RAMCO AVIATION SOLUTION

ENHANCEMENT NOTIFICATION

Version 5.8.3

Materials

contents

WHAT'S NEW IN PROCUREMENT MANAGEMENT?

Ability to record spares for subcontract PO

Reference: AHBG-8276

Background

In aviation industry, at times, cost of procurement is high for some parts which can be manufactured if all the raw materials are readily available, resulting in low cost in comparison to procuring the same part. Ramco M&E doesn't have a provision to facilitate subcontract manufacturing in PO to ship the raw materials to vendor and receive the manufactured part and also returnable spares through GI. Business requirement is to facilitate subcontract manufacturing by vendors to be managed in Purchase Order. This enhancement supports the following features:

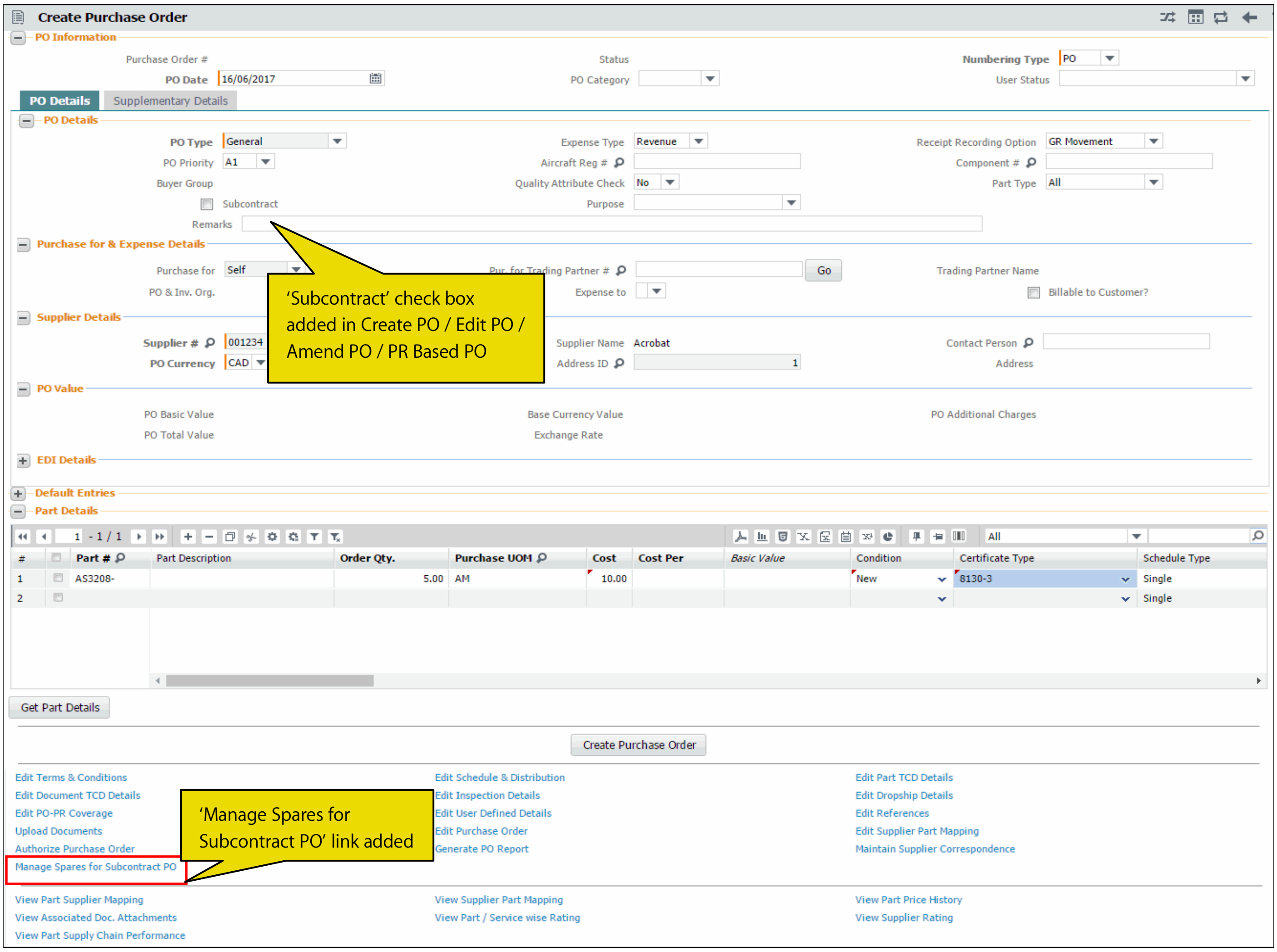
- Identify spare parts for Subcontract manufacturing against each PO Line # (Part Level).
- Issue Spare parts and ship it to vendor against the PO document.
- Record Usage information of spares and facilitate return of unused spares.
- Ship additional spares as requested by the vendor without requiring PO approval.
- Add spares cost during receipt of manufactured parts along with the Order Cost and value in inventory.
- Shortclose PO document and receive the spares back.
- Separate Numbering type for PO spares issue

Change Details

Purchase Order

A new checkbox 'Subcontract' is added in PO details section and a new link **Manage Spares for Subcontract PO** is added in Create PO / Edit PO / Amend PO / PR Based PO screens, to facilitate subcontract manufacturing by vendors. Also a display only field 'Subcontract' is added in View PO screen.

Exhibit 1: Identifies the addition of 'Subcontract' check box and **Manage Spares for Subcontract PO** link in **Create Purchase Order** screen

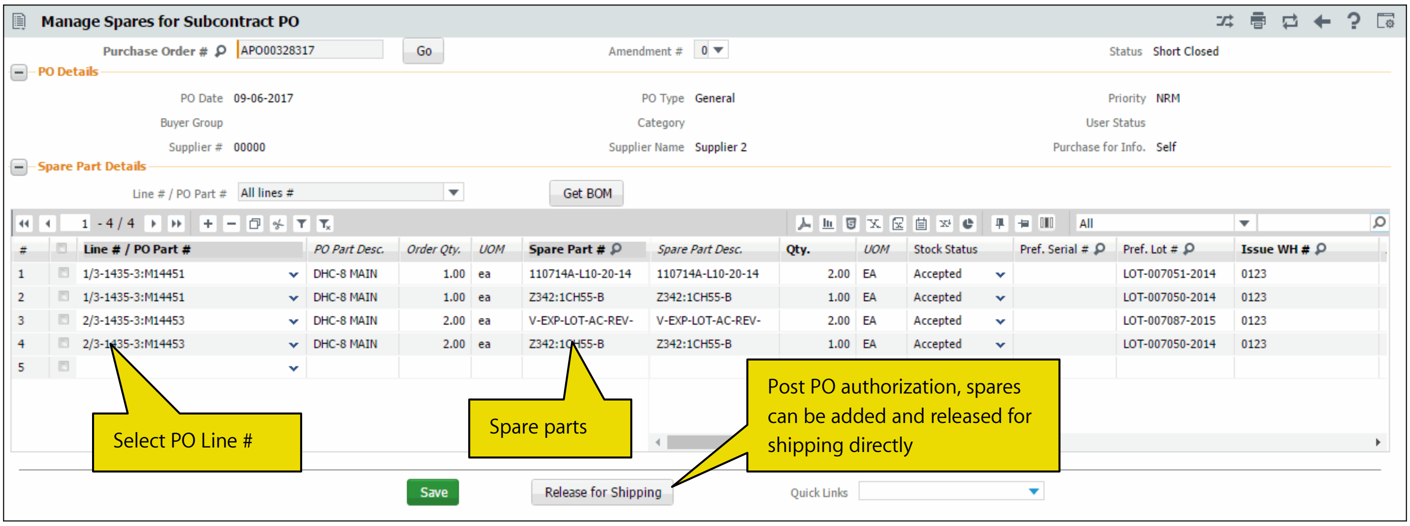


Manage Spares for Subcontract PO

A new activity **Manage Spares for Subcontract PO** is added as a left pane activity and as links in Create PO / Amend PO / PR Based PO screens in **Purchase Order** business component**.** This activity facilitates subcontract manufacturing of parts by shipping the spares to vendors.

i. Select the Line # of the PO.
ii. Identify the Spare Parts to be shipped against the PO Part # (Spare Parts can be specified at PO Line # level only when the 'Subcontract' is selected for the PO).
iii. Specify Serial # / Lot # to be shipped (optional)
iv. Specify the Issue Warehouse and the Issue Basis (I.e. Returnable or Non-Returnable) of the spare parts.
v. Specify the Returnable Warehouse information for Returnable parts.
vi. Once spares details are saved against a Purchase order, then Post PO authorization, spares will be shipped automatically (i.e. Issue will be created automatically) to vendor provided there is a stock exists in the inventory for the recorded spares.
vii. Post PO authorization, spares can be added and released for shipping directly without requiring to amend / authorize the PO.

Exhibit 2: Identifies the **Manage Spares for Subcontract PO** screen in **Purchase Order** business component



Stock Issue:

Existing **Create Exchange Issue** activity is now renamed as **Create Exchange / Subcontract** Issue. Spare parts that are not shipped due to non-availability of spare quantity in the inventory will be queued in Create Exchange/Subcontract Issue screen.

A new Issue Type 'Subcontract Issue' is added in the Issue Type drop down in the Search Criteria in **Confirm Issue** screen and select pages of **Edit Issue** and **View Issue** screens. On selecting this value, 'Ref. Document Type' drop-down provides the values 'General PO' and 'Express PO'.

Manage Spares Usage details

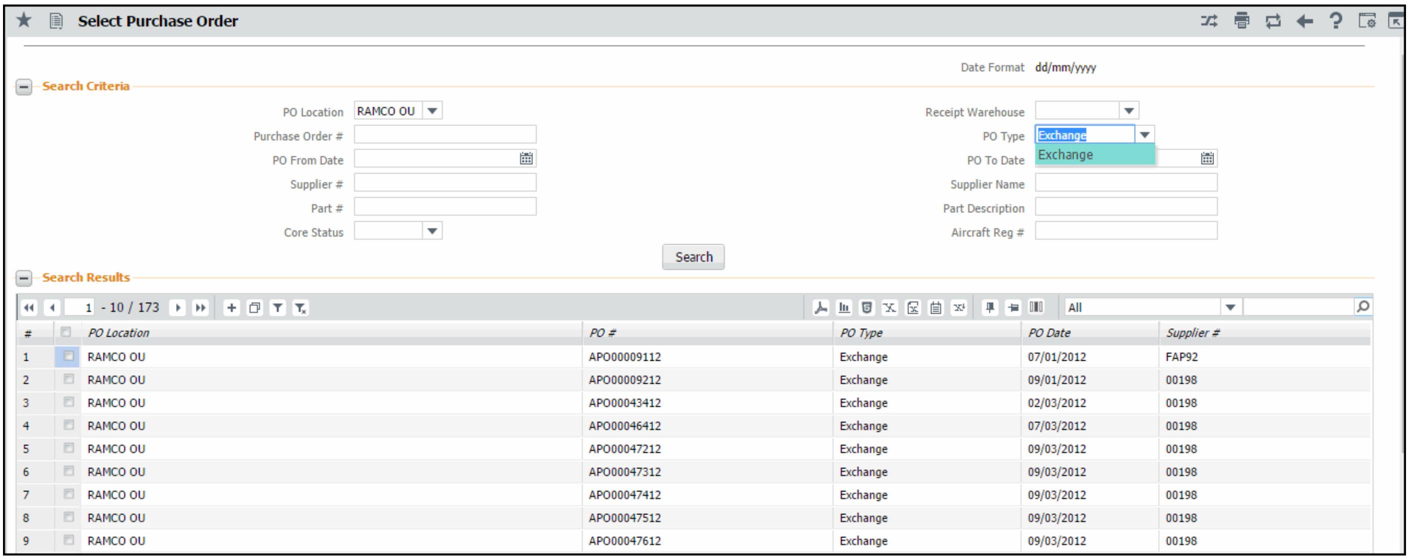
A new activity **Manage Spares Usage details** has been added to record the usage information of shipped spares. Upon completion of subcontract manufacturing vendor will share the usage quantity or Reconcile quantity. Based on Usage details (i.e. Used Qty), system will update the pending receipt qty information in GI. Through Goods Inward, Receiving clerk will receive the Manufactured Units as well as unused parts upon receipt of manufactured part.

i. **Used Qty** – Quantity of spare parts that are used for manufacturing operations and are not expected to be returned. Used Qty will be automatically updated with the issued quantity for non-returnable spares as identified in the **Manage Spares for Subcontract PO** screen.

ii. **Reconciled Qty** – Spares that are not consumed while manufacturing, but vendor is not able to return the spare parts in case of exceptions like lost in transit or damaged during shipment. Spare Parts value of the Reconciled Qty will not be added to the PO Part Cost during receipt.

iii. **Return Warehouse** – Warehouse at which spare should be returned.

