Excise Supply Chain Information Management System (ESCIMS) for Liquor Sale in Delhi- Challenges in Transition & Change Management

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1. ABSTRACT

The Government of Delhi's Department of Excise, Entertainment, and Luxury is the second largest revenue contributor to of India's National Capital Territory (NCT) government.
The department had a challenging objective to automate the alcohol supply chain management system in Delhi in real time mode and to increase the revenue collection for the department.
Also, interfaces to all the stakeholders of department shall be automated to expedite the service delivery to citizen & business.

Excise Supply Chain Information Management System (ESCIMS) project was envisaged to address aforementioned key concerns.

ESCIMS implementation phase was one of unique project as number of stakeholders in the project was very high. Also, stakeholders were diverse in terms of skills, education & knowledge levels. The implementation of ESCIMS was a challenge as it was a real time transition of large supply chain management system.

The project management team addressed various challenges by adopting Work Break Down structure method and creating granular activities for each of the stakeholders during implementation and transition.

Also, PMU team, created communication channels for each of the stakeholders and conducted detailed workshops & training programs to train stakeholders on each of the scenario in the application.

Hence, implementation & transition phase of ESCIMS project presents an excellent example for other similar eGovernance projects.

2. NOTE TO PRACTITIONERS/INSTRUCTORS

This documentation is intended to serve as an overview of implementation of the ESCIMS project in Delhi. This document can be used as to present the challenges in the implementation of any eGovernance Project. Also, this document should be adopted to understand the communication practices and capacity building practices may be adopted in

large scale egovernance projects. This case study provides basic operational guidance to practitioners seeking to replicate the approach in their own states or departments.

3. NOTE TO INSTRUCTORS

The case study brings out various aspects of e-Governance projects such as implementation, transition and capacity building demonstrates how a structured and professional approach during these phases of the projects would lead to successful outcomes.

4. KEY WORDS & TAGS

Excise, Entertainment Taxes and Luxury taxes, E-Governance, technology adoption, public private partnership, SLA, Real Time Supply chain Management; Capacity Building, Adoption Process, TOGAF, Layered Architecture

5. PROJECT CONTEXT

5.1. About the Department

[2] Delhi, Excise and Entertainment department is one the major revenue contributor to GNCTD Tax collection. Apart from fulfilling its primary responsibility of revenue collection, the Commissionerate controls and regulates the liquor, intoxicants and narcotics trade. Commissionerate collects approx. 25% contribution of total revenue of Govt of Delhi at less than half per cent collection cost. Excise Department is the second largest revenue earning department of the Government of Delhi and is one of the three constituents of a Commissionerate, alongwith Luxury Tax and Entertainment Tax. The Entertainment Tax department deals with the collection of entertainment tax leviable on all entertainments / amusements like Cinema, Theatre, Ticketed sports events, Cable TV, Fun Parks, Betting, Floorshows and variety entertainments. The luxury tax department came in existence in 1996, after introduction of luxury tax on 01.11.1996.

5.2. Organization Set-Up

The department is headed by a Commissioner, assisted by two Deputy Commissioners, 20 other Gazetted Officers and a staff of 296. With this modest strength the department is charged with the responsibility of contributing approximately 25% revenue to the Government of Delhi.
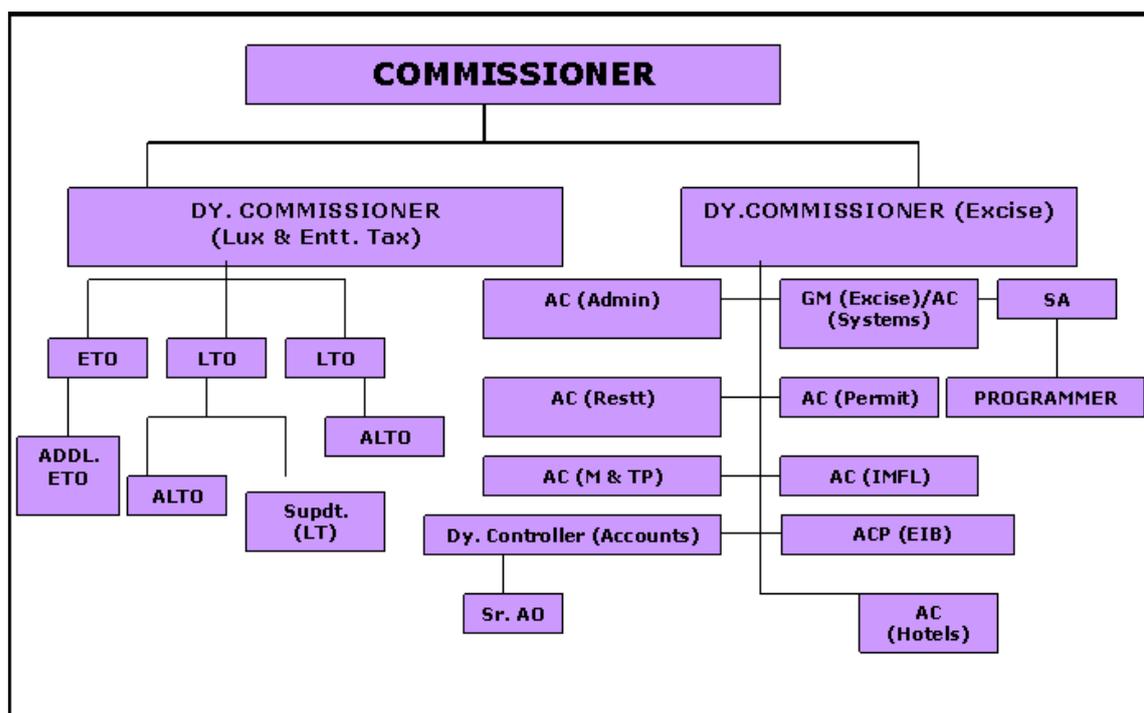
Figure 1: Organization Set-Up

