

**SAP R/3 IMPLEMENTATION**  
**BUSINESS BLUEPRINT DOCUMENT**  
**SALES & DISTRIBUTION**



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## **A. Organization**

### **1. Cross-Application/Central Organizational Units**

#### **1.1. Client**

##### **CI template:**

##### **1. General Explanation**

The client is the highest level in the R/3 System hierarchy. Specifications made or data entered at this level are valid for all company codes and for all other organizational structures, obviating the need to enter this information more than once. Maintaining this information centrally ensures standardized data.

Each client is a self-contained unit with separate master records and a complete set of tables. A client key is used in all master records, which ensures that they are stored per client.

Users must enter a client key when they log on to the system. In so doing, they are telling the system the client in which they wish to work. All the entries made are stored per client and data processing and analysis is also carried out per client. Access authorization is assigned per client/ User.

##### **2. Naming Convention**

The following naming convention has been set up for the clients on the development server :

Client 100 - For taking up all configuration activities .All requests shall be generated here and transferred to the production client only after being tested on the client 200 which shall act like a quality client to know systems behaviour after transportation of requests from the development client

Client 200 - It would be the quality client and would have a status non modifiable i.e configurational activities will not be allowed on this client and will have to be necessarily be carried out on the client 100 first and then be transported to client 200 and ultimately to the production client on the production server.

There shall only be one production client on the production server with status non modifiable and all configurations to be transported to this client would first have to necessarily flow through the quality client 200 on the development and checked thereat.



Client 300 - It will be used as sandbox for testing & training purposes.

Once the Integration testing is over the Quality client will be copied onto client 500 which will be our Production server. A copy may be made as client 400 as a back up measure. The client 400 will be dependant on space availability on the server.

Further to this the Roll out and branch connectivity has to be established which will be through VSAT linkage as well as VPN networking at Khopoli and branches respectively.

### **3. Description of Improvements**

Transparency in transactions

Efficient control over database.

Common reporting

Effective decision making abilities.

### **4. Special Considerations**

A strict control would have to be built in so that the flow of all configurational activities and all development is sequential and is tested on the development server prior to its being taken up to the production server.

### **5. Triggers / Inputs**

NOT APPLICABLE

## **1.2. Credit Control Area**

Q: 1) On which level do you perform credit control? On company code level, cross-company code level or a lower level? (Integration)



A: At Company Code Level.

Q: 2) What is the default credit limit for your customers?

A: Depends upon past performance (Payments, Qty lifting) of respective Customer.

### **CI template:**

#### **1. General Explanation**

An organizational unit that represents the area where customer credit is awarded and monitored.

This organizational unit can either be a single or several company codes, if credit control is performed across several company codes. One credit control area contains credit control information for each customer.

A credit control area can include one or more codes. It is not possible to assign a company code to more than one control area. Within a credit control area, the credit limits must be specified in the same currency. The credit control area is an organizational entity which grants and monitors a credit limit for customers. A credit control area can include one or more company codes .

You can also enter the credit control area separately for each posting, if this was marked in the appropriate company code. When entering an order, the credit control area can also be determined from the business area and the sales area segment of the payer's master record

Organizational unit that represents an area responsible for granting and monitoring credit. This organizational unit is assigned to the company code. Credit information can be made available per customer within a credit control area. For example, if your credit management is centralized, you can define one credit control area which work across the company code.

#### **2. Naming Convention**

Credit Control Area can be assigned a code of four characters and a text description of 35 characters

#### **3. Definition of Organizational Units**

Credit Control Area :-

BCCA - Bhushan Credit Control Area



#### **4. Assignment of Organizational Units**

Credit Control Area BCCA is assigned to the Company Code BSSL.

#### **5. Description of Improvements**

Since the credit is controlled centrally thus only one Credit control area is required at Company Code level.

#### **6. Special Considerations**

Credit of One Customer to be linked with Other Customers pertaining to same group.

#### **7. Triggers / Inputs**

Credit shall be controlled at Highest/Company level.

### **1.3. Division**

Q: 1) Do you need to divide your products into product groups (divisions) to allow customer-specific agreements (such as price agreements or terms or payment)?

A: Yes we r having following divisions :-

- GP
- CRCA
- HR
- Arising (Bye/CO-Products & Scrap)
- Miscellaneous (Stores/others items)
- Power (Electricity)

Q: 2) Warning: For SAP Retail-specific functions, the division is not supported. A dummy division is always used.

A: N/A

**CI template:**



## **1. General Explanation**

It is a way of grouping materials, products and services. If a company has large and varied product range it makes sense to assign each of the products to a particular division. The system uses divisions to determine the sales areas and the business areas for a material, product and services. A product or service is always assigned to just one division. From the point of view of sales and distribution, the use of divisions lets you organize your sales structure around groups of similar products or product lines.

## **2. Naming Convention**

Division can be assigned a code of two characters and a text description of Twenty characters

## **3. Definition of Organizational Units**

### **Divisions are defined as below :-**

- 00 - Cross Division
- CR - Cold Rolled
- GP - Galvanized
- HR - Hot Rolled
- AR - Arising (All Bye/Co-Products & Scrap)
- MS - Miscellaneous (All other Materials viz. Store's items)
- PW - Power/Electricity.

### **Specific to KHOPOLI Plant :-**

- TU - Tubes (ERW & CDW)
- HT - Hardened & Tampered Steel
- HS - High Tensile Steel Strapping
- CL - Color Coated Sheets

## **4. Assignment of Organizational Units**

### **Sales Org. TRADE is assigned :-**

- CR - Cold Rolled
- GP - Galvanized
- HR - Hot Rolled
- AR - Arising (All Bye/Co-Products & Scrap)



MS - Miscellaneous (All other Materials viz. Store's items)  
PW - Power/Electricity.

**Sales Org. OEM is assigned :-**

CR - Cold Rolled  
GP - Galvanized  
HR - Hot Rolled

**Sales Org. EXPORTS is assigned :-**

CR - Cold Rolled  
GP - Galvanized  
HR - Hot Rolled

## **5. Description of Improvements**

Different divisions(above) are defined which are required to sell the products competitively. Divisions specific to KHOPOLI Plant are only defined & assignments shall be done in II phase.

## **6. Special Considerations**

There is requirement of creating Sales Orders specific to a Division thus there is NO need of Cross Division (00). But considering future possibility provision is being done.

## **7. Triggers / Inputs**

Reports/MIS, Costing and profitability analysis of products groups defined above are required.

# **2. Sales and Distribution**

## **2.1. Sales Area**

Project documentation:





ORG chart EXP.doc

\\132.147.0.51\bsslsap\QAdb\Reports\SD\ORG chart EXP.doc



SPC\_OEM.doc

\\132.147.0.51\bsslsap\QAdb\Reports\SD\SPC\_OEM.doc

Q: 1) Do you need to keep the sales activities of particular enterprise areas/business areas or product groups completely separate?

A: Yes: We keep our sales activity for OEM, Trade and Export separately. In case of branch offices same person handles activities for all three.

Comments: In some cases same person handles all activity.

Q: 2) Do you want the R/3 System to restrict certain product mixes in sales orders? If so, explain why.

Explanation: Do you wish to ensure the system supports restrictions on product mixes in sales orders? If so, explain why. For example, some customer groups are only allowed to buy certain product mixes, say from the "budget range". It may be necessary to prevent free goods and charged goods, or MRO supplies and standard product, appearing on the same sales order.

A: YES: : We book different products mix in different sales order for example orders are booked separately for GP and CR

Q: 3) If you have multiple companies, are sales in one company sourced from a plant in another company? In which company is the revenue recognized?

A: N.A

**CI template:**



## **1. General Explanation**

SD is organized according to sales organization, distribution channel and division. A combination of these three organizational units forms the sales area. A sales organization can be subdivided into several distribution chains, which determine the responsibility for a distribution channel. Several divisions can be assigned to a sales organization, which is responsible for the materials or services provided.

A sales area determines which distribution channel can be used to sell the products from one division in a sales organization.

SALES AREA defines a combination of not more than one division, distribution channel, and sales organization. Thus if there are two divisions using the same distribution channel, each division will be considered to belong to a different sales area. All customer data relevant for sales and distribution is defined according to sales area. An individual customer can be assigned to more than one sales area if there are different requirements and agreements to be considered. Prices, minimum order or delivery quantities are the sort of factors that may have to be recognized by creating unique sales area for them, always in the SAP R/3 structural context of a sales organization and perhaps a sales division and distribution channel as well. You can perform data analysis at sales area level.

## **2. Naming Convention**

Sales area 1000/10/01 (means: sales organization 1000, distribution channel 10, division 01)

## **3. Definition of Organizational Units**

At Bhushan Number of :-

Sales Org. = 3

Dist. Channel = 4

Division = 10

Thus total possible combinations are 120. But All are not practically feasible. Only 34 Sales Area are Identified.

## **4. Assignment of Organizational Units**



Required Sales Area are (Sales Org. / Dist. Ch. / Division) :-

**TRADE :-**

1	TRD	DS	CR
2	TRD	DS	GP
3	TRD	DS	HR
4	TRD	DS	AR
5	TRD	DS	MS
6	TRD	DS	PW
7	TRD	AG	CR
8	TRD	AG	GP
9	TRD	AG	HR
10	TRD	AG	AR
11	TRD	AG	MS
12	TRD	ST	CR
13	TRD	ST	GP
14	TRD	ST	HR
15	TRD	ST	AR
16	TRD	ST	MS

**OEM :-**

1	OEM	DS	CR
2	OEM	DS	GP
3	OEM	DS	HR
4	OEM	AG	CR
5	OEM	AG	GP
6	OEM	AG	HR
7	OEM	ST	CR
8	OEM	ST	GP
9	OEM	ST	HR

**EXPORTS :-**

1	EXP	DS	CR
2	EXP	DS	GP
3	EXP	DS	HR
4	EXP	AG	CR
5	EXP	AG	GP
6	EXP	AG	HR
7	EXP	ME	CR
8	EXP	ME	GP



9	EXP	ME	HR
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## 5. Description of Improvements

Since all elements are defined thus in future if there is new operable Sales area then assignments can be done.

## 6. Special Considerations

Recommended to have only those Sales Area which are practically required. New one to be created at time of requirement.

## 7. Triggers / Inputs

Customer to be maintained at Sales area level.

## 2.2. Sales organization

Q: 1) Who is responsible for sales-related components in the material and customer master data?

A: Marketing Co-ordination Cell i.e OEM/TRADE/EXPORT shall be responsible separately

Q: 2) Is a customer assigned to one sales unit or can he be addressed by several sales units ?

A: YES customer can be addressed by several units ,Eg 1 ) One customer can buy from OEM as well as trade. 2) One customer can buy from multiple branch offices as well as plants/depots.

Q: 3) Does the law require complete separation of sales activities? For example, you are not allowed to mix human and veterinary medical products in one sales order.



Explanation: Does the law require complete separation of sales activities? For example, you are not allowed to mix human and veterinary medical products in one sales order. It is a legal requirement that sales activities for the two product areas are kept strictly separate.

A: No law does not require us to keep our sales activity separately, but for our convenience, we do separate activity for GP and CR. (Separate order are booked for GP and CR)

Q: 4) How is your sales and distribution processing structured? For example, is order processing/billing centralized or decentralized?

A: In OEM we have only direct sale for our GP/CR, Billing is Centralized.Plant. (NO DEPOT SALE)

In Trade we are selling 1) GP/CR directly, through depot. 2) Waste, directly and through agent.can also Billing is decentralized (Billing is done at depot)

In Export we are selling the material GP/CR directly and through agent.Billing is centralized at plant.

Q: 5) EH&S : Do you carry out dangerous goods checks on the basis of deliveries?

A: NOT APPLICABLE

Q: 6) EH&S : What control function does the sales organization have in shipping material safety data sheets?

A: NOT APPLICABLE

## **CI template:**

### **1. General Explanation**

All business transactions in Sales and Distribution have to be processed financially within a sales organization. A sales organization can obtain its material from more than one plant. The business transactions in sales and distribution module are always processed within one particular sales organization. You can use sales organization to define the regional sub division of the market (For e.g. northern sales region, southern sales region).



## **2. Naming Convention**

Sales Organization can be assigned a code of four characters and a text description of 20 characters

## **3. Definition of Organizational Units**

Trade Marketing : TRD  
OEM Marketing : OEM  
Exports Marketing : EXP

## **4. Assignment of Organizational Units**

All Sales Organizations viz. TRD, OEM & EXP are assigned to Company Code : BSSL (Bhushan Steel & Strips Ltd.)

## **5. Description of Improvements**

Three sales Organization created as required

## **6. Special Considerations**

None

## **7. Triggers / Inputs**

Bhushan has three discreet & major type of business viz.  
Trade :- Selling Prime, Arising & Scrap to the Open market/ Consumer market &/or to traders) ;  
OEM :- Selling Prime to Original Equipment Manufacturer) ;  
Exports :- Selling Prime to Overseas market.

## **2.3. Distribution channel**

Q: 1) Do you sell your products via a number of distribution channels (via direct sales, in retail trade, cash & carry, and so on)?



A: We can sell through all channels in case of EXP/OEM/TRADE

Q: 2) Do these sales processes require different master data ?

A: At present we are maintaining separate master for different sales process.

CI template:

### **1. General Explanation**

The distribution channel represents the channel through which salable materials or services reach customers. Typical distribution channels include wholesale, retail and direct sales.

Within a sales organization a customer can be supplied through several distribution channels. One can maintain information about customers and materials by sales organization and distribution channel

A single distribution channel can be assigned to one or more sales organizations

### **2. Naming Convention**

Distribution Channel can be assigned a code of two characters and a text description of 20 characters

### **3. Definition of Organizational Units**

DS - Direct Sales to Customers  
AG - Sales through Commission Agent  
ST - Stock Transfer to Depots/Plants  
ME - Merchant/Deemed Exports

### **4. Assignment of Organizational Units**

**Sales Org. TRADE is assigned :-**

DS - Direct Sales to Customers  
AG - Sales through Commission Agent  
ST - Stock Transfer to Depots/Plants

**Sales Org. OEM is assigned :-**

DS - Direct Sales to Customers



AG - Sales through Commission Agent  
ST - Stock Transfer to Depots/Plants

**Sales Org. EXPORTS is assigned :-**

DS - Direct Sales to Customers  
AG - Sales through Commission Agent  
ME - Merchant/Deemed Exports

## **5. Description of Improvements**

All type of sales can be covered by the afore said Organizational Units.

## **6. Special Considerations**

None

## **7. Triggers / Inputs**

Separate distribution channels required for selling of the products Directly to customers, through Commission Agents, Deemed exports (i.e. selling to Local Customer who in turn will export it), Transferring Stocks to other Plants/Depots.

## **2.4. Sales office**

Project documentation:



BranchChart.doc

\\132.147.0.51\bsslsap\QAdb\Reports\SD\BranchChart.doc

Q: 1) How is sales structured (social organization of employees)?

A: We have branch offices and Branch cum depot .Please see the flow chart for Sales Structure.



## CI template:

### 1. General Explanation

Geographical aspects of the organization in business development and sales are defined using the term sales office. A sales office establishes contact between the firm and the regional market. One can assign each customer to a sales office in the customer master record. While creating a sales statistics, one can use a sales office as one of the selection criteria.

### 2. Naming Convention

Sales Office can be assigned a code of four characters and a text description of 20 characters

### 3. Definition of Organizational Units

All Plants, Depots &/or Branch Offices are to be mapped as Sales Offices. Nomenclature will be on the basis of initial 4 letters of the City.

AGRA	S.Off. Agra
AHMD	S.Off. Ahemdabad
AURG	S.Off. Aurangabad
BANG	S.Off. Bangalore
CHDG	S.Off. Chandigarh
CHEN	S.Off. Chennai
GURG	S.Off. Gurgaon
GUWA	S.Off. Guwahati
HALD	S.Off. Haldwani
HYDR	S.Off. Hyderabad
INDR	S.Off. Indore
JAIP	S.Off. Jaipur
JAMM	S.Off. Jammu
KANP	S.Off. Kanpur
KHPL	S.Off. Khopoli
KOLK	S.Off. Kolkata
LUDH	S.Off. Ludhiana
MUMB	S.Off. Mumbai
PUNE	S.Off. Pune
RISH	S.Off. Rishikesh
SHBD	S.Off. Sahibabad



#### **4. Assignment of Organizational Units**

All Sales Offices are to be assigned to all sales area of Trade & OEM. But in case of Exports only SHBD, KHPL and MUMB are to be assigned.

#### **5. Description of Improvements**

Sales Office will be a mandatory field in all sales order, so that MIS can be generated on the basis of it.

#### **6. Special Considerations**

Sales Office can NOT be maintained in Customer Master Data since Same Customer in same Sales Area can Buy from different Sales Office.

#### **7. Triggers / Inputs**

All orders to be booked under one sales office.

### **2.5. Sales Group**

Q: 1) How many sales groups do you handle?

A: At present in OEM we are having 12 in branch office and 4 at SHB plant level  
In Trade we have 10 sales group at SHB plant and 12 at respective branches.  
In case of Export 2 at Shb plant and 1 at Mumbai Branch and Khopoli plant .See the sales organisation chart.

Q: 2) Do you have special reporting for commission management and sales budget?

A: N.A



Q: 3) Do you evaluate at sales representative level? If yes, please consider also the partner definition.

A: Presently we are evaluating the sales at plant level but we would like to evaluate the sale at Branch offices level as well as Employee Level.

### **CI template:**

#### **1. General Explanation**

Sales Group is a group of sales people who are responsible for processing sales of certain products or services..

By using sales groups one can designate different areas of responsibility within a sales office. While generating a sale statistics one can use sales group as one of the selection criteria.

#### **2. Naming Convention**

Sales Group can be assigned a code of three characters and a text description of 20 characters

#### **3. Definition of Organizational Units**

Bhushan can have multiple Sales Group which will be segregated by the Range of Numbers i.e. "100 to 499" for Group attached to Sahibabad Plant and "500 to 999" for Group attached to Khopoli Plant.

Coding for groups will remain same but their description will change as per requirements.

#### **4. Assignment of Organizational Units**

Sales group are assigned to Sales Offices.

No. of assignments/provisions would be done as follows :-

**Sahibabad Plant :-**

<b>Sales</b>	<b>From</b>	<b>Upto</b>	<b>Possible No.s</b>
--------------	-------------	-------------	----------------------



<b>Offices</b>	<b>No.</b>	<b>No.</b>	
SHBD	100	149	50
AGRA	150	159	10
AHMD	160	169	10
AURG	170	179	10
BANG	180	189	10
CHDG	190	199	10
CHEN	200	209	10
GURG	210	219	10
GUWA	220	229	10
HALD	230	239	10
HYDR	240	249	10
INDR	250	259	10
JAIP	260	269	10
JAMM	270	279	10
KANP	280	289	10
KOLK	290	299	10
LUDH	300	309	10
MUMB	310	319	10
PUNE	320	329	10
RISH	330	339	10
VARA	340	349	10

**Khopoli Plant :-**

<b>Sales</b>	<b>From No.</b>	<b>Upto No.</b>	<b>Possible No.s</b>
<b>Offices</b>			
KHPL	500	549	50
AGRA	550	559	10
AHMD	560	569	10



AURG	570	579	10
BANG	580	589	10
CHDG	590	599	10
CHEN	600	609	10
GURG	610	619	10
GUWA	620	629	10
HALD	630	639	10
HYDR	640	649	10
INDR	650	659	10
JAIP	660	669	10
JAMM	670	679	10
KANP	680	689	10
KOLK	690	699	10
LUDH	700	709	10
MUMB	710	719	10
PUNE	720	729	10
RISH	730	739	10
VARA	740	749	10

## 5. Description of Improvements

Since Sales Group within a Sales Area is NOT unique , thus it can NOT be maintained in Customer master. To be fed at the time of Order creation.

## 6. Special Considerations

After Sales Area at a sales Office Sales Groups shall be immediately next lower level hierarchy. But Its recommended to have Sales group at the level till the MIS is required.

## 7. Triggers / Inputs

Same Customer can be sold through different Sales Groups.



### **3. Inventory Management, Warehouse Management and Transportation**

#### **3.1. Shipping point**

Q: 1) EH&S: Do you determine the mode of transport-dependent shipping point when processing deliveries or transport?

A: Although we determine the different "Modes" of transport while processing delivery of transport which may be rail may be closed truck may be open trailer depending upon time, freight rates and handling facility. But we have centralized place for processing all Despatches & Billing for respective Plant & Depots.

#### **CI template:**

##### **1. General Explanation**

- The shipping point is the top level in the organization for shipping.
- A shipping point can be allocated to several plants
- A delivery is always initiated from exactly one shipping point. Thus, all items of a delivery belong to one shipping point. Groups of deliveries also belong to exactly one shipping point.
- You can influence delivery scheduling via allocation to departure zones.
- The shipping point can be proposed automatically during order processing depending on the plant, loading group and shipping condition.
- A shipping point has an address.
- The shipping point is used as a selection criterion for lists of deliveries and the work list deliveries.
- The shipping point is used as a selection criterion for processing deliveries like printing, picking or goods issue.
- You can determine the printer destination for messages differently for every shipping point on account of shipping documents.

##### **2. Naming Convention**

Four-character alphanumeric key and a description of 30 characters.



### 3. Definition of Organizational Units

At Bhushan all Shipping & Logistics Activities are centralized within a plant, thus there will be one unique Shipping Point for each Plant including Depots. Nomenclature will be same as that of plants/depots.

SBST	For Sahibabad Plant
KPST	For Khopoli Plant
AGRA	For Agra depot
CHDG	For Chandigarh depot
CHEN	For Chennai depot
GUWA	For Guwahati depot
HALD	For Haldwani depot
JAMM	For Jammu depot
KANP	For Kanpur depot
LUDH	For Ludhiana depot
VARA	For Varanasi depot

### 4. Assignment of Organizational Units

Assignments will be one to one with plants/depots as follows :-

Plant	Shipping Points	
SBST	Plant Sahibabad	
	SBST	Ship. Pt. SBST
KPST	Plant Khopoli	
	KPST	Ship. Pt. KPST
AGRA	Depot AGRA	
	AGRA	Ship. Pt. AGRA
CHDG	Depot CHDG	
	CHDG	Ship. Pt. CHDG
CHEN	Depot CHEN	
	CHEN	Ship. Pt. CHEN
GGST	Plant Gurgaon	
	GGST	Ship. Pt. GGST



GUWA	Depot GUWA GUWA	Ship. Pt. GUWA
HALD	Depot HALD HALD	Ship. Pt. HALD
JAMM	Depot JAMM JAMM	Ship. Pt. JAMM
KANP	Depot KANP KANP	Ship. Pt. KANP
LUDH	Depot LUDH LUDH	Ship. Pt. LUDH
VARA	Depot VARA VARA	Ship. Pt. VARA

## 5. Description of Improvements

None

## 6. Special Considerations

None

## 7. Triggers / Inputs

All despatch & billing activities are done at one point within Plant.

## 4. Country India Version

### 4.1. Excise Registration ID

CI template:



## 1. General Explanation

- Registration ID is an entity in India that is entitled by law to produce any goods liable to excise.
- Each entity is assigned its own excise registration number.
- Every factory that manufactures excisable goods is required to register separately, so that a business with seven factories requires seven registrations.
- One Plant can have one Unique Registration ID. Multiple Plants can use the same Registratyon ID.

## 2. Naming Convention

Registration IDs can have 3-digit Numeric Code.

## 3. Definition of Organizational Units

Sahibabad & Khopoli Plant have seperate & Unique Registration IDs. Besides this 5 Depots are also declared as Excisable Units maintaining RG23-D Registers.

## 4. Assignment of Organizational Units

Registration IDs shall be given following Codes and Assignments :-

PLANT / DEPOT	Registration ID
SBST (Sahibabad)	10
KPST (Khopoli)	20
5 Depots	110, 120, 130, 140, 150

- All the Manufacturing Units shall have 2-digit Numeric Code with an interval of 10 starting from 10.
- While all the Depots shall have 3-digit Numeric Code with an interval of 10 starting from 100.



## 4.2. Excise Groups

### CI template:

#### 1. General Explanation

A unit within an excise registration, which keeps its own set of Excise records / Registers.

Whereas the excise registration reports to the excise authorities, the excise group is a purely internal organizational unit. Each excise group keeps records of all transactions that have to be reported to the excise authorities. When the time comes to present these records to the authorities, the excise registration compiles the information from all of its excise groups.

#### 2. Naming Convention

Excise groups can have 2-digit Alpha-Numeric Code.

#### 3. Definition of Organizational Units

Sahibabad & Khopoli Plant have two separate Excise groups for :-

- Normal Sales (Domestic & Exports)
- Exports under Chapter-10 of Excise Rules.

Besides this 5 Depots are also declared as Excisable Units maintaining RG23-D Registers having one set of Registers i.e. one Excise Group for each Depot.

#### 4. Assignment of Organizational Units

Excise groups shall be given following Codes and Assignments :-

PLANT / DEPOT	Excise Groups
SBST (Sahibabad)	11 , 12



KPST (Khopoli)	21 , 22
5 Depots	A1 , B1 , C1 , D1 , E1 respectively

All the Manufacturing Units shall have 2-digit Numeric Code with an interval of 1 starting from 11 (+1 to the Registration ID of the respective Plants).

While all the Depots shall have 2-digit Alpha-Numeric Code as mentioned above.

### 4.3. Series Groups

#### CI template:

#### 1. General Explanation

Different excise series groups are defined within your company. Series groups allow you to maintain multiple number ranges for the outgoing excise documents. Based on excise regulations and exemptions from the authorities you can maintain multiple number series for outgoing documents. But each of these series has to be declared to the excise authorities.

- Define excise series groups based on type of outgoing document
- Assign series group to excise registration ID
- If no financial postings are required for an Excise invoice in this series group then you tick the 'No utilization' indicator.
- If the CENVAT has to be paid immediately and you need not wait for the Fort nightly payment then mark the 'Immediate Utilization' indicator

#### 2. Naming Convention

Series Group can have 3-digit Alpha-Numeric code.