Exhibit 3: Identifies the select screen **Create Exchange / subcontract Issue** activity



Select Purchase Order

Date Format dd/mm/yyyy

Search Criteria

PO Location RAMCO OU

Purchase Order #

PO From Date

Supplier #

Part #

Core Status

Receipt Warehouse

PO Type Exchange

PO To Date

Supplier Name

Part Description

Aircraft Reg #

Search

Search Results

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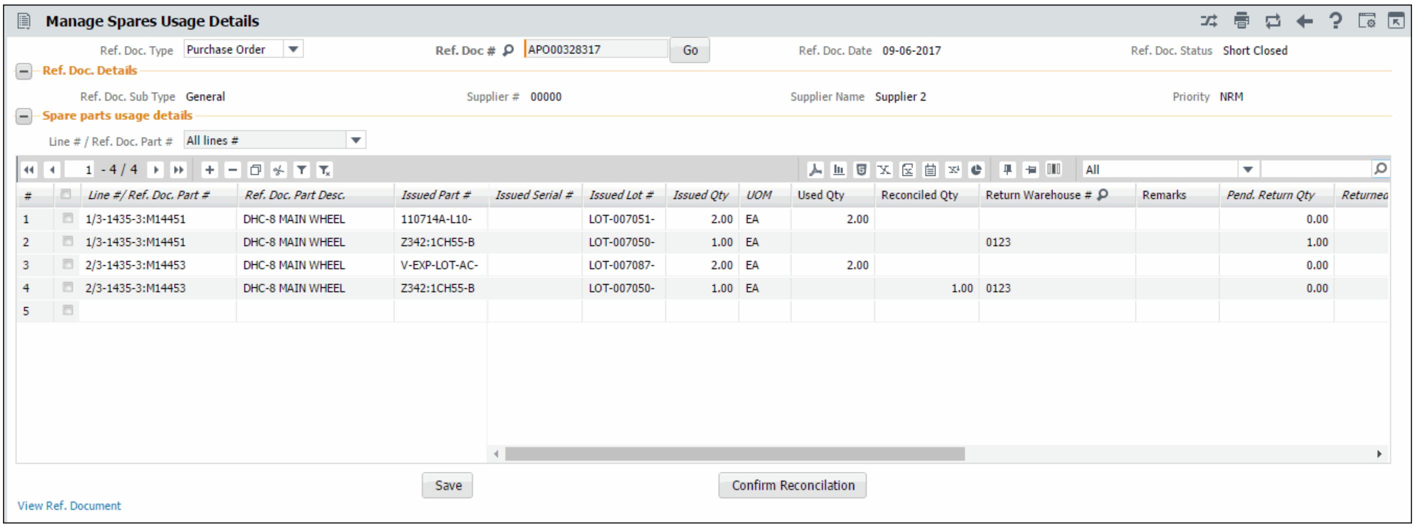
#	PO Location	PO #	PO Type	PO Date	Supplier #
1	RAMCO OU	APO00009112	Exchange	07/01/2012	FAP92
2	RAMCO OU	APO00009212	Exchange	09/01/2012	00198
3	RAMCO OU	APO00043412	Exchange	02/03/2012	00198
4	RAMCO OU	APO00046412	Exchange	07/03/2012	00198
5	RAMCO OU	APO00047212	Exchange	09/03/2012	00198
6	RAMCO OU	APO00047312	Exchange	09/03/2012	00198
7	RAMCO OU	APO00047412	Exchange	09/03/2012	00198
8	RAMCO OU	APO00047512	Exchange	09/03/2012	00198
9	RAMCO OU	APO00047612	Exchange	09/03/2012	00198

Exhibit 4: Identifies the new screen **Manage Spares Usage Details** in **Stock Issue** business component



Manage Spares Usage Details

Ref. Doc. Type Purchase Order Ref. Doc # APO00328317 Go Ref. Doc. Date 09-06-2017 Ref. Doc. Status Short Closed

Ref. Doc. Details

Ref. Doc. Sub Type General Supplier # 00000 Supplier Name Supplier 2 Priority NRM

Spare parts usage details

Line # / Ref. Doc. Part # All lines #

1 - 4 / 4

#	Line #/ Ref. Doc. Part #	Ref. Doc. Part Desc.	Issued Part #	Issued Serial #	Issued Lot #	Issued Qty	UOM	Used Qty	Reconciled Qty	Return Warehouse #	Remarks	Pend. Return Qty	Returned
1	1/3-1435-3:M14451	DHC-8 MAIN WHEEL	110714A-L10-		LOT-007051-	2.00	EA	2.00				0.00	
2	1/3-1435-3:M14451	DHC-8 MAIN WHEEL	Z342:1CH55-B		LOT-007050-	1.00	EA			0123		1.00	
3	2/3-1435-3:M14453	DHC-8 MAIN WHEEL	V-EXP-LOT-AC-		LOT-007087-	2.00	EA	2.00				0.00	
4	2/3-1435-3:M14453	DHC-8 MAIN WHEEL	Z342:1CH55-B		LOT-007050-	1.00	EA		1.00	0123		0.00	
5													

Save Confirm Reconciliation

View Ref. Document

Document Numbering Class:

A new transaction 'Subcontract Issue' has been defined under Stock Issue Business Component name in Inventory function area in Maintain Numbering Privileges screen under Document Numbering Class business component.

User Defined Stock Status:

A new transaction 'Subcontract Issue' has been added in the Transaction Mapping Details under the Transaction mapping screen available under **User Defined Stock Status** business component.

Logistic Common Masters:

The following set options are added in the **Set Inventory Process Parameters** activity of the **Logistics Common Masters** business component:

i. A new set option is added under the Category 'MMD Report' to facilitate printing of MMD report for Subcontract Issue.

- Print MMD for Subcontract Issue?, if the option is set as
  - 'Not required' – Indicates that the MMD Report need not be printed when General Issue is created.
  - Auto Issue – Indicates that the MMD Report needs to be printed when Subcontract Issue is created automatically.
  - Manual Issue - Indicates that the MMD Report needs to be printed when Subcontract Issue is created manually.
  - Both Auto & Manual Issue - Indicates that the MMD Report needs to be printed when Subcontract Issue is created automatically or manually.

ii. A new set option is added under the Category 'Hazmat Compliance'.

- 'Subcontract Issue', if the option is set as
  - Enforce Compliance – This option will enforce the user to record hazmat compliance if there are hazmat parts in Subcontract Issue.
  - Not Required – This option will not enforce the user to record hazmat compliance.

iii. A new set option is added under the Category 'Inspection'.

- 'Subcontract Issue', if the option is set as
  - Required – Indicates that inspection is required for the subcontract Issue.
  - Not Required – Indicates that inspection is not required for the subcontract Issue.

iv. A new set option is added under the Category 'Shipping Note – Applicable Transactions'.

- 'Subcontract Issue', if the option is set as
  - Required – Indicates that Subcontract Issue documents will be considered for Shipping Note.
  - Not Required – Indicates that Subcontract Issue documents will be considered for Shipping Note.

Goods Inward:

Goods Inward document is enhanced to receive the spares against a Purchase Order (Subcontract) document.

Based on the Manage Spares Usage details against the Purchase Order (Subcontract), Pending receipt quantity for the spares will be derived in the Goods Inward (i.e., If Spares are shipped for 5 EA and 3 spares are used while manufacturing, then pending receipt qty will be updated as 2 EA). Spares that are Used while manufacturing, cost will be added to the Manufactured part (i.e. If 5 spares are shipped to vendor against one manufactured part each having a value of USD 120 and the Order cost for the manufactured part in the PO is USD 1200. All the spares are utilized while manufacturing, then the manufactured part cost at the time of receipt is USD 1800). If the spares are shipped against multiple manufactured parts then the used spares cost will be apportioned to received parts.

Ability to manage accounting for Subcontract Manufacturing through PO

Reference: AHBG-7655

Background

The manufacture of some of the aircraft parts may need to be outsourced to an external agency for reasons like lack of expertise or manufacturing infrastructure or cost efficiency. These new parts will then be purchased and received into the inventory by means of a purchase order. Therefore, a provision to manage accounting for the manufacturing expenditure of parts subcontracted to an external agency was required to be incorporated in the Finance function of the product.

Change Details

In order to facilitate the accounting of part manufacture by an external agency, the following changes have been built into the system:

- New Automatic Posting Account (Transit Account): "Subcontract Production WIP" will be introduced for WIP accounting of Spares issued in Subcontract manufacturing in the Create Operative Chart of Accounts page of Accounting Setup. The user must follow the below-mentioned combination while creating account code for Auto Post Account Type - **SUBCONTRACT PRODUCTION WIP**:
    1. Currency- Base Currency
    2. Account Group- Asset
    3. Account Classification- Balance Sheet
    4. Automatic Posting Account Type- SUBCONTRACT PRODUCTION WIP
    5. Layout Heading - Only Asset Headings shall be allowed
- **Subcontract Production WIP – Breakup** report for the value of Spares with the vendor will be introduced to list the balance available against the each of the Subcontract purchase orders (VAB)
- New Predefined usage **SUBCONCONSUMPTION** will be introduced to account post the residual Spare Cost to Consumption in **Account Rule Definition**
- Default Cost Center for **SUBCONCONSUMPTION** will be captured in the Set Parameters- Default Cost Center activity of **BU Parameter Setup**

Account posting for subcontracted parts

Example 1: Costing of Subcontract PO with spares shipment.

Step 1: Subcontract PO

Purchase Order	PO Part #	Order Qty	Order Cost (Per Unit)
PO-002312-16	0-0001-368-106	1	200
	0-0050845-2	1	200

Step 2: Spares to be shipped for Subcontract PO

Purchase Order	PO Part #	Spare Part #	Qty	Issue Basis	Spares Cost
PO-002312-16	0-0001-368-106	254786752	1	Returnable	50
		0-008-106-01	1	Non-Returnable	50
	0-0050845-2	542-789-732	1	Non-Returnable	50
		254786752	1	Non-Returnable	50

Accounting Entry – Spare Issue	
Account	**Amount in $**
Subcontract Production WIP a/c Dr.	200
Inventory (stock a/c) Cr.	200

Step 3: Spares Usage Details for Subcontract PO

Purchase Order	PO Part #	Spare Part #	Issued Qty	Used Qty	Pending Return Qty
PO-002312-16	0-0001-368-106	254786752	1		1
		0-008-106-01	1	1	
	0-0050845-2	542-789-732	1	1	
		254786752	1	1	

Step 4: Receiving manufactured parts

Goods Receipt	PO Part #	Serial #	Rcvd./Accepted Qty	Order Cost	Consumed Spares cost
GI-000121-16	0-0001-368-106	MFR-031	1	200	50
	0-0050845-2	MFR-042	1	200	100

Accounting Entry – Receipt of Manufactured Part		
Account	**Amount in $** **Part 1: 0-0001-368-106**	**Amount in $** **Part 1: 0-0050845-2**
Stock Suspense a/c Dr. (Order Cost)	200	200
Supplier Suspense Cr. (Order Cost)	200	200
Stock Suspense a/c Dr. (Spare Cost)	50	100
Subcontract Production WIP a/c Cr. (Spare Cost)	50	100

Step 5: Receiving unused spare Parts

Goods Receipt	Spare Part #	Serial #	Received Qty	Issued Spare Cost	Received Spare Cost
GI-000121-16	254786752		1	50	50

Accounting Entry – Receipt of Unused Spare Part	
Account	**Amount in $**
Stock Suspense a/c Dr. (Spare Cost)	50
Subcontract Production WIP a/c Cr. (Spare Cost)	50

Step 6: Moving Manufactured Parts to Inventory

Goods Receipt	PO Part #	Serial #	Moved Qty	Inventory Value
GI-000121-16	0-0001-368-106	MFR-031	1	250

Accounting Entry – Movement of Manufactured Part		
Account	**Amount in $** **Part 1: 0-0001-368-106**	**Amount in $** **Part 2: 0-0050845-2**
Inventory a/c Dr. (Total Cost)	250	300
Stock Suspense a/c Cr. (Total Cost)	250	300

Note: The above features involve commercials and are not available for all customers. Please contact your Ramco Account Manager.

Ability to record multiple instances of Exchange Fee by amending PO even after closure

Reference: AHBG-13807

Background

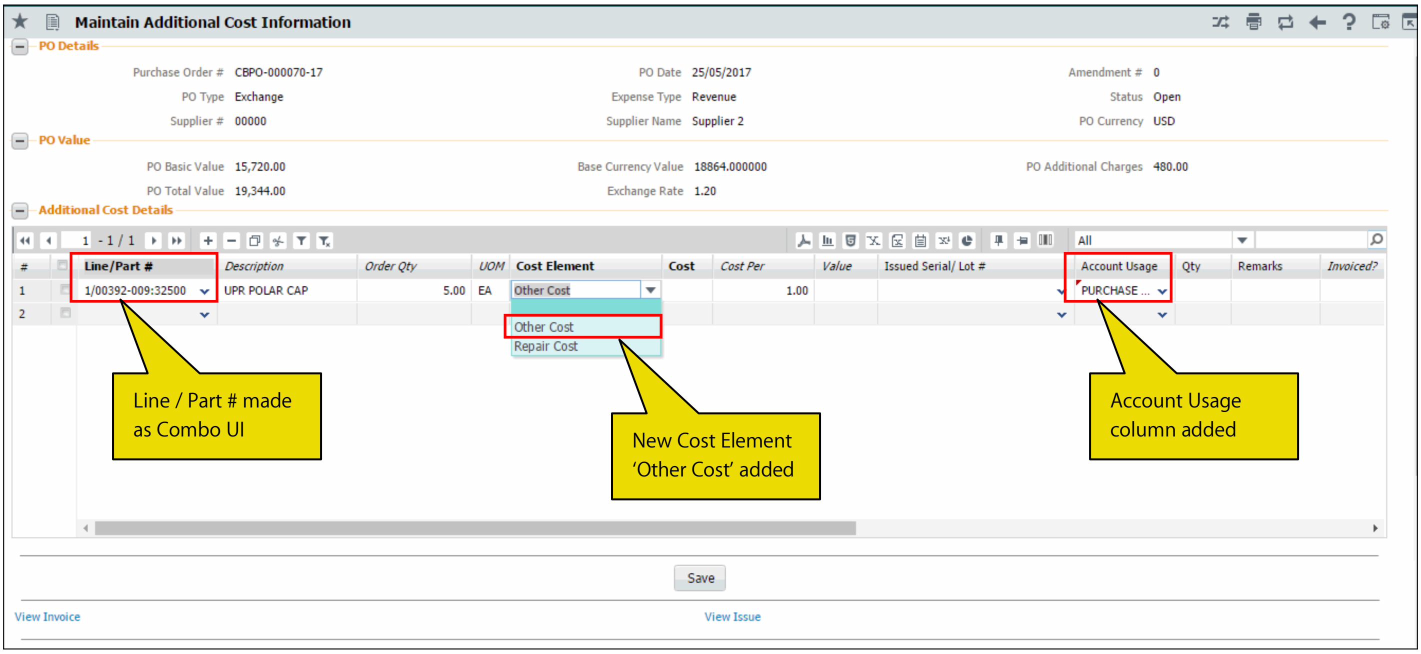
In an exchange PO scenario, typically the unserviceable core unit will be issued and a serviceable unit will be received from the Supplier. However, if the unserviceable unit is not issued to the supplier within a specified time (as in terms and conditions), a penalty is imposed on the buyer as a late fee. Business Requirement is to provide an ability to record multiple instances of late fee or additional fee charged in an Exchange PO.

Change Details

The following changes are made in the **Manage Additional Cost Information** screen in **Amend Purchase Order activity** of **Purchase Order** business component.

1. **Line/Part #** combo is changed as combo UI in the multiline**.**
2. New Value 'Other Cost' is added in the 'Cost Element' drop-down list box.
3. A new drop-down list 'Account Usage' is added in the multiline.

Exhibit 1: Identifies the **Manage Additional Cost Information** screen in **Purchase Order** business component



Financial Postings for Invoice Processing:

1. If the Repair Cost / Other Cost is recorded, then on Authorization of PO, the cost information is posted for invoice creation.
2. If the Repair Cost / Other Cost is modified and PO is amended, then on Authorization of amended PO, the modified cost (i.e. Old Cost - Modified Cost) information is posted for invoice creation.
3. If the cost is Repair Cost / Other Cost is amended / modified and if PO Status is 'Closed' and the option 'Authorization of Cost amendment of "Closed" PO' is set as 'Required' in **Purchase Options Settings** page, then on Authorization of PO, the cost information (in case of recording) and or difference of cost (in case of modification) information is posted for invoice creation.

Ability to generate Incremental invoice for Exchange PO

Reference: AHBG-14154

Background

Other Fees, such as Penalty or Late fee is charged on Exchange purchase orders subsequent to the receipt/issue of goods. In addition, Repair Costs can be charged against the Core shipped. To account for these expenses, Exchange purchase orders are amended with such additional costs. This enhancement enables to account for such amendments to the Repair Costs and Other Fees.