6. PROJECT OVERVIEW

2.1. Project Description

The 'Excise Supply Chain Information Management System for Liquor Sale in Delhi' (herein after referred as 'ESCIMS' throughout this document), has been initiated by the Excise Department with the objective to make the system more transparent, efficient, effective and accountable with the help of Information & Communication Technology (ICT).

The project covers the Excise services at Department and Corporations, Bonded Warehouses, Vends and Distilleries. It includes the interaction of Central and State with Export Permit and Import Licenses. The Proposed Solution is an internet based software application that will act as the single point of communication for Department users, all other stakeholders and Citizen to view the relevant information of various functionalities based on user permissions.

2.2. Objectives

The Commissionerate is committed towards consumer convenience and revenue mobilization through Computerization. The Excise, Entertainment and Luxury Tax Commissionerate of NCT of Delhi have two major objectives:

a. To enforce and regulate the liquor trade in Delhi without promoting it.

b. To mobilize revenue generation under the multiple heads of taxation that it administers. The department has realized that the increasing workload under the manual system affects

efficiency and also hampers department's revenue collection capacity. Hence the remedy lies in extremely smooth operating infrastructures and effective communication systems. This requires an integrated information technology network with an inbuilt facility to collect revenue electronically from liquor vending, corporations, hotels, cinemas, liquor shops and it will be connected at one end with the Commissionerate and other with participatory banks.

2.3. Envisaged Benefits

The major benefits expected from the system would be:

For Government:

- Reduction in smuggling and brand pushing of liquor which help in better revenue mobilization.

- Automation of the issue of Transport Permits, import permits, No Objection Certificates will obviate the necessity of people coming to department.

- Generation of timely, intelligent reports and comparisons will help managerial control, inventory management, improve efficiency and enable revenue record reconciliation on daily basis. Also bringing departments float to zero simultaneously. This will also help flattening of tax cycle.

- Ease of tax rates or regulatory changes being put in force immediately and also providing transparency to department and its business with it's clients.

- Control data e.g. occupancy rates for hotels, ordering patterns for corporation and bookings for entertainment can be monitored effectively.

For Corporation:

- The corporations dealing with liquor will see savings in cost of transfer of funds, reduction of floats, better stock management improving revenues and less time spent in chasing paper.

- The Corporation shops will see savings in space and reduction of overstocking/stock out situations. They will be able to serve customers with speed and with brand of choice along with accuracy in billing and payment resulting in enhanced satisfaction. Similar benefits will also accrue to bonded warehouses.

For Hotels and Entertainment entities

- As regards hotels and entertainment entities with respect to Luxury Tax and Entertainment Tax the system in course of time will build value for them primarily by increasing convenience and reducing cost of money transfer, possibly doing away with manual filing of periodic returns and effective reconciliation, thus reducing accounting load.

2.4. Stakeholders

One of the most challenging aspects of the ESCIMS is the diversity and number of the stakeholders:

- **Project Sponsor / Excise Department, GNCTD,** is responsible for revenue collection, regulate import and Allocation of liquor, intoxicants and narcotics (for medicinal purposes) and making liquor available in safe quality to the consumers. At present four corporations namely DTTDC, DSCSC, DSIIDC and DCCWS are engaged in the retail trade of liquor. The private entrepreneurs are also holding shops for retail sale of IMFL & Beer all over Delhi.

- **DTTDC - Delhi Tourism and Transportation Development Corporation** is an undertaking of the Government of National Capital Territory of Delhi, to promote tourism in Delhi, offering a wide ranging spectrum of services to tourists and also to the citizens of Delhi.

- **DSIIDC - Delhi State Industrial & Infrastructure Development Corporation** is playing a key role in shaping the industrial growth of the Indian capital. The Indian Made Foreign Liquor (IMFL) activity was entrusted for ensuring the availability of genuine liquor to the customers at approved rates/price, stopping the leakage of revenue accruable to the Govt. by way of Excise and Sales Tax and generating revenues for financing the develo**pmental activities by the Govt.**

- **DSCSC - Delhi State Civil Supplies Corporation** is incorporated by GNCTD with objective of securing stability in prices and making available essential commodities at reasonable rates to the consumer and to promote, develop and improve, purchase, procure, process, transport, import, and export, distribution and sale of foodstuff, cement, coal, spirit and beverages, essential & consumable commodities.