#### 3. Definition of Organizational Units

There shall be as many Series Groups as that of Excise Groups. Thus there shall



be 2 Series Groups for Sahibabad & Khopoli Plants each and 1 Series Group each for all Depots respectively.

#### 4. Assignment of Organizational Units

Series Groups shall be given following Codes and Assignments :-

PLANT / DEPOT	Excise Groups
SBST (Sahibabad)	S11 , S12
KPST (Khopoli)	S21 ,S 22
5 Depots	SA1 , SB1 , SC1 , SD1 , SE1

respectively

All the Manufacturing Units and Depots shall have 3-digit Alpha-Numeric Code starting with "S" and then Code of the respective Excise Groups.

## B. General Settings

### 1. Countries

CI template:

#### 1. Requirements/Expectations

BSSL is having its operations in the soils of INDIA and as such IN is the country under which SAP R/3 47 SR11 will work

BSSL has a substantial share of Exports in their business turnover and as such all the countries with which BSSL has business relationships need to be mapped in SAP R / 3

- General data
- Foreign trade characteristics
- Further test data
-



## **2. General Explanations**

Standard settings

In the SAP standard delivery system, all countries are defined according to the international

## **3. System Configuration Considerations**

- 1 Check that the country entries are complete.
2. Add the missing countries, if necessary.
3. Use the ISO standard for your entries.
4. For each country, maintain the associated settings

## **4. Special Considerations**

Nothing particular

## **5. Project specific CI section**

Not applicable

## **2. Currencies**

**CI template:**

### **1. Requirements/Expectations**

BSSL has to conduct its transactions in multiple currencies . The major ones being INR / USD / GBP / YEN / YUAN / Euro etc. The exchange rate conversions have to be maintained as per standard business processes to take care of statutory as well as Fiscal requirements



## **2. General Explanations**

The currency table must have entries for all currencies which occur in your business transactions.

Standard settings

In the SAP standard recipient system, all currencies are defined according to the international norms

SAP recommendation

SAP recommends that you use the ISO standard for your additional entries.

If your entries do not correspond to the ISO standard, you will not be able to use data exchange in international communication (e.g. bank clearing transactions).

Actions

1. Check the currency entries for completeness.
2. Add the missing currency entries as required.
3. Use the ISO standard for your additional entries.

## **3. System Configuration Considerations**

All possible currencies should be mapped in the system to take care of an ever changing scenario. Entries can be subsequently added as per business needs.

## **4. Special Considerations**

None apparent at this time

## **5. Project specific CI section**

Not applicable

# **3. Units of Measurement**

**CI template:**

## **1. Requirements/Expectations**

Bhushan Steels will use SI units defined in the system and the standard conversion as provided by the system.

Some different unit of measure which are not standard units are also to be required.



List of the unit of measure attached. The units which are not standard are to be incorporated.

Attachments:



\\132.147.0.51\bsslsap\QAdb\Reports\Bhushan-MM\Stores\UNIT\_MST LIST.xls

## 2. General Explanations

Defination

Unit that enables you to determine the size of a quantity of material.

Listed below are some of the units of measure included in the SAP R/3 System:

- base unit of measure  
used by the system in managing stocks and carrying out all its computations, other departments can use their own units of measure.
- unit of issue  
Unit of measure in which a material is issued from the warehouse/stores. You can use this unit of measure in conjunction with goods issues and physical inventory activities.
- order unit  
Unit of measure in which a material is ordered. It is the default unit in purchasing functions.
- sales unit  
Unit of measure in which a material is sold. It automatically appears as the default in a sales order and can be changed there.

## 3. System Configuration Considerations

Standard settings are available in the R/3 system. In case of any specific UOM it has to be configured and created in the system

## 4. Special Considerations



BSSL required some of there units of measure which they are using in there legacy system these units are required to be transmitted in the SAP R\3

## **5. Project specific CI section**

None

## **4. Calendar**

### **CI template:**

#### **1. Requirements/Expectations**

BSSL is working three shifts and is virtually ona 24/7 production scenario due to the nature of the product being manufactured. It is suggested that a BSSL specific calendar is created in the system to take care of thier requirements in totality

#### **2. General Explanations**

A factory calendar is allocated to your plant via another Customizing function. The calendar system consists of the following components:

- Public holidays
- Definitions for public holidays: Calculation rule for date, religious denomination etc.
- Public holiday calendar
- Any composition of public holiday rules.
- Factory calendar
- Definition of workdays including special regulations, under the assignment of a particular public holiday calendar.
- Standard settings

The system delivers definitions of all common public holidays and public holiday rules, as well as a standard factory calendar.

#### **3. System Configuration Considerations**



Standard setting to be used

#### **4. Special Considerations**

Nothing in particular

#### **5. Project specific CI section**

Not applicable

### **5. Time Zones**

Q: 1) Do you use the SAP System for global transactions covering several time zones? Are your customers, suppliers, plants or distribution centers spread over several time zones?

A: Standard IST to be used. Though our customers are located across the world there is no restriction of delivery processing , contact times etc to be maintained

#### **CI template:**

##### **1. Requirements/Expectations**

BSSL requires standard time zone functionality to be used for their system

##### **2. General Explanations**

Local data and times can only be compared with each other and exchanged if they are in the same time zone. Many global companies, however, work in different time zones. The SAP System supports the conversion of local data and times via the time zone function.

##### **3. System Configuration Considerations**



Standard settings to be used

## **6. Field Display Characteristics**

### **CI template:**

#### **1. Requirements/Expectations**

BSSL has a major concern over confidentiality of orders being booked and or Purchase orders prices being publicly known. A number of authorisations are envisaged. The field display should be restricted to specific users in addition to the Authorisation matrix.

#### **2. General Explanations**

Field display characteristics can be defined globally or for a transaction. This technique was developed to hide the complexity of the SAP System from the user when possible.

Using transaction-specific field display characteristics ("transaction variants") you can preset fields in a transaction, define characteristics of fields, or hide whole screens in a transaction if they are to be skipped

#### **3. System Configuration Considerations**

Screen / Transaction variants will be configured based on requirements at the time of Base Line testing

#### **4. Special Considerations**

This activity is possible to work in tandem with the user IDs . Concurrent users may not be able to use this functionality.



## **C. Master Data**

### **1. General Master Records**

#### **1.1. Customer Master Record**

Q: 1) Which types of business partner do you have? For example, sole proprietor, legal person, employees, foreign, other?

A: Sold to party, Ship to party, Bill to party, and Payer

Q: 2) How many active customers do you intend to transfer to your R/3 System?

A: Around 5000

Q: 3) Which department(s) are responsible for the maintenance of customer data?

A: Marketing dept. along with IT dept.

Q: 4) If more than one department, describe the responsibilities of each?

A: Marketing dept. along with IT dept. work in conjunction

Q: 5) Describe your partner functions in detail.

Explanation: SAP partner functions are used to determine all possible functions that a business partner can take on (for example, the ordering party - sold-to party, the recipient of goods - ship-to party, and the party that has to pay - payer).

A: As described in Q-1

Q: 6) Which partner functions are used for the different sales documents?

A: Sold to party, Ship to party, Bill to party, and Payer

Q: 7) Do your customers have multiple ship-tos and payers?



A: Yes

Q: 10) Do you have vendors who are also customers?

A: No

Q: 11) Describe the structure of your current customer numbering scheme.

A: Numeric codes

Q: 12) Do you assign customers to industry sectors?

A: Yes as White Goods, Automobile and Engineering

Q: 13) Do you want to record any specific marketing information (for example, Nielsen IDs, customer classification)?

A: No

Questions:

Q: 14) Do you group customers according to any of the following criteria?

A: ☒ Geographical location  
☐ Profitability segment  
☒ Customer Group  
☐ Sales office  
☐ Sales Group  
☐ Others  
☐ No grouping

Q: 15) Will you record contact-person information on your customers?

A: Yes

Q: 16) Does your customer allow you to combine different sales orders into one delivery?



A: Yes

Q: 17) Does your customer allow partial deliveries?

A: Yes

Q: 18) If you have multiple plants, is your customer normally supplied by a specific plant?

A: Yes

Comments: Can be supplied from other Plant / Depots

Q: 20) Are there special shipping conditions for your customer?

A: None

Q: 21) Do you record foreign trade customers who are placed on an export control list to possibly deny deliveries to them?

A: No

Q: 22) Do you use customer-specific calendars and/or goods receiving hours?

A: No

Q: 23) What are your terms of payment for your customers?

A: Cash payment

Payment through Cheques / Demand Draft

Advance Payment

Payment through L/C (Letter of Credit)

Cash Discount payment terms



Q: 24) Are there any discounts linked to terms of payment, such as cash discounts?

A: Yes

Q: 25) Do you have sales documents in foreign currencies? Describe how the exchange rate is calculated.

A: Yes , Exchange rate determined as per Customs dept. declaration for the month.

Q: 26) What kind of payments do you get from your customer?

A: ☐ Bar  
☐ Credit card  
☒ Check  
☒ Down payment  
☐ Electronic Funds Transfer (EFT)  
☐ Others

Q: 28) What Incoterms will your customers use (for example, FOB, free domicile)?

A: FOB, EXW, CIF

Q: 29) What texts do you maintain at a customer level?

A: None

Q: 32) Do you use the same structure of customer master records in all departments?

A: Yes

Q: 33) Do you ever need to block a customer for sales processing? If so, describe the process in detail.

A: Because of Non-payment

Q: 34) How will you determine/select a customer for processing (matchcode)?

A: ☒ By name



- ☒ By customer number
- ☐ By postal code
- ☐ By telephone number
- ☒ By search term
- ☐ Others

Q: 35) Do you maintain customer data in an external system?

A: No

## CI template:

### 1. Requirements/Expectations

- 1 Each customer detailed data pertaining to general information/Address/Contact Information, contact information sales and distributions and financial information must be captured.
- 2 Number convention shall be 6 digit automatic generation.
- 3 Customer detail should be available as per the customer master but the following are necessary such as state, city , region, should be maintained
- 4 Sales Tax no./ ECC No. to be captured in Customer Master Data.
- 5 5

### 2. General Explanations

#### Customer Master Record

You create a customer master record for customers with whom your company has business contacts. This master record contains all data necessary for processing the business transactions. Maintaining the master data correctly can greatly reduce the work needed to process transactions. This is because the master data is automatically copied into the transactions.

Structure of the Customer Master record:

Both the accounting department and the sales and distribution department have access to the customer master record. In order to avoid data redundancy, the



data for both departments is stored in a common master record.

General data, company code data, and sales and distribution data is stored separately in the customer master record. Company code data depends on the company code organization. It is defined individually for each company code. Sales and distribution data depends on the organization in the sales area. It is defined individually for each sales area. General data is independent from company code and sales area. It applies to one customer in all company codes and sales areas.

Data in the Customer Master Record:

Different data is maintained in each of the three areas:

General data is maintained for every customer. Such as address, communication, etc. This data is identifiable only via the customer number, not via the number of the company code or the sales area. Maintaining the data is possible from both the accounting view and the sales and distribution view.

- Company code data is only of interest for the accounting department. It includes, for example, information on insurance or account management. This data applies to only one company code.

- Sales and distribution data is only of interest for the sales and distribution department. It includes, for example, data on pricing or shipping. This data only applies to one sales area, and therefore is dependent on the sales structure (sales organization, distribution channel, division).

In sales and distribution there are:

- Business partners

A customer master record must be created for business partners.

- Contact Persons with the Business Partner

Data on contact persons is stored in the customer master record of the respective business partner. A separate master record for contact persons is not created. A new number is assigned to each contact person within a customer master record.

Business partners:

A business partner can be a natural or legal person who is directly involved in a business transaction with you. The following partner functions are defined in the system:

- Sold-to party
- Ship-to party
- Payer
- Bill-to party

Sold-to party

For the sold-to party, data on sales is necessary (for example, the assignment to a sales office or to a valid price list).

In most cases, the company, which places an order for the delivery of goods or the rendering of services, is at the same time ship-to party, payer and bill-to



party. For this reason in the SAP R/3 System the function sold-to party includes all these other functions.

#### Ship-to party

For the ship-to party only data required for shipping is necessary (for example, unloading point and goods receiving hours).

#### Payer

A payer is a company or person who settles the invoices for delivered goods or rendered services. For the payer data on billing schedules and bank data is necessary.

#### Bill-to party

For the bill-to party you need the address, data on output and possibly data on electronic communication.

#### Contact Persons with the Business Partner

In your customer's company there are always one or more contact persons with whom you are in contact either by phone, in writing or personally to carry out business transactions. Often, the information you need about the contact persons is not the same as the information you need about the customer. The most important data of the contact person is name, telephone number, and department. Since the contact person is part of the customer's company, you enter this data in the respective customer master record. Thus, you do not need a separate master record for contact persons.

However, in the standard version of the SAP R/3 System you can only enter the data on the contact person in the customer master record of the sold-to party, since only contact persons from this master record are proposed for selection in the sales order.

#### Dividing Partner Functions

The company or person who places an order is often the same company or person who receives both the goods and the invoice, and also pays. In this case the customer fulfills all predefined functions. It is also quite common, however, that subsidiaries place orders, and the head office settles the respective invoices. In this case the partner functions are divided among different companies.

If a customer fulfills all functions at the same time, only one master record is necessary, in which all data required for these functions is entered. In this case you create a master record for the sold-to party.

If the functions are divided among different companies, a corresponding number of master records are needed. In one master record you enter, for example, the address of the sold-to party for correspondence, in another one the address of the ship-to party for the delivery. Only in the customer master record of the sold-to party is a link between the individual partners established, and this is done by entering the customer number of the respective partners.

#### Screen and Field Selection for Partner Functions

When you enter a customer master record for the ship-to party, you need special data for shipping (for example, the unloading point and goods receiving hours). In this case, data on sales or billing is not necessary, providing the ship-to party is not the payer and sold-to party at the same time.

You can limit the screens and fields accessed in the customer master record so



that only the necessary data is entered. You do this using account groups. The function of a customer is defined by assigning an account group.

### **3. Naming/Numbering Conventions**

Customer can be allocated an account number of length upto 16 characters. Bhushan requirement can be met with Customer code of 6 Numerics automatic generation

### **4. Special Organizational Considerations**

- 1 - Customer master data can be maintained for the 34 defined Sales Area (16 for TRD, 9 for OEM & EXP).
- 2 - Customer Code to be remained same across Co. Code.
- 3 - Region, Jurisdiction Code, County & City Codes & Sales District to be Mandatory.
- 4 - No default Sales Office/Group in the master.
- 5 - Multiple Ship to parties can be maintained.
- 6 - Partner Function "Agent" & "Transporter" is required.
- 7 - Most of the Customers are to be Rebate relevant.

### **5. Changes to existing Organization**

There shall be one unique Customer Code for each and every Customer regardless of them being dealt with which Plant / Depot / Office within the Company.

### **6. Volumetric**

Approximately 5000

### **7. Authorization and User Roles**



Creation & Changing is to be Centralized at Sahibabad Plant Core Team.

## **1.2. Taxes**

Q: 1) Will you use an external Tax Package to determine the appropriate tax jurisdiction and/or tax rates to apply to purchasing documents and/or vendor invoices? If yes, name the external package.

A: No

Q: 2) Will the tax jurisdiction codes be loaded into SAP?

A: Yes

### **CI template:**

#### **1. Requirements/Expectations**

BSSL wants calculation of taxes to be done automatically by the system based on certain predefined keys. Reports usually required as to details of tax collected or paid should be readily made available depending on different parameters like for a particular tax code or between particular dates. Further the recent cess requirement should be factored in.

#### **2. General Explanations**

The requirements of BSSL as to automatic calculation and reporting on taxes can be met by using the tax procedure relevant to India i.e. TAXINJ.

The Accounts Receivable, Accounts Payable, and General Ledger application components support the calculation and posting of tax as follows

1. The tax amount can be determined upon request
2. The tax amount is checked by the system at document level
3. The tax amount is posted to the tax accounts automatically.
4. A tax adjustment can be performed automatically, if required, for cash discount postings and other deductions



These transactions are controlled using Customizing, whereby the following specifications need to be made:

- 1 To determine the tax amount, the system calculates a base amount.
- 2 To enter and determine taxes automatically, a tax code is required, which will include the tax rate prescribed by law.
- 3 The tax amount is generally posted automatically. For posting, specified the tax accounts are posted to.
- 4 In a G/L account master record, specifications can be given whether the account is a tax account, and if so, which tax type (input tax or output tax) can be posted to the account. For all other G/L accounts, specifications can be given in the master record as to tax type, or specify that it is not tax-relevant.
- 5 5

### **3. Naming/Numbering Conventions**

Multiple Jurisdiction Codes shall be maintained as per relevant States where Plants/Depots are situated. Nomenclature would be as INUP for Uttar Pradesh. First 2 letters would be IN then the next 2 digits Code for the Region(States).

The tax codes for both input tax i.e. taxes on purchase and output tax i.e. taxes on sale would be configured according to the requirements with the applicable rates.

Nomenclature for Tax codes would be :-

- for Output Tax Codes => starting with 'A' or 'B' and second digit of any character(0-9, A-Z)
- for Input Tax Codes => starting with 'V' or 'W' and second digit of any character(0-9, A-Z)

### **4. Special Organizational Considerations**

- For every state separate Tax codes for LST & CST to be maintained.
- Further Sales/Purchase against different Forms having different Tax Rates would have different Taxcodes.

### **5. Description of Functional Deficits**

Education Cess levied by Indian Government.

### **6. Approaches to covering Functional Deficits**



The solution delivered by SAP in the form of notes has to be applied at BSSL.

## **7. Authorization and User Roles**

All Tax codes shall be maintained centralized at Sahibabad Plant.

## **2. Sales and Distribution**

### **2.1. Business Partner**

#### **2.1.1. Customer hierarchy**

Q: 1) Do you want to group sales to customers into various levels for reporting purposes?

A: In TRADE segment we have one customer Bhaubali who is buying material from us and also this customer having 3/4 sister concern. In this case we require the information about whole group and individual companies.

Comments: We need all information about group sales to customers.

Q: 2) In your current organizational structure, do you need to analyze purchases by customer group?

A: Yes We need information of purchases done by particular group of customers ( Industry segment ) .For Eg. Sale made for Automobile , White Goods appliances, General Engineering.

Q: 3) List reports and give examples.

A: List of Analyze report Enclosed.

#### **CI template:**

##### **1. Requirements/Expectations**



- Few customers who operates thru different Companies names, are to be captured as one Customer sales
- Rebates & Quantity discounts are given to the top level of group customer
- Customer grouping is required viz. Automobile , White Goods , General Engineering.

## **2. General Explanations**

### **Customer Hierarchies**

With customer hierarchies you can now create flexible hierarchies to reflect the structure of customer organizations. For example, if your customer base includes multi-level buying groups, cooperatives, or chains of retail outlets, you can create hierarchies to reflect the structure of these groups. You use customer hierarchies in order and billing document processing for partner and pricing determination (including rebate determination) and for creating statistics.

You can use customer hierarchies to assign price conditions and rebate agreements to one of the customer's subordinate levels, to ensure that all subordinate levels are valid for the customer. For each node that you indicate as relevant for pricing, you can create condition records for pricing. If one or more nodes in a hierarchy path for a sales order contain pricing data, this is automatically taken into account in pricing.

## **3. Naming/Numbering Conventions**

Customer Codes will be as per Customer masters.

## **4. Special Organizational Considerations**

For all such Customers One tier Hierarchies are to be made.

Customer group field in Customer master to be used for grouping requirement.

## **5. Changes to existing Organization**

None till date.

## **6. Description of Improvements**



None till date.

## **7. Description of Functional Deficits**

None till date.

## **8. Approaches to covering Functional Deficits**

None till date.

## **9. Notes on further Improvements**

None till date.

## **10. Volumetric**

Not more than 50

## **11. Authorization and User Roles**

Creation & Changing is to be Centralized at Sahibabad Plant Core Team.

## **12. Project specific CI section**

None till date.

## **2.1.2. Customer Master**

CI template:

### **1. Requirements/Expectations**

- Each customer detailed data pertaining to general information/Address/Contact Information, contact information sales and distributions and financial information must be captured.
- Number convention shall be 6 digit automatic generation.



- Customer detail should be available as per the customer master but the following are necessary such as state, city, region, should be maintained
- Sales Tax no./ ECC No. to be captured in Customer Master Data.

## 2. General Explanations

### Customer Master Record

You create a customer master record for customers with whom your company has business contacts. This master record contains all data necessary for processing the business transactions. Maintaining the master data correctly can greatly reduce the work needed to process transactions. This is because the master data is automatically copied into the transactions.

Structure of the Customer Master record:

Both the accounting department and the sales and distribution department have access to the customer master record. In order to avoid data redundancy, the data for both departments is stored in a common master record.

General data, company code data, and sales and distribution data is stored separately in the customer master record. Company code data depends on the company code organization. It is defined individually for each company code. Sales and distribution data depends on the organization in the sales area. It is defined individually for each sales area. General data is independent from company code and sales area. It applies to one customer in all company codes and sales areas.

Data in the Customer Master Record:

Different data is maintained in each of the three areas:

General data is maintained for every customer. Such as address, communication, etc. This data is identifiable only via the customer number, not via the number of the company code or the sales area. Maintaining the data is possible from both the accounting view and the sales and distribution view.

- Company code data is only of interest for the accounting department. It includes, for example, information on insurance or account management. This data applies to only one company code.

- Sales and distribution data is only of interest for the sales and distribution department. It includes, for example, data on pricing or shipping. This data only applies to one sales area, and therefore is dependent on the sales structure (sales organization, distribution channel, division).

In sales and distribution there are:

- Business partners

A customer master record must be created for business partners.

- Contact Persons with the Business Partner

Data on contact persons is stored in the customer master record of the



respective business partner. A separate master record for contact persons is not created. A new number is assigned to each contact person within a customer master record.

Business partners:

A business partner can be a natural or legal person who is directly involved in a business transaction with you. The following partner functions are defined in the system:

- Sold-to party
- Ship-to party
- Payer
- Bill-to party

**Sold-to party**

For the sold-to party, data on sales is necessary (for example, the assignment to a sales office or to a valid price list).

In most cases, the company, which places an order for the delivery of goods or the rendering of services, is at the same time ship-to party, payer and bill-to party. For this reason in the SAP R/3 System the function sold-to party includes all these other functions.

**Ship-to party**

For the ship-to party only data required for shipping is necessary (for example, unloading point and goods receiving hours).

**Payer**

A payer is a company or person who settles the invoices for delivered goods or rendered services. For the payer data on billing schedules and bank data is necessary.

**Bill-to party**

For the bill-to party you need the address, data on output and possibly data on electronic communication.

**Contact Persons with the Business Partner**

In your customer's company there are always one or more contact persons with whom you are in contact either by phone, in writing or personally to carry out business transactions. Often, the information you need about the contact persons is not the same as the information you need about the customer. The most important data of the contact person is name, telephone number, and department. Since the contact person is part of the customer's company, you enter this data in the respective customer master record. Thus, you do not need a separate master record for contact persons.

However, in the standard version of the SAP R/3 System you can only enter the data on the contact person in the customer master record of the sold-to party, since only contact persons from this master record are proposed for selection in the sales order.

**Dividing Partner Functions**

The company or person who places an order is often the same company or person who receives both the goods and the invoice, and also pays. In this case



the customer fulfills all predefined functions. It is also quite common, however, that subsidiaries place orders, and the head office settles the respective invoices. In this case the partner functions are divided among different companies.

If a customer fulfills all functions at the same time, only one master record is necessary, in which all data required for these functions is entered. In this case you create a master record for the sold-to party.

If the functions are divided among different companies, a corresponding number of master records are needed. In one master record you enter, for example, the address of the sold-to party for correspondence, in another one the address of the ship-to party for the delivery. Only in the customer master record of the sold-to party is a link between the individual partners established, and this is done by entering the customer number of the respective partners.

#### Screen and Field Selection for Partner Functions

When you enter a customer master record for the ship-to party, you need special data for shipping (for example, the unloading point and goods receiving hours). In this case, data on sales or billing is not necessary, providing the ship-to party is not the payer and sold-to party at the same time.

You can limit the screens and fields accessed in the customer master record so that only the necessary data is entered. You do this using account groups. The function of a customer is defined by assigning an account group.

### **3. Naming/Numbering Conventions**

Customer can be allocated an account number of length upto 16 characters.

Bhushan requirement can be met with Customer code of 6 Numerics automatic generation.

### **4. Special Organizational Considerations**

- Customer master data can be maintained for the 34 defined Sales Area (16 for TRD, 9 for OEM & EXP).
- Customer Code to be remained same across Co. Code.
- Region, Jurisdiction Code, County & City Codes & Sales District to be Mandatory.
- No default Sales Office/Group in the master.
- Multiple Ship to parties can be maintained.
- Partner Function "Agent" & "Transporter" is required.
- Most of the Customers are to be Rebate relevant.

### **5. Volumetric**



Approximately 5000

## **6. Authorization and User Roles**

Creation & Changing is to be Centralized at Sahibabad Plant Core Team.

## **2.2. Products**

### **2.2.1. Material determination**

**CI template:**

#### **1. Requirements/Expectations**

NA

#### **2. General Explanations**

NA

#### **3. Naming/Numbering Conventions**

NA

#### **4. Special Organizational Considerations**

NA

#### **5. Changes to existing Organization**

NA



**6. Description of Improvements**

NA

**7. Description of Functional Deficits**

NA

**8. Approaches to covering Functional Deficits**

NA

**9. Notes on further Improvements**

NA

**10. Volumetric**

NA

**11. Authorization and User Roles**

NA

**12. Project specific CI section**

NA

**2.2.2. Material Listing /Material Exclusion**

CI template:

**1. Requirements/Expectations**



NA

**2. General Explanations**

NA

**3. Naming/Numbering Conventions**

NA

**4. Special Organizational Considerations**

NA

**5. Changes to existing Organization**

NA

**6. Description of Improvements**

NA

**7. Description of Functional Deficits**

NA

**8. Approaches to covering Functional Deficits**

NA

**9. Notes on further Improvements**

NA

**10. Volumetric**



NA

**11. Authorization and User Roles**

NA

**12. Project specific CI section**

NA

## **2.3. Agreements**

### **2.3.1. Customer material information**

Q: 1) Do you allow shipping data to be maintained for a specific customer-material combination (for example, plant, delivery priority, minimum delivery quantity)?