Change Details

The Accounting for the Repair Cost and the Other Cost added during amendment of the Purchase Order takes place during the Amendment and Authorization of the Purchase Orders. **Maintain Invoice** has been enhanced to enable invoicing of such amendments independently as an incremental Invoice at an Entity level i.e. (Exchange Fee, Repair Cost and Other Cost). In the **Maintain Invoice** activity, the "Invoice Remarks" field will display the "Accounting Usage & Invoicing Remarks" recorded in the associated Exchange purchase order with "Entity" as "Other Cost".

Note: For 'Closed' purchase orders, if the process parameter "Authorization required for amendment" is

- 'No', the accounting entry is posted on approval of purchase orders
- 'Yes', the accounting entry is posted on authorization of the amendment purchase order

Ability to specify taxable amount in Document level TCD and Part level TCD in PO

Reference: AHBG-14192

Background

Business requirement is to provide the ability to specify or modify the Taxable Amount while recoding Document level TCDs and Part level TCDs in Purchase Order.

Change Details

The following changes are made in **Logistics Common Master** and **Purchase Order** business components:

1. A new set option is added under the Category 'Purchase Order' in the **Purchase Option Settings** activity of the **Logistics Common Master** business component.
   - 'Allow modification of taxable amount?' provides the following options:
     - Allowed – User will be allowed to modify the Taxable amount in Edit Document TCD and Part TCD screens.
     - Not Allowed - System will not allow user to enter or modify the Taxable amount in Edit Document TCD & Part TCD screens.
2. A new editable control 'Taxable Amount' is added in 'TCD Details' multiline in **Edit Part TCD Details** screen and **Edit Document TCD Details** screen in **Purchase Order** business component.
3. A new display control 'Taxable Amount' is added in 'TCD Details' multiline in **View Part TCD Details** screen and **View Document TCD Details** screen.
4. A new field 'Taxable Amount' is added in Purchase Order Report under 'Additional Charges' section in both PO Document Level TCD and PO Part level TCD sections.

<u>**TCD Amount Computation Logic**</u>

TCD Amount is calculated based on the Taxable Amount defaulted or modified in the **Edit Part TCD Details** and **Edit Document TCD Details** screens.

- If the Taxable Amount is defaulted in the 'TCD Details' multiline, the TCD amount is computed based on the defaulted Taxable amount.
- If the Taxable amount is entered by the user in the multiline, TCD Amount is calculated based on the user entered Taxable Amount. System will allow user to enter or modify the Taxable Amount only if the option 'Allow modification of taxable amount?' is set as 'Allowed' in the **Purchase Option Settings** activity.

If the PO Cost is modified in the Purchase Order and Taxable amount <u>is not entered</u> by the user,

- The system updates the Taxable amount available in the TCD as Modified PO Cost.
- TCD Amount <u>must be recomputed</u> for the new Taxable amount
- Difference in the TCD amount (i.e. +ve or -ve), is posted appropriately

If the PO Cost is modified and Taxable amount <u>is entered</u> by the user,

- The system does not update the Taxable amount available in the TCD as Modified PO basic Cost
- TCD Amount <u>is not recomputed</u> for the new Taxable amount

Exhibit 1: Identifies the option setting defined in **Purchase Option Settings** screen

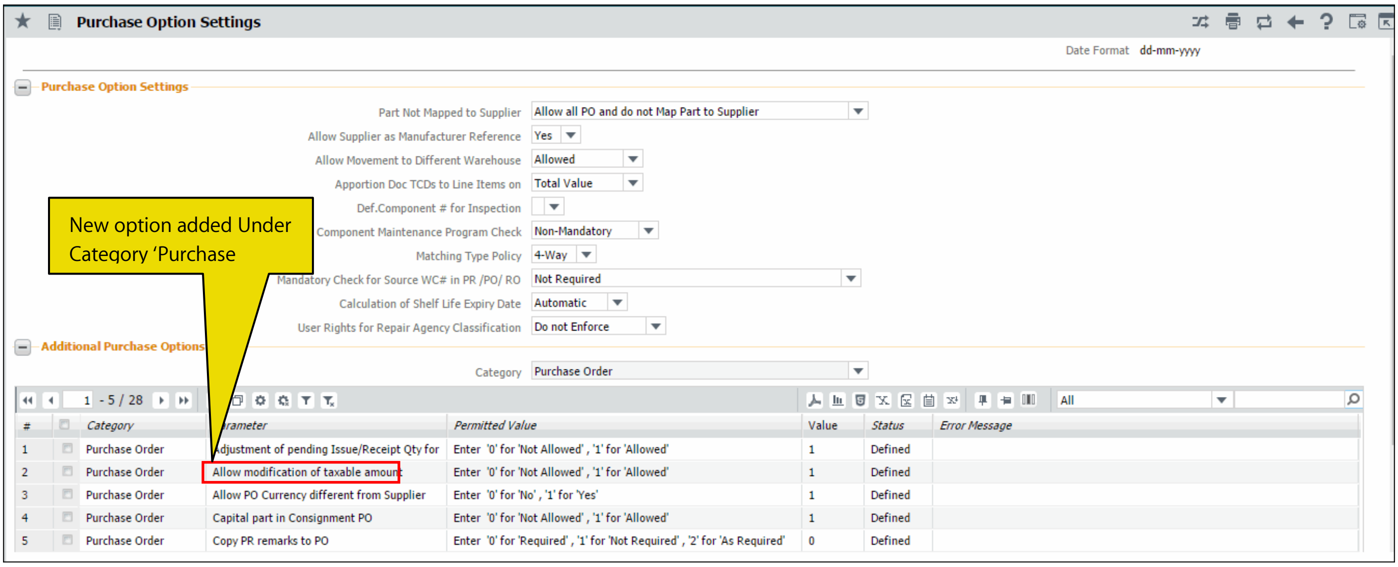


Exhibit 2: Identifies the editable control 'Taxable Amount' added in **Edit Part TCD Details** screen

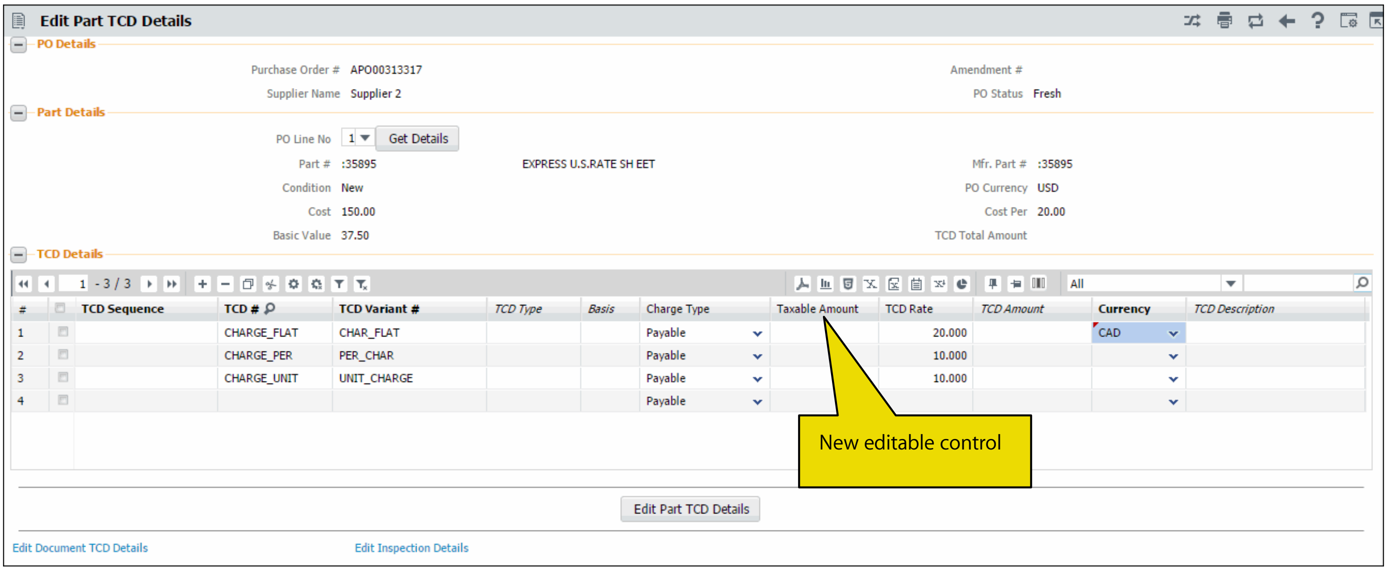


Exhibit 3: Identifies the editable control 'Taxable Amount' added in **Edit Document TCD Details** screen

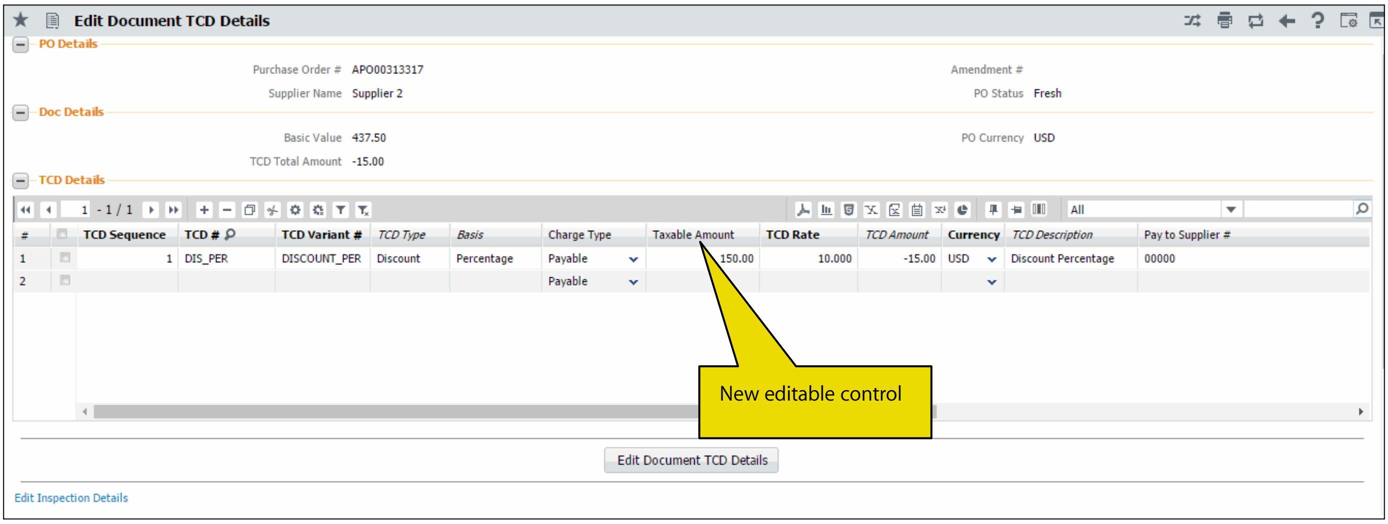


Exhibit 4: Identifies the display only control 'Taxable Amount' added in **View Part TCD Details** screen

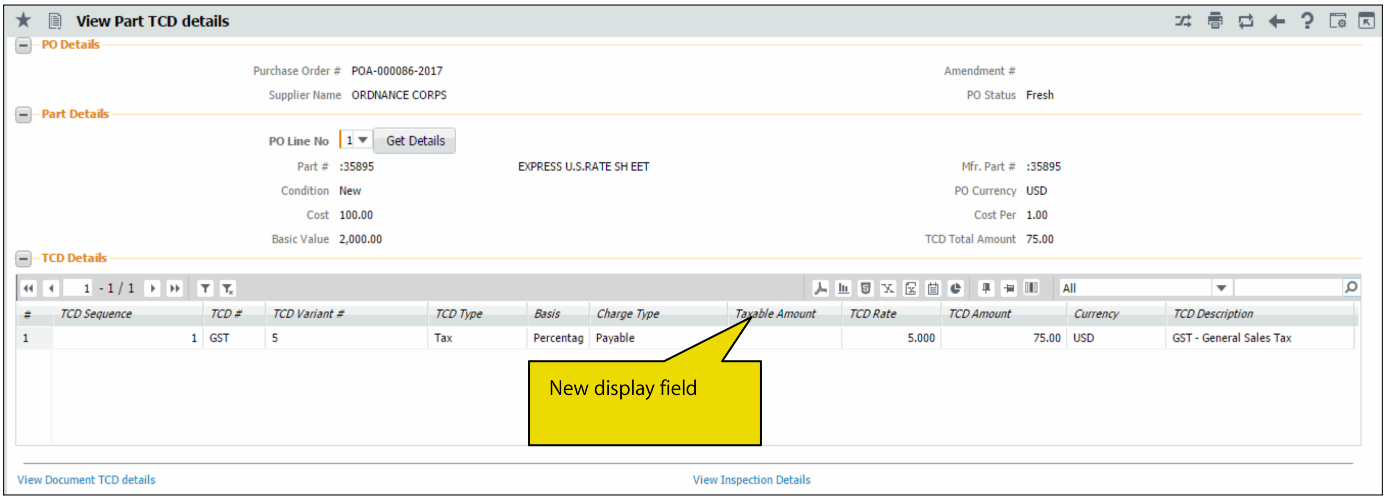


Exhibit 5: Identifies the display only control 'Taxable Amount' added in **View Document TCD Details** screen

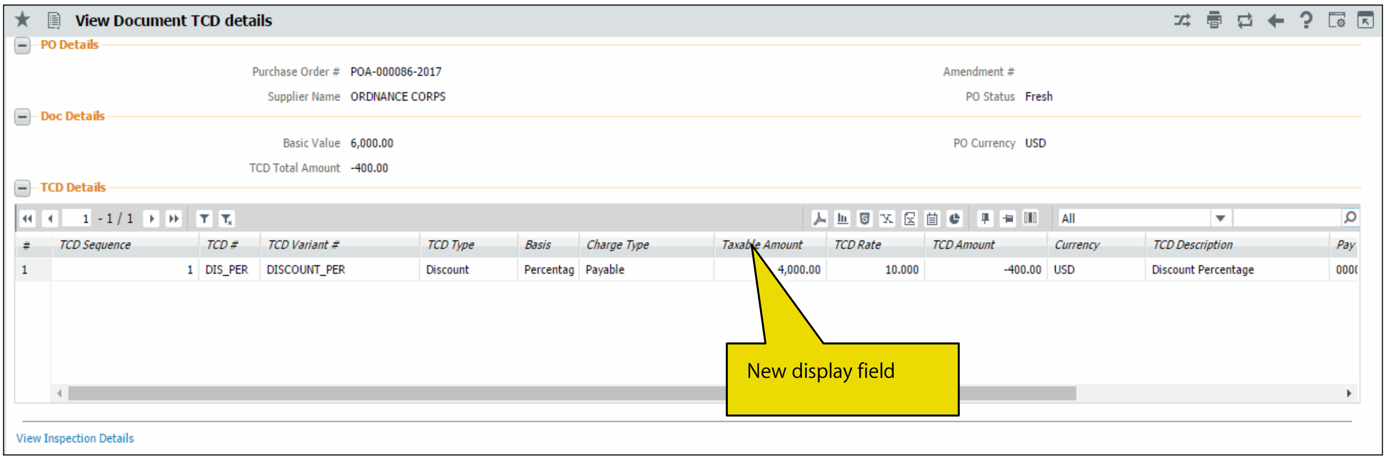


Exhibit 6: Identifies the Taxable Amount field added in **Purchase Order Report**

PURCHASE ORDER
RAMCO SYSTEMS LIMITED1

Mail Invoices To : RAMCO SYSTEMS LIMITED1
2311 Alfred-Nobel Boulevard,
St Laurent,QC,
Canada H4S 2B6

Phone : +91 44 22SMO5 4510
Fax # : +91 44 22SMO0 1859
Website : WWW.RAMCO.COM

Supplier: Supplier 2
74 N WASHINGTON,
BATTLE CREEK,MI,
UNITED STATES,600113

Contact Person : Sabari
Phone : 123456789
Fax # : TEST
E-Mail : 123@GMAIL.COM

Purchase Order # : APO00336217
Amendment # : 1

PO Type : General

THIS NUMBER MUST APPEAR ON ALL INVOICES, PACKING SLIP, PACKAGES & CORRESPONDENCE.

