TERMS OF REFERENCE

for the Procurement and Implementation of

ARTH ERP Suite — TextilePro

Comprehensive ERP Platform for Textile & Cloth Manufacturing

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1. Introduction

Trihari Smart Solutions is a technology company specialising in enterprise software for India's textile and manufacturing sector. The company has developed the ARTH ERP Suite — TextilePro, a purpose-built, six-module Enterprise Resource Planning (ERP) platform designed exclusively to digitise and integrate the end-to-end operations of cloth and textile manufacturing enterprises.

This Terms of Reference (TOR) document establishes the complete framework governing the procurement, deployment, configuration, integration, and ongoing support of the TextilePro ERP system. It is intended to serve as the definitive reference for client organisations evaluating or engaging with Trihari Smart Solutions for ERP implementation services, as well as for implementation teams responsible for delivery.

The document covers the background, objectives, scope of work, module-level functional requirements, technical specifications, implementation roadmap, roles and responsibilities, deliverables, acceptance criteria, governance structure, and commercial terms applicable to TextilePro ERP engagements.

2. Background and Problem Statement

India's textile and cloth manufacturing industry remains one of the largest contributors to the nation's GDP and export earnings. Yet a significant proportion of small and medium-sized manufacturers continue to rely on manual, paper-based, or fragmented software systems to manage their core business operations. This technological gap creates compounding inefficiencies across the manufacturing value chain, including:

Code	Problem Area	Business Impact
INV	**Inventory Blind Spots**	Manual stock tracking causes over-ordering, shortages, and revenue leakage across warehouses. Absence of real-time stock visibility leads to production delays and excess working capital locked in unused materials.
OPS	**Siloed Operations**	Production, sales, accounts, and dispatch functions operate in isolation, causing costly delays, data duplication, and miscommunication between departments.
TAX	**Tax Compliance Risk**	Manual GST, TDS, and e-Invoice computations lead to filing errors, missed deadlines, interest penalties, and complex reconciliation exercises that drain finance team bandwidth.
HRM	**HR and Payroll Errors**	Attendance, leave, PF, ESI, and payroll tracked on spreadsheets are vulnerable to calculation mistakes, audit failures, and statutory non-compliance under the Factories Act and Payment of Wages Act.
DSP	**Dispatch Bottlenecks**	No real-time visibility into outgoing goods, lorry receipts, transporter details, or delivery confirmation leads to customer disputes and freight loss.

RPT	**Absence of Business Intelligence**	Without consolidated dashboards, management is forced into gut-based decisions. Revenue leakages, slow-moving stock, and high-attrition departments go undetected for months.

The ARTH ERP Suite — TextilePro directly addresses each of these pain points through a fully integrated, single-database platform, eliminating data silos and enabling real-time operational intelligence.

3. Objectives of the Assignment

The primary objectives of procuring and implementing the TextilePro ERP system are as follows:

1. Achieve full digital integration of all core business functions — inventory, finance, HR, sales, dispatch, and analytics — within a single, unified platform.
2. Eliminate manual data entry and paper-based workflows by automating transactional processes across the procurement, production, sales, and dispatch cycles.
3. Ensure statutory compliance with Indian tax law, including GST, TDS, PF, ESI, e-Invoice, and e-Way Bill mandates, through system-enforced calculations and filing support.
4. Provide real-time business visibility to management through executive dashboards, KPI reporting, and exception alerts without manual MIS preparation.
5. Improve inventory accuracy and reduce working capital locked in excess or dead stock through real-time stock tracking, reorder alerts, and ABC analysis.
6. Streamline HR and payroll operations for factory workers, supervisors, and office staff, including biometric attendance, shift management, and statutory deductions.
7. Enable end-to-end sales lifecycle management — from customer enquiry through invoicing to payment receipt and outstanding follow-up.
8. Provide complete outbound logistics visibility, including packing list generation, LR management, e-Way Bill creation, and proof of delivery capture.
9. Deliver a scalable architecture capable of supporting multi-warehouse, multi-godown, and multi-user operations as the business grows.
10. Build internal capacity through structured training, documentation, and post-go-live hypercare support.

4. Scope of Work

The scope of the TextilePro ERP implementation encompasses six integrated modules, each addressing a distinct functional domain. All modules share a single underlying database, ensuring zero data duplication and real-time synchronisation across functions.

