export Processing Zone (SEEPZ SEZ)**

Santacruz Electronics Export Processing Zone (SEEPZ SEZ) is a Special Economic Zone in Mumbai, India. Situated in the Andheri East area, it is subjected to liberal economic laws as compared to the rest of India to promote rapid economic growth using tax and business incentives and attract foreign investment and technology. There are more than 250 units inside SEEPZ SEZ (Santacruz Electronics Export Processing Unit). The Policing is done by the Ministry of Finance's Customs branch and the Custodian of SEEPZ SEZ is MMTC LTD. ~ Ministry of Commerce unit.

SEEPZ SEZ was set up on May 1, 1973, as a uni-product EPZ solely for manufacture and export of electronic items. In 1987-88, the government permitted the manufacture and export of gem-and-jewellery items. SEEPZ SEZ was one of the three export processing zones converted into a special economic zone in November 2000. Since then, many other SEZ's have been created in rest of India. SEEPZ SEZ houses electronic hardware manufacturing companies, software companies, and jewellery exporters of India. SEEPZ SEZ has constantly contributed to accelerated growth and technological advancements in export-oriented manufacturing in India.

Today, 295 dynamic and technologically advanced exporters from SEEPZ SEZ offer computer hardware, software, and Gem & Jewellery in international markets. Of this, there are 28 IT

Hardware units, 168 Gem & Jewellery units, 66 IT Software Units and 33 Trading units operating in the SEEPZ SEZ.

SEEPZ SEZ is a high security entry zone. Employees of all companies need to have permanent SEEPZ SEZ gate pass to gain entry inside SEEPZ SEZ (including the Custodian's office, Bank, including Customs officials who police the SEEPZ SEZ complex). Due to its business importance and high concentration of work force SEEPZ SEZ has remained the prime target of criminals and terrorists.

Sprawling infrastructure of SEEPZ SEZ is spread over 111 acres. The Zone provides necessary infrastructure for facilitation setting up of units in the Zone such as:

- Developed Plots
- Ready built-up galas

Plots are leased for 30 years, and built-up area is leased for five years on renewable basis. Well-connected network of central roads and a Business Facilitation Centre are facility of Zone. At present, the lease rent charged for built up area is Rs. 2230/- per Sq. Mtr. PA and for plots Rs. 100/- per Sq. Mtr. PA in addition to that user charges and maintenance costs is also charged.

The Additional facilities in SEEPZ SEZ are as follows:-

- Banks
- ATMs
- Industrial Canteens
- Central Warehouse
- MMTC
- Telephone Exchange
- Foreign Post Office
- Offshore Banking Unit
- Residential Hotel

- Authorised Dealer of Foreign Exchange
- Well-equipped Fire Station.
- Creche
- Well-equipped Dispensary
- Convention Centre
- Gymnasium

As SEEPZ SEZ is statutorily exempted from power cuts, uninterrupted power supply is guaranteed from generating stations of Western Maharashtra. The Zone has also an assured supply of 4.6 MLD of water a day. SEEPZ SEZ is an export manufacturing hub with an in-house Customs clearance facility. This enables the exporters to deliver their air and sea consignments on time. SEEPZ SEZ offers unique combination of urban infrastructure, skilled labour, eco-friendly production, speedy and cost-effective shipping.

SEEPZ SEZ has a security entrance to avoid any pilferage of duty-free goods. Supporting the philosophy of making every business process sustainable for the zone and the society at large, SEEPZ SEZ facilitates and encourages the units within the Zone to offer regular programme for skill development, to and from transport and recreational facilities to their individual employees.

### **1.1.3 Existing System**

The functioning of SEEPZ SEZ is governed by Department of Commerce, Ministry of Commerce & Industry (MOCI) through Special Economic Zones Act, 2005 which provides for the establishment, development, and management of SEZs for the promotion of exports and for matters connected therewith or incidental thereto. The SEZ rules, inter- alia, provide for drastic simplification of procedures and for single window clearance on matters relating to Central as well as State Governments. Region outside of SEZs is termed as Domestic Tariff Area (DTA).

