



# Goods and Service Tax (GST) Implementation

## Business Scenario

### Implementation of Goods and Service tax (GST)

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Client's day to day operations are carried out in SAP B1. However, Central and State governments in India proposed to introduce "**Goods and Service Tax (GST)** from 1<sup>st</sup> Jul 2017 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 B1 to comply this requirement.

## Introduction

### The Client

Incepted in 1972, in the form of partnership firm Client led to its conversion into a "closely held Public Limited Company" in the year 1995. Today, Client has a growing product mix of approx. 150 products having multifold market presence.

Client has a dealer/distributor network of approx. 2500 which is being effectively catered by a marketing team of more than 50 dedicated marketing executives, which accounts for existence of one Sales representative for every 20 distributors ensuring better & efficient services.

## The Requirements

Client wanted to revitalize SAP B1 Functions to maintain its edge in a competitive market by making the existing SAP B1 system GST complaint, improving performance and efficiency.

The project initiative was to implement Goods and Service Tax (GST) functions for nine location. One of the toughest challenges was to map the existing SAP B1 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 Government of India.

## Broad Scope of Work

- Upgrading Test system SAP B1 SAP B1 9.2 PL03 to SAP B19.2 PL08.
- Configuring the Test system to make it GST compliant.
- User Acceptance Testing.
- Upgrading Live system SAP B1 SAP B1 9.2 PL03 to SAP B19.2 PL08.
- Configuring the Live system to make it GST compliant.
- Restoration of Changes in Print layouts.
- Client installations.
- Go Live & Support.

## Project Summary

### Industry

Manufacturer for Oil & Lubricant

### Client Profile

Client is the manufacturer Oil & Lubricant with approx. 150 products having multifold market presence.

### Solution

GST Implementation

### Solution Benefit

- GST Implementation using standard SAP B1 functions and Customization
- Configure the SAP B1 processes to support the legal requirements in the existing SAP B1 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 17 distinct 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.

## Solution

- AG Technologies implemented GST for the Client at nine 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, Sales Order, Credit Note, Debit Note, Export Invoice, Payment voucher.

## 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 B1 functions and Customization.
- Configure the processes to support the legal requirements in the existing SAP B1 environment.
- Whole company committed to SAP B1 Business Process.
- Understanding Business Blue print at a very micro level.

## Technology

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|---------------------|-----------------|
| <b>SAP Solution</b> | SAP B1 9.2 PL08 |
| <b>Database</b>     | SQL             |

**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.

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