A: Yes

Q: 2) Do you have under or overdelivery tolerances for certain combinations of customer and material?

A: Yes

Q: 3) Do your customers place orders using their own material numbers?



A: Yes

Q: 4) Do you define material descriptions for specific customers?

A: Yes

### **CI template:**

#### **1. Requirements/Expectations**

- In case of OEM Orders are placed by customers by their own Material No.s containing all the information of Material/Sizes/Dimensions.
- Besides this OEM customers also provide Other Chemical & Physical characteristics of the Material to be maintained.

#### **2. General Explanations**

Data on a material defined for one specific customer is stored in the customer material information records. This data includes

- the customer-specific material number
- the customer-specific material description
- customer-specific data on deliveries and delivery tolerances

If, for example, one of your customers uses a number for a material, which differs from the number your company uses to identify it, you can store the material number used by the customer in the customer material information record.

During order entry, items can be entered by specifying the material number used by the customer. You also enter a customer material number in the order view of the sales order. You can then use both material numbers during the order entry, the material number your company uses or the one defined by the customer, because the system can carry out allocation automatically.

Data on the delivery and the individual delivery tolerances agreed upon with the customer for the material in question can also be checked and transferred to the sales order item.

You can also store a text in the customer material information record. It is copied to the relevant SD document items during text determination. In Customizing, the text type Customer Material Text is provided for this.

#### **3. Naming/Numbering Conventions**



This Record is created for each Customer & Material Codes.

#### **4. Special Organizational Considerations**

All requirements regarding the customer-specific material number, description, data on deliveries and delivery tolerances can be stored using this functionality. Also the other informatio viz. Chemical & Physical properties can be maintained in Text of this record.

#### **5. Changes to existing Organization**

None till date.

#### **6. Description of Improvements**

None till date.

#### **7. Description of Functional Deficits**

If Material Code does not contain all important information & Variant Configuration is used fully , then this functionality can not be used.

#### **8. Approaches to covering Functional Deficits**

Since this is one of the dominant requirement thus either some development is required to take care of this requirement or the information not covered by Mat Codes are to be maintained in Text of this record.

#### **9. Notes on further Improvements**

None till date.

#### **10. Volumetric**

Approximately 1000

#### **11. Authorization and User Roles**



Creation & Changing is to be Centralized at Sahibabad Plant Core Team.

**12. Project specific CI section**

None till date.

### **2.3.2. Rebate Agreement**

Project documentation:



\\132.147.0.51\bsslsap\QAdb\Reports\SD\DETAIL OF LEDGER.xls

Q: 1) Describe your how you process rebates.

A: Depending upon Market Condition ,We Offer special Rebate subject to qty, size

Process chart attached

Q: 2) What are your rebates based on (for example, customer, material)?

A: Customer And Product wise , Area wise

Q: 3) Do you manage accruals for rebates?

A: Yes we do accruals for rebates

Q: 4) What type of rebates do you offer (for example, volume, quantity, lump sum)?

A: QUANTITY BASED



Q: 5) Do you define validity periods for rebates?

A: YES : Preodical Basis

#### **CI template:**

##### **1. Requirements/Expectations**

Quantity based Rebates are given to customers for specific materials. These rebates are given on factoring Customer, Product & Area/Region. Accruals are also done . These Rebates do have validity periods which is usually a Month.

##### **2. General Explanations**

A rebate is a special discount which is paid retroactively to a customer. This discount is based on the customer's sales volume over a specified time period. You define the details of the rebate in a rebate agreement. In the agreement you specify, for example

- who receives the rebate payment
- on what criteria the rebate is based (customer, customer and material, and so on).how long the rebate agreement is valid

Within the rebate agreement you create separate condition records for each product the customer buys. These records specify the rebate amount or percentage for each product. You can also specify a pricing scale so that the customer can earn a better rebate by ordering more. Because rebates are always paid retroactively, the system keeps track of all billing documents (invoices, credit and debit memos) that are relevant for rebate processing. The system can, if you wish, automatically post accruals so that the accumulated value of a rebate is recorded for accounting purposes.

A rebate agreement is finally settled when you issue a credit memo to the customer for the accumulated rebate total.

You can set up rebates at any level just like pricing. The following rebates have been set up in the standard version of the SAP R/3 system:

- Rebate based on a material
- Rebate based on a customer
- Rebate based on a customer hierarchy
- Rebate based on a group of materials

You can process rebate agreements when the following prerequisite conditions are met:

- The sales organization in which you are processing sales orders must be relevant for rebate processing. Your system administrator sets this indicator in



Customizing for Sales.

- The payer must be relevant for rebate processing. In many cases, the payer is the same as the customer. You indicate whether a customer can receive rebates by marking the Rebates field in the Billing view of the customer master record.
- The billing type (invoice, credit memo, and so on) you are using must be relevant for rebate processing. Your system administrator sets this indicator when defining billing types in Customizing for Sales

. . . . . If you plan to create rebates that do not depend on a material, but instead, for example, depend only on the customer, you must create a special material master record for a settlement material.

Rebates differ from other kinds of discounts in that they are based on sales volume over time and are paid retroactively. However, the system processes rebates in much the same way as other kinds of pricing elements. Rebate data is saved in condition records. Controlling for rebate processing is carried out via condition types, pricing procedures and access sequences. This control data is defined in Customizing for Sales and Distribution.

### 3. Naming/Numbering Conventions

Automatic Numeric No. range will be there for each agreement.

## 2.4. Conditions

Project documentation:



condition-1.xls

\\132.147.0.51\bsslsap\QAdb\Reports\SD\condition-1.xls



conditions.xls

\\132.147.0.51\bsslsap\QAdb\Reports\SD\conditions.xls



Q: 1) Which general methods of price determination do you use (e.g. list price with discounts, surcharges)?

A: IN TRADE MKT - List Price & Negotiated , List Prices with discount  
OEM MKT - On The Basis Of Customer And Size Of Material Grade ETC.  
EXPORT MKT :- SIZE , SPECIFICATION , DESTINATION ,ETC.

Q: 2) Which price types do you use, what are your criteria, and how do you compute them?

A: \*\*\*Details attached in project documentaion.

Q: 3) Do you work with surcharges? If so, which types of surcharge and criteria do you use and how is the calculation carried out?

A: Some times we charged extra price for special packing and these kind of charges we add in basic price.( basic price changed ).

Q: 4) Do work with discounts? If so, what kind of discounts and criteria do you use and how is the calculation carried out?

A: TRADE MKT :-Cash Discount,, Quantity , Price Support & Special Discount  
( \*\*\*DETAILS ATTACHED IN DOC.)  
IN CASE OF OEM AND EXPORT WE DO NOT OFFER ANY DISCOUNTS.

Q: 5) Which prices, surcharges, discounts, and freight costs apply to the whole document and which apply to the item level only?

A: Our Prices is based on Basic prices ,discount & Freight to the items only.

Q: 6) Are manual changes to price conditions allowed in your enterprise?

A: Yes

Comments: Yes we can change the price . If the prices are higher than the price list price. If the price are lower than the listed prices than we have to take prior approval from our higher authority before booking the order.



Q: 7) Do work with freight costs? If so, what kinds of freight costs and criteria do you use and how is the calculation carried out?

A: Each and every starting month we organise tender for transportaion for different location. At this point we decide the fright value for particulr distance. freight is always based on tonnage.  
In case of exports freight is based on tonnage or container size.

Q: 8) Do you work with taxes? If so, which types of tax and criteria do you use and how is the calculation carried out?

A: Yes: we charge taxes and duties at previling rates. like Excise duty, CESS, LST,CST , Octroi and TCS..  
At Present Our company Are Exempted From Local Sales Tax / CST In The State OF UP And Uttranchal.

Q: 9) Do work with discounts in kind? If so, what kinds of discount in kind do you use?

A: ☐ Exclusive bonus quantity  
☐ Inclusive bonus quantity  
☒ No discounts in kind

Q: 10) Do you document your price units?

A: Yes

Q: 11) Must the R/3 System access information stored in another system (external or internal) in order to calculate a price?

A: NO,

Q: 12) Does the same pricing structure apply to all order types?

A: NO., We have separate price struture for Trade, OEM, Export.

Q: 13) What date is the pricing based on?



A: ☒ Sales Order Date  
☒ Requested Delivery Date  
☒ Valid-from Date  
☒ Depending on document type

Comments: In Case of Trade , Price can occur on the date of dispatch.

Q: 14) Do you work with commissions (e.g. for sales personnel, carriers/forwarders)?

A: We give the commission to Agents in case of Export and in case of trade only arising (scrap) product are sold thru agents. NO commission is given to any sales personnel.

Q: 15) Which pricing information do you record for statistical purposes (without changing the price)? For example, material costs, profit margins, or sub-totals printed on invoices.

A: NO

Q: 16) Do you wish to pass on pricing information to CO-PA (Profitability Analysis)?

A: Yes. We wish to pass the information to CO for profitability analysis

Q: 17) If you process orders using EDI, do you accept the expected order price per item or the expected order value?

A: No, we always require the sale contract or purchase order and till date EDI is not applicable, in future we would like to have exact order qty and value for accepting the order in EDI

Q: 18) If you process cross-company orders, do you calculate these based on a specified amount or on a percentage of the price per piece?

A: We offer the prices on the basis of company total requirement and payment condition. Our price are on the basis of per MT. not per piece.

Q: 19) Do you use "interval scales" for price determination purposes?

A: NO.



Q: 20) Is the system to cumulate the amounts for certain conditions (e.g. discounts) and de-activate the discount once a specified maximum value has been reached (tracking cumulative values)?

A: No

Q: 22) Do your prices include sales tax?

A: In trade due to exemption of local & central sales tax, no taxes included within U.P & Uttranchal, But In Out Of U.P Like Jammu, TO Included Sales Tax As Per Prevailing Rate With Prices LIST OR included In Prices List (PI also refer hard copy of invoices)

In Export Local/CST exempted

Q: 23) Do you need to determine prices based on the variant configuration results? For example, when selling an automobile, options for number of doors, color, engine size, and music system help determine the price to be charged.

A: NO

Q: 24) Do you use an external tax package?

A: No

Q: 27) On which master data combinations do you base your pricing?

A: ☒ Sales org./distribution channel/sold-to party/material  
☐ Sales org./distribution channel/sold-to party/material  
☐ Sales org./distribution channel/material  
☒ Sales org./price list type/currency  
☐ Customer/product group  
☐ Customer/material  
☒ Others

Comments: In case of Trade our price list is based on region wise.



Q: 28) How are the pricing conditions specified (e.g. quantity, percentage, scales, fixed values)?

A: Quantity

Q: 29) Which reports and analyses do you need for price determination purposes?

A: Customer wise past sale volume data / prices and payment realisation., Total Lifiting - Size & Tonnes wise

Q: 30) What criteria should be maintained for conditions (country, customer group, and so on)?

A: 1. Country and destination 2. Customer group 3. Region/state

Q: 32) Do you base the price of an item on the production cost or the cost of purchase of the material?

A: Yes

Comments: Our Base prices are based on cost of purchase of raw material & production cost.

### **CI template:**

#### **1. Requirements/Expectations**

Automatic Price determination is required in the Enquiry, Quotation, Sales Order & Billing which can be changed manually(except Billing).

Pricing structure is different for all three business viz. Trade, OEM & Exports. OEM & Exports have Forward pricing i.e. Base price & all other components like Taxes & Excise duty, Discounts, Freight etc are calculated on the Base price. While in case of Trade , Backward pricing is used i.e. Prices are set as inclusive of Excise duty & Sales taxes and then reverse calculation is done to get the base price for the purpose of calculating the other components especially Excise components.



Besides this Pricing structure for the Stock transfers is also different.

The following pricing elements are used during pricing :-

- Base Price
- Discounts
- Basic Excise
- Education Cess
- CST/LST
- Turnover Tax (Certain States)
- Freight
- Material Rebate
- Agent Commission

In Trade marketing generally Prices are determined through fixed Price List which is reviewed periodically. In certain cases Prices are negotiated.

In case of OEM & Exports Prices are generally Negotiated. In certain cases long term contracts are made with customers for which the Prices remain same during that period.

## **2. General Explanations**

The term pricing is used broadly to describe the calculation of prices (for external use by customers or vendors) and costs (for internal purposes, such as cost accounting). Conditions represent a set of circumstances that apply when a price is calculated. For example, a particular customer orders a certain quantity of a particular product on a certain day. The variable factors here - the customer, the product, the order quantity, the date - determine the final price the customer gets. The information about each of these factors can be stored in the system as master data. This master data is stored in the form of condition records.

The condition technique refers to the method by which the system determines prices from information stored in condition records. In Sales and Distribution, the various elements used in the condition technique are set up and controlled in Customizing. During sales order processing, the system uses the condition technique to determine a variety of important pricing information. For example, the system automatically determines which gross price the customer should be charged and which discounts and surcharges are relevant given the conditions



that apply.

### **Example of Pricing in the Sales Order :-**

The following steps shows how the condition technique works in the background to produce the pricing information.

- The system determines the pricing procedure according to information defined in the sales document type and the customer master record.
- The pricing procedure defines the valid condition types and the sequence in which they appear in the sales order. In the example, the system takes the first condition type (PR00) in the pricing procedure and begins the search for a valid condition record.
- Each condition type in the pricing procedure can have an access sequence assigned to it. In this case, the system uses access sequence PR00. The system checks the accesses until it finds a valid condition record. (Although you cannot see this in the diagram, each access specifies a particular condition table. The table provides the key with which the system searches for records).
- In the example, the first access (searching for a customer-specific material price) is unsuccessful. The system moves on to the next access and finds a valid record.
- The system determines the price according to information stored in the condition record. If a pricing scale exists, the system calculates the appropriate price. In the example, the sales order item is for 120 pieces of the material. Using the scale price that applies to quantities from 100 pieces and more, the system determines a price of USD 99 per piece.
- The system repeats this process for each condition type in the pricing procedure determines a final price.

## **4. Special Organizational Considerations**

- Reverse calculation (Taxes , Excise & Freight Inclusive Prices) in case of Trade marketing has to be given special attention.
- Rebates are to be calculated for Customer Hierarchies on the basis of Quantities Scales (Both graduated & continuous).



- Freight is to be determined on the basis of the Region/County/City Codes of the Plant & Ship to parties.

## **5. Changes to existing Organization**

Condition Masters to be maintained for every possible Condition types along with Lower limits so as to avoid manual errors, especially in case of Depot Sales.

## **6. Description of Improvements**

- Pricing elements are required to be determined automatically, but their is requirement for Manual Changes possible. These changes are to be within specified Limits (Especially Lower Limit)
- Pricing will be copied as it is to the subsequent SD documents viz. Billing.
- .

## **7. Description of Functional Deficits**

As a standard practice SAP works on forward pricing i.e roll up from Basic Price and all other duties levies and elements are calculated on the basic price.

## **8. Approaches to covering Functional Deficits**

Two options are as follows :-

- Structural changes to the Pricing Procedure
- ABAP Intervention to be used to cater this requirement

## **10. Volumetric**

Condition Masters would depend upon number of combinations required to determine Prices & other components.

## **11. Authorization and User Roles**

Creation & Changing is to be Centralized at Sahibabad Plant Core Team.



## 2.5. Output

Q: 1) What master data fields do you use to determine what output to send?

A: customer master data like firm name, address,tel& fax ,tax & duties no.,total material lifting.

Q: 2) What type of output do you send (e.g. Paper, Fax, EDI, Internet)?

A: Hard copy, Fax & E- mail. Internet

Q: 3) When is output sent?

A: Along with Dispatch Document ,When material despatched from plant  
In Case of Export , we send documents before shipment for filling the papers in custom and after shipment ,we send documents to buyer.

Q: 4) Collect print out (samples) of the required documents/messages (e.g. order confirmation, pick list, packing list, invoice).

A: Yes we print out the order confirmation, packing list , loading slip ,invoice, mill test certificate.

Questions:

Q: 5) How are sales activity documents to be transmitted?

A: ☒ Paper  
☐ Telephone  
☒ Fax  
☒ E-mail  
☐ EDI

Q: 6) How are sales documents to be transmitted?

A: ☒ Paper



☐ Telephone  
☒ Fax  
☒ E-mail  
☐ EDI

Q: 7) How are deliveries to be transmitted?

A: ☒ Paper  
☐ Telephone  
☐ Fax  
☐ E-mail  
☐ EDI

Q: 8) How are shipping documents to be transmitted?

A: ☒ Paper  
☐ Telephone  
☒ Fax  
☒ E-mail  
☐ EDI

Q: 9) How should shipment documents be transmitted?

A: PERSONALLY, Courier, Fax & e.mail

Q: 10) How are billing documents to be transmitted?

A: ☒ Paper  
☐ Telephone  
☒ Fax  
☒ E-mail  
☐ EDI

Q: 11) How should foreign trade documents be transmitted?

A: Thru BANK

**CI template:**



## **1. Requirements/Expectations**

Output/Printouts of the following SD documents are required :-

Enquiry, Quotations, Order Acceptance/Sales order, Loading Slip, Invoicing and Packing list.

These outputs are taken out at time of Despatch (except for pre-sales documents). In case of Exports Pre-shipment Invoice is sent for Customs processing before actual despatch.

Output are also sent through Fax & E-mail. These output are determined on the basis of customer (code) itself.

## **2. General Explanations**

The Output component offers output functions for sales, shipping, transportation, and billing to help you manage sales transactions with your customers and within your company.

You can create sales activity output (for example, customer telephone calls, mailing campaigns)

and group output (for example, freight lists). Your company employees can send and receive

output. Output is directly linked to the corresponding sales transaction

The output determination component is used for output control. Output control is used to

exchange information with internal and external partners.

## **3. Naming/Numbering Conventions**

--

## **4. Special Organizational Considerations**

Seperate output is to be set for each document & their layouts to be finalized (along with ABAP). To automatically send the documents through other media viz. Fax & E-mail , an Interface/Link to the external application is required.

## **5. Changes to existing Organization**

Although Printing options will be available to the users but it is recommended not to use printing for internal communication as most of the information will be



communicated through SAP system itself. The list of printouts required must have the approval of the HOD before a printout can be taken.

## **6. Description of Improvements**

Users are advised to make use of system to take & give the updation of all the information through the system only so that time & money can be saved.

## **7. Description of Functional Deficits**

Interface/Link to external applications viz. Fax & E-mail is non-existent.

## **8. Approaches to covering Functional Deficits**

Out of scope.

## **9. Notes on further Improvements**

Interface/Link to external applications viz. Fax & E-mail shall be future possibility.

## **10. Volumetric**

Depends upon different documents and the no. of customers.

## **11. Authorization and User Roles**

Creation & Changing is to be Centralized at Sahibabad Plant Core Team.

## **12. Project specific CI section**

None till date.



### 3. Country India Version

#### 3.1. Chapter ID

CI template:

##### 1. General Explanations

- Chapter IDs are the legally required Heads under which different Material produced or consumed are maintained for the purpose of Excise regulations.  
.
- Material Codes and Plant are assigned to the Chapter IDs in SAP.  
.
- The Excise Duty can differ for different Chapter IDs.  
.

##### 2. Naming/Numbering Conventions

Numbering of Chapter ID shall be as per Norms. For example for the Finished Goods following Chapter Ids shall be there :-

7209.30	CR COIL Wide
7211.51	CR COIL Narrow



## 3.2. Customers

### CI template:

#### 1. General Explanations

The part of the customer master record that contains information relating to Indian excise duty. In conjunction with other data, this data is used to calculate excise duty on various transactions.

To maintain the data, from the SAP Easy Access screen, choose Indirect Taxes → Master Data → Excise Rate Maintenance, and then select the following options described below.

The excise part of the customer master contains the following information:-  
Customer Excise Details

On this screen, you enter your customers' tax registration numbers, which are used for various forms of correspondence and reports:

- Excise registration number (and the range, division, and collectorate in which this is located)
- Central sales tax (CST) number
- Local sales tax (LST) registration number
- Permanent account number (PAN)

In order for the system to be able to calculate which rate of excise duty to apply on sales to the customer, you must also assign it a customer excise duty status Excise Indicator for Plant and Customer On this screen, you define the final excise duty indicator on the basis of which the final Excise Rate applicable are determined.



## **2. Special Organizational Considerations**

- All the Customers which are relevant for Excise shall have "1" indicator (including the Dummy customers for Plants / Depots for stock transfers).
- All those Customers which are NOT relevant for Excise shall have "0" indicator viz. the Exports Customers.

## **10. Volumetric**

As per No. of Customer Masters.

## **11. Authorization and User Roles**

All those Users having authorization for Customer Master maintenance.

# **D. Business Processes**

## **1. Sales and Distribution**

Q: 1) Which departments/employees are responsible for the different sales processes in your company? Describe in detail the exception handling for these processes.

A: PI refer organisation chart & Branch Organisation chart.

### **CI template:**

#### **1. Requirements/Expectations**

MAJOR GROUPS RESPONSIBLE FOR SALES & DISTRIBUTION :-

- 1.) Sales Orders & Delivery → Trade , OEM and Exports sales departments.
- 2.) Logistics → Despatch dept.



- 3.) Billing → Despatch dept.
- 4.) Excise Processing → Excise dept.
- 5.) Depot Sales → Depot personnel
- 6.) Customer settlement & Rebates etc. → Marketing Accounts dept.

## **1.1. Pre-Sales Handling**

### **1.1.1. Customer Inquiry**

#### **1.1.1.1. Customer Inquiry Processing**

Q: 1) Describe your inquiry process in detail.

A: The marketing department receive the enquiry from customer through courier, email, fax and on telephonic.

Marketing department review the enquiry like customer, sizes, grade, specification and delivery schedule.

After considering all the parameters we quote the price and terms & conditions.

Q: 2) Are alternative items required for inquiry processing and how do you handle them?

A: Alternative items are quoted either separately or in the same quotation/enquiry. In some cases enquiry is transferred to others marketing personnel/department

Q: 3) Do you allow inquiries for products still under development (text item)?

A: Yes - We entertain this kind of enquiries,.



Q: 4) What texts are required in an inquiry?

A: In Inquiry we require the following details:

1. Customer requirement like sizes in terms of thickness, width , length along with technical detail like specification grade and if some specific instruction.
2. Delivery schedule & end application
3. Payment Terms
4. Customer Name & Address
5. Final destination for despatch of material

### **CI template:**

#### **1. Requirements/Expectations**

The marketing department receive the enquiry from customer through courier, email, fax and on telephonic.

Marketing department review the enquiry like customer, sizes, grade, specification and delivery schedule.

After considering all the parameters the price and terms & conditions are quoted.

In Inquiry following details are required :-

1. Customer requirement like sizes in terms of thickness, width , length along with technical detail like specification grade and if some specific instruction.
2. Delivery schedule & end application
3. Payment Terms



4. Customer Name & Address

5. Final destination for despatch of material

## **2. General Explanations**

You can represent pre-sales business processes in the system using the functions for inquiries and quotations. Customer inquiries and quotations to the customer can be entered and monitored.

For example, a customer inquires whether you have a certain product in your warehouse, how much it will cost, or whether the product will be available for a certain date. The inquiry is therefore a request from the customer for you to provide him with a sales quotation.

A quotation presents the customer with a legally binding offer for delivering a product or providing a service within certain fixed conditions.

The data you store in sales queries forms the basis of subsequent documents and, if you wish, sales analysis.

Creating and maintaining this kind of data may be useful under, for example, the following circumstances:

- You want to evaluate your pre-sales processing with reports and analysis. For example, you want to compare the value of a quotation against the value of subsequent sales orders and invoices and then evaluate the effectiveness of your planning process. Or you want to evaluate the success rate of quotation-to-order conversion by salesman or sales group.
- Your sales organization deals with government agencies or large organizations and institutions who routinely send out for bids and requests for proposal. You want to record the entire sales cycle.
- Your sales organization sells a wide range or low value products (for example, consumer products with a high turnover) but you wish to fix certain data for the presales phase if you are negotiating for larger contracts.

A company sends out quotations for equipping intensive care rooms in hospitals. The equipment can vary, depending on the hospital and other factors, but 40% of the components are standard. The company's sales staff copy the standard components into quotations from master data, along with standard texts (standard clauses, for example). Whenever possible, the staff copies the



remaining components from existing quotations that resulted from similar queries. Alternatively, the staff can copy data from product proposals.

Before you can use sales queries, you must maintain the following:

- Master data for order probability by customer and document type
- Relevant sales query document types
- Copying requirements for document flow
- Master data for alternative items (material determination)
- You maintain document types and copying requirements in Customizing for Sales and Distribution.

Sales queries let you enter and store all the important, sales-related information you use during sales order processing. Queries that are not complex can be entered quickly in the initial entry screen. The query can be entered from scratch or can be copied. For example, when the customer decides he wants a firm quote, you can copy a previously entered inquiry directly into a quotation.

The inquiries and quotations entered in the system can be displayed and evaluated in a list. You can use selection criteria to limit the list which will give you a more selective display and processing. For analysis purposes, you can list all the quotations you processed during the last six months and examine those that were rejected and for what reasons.

You can maintain a validity date in sales queries by which time the query should have been answered. The documents can then be monitored and evaluated according to this validity date, which then allows you to evaluate the queries on time. In this way you are able to plan and implement the necessary subsequent activities according to the deadline.

Instead of a material number you can also enter a text description of the material if, for example you can't assign the materials to a customer call straight away. In one quotation for a material, you can offer the customer several options with differing pricing conditions and shipping times. If the quotation leads to a sales order, you can select an alternative item according to the customer's requirements.

### **3. Explanations of Functions and Events**

- Enquiries are optional they may/not be created



- It may come for new materials/sizes
- Quotations can be created with reference to Inquiries
- They can be rejected or closed without referencing
- Inquiry sent by the customer should be fed into the system.
- Sales Area to be determined from Customer master.
- Material description as per enquiry.
- Data to be used in report generation
- In Inquiry provision should be made for maintaining Characteristics of material such as Grade, Thickness, Length, Testing etc
- For new Products i.e. Not manufactured till time, Material Description shall be used to enter into Enquiries.
- There should be provision to view stock position from inquiry screen
- Details of Standard material should be picked up from master data.
- Sales Order should not be made with reference to inquiry.
- . . . . .