At present a few observations in the existing system are as below:

- The gaps identified in the present level of service delivery needs to be fixed.
- Only few sections within SEEPZ SEZ have embraced digital systems in its true spirit
- Even in certain sections where computerization is advanced, a parallel manual process is still in place which leads to process delays.
- The functions of most of the sections are either manual or partially automated.
- IT systems are used for data input and retrieval
- Level of awareness and appreciation of computerization is low.
- Absence of a functional high end security system.
- The scenario of hardware, network security etc. also has a lot of scope for improvement.
- Unavailability of a consolidated and comprehensive dashboard for faster decision making.

#### **1.1.3.1 Existing IT Systems**

Few of the existing IT systems are as follows:

**SEZ Online Portal:** For the SEZ compliance, the units access the SEZ Online Portal maintained by M/s NSDL. In 2009, MOCI has entered into a formal agreement with NSDL Database Management Limited (NDML) along with Infosys, for establishing and managing a nationwide integrated digital solution for administration of SEZs of India under the SEZ act. SEZ Online is a centralized web-based system which enables online submission and processing of all applications, online tracking and compliance to all reporting provision and processing and clearance of all goods and services into and out from SEEPZ SEZ under the SEZ Act. These include integration with ICEGATE for release of goods which have completed import/ export documentation clearance (BOE/ Shipping bill) under SEZ Act, integration with DGCIS for reporting of trade statistics, etc. SEZ online thus enables transactions, facilitates regulatory compliance for SEZ Units and provides administrative support for SEZ administration.

**IceGate Portal of the Customs & Central Excise Department, Govt. of India:** Currently for the fulfilment of Customs formalities, the Units operating in the Zone access the IceGate Portal of the Customs & Central Excise Department, Govt. of India. Indian Customs Electronic Gateway

(ICEGATE) is the national portal of Indian Customs of Central Board of Indirect Taxes and Customs (CBIC) that provides e-filing services under Customs Act to the Trade, Cargo Carriers, and other Trading Partners electronically with respect to import / export of goods and services into/ out of DTA to foreign countries and SEZ.

Through this facility Indian Customs offers a host of services, including electronic filing of the Bill of Entry (import goods declaration), Shipping Bills (export goods declaration), e-Payment of Customs Duty, a free of cost web-based Common Signer utility for signing all the Customs Documents, file online supporting documents through e-Sanchit, end to end electronic IGST Refund etc.

**Tally:** For the financial accounting management of SEEPZ SEZ, the accounts section is using enterprise class ERP solution, Tally ERP 9

**Rent Management System:** A web-based Rent Management System is used for the rent collection from the units.

**Access Control System & Visitor Management System:** Access Control System & Visitor Management System are used for the purpose of monitoring vehicles & visitors.

**SEEPZ SEZ Information Management System (SIMS):** A LAN based SIMS software is used to maintain the details of File Tracking and Inventory system.

**RBES - Risk Based Examination System:** RBES system is used for the management of examinations conducted by the SEEPZ SEZ customs section.

These systems operate as Silos and have its own inherent limitations. Also, couple of the software modules being used by SEEPZ SEZ are developed by different agencies for nation-wide roll-out; it is difficult to customise them for the specific requirements of SEEPZ SEZ. To overcome the limitations of the existing system, an Enterprise Class Solution that helps in streamlining and automating the business processes of SEEPZ SEZ is the need of the hour which once deployed facilitates improvement in quality of service delivery.

