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Documentation, Verification and Reconciliation Controls in SEZ Domestic Service Procurement: A Qualitative Process Analysis

Prasad Prashant Waghulde

MBA (Finance & Business Analytics)
School of Business, Indira University, Pune, Maharashtra, India

ABSTRACT :

Special Economic Zone (SEZ) units that buy services from suppliers in the Domestic Tariff Area (DTA) must document each transaction so that it can be verified, endorsed and reconciled. Because a service leaves no physical delivery record, proof of procurement rests almost entirely on documents. This paper examines the domestic service procurement process, focusing on the Domestic Service Procurement Form (DSPF), invoice verification and reconciliation, as observed during a 2026 internship with an SEZ consultancy in Pune. The study is descriptive, exploratory and qualitative, based on purposive observation of work for two client accounts, discussions with team members, permitted process documents and secondary sources. No quantitative performance data were available, and none are reported. The process is mapped into stages and control points and interpreted through internal-control and process-efficiency concepts. The observations suggest that completeness of documents at intake influences how smoothly cases progress, that invoice verification works as a preventive control and reconciliation as a detective one, and that structured exception handling and checklists may reduce repeated follow-up. A pre-verification checklist, an exception tracker, a knowledge repository and indicators for later measurement are proposed. The findings come from two engagements and cannot be generalised statistically.

Keywords: Special Economic Zone; Domestic Service Procurement; DSPF; Invoice Verification; Reconciliation; Internal Controls; Procurement Compliance; Process Efficiency

1. Introduction

1.1 Context and motivation

Special Economic Zones in India operate under a dedicated statutory framework, chiefly the Special Economic Zones Act, 2005 and the Special Economic Zones Rules, 2006, administered by the Department of Commerce, with Development Commissioners as the administrative authority for individual zones (Government of India, 2005, 2006). India has approved a large number of SEZs by international standards, and the policy continues to attract debate (Mukherjee, 2015). SEZ units and developers also buy goods and services from suppliers in the Domestic Tariff Area, the part of India outside the zones, and this is where the SEZ framework meets the domestic business environment. Prescribed documentation and compliance steps apply to such purchases.

Services raise a particular documentation problem. Because a service is not physically received, evidence of procurement consists of agreements, work orders, invoices, completion evidence and approvals. NASSCOM (2023) describes the Domestic Service Procurement Form (DSPF) as an online form on the SEZ Online system through which units and developers seek endorsement for services bought from DTA suppliers for authorised operations; filing became compulsory from October 2019 following a notice dated 5 September 2019. That source calls it the DTA Services Procurement Form, whereas the consultancy studied here used the name Domestic Service Procurement Form. The abbreviation DSPF is used throughout.

The same industry feedback reports a heavy documentation burden, differences in practice between zones, delays in endorsement and duplicate reporting of invoices (NASSCOM, 2023). These accounts view the regulatory interface from the side of suppliers and units. Much less is written about the internal process by which service-procurement documents are received, verified and reconciled before they reach that interface. This paper examines that process as handled by an SEZ consultancy for its clients.

1.2 Problem statement

Accuracy and compliance in domestic service procurement depend on a chain of documentary checks. A missing page, an unclear service description or an unpopulated field at one stage can cause delay and rework at a later one, and because proof is almost wholly documentary, such gaps also weaken

traceability. The problem examined is how documentation completeness, invoice verification, reconciliation and exception handling interact, where the process is vulnerable, and what low-cost measures could improve accuracy, efficiency and traceability.

1.3 Research objectives

The study has five objectives:

1. To understand the domestic service procurement process followed in the SEZ operating environment.
2. To analyse the major stages involved in DSPF-related documentation, verification and processing.
3. To examine invoice verification and reconciliation practices associated with domestic service procurement.
4. To identify practical challenges, documentation gaps and process-control issues.
5. To recommend measures that can improve the accuracy, efficiency and traceability of the process.

The study covers domestic service procurement as observed across two client engagements only. It does not address goods procurement, import or export procedures, or any organisation's financial performance.

2. Literature Review

The review covers procurement and internal control, the SEZ documentation context, and process standardisation. Only sources that could be verified are used, and gaps in the literature are stated.

2.1 Procurement and internal control

Procurement is usually described as a sequence of linked stages, from specifying requirements through supplier selection, contracting and ordering to follow-up and evaluation (van Weele, 2005). For physical goods, receipt gives a natural point at which order, delivery and invoice can be compared. For services that point is missing, so the control burden shifts to documents: whether the agreement, invoice and evidence of completion are present, consistent and approved.