#### **4. Naming convention**

All Number Ranges for these documents will be automatic / internal / Numeric generation.

#### **5. Special Organizational Considerations**

Seperate document types may be required for three Sales organizations



## **6. System Configuration Considerations**

Following Copy Controls are required :-

- Inquiry to Quotation
- Quotation to Sales Order
- .

Automatic Availability Check shall not be there but Stock position can be viewed.

## **7. Authorization and User Roles**

To all the Sales Users including Depot personnel.

# **1.2. Sales Order Processing (Standard)**

**CI template:**

## **1. Requirements/Expectations**

**Sales & Distribution Scenarios :-**

**TRADE SALES :-**

- It is responsible for selling all Main stream Prime products, Bye/Co-products, Scrap, and all Surplus & Diverted products from Trade-Prime, OEM & Exports.
- Most of the cases there is MTS (Make to Stock) scenario.
- In some cases Material is produced after receiving the Order i.e. MTO (Make to Order) scenario.



- Orders for materials belonging to different Divisions are created separately.
- Major chunk of business also comes from Depot Sales i.e. material Stock is transferred to the Depots and then sold to customers.
- In certain cases Stock is also transferred from one depot to other depots.
- Prices are set as inclusive of Freight , Excise & Taxes (wherever applicable) for both Direct Sales as well as for Stock transfers.
- Dispatches are done centrally from one location from every plant.
- After confirmation of Material availability, Trucks are arranged for transportation by Dispatch dept.
- Before entry to plant Loading Slips are given to the Trucks, which , besides Material description & loading place , contains Transporter Name & Truck No.
- After loading Quality issues PDIR (Pre-Dispatch Inspection Report) & Test Certificate.
- Final Dispatch & Billing is done by Dispatch.
- Both commercial & Excise Invoices are the same document.
- Serial No. of the Billing Documents for respective Plants/Depots are separate.



- Payments are expected as per the Payment terms.
- Credit Memos are issued for Customer Returns, CD (Cash Discounts), QD (Quantity Discounts - Rebates), Price Support, Quality Claims, Rate Differences, Weight Shortages, Special Discount (In the Order & also through Credit Notes).
- Debit Notes are issued to Transporters for damage in transit.
- Sales of all Diverted Sales from respective sales org viz. Trade-Prime, OEM & Exports to be captured separately.

#### **OEM SALES :-**

- It is responsible for selling all Main stream Prime products to OEM Customers
- In almost all of the cases Material is produced after receiving the Order i.e. MTO (Make to Order) scenario.
- Certain cases Material is available & is assigned to the Order.
- Orders for materials belonging to different Divisions are created separately.
- Material Usage by customers are also registered in the Orders
- In few cases Material is sold from Depot Sales i.e. material Stock is transferred to the Depots and then sold to customers.



- Prices are set as Exclusive of Excise & Taxes for both Direct Sales as well as for Stock transfers.
- Dispatches are done centrally from one location from every plant.
- After confirmation of Material availability, Trucks are arranged for transportation by Dispatch dept.
- Before entry to plant Loading Slips are given to the Trucks, which , besides Material description & loading place , contains Transporter Name & Truck No.
- After loading Quality issues PDIR (Pre-Dispatch Inspection Report) & Test Certificate.
- Final Dispatch & Billing is done by Dispatch.
- Both commercial & Excise Invoices are the same document.
- Serial No. of the Billing Documents for respective Plants/Depots are separate.
- Payments are expected as per the Payment terms.
- Credit Memos are issued for CD (Cash Discounts), QD (Quantity Discounts - Rebates), Price Support, Quality Claims, Rate Differences, Weight Shortages.
- Debit Notes are issued to Transporters for damage in transit.



### **EXPORTS SALES :-**

- It is responsible for selling all Main stream Prime products to Overseas market.
- In almost all of the cases Material is produced after receiving the Order i.e. MTO (Make to Order) scenario.
- Certain cases Material is available & is assigned to the Order.
- Orders for materials belonging to different Divisions are created separately.
- Material Usage by customers are also registered in the Orders
- Prices are set as Exclusive of Excise & Taxes for both Direct Sales as well as for Stock transfers.
- Unless L/C (Letter of credit) is not received / cleared further processing of Orders is not done.
- Dispatches are done centrally from one location from the plant.
- After confirmation of Material availability, Trucks / Containers are arranged for transportation by Dispatch dept. &/or Mumbai Office in conjunction with CHA (Clearing & Handling Agent)
- Material can also be delivered through Brake-Bulk i.e. without Containers.



- Sahibabad Plant has permission for Container Stuffing.
- Before entry to plant Loading Slips are given to the Trucks / Containers, which , besides Material description & loading place , contains Transporter Name & Truck No.
- After loading Quality issues PDIR (Pre-Dispatch Inspection Report) & Test Certificate.
- In case of External verification viz. SGS Agency, Certificates are issued by it.
- Export Dept. issues all other Documents viz. Pre-Shipment Invoice, Packing List & other documents required by Customs viz. ARE Forms.
- Final Dispatch & Billing (Excise & Goods Movement Purpose) is done by Dispatch.
- When Material is reached at Mumbai Port all other Export Documentation is done viz. Certificate of origin.
- Insurance Certificate is prepared if Inco-terms are CIF.
- Immediately after loading to Ship , B/L (Bill of lading) is given by Shipping Line.
- Payments are received through L/C only either in advance or after Orders.
- BRC (Bank Realization Certificate) is prepared after receiving the



Payments.

- Agent Commissions are paid on the actual quantity delivered, both Fully after Payment receipt or Partially before order execution.
- Credit Memos are issued if Material is not as per Negotiated terms.
- Debit Notes are issued to Transporters/Shipping Lines for damage in transit.

### **1.2.1. Customer Outline Agreement**

**CI template:**

#### **1. General Explanations**

Customer contracts are outline customer agreements that display when sales materials or services are sold within a certain time period. The standard version of the SAP R/3 System contains the following categories of contracts :-

- **Master Contracts**

The master contract is a document in which you can group contracts together as lower level contracts. Thus, all the data that refers to other documents remains consistent. The master contract contains the general terms which apply for all lower level contracts.

- **Quantity Contracts**

A quantity contract is an agreement that your customer will order a certain quantity of a product from you during a specified period. The contract



contains basic quantity and price information, but does not specify delivery dates or quantities.

- **Value Contracts**

A value contract is a contractual agreement with a customer that contains the materials and/or services that they may receive within a time period and up to a target value. A value contract can contain certain materials or a group of materials (product hierarchy, assortment module).

- **Service Contracts**

A service contract is an agreement that contains the conditions for offering a certain service to the customer. You can manage rental and maintenance contracts in the standard version of the SAP R/3 System. A service contract contains validity dates, cancellation conditions, price agreements, and information on possible follow-up actions.

- **Scheduling Agreements**

A customer scheduling agreement is an outline agreement with the customer containing delivery quantities and dates. These are then entered as schedule lines in a delivery schedule. You can either create schedule lines when you create the scheduling agreement or you can create them later.

You fulfill a scheduling agreement by creating the deliveries in the schedule as they become due. You process deliveries for a scheduling agreement in exactly the same way as you process a normal delivery. After you have carried out the delivery, the system updates the Delivered quantity field in the scheduling agreement item with the delivery quantity.

### **1.2.1.1. Quantity Contract Processing**

Questions:



Q: 1) What kind of contract do you use?

A: ☒ Quantity contract  
☐ Value contract  
☐ Rental Contract  
☐ Service contract

Comments: OUR CONTRACT IS ALSO BASED ON TIME VALIDITY /PERIOD

Q: 2) Do you negotiate contracts to use as a basis for sales orders?

A: Yes

Q: 3) Do you use a certain order type to indicate that the sales order references a contract? If so, then for what reasons?

A: Yes , we use order acceptance form that indicate the contract no. / purchase order no, so that our internal auditor can verify the invoice rate with the contract rates.

Q: 4) Are there any time agreements that are relevant to contracts (for example, delivery times, commitment dates, validity periods)?

A: contract indicate the delivery period / validity period / commitment date.

Q: 5) Are your contracts valid for a set time period or do you offer renewals?

A: Yes , it can be renewed

Q: 6) Do you allow different customers to make release orders (call-offs) from the same contract?

A: No



Q: 7) Do you check available stock (availability check)?

A: No

Q: 8) Do you offer special prices or discounts for contracts (price agreements or contract prices)?

A: Yes, we allow.

Q: 9) Do you adjust prices after a period of time?

A: Yes

Comments: As per market rates of Raw Material.If mentioned in the contract terms and condition.

Q: 10) Do you want to reprice for release orders (call-offs)?

A: Yes

Q: 11) Do these contracts contain dates and quantities to which the customer must adhere?

A: Yes

Q: 12) Can you exceed these quantities in subsequent documents?

A: Yes

Q: 13) What are the requirements for completing a contract (for example, full value, quantity contracts)?

A: Quantity is limiting factor.



## **CI template:**

### **1. Requirements/Expectations**

- Only Quantity Contracts are used
- Contracts shall be negotiable & would act as the basis for Orders
- Order acceptance form is used that indicate the contract no. / purchase order no, so that our internal auditor can verify the invoice rate with the contract rates..
- contract indicate the delivery period / validity period / commitment date
- They can be renewed
- Different customers are not allowed to make release orders from the same contract
- Stocks are not checked. In case of Scheduling Agreements it is Checked.
- offer special prices or discounts for contracts (price agreements or contract prices)
- Prices are adjusted after a period of time, as per market rates of Raw Material.If mentioned in the contract terms and condition
- want to reprice for release orders
- contracts contain dates and quantities to which the customer must adhere
- Actual quantity may exceed these quantities in subsequent documents
- Quantity is required for completing a contract
- need to schedule requested deliveries per item on various dates



## 2. General Explanations

A quantity contract is an agreement that your customer will order a certain quantity of a product from you during a specified period. The contract contains basic quantity and price information but no schedule of specific delivery dates and quantities. (If the customer provides delivery information, you can create a scheduling agreement instead).

The customer fulfills a contract by placing sales orders against it. These sales orders are known as release orders (or call-offs).

You can specify in the contract which other partners in addition to the sold-to party are authorized to release against the contract.

When you create a release order, you refer to the relevant contract, and the system automatically updates the released quantities in the contract. Otherwise, processing a release order is just like processing a standard sales order.

## 3. Explanations of Functions and Events

- ❖ Only Quantity Contracts are used at present, but Value contracts could be made with different order type.
- ❖ All the Release Orders (Sales Order) shall be made with reference from the Contracts.
- ❖ Contracts shall be modifiable until they are referenced.
- ❖ Since Orders shall be made with reference to the Contracts, all the Header & Item level Data shall be copied to the Orders which could be changed.
- ❖ Contracts shall have a validity period & multiple schedule lines (if required)
- ❖ Header data (esp. Sold to party) will have to be same so as to create Release Orders in name of the same Party as in the Contract.
- ❖ Availability Checks shall not be there in case of Quantity Contracts.
- ❖ Prices can be determined on the basis of order types & sold to party to offer special prices for Contracts.
- ❖ Separate Payment terms can be used to determine whether Prices shall be volatile as per market rates of raw material. Alternatively prices can be



changed manually in the Order. Pricing Date shall be copied from the contracts but if new pricing is required then it can be changed to the current date.

- ❖ If any quantities remained un-referenced then they would appear as Open Contract Values, so if it needed to be closed then the remaining quantities have to be rejected with reasons of rejections.
- ❖ Actual quantity can not exceed the Contract quantities in subsequent documents unless the quantities are modified.
- ❖ To schedule requested deliveries per item on various dates multiple Schedule line are required.

#### **4. Naming convention**

All Number Ranges for these documents will be automatic / internal / Numeric generation.

#### **5. Special Organizational Considerations**

Separate document types may be required for three Sales organizations

#### **6. System Configuration Considerations**

Following Copy Controls are required :-

1 Contracts to Orders

#### **7. Authorization and User Roles**

To all the Sales Users including Depot personnel.



### 1.2.1.2. Value Contract Processing

Questions:

Q: 1) What kind of contract do you use?

A: ☒ Quantity contract  
☐ Value contract  
☐ Rental Contract  
☐ Service contract

Comments: OUR CONTRACT IS ALSO BASED ON VALIDITY/PERIOD

Q: 2) Do you negotiate contracts to use as a basis for sales orders?

A: Yes

Q: 8) Do you offer special prices or discounts for contracts (price agreements or contract prices)?

A: Yes we offer special price.

Q: 13) What are the requirements for completing a contract (for example, full value, quantity contracts)?

A: Quantity and validity period of contract

#### CI template:

##### 1. Requirements/Expectations

Only Quantity Contracts are used.

##### 2. General Explanations

A value contract is a legal agreement with a customer that contains the materials and services that the customer receives within a specified time period, and for a value up to a specified target value. A value contract can contain certain



materials or a group of materials .

### **Release Orders**

The customer fulfills a contract by issuing orders against the contract. The contract does not contain any exact dates for deliveries, so you need to create a sales order to release against a value contract.

When a release order is created for the contract, the system automatically updates the released values in the contract. The release order value is calculated from the total of the open order and delivery values, plus the value that has already been billed to the value contract.

The system also updates the released value for subsequent changes (for example, overdelivery of contract release, price changes in the billing document, partial deliveries, returns, rejection of order items, cancellation or reversal of orders, deliveries or billing documents).

You can create a release order in any currency. The system automatically converts this currency into the one agreed upon in the value contract on the pricing date for the contract release order.

#### **Billing**

You can bill the value contract either directly, or per release order. If you want to bill the value contract directly, you have to create a billing plan for the value contract. This enables you to bill the value contract for several dates, and for partial values. If you change the value of an item in the value contract, the system automatically adjusts the open billing dates so that the complete value is billed.

### **Document Flow**

You can use the document flow to display all the subsequent documents that arise from a value contract (for example, sales orders, deliveries, billing documents).

### **Completing value contracts**

A value contract is complete when you enter a reason for rejection. You can define how the system reacts when you have reached the target value in Customizing for value contracts (item category).(You define the following reactions: a warning, an error message or no reaction.)

### **Limitations**

A value contract that has not been completely released is not automatically billed. When you work with the billing plan which has dates that have already



been billed and you then reduce the target value in the value contract, the system does not check whether too much has been billed. In this case, you have to create a credit memo for the difference.

Quantity and value contract items cannot be processed together in one document.

### **3. Explanations of Functions and Events**

Value Contracts are not used by Bhushan.

#### **1.2.1.3. Processing Group Master Contracts**

Q: 1) Do you offer master contracts to which other contracts are linked?

A: In some cases we create contract with reference to other old contracts,

##### **CI template:**

##### **1. Requirements/Expectations**

In some few cases BSSL create contract with reference to other old contracts.

##### **2. General Explanations**

The master contract is a document under which you can group contracts as lower level contracts. It contains the general terms which apply for all the lower level contracts over a specified period.



You group contracts as lower level contracts under a master contract to ensure that

- The terms in the master contract are granted in all the lower level contracts
- The data in all lower level contracts remains consistent

You can group the following documents under a master contract:

- Quantity contracts
- Value contracts
- Service contracts

The link between the master and lower level contracts is controlled by the referencing procedure which is assigned to the master contract type in Customizing. The referencing procedure determines which data is copied from the master contract into the lower level contracts

A master contract contains header data only. In the master contract, you can record:

- Business data
- Partner data
- Contract data
- Billing plan data

On the overview screen of the master contract, there is a list of all the lower level contracts which refer to it. You can branch from this list into the individual contracts.

### **3. Explanations of Functions and Events**



In most of the cases Master Contract concept is not present . But in some cases contracts are made with reference to other old contracts.

This can happen only when the Master contract has some unreferenced quantity. Otherwise only header data can be copied.

#### **4. Naming convention**

Number range shall be same as that of other contract since the Document type would be same.

#### **5. Special Organizational Considerations**

Since in most of the cases the contracts made are fully referenced at some point of time therefore its recommended to reference only Header data.

#### **6. Changes to existing Organization**

Only when the contract has some open quantities, it shall be referenced to other sub-contract. Otherwise its recommended to create the Other contract without reference to the Old contract.

#### **7. Description of Improvements**

Also its recommended to copy only Header Data

#### **8. System Configuration Considerations**

Following Copy Controls are required :-

1 Contracts to Contracts

#### **9. Authorization and User Roles**

To all the Sales Users including Depot personnel.



#### 1.2.1.4. Customer Scheduling Agreement Processing

Q: 1) Do you need to schedule requested deliveries per item on various dates?

A: Yes , we need the material per items on various dates,

Questions:

Q: 2) How do you schedule the requested deliveries?

Explanation: Describe which time components you use, and what these depend on.  
Examples: loading time, packing time, transit time, transit lead time Time components can depend on the material, shipping point, and route.

A: ☐ Daily  
☐ Weekly  
☐ Monthly  
☒ Posting period

Comments: As per agreement with customer

Q: 3) Do you check available stock (availability check) for scheduling agreements?

A: yes we check

Q: 6) Which partners are involved in the process?

Explanation: Note: Possible partners in the standard R/3 system include the sold-to party, goods recipient, payer, billed-to party, freight forwarders, and external service providers. Decide which partners you want to use.

A: sold to party ,ship to party, bill to party & payer



## **CI template:**

### **1. Requirements/Expectations**

- Scheduling of the deliveries are required to be on different dates.
- In case of Trade Availability of the stock is checked .

### **2. General Explanations**

A customer scheduling agreement is an outline agreement with the customer containing delivery quantities and dates. These are then entered as schedule lines in a delivery schedule. You can either create schedule lines when you create the scheduling agreement or you can create them later.

You fulfill a scheduling agreement by creating the deliveries in the schedule as they become due. You process deliveries for a scheduling agreement in exactly the same way as you process a normal delivery. After you have carried out the delivery, the system updates the Delivered quantity field in the scheduling agreement item with the delivery quantity.

### **3. Explanations of Functions and Events**

Scheduling agreements can be used for the same purpose along with the Availability Check activated.

### **4. Naming convention**

All Number Ranges for these documents will be automatic / internal / Numeric generation

### **5. Special Organizational Considerations**

Separate document types may be required for three Sales organizations

### **6. Description of Improvements**

It is recommended to have multiple Schedule lines created in the contracts itself to cater to this need, instead of having separate Scheduling Agreements.



## **7. System Configuration Considerations**

Following Copy Controls are required :-

1 Scheduling Agreements to Orders

## **8. Authorization and User Roles**

To all the Sales Users including Depot personnel

# **1.2.2. Sales Order**

## **1.2.2.1. Customer Quotation Processing**

Project documentation:



\\132.147.0.51\bsslsap\QAdb\Reports\SD\SPC-TRADE.doc



\\132.147.0.51\bsslsap\QAdb\Reports\SD\SPC-EXP.doc

Q: 1) Describe your quotation process in detail.



A: After review the enquiry we quote the offer containing our prices along with technical and commercial terms and condition., Sizes , Payment terms , Qty, Destination , Delivery time.

Q: 2) What texts are required on a quotation?

A: 1. Enquiry reference no. and date.  
2. Customer name and address with contact person name.  
3. Technical and commercial terms

Format of quotation is enclosed.

Q: 3) Which information (for example, prices) is passed to subsequent documents?

A: All information in the final quotation is passed on to the final order.

Q: 4) Are there any time agreements that are relevant to quotations (for example, delivery time, commitment dates, validity periods)?

A: Validity period of quotations, Proposed delivery date/period

Q: 5) Do you pass requirements to MRP for quotations?

A: no.

Q: 6) Do you want to assign order probabilities to quotations?

A: Yes we would like to assign.

### **CI template:**

#### **1. Requirements/Expectations**

After review the enquiry , Quotations are created with the offer containing our prices along with technical and commercial terms and condition., Sizes , Payment terms , Qty, Destination , Delivery time.

It contains following :-

1. Enquiry reference no. and date.



2. Customer name and address with contact person name.
3. Technical and commercial terms
4. Validity period of quotations, Proposed delivery date/period
5. Order Probabilities are assigned to Quotations.
6. No requirements is passed to MRP for quotations

All information in the final quotation is passed on to the final order.

## **2. General Explanations**

A quotation presents the customer with a legally binding offer for delivering a product or providing a service within certain fixed conditions. This offer is legally binding for the company within a specified time period.

A sales area can reply to a customer inquiry with a customer quotation or use it to refer to a business partner contact.

A customer quotation comprises one or more items that contain the quantity of a material or service that the customer asked for.

The total quantity can be subdivided between the schedule lines in different amounts and relevant delivery dates.

Items can be structured in a hierarchy so you can differentiate between batches, or explode combined materials (bills of material).

The valid conditions for an item are listed in the item conditions and can be derived individually from the conditions for the whole document.

Not only the customer but also other business partners can be specified as sold-to parties in different partner functions (for example, ship-to party).

## **3. Explanations of Functions and Events**

- Can be made with/without reference to an inquiry
- Sales Orders can/cannot be created with reference to Quotations
- They can be rejected or closed without referencing.
- Would contain all technical specifications (Chemical & Physical) as Text besides basic data viz. Customer/Material/Sizes/Prices.
- Sales Area to be determined from Customer master.



- Material to be picked from the material master.
- Pricing should be picked from the condition masters with flexibility of change within limits especially Lower.
- Data to be used in report generation and analysis
- Every offer shall have a default valid from date as current date.
- After the validity date Offer shall expire and a new offer if required should be created or the validity be extended
- There shall be the provision to view stock position from offer screen
- Order probabilities can be assigned to Quotations

#### **4. Naming convention**

All Number Ranges for these documents will be automatic / internal / Numeric generation.

#### **5. Special Organizational Considerations**

Seperate document types may be required for three Sales organizations

#### **6. System Configuration Considerations**

Following Copy Controls are required :-

- 1 Quotation to Sales Order
- 2 Quotation to Contracts

Automatic Availability Check shall not be there but Stock position can be viewed.

#### **7. Authorization and User Roles**

To all the Sales Users including Depot personnel.



### 1.2.2.2. Sales Order Processing

Q: 1) Does your organization have specialists who only process specific types of customer orders (for example government,international, OEM, reseller) or products (for example, specific product lines)?

A: Yes, We have specialist personnels dealing seperatly into "TRADE" , "OEM" and "EXPORT"

Q: 2) Do you presently separate your standard orders by any variables (for example, document type, sales organization, sales representative, customer type) for ease of processing or reporting purposes?

A: Yes : On the basis of "TRADE", "OEM" and "EXPORT"

Q: 3) What information do you capture on a sales order? List your current sales order types (including returns and credit/debit memo requests).

A: **OEM**

- Billing Address, Delivery Address, Size of Material Thickness, Width, Length and grade of material.
- Surface Finish
- Payment Terms
- Total Outstanding / Overdue Outstanding
- Maximum / Minimum Coil/ Packet weight
- Coil ID/OD
- Mechanical and physical properties of material if specify.



- End use of material.
- Last date of dispatch
- Week wise despatch detail.
- Component - Interanl/ External
- Tolerance on thickness, width , length
- Basic price of material
- Excise duty, taxes and octroi.
- Freight Fixed anf F.O.R

Questions:

Q: 4) How do you receive orders?

A: ☒ Telephone  
☒ FAX  
☐ EDI  
☒ Internet  
☒ Others

Q: 5) Do you convert other sales document types (such as inquiries, quotations) into sales documents?

A: Yes we do

Q: 6) When creating an order, do you check to see if the purchase order has been used already?

A: No

Q: 7) List the reasons for creating a sales order.

A: we create the order for acceptance and despatch plan



Q: 8) For what reasons would an order or line item be rejected?

A: 1. Due to supply not as per customer schedule  
2. Due to technical problem.  
3. Due to transit damage.

Q: 9) What are your rules for checking available stock? Describe them in detail.

A: All the material available in the unrestricted/ open stock. Stock blocked against existing sales orders, returns/ rejected are not considered.

Q: 10) Do you compute different lead times (for example, picking, packing, loading or replenishment lead times)? Please describe in detail.

Explanation: Note: The consignment stores are usually in the vicinity of the goods recipient. The customer would like to receive the goods on a just-in-time basis, so lead times are included in delivery scheduling.

A: we give consolidated lead time which is usually 03/4 weeks.

Q: 11) Do you have a standard lead time in days for the customer's requested delivery date?

A: Yes

Comments: 21 days are fixed

Q: 12) Do you pass your sales plan on to demand management?

A: We pass on the total targeted sales figures to the production planning, so that they can procure the raw material accordingly.

Q: 13) How do you schedule deliveries?

A: ☒ Daily  
☒ Weekly  
☒ Monthly  
☒ Posting period



Q: 14) What types of text do you require on your sales documents? Are they required on output?

Explanation: Note: Decide how each text type will be filled. For example, a text can be copied from the customer master, material master, preceding document, or standard text. In addition, INCLUDE commands must be added to delivery note forms for all text types that you want to print.

A: Order Acceptance Enclosed

Q: 15) What information from a sales document do you consider obligatory and would like to appear on an incompleteness log if missing? Do you want it to be possible to save the document as incomplete if any of this information is missing?

A: If the following information are missing, the order should NOT be saved.

- 1..Customer Billing & Delivery address.
2. Thickness, width and length tolerance.
3. Grade.
4. Price.
5. Freight (Nil or Extra ) In case of extra amount of freight
6. Payment Terms.
7. Surface finish
8. In case of export if order is against l/c banking routing channel must be mentioned.

Q: 16) Do you have company-standard codes to track the status of a sales document? If so, what are they?

A: YES : LIKE ORDER ACCEPTANCE NO. (sales order no.)

Q: 17) Do you send order confirmations? If yes, how?

A: Yes, Through order acceptance form or through email to customer and / or to branches.

Q: 18) Do you take your materials in your customers stock into account when planning materials?

A: No, We take the material in to customer account when the material got finished.



Q: 21) Does each item have different detailed information? For example, do they have different ship-to parties?

A: Yes :

Q: 22) Do shipping notifications create expediting documents?