- **DCCWSL - Delhi Consumer Cooperative Wholesale Store Limited** is an undertaking of the Government of National Capital Territory of Delhi, for consumer cooperative wholesale store, offering a wide-ranging spectrum of services to consumers of Delhi.

- **Project Monitoring Unit (PMU)** would work as the extended arm of Excise Department to implement the project. It would be primarily responsible for supporting Government in supervising, monitoring and evaluating the development and implementation of the project at the National level.

- **Implementing Agency** is responsible to design, develop and implement the System, improve the infrastructure that is being proposed, keep this initiative in context as specified in this RFP.

- **Other stakeholders**

There are many stakeholders who are directly or indirectly related to the system. The following is a list of key stakeholders:

- **Distilleries**
- **Bonded Warehouses**
- **Private Vends/ Vends**
- **Hotels**
- **Clubs**
- **Restaurant**

2.5. Scope of Project

The scope of the project is to Design, Develop, Test, Deploy, Operate and Maintain the proposed Supply Chain Information Management System and the Department's functional areas using serialized 2D Barcode in Design Build Own Operate Model (DBOOT). The Operations and Maintenance for 7 yrs after Go-Live.

The Implementing agency shall act as System Integrator of all the Department Functional Areas as detailed below; integrated with Excise Supply Chain Information Management System as a component to the department portal.

The following outlines the broad areas of scope of work for the Implementing Agency (IA):

(i) Operation & Maintenance support to existing application of Excise Department, Department Website, Web applications including all the modules till the new Application "Go-Live"

(ii) Procurement, Installation & Commissioning of Hardware, System Software & Networking Infrastructure at all Department office locations of Excise department, all the Four Public Sector Undertakings/ Corporations engaged in sale of liquor covering their Head Offices and their liquor Vends.

(iii) System study on all modules with necessary modification for best fit solution including 11 modules

- Country liquor
- Hotel/Club/Restaurant
- IMFL
- Permits
- Accounts
- Bank & Front Office

- Entertainment
- Control Lab
- Excise Intelligence Bureau
- Luxury Tax
- Medicine &Toiletry Preparation (M&TP)

(iv) Application Development of the 11 modules mentioned above and integration with existing Excise Website and other web services with Role Based Access Control.

(v) Customized Application software development (COTS or Bespoke) on Supply Chain component covering Regulation of Sale and transport of Liquor, Finance, Licensing, Storage & Movement, Dispatch Tracking, Liquor movement and Application deployment at Central Data Centre, Excise Department, all the Four Public Sector Undertakings/ Corporations engaged in sale of liquor covering their Head Offices and all liquor Vends and integration provision with Distilleries, Bonded Warehouses, Private Vends and other Points of Sale etc.

(vi) Migration of legacy data at liquor Vends, Corporations, Bonded Warehouses, Excise Department and data consolidation at Excise Central Data Centre for Dash Board View.

(vii) Setup of Data Centre and Disaster Recovery Centre at a location identified by the Excise Department, presently; it is planned to be provisioned at NICSI data centre.

(viii) Application Integration with any other Excise specific services.

(ix) Grievance redressal mechanism by providing a Helpline/ Call Centre function with single seat in 2 shifts

(x) Training, Capacity Building & Change Management required for the project, covering Excise Department, all the Four Public Sector Undertakings/ Corporations engaged in sale of liquor covering their Head Offices and all liquor Vends., Bonded Warehouses and all other Points of Sale

(xi) Operation & Maintenance of the Overall System Solution (Hardware, System Software, Application Software and other Infrastructure) for 7 Years from Go-Live

(xii) Provisioning of Application Software, Hardware, networking etc. for integration of any new vend with the Excise System during Operation and Maintenance Phase

(xiii) Provisioning of Application Software, Hardware, networking etc. for integration of any vend, already within the project being relocated during Operation and Maintenance Phase

(xiv) Obtaining ISO (9001, 27001, 20000) and any other certifications as may be required for the ESCIM system

(xv) Compliance with the SLAs

2.6. Benefits and Beneficiaries

The major benefits expected from the system would be:

Excise Department, GNCTD

- Reduction in smuggling from neighboring states
- Better Brand pushing of liquor
- Better revenue mobilization
- Intelligent and real time Reports
- Better managerial control
- Better inventory management
- Improving efficiency
- Daily reconciliation and enablement of revenue record
- Bringing departments float to zero simultaneously
- Flattening of tax cycle.
- Ease of tax rates or regulatory changes being put in force immediately
- Providing transparency to department and its business with it's clients.
- Effective Control of data of Occupancy rates for hotels
- Monitoring of effectively Ordering patterns for corporation and bookings for entertainment

Citizens

- Automation of Issuance of Transport Permits
- Automation of import permits
- Automation of No Objection Certificates

Corporations (Dealing with liquor)

- Savings in cost of transfer of funds,
- Reduction of floats
- Better stock management
- Improving revenues
- Less time spent in chasing paper

The Corporation shops and Bonded warehouses.

