



SAP R/3 ECC 6.17 Goods and Service Tax (GST) Implementation

Business Scenario

Implementation of Goods and Service tax (GST)

Client's day to day operations are carried out in SAP R/3. However, Central and State governments in India proposed to introduce "**Goods and Service Tax (GST)**" from 1st July a comprehensive tax **levy on manufacture, sale and consumption of goods and service** at a national level under which no distinction is made between goods and services for levying of tax. It will mostly **substitute all indirect taxes** levied on goods and services.

Client had to implement GST in SAP R/3 to comply this requirement.

Introduction

The Client

Client and Specialty Ingredients focus on outstanding flavor, functionality, quality and safety of its products. WFSI is committed to developing innovative products that maintain a leading position in the market. With advanced technological expertise in superior taste, functional health and natural colors, WFSI delivers first-class ingredients to the food and beverage industry. Client is acquired by American Agri. Industry Giant ADM

The Requirements

Client wanted to revitalize SAP R/3 Functions to maintain its edge in a competitive market by making the existing SAP R/3 system GST compliant, improving performance and efficiency.

The project initiative was to implement Goods and Service Tax (GST) functions for two location. One of the toughest challenges was to map the existing SAP R/3 system in line with the new tax provisions, to create GST invoices and extract required reports which are in compliance with statutory and regulatory rules suggested by GST council and Government of India

Broad Scope of Work

- Configuring the Test system to make it GST compliant.
- User Acceptance Testing.
- Configuring the Live system to make it GST compliant.
- Go Live Support

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 17 distinct types of taxes they currently need to comply with GST.
- 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.

Project Summary

Industry

FMCG

Client Profile

Client has processing facilities and farm level support personnel strategically located in the major growing areas of the United States and India. This structure combined with the Plant Science Re-search Program makes client, the most vertically integrated natural mint company in the world.

Solution

GST Implementation

Solution Benefit

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

Solution

- AG Technologies implemented GST for the Client at two locations which includes all process.
- The implementation included configuring Domestic Sales and Purchase (Interstate/ Intrastate), Reverse Charge Mechanism (RCM), Imports, Exports, Sub-contracting, Debit & Credit note, stock transfer, Bill of supply, Advance payments received & Paid.
- 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.
- Changes in existing print layout as per GST requirement in Purchase Order, GST Tax Invoice, , Export Invoice,

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 R/3 functions and Customization.
- Configure the processes to support the legal requirements in the existing SAP R/3 environment.
- Whole company committed to SAP R/3 Business Process
- Understanding Business Blue print at a very micro level

Technology

SAP Solution	SAP R/3 ECC 6.17 SP10
Modules	FI, MM, SD, ABAP, BASIS

For more information,
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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.

For more information, company:
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