Ship To : RAMCO SYSTEMS LIMITED1
1, New Tower, Green Park Road,

SUPPLIER #	PO DATE	SHIP BY	QUOTATION #	INCO TERM	CURRENCY	PAY TERM
00000	14-06-2017	As per routing guide			USD	N030D000_00.0

BUYER	E-MAIL	PHONE: / FAX:	APPROVED BY
DOMINIC SENECHAL			DOMINIC SENECHAL

LINE#	PART #	PART DESCRIPTION	DUE DATE / CERT TYPE	QTY / CONDITION	UOM	UNIT COST	ITEM TOTAL
1	:35895	EXPRESS U.S.RATE SH EET	18-08-2017	10.00 New	ea	10.00	100.00

New display field

ADDITIONAL CHARGES

PO Document Level TCD

S.No	TCD # / TCD Description	TCD Variant # / TCD Rate	TCD Type / TCD Basis	TCD Amount	Taxable Amount
1	VAT-5 / VAT-5	VAT-5 / 5.00	Tax / Percentage	4.50	4.50
2	DISCOUNT / FLAT DISCOUNT	DISCOUNT / 10.00	Discount / Percentage	-2.00	-2.00

SUB TOTAL 2.50

Total Additional Charges : 2.50

WHAT'S NEW IN REPAIR ORDER?

Ability to procure repair services on behalf of customer through RO

Reference: AHBG-13961

Background

Currently if a part is being repaired for a customer, first the part has to be received by the login organization and then it would have to be sent to repair agency for repair. As part of scheduled / unscheduled maintenance activities, MRO sends the unserviceable components to third party vendor to get it repaired. Under this enhancement, system would be able to capture, for whom the part is being repaired. Now, a choice is provided to repair parts for a customer or for the login organization. If the part is being repaired for a customer, the customer #, customer name and RO and Invoice Organization of the customer would also be tracked. Using this feature, one can repair parts for group companies of the organization unit.

Change Details

The following changes are made to address the above business need:

1. A new set option is added under the Category 'Repair Order' in the **Purchase Option Settings** activity of the **Logistics Common Master** business component
2. A new set option is added under the Category 'Repair For Customer' in the **Manage Additional Options** screen of the **Customer** business component
3. New controls 'Repair for' and 'Trading Partner' are added in entry screens of **Edit Repair Order** / **Authorize Repair Order** / **View Repair Order** screens and in **Help on Repair Order** screen**.**

<u>**Logistics Common Master**</u>

A new set option is added under the Category 'Repair Order' in the **Purchase Option Settings** activity of the **Logistics Common Master** business component.

- 'Repair Parts on behalf of Customer?' provides the following options:
  - Allowed – Repair services are allowed on behalf of customer.
  - Not Allowed - Repair services are not allowed on behalf of customer.

<u>**Customer**</u>

A new set option is added under the Category 'Repair For Customer' in the **Manage Additional Options** screen of the **Customer** business component.

- 'Parts Repair on behalf of Customer?' provides the following options:
  - Allowed – Repair services are allowed on behalf of customer.
  - Not Allowed - Repair services are not allowed on behalf of customer.

- 'Default Numbering Type for Repair Order'
  - Specify a valid numbering type applicable for Repair Order transaction.

- 'Default Numbering Type for Repair Receipt Transaction Document'
  - Specify a valid numbering type applicable for Goods Inward transaction

- 'Default Numbering Type for Repair Order Issue'
    - o Specify a valid numbering type applicable for Repair Order Issue transaction

Repair Order

The following controls are added in **Help on Repair Order** and entry screens of **Edit Repair Order** / **Authorize Repair Order** / **View Repair Order** screens.

a. Combo control 'Repair for' with editable field to enter Trading Partner # is added in Search Criteria. The 'Repair for' combo lists the values 'Self', 'Customer' and 'Supplier'.

b. Two display only fields 'Repair for' and 'Trading Partner' are added in the multiline.

When an automatic Repair Order is generated through AME / SWO / CO and If the RO has Customer # reference, and for the Customer #,

- if the option setting "Repair Parts on behalf of Customer?" is set as 'Allowed' in the **Manage Additional Options** screen, then Repair Order is generated on behalf of the Customer # with 'Repair for' updated as "Customer", 'Repair for Trading Partner #' as "Customer #" and Trading Partner Name as the 'Customer Name' as defined in the **Customer** business component.
- If the option setting "Repair Parts on behalf of Customer?" is set as ' Not Allowed', Repair Order is generated as per the existing logic.

Exhibit 1: Identifies the option setting defined in **Purchase Option Settings** screen

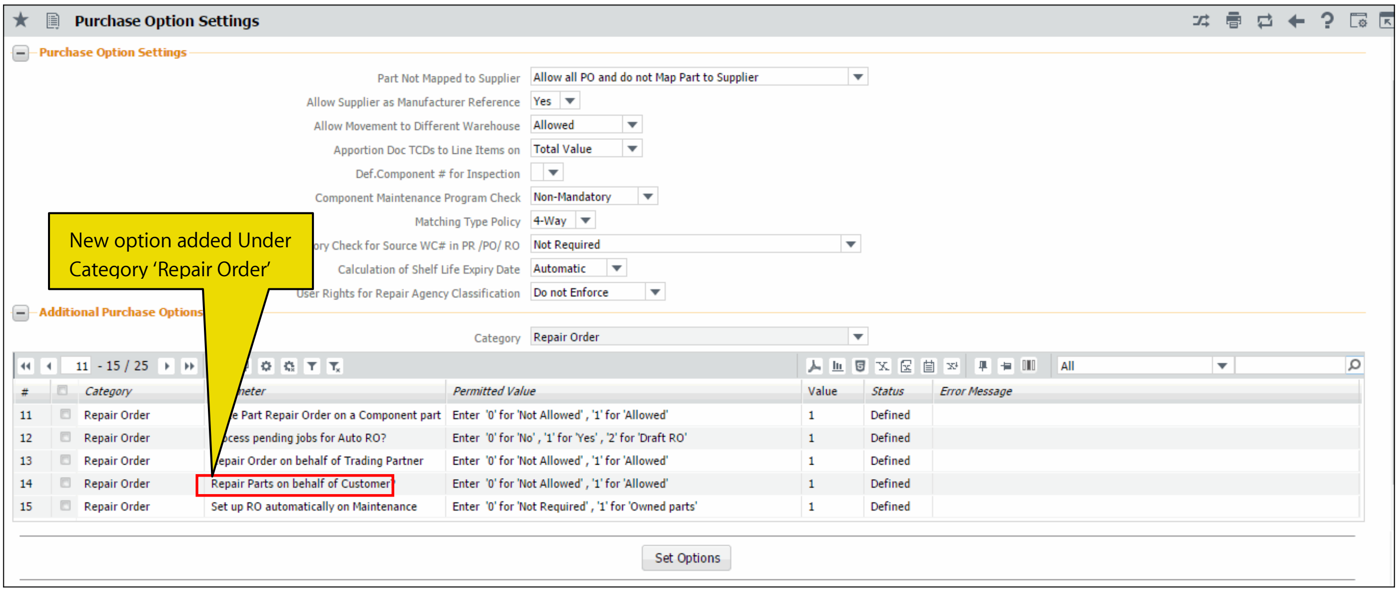


Exhibit 2: Identifies the option setting in **Manage Additional Options** screen in **Customer** business component

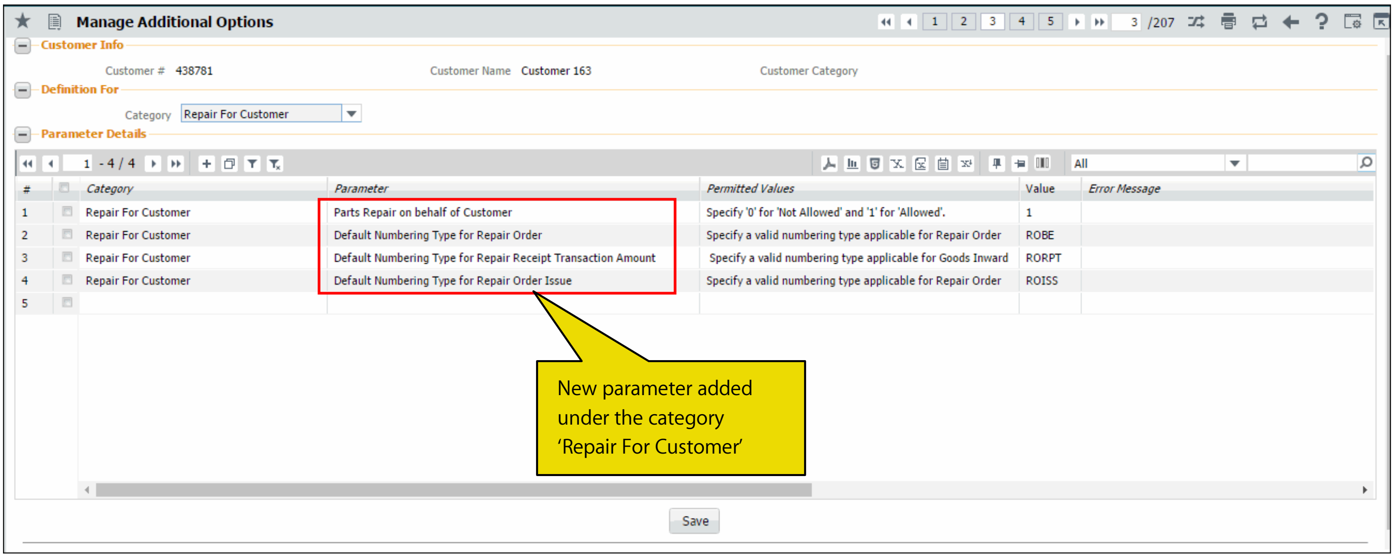


Exhibit 3: Identifies the controls added in select page of **Edit Repair Order** screen

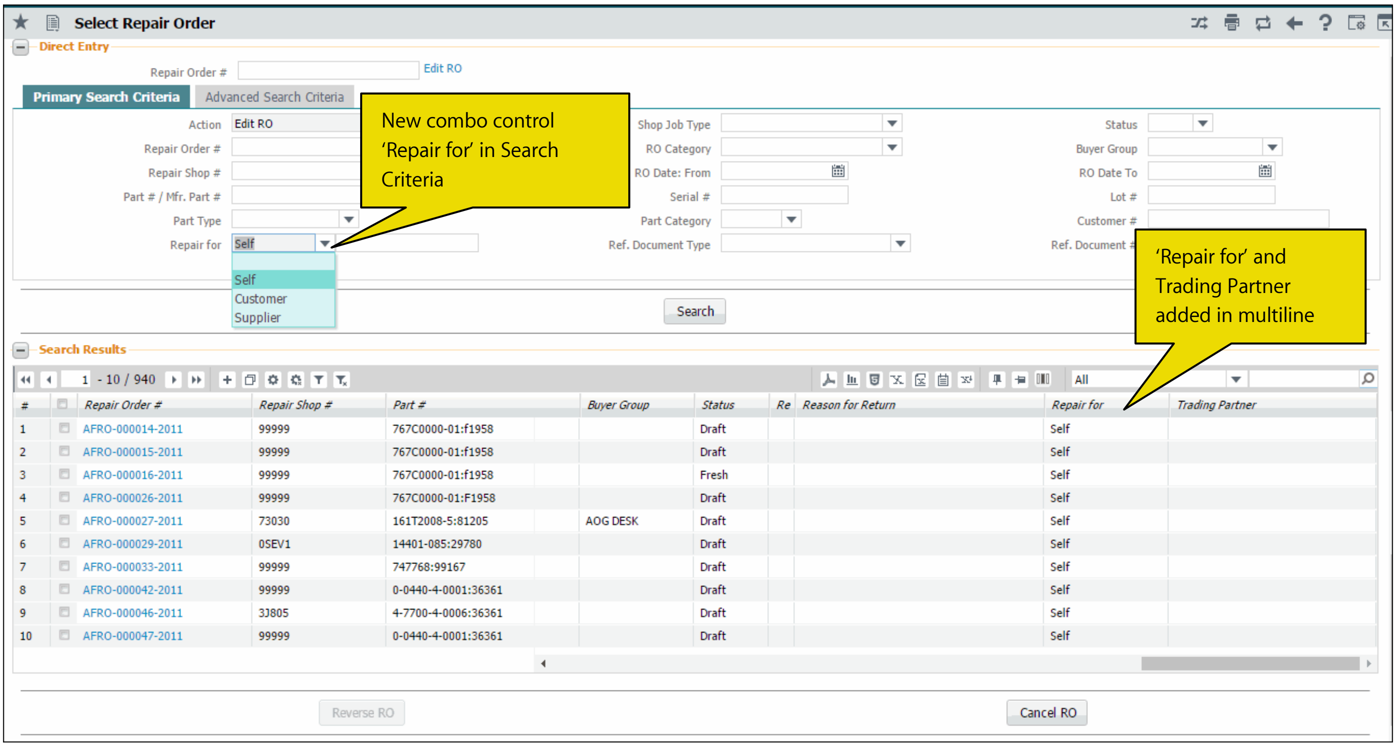
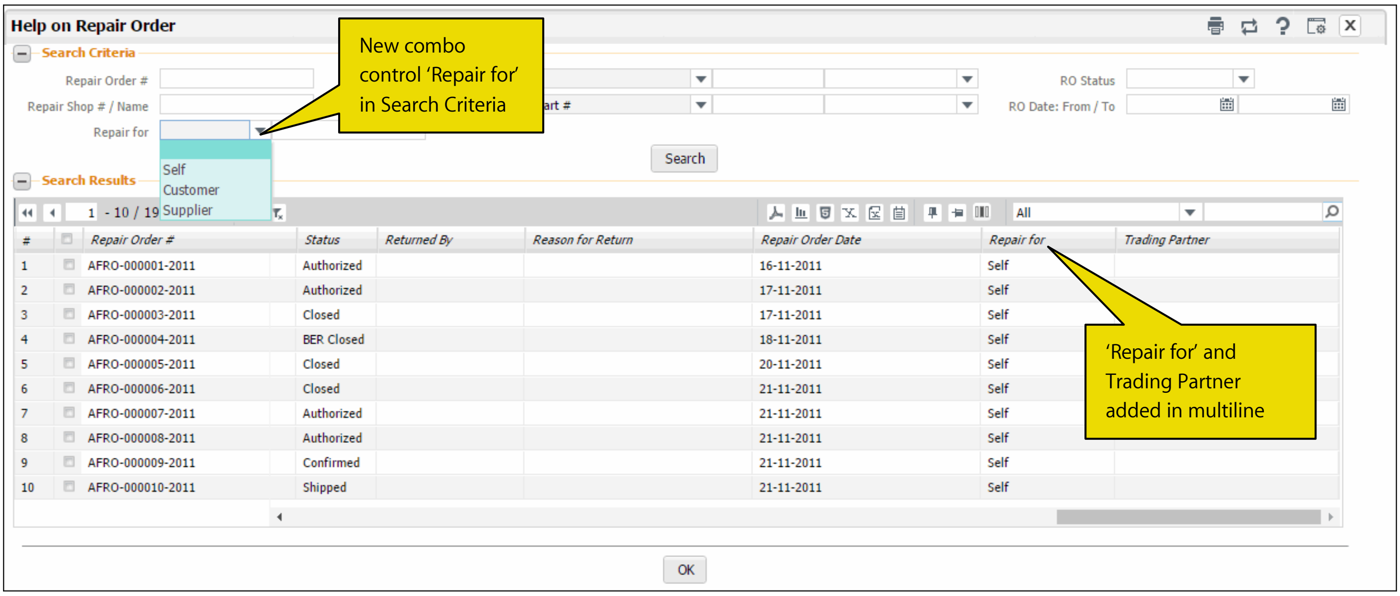


