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# SCOPE OF WORK

The broad business process and the specific operational modules and their sub functions have been detailed in this section.

## THE BUSINESS PRCESS OVERVIEW

The client works as a regulator and an operating agent between the end customer and TATA STEEL. The end customer here refers to the party which is the end consumer of the products and who is responsible for raising the order and procuring the materials. There is no monetary transaction involved between the client and the end customer. Tata Steel here is the principal. It is assumed that presently the client has only one principle and later they may engage multiple principal companies and products based on the need basis. The application is developed keeping the long-term vision in mind with the assumed foresightedness of the future scope.

The client here is thus the agent to the principal. The end consumer here is referred to as the “Party”. In the present scenario of the client, the Party may be a government entity or a private client. However, the status of the “PARTY” or its governing type is not a factor here as far as the operation is concerned.

To summaries the brief of the overall operations, the following can be considered in the sequence of event to occur and to manage:

* The client helps the principal to procure the order from the PARTY
* The client helps the principal confirm the order and keeps track of the orders received and lost on the principal's behalf. However, for the sake of management of the processes in the application only the confirmed orders shall be considered.
* The order here refers to the order for procurement by the PARTY to the Principal. Here the principal is the vendor to the party
* Once the order is confirmed, the client tracks the delivery based on the order. The delivery is made by the principal to the PARTY. However, the delivery check, track of materials, the rate validation, the documentation, other charges as per terms etc. all are managed and generated by the client on behalf of the principal
* Once the delivery is done and confirmed by the PARTY, the bill submitted is meant to be processed. The client does all the relevant activities and processes all the relevant documentation required by the PARTY to process the bill. The bill once processed is released for payment.
* The payment is sent by the PARTY to the principal directly.
* Once the principal receives the payment, the client raises the commission bill to the principal in lieu of the services extended to the principal.

As mentioned above, being the broad level process flow, the subsequent section defines the sub functions and the form level information required to map the processes through an application software.

## MASTER DATA MANAGEMENT

The sub section Master Data Management defines the master data components required for the proposed scope to manage the end-to-end operations of the client restricted to the scope of this application.

### Company/ Agency Master Data

Creating Agencies, which shall be used for the billing and commissioning.

The following information shall be provisioned for the agency master

* Agency Name
* GST Type (Registered/Unregistered)
* PAN No
* GSTIN No
* KGSL Code (??)

### Seller Master

This refers to the customers of the client. In the context of the application and the business this is being considered as the buyer.

The following information shall be captured for the Seller Master:

* Seller Name
* Short Name
* Billing Address Line 1
* Billing Address line 2
* Country
* State
* Pin
* Contact Person Name
* Contact Person email ID
* Contact Person Mobile No
* GST Type (Registered/Unregistered)
* GST No (If registered then mandatory)
* Plant Code (Fetch from plant master data)

A Seller may have multiple dispatch address which is the referred to as the plant. The details of the dispatch address have to be input and linked to the Seller

* Dispatch Address Short Name
* Address Line 1
* Address Line 2
* State
* Country
* Plant Code
* Plant Name

### Buyer Master

The Buyer Master is the end customer who actually consumes the products. In this context of the business application the entity is titled as Buyer. The following information shall be captured for the Buyer Master:

* Name
* Short Name
* Address Line 1
* Address Line 2
* State
* Country
* Contact Person
* Contact Person Email ID
* Contact Person Mobile No
* GST Type
* GST Reg No

Each buyer may have multiple shipping address and hence the provision for the same shall be provided in the Buyer Master. The user after making the buyer shall be redirected to a screen to make the shipping address for the buyer.

* Shipping Short Name
* Zone
* Shipping Short Code
* Shipping Party Code
* Destination
* Place of Supply
* Address Line 1
* Address Line 2
* State
* Contact Person
* Contact Email
* Contact Mobile

### Freight and Other Price List for Agency

For each buyer and seller and the order type (Direct or Contract) the freight rates and the commission rates are different. The system needs to have the provision for capturing the data so that the same can be impacted in the transaction level.

The user will have the provision to select the agency in the header of the form and define the multiple line items for the rates for the agency.