A: Yes

Comments: In case of Export we send shipping detail to buyers

Q: 23) Do you send replacement, additional or alternative materials free-of-charge?

A: No. We can not supply replacement material free of cost because we have to make the excisable gate pass .  
But we can give the benifit through credit notes.

Q: 26) In certain orders, do you not invoice the customer for the materials?

A: No

Q: 27) How do you handle free materials (e.g. samples, donations). Do you use a separate item or separate order type?

A: Yes we handle the sample: If the sample weight is morre than 20 KG we have to make the invoice other wise we give the authority letter along with the sample which containing authorisation for free of cost samples.

Q: 28) Do you have specific costing requirements for free materials?

A: No.

Q: 29) How do you handle free goods in a sales order (with or without a separate item for the free good item)?

A: We use sepearte sale order form for free samples,if quantity is more than 20 KG.



Q: 30) How do you handle issuing of assets, waste, raw material, analysis?

A: We sell only waste through normal sales order processing.

Q: 31) Do you have special requirements (e.g. promotions) for different account postings (e.g. cost center, profit center)?

A: Discussed with FI-CO

Q: 32) When listing sales orders on the screen for further processing, what information do you need to show?

A: what is the WIP of the balance order as well as the stock available against that particular order..

Q: 33) Do you handle customer-specific inventory?

A: Yes : we are handling the inventory of specified customers only in case of OEM and EXPORT

Q: 34) How do you follow up on your customer requirements? See also production planning processes.

A: Monitoring of total order quantity, despatched quantity, finished stock and different stages of WIP ( Work in progress)

Q: 35) Do you want to personalize your sales order entry screens?

A: Yes : We do not want technical ( production / quality ) users to see the commercial data in the documents viz. sales orders.

## **CI template:**

### **1. Requirements/Expectations**



- ❖ There are specialist personnels who only process specific types of customer orders dealing separately into "TRADE" , "OEM" and "EXPORT"
- ❖ Following information are required :-
  - ✓ Billing Address,
  - ✓ Delivery Address,
  - ✓ Size of Material Thickness, Width, Length and grade of material.
  - ✓ Surface Finish
  - ✓ Payment Terms
  - ✓ Total Outstanding / Overdue Outstanding
  - ✓ Maximum / Minimum Coil/ Packet weight
  - ✓ Coil ID/OD
  - ✓ Mechanical and physical properties of material if specify.
  - ✓ End use of material.
  - ✓ Last date of dispatch
  - ✓ Week wise despatch detail.
  - ✓ Component - Interanl/ External
  - ✓ Tolerance on thickness, width , length
  - ✓ Basic price of material
  - ✓ Excise duty, taxes and octroi.
  - ✓ Freight



- ❖ Orders are being received through Telephone, Fax, E-mail, Mail.
- ❖ Inquiries & Quotations are converted into Sales orders
- ❖ Sales Orders are created once the Commercial & Technical approval by the authorized personnel is given.
- ❖ Orders can be Rejected for following reasons :-
  1. Due to supply not as per customer schedule
  2. Due to technical problem.
  3. Due to transit damage
- ❖ Availability of the Stock is checked for all the material available in the unrestricted/ open stock.
- ❖ Stock blocked against existing sales orders, returns/ rejected are not considered
- ❖ Consolidated lead time is calculated which is usually 03/4 weeks. It is fixed for Customers required delivery date as to be 21 days.
- ❖ General Remarks are usually required as addition Text in the orders.
- ❖ If following information is missing then Orders can not be saved :- s
  1. Customer Billing & Delivery address.
  2. Thickness, width and length tolerance.
  3. Grade.
  4. Price.
  5. Freight (Nil or Extra ) In case of extra amount of freight
  6. Payment Terms.
  7. Surface finish
- ❖ Order acceptance form are sent through email to customer and / or to branches



- ❖ Materials are taken into Customer account only when it is finished
- ❖ Multiple Ship-to-parties are possible in an Order.
- ❖ No Free-of Charge Material is sent out.
- ❖ All the Customers Orders are Invoiced.
- ❖ Only Samples (Weight less than 20 Kg) are sent out accompanied with Authority letter.
- ❖ If sample weight is more than above then Invoice has to be generated. It is created in a separate Document.
- ❖ All other Material viz. assets, waste, raw material & Bye/Co-products are sold through normal sales cycle. Trade is responsible for this sales.
- ❖ Cost center & Profit center Account postings are taken care by FI-CO.
- ❖ Listing of Sales Orders contains : Stock against it, Quantity in WIP.
- ❖ Customer specific Inventory is maintained in case of OEM & Exports sales.
- ❖ Customer requirements are monitored through : Total order quantity, Despatched quantity, Finsihed stock and different stages of WIP.
- ❖ All users other than Sales are to be restricted from viewing Commercial data especially Pricing.

## **2. General Explanations**

The sales order is a contractual agreement between a sales organization and a sold-to party about delivering products or providing a service for defined prices, quantities and times.

In sales order processing, the system implements various functions:

In the sales order, functions such as pricing and printouts are available. The system checks whether the material is available for the requested delivery date and if necessary, transfers the requirements to materials planning. Shipping



deadlines and shipping points are determined in delivery scheduling.

Another part of this component are the special sales order types - rush orders and cash sales.

- 1 In cash sales the goods are paid for in cash.
- 2 In a rush order transaction, the customer picks up the goods or you deliver the goods on the same day as the order is placed. However, the invoice is created later.

You can process sales orders depending on your specific needs. In the most simple case, you can enter a sales order with several items in a single screen. The system automatically proposes data from the relevant master records:

- 1 From the customer master record of the sold-to party, the system proposes sales, shipping, pricing, and billing data. In addition, the system copies customer-specific master data about texts, partners, and contact people at the customer site.
- 2 For each material in the sales order, the system automatically proposes data from the relevant material master records, such as data for pricing, delivery scheduling, availability check, tax determination, and weight and volume determination.
- 3 The data proposed by the system can be used as a basis for your order. If your sales order processing requires it, you can modify this data manually or add new data. For example, your pricing policy may allow you to manually change the value of certain discounts within a permitted range. In addition, you can branch in the sales order to a number of different screens where you can display and modify data, such as terms of payment and delivery data.

It is also easy to create a new sales order with reference to an existing document. For example, if a customer accepts a quotation you sent, the system can copy all the relevant master data from the quotation when you create the sales order.

When you process a sales order, the system can automatically carry out basic functions, such as the following:

- 1 Pricing
- 2 Availability check
- 3 Transferring requirements to materials planning (MRP)



- 4      Delivery scheduling
- 5      Shipping point
- 6      Checking credit limits

### 3. Explanations of Functions and Events

- ❖ OEM sales is predominantly MTO (Make to Order) scenario but in certain cases other Stock ,matching with order requirement, shall be assigned to OEM order. Thus there shall be 1 separate order type (MTO) for OEM Sales.
- ❖ Trade sales is predominantly MTS (Make to stock) scenario, but in certain cases Production is done after receiving order i.e. MTO (Make to Order). Thus 2 separate Order Types shall be there for aforesaid 2 scenario.
- ❖ Exports sales is predominantly MTO (Make to Order) scenario but in certain cases other Stock ,matching with order requirement, shall be assigned to OEM order. Thus there shall be 1 separate order type (MTO) for Exports Sales.
- ❖ In case of Exports, Material is first sent to the Port at Mumbai from where it is actually dispatched to the Customer. In few cases not all the Material at port is sent i.e. there are instances of Return from port. Secondly tracking of Material is also required (Stock in Transit) from Sahibabad Plant to Port & finally dispatch from port. Therefore a separate plant shall be created at Mumbai Port. It would require to have few more Order Types to complete the Sales process.
- ❖ Following Information shall be available through :-
  - ✓ Billing Address & Delivery Address,

Source : Customer Master Data of Sold to, Ship to, Bill to Parties & Payer.

  - ✓ Size of Material viz. Thickness, Width, Length and Grade

Source : Material Code



- ✓ Payment Terms

Source : Customer Master

- ✓ Maximum / Minimum Coil/ Packet weight , Coil ID/OD, Surface Finish

Source : Variant Characteristics

- ✓ Total Outstanding / Overdue Outstanding

Source : Credit Management

- ✓ Last date of dispatch

Source : Schedule Lines

- ✓ Tolerance on thickness, width , length

Source : Variant Characteristics

- ✓ Basic price of material, Excise duty, taxes and octroi , Freight

Source : Conditions / Pricing

- ✓ End use of material

Source : Usage indicator

- ✓ Packing Instructions (esp. Exports)

Source : Order Text / Variant Characteristics

- ✓ Mechanical and physical properties of material if specified

Source : Order Text &/or Customer Material Info record Text

- ❖ Since no order can be processed unless getting Technical & commercial approval. Thus its recommended to have a separate Inquiry document which can be used as reference document for actual Orders / Quotations.



- ❖ Reasons of Rejections can be maintained.
- ❖ Availability check shall be activated for the unrestricted Stock in case of Trade MTS Orders.
- ❖ In case of Diversions from Trade Prime, OEM & Exports , the Field "Order Reasons" can be used to indicate relevant diversions for MIS purpose. The order type for this shall be Trade MTS and Order reasons shall be Mandatory.
- ❖ The system shall propose requested delivery date as Current Date + 21 Days.
- ❖ Following Fields shall be Mandatory for the Orders :-
  - 1.Customer Billing & Delivery address.
  2. Thickness, width and length tolerance.
  3. Grade.
  4. Price & Freight
  6. Payment Terms.
  7. Surface finish
  8. L/C if Customer is L/C relevant.
- ❖ Order acceptance shall be the actual Order for which Print outs can be taken for sending to Customers / Sales offices.
- ❖ Ship to Parties can be different at Item level. But its recommended to feed all possible Ship to (s) in the Customer Master.
- ❖ Orders for samples shall not be created unless Invoice for them are required.
- ❖ All other Material viz. assets, waste, raw material & Bye/Co-products shall be sold through Trade MTS Order.
- ❖ In case of OEM & Exports separate Order types shall be there with MTO scenario. If some stock is available in unrestricted stock or other order stock then it can be transferred to the current Order.
- ❖ In aforesaid case Inventory shall be on the basis of sales Orders.
- ❖ Data can be fetched through different transaction for : Total order quantity (SD), Despatched quantity (SD), Finsihed stock (MM) and Material at different stages of WIP (PP).



- ❖ Authorization for Transactions & roles shall be taken care by Basis.

#### **4. Naming convention**

All Number Ranges for these documents will be automatic / internal / Numeric generation depending upon Document / Order Types.

#### **5. Special Organizational Considerations**

Seperate document types may be required for three Sales organizations. Also for the processing of Returns & Credit / Debit Memos seperate document types shall be there.

#### **6. Changes to existing Organization**

In case of Exports, Material is first sent to the Port at Mumbai from where it is actually dispatched to the Customer. In few cases not all the Material at port is sent i.e. there are instances of Return from port. Secondly tracking of Material is also required from Sahibabad Plant to Port & finally dispatch from port. Therefore a separate plant shall be created at Mumbai Port. It would require to have few more Order Types to complete the Sales process

#### **7. Description of Improvements**

In case of exports following sales procedure shall be followed :-

- Orders can be generated with reference to a Quotation or a Contract with the Customer.
- Orders shall be booked at sahibabad Plant for the respective Customers (Different / Multiple Ship-to-parties) with a seperate order type.
- Since there is MTO scenario the requirement shall be generated at Sahibabad plant through the Sales order.
- Once the Production & Packing is Confirmed (for Partial or Complete Delivery) it shall be despatched through the Shipping Point at Sahibabad.



- This customer stock then shall be transferred to the Virtual Plant (Non-Excisable) at Mumbai PORT. It shall accompany an Invoice (Catering "Pre-Shipment Invoice") which shall not be posted to the Accounts.
- The PORT plant shall receive the Material & it shall remain there untill loaded to the Ship.
- To issue the Material for loading on the Ship, a separate documents shall be generated viz. an Order , Delivery (PGI to Ship) and final Invoice (Commercial Invoice) for which posting shall be done on current date.
- This means unless Material is loaded to the Ship, it shall be under ownership of BSSL. On the other hand unless "Bill of Lading" being issued by Shipping Line ownership shall be of BSSL.
- This shall be benefitting to BSSL to track the material as in case when Material is not loaded to the Ship or is returned back to same or other Plant or may be retained at Port.
- Secondly the Position & Controlling of the Customer Stock shall be there.

## **8. Description of Functional Deficits**

Interface/Link to external applications viz. Fax & E-mail is non-existent. Therefore Output of Orders (viz. order acceptance) can not be sent directly through E-mails or Fax.

## **9. Approaches to covering Functional Deficits**

Out of Scope.

## **10. System Configuration Considerations**

Following Copy Controls are required :-

- Contracts to Orders
- Quotations to Orders



- Orders to Delivery
- Orders to Billing (Credit & Debit Memo)
- Order to Order (May be required)

## **11. Authorization and User Roles**

To all the Sales Users including Depot personnel. Further specifications to be taken care by Basis.

### **1.2.3. Risk/Credit Management**

Project documentation:



\\132.147.0.51\bsslsap\QAdb\Reports\SD\Payment Terms.doc

#### **1.2.3.1. Credit Control**

Q: 1) Do you have a current policy on risk management/credit control? Describe in detail.

A: Yes, In Trade , We have decided credit limit in term value at customer level.



Questions:

Q: 2) What kinds of risk management do you use?

A: ☒ Credit control  
☐ Payment cards  
☒ Letter of credit  
☒ Export credit insurance

Comments: ECGC , done breast report.

Q: 3) How do you handle risk management in your company? Describe the procedure in detail.

A: 1. Stopping production / despatch of material customer having more outstanding / payment problem.  
2. Recovery Cell  
3. Legal Case

Q: 4) What department is responsible for monitoring and controlling credit?

A: Marketing Department/ Sales Accounting / Marketing Co-ordinataion

Q: 5) At which organizational level is the responsibility for credit limit assignment?

A: ☐ Sales area  
☐ Sales area segment of payer  
☒ Company code  
☐ Others

Q: 8) How do you handle the review of blocked sales documents (for example, send mail to credit representative)?

A: For example if the credit limit is one lac then till one lac order can be made without any restriction and if it exced one lac but less than 1.5 lacs then order can be created and save but will be blocked for delivery, this block can be removed with the approval from respective HOD. Finally if the amount exced 1.5 lacs then order can not even be created or saved. In this last case special approval from HOD is required for order creation.

Comments: we want one fix limit in trade



Q: 9) At which step in the sales process and at what level do you use risk management (e.g. sales order, delivery)?

A: at both stages

Q: 10) Which parameters are considered in the credit check (for example, maximum document value, time period), and how does the system react if the credit limit is exceeded (warning, block, error message)?

A: Total credit exposure irrespective of time frame. We would like to have warning and/or error message as per situation described above.

Q: 11) Do you have a default max. credit limit for new customers?

A: No we donot have default values.

Q: 13) Define at which level in your price determination a credit check is carried out.

A: Total Document value.

Q: 14) Do you want the system to carry out credit limit checks automatically (for example, using batch jobs)?

A: Yes

## **CI template:**

### **1. Requirements/Expectations**

- Credit & Risk management is practised by defining a Credit Limit for the Customers within the Company (inclusive of all Plants & Depots).
- Risk management is controlled either by stopping the Production or the Despatch. Recovery Cell is also there for recovery from customers.
- Marketing / Coordination / Sales Accounting Departments are responsible for controlling the Credit management.



- Credit limits are set at the highest level i.e. Company (across all Plants & Depots)
- Credit limits in the Sales documents are taken care of with specified procedure viz. if the credit limit is 1,00,000 then till this Orders can be made without any restriction and if it exceeds 1,00,000 but is less than 1,50,000 then order can be created and saved but will be blocked for delivery. This block can be removed with the approval from respective HOD. Finally if the amount exceeds 1,50,000 then order can not be created or saved. In this case special approval from HOD is required for order creation.
- But it is desirable to have one Fixed Credit limit for every customer beyond which processing should be stopped, if untill & unless released by respective HODs.
- Credit Management is used at both stages i.e. Orders as well as Deliveries.
- Total credit exposure irrespective of time frame is the basis of controlling Credits. Warning / Errors are flashed as per situation described in afor said example.
- Credit check is carried out the the total document value and it is desirable to have these checks automatically done.
- Presently One customer whose outstanding has crossed the Limits at the Sahibabad Plant, approaches to other Depots or Khopoli Plant for Order Execution and thus the Customer escapes the credit limits.

## 2. General Explanations

Outstanding or uncollectible receivables can spoil the success of the company greatly. Credit Management enables you to minimize the credit risk yourself by specifying a specific credit limit for your customers. Thus you can take the financial pulse of a customer or group of customers, identify early warning signs, and enhance your credit-related decision-making. This is particularly useful if your customers are in financially unstable industries or companies, or if you conduct business with countries that are politically unstable or that employ a restrictive exchange rate policy.



If you are using the Accounts Receivable component to manage your accounting and an external system for sales processing, Credit Management enables you to issue a credit limit for each customer. Every time you post an invoice, the system then checks whether the invoice amount exceeds the credit limit. Information functions such as the sales summary or early warning list help you to monitor the customer's credit situation.

If you are using both the Accounts Receivable component to manage your accounting and the Sales and Distribution (SD) component for sales processing, you can also use Credit Management to issue credit limits for your customers. You can make settings in Customizing to decide the scope of the check and at what stage in the process (for example, order entry, delivery or goods issue) a credit limit should take place. General information functions are also available for use with credit checks.

If you are using both the SD and FI-AR components, Credit Management includes the following features :-

- Depending on your credit management needs, you can specify your own automatic credit checks based on a variety of criteria. You can also specify at which critical points in the sales and distribution cycle (for example, order entry, delivery, goods issue) the system carries out these checks.
- During order processing, the credit representative automatically receives information about a customer's critical credit situation.
- Critical credit situations can also be automatically communicated to credit management personnel through internal electronic mail.
- Your credit representatives are in a position to review the credit situation of a customer quickly and accurately and, according to your credit policy, decide whether or not to extend credit.
- You can also work with Credit Management in distributed systems; for example if you were using centralized Financial Accounting and decentralized SD on several sales computers.

You can specify automatic credit checks to meet your own credit management needs. The checks can be carried out at various times during the sales order cycle, from order receipt to delivery.

Within delivery processing, you can further specify that a credit check is carried out when a delivery is created or when goods are issued. You specify data for automated credit control in Customizing for Sales and Distribution.



Other than Credit Management, there are several other ways to guarantee payments including letters of credit, and payment cards. These forms of payment guarantees are all integrated in the Risk Management for Receivables component, providing you with an efficient tool for guaranteeing the payment of all billing values that arise in sales and distribution processes.

You can only use Risk Management for Receivables if you are also using the Sales and Distribution component.

All of the following information functions are accessed from the Credit Management

- Processing blocked sales and distribution documents from a list  
Exceptions --> Blocked SD documents
- Processing blocked sales and distribution documents from the SAPoffice  
inbox Exceptions --> Mail/inbox
- Processing blocked sales orders  
Sales and distribution docs --> Sales and distrib. documents blocked  
for Delivery
- Processing incomplete sales and distribution documents  
Sales and distribution docs --> Incomplete SD documents
- Processing deliveries  
Sales and distribution docs--> Deliveries

### **3. Explanations of Functions and Events**

Credit Limits shall be controlled by the Organizational Unit viz. "Credit Control Area" which shall be managed at the Company Code level i.e. Credits shall be managed at the Company level across all Plants & Depots.

There shall be one fixed Credit limit per Customer which could be reviewed periodically. This limit shall govern all the controls in the Sales order processing.

Customers shall be classified into different categories on the Basis of the Risk involved viz. High, Medium & Low Risk Customers.

Credit data for the Customers operating through different Company Names shall be merged into one so as to have Consolidated Credit Control.



Automatic Credit checks shall be activated in both Orders and delivery documents with different controls described below.

At the Order level there shall be "Warning" with the Value by which the credit limit is being exceeded.

These Orders (with exceeding Credit limit) shall not be able to be delivered i.e. Delivery shall be blocked from creation.

If by any reason these Orders are to be executed then these shall be released by the Authorized Users (usually HODs)

Only after being released from Credit block, the Delivery documents shall be created and processed further.

Credit check shall take Total Document value into consideration for the control purpose.

The scope of the Credit check shall be all the Open Orders, Deliveries under process and the Billing documents for which there shall be Outstandings.

Any Customer with unique customer code shall not be able to default the Credit limit at any Plant or Depot since the Credit Check shall be at the Company Code level.

Authorization to create and maintain the Credit data shall remain with the Key Users of Marketing / Coordination / Sales Accounting Departments.

#### **4. Naming convention**

Credit Control data shall be maintained for the Unique combination of the "Customer Code" and "Credit Control Area Code".

#### **5. Special Organizational Considerations**

Special care has to be taken for the Credit data of the Customers operating through different Company Names i.e. a Customer Hierarchy where all Nodes are Independent Companies but indirectly controlled by the highest Node. In this case the Credit limit of all such nodal companies has to be merged into one so as to have Consolidated Credit Control over all nodes.



## **6. Changes to existing Organization**

There shall be one unique Customer Code for each and every Customer regardless of them being dealt with which Plant / Depot / Office within the Company.

## **7. Description of Improvements**

Presently One customer whose outstanding has crossed the Limits at one Plant / Depot , tries to procure from the other Plants / Depots and thus the Customer defaults the credit limit of the respective Plant / Depot . This shall not occur now since any Customer with unique customer code shall not be able to default the Credit limit at any Plant or Depot since the Credit Check shall be at the Company Code level.

## **8. Notes on further Improvements**

It is strongly recommended to have the Customer Data Creation & Changes Authorization centrally at one place so that duplicacy of Customer Codes shall be averted and there shall be one unique Code for each Customer, whether it is operating with one Plant / Depot or others.

## **9. System Configuration Considerations**

Automatic credit control with Dynamic Check has to be activated at the Order and Delivery (along with PGI) documents level with different controls as specified in the TO-BE process above. The credit control data for each & every Customer (Credit control relevant) shall be maintained at single & unique level of Credit Control Area assigned at Company code level.

## **10. Authorization and User Roles**

Authorization to create and maintain the Credit data shall remain with the Key Users of Marketing / Coordination / Sales Accounting Departments including respective HODs. Further specifications to be taken care by Basis.



## **1.2.4. Backorder Processing**

### **1.2.4.1. Backorder Processing**

Q: 1) Do you process backorders (orders which can't be shipped when they're requested)?

A: Yes

Comments: In case L/C order remains pending till the L/c is recieved with in the validity period

Questions:

Q: 3) Do backorders receive priority over normal deliveries (sales)?

A: No

Comments: In case of Export we will process the order for which L/C is recieved.

#### **CI template:**

##### **1. Requirements/Expectations**

- BSSL do process backorders i.e. orders which cannot be shipped at the time requested.  
.
- These Orders does not have higher priority then normal orders.  
.
- These orders are processed as & when Material is available.  
.

##### **2. General Explanations**

Using backorder processing, you can list sales documents relevant for requirements for particular materials and confirm them manually. You can assign available-to-promise (ATP) stock to outstanding order quantities. In addition, you can withdraw already confirmed quantities and reassign them to different items.



Backorder processing is only available for materials with individual requirements. Summarized requirements are usually used for materials sold in bulk quantities. Backorders for bulk products are not, as a rule, processed manually. The following display and processing functions are available for backorder processing:

The selection list enables you to display information about the requirements for the selected materials. You can then select and process individual sales documents directly from the list.

Creating a List of Sales Documents for Backorder Processing

To process backorders with a selection list, proceed as follows:

In the initial screen, choose Logistics Sales and distribution Sales.

Choose Environment Backorders Backorder processing SD documents.

Enter your selection criteria (for example, the plant, sold-to party, purchase order number) and choose Program Execute.

The system displays a list of the materials that meet your selection criteria. For each material, the list provides the relevant information for each corresponding sales document (for example, the first delivery date, order quantity, confirmed quantity, and open quantity).

You can branch directly from the selection list into the individual sales documents. In addition, you can display the status, the document flow, and any changes made to the document.

Select the documents that you want to process and select from the following options:

- Environment Document to branch to an individual sales document
- Environment Document status to display the document status
- Environment Document flow to display the document flow
- Environment Document changes to see the changes
- Processing Backorders for Sales Documents

Backorder processing from the selection list always takes place by material. This means that if you select several materials in the list, the system processes each one in turn.

If you want to reschedule in order to update the sales documents before you process the backorders, note that this may adversely affect system performance. Whenever possible, carry out rescheduling in the background.

To process backorders with a selection list, proceed as follows:



Select the materials and sales documents in the selection list that you want to process and choose Edit Backorders.

This overview displays the requirements and received quantities, the quantity confirmed until now and the cumulated ATP (available-to-promise) quantity (the required and received quantities in stock still available for use) for each selected material, requirements/received date and MRP (materials requirements planning) element (such as the sales order). The requirements date generated by the sales document matches the material availability date. Place your cursor on the MRP element that you wish to process and choose Edit Change confirmation.

Note that you can only process the MRP elements for the lines that you selected in the list for which confirmed quantities exist. The MRP elements that you can process are highlighted. Deliveries cannot be processed as backorders so the overview does not contain any confirmed quantities for them. However, the system does take the size of the delivery quantities into account when calculating the ATP quantity.

You reach the Backorder Processing: Change Confirmation screen where you can see the details of the MRP element you selected (in the Sales requirements section for sales documents). In addition to the order and item numbers and the material availability date, the following data is displayed for a sales order item :-

Field	Description
<b>Open quantity</b>	<b>Quantity not yet delivered</b>
Confirmed quantity	Quantity that has been confirmed in backorder processing
Total confirmed quantity	Total quantity confirmed for the sales order items (if there is more than one schedule line for the item, this is the total of all confirmed schedule lines)
ATP quantity	Quantity available for outwards goods movements

### 3. Explanations of Functions and Events

- List of all back orders shall be generated displaying back log quantity.
- These Orders shall be processed further as per Stock availability.



- If it is to be decided that Material can not be produced or despatched then the Orders Quantity (Partial or Full) shall have to be closed by giving reasons of rejections.
- If the remaining quantity is not rejected then it shall continue to be on the MRP list i.e. its requirement shall continue to be existing.