Exhibit 4: Identifies the controls added in **Help On Repair Order** screen



Accounting Impact

If any Organization repair parts on behalf of its Group Company then based on the Group Company relationship available/established in **Maintain Organization Parameters** along with other set options as mentioned above, the accounting shall be posted in the respective destination company OU itself.

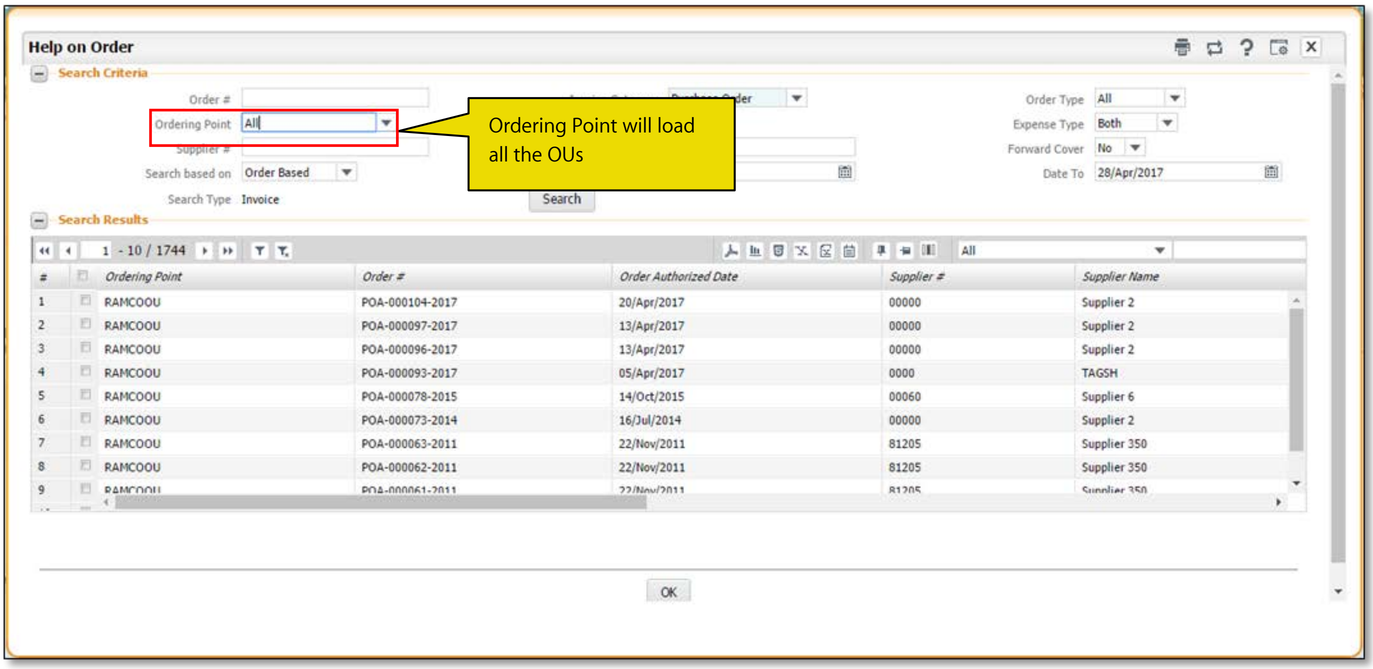
Transaction Flow:

After setting up of all relevant master data, Source Company can raise Repair Order on behalf of its related company. User need to specify the Trading Partner (which is nothing but Customer Code identified as related company) and choose 'Repair for' as 'Customer' on account of whom the Repair Order is affected. RO will be recorded in Source Company records. Exchange Rate Information shall be captured from source company records for accounting transaction impacting Goods Inward.

Goods Inward shall be recorded in Source Company but the accounting entry shall take place in Destination Company.

Supplier Order Based Invoice has to be recorded in the respective Destination Company itself for the Repair Order raised by the Source Company. 'Help button' on Repair Order has been enhanced to refer and fetch the Repair Order created in Source Company by referring the 'Ordering Point' (See Exhibit 5) which load the company code of other related company based on CIM interaction. User can also view the Repair Order against which the invoice needs to be raised.

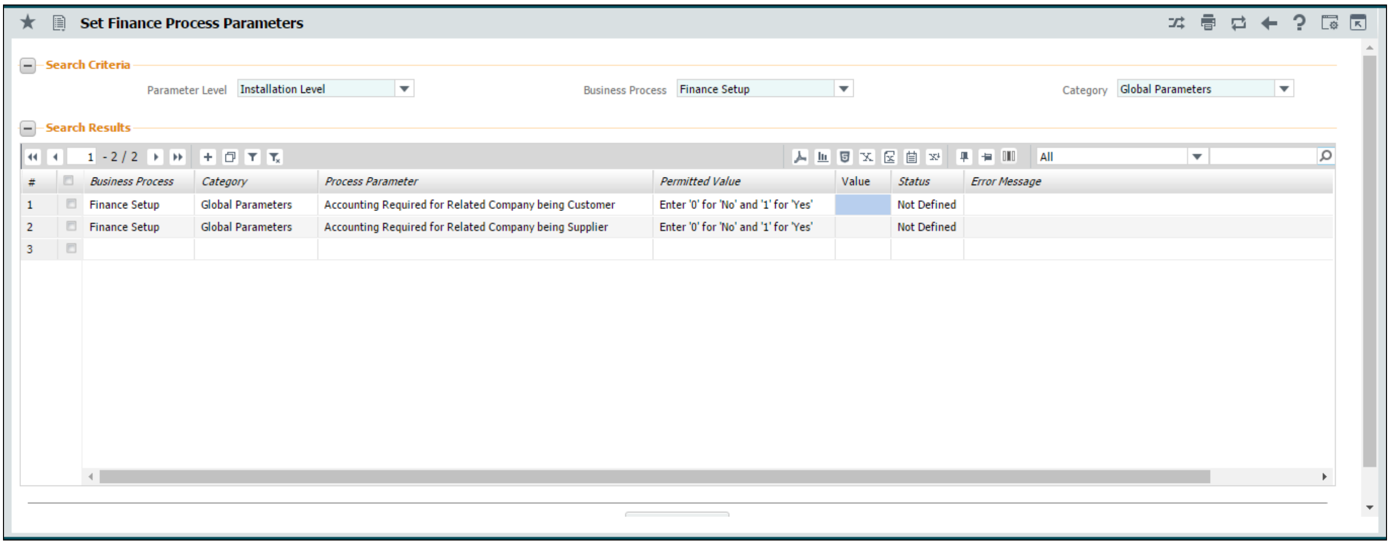
Exhibit 5: **Help on Order** in Supplier Order Based Invoice



Installation level set option is also introduced to regulate the account postings in **Set Finance Process Parameter** activity. **(See Exhibit 6).** Note that this is general set option which is applicable for all 'On behalf procurement transactions being customer.

- If the option setting "Accounting Required for Related Company being Customer" is set as 'Yes' in the **Set Finance Process Parameter** screen, then account postings for on behalf of group company shall take place in the destination company OU itself.
- If the option setting "Accounting Required for Related Company being Customer" is set as 'No' in the **Set Finance Process Parameter** screen, then account postings for on behalf of group company shall NOT take place at all.

Exhibit 6: New option settings for regulating account postings



Ability to manage taxes in Repair Order at RO Quote line level and support Indian GST

Reference: AHBG-14228

Background

Currently in Repair Order, there is a provision to capture the tax at document level only. But there is no provision to capture the Taxes at Quote Line level (i.e. Part). Hence there is a requirement to capture the Tax at Quote Line level and also modify the taxable amount while recording Document and Quote Line # / Part # TCDs in Repair Order.

Change Details

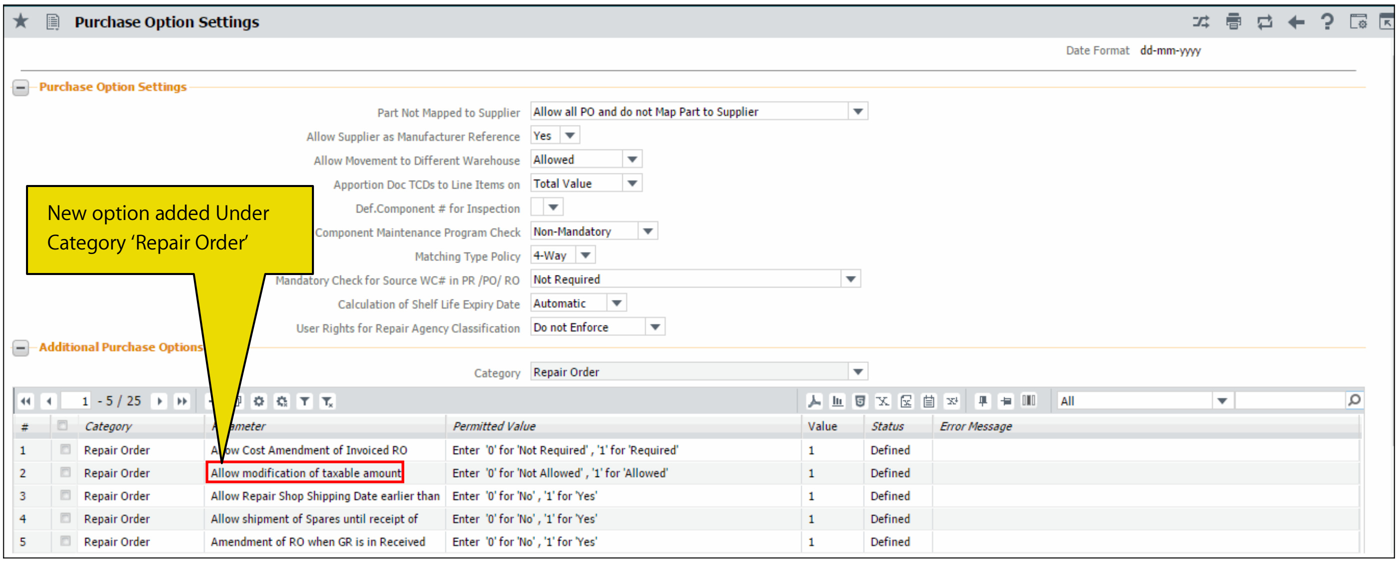
This enhancement allows recording TCDs at Quote Line level and also modifying the taxable amount while recording Document and Quote Line # / Part # TCDs. The total tax amount is displayed in **Manage Repair Quote** in order currency and base currency. This is facilitated through the below changes:

Logistics Common Master

A new set option is added under the Category 'Repair Order' in the **Purchase Option Settings** activity of the **Logistics Common Master** business component.

- 'Allow modification of taxable amount?' provides the following options:
  - Allowed - User will be allowed to modify the Taxable amount in Edit TCD screen.
  - Not Allowed - System will not allow user to enter or modify the Taxable amount in Edit TCD screen.

Exhibit 1: Identifies the option setting defined in **Purchase Option Settings** screen



Repair Order

The following changes have been made in the **Repair Order** business component.

Edit TCD and **View TCD** screens:

5. The existing combo 'Matl Line #' has been renamed as 'Quote Line # / Part #'.
6. The 'TCD Mode' drop-down lists the additional value 'Quote Line # / Part #' along with the existing value 'Document' in the Search Criteria.
   - If TCD Mode is selected as 'Document' in **Edit TCD** screen, the system retrieves and displays all the saved records for the Document TCD with TCD Mode as 'Document', Quote Line # / Part # as 'Blank' and Taxable amount as 'Total Repair cost of all lines' along with other values for respective records in the multiline (if available). (*Existing Logic*)
   - If the TCD Mode is selected as 'Quote Line # / Part #', the retrieves and displays all the saved records for the Quote Line TCD with TCD Mode as 'Quote Line #/Part #' and Quote Line # / Part # as 'respective quote line reference' and Taxable amount as 'Repair cost of respective line selected in the Quote Line #/Part #' along with other values for respective records in the multiline (if available).
7. Search criteria has been modified from 2 column approach to 3 column approach.
8. New drop-down list boxes 'TCD Mode' and 'Quote Line # / Part #' and an editable control 'Taxable Amount' have been added in 'TCD Information' multiline. (These are display only controls in **View TCD** screen).

Manage Repair Quote screen:

9. Two new tiles 'Total TCD Amount' and 'Total TCD Amount (Base Curr.)' have been added in 'Repair Cost Details' tile section.

