



# SAP R/3 ECC 6.0 EHP5 SAP - Goods and Service Tax (GST) Implementation

## Business Scenario

Implementation of SAP GST - Country India

Client's day to day operations are carried out in SAP in its plant at Mahape under old Excise & Sales Tax rules.

Effective 1<sup>st</sup> July, 2017 Government of India has introduced GST Act towards indirect Tax on Goods & Service and SAP GST implementation is required to fulfill Legal requirement under New act at Plant in Mahape.

Company has implemented SAP in one out of four plants in Indian Operations.

## Introduction

### The Client

Enriched with vast industry experience of 23 years, CLIENT is dedicated to maintaining its position as a fluid power leader by satisfying the ever-changing needs of customers, and to the evolving demands placed on hydraulic systems.

Many of its products satisfy ISO standards, as well as many other industry standards, certifications and benchmarks.

Client India P Ltd is a privately held subsidiary of CLIENT International GmbH, Germany which is an eminent organization in the sphere of fluid engineering.

### The Requirements

Client wanted to implement SAP GST solution to fulfill legal requirements as per Government of India GST Act.

The project initiative was to implement SAP Country India GST functionality for Indian operations at one manufacturing Plant.

One of the toughest challenges was to implement GST solution for each process in the ever-changing, dynamic & regulatory rule of Government for GST and subsequent SAP solution understanding & implementation.

### Broad Scope of Work

- Implementation of SAP notes relevant for GST.
- Configuration settings as per SAP GST solution for one Plant 8200 @ Mahape, Navi Mumbai
- Development of Outputs and reports (GSTR)
- Training to end users for change in processes
- Cutover Strategy
- Go Live Support

### Project Summary

#### Industry

Fluid Power Engineering

#### Client Profile

Client is leading supplier of Fluid power engineering (From water to wire) for hydraulic System with Global Operations. The company is a leader in the world market for Fluid Power Engineering.

#### Solution

SAP R/3 ECC 6.0 EHP5 SAP Country India GST Implementation

#### Solution Benefit

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

## Business Challenges

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- Government of India introduced GST on 1<sup>st</sup> July, 2017 wherein all Manufacturers, Traders and Service providers have been placed under a Single Unified Tax GST. Thus doing away with Archaic multiple taxation laws and compliance of same.
- Change in taxation from Origin based tax to Destination based Tax
- Understanding GST provisions and its impact on existing business scenario
- Categorization of goods and services in various cases
- Changeover from Old Taxation Law to new Tax Regime and carry forward input Credits
- Defining / changing business process till last minute to ensure fulfillment of legal requirement.

## Solution

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AG Technologies implemented the SAP Country India GST solution for the Client which includes Indirect Taxation on all Goods & Services

The implementation included Domestic sale (Interstate / Intrastate), Domestic Purchase (Interstate / Intrastate) of goods & services, Sub-contracting, Export sale, Imports, Reverse Charge Mechanism, Stock Transfer (Interstate & Intrastate-Bill of Supply), Debit Note, Credit Note.

Configuration of Customer / Vendor Account Group, Pricing Condition(SD / MM), Condition Tables (SD / MM), Pricing Procedure, Pricing Schema, Changes in tax procedures, New Tax Codes, mapping & changes in Process, Assignment of related GL accounts for incoming and outgoing goods, Define & Assignment of Business Place along with necessary integration of FI, MM, and SD modules.

Development of Outputs (Invoices) & Reports relevant for GST details

## Critical Success Factor

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- To define stability & scope of Project
- Understand and interpret the compliance requirements and convert in to the business terminology
- GST Implementation using standard R/3 functions and Customization at client
- Configure the SAP processes to support the legal requirements in the existing SAP environment
- Understanding Business requirement at a very micro level.

<b>SAP Solution</b>	SAP R/3 ECC 6.0 EHP5
<b>Modules</b>	MM, SD, FI & ABAP

## 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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