#### **4. Changes to existing Organization**

For all those back orders which are rejected shall have to be closed by assigning reasons of rejections for the remaining &/or full order quantities.

#### **5. Authorization and User Roles**

Restricted authorization for the Users at plant.

### **1.2.5. Shipping**

#### **1.2.5.1. Delivery Processing**

Q: 1) List all documents required to complete the delivery process (e.g. picking list, packing list or bill of loading) and what information they contain.

Explanation: Note: For each document, collect sample printouts and decide which information (data fields) the documents must contain.

A: First loading slip issue for material . this loading slip containing the sizes, location and the weight of material.

After that truck goes to respective loading point, when the material loaded into the truck the quality department make the pre despatch inspection report i.e called PDIR and than issue the Test Certificate(mandatory in case of EXPORT) for the material. Now the truck driver goes to despatch department for getting the Invoice cum excise challan along with packing list.



In case of Export ARE1 or ARE3, , Excise ,Shipment Invoice ,Shipping Bill, Annexure A (only in case of Advance Licence and DFRC ) on which container no. is mentioned is given to truck driver.

Q: 2) If you have multiple plants, how do you determine what plant a product is delivered from?

A: At present we have two plants one at Sahibabad and one at Khapoli. Only in case of export orders are transferred to khapoli.

Q: 3) How do you determine multiple shipping points?

Explanation: Note: In R/3, shipping point determination depends on the following objects: - Plant - Shipping condition (goods recipient) and - Loading group (material master). Decide which shipping point you want the system to offer as a default, or the alternative shipping points you would like to overwrite the default with.

A: We have single place for all our final despatch / billing, for all our product ranges.

Q: 6) Do you have a standard lead time in days for the customer's requested delivery date?

A: Yes usually we take lead time as 21 days but in certain cases we increase or decrease the lead time.

Q: 7) If you use batches, when do you determine them?

A: Yes we use coil number /packet numbers which are determined at the time of delivery/despatch.

Questions:

Q: 10) How do you create deliveries?

A: ☒ Online  
☐ Background processing  
☐ Display both



Q: 11) Do you ever group deliveries together for different reason (e.g. freight lists, loading list, collective picking)?

A: No.

Q: 12) Do you use labels with bar codes? How?

Explanation: Note: With multilevel packing, you can print out labels for different packaging levels. Examples of packaging levels are boxes, wire baskets, and pallets. Decide on the information and format for the labels. Note the special printer requirements.

A: No.

Q: 13) Do you allow items that weren't in the sales order to be added to a delivery?

A: No.

Q: 14) What types of text do you require in your delivery documents, and are they required on output?

Explanation: Note: Decide how each text type will be filled. For example, a text can be copied from the customer master, material master, preceding document, or standard text. In addition, INCLUDE commands must be added to delivery note forms for all text types that you want to print.

A: We require remarks field while issuing the delivery order.

Q: 15) What information do you consider necessary for a delivery and would like to appear on an incompleteness log if missing?

Explanation: Control Incompleteness check

A: ☒ Address  
☐ Incoterms  
☐ Terms of payment  
☒ Material  
☒ Order quantity  
☐ Net price



- ☒ Plant
- ☒ Shipping point
- ☐ Pricing date
- ☐ Others

Q: 16) Do your customers accept partial deliveries in case of lack of availability and what are the rules for creating them?

A: Yes., We have to asked for L/C terms. or purchase order amendment

Q: 17) Do you allow sales orders to be combined or split for delivery and what are the rules?

Explanation: Note: The standard R/3 system always attempts to merge deliveries with certain identical header data (such as identical partners, Incoterms, terms of payment, etc.). You can program additional merging or splitting criteria into the copying control between delivery and invoice.

A: Yes Accordingly avaiabilty of finsihed stock at the time of despatch

Q: 18) Do you check the available stock of an item in the delivery?

Explanation: Note: When you check the availability, you should also decide what your ATP quantity should be. For example, should it only include the physical stock quantity, or should it also include goods receipts, production orders, and purchase orders?

A: Yes

Q: 19) Do you track Over Delivery or Under Delivery tolerance percentages for your customers?

A: Yes.

Q: 20) What should happen if the delivery quantity differs from the order quantity?

A: ☐ Nothing  
☒ Warning  
☐ Error message



[ ] Various

Q: 21) What are the reasons you would ever block a sales document from delivery?

A: Credit exposure & non receipt of L/C

### CI template:

#### 1. Requirements/Expectations

- Following Documents are required to complete delivery process :-
  - 1.) loading slip containing the sizes, loading place and the weight of material
  - 2.) PDIR (Pre Despatch Inspection Report)
  - 3.) Test Certificate (Mandatory in case of Exports)
  - 4.) Invoice cum Excise Challan
  - 5.) In case of Exports :- ARE-1 or 3, Shipment Invoice, Shipping Bill, Annexure-A (Advance & DFRC License) having Container No.
- Different Plants / Depot can cater to the same Product or Material.
- All the final dispatch & billing activities are centralized at all respective Plants / Depots
- Lead time for Customer requested delivery date is usually 21 days but can be increased or decreased.
- Coil No.s (In case of Coil) & Packet No.s (In case of Sheets) are used which are determined at the time of dispatch.
- Despatches are done online i.e. at the time of actual dispatch.
- Despatches are not grouped for any reasons.



- Labels with bar codes are not used.
- No item without reference to an order can be added into dispatch.
- Remarks field is required in the dispatch document.
- Following Information is mandatory in the document :-
  - 1.) Address (Ship-to)
  - 2.) Material
  - 3.) Quantity
  - 4.) Plant
  - 5.) Shipping point
- Partial dispatches are permitted as per terms agreed with customer.
- Orders can be combined to create one dispatch as per terms agreed with customer.
- Stocks are checked at the time of Despatch.
- Over Delivery or Under Delivery tolerance percentages are checked at dispatch.
- If there is quantity variance with respect to Order then Warning occurs in dispatch.
- Despatch can not be created when credit limit is crossed or in case of L/C as a payment mode, non receipt of L/C.

## **2. General Explanations**

### **DELIVERY PROCESSING**

In its role as central object of the goods issue process, the outbound delivery supports all shipping activities including picking, packing, transportation and



goods issue. During the outbound delivery process, shipping-planning information is recorded, status of shipping activities is monitored and data accumulated during shipping processing is documented. When the outbound delivery is created, the shipping activities, such as picking or delivery scheduling, are initiated, and data that is generated during shipping processing is included in the delivery.

An outbound delivery can be created as follows:

- With reference to a sales order
- With reference to a stock transport order
- Without any reference

Depending on your requirements, you can create outbound deliveries automatically using worklists, or manually. You can make agreements with your customers for complete and partial deliveries and for order combinations.

You can create a single outbound delivery for exactly one order, if you know the order number. Only the order items from this order that are due for shipment will be included in the delivery. You can make changes to the shipping data, if necessary.

To create an individual outbound delivery, proceed as follows:

1. From shipping, choose Outbound Delivery --> Create --> Single Document --> With Reference to Sales Order.

The initial screen for creating outbound deliveries appears.

2. Enter the appropriate shipping point.

3. Specify the selection date.

You can only deliver schedule lines whose material availability date or transportation scheduling date is the same as or falls before the selection date.

The current date is proposed by the system as the selection date.

4. If you only want to deliver some of the order items, specify the appropriate item numbers in the From item and To item fields.

5. Select Enter.

The outbound delivery is put together according to your specifications. Then, the outbound delivery overview screen appears. Data is copied into the outbound delivery from the order to which it refers. The system enters the delivery quantity in the delivery according to availability. On the header screens and item screens,



you can enter additional specifications (for example, how the goods are to be transported). You can also change the specifications from the order. A note is entered in the error log if inconsistencies occur in a schedule line.

6. Save the delivery by choosing Delivery --> Save.

When the system has saved the document, it informs you of the number of the outbound delivery.

After creating a delivery, you can branch directly to one of the subsequent functions such as creating a transfer order in the Warehouse Management System, printing or allocating the outbound delivery to a group. To do so, select Subsequent functions and one of the functions listed.

If errors occur while a delivery is being created, the system notes them in a log. The system issues a message if any errors have occurred. For example, an entry is made in the log if an item is rejected because of lack of availability. To find out the cause of the error, you can branch to the log from any of the overview screens in the delivery by choosing Edit --> Error log. From there, you can make changes directly to the shipping document.

#### Direct Interface to Order Processing

You can branch directly from sales order processing to delivery creation:

1. On the sales screen, choose Sales document --> Deliver.

The initial screen for creating deliveries appears.

You can now follow the procedure described above for creating outbound deliveries.

The outbound delivery is made up of a document header and any number of items. The following figure shows the structure of the outbound delivery.

The general data relevant for the outbound delivery is stored in the document header. This data is valid for the entire document. The general data may include:

- Shipping point
- Data about delivery scheduling and transportation scheduling (for example, the goods issue date or the date of delivery to the ship-to party)
- Weights and volumes of the entire outbound delivery
- Sold-to party and the ship-to party numbers



- Route

In the items, you find data that applies to one particular item. This data may include :-

- Material number
- Delivery quantity
- Plant and storage location specifications
- Picking date
- Weights and volumes of the individual items
- Tolerances for under- or over-delivery

As soon as the material availability date or the transportation scheduling date for a schedule line is reached, the schedule line becomes due for shipping. When you create an outbound delivery, you initiate shipping activities such as picking and transportation scheduling.

A delivery is processed through one shipping point. Which shipping point carries out the processing for a delivery can be determined automatically during order processing or you can specify it manually in the order.

The system carries out the following activities when an outbound delivery is created :-

- Checks the order and materials to make sure the outbound delivery is possible (for example, it checks for delivery blocks or incompleteness)
- Determines the delivery quantity of an item and checks the availability of the material
- Calculates the weight and volume of the delivery
- Calculates work expenditure
- Packs the outbound delivery according to the reference order



- Checks the delivery situation of the order and any partial delivery agreements
- Re-determines the route
- Adds information relevant for export
- Checks delivery scheduling and changes deadlines (if necessary)
- Assigns a picking location
- Carries out batch determination (if material is to be handled in batches)
- Creates an inspection lot if the material must pass a quality check
- Updates sales order data and changes order status

You can make changes in a delivery after it is created if the delivery situation changes in any way. In addition, you can confirm picked quantities using the change function, or use the display function to access shipping information in a delivery.

Order items or schedule lines that have identical shipping criteria are combined in one delivery. If data varies between items, for example, if a different ship-to party is defined for each item, two deliveries must be created for the order. Order items from different orders can be grouped together in one delivery provided that they have identical shipping criteria and that the sold-to party agrees

Deliveries created in the system usually have a planning nature, at least initially. In other words, deliveries are the basis for warehouse or transportation planning activities. During delivery processing, it may become necessary to divide up a delivery because of workload planning for picking or the loading capacity limitations of a means of transport, for example.

Until now, this was accomplished by making manual changes to the delivery and then, in a separate step, combining the remaining item quantities to create a new delivery.

The subsequent outbound-delivery split function simplifies this process by accomplishing the same thing in one step. An existing delivery can be split anytime you discover that the delivery contains too many items or is too large to be processed in subsequent functions



Operations (sales orders or purchase orders, for instance) are analyzed and delivered (transferred) for delivery creation according to their planned delivery-creation dates. The analysis gives you an overview of the work required. You can still make manual changes to the planned outbound delivery situation by using the selected delivery list (also called the shipping due date index or shipping due list). This may be used for the following operations:

- Manual selection of documents to be delivered from a larger delivery list
- Manual assignment of actual quantities to be delivered to delivery planning
- In the introductory phase of setting automated outbound delivery creation

Collective delivery of multiple documents in one step may be especially helpful in the following situations:

- If outbound delivery creation occurs regularly in the background. You can create rules for work-list creation in a user role for this delivery and work on the work-list regularly.
- If the length of time needed between creating the transaction and actual outbound delivery (picking, shipment completion) is longer than the time it takes for picking and scheduling.
- If multiple orders are to be combined into one delivery for a certain ship-to party.

### **3. Explanations of Functions and Events**

#### **DELIVERY DOCUMENT :-**

- ❖ Materials can be supplied from different Plants / Depots to the same customer, thus Plant shall be fed into the order manually. Default value of Plant can stored into the Customer material Info Record &/or Customer master.
- ❖ Since all the dispatch activities are centralized at all the respective Plants / Depots thus there shall be one Unique Shipping point for all respective Plants.



- ❖ Shipping Point shall be determined automatically once the Plant is fed into the order or Plant being copied from Master data.
- ❖ Default delivery date shall be determined in the Order itself which can be changed in the Order.
- ❖ Delivery document shall only be created at the time of actual dispatch i.e. Transportation is arranged / arrived.
- ❖ Partial deliveries or Combined delivery shall be allowed to be created as per permissions stored in Customer Master.
- ❖ Warning shall be flashed if the Quantity tolerance is breached but the document could be processed further.
- ❖ In case of Credit limit exceeding or non-receipt of L/C (at order level), the delivery document shall be restricted to be created.
- ❖ Without following Information Delivery document could not be created :-
  - Address (Ship-to)
  - Material
  - Quantity
  - Plant
  - Shipping point
- ❖ Remarks shall be incorporated as Text in the delivery document.
- ❖ Every item in the delivery document shall only be created with reference to an Order.
- ❖ Coil No. / Packet No. shall be incorporated in the Batch Numbers. Thus every Coil / Packet (Sheets) shall have one Unique batch No. These Batches shall have all those Characteristics mentioned in the Variant Configuration (Characteristics) in the Order.
- ❖ Availability check shall be activated in the delivery along with the Batch determination. Thus all the relevant Batches of a Material, having same



characteristics as of the Variant against a particular Order, shall be displayed for selection in the delivery document.

- ❖ Besides Plant & Shipping point, Storage location shall also be Mandatory to be fed into the delivery. This Storage Location shall be having 1 to 1 mapping with the Loading place within a Shed of the Plant.

#### **DELIVERY PROCESS :-**

- ❖ Delivery process starts once the final production is confirmed against an order (MTO) or Material is available for dispatch (MTS).
- ❖ After material confirmation Trucks / Transportation is being arranged by the Dispatch dept. Although trucks (Owned by BSSL) can also cater as per availability.
- ❖ Trucks are expected on the required date & time at the plant gate. If by any reasons truck does not report on the specified time then other alternative arrangements are done by dispatch dept.
- ❖ Before entering into the plant, the Trucker has to take the "Loading Slip" from the Gate (part of dispatch dept.)
- ❖ Loading Slip contains all the delivery relevant data viz.:-
  - Ship to party
  - Loading slip No.
  - Transporter
  - Truck No.
  - Material with Thickness, Width & Length (if applicable)
  - Coil No. or Packet No. with respective weight
  - Location from where material is to be picked.
- ❖ One Loading Slip may contain delivery items from multiple Orders. For example if the delivery quantity is lesser than the Truck capacity than material from other order can be accommodated into that truck.



- ❖ On the other hand if dispatch quantity is larger than the Trucks capacity i.e. multiple Trucks are required, then Loading slips are issued as per No. of Trucks.
- ❖ The Trucker then reaches the Weighing scale for Tare weight and then to the specified Loading location. Here truck is loaded as per the specifications on the Slip.
- ❖ Concurrently while after loading PDIR (Mandatory) & Test Certificate (if required) are issued by the Quality dept.
- ❖ After loading it again goes to the Weighing scale for Gross weight and then receives the Weight Slip.
- ❖ If weight of the truck is not within permissible limits (usually +/-100 Kg) then the whole truck is sent for unloading so that individual coil weight can be taken.
- ❖ Even if the weight difference is within permissible limit but not as per Order quantity then Delivery quantity, PGI & Billing shall be done as per actual quantity after final weight.
- ❖ Trucker then reaches to the Final dispatch dept. accompanying all aforesaid documents.
- ❖ The issue of goods from the Plant (PGI) & Billing is generated at the dispatch dept.
- ❖ Along with Billing , E-Trans Card (Truck tracking S/W) is also issued to every Trucker. This E-Card have a unique 16 digit No. which is mentioned on the Billing Document.
- ❖ There is no separate Excise Invoice generated. The excise component is mentioned in the Billing itself. Also the Excise utilization is done Bill wise & the entry No. is also mentioned on the Billing.
- ❖ In case of Exports other documents are also processed along with afore said documents viz. ARE-1 or 3, Shipment Invoice, Shipping Bill, Annexure-A (Advance & DFRC License) having Container No.

#### **PROPOSED TO-BE PROCESS :-**



- ❖ The Sales dept. shall book the Orders with all the relevant data (as mentioned in "Sales Order Processing" Node)
- ❖ Ideally Dept. / Personnel (Logistics) responsible for creating Loading slip shall review the list of Orders pending for Delivery and shall create delivery document with reference to the Orders.
- ❖ Alternatively, Delivery document could be created by Sales personnel.
- ❖ Particular Coil / Packet no. could be selected for dispatch in Delivery document.
- ❖ Delivery document shall contain all the required data as follows :-
  - Ship to party → Copied from Order
  - Loading slip No. → Delivery Document No.
  - Transporter → Partner function to be fed into delivery.
  - Truck No. → Free Field at Header level.
  - Material with Thickness, Width & Length (if applicable) → As per Order
  - Coil No. or Packet No. with respective weight → detected through Batch Determination.
  - Location from where material is to be picked → Storage Location.
- ❖ The delivery quantity shall be copied from the Orders with specified Tolerances which can not be overridden (with warning).
- ❖ In certain cases (esp. OEM) the whole order quantity may not be required to be delivered on same day (example : Order quantity = 1000 Tones but only 100 Tones is required to be sent on the current date, rest as per strategy laid out by sales personnel) then multiple Schedule lines shall be required to be generated on different dates in the Order itself. This would provide control of delivery quantity to the Sales personnel through sales order.



- ❖ The Print out of Delivery document shall contain all the relevant data as mentioned above which shall be given to the Trucker.
- ❖ Rest of the physical movement shall be as mentioned above.
- ❖ After all physical processing (weighing scale) Trucker with all documents shall come to Dispatch dept. which after checking all the documents shall do PGI (Goods Issue from the Plant).
- ❖ Dispatch shall also create Billing document with reference to the Delivery Document (after PGI). "E-Trans Card No." shall be appended in a field.

#### **EXPORTS SCENARIO :-**

- ❖ In case of Exports after execution of MTO order at Sahibabad plant, it shall first be delivered from the Sahibabad plant and then be transferred to the virtual Plant at Mumbai Port under the special stock for the Export Customer.
- ❖ Materials which left the Sahibabad Plant shall be transferred through a transaction to the Port Plant at the time when they reach the Port. After the transfer transaction the valuation of Materials shall be transferred from Sahibabad Plant to the Port Plant.
- ❖ Unless the specified material for Exports is received by the Port Plant , it shall not be available for actual dispatch from Port.
- ❖ At Mumbai Port Plant another Release order (MTS) shall be created which shall deliver the Material under special stock for the specified customer to the Ship for Loading.
- ❖ In case of multiple despatches from Sahibabad Plant but single final shipment / despatch from Port, multiple Delivery documents shall be created from Sahibabad plant and shall be received seperately as per No. of deliveries at the Port plant. Final despatch shall be made through single Delivery document (for cummulative quantity of all the partial deliveries from Sahibabad plant) from the Port plant.

#### **4. Naming convention**

All Number Ranges for these documents will be automatic / internal / Numeric



generation depending upon Document / Order Types.

## **5. Special Organizational Considerations**

Seperate document types may be required for following processes :-

- 1.) Normal Delivery
- 2.) Stock transfers
- 3.) Exports.

## **6. Description of Functional Deficits**

Loading Slip (Other than delivery Document) is generated at the time of Truck entry to the plant. Truck & the Loading slip has one-to-one relationship. It contains all the delivery relevant data as follows :-

- Ship to party
- Loading slip No.
- Transporter
- Truck No.
- Material with Thickness, Width & Length (if applicable)
- Coil No. or Packet No. with respective weight
- Location from where material is to be picked.

## **7. Approaches to covering Functional Deficits**

Three options are available :-

- Delivery Document itself represent the Loading slip, since all data is captured in it. This shall require Delivery document to be created at the time of creating Loading slip.



- Lean WMS to be activated so as to use the "Transport Order (Picking)" functionality. But Transporter & Truck No. have to be fed into Delivery Document.
- To have ABAP intervention to capture Transporter & Truck No. separately and assign them to the respective Deliveries / Delivery Items.

## 8. System Configuration Considerations

Following Copy Controls are required :-

- 1 Orders to Delivery
- 2 Delivery to Billing

## 9. Authorization and User Roles

To all the Sales Users including Depot personnel. Further specifications to be taken care by Basis.

### 1.2.5.2. Proof of Delivery

Q: 1) Are there business transactions for which the invoice is only generated when the customer has confirmed the arrival of the delivery?

A: No

Q: 2) Do you often have deliveries for which the delivery quantity varies or is not known exactly at the time of delivery?



A: No.

**CI template:**

**1. Requirements/Expectations**

Not Relevant

**1.2.5.3. Picking**

Q: 1) Will you use the SAP Warehouse Management component?

A: No

Q: 2) Do you use Lean WM for picking?

A: No

Questions:

Q: 5) Do you have material that:

A: ☐ must be packed  
☐ can be packed  
☐ cannot be packed  
☒ is packed according to the material type

Q: 9) How do you determine the location at which an item must be picked?

Explanation: Note: In R/3, the picking/storage location is determined in the delivery by the plant, shipping point, and storage condition. What other criteria determine your picking location?

A: The Loading of the truck, is being done at different sheds which has different locations for different material.



## CI template:

### 1. Requirements/Expectations

Not Relevant

### 2. General Explanations

The picking process involves taking goods from a storage location and staging the right quantity in a picking area where the goods will be prepared for shipping.

A Picking Status is recorded in each delivery item for the purpose of scheduling and monitoring the picking process. This status indicates where the item is in the picking procedure (picking has started for item A, for instance).

In the system standard settings, it is a prerequisite for goods issue to be posted before the item relevant for picking can be picked completely. Therefore, delivery quantity and picking quantity (picked quantity) in the outbound delivery must be equal.

You can determine to what extent picking has been carried out for a delivery from the picking status. The picking status is stored in each item in the delivery.

The following indicators are defined for the picking status:  
Standard Picking Status Indicators :-

Indicator	Meaning
"Blank"	The item is not relevant for picking
A	Picking has not been started
B	The item has been partially picked
C	The item has been completely picked

### 3. Explanations of Functions and Events

Not Relevant



#### **4. Naming convention**

If this functionality is utilized then all Number Ranges for the Transport Orders (Picking) will be automatic / internal / Numeric generation.

#### **5. Special Organizational Considerations**

Although the Picking process is not practised at BSSL , there could be the need to activate the Lean Warehouse management so as to get the functionality of Transport Orders (Picking) especially in lieu of Loading Slip. This if included, shall increase the Transactions to complete the delivery process.

#### **6. Description of Functional Deficits**

Even if the Lean warehouse management is activated it shall not be possible to include the Transporter Name & Truck No. into the Transport Order (Picking).

#### **7. Approaches to covering Functional Deficits**

Again there shall be requirement of ABAP intervention to accomodate the required data. This shall depend upon the option to utilize Transport order functionality for Loading Slip purpose.

#### **8. System Configuration Considerations**

If this function is excersized then all the system settings for activating Lean warehouse shall have to be done right from creating Lean Warehouse No. till the activation of all Item categories for Picking.

### **1.2.5.4. Packing Processing**

Q: 1) Describe your packing process in detail.

A: Metal packing, Hassion Cloth, Sea Worthy (VCI Paper, Plastic Polythene, Hassion with plastic and Wooden Crate), Umberlla packing.



Q: 2) Would you require a packing proposal in sales documents?

A: Yes, some times some customer required packing as per their standard.

Q: 3) Do you want to use multi-level packing? That is, do you combine materials in other units?

Explanation: Control of functionality using relevant assignment of article group shipping material in article master.

A: No

Q: 4) Are you currently using any external software for packing?

A: No.

Q: 5) Do you combine packed materials into other units (shipping units), for example, several packages into one container?

A: Yes

Q: 6) What packing materials do you use?

A: Wooden crates, hassion clothes, and steel sheet, VCI paper , polythine etc.

Q: 7) Do you need to check the maximum capacity limit of packing materials?

Explanation: Maintaining capacity limit for articles.

A: No

### **CI template:**

#### **1. Requirements/Expectations**

➤ Following types of Packing is done :-



- Metal packing
  - Hassion Cloth
  - Sea Worthy
  - Umberlla packing
- These Packing require following types of packing materials :-
- Wooden crates
  - Hassion clothes
  - Steel sheet
  - VCI paper
  - Polythene
- Packaging is done as per set standards untill & unless some special requirement is set by the Customers viz. in case of Exports usually "Sea worthy" Packing is solicited.
- All the Packing instructions are set and given by Sales / Marketing dept. for each Sales Orders. The Packing is done by the Production personnel as it is an integral part of Production process.
- In case of Exports if the Material is NOT going as "Brake Bulk" then "Container" stuffing is done for the suitably packed material.
- Thus in case of Exports the "Container" becomes the final Shipping Unit.

## 2. General Explanations

Packing is part of delivery- and shipment processing. When you process a delivery, you can select delivery items for packing and assign them to Handling Units (HU).

As an example, you could pack delivery items in boxes, pack the boxes on



pallets for delivery to the customer, and load the pallets onto a truck.

The Packing component and related packing information enables you to:

- Update the stock situation of packing materials
- Monitor returnable packaging stocks at the customer's or forwarding agent's place of business
- Help you find out what was in a particular container (for example, if a customer maintains that they have received an incomplete delivery)
- Make sure that the weight and volume limits have been adhered to
- Ensure that products have been packed correctly

To pack delivery items into handling units (HUs), proceed as follows:-

- Choose Edit Pack in the quantities overview of the delivery.
- Create the handling units that you will need on the All existing HUs (available for packing) screen. You can also access handling units that were created previously ( Non-Assigned Handling Units ). For more information about creating handling units, see Working with Handling Units
- In the Material to be packed (or All HUs that can be packed) section of the screen, select the items that you want to pack. Also select the handling units into which the materials are to be packed in the All existing HUs section of the screen. Then, select Pack. The system sends you either a success message or notifies you of problems, if the weight or volume limit was reached and not all the items could be packed, for instance.

