SAP R/3 ECC 6.0 SAP GST India Implementation

Business Scenario
Implementation of GST

Client's day to day operations are carried out in SAP. 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 almost all indirect taxes** levied on goods and services.

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

AG Technologies
Your World is Our Enterprise

Introduction

The Client

By combining science with design and insights, Client tackles the issues and concerns of today. Every day, Client's community of innovators is invigorated by the challenge of finding creative ways to enhance people's lives and make the world around us easier, safer, more sustainable and more beautiful. Client has long led the way for "knowledge-based" investment, employing over 100 PhDs, and has accumulated over 2,200 U.S. patents - and more than 5,000 patents worldwide - since our founding in 1865.

With over 35 manufacturing facilities located in the U.S., U.K., Belgium, France, China, India, and Australia, and other sales and service operations throughout the Americas, Europe, and Asia, Client's more than 7,000 associates work to deliver innovations that do good for the world, create new experiences, and build for the future.

The Requirements

Business requirement is GST Implementation across its four locations under two GST Registrations configured in SAP.

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

The project initiative was to implement Goods and Service Tax (GST) functions for two Registrations across four locations of Client India. One of the toughest challenges was to implement the system while the Govt. was still coming out with Notifications and clarifications and due to that even the SAP Solution in the form of new GST Notes or revision of existing GST Note arriving at the last moment.

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.
- Cutover Strategy
- Go Live Support

Project Summary

Industry

Industrial Processing

Client Profile

Client is a company that has been in business since 1865. With corporate headquarters located in Spartanburg, South Carolina, the company is active across a breadth of disciplines including specialty chemical, floor covering and performance materials

Solution

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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.
- 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
- Implementation Reverse Charge Mechanism
- Track (the version) and review the GST relevant SAP Notes and apply / implement the same

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 R/3 functions and Customization at client
- Disciplined documentation and strict adherence to process and quality standards
- Strong emphasis on building skill and learning environment by focused key user and end user training
- Configure the SAP processes to support the legal requirements in the existing SAP environment
- Whole company committed to ASAP methodology and R/3 Business Process
- Demonstrating commitment from Key Project Drivers and Project Coordinators
- Understanding Business Blue print at a very micro level

Technology

SAP Solution	SAP R/3 ECC 6.0
Modules	FI ,MM, SD

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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