- Savings in space
- Reduction of overstocking/stock out situations.
- More Swift service to customers and with brand of choice

- Accuracy in billing and payment
- Enhanced Customer satisfaction

Hotels And Entertainment Entities (with respect to Luxury Tax and Entertainment Tax)

- Increasing convenience
- Reducing cost of money transfer
- Doing away with manual filing of periodic returns
- Effective reconciliation
- Reducing accounting load

2.7. Governance services offered

ECIMS Project shall deliver following list of services to various stakeholders and beneficiaries:

Corporations

- To generate Online PO
- To provide Management Information System
- To provide Dashboard

Citizens

- To provide online application submissions for grant of Licenses
- To provide access of Information related to the application
- To provide facility to raise grievances

Corporation Vends

- To provide automation of daily sales & inventory reporting
- To provide tracking of bar coded liqour bottles
- To provide Point of Sales Devices and software

Bonded Warehouses

- To provide visibility of inventory stock & demand (Supply Management),
- To provide online status of Inventory

Private Vend, Hotel, Club, Restaurant, CSD

- To provide automation of daily sales & inventory reporting
- To provide tracking of bar coded liqour bottles

Mobile Checking Inspector

- To provide tracking of bar coded bottles

Distelleries

- To provide faster Issuance of IP
- To provide generation of BARCODE Labels
- To provide online submission of bar code & dispatch details
- To provide supply of liquor to warehouse
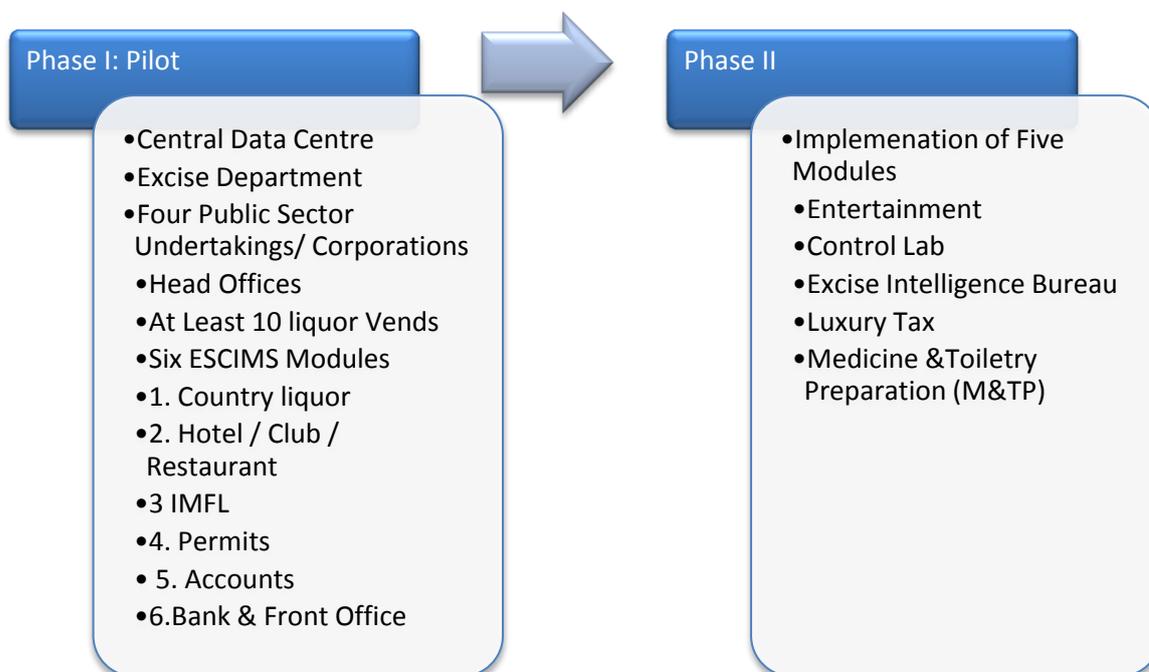- To provide dispatch of bar coded liquor bottles

2.8. Outcomes, and Benefits realized.

The major benefits, which shall be realized from the system are:

- Reduction in smuggling and brand pushing of liquor which help in better revenue mobilization.

- Automation of the issue of Transport Permits, import permits, No Objection Certificates has obviated the necessity of people coming to department.

- Generation of timely, intelligent reports and comparisons has helped managerial control, inventory management, improve efficiency and enable revenue record reconciliation on daily basis.

- The corporations dealing with liquor have seen savings in cost of transfer of funds, reduction of floats, better stock management improving revenues and less time spent in chasing paper.

- The Corporation shops will see savings in space and reduction of overstocking/stock out situations. They will be able to serve customers with speed and with brand of choice along with accuracy in billing and payment resulting in enhanced satisfaction. Similar benefits will also accrue to bonded warehouses.

- As regards hotels and entertainment entities with respect to Luxury Tax and Entertainment Tax the system in course of time will build value for them primarily by increasing convenience and reducing cost of money transfer, possibly doing away with manual filing of periodic returns and effective reconciliation, thus reducing accounting load.