#### **1.1.4 Envisaged Project**

With a view to leverage Information and Communication Technology (ICT) possibilities and new age trends for the overall transformation of SEEPZ SEZ, it is intended to implement and enable systems to administer SEEPZ SEZ as a secure and highly efficient entity. This can be achieved by putting in place a comprehensive Enterprise Class Solution “RISe” covering the various functional, financial, administrative, and managerial areas of SEEPZ SEZ. It is a prestigious project of SEEPZ SEZ aimed at improving the quality, accessibility, and efficiency of SEEPZ SEZ. The key objectives of the envisaged RISe project are as follows:

- Ensuring transparent, easy, efficient, and accurate availability of information, and facilitation of transactions
- Creation of IT backbone for fast, reliable, and efficient connectivity, data storage and access
- Integrated service delivery of Government to Business (G2B) services
- Upgrading the web portal for access to official information and services

With intent of providing a robust system, SEEPZ SEZ has decided to streamline its current systems and core activities by leveraging Information and Communication Technology across various sections of the organization. This includes all the functional, financial, administrative, and managerial areas of the organisation. The main objective of this project is for the implementation of an Enterprise Class Solution that facilitates speedy processing of various transactions between developers/units and SEEPZ SEZ, automation of internal administrative, financial, and managerial activities resulting in the overall transformation of SEEPZ SEZ.

A multi-pronged approach may be adapted for achieving the same. This involves the following main activities:

- Enhanced IT infrastructure
- End to end computerization
- Capacity Building



In line with its vision, the project has defined a number of Goals that include:

- Improve the efficiency of approval and renewal processes
- Ensure better tracking of the progress of activities
- Enhance the turnaround time of processes
- Significantly improving the Quality of Service
- Improve Security Systems
- Transparent, effective, and efficient service delivery
- Information rich web portal for SEEPZ SEZ, a powerful channel for service delivery to Investors

#### **1.1.4.1 Project Advisor Services**

To manage a project of this criticality and vast scope, it is imperative that a Project Advisor's services are in place. The Project Advisor shall provide Project Management, Monitoring, Reporting and Communication Services to ensure the smooth implementation and rollout of the project. Main Responsibilities of the Project Advisor shall be as follows:

##### **A. Project management**

- Overall project management;
- Prepare project work plans, ensure adherence to the project's work plans, and implement project activities
- Prepare and Implement Annual Project Plans;
- Prepare periodic technical and Progress reports;
- Ensure compliance with the requirements agreed under the RFP

##### **B. Monitoring & Reporting**

- Organize and facilitate the meetings of the Project Committee;
- Inform the Project Committee of any significant problem or issue which potentially affect the smooth implementation of the project;

- Coordinate on a periodic basis with other Project related initiatives;
- Communicate the reports from Project meetings as well as general progress and results to the members of the Project Committee

### **C. Stakeholder Communication**

- Maintain a close working relationship with key stakeholders
- Ensure that stakeholder participation follows guidelines appropriate for a participatory and equitable process
- Ensure adequate information flow, discussions, and feedback among the various stakeholders of the project

#### **1.1.4.2 Software and Related Services**

The Enterprise Class Solution “RISe” is for the end-to-end automation of functional, administrative, financial, and managerial areas of SEEPZ SEZ only. SEEPZ SEZ intends to automate its core business processes by leveraging ICT to streamline, improve efficiency, ensure transparency and accountability in its operations and faster delivery of services to its stakeholders. SEEPZ SEZ identifies automation of various processes and services as a requisite for achieving the aforementioned goals.

The envisaged IT solutions should be able to accommodate the day – to – day activities and business processes of various sections of SEEPZ SEZ. The IT solutions should be able to assist in monitoring and reviewing of all activities of SEEPZ SEZ. However, the envisaged system shall be independent of the existing systems like IceGate and SEZ Online. Once deployed on a centralized server, the solution shall be accessed by authorized users from anywhere with a connectivity over the internet. Users shall be able to access only those sections that are assigned to them. All other sections shall remain out of bounds. Only authorized personnel shall have access to view data and reports from the system.

#### **1.1.4.3 Objectives of Software & Related Services**

SEEPZ SEZ would like to achieve the following as an outcome of successful implementation of RISE project.

- Efficient & transparent delivery of services
- Improved speed of Unit Allocation/ Modifications
- Efficient compliance monitoring
- Faster communication
- Increased transparency
- Reduction in operational cost and turnaround times
- Overall Transformation of SEEPZ SEZ