The COSO (2013) framework treats internal control as a process, driven by people, that gives reasonable but not absolute assurance on operational, reporting and compliance objectives. It identifies five components, of which control activities (approvals, authorisations, verifications and reconciliations among them) are the most relevant here. COSO distinguishes preventive from detective controls; this paper adds a corrective category, for the resolution of exceptions, as an analytical extension, and uses all three to read the observed process. Doyle, Ge and McVay (2007) show that weaknesses in internal control over financial reporting are systematically related to firm characteristics, which suggests that control design, and not individual diligence alone, shapes how reliably errors are prevented and detected.

Invoice verification (checking that an invoice is complete, internally consistent and supported) and reconciliation (comparing related records and resolving differences) fit within these control activities. The sources reviewed did not include a peer-reviewed study of either activity in SEZ service procurement, so the study relies on general internal-control concepts and treats SEZ-specific detail as practitioner knowledge.

2.2 Domestic procurement and documentation in SEZs

The SEZ Act provides for exemptions, drawbacks and concessions, including for goods and services procured from the DTA, and the Rules prescribe the related procedures (Government of India, 2005, 2006). Mukherjee (2015) reviews the Act's objectives, SEZ performance, business conditions inside and outside zones, and costs and benefits, but transaction-level documentation is discussed mainly in practitioner sources. The clearest is the NASSCOM (2023) account, drawn from member feedback and a submission to the Ministry of Commerce and Industry, which reports documentation difficulties, inconsistent practice and duplicate reporting in DSPF endorsement. As industry advocacy rather than peer-reviewed research, it is used as context and not as evidence of how common any problem is.

2.3 Process efficiency and standardisation

Davenport and Short (1990) argue that work should be treated as a set of processes, examined end to end and redesigned deliberately, and propose a five-step approach to doing so. The present study adopts this process view by mapping the procurement process and examining the control at each stage. Support for checklists as a way of standardising repetitive, error-sensitive tasks comes from another field: Haynes et al. (2009) report that a 19-item surgical safety checklist introduced in eight hospitals was associated with significant reductions in mortality and inpatient complications. That result

concerns surgery, not procurement, and is cited only to illustrate the principle, not as evidence of an effect in SEZ procurement.

2.4 Research gap and contribution

The literature establishes general concepts (procurement as a process, internal control, process redesign) and the regulatory and industry context of the DSPF. It does not describe how DSPF-related documents are verified, reconciled and closed within a working organisation, or how those stages relate to control concepts. This study addresses that gap descriptively: it maps the process and its control points, reads each stage as a preventive, detective or corrective control, records the documentation issues that recurred, and proposes measures and indicators for later testing. It does not test hypotheses.

3. Research Methodology

3.1 Research design and nature of the study

The study follows a descriptive, exploratory and qualitative process-analysis design. It aims to understand how a process works and where it is exposed to error, not to measure statistical performance. A case-based approach suits a setting-specific phenomenon with little prior research, because it allows the process to be examined in detail in context (Eisenhardt, 1989; Yin, 2018). Table 1 summarises the design.

Element	Description
Setting	Moon SEZ Consultants Pvt. Ltd., Pune; observer designated Finance Trainee
Period of study	27 July 2026 to 11 September 2026
Practical exposure	Domestic service procurement documentation for two client accounts
Primary sources	Direct observation, internship activities, discussions with team members, review of permitted process documents
Secondary sources	SEZ Act and Rules, government and industry publications, academic references, publicly available company information
Sampling approach	Purposive, case-based observation
Unit of analysis	The domestic service procurement process
Data collection tools	Observation checklist, document verification checklist, process-flow mapping, discussions with supervisors and team members, spreadsheet-based tracking where permitted

Source: Author's design, based on the internship engagement.

Table 1. Summary of research design

3.2 Data sources, sampling and unit of analysis

Primary information came from participant observation. During the internship the observer reviewed supporting documents, checked invoices, supported DSPF-related processing and assisted with reconciliation and record maintenance, noting the steps, the checks applied and the issues that arose. Discussions with supervisors and team members clarified the purpose of each step, and process documents were consulted only where permitted. Secondary information came from the SEZ Act and Rules, industry publications, academic references and public information about the host organisation. No statistically drawn sample was used, and no counted dataset was available because the observer had no access to an analytics or management information system. The study follows a purposive, case-based approach, and its unit of analysis is the process itself, observed qualitatively over the internship period.

3.3 Scope, confidentiality and limits of the method

The scope is the domestic service procurement process in the two engagements. Client names, invoice values, transaction details, internal systems and the exact form fields are not disclosed. The observations come from a single trainee and may reflect individual perspective and the tasks assigned. There was no questionnaire, survey or quantitative measurement, and the findings were not checked against logged data. These limits carry into the interpretation (Sections 5 and 8).