7. Project Description

This project adopted the phased implementation approach including two phases as depicted below:

Phase I: Pilot	Phase II
• Central Data Centre • Excise Department • Four Public Sector Undertakings/ Corporations • Head Offices • At Least 10 liquor Vends • Six ESCIMS Modules • 1. Country liquor • 2. Hotel / Club / Restaurant • 3 IMFL • 4. Permits • 5. Accounts • 6.Bank & Front Office	• Implemenation of Five Modules • Entertainment • Control Lab • Excise Intelligence Bureau • Luxury Tax • Medicine &Toiletry Preparation (M&TP)

Phase 1: The system will be Piloted covering Central Data Centre, Excise Department, all the Four Public Sector Undertakings/ Corporations engaged in sale of liquor covering their Head Offices and minimum 10 liquor Vends with 6 modules of ESCIMS (1. Country liquor, 2. Hotel / Club / Restaurant, 3 IMFL, 4. Permits, 5. Accounts, 6.Bank & Front Office) and Supply Chain component of Supply and Sale, Finance, Licensing & Regulation, Storage & Movement, Dispatch Tracking, Liquor Issuance, Grievance Redressal

Pilot: The system shall be deployed for Pilot run with 6 modules of ESCIMS covering at least 10 vends of each Corporation and all other Stakeholders within 9 months of award of contract.

Go-Live: The system shall "go-Live" with 6 modules of ESCIMS covering all locations and all Stakeholders within 3 months of Pilot implementation

Phase 2: final Acceptance of ESCIMS by Department on completion of development and integration of other modules of ESCIMS i.e.; 7. Entertainment, 8. Control Lab, 9. Excise Intelligence Bureau, 10. Luxury Tax, 11. Medicine &Toiletry Preparation (M&TP) within 6 months of "Go-Live"
The Scope of SI

i. Operation and Maintenance support to Existing Application in Excise Department till new Application "Go-Live"

ii. Procurement, Installation & Commissioning of Hardware, System Software & Networking Infrastructure

iii. Development of application software

iv. Application Development and Integration

v. Installation and Commissioning of equipments at Central Data Centre, Excise Department, all the Four Public Sector Undertakings/ Corporations engaged in sale of liquor covering their Head Offices and all liquor Vends

vi. Migration of legacy data

vii. Setup of Data Centre, Disaster Recovery Centre and Business Continuity Centre

viii. Application Integration with any other Excise specific services.

ix. Grievance redressal

x. Capacity Building & Change Management

xi. Operation & Maintenance for a period of 7 years from Go-Live

2.8.1. Project Objectives

This project is envisaged to improve the overall efficiency, effectiveness, transparency and accountability in the System. The sub-objectives of the project as depicted below are targeted towards realizing the improvement areas.

a) Efficiency.

- Ensure online Management Information System (MIS) of Key Excise information
- Improve efficiency of the complete System.

b) Effectiveness.

- Ensure correct quantities of commodities reach the intended Vend dealers on time.
- Minimize transit losses and pilferages.
- Enable effective licensing and regulations of Vends.

c) Accountability.

- Ensure traceability of decisions.
- Ensure adherence to service level.

d) Transparency.

- Establish an effective system for redressal of public grievances
- Make all important information available to citizens.

2.8.2. Envisaged Outcomes

a. Assessment of Excise duty to be paid/ paid in real time

b. Online MIS system for prompt and efficient decision making

c. Online availability of Allocation, Sales and Payments related information

d. Transport of Liquor within defined service levels

e. Ease of payment of fees for Vend owner.

f. An effective grievance redressal mechanism by providing a Helpline/ Call Center function with single seat in 2 shifts

g. Online status tracking and enquiry facility

h. Ensuring the genuine and correct amount of liquor reach the citizen.

6.2 Process & Technology

In ESCIMS project, Open group recommended framework (also known as TOGAF – The Open Group Architecture Framework) has been adopted in order to

- a. To have Open Architecture
- b. To ensure a robust system design without any vendor and technology lock-in as
- c. To design the reference architecture across the country
- d. To envisage that reference architecture may be adopted with great flexibility to accommodate the variations without bypassing the well-established framework

