



SAP ERP 6.0 EHP7 SAP Goods and Service Tax (GST) Implementation

Business Scenario

Implementation of Goods and Services Tax (GST)

Client's day to day operations are carried out in SAP. However, due to introduction of GST in INDIA w.e.f. 01st July 2017, the client group decided to implement SAP GST project to be carried out for their various Business places across INDIA

Currently operations with these business places are governed by VAT respective state laws and interstate transactions are governed by CST Act. Understanding the benefits of SAP GST in their existing system, Client has decided to extend the benefits of SAP GST and implement the same.

Introduction

The Client

Family business founded in 1913 and is one of the world's leading manufacturers of agricultural engineering equipment. The company, with corporate headquarters in Harsewinkel, Westphalia, is the European market leader in combine harvesters. Client is the world leader in another large product group, self-propelled forage harvesters.

Client is also a top performer in world-wide agricultural engineering with tractors, agricultural balers and green harvesting machinery. The Client product portfolio also includes state-of-the-art farming information technology. Client employs 11,500 workers worldwide and reported a turnover of 3.8 billion euros in the financial year of 2015.

Client is having its presence across India with two registered companies:

India Pvt. Ltd. Punjab

Agricultural Machinery Pvt. Ltd. Haryana

The Requirements

Client group wanted to implement GST functionality in the SAP system to be used in day to day business operations as per newly introduced GST Act by Government of India.

The project initiative was to implement GST functions for Indian operations. One of the toughest challenges was to implement GST functionalities in a much lower version of SAP which is not a recommendation by SAP.

Broad Scope of Work

- Configuration settings for multiple Business Places (GSTIN) under two company codes.
- Configuration settings for Screen changes, Implementation of GST Notes, Creation of GST tax codes, updating Tax procedure, creating Condition types.
- Work around solution for interstate stock transfers (STO) import process due to lower patch level in SAP.
- Enhancing the existing business processes as per GST requirements
- Update Tax Procedure YTXI1 with new condition types created for GST calculations
- Cutover Strategy
- Go Live Support

Project Summary

Industry

Agricultural engineering equipment – Harvesters

Client Profile

Client is leading manufacturer of Combine Harvesters. The rapid growth of the population and the country's strong position as an agricultural nation make India an important and rapidly expanding market for agricultural machinery.

Solution

SAP ERP 6.0 EHP7 SAP Country Version India (CIN) Goods and Services Tax Implementation

Solution Benefit

- GST Implementation using standard R/3 functions and Customization
- Configure the SAP processes to support the legal requirements in the existing SAP environment

Business Challenges

- Understanding of GST provisions and its impact on existing business.
- Categorization of goods and services in various cases.
- Manufacturers, traders, and service providers across India have been placed under one unified tax umbrella, and no longer need to work with a tedious array of different types of taxes they currently need to comply with.
- Change to the destination-based tax from an origin-based tax structure.
- Shift from the previous tax regime and carry forward the input credits into GST.
- Maintenance of unique document numbering series(ODN) per business place for different business transactions

Solution

- AG Technologies implemented the SAP Country India Version (CIN) for the Client which includes all indirect taxation components like such as Integrated GST, Central & State GST
- The implementation included inter-state, intra state Sales and Purchases, Interstate stock transfers, import transactions such as Customs Duties, IGST postings per location, Debit/Credit notes, Customer advances postings, Reverse charge mechanism.
- Configuration of GST Location, Document numbering, Updating Company Details, State codes, Business Partner, Item Master, GL determination
- Creation of new GL Accounts, Tax types, Tax Formula, Tax Type Combination and Tax codes.
- Mapping of related GL accounts during incoming and outgoing GST invoice postings along the necessary integration with FI, MM, and SD modules were also included in the scope of project.
- Changes to document summarization entries for processing Stock transfer scenario

Critical Success Factor

- To define stability & scope of Project
- Understand and interpret the compliance requirements and convert in to the business terminology
- GST implementation using standard SAP functions and customization at client
- Configure the SAP processes to support the legal requirements in the existing SAP environment
- Whole company committed to ASAP methodology and SAP Business Process
- Understanding Business Blue print at a very micro level

Technology

SAP Solution	SAP R/3 ERP 6.0 EHP 7
Modules	CIN-GST- MM, SD, FI

About Us

AG Technologies is a global software solutions and SAP services provider headquartered in Mumbai, India. We are a business and technology group specializing in industry specific solutions and strategic outsourcing.

Our team is highly experienced and possesses deep expertise in their areas of focus. We provide superior value for our clients by delivering high quality work designed to enhance your Return on Investment.

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