4. Data Analysis and Interpretation

4.1 Analytical approach and process map

The analysis is descriptive and qualitative. The observed process is mapped into stages and control points, and each stage is examined for what is checked, what can go wrong and which control function it serves (preventive, detective or corrective, as in Section 2.1). Recurring documentation issues are

grouped into categories. No percentages, averages or sample sizes are computed because no counts exist. The workflow runs from the procurement requirement and receipt of the invoice and supporting documents, through a completeness check, invoice verification and DSPF documentation and processing, to reconciliation. A discrepancy leads to clarification, correction and re-verification before reconciliation resumes; otherwise the case moves to final review and record maintenance (Figure 1). Table 2 gives the control point at each stage and the risk if it is missed.

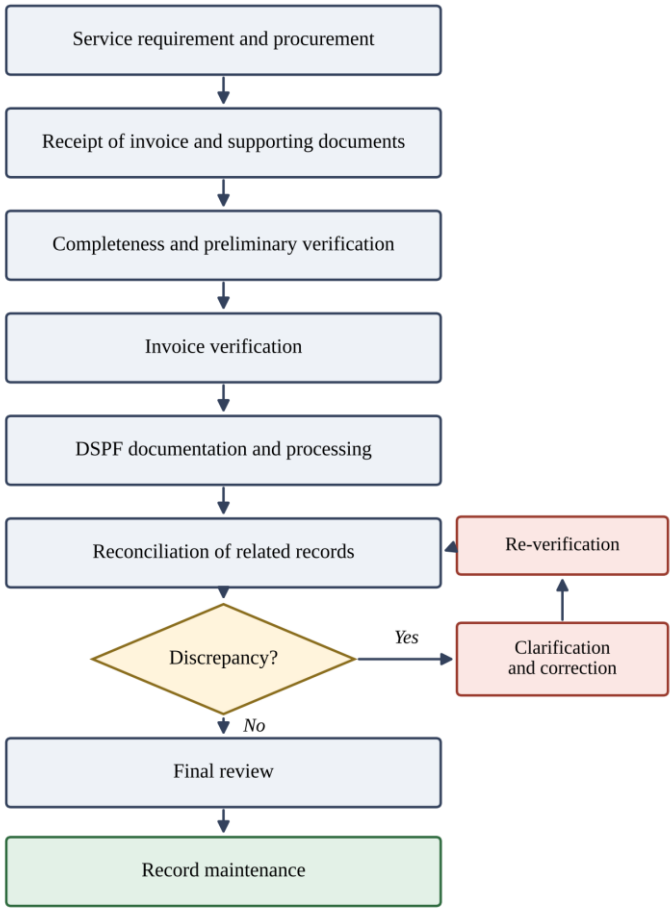


Figure 1. Observed domestic service procurement process (conceptual flow)

Stage	Control point	Risk if the control is missed
Document receipt	Completeness of the supporting document set	Rework and processing delay
Invoice verification	Supplier details, invoice number and date, service description, amount, tax information, supporting approval	Incorrect processing
DSPF processing	Correct fields and transaction details; authorisation	Compliance or record error
Reconciliation	Consistency between the invoice, procurement records, supporting documents, approved amounts and the DSPF-related record	Unresolved differences
Exception handling	Documented clarification and correction	Repeated errors
Final review	Authorisation and completeness; record maintenance	Incomplete audit trail

Source: Author's analysis of observed practice.

Table 2. Process stages, control points and associated risks

4.2 Document completeness and invoice verification

Documents from clients generally came with supporting invoices, but completeness varied from case to case. Completeness is the first control point because later checks depend on it: an amount cannot be confirmed against missing evidence, and records that were never supplied cannot be reconciled. Where information was missing or unclear, the matter was typically raised with the client or the internal team before the case moved on, so completeness

works as a gate. Invoice verification was a structured set of checks on the supplier's details, invoice number and date, service description, amount, tax information where applicable and the necessary approval. It is a preventive control, and its position in the sequence matters: an error caught here can be corrected before it enters the DSPF-related record, whereas the same error caught at reconciliation would mean reopening that record.

4.3 DSPF processing and reconciliation

DSPF-related processing followed verification. The form was treated as a control document that should carry accurate information to support verification, authorisation and traceability, and the checks concerned whether required fields were populated, consistent with the verified invoice and duly authorised. Because the DSPF is the document through which the transaction is presented for endorsement (NASSCOM, 2023), errors in its fields may have compliance consequences as well as efficiency costs. The exact fields and workflow are not described, for confidentiality.