If you have selected several handling units for packing, then the selected handling unit that is highest in the list is packed first. If not all items to be packed fit in this handling unit, the packing operation is automatically continued with the following selected handling units.

If only a partial quantity of a delivery item is to be packed, you must specify this in the Partial qty field for the corresponding item in the Material to be packed (or All HUs that can be packed) section of the screen.

The weight of the packaging is not added to the total weight of the delivery.



### **3. Explanations of Functions and Events**

- ❖ Packaging Instructions shall be passed on to the Production through Variant Characteristic. There shall be pre-defined values for this characteristic which shall be chosen at the time of Order creation.
- ❖ In addition to this a Text box in the Order could also be provided for any other specifications regarding Packing, if needed.
- ❖ Packaging is the integral part of Production process thus there shall not be requirement to pack the material in the Delivery.
- ❖ In case of Exports, the Container becomes the basic Shipping unit in which the suitably packed material is packed as per the capacity of the Container.
- ❖ Thus for Exports sales (not Brake Bulk) Containers shall be made as Handling Unit (HU) in which the material shall be packed or stuffed. This activity shall be done in the Delivery document.
- ❖ The current Export scenario does not firmly solicit for the aforesaid functionality thus it shall be kept as an option as also since it shall increase the Delivery processing time.

### **4. Naming convention**

If Handling Unit (HU) functionality is utilized then all Number Ranges for the HU s will be automatic / internal / Numeric generation.

### **5. Changes to existing Organization**

If HU s are used then each & every Container shall become an individual Handling Unit (HU) having a unique identity in the form of HU Number.

### **6. Description of Improvements**



If HU s are used then trackability of the Containers and that of the Coils / Packets stuffed into it, shall become feasible. But this shall require more steps to be done for executing a Delivery.

## **7. System Configuration Considerations**

- If Handling Units are used then the settings shall have to be made to activate this functionality and further Delivery Item category shall have to be made Packing relevant (recommended to be Mandatory in case of Exports Delivery)
- Packing instructions to be added as Variant Characteristic with pre-defined values.

### **1.2.5.5. Goods Issue Processing**

Q: 1) When do you process goods issue and how (delivery time, transportation time)?

Explanation: Note: An SD order creates a delivery immediately, which does not need to be picked. You only need to post the goods issue to build up the customer consignment stock. Decide when and where the goods issue is to be posted (for example, manually or in batch).

A: After the production is done for particular order it is sent for quality check and if approved it comes to dispatch section where goods are issued and billing is done.

**CI template:**

#### **1. Requirements/Expectations**

- After confirmation of the Production for an Order first it is checked by the Quality dept. then if cleared it is sent to the Bonded / Final despatch



storage location.

- At the time of actual despatch, the Truck is loaded as per the instructions on the Loading Slip issued to it.
- After loading the Material again goes for final Quality check viz. PDIR (Mandatory Quality Report) is being issued.
- If some Quality Certificates are required then they are also issued by the Quality dept. along with PDIR.
- After all the above processing, if everything is as per specifications, the Truck then reaches to the central Despatch Office / Location for final documentation viz. Billing.
- The central Despatch Office / Location then process all the further documents i.e. issuing of the Goods from the Plant and creating Billing document.

## **2. General Explanations**

As soon as the goods leave the company, the shipping business activity is finished. This is illustrated using goods issue for outbound deliveries.

You have the following options for posting goods issue:-

- Goods Issue Posting for individual outbound deliveries
- Goods Issue in Collective Processing to post goods issue for multiple outbound deliveries
- Goods Issue in Collective Processing for posting goods issue for multiple outbound deliveries in the background without manual intervention

The outbound delivery forms the basis of goods issue posting. The data required for goods issue posting is copied from the outbound delivery into the goods issue document, which cannot be changed manually. Any changes must be made in the outbound delivery itself. In this way, you can be sure that the goods issue document is an accurate reflection of the outbound delivery.

When you post goods issue for an outbound delivery, the following functions are



carried out on the basis of the goods issue document:

- Warehouse stock of the material is reduced by the delivery quantity
- Value changes are posted to the balance sheet account in inventory accounting
- Requirements are reduced by the delivery quantity
- The serial number status is updated
- Goods issue posting is automatically recorded in the document flow
- Stock determination is executed for the vendor's consignment stock

After goods issue is posted for an outbound delivery, the scope for changing the delivery document becomes very limited. This prevents there being any discrepancies between the goods issue document and the outbound delivery.

When processing individual outbound deliveries, you can also post goods issue for them directly.

In order to post goods issue, all necessary shipping activities must be completed.

These activities include:

- Entering all necessary data in the outbound delivery. For example, the storage location, batch, or valuation type must be specified in the delivery.
- Picking of all individual outbound delivery items must be complete for all items for which you have set the Relevant for picking indicator in the Implementation Guide (Logistics Execution Shipping Picking section, Define relevant item categories activity). You can post goods issue for picked quantities only.

If you want to post goods issue for an outbound delivery, proceed as follows:  
When creating or changing an outbound delivery, select Edit Post goods issue on one of the overview screens.

Before posting goods issue, you can specify the actual goods issue date without having to change the planned date by entering the actual goods issue date on one of the overview screens.

If you have not made an explicit entry for the goods issue date, the system uses



the current date.

As soon as the delivery is saved and goods issue is posted, you receive a message that contains the delivery number. The goods issue document number is not shown.

### **3. Explanations of Functions and Events**

- ❖ The PGI (Post Goods Issue) from the Plant shall be done by the Central Despatch Office / Location after all Quality clearances.
- ❖ This shall be done by entering into the "Change" delivery mode and then the Billing document shall be created with reference to the Delivery document.

### **4. Description of Improvements**

Once the PGI is done the Material Valuation at the respective Plant (from where PGI is done) shall immediately be reduced by the Material cost. This shall happen for the normal Sales PGI but not for special transactions viz. Customer Special Stock / Consignment Stock (sent out of Plant / Depot).

### **5. Authorization and User Roles**

To the Logistics Manager or the Key User in the Despatch dept. including Depot personnel. Further specifications to be taken care by Basis.



### **1.2.5.6. Goods Issue Cancellation**

Q: 1) Under which circumstances would you cancel goods issue?

A: Failure of Truck, Non receipt of advance payment/cheque bounced, price variance at the date of PGI.

#### **CI template:**

##### **1. Requirements/Expectations**

PGI (Goods Issue from Plant) is cancelled or reversed under following circumstances :-

- . Failure of Truck,
- . Non receipt of advance payment,
- . Cheque bounced,
- . Price variance after PGI.

##### **2. General Explanations**

Goods issue reversal means that you cancel the goods issue posting for a delivery. This function enables you to remove the posting without having to create a returns delivery and then having to post a goods receipt for it. This function can be especially useful if you have accidentally posted goods issue, for example, and you would like to reverse it. Goods issue reversal usually occurs



shortly after goods issue posting.

The cancellation document is integrated in the document flow of the delivery.

Goods issue reversal is only possible for movement types for which a reversal movement type is defined in Customizing. Therefore, if you have defined your own movement types for goods issue, you must also define the respective reversal movement types and assign them to the movement types for goods issue.

When you reverse goods issue for a delivery, the system creates a cancellation document that adopts the quantities and the valuation from the original goods issue document, and also executes the respective value and quantity posting to stock.

Like the goods issue posting, the goods issue reversal is only possible for the entire delivery. You cannot reverse goods issue for only part of a delivery.

After the reversal, the goods movement/goods issue status of the delivery is reset to Not yet started. In this way, the delivery can be processed further as required. The system also resets the delivery requirements.

If the delivery has already been billed partially or fully, the goods issue reversal is only possible after the billing document has been cancelled

For goods issue reversal, you can only select deliveries that have not yet been billed fully or partially, or whose billing has been cancelled.

#### Procedure

1. From shipping choose Post Goods Issue Cancellation/reversal.
  - The Reverse goods movement screen appears.
2. Enter your selection criteria, for example, route, goods issue date, shipping point, and so on, and choose Execute.
  - A list of all deliveries that correspond to your selection criteria appears.
  - From the list of deliveries to be reversed, you can branch directly to a list entry in the delivery by double clicking on the entry.



3. Select the deliveries for which you wish to reverse goods issue and choose Cancel/reverse.

- A dialog box appears.

4. In the dialog box, confirm that you want to reverse goods issue.

The system reverses goods issue for all selected deliveries. It also generates a log of all the reversals executed and any errors that may have occurred.

### **3. Explanations of Functions and Events**

- ❖ PGI shall be reversed as & when required only when there is no succeeding Billing document. If there shall remain any succeeding billing document then first that document shall have to be cancelled or reversed.
- ❖ In case of Pro-forma billing document , PGI shall be reversed without reversing the Pro-forma billing document.
- ❖ If in case Goods of single delivery is being loaded to multiple Trucks and if one of the Truck gets failed into the Plant premises, then the PGI shall be reversed for the whole delivery document (SAP standard). Further the Material(s) which are remained in the Plant premises shall be selectively deleted from the Delivery document and then the delivery shall again be posted (PGI). The remaining materials shall be Delivered as & when possible with another Delivery document.

### **4. Description of Improvements**

Once the PGI is Reversed the Material Valuation at the respective Plant (from where PGI is done) shall immediately be increased by the Material cost. This shall happen for the normal Sales PGI Reversal but not for special transactions viz. Customer Special Stock / Consignment Stock (taken back to the Plant / Depot).

### **5. Authorization and User Roles**



To the Logistics Manager or the Key User in the Despatch dept. including Depot personnel. Further specifications to be taken care by Basis.

### **1.2.5.7. Creation of a Quality Certificate**

Q: 1) Which types of certificate will you create for your customers?

Explanation: For example, certificate of analysis, inspection certificate

A: Mill Test Certificate, Quality parameters can be mentioned on Invoice and Packing List, Quality Certificate stating that goods are as per given standards.

Q: 2) Describe the typical layout that you use for quality certificates.

A: Layout attached in form of Hard copy.

Q: 3) Name the essential data for the certificate.

A: Sale Order No. Customer Name and Address , Invoice No. and Date and Sizes and Grade, quantity, packet/coil number number sheets per packet and length for coil ,zinc coating (gm/mt square) . & Physical & chemical properties, L/c No



Q: 4) Do you create user-specific quality certificates (layout)? If yes, are there differences in the layout and data contents? Give example copies.

A: we use different certificate for different customers., copy are attached. Data remains same but layout changes

Q: 5) Which texts and information should the certificates contain?

Explanation: For example, references to country norms or other comments

A: As mentioned in Q3 above

### **CI template:**

#### **1. Requirements/Expectations**

Requirements / Expectations are garnered through the Quality Management Module.

#### **2. General Explanations**

Please refer to the Quality Management Module.

#### **3. Explanations of Functions and Events**

TO-BE process is proposed and is to be executed by the Quality Management Module.



## **1.2.6. Billing**

### **1.2.6.1. Processing Billing Documents**

Q: 1) Do you centralize or decentralize your settlement processing?

A: Centralised - we also deposit Payment in branches as collection centre, but all accounting work is done at shabibad.(plant)

Q: 2) Are billing documents created individually (one billing document per sales order or delivery) or collectively (one or more billing document for several orders or deliveries)?

Explanation: Note: The standard R/3 system always attempts to merge deliveries with certain identical header data (such as identical partners, Incoterms, terms of payment, etc.). You can program additional merging or splitting criteria into the copying control between delivery and invoice.



A: we have both system.Many invoice can be made against the one sales order & delivery also

Q: 3) Which documents are your billing documents based on (e.g. order, delivery)? Please describe in detail.

Explanation: Note: Answer the same question for all other transactions such as returns, credit memos, debit memos, and normal sales.

A: Only Delivery based

Q: 4) Are billing documents processed online or in batch? Describe the process for reviewing exception messages/error logs.

A: Billing is done On line, For different P.Os for the same size and payer there cannot be single invoice. Seprate invoice for each sizes even if PO and sales order are same.

Q: 7) In which cases do you combine or split orders/deliveries into invoices? Describe your consolidation/split criteria (e.g. payment terms, customer, export data).

Explanation: Note: The standard R/3 system always attempts to merge deliveries with certain identical header data (such as identical partners, Incoterms, terms of payment, etc.). You can program additional merging or splitting criteria into the copying control between delivery and invoice.

A: Split on the basis of purchase order no & sizes, qty in case of oem. Combine (Commercial Invoice Export) on the basis same Letter of credit or partial shipment is not allowed.

Q: 8) What type of billing documents are created (e.g. invoice, pro forma invoice, credit notes, debit notes, export invoice)?

A: All types mentioned in example above.

Q: 9) Do you need an invoice for free-of-charge products?

A: NO



Q: 10) Periodic billing allows a specified amount to be billed over a certain time period. Do you utilize periodic billing (e.g. for rental contract type documents)?

A: No

Q: 11) Do you use down payments?

A: sometimes , we use

Q: 12) Milestone billing allows you to bill once a certain work level has been reached. Do you use milestone billing (e.g. for make-to-order type documents)?

A: No

Questions:

Q: 13) How are prices copied from sales documents to billing documents?

A: ☐ Copy manual changes, redetermine the rest  
☐ Copy prices, redetermine freight  
☐ Redetermine taxes only  
☐ Redetermine all prices including taxes, freight  
☒ Others

Comments: All the pricing components including taxes and freight are copied from the sales order.

Q: 14) In what cases can quantity differences occur between sales documents and billing documents? (for example, price changes, currency fluctuations, taxes, inflationary adjustments)?

A: In no case there is qty difference in order and billing.

Q: 15) Do you wait to bill the customer until receipt of delivery has been confirmed?

A: no



Q: 16) What are the reasons you would ever block a delivery from creating an invoice?

A: Non receipt of payment and L/C

Q: 17) What types of text are required in your billing documents? Are they required on output?

Explanation: Note: Decide how each text type will be filled. For example, a text can be copied from the customer master, material master, preceding document, or standard text. In addition, INCLUDE commands must be added to billing documents for all text types that you want to print.

A: We require text fields for remarks

Q: 18) What information is required in your lists of deliveries due for billing (billing due list)?

Explanation: Note: These lists can be modified to some extent. For example, you can add or delete columns.

A: NA

Q: 19) What information do you require in your billing document lists?

Explanation: Note: These lists can be modified to some extent. You can add or remove columns.

A: NA

Q: 20) When do you want to post accounting for your sales invoices (e.g. immediately, after review)?

A: Immediately

Q: 21) Which information is required for the accounting document (for example, reference number)?



- A: ☐ Purchase order no.  
☐ Order number  
☐ Delivery number  
☐ External delivery number  
☒ Current invoice number  
☐ Others

Q: 22) Describe your payments processes in detail.

A: In case of trade payment are received from customer after deduction of cash discount if the payment is received within stipulated period  
In case of OEM we have adopted payment in terms of hundi, L/C, DEMAND DRAFTS, ELECTRONIC TRANSFER  
In case of export payment is received through L/C and directly in bank without L/c in case of advance payment.

Q: 23) What kind of payments do you receive from the customer?

- A: ☒ Cash  
☐ Credit Card  
☒ Check  
☒ Down payment  
☒ Electronic Funds Transfer (EFT)  
☒ Others

### CI template:

#### 1. Requirements/Expectations

##### BILLING PROCESS :-

- Billing documents are created as per the dispatches/orders &/or Customer requirement &/or Truck wise.
  - If there is no specification from the customer regarding Billing and the Truck required for the despatch is one then there remains single billing Document.



- Again if there is no specification from the customer regarding Billing and the Trucks required for the despatch is more than one then there remains as many Billing Documents as No. of Trucks.
  - In certain cases (especially OEM) there is requirement from customers for multiple Billing Documents depending upon sizes of Material.
  - In certain cases Billing Documents do differ if there are two customer P.O.s for the same sizes or if the payer is different.
- After Billing documents are created the Accounting entries are done i.e. Customer is debited and the Sales revenue account is credited.
  - Settlement (Customer Payment) processing is done centralized at Plant only, even in the case of Depot Sales.
  - All Billing documents are delivery based i.e. Billing is created as per despatches made.
  - Billing is done online i.e. as & when despatches are made. There is no collective processing of billing documents.
  - Billing documents may split on the basis of following (in case of OEM)
    - Purchase Order No.
    - Sizes of Material
  - Billing documents may be combined on the basis of following (in case of Exports)
    - Same letter of credit (L/C)
    - Partial shipment NOT allowed.
  - Following types of Billing documents are created :-
    - Commercial Invoice (Domestic)
    - Commercial Invoice (Exports)
    - Pre-Shipment Invoice (Exports)



- Pro-forma Invoice (Stock Transfers)
  - Credit Memo
  - Debit Memo
- All the pricing components (including Taxes & Freight) are copied from the Sales order to the Billing Document i.e. the values of respective components remains same as that of Orders.
  - There is NO quantity difference in order and billing in any case.
  - In case of Non-receipt of payment and/or L/C , Billing is blocked from being processed.
  - Text field is there in the billing document for the remarks purpose.
  - Posting to Accounts for sales Invoices are done immediately.
  - Current billing document No. is required to be there in the Accounting document generated by that billing document.
  - Following types of Payments are received from the customers :-
    - Cash
    - Cheque
    - Demand Draft
    - Down payments.
  - Credit Memos are issued for the following :-
    - CD (Cash Discounts)
    - QD (Quantity Discounts - Rebates)
    - Price Support (Trade Sales)
    - Quality Claims



- Rate Differences
  - Weight Shortages
- Debit Notes are issued to the Transporters for damage in transit.

#### **EXPORTS SCENARIO :-**

- Sales Orders (MTO) are booked at Sahibabad plant & are executed there itself. For every despatch made from the Sahibabad plant one “Pre-Shipment” Invoice is generated which cater to the Customs clearing requirements as well as Excise requirements.
- After the final shipment is loaded to the ship one Commercial Invoice is created which cater as Customer Invoice as well as Invoice to clear all Bank procedures for L/C (Letter of credit).
- In case of multiple despatches from Sahibabad plant there remains as many “Pre-Shipment” Invoices as that of No. of Despatches. The final or the Commercial Invoice is then created either by merging all previous Pre-shipment Invoices into the final Pre-shipment Invoice or by creating a new billing document containing cummulative value of all Pre-shipment Invoices. In all the above cases the final document (Commercial Invoice) have sequential Document No.
- Accounting entries are done when the final Commercial Invoice is created i.e. after receiving Bill of Lading by Shipping Line.

## **2. General Explanations**

### **BILLING**

Billing represents the final processing stage for a business transaction in Sales and Distribution. Information on billing is available at every stage of order processing and delivery processing.



This component includes the following functions:

- Creation of:
  - o Invoices based on deliveries or services
  - o Issue credit and debit memos
  - o Pro forma invoices
- Cancel billing transactions
- Comprehensive pricing functions
- Issue rebates
- Transfer billing data to Financial Accounting (FI)

Like all parts of sales order processing, billing is integrated into the organizational structures. Thus you can assign the billing transactions a specific sales organization, a distribution channel, and a division. Since billing has an interface to Financial Accounting, the organizational structures of the accounting department, (the company codes as well as the sales organizations assigned to the company codes) are important.

Umbrella term for invoices, credit memos, debit memos, pro forma invoices and cancellation documents.

The billing document is created with reference to a preceding document, in order to create an invoice or a credit memo, for example.

The billing document contains the following data:

All billing documents have the same structure. They are made up of a document header and any number of items. The following figure shows how billing documents are structured.

#### Header

In the header, you find general data valid for the entire billing document. For example,

- Identification number of the payer
- Billing date
- Net value of the entire billing document



- Document currency
- Terms of payment and Incoterms
- Partner numbers, such as the identification number of the sold-to party
- Pricing elements

#### Items

In the items, you find data that applies to one particular item. For example,

- Material number
- Billing quantity
- Net value of the individual items
- Weight and volume
- Number of the reference document for the billing document (for example, the number of the delivery on which the billing document is based)
- Pricing elements relevant for the individual items

The billing document is controlled via the billing type.

When you create a billing document, the billing data is forwarded to Financial Accounting.

#### Billing Document Type

Controls processing of billing documents such as invoices, credit and debit memos as well as cancellation documents.

Billing document type controls the entire billing document.

You can use billing document types to deal with the different business transactions carried out during billing processing.

The different billing document types available are listed in the following table:

Billing Document Type	Name
F1	Delivery-related invoice
F2	Delivery-related invoice



F5	Pro forma invoice for sales order
F8	Pro forma invoice for delivery
CR	Credit memo
L2	Debit memo
RE	Credit memo for returns
S1	Cancellation invoice
S2	Cancellation credit memo

Specific functions can be defined for each billing document type. This is done using control elements that are specified in tables. The document types can be tailored to meet the requirements of your company. You can also define new billing document types, if those defined in the SAP standard system do not meet all your company requirements.

The billing document type controls the following elements:

- The number range for the document number
- The billing type that can be used to cancel the billing document
- The transfer status of the billing document:
  - o transferred to financial accounting
  - o blocked from transfer
  - o not transferred
- The procedure for account assignment in Financial Accounting
- The allowed output for a business transaction and the procedure for output
- The partner functions allowed at header level
- The partner functions allowed at item level

### Billing Processing

During billing processing, you create, change and delete billing documents (invoices, credit memos, debit memos, etc.).

You can create billing documents:



- with reference to a sales order
- with reference to a delivery
- with reference to external transactions:

You can refer to an entire document, individual items or partial quantities of items.

You can create billing documents in the following ways:

- by having the system process a billing due list automatically as a background task
- by processing manually from a worklist
- by creating a billing document explicitly

You can also use the following forms of settlement:

- by combining several SD documents into a collective billing document
- by billing one or more SD documents with several billing documents (this is called an invoice split).
- by creating an individual billing document for every sales document

### **3. Explanations of Functions and Events**

#### **BILLING TO - BE PROCESS :-**

- ❖ There shall be different Billing document types for the following :-
  - Domestic Sales from Plant & Depot (Excisable)
  - Domestic Sales from Depot (Non-Excisable)
  - Pro-forma Invoice (Stock Transfer) – “No Accounting”
  - Deemed Exports
  - Exports Pre-Shipment Invoice – “No Accounting”



- Exports Commercial Invoice
- Credit Memo
- Debit Memo
- Invoice Cancellation

❖ All Billing documents shall be created with reference to the Deliveries except for the Credit / Debit Memos and Invoice cancellation.

❖ All delivery relevant Billing shall be created immediately after PGI is done for that delivery. There shall not be any collective processing of Billing documents.

❖ Billing document shall be combined into one only if atleast following conditions are met :-

- Payer is same
- Incoterms & Payment terms are same
- Billing date is same

❖ If the customer P.O.s is different then there shall be different Sales Orders and hence there shall be split billing or different billing.

❖ If the customer P.O. is same & Order is also same but there are multiple line items for different Sizes and customer requirement is that of multiple billing with respect to the Sizes then Billing shall be done selectively for the different line items having different Sizes in the billing creation initial screen.

❖ For the following combination of situations, the billing documents shall be created in the respective manner as specified below :-

	<b>Sales Orders</b>	<b>Customer Specification</b>	<b>No. of Trucks</b>	<b>Creation of Billing</b>
1.	One	None	One	Single billing as per single delivery.
2.	One	None	More than One	Billing shall be done selectively for items



3.	One	Size specific	One	loaded per Truck Billing shall be done selectively for items per Sizes
4.	More than One	None	More than One	Billing shall be for the different deliveries for respective Orders per Truck
5.	More than One	None	One	Billing shall be for the different deliveries for respective Orders
6.	More than One	Size specific	One	Billing shall be done selectively for items per Sizes per Order

❖ All the pricing components (including Taxes & Freight) shall be copied from the Sales Order to the respective Billing Documents i.e. there shall not be Re-determination of the pricing components in the billing document.

❖ There is NO quantity difference in order and billing in any case (as mentioned in “**As Is**”). But there are instances where multiple billing is done for the multiple deliveries for the same sales order. Thus the billing quantity shall always be either lesser or equals to the Order quantity depending upon the No. of Deliveries made against an Order.

❖ In case of weight difference within permissible limit (Quantity Tolerance), the Delivery quantity shall be on actuals and thus the billing quantity shall always be as that of Delivery.

❖ Text field for Remarks shall be incorporated in the billing document at the Header level. (If required then at Item level also)

❖ All the Posting (Accounting) relevant billing document shall be posted to respective accounts immediately after at the time of saving the document.

❖ The accounting document generated with respect to the billing document shall always have that billing document No. as Reference Document.

❖ There shall be following Payment Terms with respect to the Customers :-

- Cash payment
- Payment through Cheques / Demand Draft



- Advance Payment
- Payment through L/C (Letter of Credit)
- Cash Discount payment terms

❖ Billing document shall be blocked from being processed as per Credit management data maintained for the respective customer viz. for Non-receipt of Advance payment and Non-receipt of L/C.

❖ Settlement (Customer Payment) processing shall be done at the place where payment is received viz. in the case of **Depot Sales** if payment is received at the Depot then it shall be entered then & there.

❖ Credit Memo shall always be created with reference to Credit Memo Request (Order type). All the data shall be copied from the request along with pricing elements.

❖ There shall be two different Order types for Credit Memo Request so as to facilitate their creation in the following two ways :-

- With a mandatory reference to a billing document :-

- Quality claims
- Rate difference
- Weight shortage

- Without any reference to a billing document :-

- QD (Quantity Discounts - Rebates)
- CD (Cash Discounts)
- Price Support (Trade Sales)

❖ Debit Memo shall also be created through Debit Memo Request in a similar fashion as that of Credit Memo, mentioned above.



- ❖ Invoice cancellation shall always be done with reference to the billing document.