TCD Amount Calculation Logic

With the introduction of new value 'Quote Line # / Part #' in TCD, TCDs can be recorded now at each Repair part level based on tax inheritance logic. The TCD amount is calculated based on the following logic:

1. If TCDs are recorded / modified and if TCD Mode is selected as 'Document', and if user has not entered taxable amount, then on save, **TCD Amount** is computed on the RO Total Cost (*Total Repair Cost + Total Exchange Fee + Total BER Cost - Total Salvage Cost*). Also the system displays the Taxable Amount as the RO Total Cost and TCD Amount on page refresh.
2. If TCDs are recorded / modified and if TCD Mode is selected as 'Quote # / Line #', and if user has not modified taxable amount, then on save, the **TCD Amount** is computed on the RO Total Value for the selected Quote # / Line # (*Repair Cost + Exchange Fee + BER Cost - Salvage Cost* for the selected line). The system displays the Taxable Amount corresponding to the Quote # / Line # on selection of 'Quote Line # / Part #' combo.

   Note: If user has entered / modified the taxable amount, then on save, the TCD Amount is computed on the user modified Taxable Amount.

TCD Difference Amount Calculation Logic

If RO is amended and Repair Cost is modified, the system updates the Taxable amount available in the **Edit TCD** screen as the modified RO Cost and then post the TCD diff. amount on save based on the following logic:

1. If TCD Mode is set as 'Document' and if user has not entered the Taxable amount, the TCD Amount is recomputed based on the revised taxable amount and the diff. TCD amount (i.e. +ve or -ve) is posted appropriately.

2. If TCD Mode is set as 'Quote Line # / Part #' and if user has not entered the Taxable amount corresponding to the Quote Line # / Part #, the the TCD Amount is recomputed based on the revised taxable amount for the Quote Line # / Part # and the diff. TCD amount (i.e. +ve or -ve) is posted for the Quote Line # / Part # by apportioning the cost to all qty appropriately.

Tax Inheritance Logic at line level

Based on TCD Code, Tax Region from, Tax Region to and other parameters like Part Group, Supplier Group, Warehouse Group, Document Type and Document Sub Type, Tax Inheritance happens at line level.
Example: Consider that tax rules are defined as per the below table.

S.No	Part Grp	Sup Grp	Doc Type	Doc Sub	Wh Grp	Applied on?	Tax Region From	Tax Region To	Eff From	Eff To	Order of Pref	Tax	Var
1.	PGrp1	SGrp1	RO	Normal	WhGrp1	Doc	TN	AP	17/02/15	20/02/15	3	SGST1	V1
2.	PGrp1					Doc			17/02/15	20/02/15	1	SGST2	V2
3.	PGrp1	SGrp1				Doc	AP	KA	17/02/15	20/02/15	4	CGST3	V3
4.	PGrp2	SGrp1	RO	Normal	WhGrp1	Doc	TN	KA	17/02/15	20/02/15	2	SGST4	V4
5.	PGrp1	SGrp1	RO	Normal		Doc	KA	TN	17/02/15	20/02/15	6	SGST2	V5
6.	PGrp1	SGrp1	RO	Normal		Doc	TN	TN	17/02/15	20/02/15	5	IGST1	V6

When a RO is created with one part and if the parameters determined from RO are "PGrp1, SGrp1, RO, General and WhGrp1" then we find an exact match on 'S.No: 1' and it should consider inheriting T1 and V1 as TCD. In case if 'S. No: 1' is not available then it should check if there are any 4 parameter match i.e., 'S.No: 5 & 6' are matching. Tax Type of the Tax Rules are same, so the one with least order of preference i.e., 5 is considered in this case.

Exhibit 2: Identifies the changes in **Edit TCD** screen in **Repair Order** business component

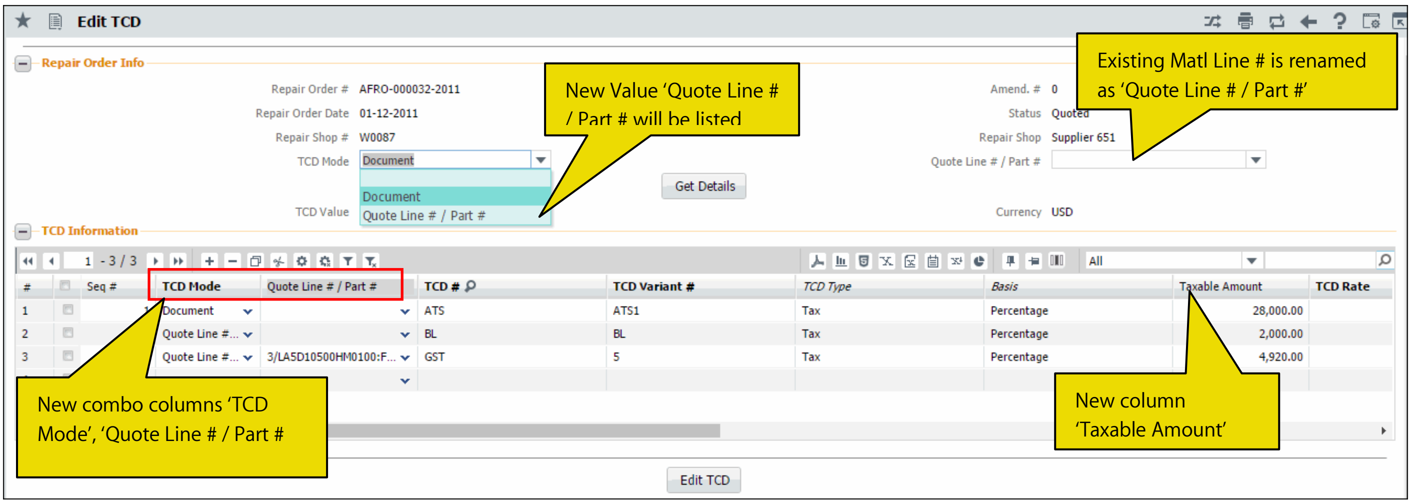


Exhibit 3: Identifies the changes in **View TCD** screen in **Repair Order** business component

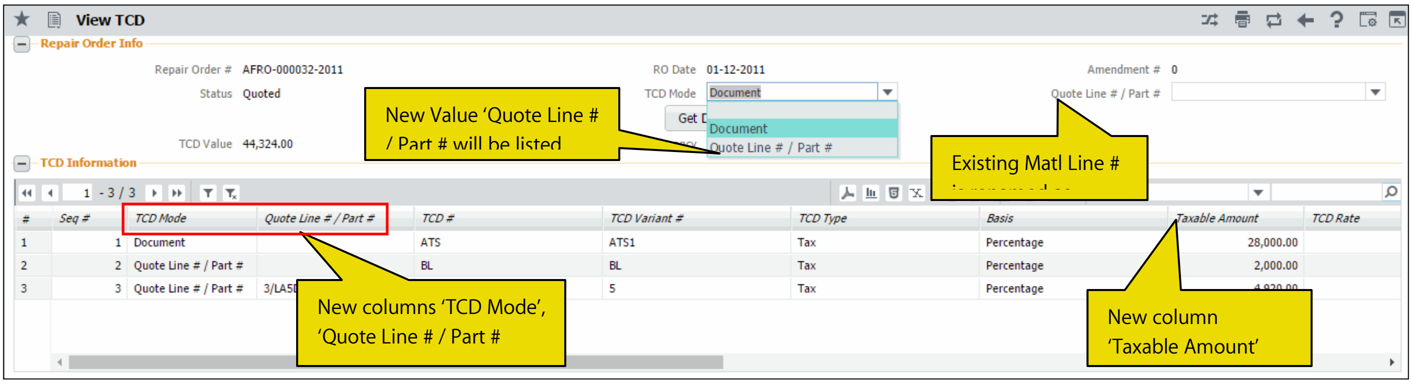
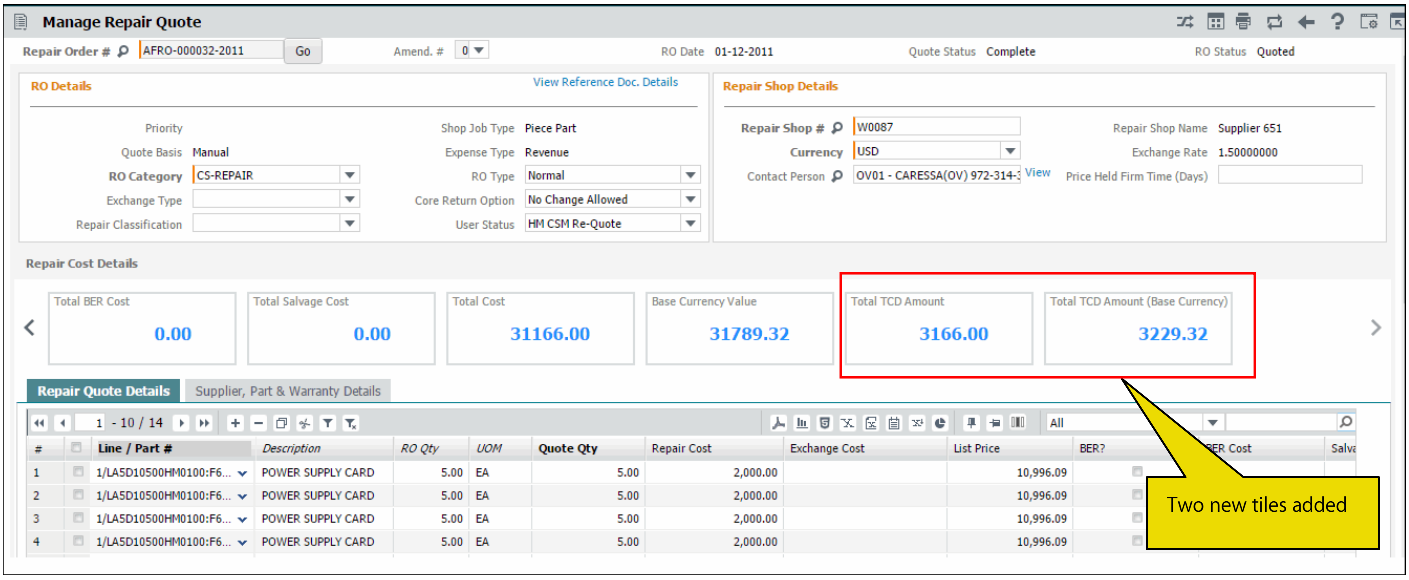


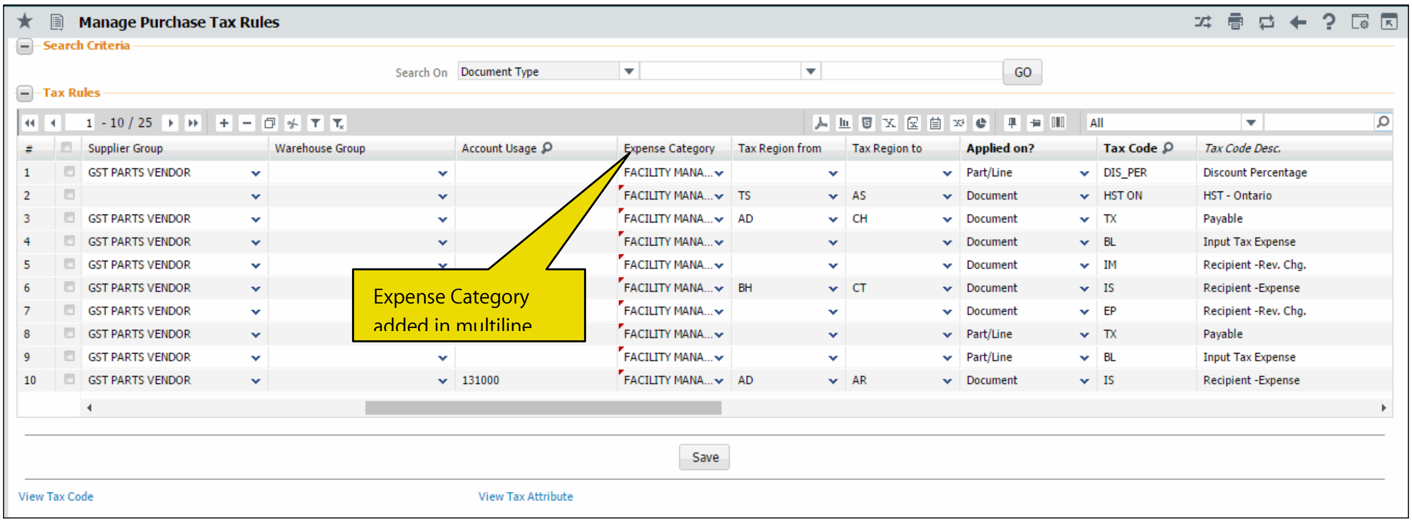
Exhibit 4: Identifies the changes in **Manage Repair Quote** screen



TCD

A new drop-down list box 'Expense Category' is added in the 'Tax Rules' multiline of the **Manage Purchase Tax Rules** activity of the **Taxes Charges and Discounts** business component, to capture the Expense Category in TNC for tax rule definition.

Exhibit 5: Identifies the changes in **Manage Purchase Tax Rules** screen



#	Supplier Group	Warehouse Group	Account Usage	Expense Category	Tax Region from	Tax Region to	Applied on?	Tax Code	Tax Code Desc.
1	GST PARTS VENDOR			FACILITY MANA...			Part/Line	DIS_PER	Discount Percentage
2				FACILITY MANA...	TS	AS	Document	HST ON	HST - Ontario
3	GST PARTS VENDOR			FACILITY MANA...	AD	CH	Document	TX	Payable
4	GST PARTS VENDOR			FACILITY MANA...			Document	BL	Input Tax Expense
5	GST PARTS VENDOR			FACILITY MANA...			Document	IM	Recipient -Rev. Chg.
6	GST PARTS VENDOR			FACILITY MANA...	BH	CT	Document	IS	Recipient -Expense
7	GST PARTS VENDOR			FACILITY MANA...			Document	EP	Recipient -Rev. Chg.
8	GST PARTS VENDOR			FACILITY MANA...			Part/Line	TX	Payable
9	GST PARTS VENDOR			FACILITY MANA...			Part/Line	BL	Input Tax Expense
10	GST PARTS VENDOR		131000	FACILITY MANA...	AD	AR	Document	IS	Recipient -Expense

Repair Order Report

New columns 'TCD Mode', 'Quote Line # / Part #' and Taxable Amount have been be added under Additional Charges Cluster in Repair Order Report.

WHAT'S NEW IN INVENTORY SETUP?

Ability to manage replenishment of customer stock

Reference: AHBG-11025

Background

MRO procures parts on behalf of its customers and uses the same for customer operations. There might be essential customer parts used extensively on a day to day basis. Business Requirement is provide the ability to manage replenishment for customer stock to ensure that the customer operations remain perennial and their parts do not get out of stock.