The information shall be captured in a certain manner which is illustrated in the table below:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Agency Name: XXXXXXXX | | | | | |
| Buyer Name | Seller Name | Order Type | Rate per KM | Copper Charge | Commission Rate |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

Based on the structure proposed, the user will have the ease of putting in records as per the last application structure.

### Grade Master

* Grade Name
* Material Type
* Quality Code

### Item Master

The product master shall have the following inputs provisioned to be captured. The structure has been optimized in compared to the present application being used and the change has been suggested considering the user compliance.

* Item Name
* Item Category (two fixed types With Copper and Without Copper)
* Thickness
* Width
* Length
* Size (“Thickness” X “Width” X “Length”) (Concatenate and auto populate as 11X1450X9650)
* Product Type (if the width is 900-1250 then CR and above 1250 is HR) OR (can also populate based on the grade selected)
* Grade (Fetch from Grade Master)
* Tender Serial Number
* Quality Code (Populate based on the grade selected)
* Product Type
* HSN Code

### Distance Charter

Based on the shipping address of the buyer and the dispatch plant/location of the seller the distance master needs to be prefilled by the user. The system will have the provision to capture the information for the same in the manner as mentioned in the table below

* Buyer Shipping Address (fetch from the Buyer Ship Address sub master form of the Buyer Master)
* Seller Dispatch Address Short Name (Fetch from the Seller Address Sub Master from the Seller Master)
* Plant Code (Auto populate based on the Seller Dispatch Short Name)
* Distance in KM (manual input)

### Item Price List Master

After the item is defined the price list for the item needs to be defined. The item wise price list is defined with the following considerations:

* The item prices are not different agency wise
* The item prices are different for a buyer and seller combination and items
* For a particular buyer and seller combination the price of an item may be same or different

Based on the above consideration a simple structure has been defined for the Buyer and seller combination for all items

|  |  |  |  |
| --- | --- | --- | --- |
| Buyer Name: XXXXX | | Seller Name: XXXXXXX | |
| Item Name | Price | | Price With Copper |
|  |  | | \*\*This is auto computed based on a calculation on the base price |
|  |  | |  |

It is also probable that we assign a price list number to this price list for the Buyer and Seller combination for a batter reporting requirement. The software shall also keep a provision to define multiple price lists for the same buyer seller and item combination provided the previous one is made inactive. This will help the user to keep a track of the changing prices and its audit trail.

## Transactions

Based on the Master Data defined above the transactions shall be generated. This section defines the transactions to be provisioned in the application and its considerations and impact on the workflow.

### Supply Invoice

The supplier invoice is the invoice for the supply of the material from the Seller to the Buyer which is generated by the client on behalf of the Seller. The invoice is generated in a media provided by the Buyer and post fact entry shall be provisioned in this application with the details of the reference numbers of the actual invoice posted in the Buyer portal/media.

The Supply Invoice will have a form with a header and a grid structure and shall The Supply Invoice shall capture the following Information.

The table below depicts the positioning and the information to be captured in the invoice screen

|  |  |  |
| --- | --- | --- |
| # | Field Name | Remarks |
| 1 | Buyer Name | Select the Buyer from the buyer master |
| 2 | Buyer Destination | Select the Destination from the Buyer Shipping Master |
| 3 | Seller Plant | Select the plant from the seller plant location from the seller ship master |
| 4 | Agency | Select from the agency master |
| 5 | SAP Order No | Manual input |
| 6 | Date | Manual Input |
| 7 | Invoice No | Manual input |
| 8 | Date | Manual Input |
| 9 | Tax | Fetch from the item |
| Grid Section | | |
| 10 | Item | User selects the item |
| 11 | Size | The size auto populates from the item master |
| 12 | Bundles | Manual input |
| 13 | Quantity | Manual Input |
| 14 | Basic rate | Manual Input |
| 15 | Price as per price list | Auto fetch from the price list |
| 16 | Debit/Credit Note | Based on the difference in the prices the system shows to generate a credit or a debit note |
| 17 | Freight | Manual input |
| 18 | Freight as per the price list | Auto fetch from the price list |
| 19 | Fr Debit or Credit Note | Based on the difference in the price list the system shows to generate a freight credit or debit note |
| Footer Section | | |
| 20 | Purchase Order No | Manual Input |
| 21 | Date | Manual Input |
| 22 | DO Number | Manual Input |
| 23 | Date | Manual Input |
| 24 | Delivery No | Manual Input |
| 25 | Date | Manual Input |
| 26 | Supply Order No | Manual Input |
| 27 | Date | Manual Input |
| 28 | LR No | Manual Input |
| 29 | Date | Manual Input |
| 30 | Payer Code | Manual input |
| 31 | Payer Name | Manual Input |
| 32 | Vehicle No | Manual Input |
| 33 | Transporter Name | Manual Input |
| 34 | Remarks | Manual Input |