Reconciliation followed once documents were confirmed as consistent, comparing the invoice with procurement records, supporting documents, approved amounts and the DSPF-related record. As a detective control it addresses a weakness of document-by-document review: documents can each look correct yet disagree with one another, and such differences emerge only when records are compared. Differences were investigated and resolved through clarification or correction and were not overwritten, which preserves the integrity of the record.

4.4 Exception handling and record maintenance

Open questions were raised through the prescribed channel and tracked until resolved with the client or the internal team. The issues met most often were minor (unclear service descriptions and missing supporting pages) and were typically settled by direct clarification, not formal escalation. This corrective control resolved individual cases. However, no formal count of invoices or discrepancies was kept internally, so within the data available to the observer it was not possible to see which error types recurred or how long clarifications stayed open. Completed work was then reviewed and records maintained as the team instructed; organised records form the audit trail on which the earlier controls depend.

4.5 Documentation issue categories

Table 3 groups the documentation issues into categories. Unclear service descriptions and missing supporting pages were encountered most often; the other categories were identified for tracking, and no frequency is attributed to them.

Category	Description	Process impact
Missing document	Required supporting evidence absent, for example a missing supporting page (observed as frequent)	Processing delay
Unclear description	Service description insufficiently clear to verify (observed as frequent)	Clarification required
Invoice mismatch	Amount, date or details inconsistent with supporting evidence	Rework or clarification
Incomplete field	DSPF-related field not populated	Additional review
Data inconsistency	Different information across related records	Reconciliation issue
Approval gap	Required approval or evidence not available	Pending status

Source: Author's observation and classification. Only the first two categories were recorded as frequently encountered.

Table 3. Documentation issue categories in domestic service procurement

4.6 Proposed indicators for future measurement

The indicators in Table 4 are proposals only; the engagement did not record the counts needed to calculate them, so no values are reported.

Indicator	Definition	Proposed calculation
Document completeness rate	Cases with all required documents at first review	Complete cases / total cases × 100
Discrepancy rate	Cases containing one or more discrepancies	Discrepant cases / total cases × 100
Clarification rate	Cases requiring follow-up	Clarification cases / total cases × 100
First-time-right rate	Cases processed without rework	First-time-right cases / total cases × 100
Average turnaround time	Average processing time per case	Total processing time / number of cases

Source: Author's proposal. No data were collected for these indicators.

Table 4. Proposed process indicators (not measured in this study)

5. Findings and Discussion

The findings are qualitative observations from two engagements. They describe patterns noticed in practice, not statistically tested relationships.

5.1 Documentation completeness and processing efficiency

Cases with complete, consistent documents at the outset moved through verification and reconciliation with little back-and-forth, whereas cases with incomplete or ambiguous information needed clarification before they could be closed. Completeness at intake, more than any single later step, appeared to be the strongest qualitative influence on how smoothly a case progressed. This fits a process view in which input quality shapes downstream effort (Davenport & Short, 1990), but it rests on two engagements, and the study cannot say how large the effect is or whether it holds elsewhere.

5.2 Verification and reconciliation as complementary controls

Verification and reconciliation did different jobs. Verification kept errors out of the record, while reconciliation found disagreements between records that single-document checks could not reveal. This reflects the COSO (2013) logic that control activities work at different points in a process and no single one is sufficient: verification alone would miss inconsistencies between records, and reconciliation alone would find errors late and reopen completed work.

5.3 Exception handling, standardisation and confidentiality

Exceptions were resolved case by case through direct clarification. The gap lay in visibility: without a count or log, recurring causes could not be identified and dealt with at source. If control weaknesses reflect the design of the control system and not only individual lapses (Doyle et al., 2007), repeated minor issues such as unclear service descriptions may be better remedied by changing the intake requirement than by repeated clarification; this is an inference, not a demonstrated result. Repeated, detail-sensitive checks are also the kind of task for which structured checklists are used in other fields (Haynes et al., 2009), though their effect here is untested (Section 2.3). Confidentiality was a further requirement: client and transaction information had to be protected while process knowledge was shared within the team, which shaped what could be recorded and reported, including in this paper.

5.4 Conceptual framework

Figure 2 brings the observations together. Documentation quality at intake is followed by preventive, detective and corrective controls, intended to support accuracy, compliance, traceability and efficiency, with four proposed enablers. The framework is a conceptual synthesis from observation and has not been empirically tested.