Change Details

The following changes are made to address the above business need:

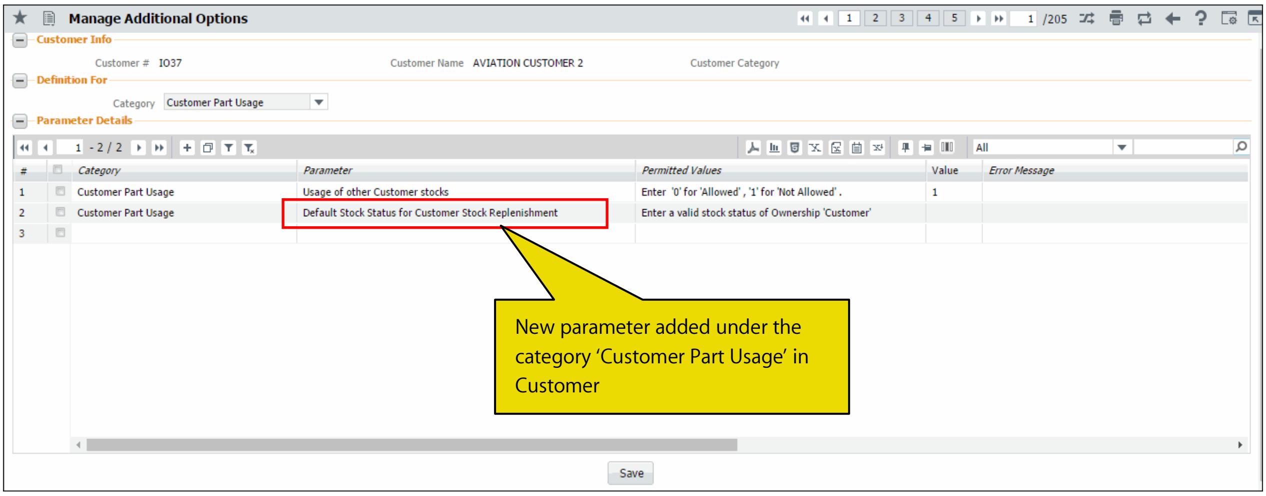
4. A new set option is added under the Category 'Customer Part Usage' in the **Manage Additional Options** screen of the **Customer.**
5. A new set option is added under the Category 'Replenishment' in the **Set Inventory Process Parameters** activity of the **Logistics Common Master** business component.
6. New controls 'Ownership' and 'Trading Partner #' are added in search criteria as well as in the multiline in **Warehouse Planning Parameter** screen **(**Both Maintain and View screens**)**.
7. New controls 'Ownership' and 'Trading Partner #' are added in search criteria as well as in the multiline for the Replenishment Option 'Manage Warehouse Planning Parameters' in **Manage Stock Replenishment** screen

Customer

A new set option is added under the Category 'Customer Part Usage' in the **Manage Additional Options** screen of the **Customer** business component to facilitate replenishment.

- 'Default Stock Status for Customer Stock Replenishment:
    - Valid Stock status of Ownership 'Customer' must be entered as a permitted value. At the time of generation of replenishment documents, system will consider the default stock status as user entered stock status.

Exhibit 1: Identifies the option setting in **Manage Additional Options** screen in **Customer** business component

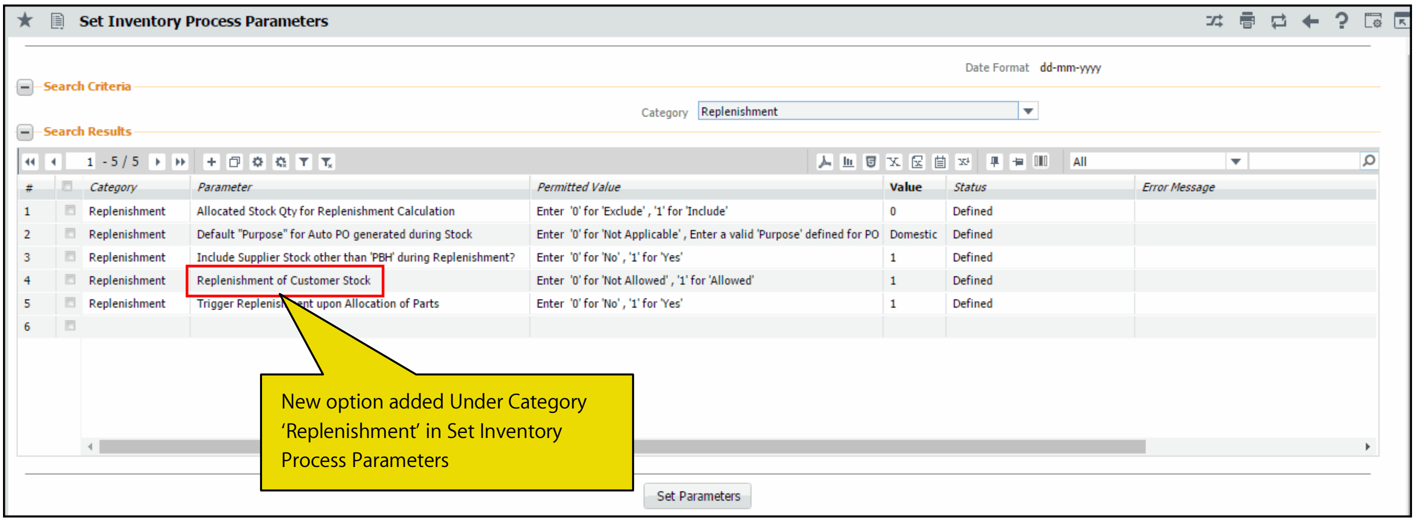


Logistics Common Master

A new set option is added under the Category 'Replenishment' in the **Set Inventory Process Parameters** activity of the **Logistics Common Master** business component.

- 'Replenishment of Customer Stock' provides the following options:
    - Allowed - Replenishment of Customer stocks is allowed using Warehouse Planning Parameters and Manage Stock Replenishment.
    - Not Allowed - Replenishment of Customer stocks is not allowed using Warehouse Planning Parameters and Manage Stock Replenishment

Exhibit 2: Identifies the option setting in **Set Inventory Process Parameters** screen



Storage Administration

A new drop-down list box 'Ownership' and an editable control 'Trading Partner #' are added in Search Criteria as well as in the multiline in **Maintain Warehouse Planning Parameter** and **View Warehouse Planning Parameter** screens in the **Storage Administration** business component. The 'Ownership' drop-down box (in the multiline) lists the following values based on the set option 'Replenishment of Customer Stock?' defined for the Category 'Replenishment' in **Set Inventory Process Parameters** screen.

- 'Owned' if the set option is set as 'Not Allowed'
- 'Owned', 'Customer' if the set option is set as 'Allowed'

Exhibit 3: Identifies the **Maintain Warehouse Planning Parameter** screen

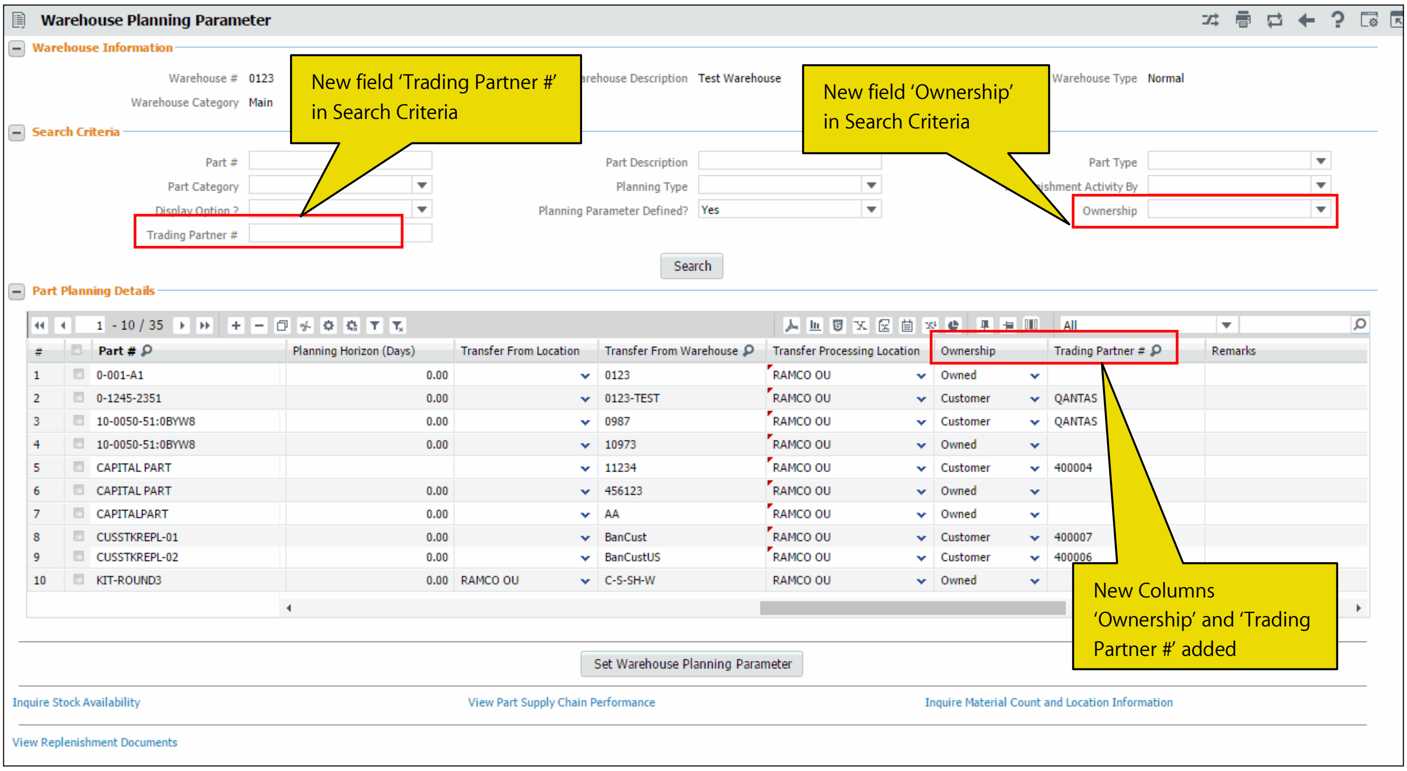
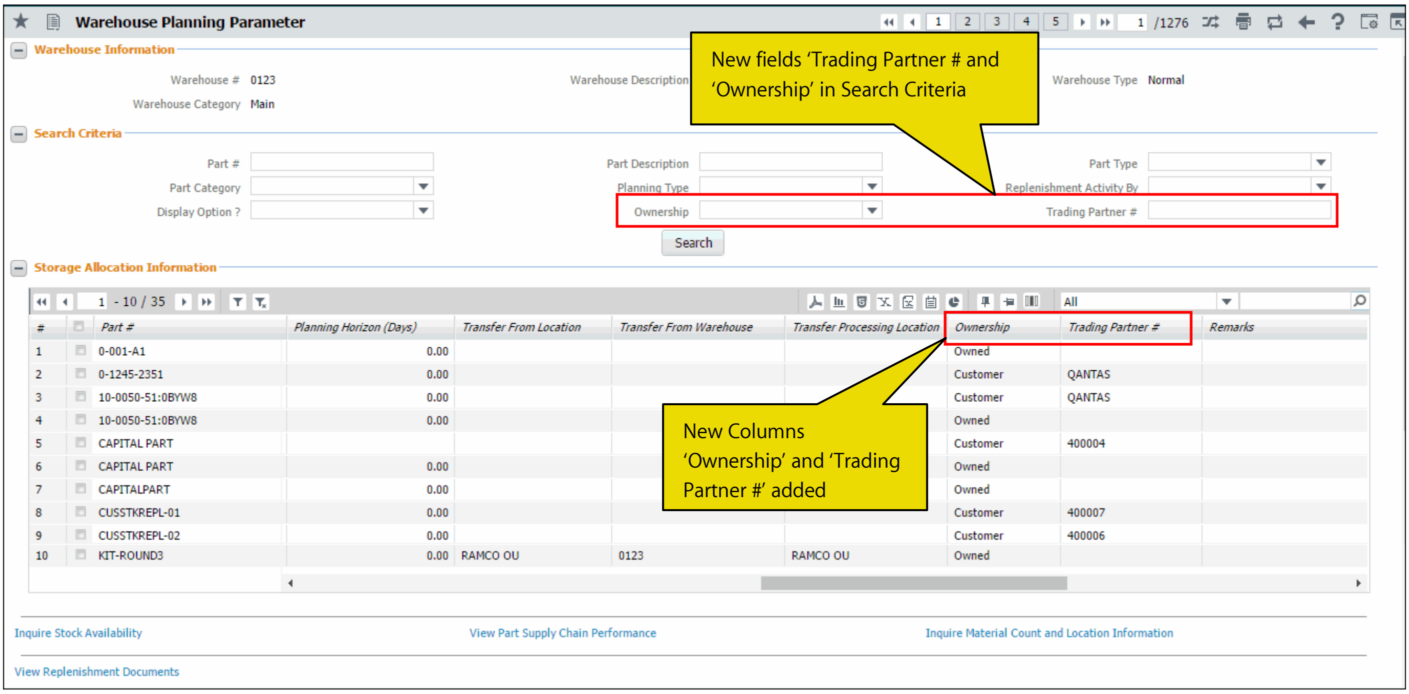


Exhibit 4: Identifies the **View Warehouse Planning Parameter** screen

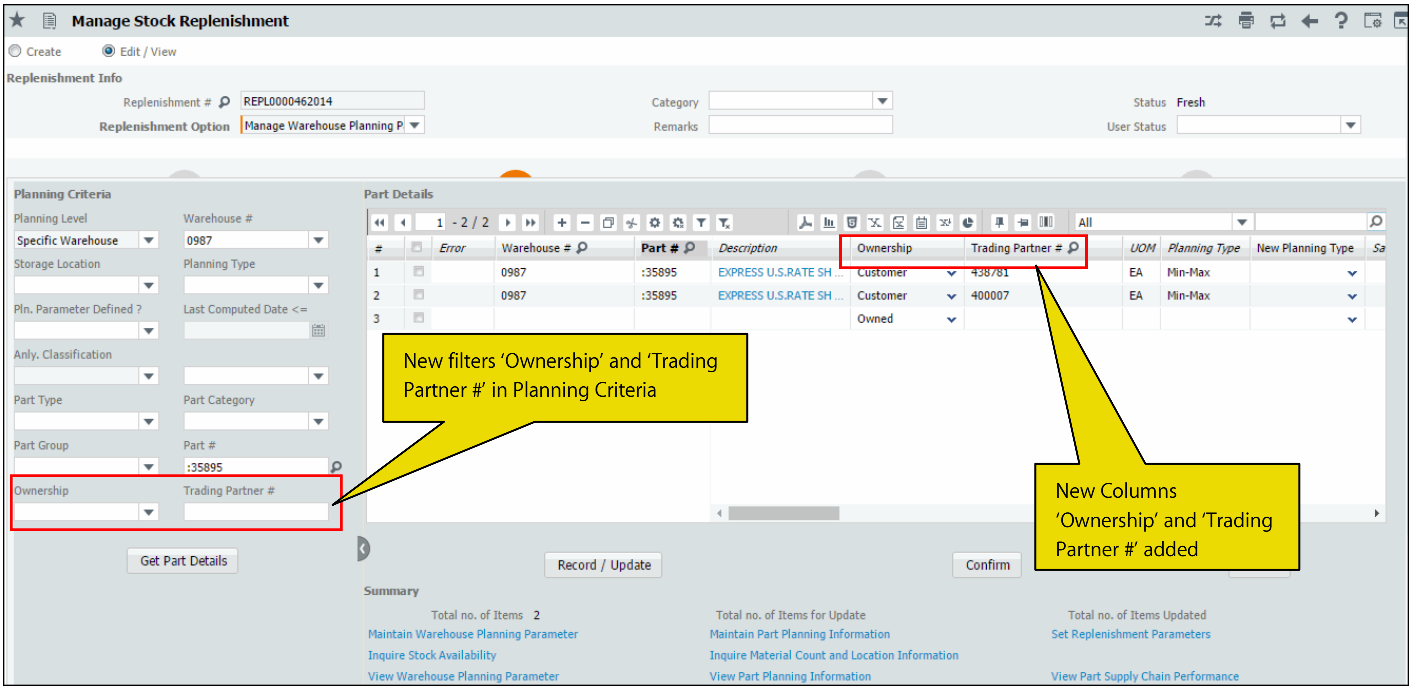


Stock Analysis

A new drop-down list box ‘Ownership’ and an editable control 'Trading Partner #' are added in Planning Criteria as well as in the multiline for the Replenishment Option 'Manage Warehouse Planning Parameters' in **Manage Stock Replenishment** screen of **Stock Analysis** business component. The ‘Ownership’ drop-down box (in the multiline) lists the following values based on the set option 'Replenishment of Customer Stock?' defined for the Category ‘Replenishment’ in **Set Inventory Process Parameters** screen.