### Credit Debit Note Creation

Based on the credit and debit note suggestions generated, the system should show the list of the proposed credit and debit notes with all the same details as the invoice. Based on this the user can select the relevant lines for debit and credit notes and post them.

There should be provision to adjust the same with the invoice for a credit note and generate the net receivable should be provisioned in the system

### Receipt Note

The system should have the provision to capture the payment receipt from the Buyer. The receipt will capture the following information in the system.

|  |  |  |
| --- | --- | --- |
|  | Invoice No | Select the unpaid invoices |
|  | Payment condition | 100% or 98%  In case of 98% the 2% amount should be shown, and this should remain unpaid in the invoice |
|  | Paid Amount | Based on 100% or 98% selection the amount comes as the paid amount |
|  | Receipt Date | Manual input |
|  | Receipt No | Manual input |
|  | Attachment | Attach the receipt image, if required |
|  | Remarks | Manual input |

### Reversal

There should be the option to book a reversal against an invoice based on the credit note generated.

\*\* This process needs a bit more clarity which shall be clarified after the finalisation of the project and during the development stage.

### Commission Invoices

The moment the invoice of the seller is paid, the system should auto calculate the commission based on the buyer seller commission amount and park the same for the posting.

The user should be able to see the provisional commission invoices in the list, view and edit the details and then post the details. The field level details of the commission invoice are evident from the commission invoice layout presented by the client.

The system should pick the agency from which the commission invoice to be generated from the seller invoice posted.

## PVC Clause

The Contract between “PARTY” and TSL has PVC (Price Variation Clause). This clause has been introduced by the “PARTY’ to resolve conflicts between TSL and PARTY due to variation in prices.

It will be a simple form and is meant for internal records only and will have a flow as mentioned below:

Select Invoice No. à Enter Base Month à Enter Economic Index à Formula Calculation à PVC amount Generation.

Based on the calculation mentioned by the client during the development, the PVC amount shall be generated as a report for the difference in the prices with the economic index.

## Reports

1. Complete Release Order – This report should show complete details of all the release orders received from the PARTY and their real time status, such as when the dispatches are made. (We will provide the Excel format of the same.) (Needs for discussion)
2. Dispatch details – Consignee wise – Dispatch status of each consignee as per the dispatches are made. It should show Order qty., dispatched qty. & balance qty.
3. Dispatch Details- Monthly & Cumulative– Monthly & Cumulative dispatch status of all consignees as per the dispatches are made. It should show Order qty., dispatched qty. & balance qty. (We will provide the Excel format of the same.)
4. Overdue Report – This report is meant to show the real time payment status of the supply invoice with regards to its payment to the TSL.

* Overdue >45 days; Outstanding <45 days
* Total Overdue, Total Outstanding
* No. of ageing days for each invoice
* Bill submission date
* Lead Time for payment

1. Commission Report (Bill-wise & Overall) – This report is meant to show the real time status of the commission bills.

* Available Invoices and their total, Paid invoices (which will be blocked in system) and their total.
* Processing stage along with date (Checking, Submission, Processed & Paid)
* Ageing days
* Overdue > 15 days
* Tabular list of Total No. of Commission Bills, Qty., Amount and Total.

1. Text box report – Total Contract Qty, Order Qty. Received.