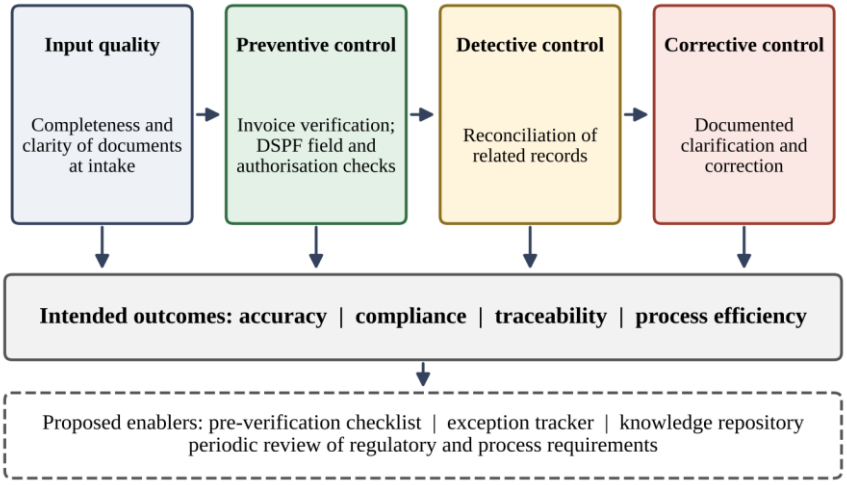


Figure 2. Proposed conceptual framework for control in domestic service procurement

6. Recommendations and Managerial Implications

The following are proposals. None has been implemented, and their effects have not been measured (Table 5).

Recommendation	Action	Expected benefit	Implementation requirement
Pre-verification checklist	Standardise mandatory fields and documents for common DSPF cases; use status fields such as Complete, Pending and Clarification Required	Fewer avoidable omissions; consistency across team members; clearer case status	Agreement on minimum mandatory items; alignment with existing procedures; training
Exception tracker	Log discrepancy type, date raised, person responsible, status and closure date	Visibility of recurring error categories	Simple spreadsheet or equivalent; a habit of logging
Internal knowledge repository	Maintain role-based documentation of terms, process steps, document requirements and regulatory updates	Faster onboarding; consistent understanding	Access controls; exclusion of client-sensitive information; an owner
Document standardisation	Agree standard formats for key supporting documents and service descriptions with clients where feasible	Fewer unclear descriptions and missing pages at intake	Client cooperation; allowance for client-specific requirements
Periodic review	Review process and regulatory requirements at set intervals and update the checklist	Procedures remain current	Named responsibility; monitoring of amendments

Source: Author's recommendations, developed from the observations in Section 4.

Table 5. Recommendation framework

The checklist addresses completeness at the earliest point in the process, and the exception tracker would turn case-by-case clarification into information about recurring problems without adding bureaucracy. Client-specific requirements may limit standardisation, and SEZ rules are amended from time to time, so every element needs periodic review. For SEZ consultancy operations, the implication is that quality can be managed at intake and through visible exceptions at modest cost; any benefit should be measured with the Table 4 indicators before it is claimed.

7. Conclusion

This paper examined domestic service procurement in SEZ operations through a qualitative, case-based study of DSPF-related documentation, invoice verification and reconciliation in two client engagements. It suggests that the process is a controlled documentation process rather than the mere recording of invoices: completeness at intake, early verification, reconciliation across records and documented exception handling together support accuracy, compliance and traceability. The practical contribution is a set of low-cost measures (a pre-verification checklist, an exception tracker, a knowledge repository, document standardisation and periodic review) and indicators for measuring their effect. The conclusions are qualitative and limited by the scope described below.

8. Limitations and Scope for Future Research

The internship was short and did not cover a full annual cycle. Access to confidential client information was restricted, and no numerical management information was available, so no indicator could be calculated. The study covers two client engagements and one process, so its findings cannot be statistically generalised, and they come from a single trainee observer without checking against logged data. The industry sources used for context, particularly NASSCOM (2023), are advocacy publications and not peer-reviewed research.

Future research could use larger anonymised samples across organisations, measure the Table 4 indicators over time, compare service with goods procurement and practice across zones, and evaluate a standardised checklist and exception tracker through before-and-after measurement.

Declarations

Acknowledgement. The author thanks the host organisation's team and the faculty guide for guidance during the internship and study.

Confidentiality. No client names, invoice values, transaction data or internal system details are reproduced.

Use of AI tools. [Author to confirm and edit as required by IJRTI and university policy: This manuscript was drafted with the assistance of an AI tool from the author's internship report and verified sources; the author has reviewed the content and is responsible for it.]

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