4.1 Module 1 — Inventory Management

The Inventory Management module provides a unified system covering the complete stock lifecycle from supplier delivery through production to sales dispatch. The module must deliver:

Item Master	Maintain raw materials and finished goods with HSN codes, units of measure (UOM), variants, and product specifications.
Vendor Master	Manage supplier records including GST registration, credit terms, payment history, and bank account details.
Warehouse Master	Configure multiple godowns, rack locations, and bin assignments to support multi-location stock management.
PO & GRN	Raise Purchase Orders and record Goods Receipt Notes with support for partial deliveries and pending order tracking.
Quality Inspection	Record pass, fail, or hold status per inward lot with configurable quality parameters and inspector assignment.
3-Way Matching	Reconcile Purchase Order, Goods Receipt Note, and Supplier Invoice to validate payment authorisation.
Material Issue Note	Issue raw materials and components to production against work orders with quantity controls and return tracking.
Inter-Dept Transfers	Record inter-departmental material transfers and loan issues with approval workflows and return tracking.
Wastage & Adjustments	Record material write-offs, variances, and stock adjustments with full audit trail.
Reorder & Barcodes	Trigger automatic reorder alerts at configurable minimum levels and print QR or barcode labels for materials.

4.2 Module 2 — Trial Balance (Accounting)

The Trial Balance module provides a complete, integrated accounting system where every financial transaction from all other modules flows automatically into the general ledger. Key deliverables include:

Bank Reconciliation	Automatically match bank statement entries with corresponding book entries to identify unreconciled items.
Accounts Payable	Maintain supplier ledgers, aging reports, and outstanding payment schedules with due-date alerts.
Accounts Receivable	Maintain customer ledgers, credit limit enforcement, overdue alerts, and ageing buckets (30/60/90 days).

Cost Centre Accounting	Track income and expenditure by department or project for divisional P&L reporting.
Trial Balance	Generate debit/credit trial balance with drill-down to individual transaction level.
Profit & Loss	Produce monthly, quarterly, and annual P&L statements with prior-period comparative columns.
Balance Sheet	Generate a balance sheet as of any user-specified date showing assets, liabilities, and equity.
Cash Flow Statement	Produce cash flow reports segmented by operating, investing, and financing activities.

4.3 Module 3 — HRMS (Human Resource Management System)

The HRMS module manages the complete employee lifecycle for factory workers, supervisors, and office staff. It must handle attendance integration, payroll computation, and all statutory deductions. Key deliverables:

Employee Master	Maintain employee records including personal details, designation, department, contract type, and bank account.
Attendance	Integrate with biometric or RFID devices for real-time attendance capture; support shift rosters and overtime.
Leave Management	Configure leave types (CL, EL, SL), maintain balances, and manage application and approval workflows.
Payroll Processing	Compute gross pay, deductions, net pay, and payslip generation for all employee categories.
PF & ESI	Automatically compute Provident Fund and ESI contributions, generate monthly challans and ECR files.
Professional Tax	Apply state-wise PT slabs and Labour Welfare Fund deductions as applicable.
Form 16 / ITR	Generate annual tax computation and Form 16 for all employees for income tax return purposes.
Loans & Advances	Track employee loans and salary advances with EMI schedules and automatic payroll deductions.
Gratuity & Bonus	Calculate gratuity eligibility and bonus entitlements as per the Payment of Gratuity Act and Bonus Act.
HR Reports	Generate headcount reports, attrition analysis, payroll registers, and statutory compliance reports.

4.4 Module 4 — Sales Tracker

The Sales Tracker module provides complete B2B sales lifecycle management from enquiry through payment collection. It must support GST-compliant invoicing, e-Invoice integration, and real-time collection tracking. Key deliverables:

Customer Master	Maintain customer records with GST details, credit limits, payment terms, price lists, and geographic area mapping.
Enquiry & Quotation	Record fabric specifications, quantities, rates, discounts, and quotation revision history.
Sales Order	Convert confirmed quotations to sales orders with delivery schedules and amendment controls.
Price List Management	Configure customer-group pricing, seasonal discount structures, and product-level rate overrides.
Tax Invoice	Generate GST-compliant tax invoices auto-populated from confirmed sales orders with e-Invoice support.
Sales Returns	Record quality-reject returns with automatic credit note generation and inventory stock update.
Payment Receipt	Record cheque, NEFT, UPI, and cash receipts with TDS adjustment and running balance maintenance.
Outstanding & Aging	Track customer-wise outstanding balances with 30/60/90-day aging buckets and overdue escalation alerts.
Target vs. Actual	Track salesperson-wise monthly targets, achievement percentages, and incentive computation.
Order Management	Support order cancellation and amendment with configurable approval controls and audit trail.