#### **EXPORTS SCENARIO :-**

- ❖ For a single sales order (MTO) at Sahibabad plant if there is multiple deliveries to the Port then for every delivery there shall be one Pre-Shipment billing document created (without account postings). This shall cater to the Customs clearing requirements as well as Excise requirements.
- ❖ After the actual / final delivery (consolidated of all partial deliveries from Sahibabad Plant) from Port Plant , one billing document shall be created with it reference which shall act as Commercial Invoice.
- ❖ Accounting entries shall be passed immediately after creating the Commercial Invoice.
- ❖ The sequential No.s required for the multiple Pre-shipment Invoices & single Commercial Invoice shall be taken care as mentioned in the “Functional Deficits” section.

#### **4. Naming convention**

All Number Ranges for these documents will be automatic / internal / Numeric generation depending upon Document / Order Types.

#### **5. Special Organizational Considerations**

Seperate document types may be required for following processes :-

- ✓ Domestic Sales
- ✓ Stock transfers
- ✓ Exports Pre-shipment
- ✓ Exports Commercial
- ✓ Credit Memo



- ✓ Debit Memo
- ✓ Invoice cancellation

## **6. Changes to existing Organization**

In case of Exports, Material is first sent to the Port at Mumbai from where it is actually dispatched to the Customer. In few cases not all the Material at port is sent i.e. there are instances of Return from port. Secondly tracking of Material is also required from Sahibabad Plant to Port & finally dispatch from port. Therefore a separate plant shall be created at Mumbai Port. It would require to have few more document types to complete the Sales process.

## **7. Description of Improvements**

In case of exports following sales procedure shall be followed :-

- Orders can be generated with reference to a Quotation or a Contract with the Customer.
- Orders shall be booked at sahibabad Plant for the respective Customers (Different / Multiple Ship-to-parties) with a separate order type.
- Since there is MTO scenario the requirement shall be generated at Sahibabad plant through the Sales order.
- Once the Production & Packing is Confirmed (for Partial or Complete Delivery) it shall be despatched through the Shipping Point at Sahibabad.
- This customer stock then shall be transferred to the Virtual Plant (Non-Excisable) at Mumbai PORT. It shall accompany an Invoice (Catering "Pre-Shipment Invoice") which shall not be posted to the Accounts.
- The PORT plant shall receive the Material & it shall remain there untill loaded to the Ship.
- To issue the Material for loading on the Ship, a separate documents shall be generated viz. an Order , Delivery (PGI to Ship) and



final Invoice (Commercial Invoice) for which posting shall be done on current date.

- This means unless Material is loaded to the Ship, it shall be under ownership of BSSL. On the other hand unless "Bill of Lading" being issued by Shipping Line ownership shall be of BSSL.
- This shall be benefitting to BSSL to track the material as in case when Material is not loaded to the Ship or is returned back to same or other Plant or may be retained at Port.
- Secondly the Position & Controlling of the Customer Stock shall be there.

## **8. Description of Functional Deficits**

1. In case of EXPORTS , Document No.s for final Commercial invoice could not necessarily be in sequence especially to the attached Pre-Shipment Invoices. This is so since the No. range shall be consistent and if another billing document is generated for another customer than the sequence shall be disturbed.
2. No. range for the billing documents generated at the Depots are required to be in the sequence with respect to the Depots i.e. separate no. range is required for each Plant & Depot.

## **9. Approaches to covering Functional Deficits**

1. Two options (for Deficit no. - 1) are available as follows :-
  - No. range for Export billing document to be maintained as External Numeric. But it shall have practical inconsistencies.
  - The Output (Print out) of final or commercial Invoice shall contain the Invoice No. of the last related Pre-shipment Invoice and the actual document No. of that Commercial Invoice shall be in the output as "Internal Reference No." This shall require ABAP intervention.



2. Two options (for Deficit no. - 2) are available as follows :-

- Separate billing document types for each Plant & Depot to be maintained so that separate No. ranges shall be available as per Plant & Depot. But it shall result into myriad document types both for Sales Orders as well as for Billing documents and thus shall be cumbersome to manage.
- ABAP intervention shall be required to utilize some User-exit.

## **10. System Configuration Considerations**

Following Copy Controls are required :-

- a) Delivery to Billing (Sales Process)
- b) Orders to Billing (Credit / Debit Memo)
- c) Billing to Orders (Credit / Debit Memo Requests)
- d) Billing to Billing (Invoice cancellation)

## **11. Authorization and User Roles**

To all the Sales Users including Depot personnel. Further specifications to be taken care by Basis.



## **1.2.6.2. Pro forma Invoice Processing**

Q: 1) What type of billing documents are created (e.g. invoice, pro forma invoice, credit notes, debit notes, export invoice)?

A: We create proforma invoices for advance payment and L/C.

### **CI template:**

#### **1. Requirements/Expectations**

Pro-forma Invoices are created on the following behalf :-

- . In case of Advance payment
- . In case of L/C (Letter of Credit) to be received
- . In case of Stock transfers to Depots / Plants

#### **2. General Explanations**

An invoice that is created on paper for exported goods to provide the customs authorities with evidence of the cost of the goods.

When you deal in export, you may need to print pro forma invoices. They are used to give the importer or the responsible authorities in the import country details about forthcoming shipments.

A pro forma invoice appears exactly the same as a customer invoice. The difference is that this invoice does not need to be paid. Therefore, the system does not forward data to Financial Accounting (FI). No statistical data is created on the basis of pro forma invoices.

You can create pro forma invoices on the basis of sales orders or deliveries

The following billing types are available for pro forma invoices :-



Billing type	Reference document
F5	Sales order
F8	Delivery

Proce

Processing pro forma invoices differs from processing normal invoices in the following ways:

- Goods issue is not required before you create a delivery-related pro forma invoice.
- You can create as many pro forma invoices as you like for a sales order or a delivery because the billing status in the sales order or delivery is not updated.
- Data from the pro forma invoice is not passed on to financial accounting.

### 3. Explanations of Functions and Events

- ❖ Pro-forma Invoices (different billing document type) shall be created in two manners viz. :-
  - ✓ . with respect to the Sales Order in case of Advance payments and L/C to be received.
  - ✓ . with respect to the Deliveries in case of Stock transfers to the Depots / Plants.
- ❖ In case of Pro-forma Invoices created with reference to the Orders there shall be no need of the Delivery(s) to be created for that Order i.e. Pro-forma Invoices shall be created irrespective of the Delivery(s).
- ❖ In case of Stock transfers the procedure of creating billing document shall remain same except that instead of Commercial Invoice there shall be Pro-forma Invoice to be created with reference to the Delivery Document.
- ❖ There shall be no account posting done for any type of Pro-forma



Invoices. They shall cater to the requirement of the Documentary proof for the respective Transactions.

#### **4. Naming convention**

All Number Ranges for these documents will be automatic / internal / Numeric generation depending upon Document / Order Types.

#### **6. Special Organizational Considerations**

Separate document types may be required for following processes :-

- 1.) Order related Pro-forma Invoice (Exports)
- 2.) Order related Pro-forma Invoice (Domestic)
- 3.) Delivery related Pro-forma Invoice (Exports)
- 4.) Delivery related Pro-forma Invoice (Domestic)

#### **12. System Configuration Considerations**

Following Copy Controls are required :-

- 1 Orders to Billing (Order related Pro-forma)
- 2 Delivery to Billing (Delivery related Pro-forma)

#### **13. Authorization and User Roles**

To all the Sales Users including Depot personnel. Further specifications to be taken care by Basis.



### **1.2.6.3. Invoice List Processing**

Q: 1) Would your customers require a list of all billing documents that were created for a specified period (e.g. all documents from 1-15 of the month)?

A: Yes , We require

Q: 2) Are there any special discounts that would be applied to this invoice list?

A: No.

#### **CI template:**

##### **1. Requirements/Expectations**

List of billing documents are required for a specific customer, for a specified period i.e. all the Invoices (billing documents) created for that customer within a specified time span.

##### **2. General Explanations**

The invoice list lets you create, at specified time intervals or on specific dates, a list of billing documents (invoices, credit and debit memos) to send to a particular payer.

The billing documents in the invoice list can be single or collective documents (collective invoices combine items from more than one delivery).

The standard version includes two types of invoice lists:

- for invoices and debit memos
- for credit memos

If you wish, you can process invoices, debit memos, and credit memos at the



same time. The system automatically creates a separate invoice list for credit memos.

To create an invoice list:

1. Select the Billing screen

Depending on the number of billing documents that you want to include, you can choose one of two ways to create the invoice list. You can either

- Select Invoice list Create and enter each billing document separately
- Create a list for all billing documents that are relevant for the invoice list. You can then process the work list for invoice lists.

This procedure shows you how to create the work list.

2. Select Invoice list Edit work list.
3. Enter your selection criteria and press ENTER.

The system displays a list of billing documents that meet your selection criteria.

4. Select the billing documents that you want to include in the invoice list and select Invoice list Save.

You can also simulate creation of invoice lists via the work list for invoice lists. This is useful as a test option. The simulation also allows you to carry out a split analysis, which shows you why billing documents are written to different invoice lists (e.g. due to different payers).

Incorrect invoice lists can also be cancelled.

### **3. Explanations of Functions and Events**

- ❖ The pre-requisite of generating Invoice list is the activation of the Invoice List field in the Customer (Payer) Master. If this field is not activated then it shall not be possible to generate an Invoice List.
- ❖ List of billing documents shall be generated through a different transaction which shall consist of all the Invoices (billing documents) created for a customer within a specified time period.
- ❖ The inclusion of the Billing document in the Invoice list shall depend upon



the selection criteria given in the initial screen of Invoice List creation.

#### **4. Naming convention**

All Number Ranges for these documents will be automatic / internal / Numeric generation depending upon Document / Order Types

#### **5. Special Organizational Considerations**

Separate document type shall be required for Invoice List.

#### **6. System Configuration Considerations**

Following Copy Controls are required :-

- 1 Billing Document Types to Invoice List Type

#### **7. Authorization and User Roles**

To all the Sales Users including Depot personnel. Further specifications to be taken care by Basis.

### **1.2.6.4. Billing Document Cancellation**

Q: 1) Under which circumstances and why would you cancel a billing document?

A: In case of dishonour of check, failure of truck within plant premises, price changes immediately after creating billing, qty variance.

Q: 2) Do any activities follow cancellation, for example, credit releases?



A: NO

### **CI template:**

#### **1. Requirements/Expectations**

Billing documents are cancelled for the following reasons :-

- . Dishonor of the Cheques
- . Failure of Truck within Plant premises
- . Price changes after billing being created
- . Quantity variances

#### **2. General Explanations**

There are several reasons why a billing document may need to be canceled. For example, an error might have occurred during billing creation, or billing data might have been posted to the wrong accounts when it was transferred to the accounting department.

When you cancel a billing document, you are actually creating a cancellation document. The cancellation document copies data from the billing document and transfers an offsetting entry to the accounting department.

The cancellation document causes the reference document for the billing document (e.g. the delivery) to be reopened so that a correct billing document can be created.

You can also cancel individual items. In the billing document, goto: Edit - Cancel item This function is not possible for:

- rebate agreements
- transactions involving credit cards
- documents that have not yet been forwarded to Financial Accounting



### **3. Explanations of Functions and Events**

- ❖ There shall be different billing document type for the Cancellation of the Invoices.
- ❖ Invoice cancellation shall always be done with reference to the original Invoice or billing document.
- ❖ Whenever Invoice cancellation (creation of Cancellation billing document) shall be done , all the accounting entries made at the time of original billing shall exactly be reversed.

### **4. Naming convention**

All Number Ranges for these documents will be automatic / internal / Numeric generation depending upon Document / Order Types.

### **5. Special Organizational Considerations**

Separate document types shall be required for Cancellation Billing Document.

### **6. System Configuration Considerations**

Following Copy Controls are required :-

- 1 Billing document to Cancellation Billing Document

### **7. Authorization and User Roles**

To all the Sales Users including Depot personnel. Further specifications to be taken care by Basis.



## **1.2.7. Output**

### **1.2.7.1. Output Transfer**

Q: 1) Do you require shipment documents for physically transporting the merchandise? If so, what form of document (e.g. paper, EDI)?

A: N.A

Q: 2) What information do these documents contain?

Explanation: Note: Collect sample printouts for billing documents, credit memos and debit memos, and decide which information (data fields) these documents should contain.

A: N.A

Questions:

Q: 3) How are billing documents to be transmitted?

A: ☒ Paper  
☐ Telephone  
☐ Fax  
☐ E-mail  
☐ EDI

Q: 4) How are deliveries to be transmitted?

A: ☒ Paper  
☒ Telephone  
☒ Fax  
☒ E-mail  
☐ EDI

Q: 5) How are shipping documents to be transmitted?



A: ☒ Paper  
☐ Telephone  
☒ Fax  
☒ E-mail  
☐ EDI

Q: 6) How are sales documents to be transmitted?

A: ☒ Paper  
☐ Telephone  
☒ Fax  
☒ E-mail  
☐ EDI

Q: 7) How are sales activity documents to be transmitted?

A: ☒ Paper  
☐ Telephone  
☒ Fax  
☒ E-mail  
☐ EDI

Q: 8) What information do these documents contain?

A: Hard copy of Invoice attached for your reference.

Q: 9) How are sales documents to be transmitted?

A: ☒ Paper  
☐ Telephone  
☒ Fax  
☒ E-mail  
☐ EDI

Q: 10) What correspondence do you wish to send?

A: Despatch Detail]  
Account statement  
Extra copy of Invoice.



Q: 11) Would you not like to post a material account to the vendor as an offsetting account?

A: No

### **CI template:**

#### **1. Requirements/Expectations**

➤ Output / Printouts of the following SD documents are required :-

- ✓ Enquiry,
- ✓ Quotations,
- ✓ Order Acceptance/Sales order,
- ✓ Deliveries,
- ✓ Loading Slip,
- ✓ Packing list,
- ✓ Billing

➤ Following correspondence is also sent to the Customers :-

- ✓ Despatch Detail
- ✓ Account statement
- ✓ Extra copy of Invoice

➤ These documents contain the Information as mentioned in the relevant nodes in the CI templates.





Output are also sent through Fax & E-mail.

## **2. General Explanations**

The Output component offers output functions for sales, shipping, transportation, and billing to help you manage sales transactions with your customers and within your company.

You can create sales activity output (for example, customer telephone calls, mailing campaigns) and group output (for example, freight lists). Your company employees can send and receive output. Output is directly linked to the corresponding sales transaction

The output determination component is used for output control. Output control is used to exchange information with internal and external partners.

## **3. Explanations of Functions and Events**

- ❖ Outputs / Printouts of the SD documents shall be taken out with the specified formats. This shall be set after discussions in conjunction with ABAP.
- ❖ Whatever data which is captured during the process shall be available for Printouts. The respective data captured during SD documentprocessing shall be as mentioned in the relevant Nodes in the CI Templates.

## **4. Special Organizational Considerations**

Seperate output is to be set for each document & their layouts to be finalized (along with ABAP) . To automatically send the documents through other media viz. Fax & E-mail , an Interface/Link to the external application is required.

## **5. Changes to existing Organization**

Although Printing options will be available to the users but it is recommended not to use printing for internal communication as most of the information will be



communicated through SAP system itself. The list of printouts required must have the approval of the HOD before a printout can be taken.

## **6. Description of Improvements**

Users are advised to make use of system to take & give the updation of all the information through the system only so that time & money can be saved.

## **7. Description of Functional Deficits**

Interface/Link to external applications viz. Fax & E-mail is non-existent.

## **8. Approaches to covering Functional Deficits**

Out of Scope.

## **9. Notes on further Improvements**

Interface/Link to external applications viz. Fax & E-mail shall be future possibility.

## **10. System Configuration Considerations**

Output determination shall have to be configured for the Printouts as mentioned above. The Layouts are to be finalized in conjunction to ABAP.

## **11. Authorization and User Roles**

Creation & Changing is to be Centralized at Sahibabad Plant Core Team.

# **1.2.8. Information System**



### **1.2.8.1. Evaluations: Logistics Information System**

Questions:

Q: 1) Which analysis system is defined in your company?

A: ☒ Logistics Information System (LIS)  
☐ Business Information Warehouse (BW)  
☐ Non-SAP System

Q: 2) Please describe in detail the different analyses/reports that you will use.

Explanation: For each report, specify the receiver of the report, the reporting frequency and content of the report. The content should describe the key figures of the report and state the different levels, at which these key figures are aggregated.

A: Hard copy submitted.

#### **CI template:**

##### **1. Requirements/Expectations**

- Currently there are sundry types of Reports which are being used by sales dept.
- Please refer Annexure for detailed Reporting requirements, which are awaited from BSSL.

##### **2. Explanations of Functions and Events**

- Creation of Info Structures and / or ABAP Development (other than Standard MIS in SAP-SD) shall be considered as and when the Reporting requirements are clear.



- Further clarification shall be in the Annexure.

## **2. Country India Version**

### **2.1. Sales & Distribution**

**CI template:**

#### **1. Requirements/Expectations**

- Both Plants viz. Sahibabad and Khopoli are registered with Excise and they manufacture Excisable Goods.
- Though there are around 9 depots but only 5 of them are registered with Excise and thus maintaining RG23-D
- All Materials are Excisable under different Chapter-IDs but Exports Sales are exempted from Excise.
- Utilization is being carried out simultaneously with the Commercial Invoice. The Commercial Invoice contain the utilization entry No.
- There are parallel set of registers, having different No. Series, for Normal Sales and for Exports under Chapter-10 of Excise Rules.
- There is no separate document for Excise Invoice. It is contained in the commercial Invoice itself as per the format approved by Excise authorities.
- The pre-printed format of the Invoice is same for all type of Outgoing transactions viz. Domestic Sales , Exports and Stock Transfers, but the header and the item data differs.



- Only two components of Excise are applicable as of now viz. BED (Basic Excise Duty) and ECESS (Education Cess). At present BED is 12 % (except for Oxygen which is 16%) and ECESS of 2 % on BED. These values are changeable depending upon Central Government policies.
- Both of these Excise components are to be Utilized seperately i.e. ECESS can not be utilized through BED account.
- RG-1 Registers are updated on the Daily sales basis (Cummulative values for a day) for a particular Material i.e. Coil-wise or Invoice-wise updation is not done.
- Exports sales have following three scenarios :-
  - ✓ . Normal Exports (ARE-1)
  - ✓ . Exports under payment of duty.
  - ✓ . Deemed Exports (ARE-3)
  - ✓ . Exports under Chapter-10 (providing CT-3 form to the Vendor)
- In case of Exports under Chapter-10 the Material has to be kept seperately right from the entrance to the Plant till its outwards movement from the Plant. Separate Registers has to be maintained with different Series No.s for the Invoices.
- In case of Exports certain other Licenses are also used viz. Advance, DFRC, DEPB.
- Advance License has a fixed quantity for a group of Materials (for example : Galvanized Products) and a validity period which is usually 18 months. This serves as an obligation for Exports (against duty free Imports) which has to be fulfilled within the specified period.

## 2. General Explanations

### **OVERVIEW :-**

The Sales and Distribution (SD) component covers the most important laws and business practices specific to India. The following documentation describes these aspects of the component.



Country Version India comes with functions for calculating, posting, and remitting excise duty:

- The system determines the excise and other taxes on your sales.
- You can create outgoing excise invoices, customized to your own requirements, and make the appropriate accounting postings.
- The system offers functions for domestic and export sales from factories and depots, including exports under excise regulations.
- All goods movements are recorded in the appropriate excise registers, including register RG 23D.

You can remit the excise duty using the delivered functions.

The country template for India comes with sample pricing procedures, including all taxes, and settings for automatic account determination to the appropriate excise accounts.

### **EXCISE INVOICE :-**

A business document, in India, that you prepare when you issue excisable goods from a manufacturing plant, for example:

- To be sold to a customer (Sales)
- To be transferred to another of your plants (Stock Transfers)

The excise invoice lists the goods that you have issued and states how much excise duty applies. Your customer uses the excise invoice to claim back the excise that it has paid from the excise authorities.

There are three different procedures for creating excise invoices

- Sales direct from the Factory

This procedure is for when you sell manufactured goods straight from the factory at which they were produced, in which case you levy excise duty when the goods leave the factory on their way to the customer.

If, when you send the goods to the customer, you enclose the commercial invoice, you create the excise invoice with reference to the commercial invoice. If you want to send the commercial invoice after you have dispatched the goods,



however, you create the excise invoice with reference to a pro forma commercial invoice. For more information about these procedures.

As well as creating excise invoices individually, you can also create them in batches.

➤ Sales from Depots

A depot is a site at which the goods are stored, away from the factory at which they were produced. In this procedure, you have to levy the excise duty when you transfer the goods from the factory to the depot, and then make sure this is passed on to the customer when it makes a purchase.

➤ Sales (other goods movements)

Some other goods movements may also require you to create an excise invoice with reference to other documents. The R/3 System offers separate functions for these purposes .

Outgoing excise invoices have two numbers: an internal document number, which is assigned immediately you create an excise invoice; and an excise invoice number, which is not assigned until you have verified and posted it.

As far as the excise invoice number is concerned, you have to number your outgoing excise invoices in sequential order, starting each year on 1 April. You must notify the excise authority of the jurisdiction of the invoicing location. The serial number must be printed on each page of the excise invoice.

Each number range is governed by a series group. You must create at least one series group in order to be able to number the excise invoices. If you need more than one number range, you must create the corresponding number of series groups.

Some states allow you to include only a limited number of items for each page of an excise invoice (for example, if the excise invoices are to be printed on prenumbered forms).

## **EXPORTS SALES :-**

Manufacturing plants are entitled not to pay any basic excise duty on export sales, as long as the goods are accompanied by an ARE document. The R/3 System handles AREs and the appropriate permit documents, such as Export bonds and Deemed Export Licenses.

The R/3 System allows you to process three types of exports:



- Exports under bond
- Exports under claim for rebate
- Deemed exports

You must create an ARE document for all goods that you export under these schemes. You use the same function to process all ARE documents.

### 3. Explanations of Functions and Events

- All the Plant which are Excisable shall be treated as Excisable Plant maintaining relevant Registers. Only those depots which are registered with Excise shall be marked as Excisable Depots maintaining RG23-D register.
- All the Sellable materials shall be assigned to the relevant Chapter IDs for which Excise Duty Amount shall be determined as per the Excise Indicators of Plant and the Customers.
- All those Customers (viz. Export Customers) for whom sales are exempted from Excise shall have "0" excise indicators so that "0" value of Excise components shall be determined for them.
- Excise Invoice shall be created separately with reference to the Commercial Invoice i.e. there shall be two different documents in the system. Output (Printout) could be same for both i.e. there shall be single physical document for both Excise & Commercial Invoice containing relevant data (as per present practice).
- Its recommended to have daily (for a complete day) Utilization instead of Bill wise utilization since utilization could be from PLA or RG23-A / C registers. Thus Utilization account shall have to be selected manually at the time of Utilization.
- In place of the "Utilization Entry No.", which is displayed on the Invoice printout , there shall be "Excise Invoice No." which shall be generated in addition to the Commercial Invoice.
- There shall be one additional pair of Excise & Series groups for the Exports under Chapter-10, so that there shall be additional set of Registers.



- The pre-printed format for all the Invoices shall be same for all type of Outgoing transactions viz. Domestic Sales , Exports and Stock Transfers. There shall be different Outputs for all the above.
- In case of Invoices from the excisable Depots there shall be different Output wherein it is required by law to capture the details of the parent Factory Excise Invoice No. from which material is being transferred.
- There shall be two condition types for the two excise components viz. BED & ECESS. Their values shall be changeable as per the Govt. policies. There shall be provision for AED & SED also.
- These values of BED & ECESS shall be utilized separately with different accounts.
- Updation of the RG-1 for Sales is done Bill-wise and Batch-wise (Coil No.) as per standard SAP functionality. In case cumulative updation (for a material in a day) is required then it shall require Development.

#### **EXPORTS SCENARIO :-**

- There shall be provision for the following Exports scenario :-
  - ✓ Export Under Bond (Letter of Undertaking)
  - ✓ Export Under Payment of Duty
  - ✓ Export under Chapter-10 (Currently not practised)
  - ✓ Deemed Exports
- Relevant forms shall be captured in the system. Standard Layouts are available and shall be used, in case BSSL requires the report/ Layout other than standard then it can be designed through development.
  - ✓ . ARE1
  - ✓ . ARE3
  - ✓ . Exports under utilisation of CT3 given to vendors



- Bond / ARE1 / ARE3 details shall be available in system for creation . Change, Update and Close purposes.
- BSSL shall have to maintain a unique set of Excise Registers / Form IV , WIP register and RG1 register for capture of exports under Chapter 10.
- BSSL shall use IVL (External Software) interface to map the Legal requirements of Export on account of various licences e.g DFRC , DEPB , Advance Licence
- IVL interfacing requirements shall have to be detailed during interaction with IVL team as and when they come to the project site. BSSL to revert on the plan.
- BSSL shall have to maintain a unique set of Excise Registers / Form IV , WIP register and RG1 register for capture of exports under Chapter 10.
- BSSL shall use IVL (External Software) interface to map the Legal requirements of Export on account of various licences e.g DFRC , DEPB , Advance Licence
- IVL interfacing requirements shall have to be detailed during interaction with IVL team as and when they come to the project site. BSSL to revert on the plan.

#### **4. Naming convention**

All Number Ranges for these documents will be automatic / internal / Numeric generation.

#### **6. Special Organizational Considerations**

Immediate Utilization is done simultaneously with the creation of the Commercial Invoice, but its recommended to have collective utilization on daily basis if not Monthly.



## **8. Description of Improvements**

Practically it is quite cumbersome to do Utilization concurrently with the commercial billing thus its recommended to have daily (for a complete day) Utilization instead of Bill wise utilization since utilization could be from PLA or RG23-A / C registers. Thus Utilization account shall have to be selected manually at the time of Utilization.

## **9. Description of Functional Deficits**

SAP can provide capturing of the following Data in case of Exports :-

- o Excise duty components (BED, ECESS)
- o Commercial & Excise invoices
- o Utilization to the relevant Registers / accounts
- o Export Bonds
- o ARE-1/3 Forms
- o CT-3 License.

## **10. Approaches to covering Functional Deficits**

All other documentation shall be captured through IVL software.

## **13. Authorization and User Roles**

All the Users of Excise Dept. at Plant and Depots.