6.2.1. IT Infrastructure Architecture for the proposed System

All applications will be hosted at Excise data centre as web application or service and users will access it through internet or intranet. All corporations will have their own data centers which will provide relevant services to users in their respective corporations.
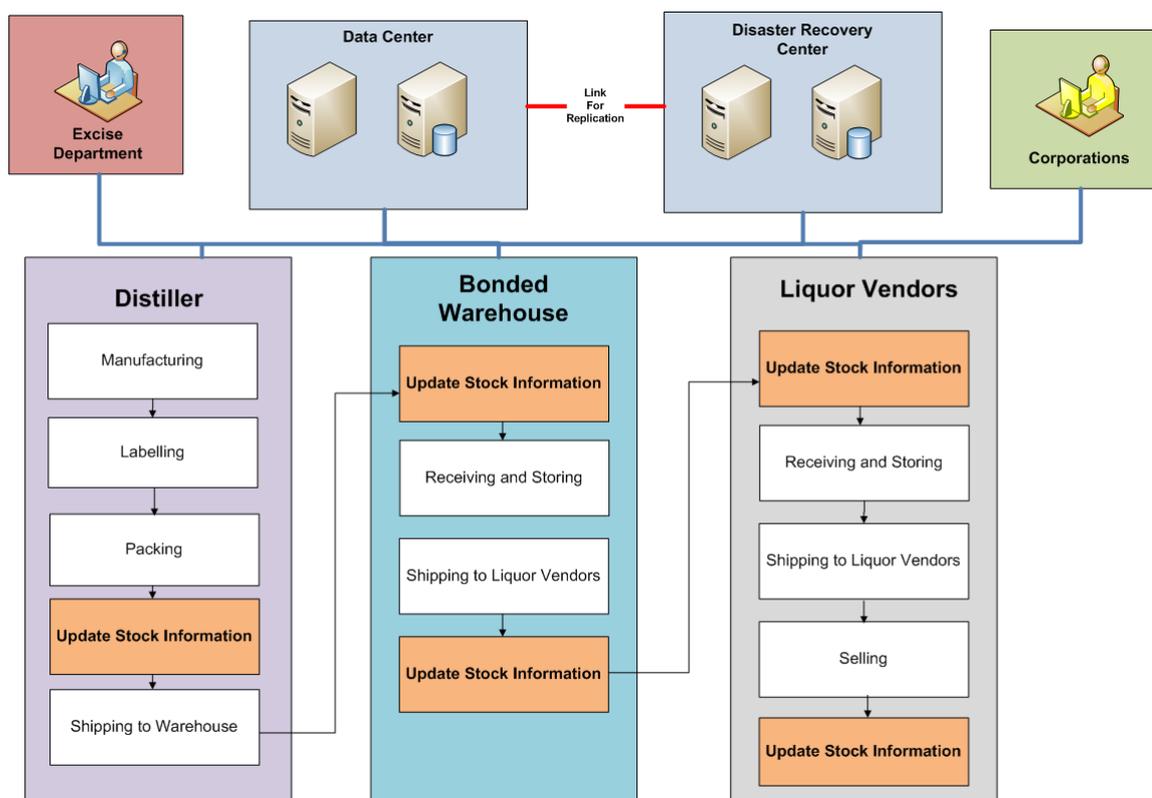
**Figure 2: Overall IT Infrastructure Architecture**

6.2.2. Layer Architecture

The project had implemented layered architecture with clear demarcation of various layers constituting the proposed system. The key idea is to provide basis for realizing the system based on "services". Service based architecture is essentially a collection of services which are well defined, self-contained, and loosely coupled with other services. Providing this type of architecture entails separating out common activities, tasks, and business events into common services, which could then support and be utilized by all participants required to compose the Department and Citizen related services. Following diagram depicts the high level layered view of the complete System.

S/N	Layer	Description
1	**Client Layer**	• This layer depicts the various channels through which the IT functions are delivered. Channels can be different user types, such as external and internal consumers who access application functions thought various mechanisms.

2	**Presentation Layer**	- Web browser based access to the information provided by the Excise Dept related government departmental applications. - Handles communications with users' browsers - Implements the presentation layer that creates the web pages - Provides controller that routes incoming requests and the delegate portion of business logic, if any - Uses HTTPS (Hypertext Transfer Protocol over Secure Socket Layer) for secure communications wherever required with users' browsers - Authenticates users and allows them access only those parts of the system for which they are authorized.
3	**Security Layer**	Provides different security services to rest of the application and related modules/components and layers in the System across multiple layers.
4	**Services Layer**	- Includes all services that are defined in the services portfolio of the System and definition of each service with both syntactic and semantic information. - Syntactic information is for operations on each service, input and output messages, and definition of the service faults - Semantic information is for service policies, service management decisions, service access requirements etc., - Services are defined so they are accessible by channels and consumers, independent of implementation and transport. - Excise and Corporations would need to work on this layer for data exchange through services.
5	**Component Layer**	Contains business logic and business data components for proposed System and applications.