4.5 Module 5 — Despatch Management

The Despatch Management module bridges confirmed sales orders with physical delivery. It provides complete outbound logistics visibility from packing through proof of delivery. Key deliverables:

Despatch Planning	Plan and schedule outbound despatches against confirmed sales orders with pick-list generation.
Packing List	Generate roll or bundle-wise packing lists with actual weights, measurements, and batch identifiers.
Lorry Receipt (LR)	Auto-generate lorry receipts with transporter details, vehicle number, freight terms, and remarks.
Transporter Master	Maintain transporter records with rate contracts, GST registration, and contact information.
e-Way Bill	Auto-generate e-Way Bills from despatch and invoice data using GSTN API integration.

Delivery Challan	Generate and print delivery challans for customer, transporter, and store copies.
Short Shipment	Identify and flag partial despatches against ordered quantities with pending balance tracking.
Proof of Delivery	Capture digital POD with received quantity confirmation and delivery date recording.
Freight Allocation	Track freight recovered from customers vs. freight paid to transporters on a customer-wise basis.
Despatch Register	Generate date-wise, customer-wise, and transporter-wise MIS despatch reports.

4.6 Module 6 — Analytics Dashboard

The Analytics Dashboard consolidates data from all five operational modules into real-time dashboards and scheduled reports. It serves as the intelligence layer for management decision-making. Key deliverables:

Executive Dashboard	Display real-time Revenue, Cost of Goods Sold, Gross Margin, and Stock Value KPIs in a single management view.
Inventory Analytics	Analyse fast-movers, slow-movers, and dead stock; generate ABC classification reports.
Sales Analytics	Display region-wise, product-wise, and salesperson-wise trend charts and achievement summaries.
Purchase Analytics	Track supplier performance scores, price variance analysis, and average lead time by vendor.
Financial Ratios	Compute and display current ratio, debtor days, creditor days, and working capital position.
HR Analytics	Monitor attendance percentage, attrition trends, and salary cost per department.
Despatch Analytics	Measure on-time delivery percentage, average freight cost, and transit time by transporter.
Production Efficiency	Track machine utilisation rates, wastage percentages, and shift-wise output metrics.
Custom Report Builder	Enable drag-and-drop report building with field selection and Excel export functionality.
Scheduled Reports	Auto-deliver daily, weekly, and monthly reports to management email IDs on a configurable schedule.

5. Integration Architecture and Technical Requirements

The TextilePro ERP platform is designed as a fully integrated, single-database system. The following technical standards and integration requirements apply to the engagement:

5.1 Core Architecture Principles

- Single Shared Database: All six modules read and write to a single database engine. There is no inter-module data transfer or ETL process. Transactional data created in one module is immediately available across all others.
- Role-Based Access Control (RBAC): User permissions must be configurable at module, screen, and field level to support separation of duties and audit compliance.
- Real-Time Data Sync: All transactional postings reflect immediately across reports, dashboards, and dependent modules without batch processing delays.
- Full Audit Trail: All create, update, and delete operations must be logged with user identity, timestamp, and changed field values. Audit logs must be tamper-proof and searchable.

5.2 External Integration Requirements

- Biometric / RFID Integration: The HRMS module must support integration with standard biometric attendance devices (fingerprint and face recognition) via standard protocols (SDK or API).
- Email / SMTP Integration: The analytics module must support scheduled report delivery via SMTP-configured email servers.
- Barcode / QR Code Printing: The inventory module must support label printing for standard barcode and QR code formats compatible with thermal label printers.

6. Implementation Roadmap

The TextilePro ERP implementation follows a structured phased rollout across 20 weeks, designed to minimise disruption to ongoing manufacturing and commercial operations.

Phase	Duration	Phase Name	Key Activities
Phase 1	Weeks 1	**Foundation**	Requirements gathering and Business Requirements Document (BRD) sign-off; infrastructure setup (server or cloud environment provisioning); Inventory Master Data and Warehouse configuration; definition of user role and access matrix.
Phase 2	Weeks 1	**Core Transactions**	Activation of Inward and Outward Inventory modules; Taxation configuration — GST, e-Invoice, and e-Way Bill; Trial Balance and full Chart of Accounts setup; data migration from legacy systems (item master, customer master, opening balances).
Phase 3	Weeks 1	**Operational Modules**	HRMS and Payroll module deployment with PF/ESI integration and biometric device connection; Sales Tracker activation with Tax Invoice and collection workflows; Despatch Management module go-live; transporter master and freight configuration.
Phase 4	Weeks 2	**Analytics & Go-Live**	Analytics dashboards and custom report configuration; User Acceptance Testing (UAT) with key stakeholders; end-user training for all departments; parallel run period (legacy and ERP in parallel); formal go-live sign-off and data validation; hypercare and post-launch support activation.

The software will be handed over for checking on 11th day.

7. Deliverables

The following deliverables are required from the implementation team at each phase of the project. All documents must be reviewed and approved by the designated client Project Manager before the next phase commences.

7.1 Documentation Deliverables

- System Configuration Document: Complete record of all master data configurations, numbering series, tax codes, and workflow settings applied in the system.
- User Manuals: Module-wise user guides (in English and Hindi as applicable) covering all screens, workflows, and reports available to end users.
- System Administrator Guide: Technical documentation for server administration, backup procedures, user management, and troubleshooting.
- Training Attendance Records: Signed attendance sheets for all training sessions conducted during implementation.
- UAT Sign-Off Report: Formal acceptance document signed by designated client testers confirming that all agreed test scenarios have been executed and passed.
- Go-Live Checklist: Completed pre-go-live checklist covering infrastructure, data validation, user access, and backup verification.

7.2 System Deliverables

- Fully configured and tested TextilePro ERP system accessible to all named users.
- All six modules operational: Inventory Management, Trial Balance, HRMS, Sales Tracker, Despatch Management, and Analytics Dashboard.
- Biometric attendance device integration configured and tested (where applicable which will be provided by client end. It is to be noted that Trihari Smart Solutions will not look after bio metric attendance hardware, we will only configure it).
- Scheduled analytics reports configured and tested for management email delivery.
- Automated backup system configured with verified restore capability.
- Role-based access matrix implemented and tested for all user roles.

8. Roles and Responsibilities

8.1 Trihari Smart Solutions (Vendor)

- Assign a dedicated Project Manager responsible for overall delivery, timeline adherence, and client communication.
- Provide a technical implementation team comprising functional consultants, system configurators, and developers as required.
- Conduct all requirement gathering workshops and produce the BRD within the agreed timeframe.
- Configure the system in accordance with approved BRD requirements and notify the client of any scope gaps.
- Perform data migration in coordination with client data preparation team, including validation and reconciliation.
- Conduct structured end-user training for all modules before UAT commencement.
- Support UAT and resolve all critical and high-priority defects before go-live sign-off.

8.2 Client Organisation

- Appoint a Project Owner (senior management sponsor) and Project Manager (day-to-day coordination lead) before project initiation.
- Ensure availability of departmental subject matter experts (inventory, finance, HR, sales, dispatch) for requirement gathering workshops.
- Prepare and provide clean master data (items, customers, vendors, employees, opening balances) within the agreed data migration schedule.
- Ensure biometric device availability and access for integration activities in Phase 3.
- Nominate key users for UAT execution and ensure their availability during the UAT period.
- Manage internal change management and user communication to support adoption.
- Provide timely approvals and sign-offs at each project milestone to avoid phase delays.

8.3 Governance Structure

A three-tier governance structure will be established for the duration of the implementation:

Level	Forum	Frequency & Purpose
Tier 1 — Strategic	Steering Committee	Monthly — Senior management review of project progress, escalation resolution, and go/no-go decisions at phase gates.
Tier 2 — Operational	Project Management	Weekly — Project Manager (both sides) review of task completion, risk register, and upcoming milestones.
Tier 3 — Execution	Working Group	Daily (during active phases) — Implementation team coordination, issue tracking, and daily stand-up.

9. Acceptance Criteria and Quality Standards

Formal acceptance of each phase and of the overall project will be granted only when the following criteria are met:

9.1 Functional Acceptance Criteria

- All six modules are operational and accessible to designated users with correct role-based permissions.
- All UAT test scenarios defined in the agreed UAT test script have been executed and passed with no open critical or high-priority defects.
- Payroll computation results match manual payslip calculations for a representative sample of employees across all pay grades.
- Trial Balance totals reconcile with client-provided opening balance data within an agreed tolerance threshold.
- All scheduled analytics reports are delivered to the correct recipient email addresses on the configured schedule.