6	**Data Access Layer**	• Enables connectivity to various data sources and legacy applications at corporations which are related only with the proposed System.
7	**Data Layer**	• Contains System hosted Portal managed data such as relational data, unstructured data, data files, documents, images etc.
8	**Operational Layer**	• Includes the operational systems that support government/departmental activities in the current IT environment of the respective departments. Includes all custom developed and packaged legacy applications.
9	**Governance Layer**	• Ensures the proper management of the entire life cycle (conceptualization, development, pre-release and maintenance) • Responsible for prioritizing which high value services should be implemented for each layer in the architecture • Provides a rationalization based on how the service satisfies a business goal • Responsible to enforce design and run-time polices that the services should implement and confirm.
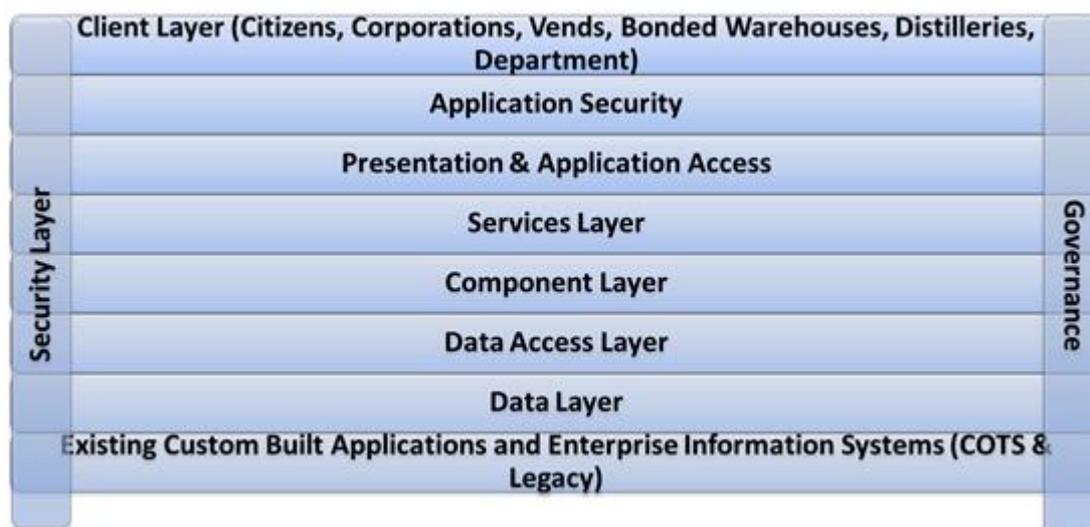
Figure 3: Layer Architecture

6.2.3. System Specifications

The implemented system supports Operating Systems which include MS Windows NT, MS Windows 2000, Sun Solaris, HP HP-UX, IBM AIX and Red Hat Linux.

- System does not require a separate Application Server
- System supports metadata to be manually entered as content is entered into the system.
- System also supports metadata to be applied via a predefined taxonomy through the use of WebDav System supports applying of metadata to content stored based on business rules.

8. UNIQUE ASPECTS OF PROJECT

In implementation stage, ESCIMS encountered various challenges which were unique as per the project. Few of such challenges are listed here below:

7.1.   Diversity of Stakeholders

Project has diverse stakeholders in number of aspects including skill level, interests, objectives.

7.2.   Control over Few Private Stakeholders

Few of the ESCIMS stakeholders includes Private Vends/ Vends, Hotels, Clubs and Restaurant are driven by the monetary Benefits, the implementation of ECIIMS has brought strict control on functioning and shall require support from each of these.

7.3.   Lobbies & Interest groups

There are number of lobbies which have unauthorized means of selling the alcohol in Delhi. This kind of alcohol is illegally imported from the other states (adjacent to Delhi). ESCIMS envisages

to implement control on such lobbies and interest groups which affects Excise department in terms of revenue loss.

7.4. Only Back Office Operations and No front end application

Before ESCIMS, every process of application for license and other applications were completely paper based.

7.5. Real Time Supply Chain application

The implementation of the ESCIMS was one of the challenging task in itself because complete system was to be implemented without affecting the any of the operations of its stakeholders.

7.6. Large number of Project Stakeholders

The number of stakeholders is extraordinarily high in comparison to typical eGovernance projects:

1. Excise Department, GNCTD
2. DTTDC
3. DSIIDC
4. DSCSC
5. DCCWSL
6. Project Monitoring Unit (PMU)
7. Implementing Agency
8. Distilleries
9. Breweries
10. Bonded Warehouses
11. Private Vends/ Vends
12. Hotels
13. Clubs
14. Restaurant
15. IFL Bonded Warehouse
    a. Corporation Vends
16. CSD
17. Wineries

7.7. Varied Skill Levels of Project Stakeholders

This is one the key challenge is the concerns is varied skills, education and knowledge levels of the large number stakeholders which are not is NOT in control of Excise Department/IA/PMU. Few of stakeholders, such as private vends are not educated and possess the lowest skill levels

7.8. Regulation, Revenue Generation and Facilitation to citizens

This project has multifold objectives including

a. Regulation of excise processes for Excise Department by automating the complete life cycle of excise department

b. Revenue Generation for GNCTD

c. Facilitation to citizens for application of all kinds of licenses

7.9.   Dynamic Changes the Regulation and Policies

ESCIMS application should be able to adopt yearly changes in policies and regulations of Excise Department such as Issuance of the new licence, change in the amount of taxes and others.

7.10.   Real Time Transition of the business

The one of the unique challenge of the ESCIMS is to transition the complete Supply Chain business which completely operational, which have some basic challenges such as Stock of Products before transition should match with the stocks after transition.