9.2 Performance Acceptance Criteria

- Standard page load time does not exceed three seconds for a minimum of 95% of page requests under concurrent peak-user load.
- Report generation for standard MIS reports does not exceed 30 seconds for data sets covering the current financial year.
- System uptime during business hours (9 AM to 7 PM IST, Monday to Saturday) must meet a minimum 99.5% availability SLA post-go-live.

9.3 Data Quality Acceptance Criteria

- Migrated master data (items, customers, vendors, employees) must match source data with 100% record count accuracy and less than 0.5% field-level error rate.
- Opening financial balances loaded into the system must reconcile with the client-approved trial balance as of the cutover date.

10. Reporting Requirements

The implementation team must maintain and submit the following reports throughout the project lifecycle:

Report	Content
Project Status Report	Tasks completed in the past week, tasks planned for the next week, RAG (Red/Amber/Green) status for each work stream, open risks and issues, and updated project timeline.
Issue & Risk Register	All open issues with owner, priority, and resolution target date; all identified risks with probability, impact rating, and mitigation plan.
Phase Completion Report	Summary of all deliverables completed in the phase, UAT results (if applicable), open punch-list items, and formal phase sign-off request.
Data Migration Report	Record counts migrated per entity type, validation results, reconciliation summary, and data quality exceptions identified and resolved.
Training Completion Report	Modules trained, number of users trained per department, training assessment results, and identified knowledge gaps.
Post-Implementation Review	System performance metrics, user adoption statistics, resolved vs. open issues, lessons learned, and AMC recommendations.

11. Commercial Terms and Conditions

11.2 Costing & Payment Schedule

Unless otherwise agreed in the commercial proposal, the standard payment schedule is as follows:

The total cost of the system will be 1.8 Lakh + 18% GST

Milestone	Payment %	Trigger
Advance	**40%**	Upon contract signature and receipt of advance.
Phase 2 Complete	**25%**	Upon sign-off of BRD and completion of core transaction modules.
Phase 3 Complete	**15%**	Upon completion of all operational modules and UAT commencement.
Go-Live	**20%**	Upon formal go-live sign-off and system handover.

11.3 Change Management

- Any change to the agreed scope of work must be documented in a formal Change Request (CR) submitted by either party.
- Each CR must include a description of the change, justification, impact on timeline, and additional cost estimate.
- No change to scope will be implemented without written approval from both the client Project Owner and Trihari Smart Solutions Project Manager.
- Changes with commercial impact will be priced separately and are not included in the base contract value.

11.4 Confidentiality

- Both parties agree to maintain strict confidentiality over all business information, data, process documentation, and proprietary software shared during the engagement.
- Neither party may disclose confidential information to third parties without the prior written consent of the disclosing party.
- These obligations survive the termination or completion of the engagement for a period of three years.

11.5 Warranty and Support

- Trihari Smart Solutions warrants that the delivered system will function substantially in accordance with the agreed BRD for a period of 90 days from the go-live date (warranty period).
- During the warranty period, defects classified as critical or high priority will be remediated at no additional cost within the agreed SLA response times.

- Post-warranty ongoing support is available through an Annual Maintenance Contract (AMC) to be agreed separately.

12. Risk Register

The following risks have been identified for the TextilePro ERP implementation. Both parties are responsible for monitoring and mitigating these risks throughout the project lifecycle.

Risk	Probability	Impact	Mitigation
Delayed provision of master data by client	High	High	Include data readiness as a contractual milestone. Assign a client data owner. Provide data templates and validation tools two weeks before migration.
Availability of key stakeholders for workshops and UAT	Medium	High	Confirm stakeholder names and time commitments in the Project Charter. Build buffer weeks into the Phase 3-4 timeline.
Complexity of legacy system data migration	Medium	Medium	Conduct a legacy data audit in Phase 1. Allocate a dedicated data migration sprint and parallel validation period.
Biometric device compatibility issues	Medium	Medium	Confirm device model compatibility before contract signature. Allow a two-week integration testing buffer in Phase 3.
Scope creep from undocumented legacy processes	High	Medium	Lock scope in BRD sign-off. Route all additional requirements through the formal Change Request process.
User resistance to adoption	Medium	High	Involve key users in UAT. Conduct role-specific training. Assign internal change champions in each department.