9. ISSUES AND CHALLENGES FACED DURING IMPLEMENTATION

The few of key challenges of during the project implementation phase are highlighted below

9.1 Solution to Various Challenges

The few of key challenges of during the project implementation phase are highlighted below:

S/N	Challenge	Solution
1	**Diverse Stakeholders with varying Skill & Knowledge Levels**	• Workshop and communication to each level of stakeholders •Number of training sessions for each level of stakeholders • Stakeholders were engaged & encouraged to share inputs on implementation. • Created a communication channel to share inputs • Department employees were encouraged to be open to take inputs • Benefits of the project were communicated to each stakeholder at the start of the project • Hands on Training Sessions were conducted along with & SOP

2	**Real time Transition to new System ESCIMS (with no effect on the current business operations)**	• PMU Team Granulized the Complete transition process for each stakeholders & related transition activities for each of following : o Distilleries / Breweries / Wineries o Bonded Warehouse o IFL Bonded Warehouse o HCR o Corporation Vends o Private Vends o CSD • Definition and Communication to each of the stakeholder about Standard Operating Procedures(SoP) for each of the possible scenario during transition phase
3	**Skill level of the stakeholders is NOT in PMU's/SI's control as majority of stakeholders were outsiders with No Education and also Lowest Skill Level**	Definition of tailor made training programs and workshops for each of such stakeholders such as basic computer training, usage of point of sales devices
4	**Yearly changes in policies and regulations of Excise Department such as Issuance of the new licence, change in the amount of taxes and others**	ESCIMS application is TOGAF based and service oriented to adapt dynamic changes in the Excise department Policy & regulations in the application

10. KEY LESSONS

A. Innovative Model Of 2d Barcodes

[2] ESCIMS' innovative model of 2D barcodes has helped ensure that only lawfully produced, paid-for, and accounted-for stock moves down the supply chain. As a result, only safe items go from manufacture to sale, preventing mishaps that may otherwise arise from the consumption of spurious or illicit liquor.

B. Revenue reconciliation

Revenue reconciliation can now take place at the end of every business day. ESCIMS covers the gamut of products that attract excise duty, closing all systemic loopholes and stopping revenue leakage. The integrated information system network has an in-built facility to collect revenue electronically from manufacturers, distributors, and vend sites, including corporations, hotels, and restaurants.

C. ESCIMS' dashboards

ESCIMS' dashboards enable easy monitoring of data and enable tighter managerial control. Managers can use the data for better inventory management, decision making, policy changes, and timely and intelligent report generation. Department officers can conduct spot checks, monitor trends, identify anomalies, and take corrective action immediately. Role-based access control for users ensures security by mandating organizational hierarchy-based authorization.

D. Transparency

Transparency has improved across the excise ecosystem – both within and between the Department and the relevant stakeholders. ESCIMS' grievance Redressal mechanism comprises a helpline and a call center, through which aggrieved parties can log complaints, track ticket status, and obtain responses online.

E. Improvement in Purchase Management Process

The POS application allows vend sites to improve purchase management and gain higher visibility of warehouse stock. ESCIMS has also reduced brand pushing by distilleries, broadening the range from which customers can freely choose their desired products.

F. Reduction in the Manual Paper Work

ESCIMS' online features have eliminated manual paperwork and time-consuming travel to Department offices by both government executives and private parties. The 'always-on' functionality also allows all stakeholders to conduct transactions on the system anytime.

G. Automation Leading to Simplification

Processes for issuing transport and import permits and no-objection certificates have been simplified and automated. The relevant licenses, authorizations, and tax receipts are now delivered directly to the desktops of applicants.

H. Adaption to Dynamic Changes

The ESCIMS rules engine has also sped up the implementation of regulatory changes and tax rates, and the consequent notifications now reach stakeholders without delay.

I. Implementation of electronic Service Level Agreement (eSLA)

ESCIMS has helped improve the Department's compliance with the Government of India's electronic service level agreement (eSLA) requirements, violation of which can attract penalties, as laid out by the Right of Citizen to Time Bound Delivery of Services Act, 2011.

J. Capacity Building and Change Management

Capacity building and change management principles to train stakeholders in the new ESCIMS environment. This has made for a smooth transition, raised the bar on stakeholder communication, and resulted in the successful adoption of ESCIMS at all levels.

Way Forward:

ESCIMS can be considered as a replicable model for other state's Excise Entertainment and Tax departments

11. METHODOLOGY ADOPTED FOR CASE WRITING

- Rakesh Malik, Senior General Manager, NISG
- Dharmender Jhamb, Manager, NISG

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[2] www.tcs.com/.../TCS-**Delhi**-**Excise**-Collections-System-1213-1.pdf

13. PROJECT CASE FACT SHEET

- Phase 1 : The requirements gathering and analysis, design & build phase covering Excise Department, 4 Corporations and 40 Vend locations (pilot) was completed in D+10 Months

- Phase 2 : The implementation and application integration for Distilleries, Bonded Warehouses, Private Vends, Hotels / Restaurants etc, for pilot sites was completed in the in D+10 Months

- **Go-Live :** The Go-Live of the phase I project across 410 Vends was completed on **13th Feb 2013**

- Phase 2: The requirement analysis, design & Build of the functions including Entertainment, Luxury Tax, Control Lab, Excise Intelligence Bureau & Medicine & Toiletry Preparation was completed and went live on D+17 Months

- Operations & Maintenance The operations & maintenance of entire system (phase 1 & 2) shall be completed i D+84 Months and system shall be transferred to the department in at the end of 84 Months