- 'Owned' if the set option is set as 'Not Allowed'
- 'Owned', 'Customer' if the set option is set as 'Allowed'

Exhibit 5: Identifies the **Manage Stock Replenishment** screen



WHAT'S NEW IN STOCK MANAGEMENT?

Ability to use other customer parts across ownership

Reference: AHBG-13872

Background

MRO will manage the Customer Inventory and uses the same for customer operations. In case if customer parts are not available, then system will pick the internal parts based on the contractual terms and if internal parts are also not available, then system will wait for Customer Parts to be replenished even though the same part is available with the other customer. Similarly when MRO requires parts internally and the same parts are not available in stock, system has to wait for the parts to be replenished to satisfy the requirements. This may lead to stock out situation and also leads to reduction in operational efficiency. Currently there is no provision to pick other customer parts when requested part is not available in the stock. Business need is to provide the ability to use of other customer parts, when the parts are not available in stock. This will avoid the stock out situations and improves the operational efficiency.

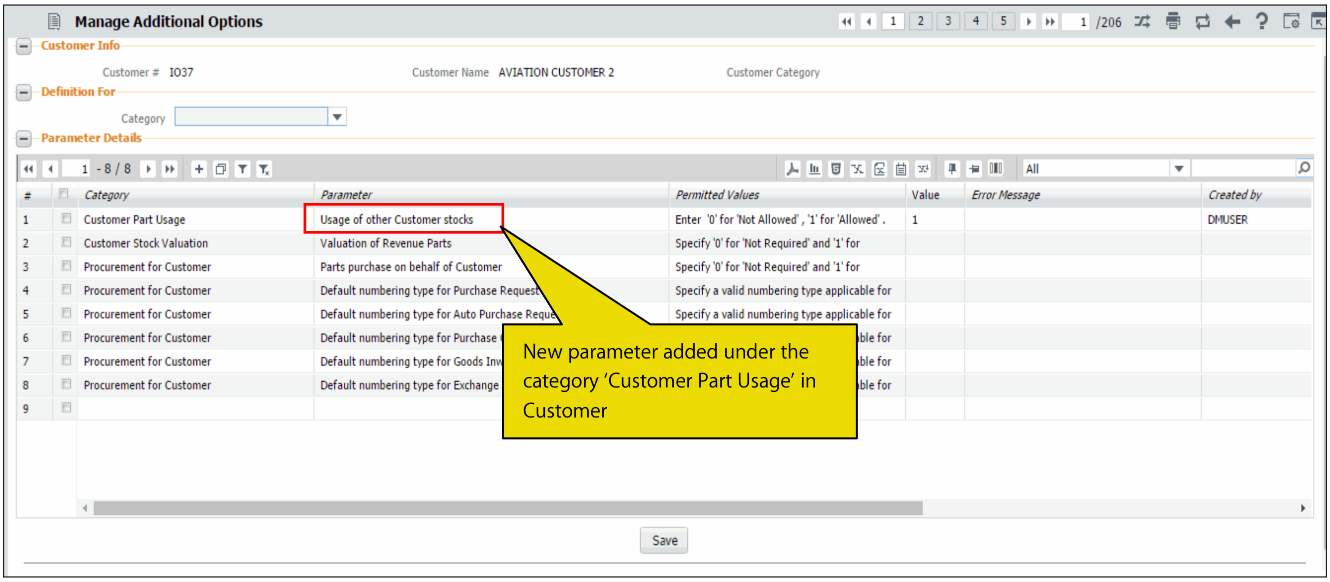
Change Details

Customer

A new set option is added under the Category 'Customer Part Usage' in the **Manage Additional Options** screen of the **Customer** business component to facilitate usage of other customer part.

- 'Usage of other Customer stocks' is added with the following options:
  - Allowed - Other Customer parts will be allocated against demand based on definition available in the Demand and Receipt pegging preference across ownership, when the requested customer parts are not available.
  - Not Allowed - Other Customer parts will not be considered against a demand irrespective of definition available in the Demand and Receipt pegging preference across ownership, when the requested customer parts are not available.

Exhibit 1: Identifies the option setting in **Manage Additional Options** screen in **Customer** business component

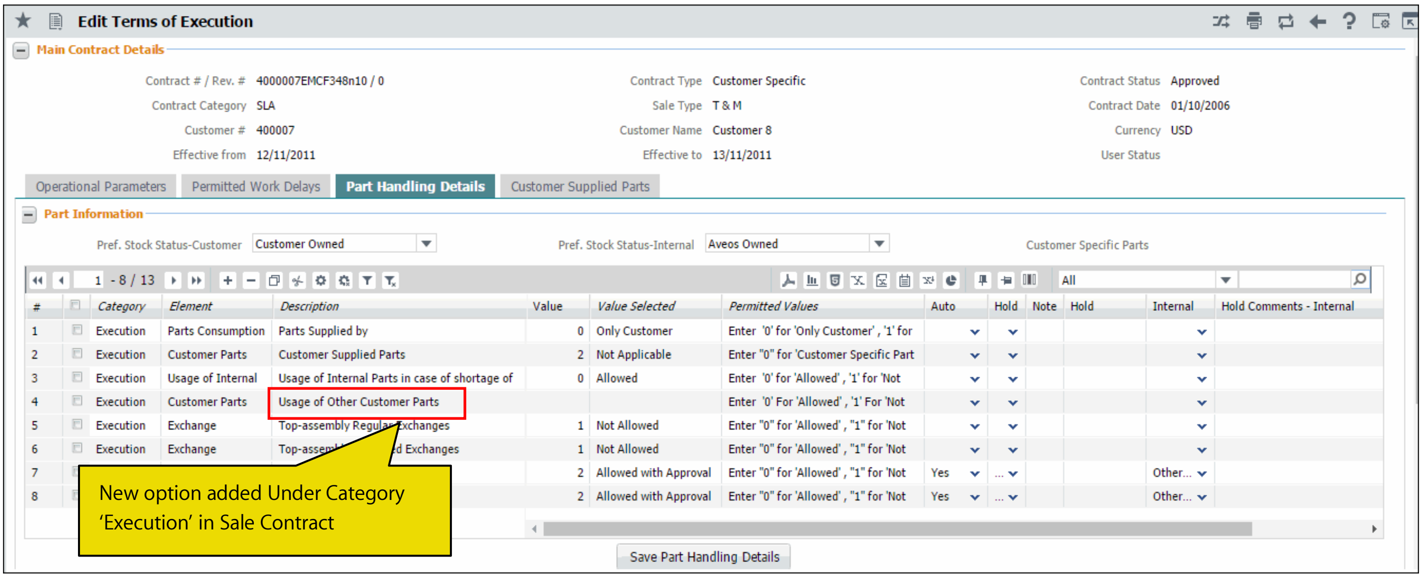


Sale Contract

A new set option is added under the Category ‘Execution’ in the **Part Handling Details** tab of the **Edit Terms of Execution** screen in **Sale Contract** business component.

- ‘Usage of Other Customer Parts’ provides the following options:
  - Allowed – Other Customer parts will be allocated against demand based on definition available in the Demand and Receipt pegging preference across ownership, when the requested customer parts are not available.
  - Not Allowed – Other Customer parts will not be considered against a demand irrespective of definition available in the Demand and Receipt pegging preference across ownership, when the requested customer parts are not available.

Exhibit 2: Identifies the new option setting in **Edit Terms of Execution** tab in **Sale Contract** business component



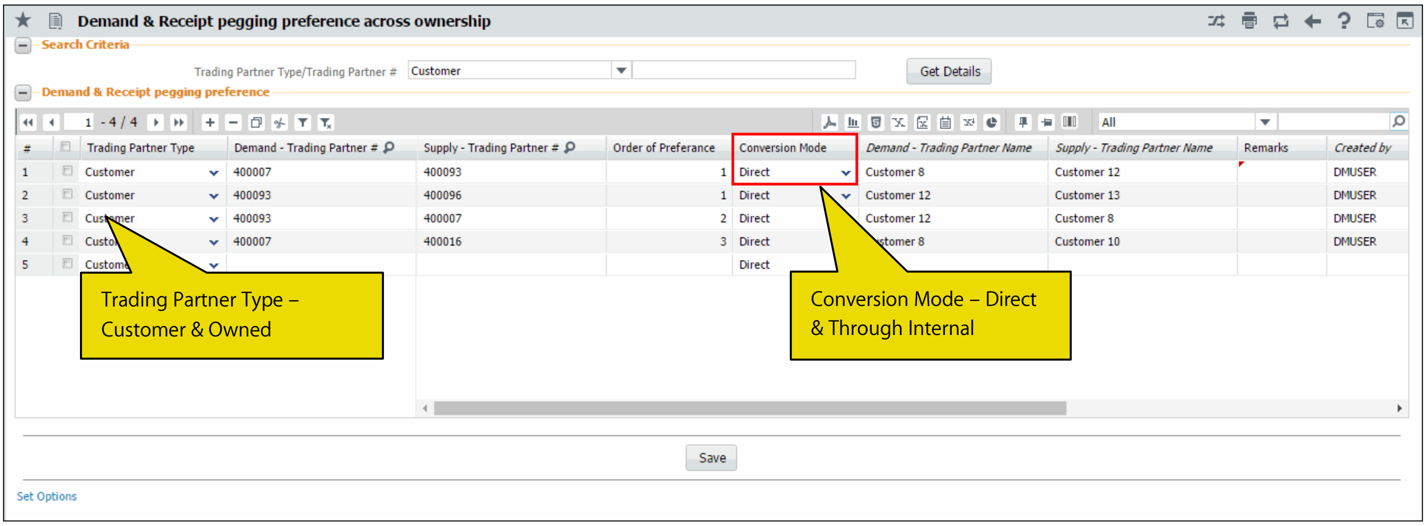
Stock Demand Management

A new activity **Demand & Receipt pegging reference across ownership** is added in the **Stock Demand Management** business component, to facilitate allocation and issue of other Customer Parts when the Requested Customer Stock is not available. The activity enables identifying the Demand and Receipt pegging preference for the customer stocks across ownerships (i.e. Usage of customer parts for Internal and other customer requirements), along with order of preference & Conversion Mode.

1. Demand Trading Partner # - Identifies the Trading Partner when other customer parts can be used for the Demand Trading Partner, if requested part is not available with the customer #. This field can be left blank, when other customer parts can be used for internal requirements.
2. Supply Trading Partner # - Identifies the Trading Partner that supplies the Requested Part #.
3. Order of Preference – The preferred sequence in which the Supply Trading Partner must be searched for Requested quantities for the Demand Trading Partner #. Sequence number is a positive integer.
4. Conversion Mode – Conversion of Ownership and Stock status of parts within the Supply Trading Partner & Demand Trading Partner #. The Conversion Mode is either ‘Direct’ or ‘Through Internal’.

- Direct - Stock Status and Ownership of the Part supplied by the Supply Trading Partner # will be changed as Requested Stock Status and Ownership for the Demand Trading Partner #. For Trading Partner Type ‘Owned’, Conversion Mode will always be Direct.
- Through Internal - Stock Status and Ownership of the Part supplied by the Supply Trading Partner # will be updated as ‘Ownership Internal’ during the Stock Status Conversion and then the same parts will be allocated to Demand Trading Partner #.

Exhibit 3: Identifies the activity **Demand & Receipt pegging reference across ownership** in **Stock Demand Management** business component



Usage of other customer parts, when requested customer part is not available in the stock

When a Customer Part is requested through a General Materials Request or Maintenance Material Request having no Sale Contract reference, then system will allocate the parts based on following hierarchy.

1. Allocate the Requested Parts with the Requested Ownership and Stock Status.
2. Allocate Alternate Parts or Stock status based on demand and receipt pegging preferences set in Set options activity in Stock Demand Management business component, when Requested Part is not available.
3. Allocate other Customer Parts based on Option setting ‘Usage of other Customer stocks’ defined in the **Manage Additional options** screen in Customer Master component and the definition set in **Demand & Receipt pegging preference across ownership**, when the Requested Customer Parts are not available.

Note: If system allocates other customer part for the Material Request, then at the time of Issue Confirmation, system will create an Automatic Stock Conversion document to change the Ownership from Supply Trading Partner to Demand (Requested) Trading Partner. Similarly stock status will also be changed to Requested Stock Status, if the Supplied Stock Status and Requested Stock Status are different.

When a Customer Part is requested through a Maintenance Material Request having Sale Contract reference, then system will allocate the parts based on following hierarchy.

1. Allocate the Requested Parts with the Requested Ownership and Stock Status. Allocate Alternate Parts or Stock status based on demand and receipt pegging preferences set in **Set options** activity in **Stock**

Demand Management business component, when Requested Part is not available.

2. Allocate the Internal Parts, when the Sale Contract says consider the Internal stocks when the Customer Parts are not available.
3. Allocate other Customer Parts based on Option setting defined in the **Sale Contract** (i.e. Usage of Other Customer Parts) business component and the definition set in **Demand & Receipt pegging preference across ownership**, when the Requested Customer Parts are not available.

Note: If system allocates other customer part for the Material Request, then during Issue Confirmation, system will create an Automatic Stock Conversion document to change the Ownership from Supply Trading Partner to Demand (Requested) Trading Partner. Similarly stock status will also be changed to Requested Stock Status, if the Supplied Stock Status and Requested Stock Status are different.

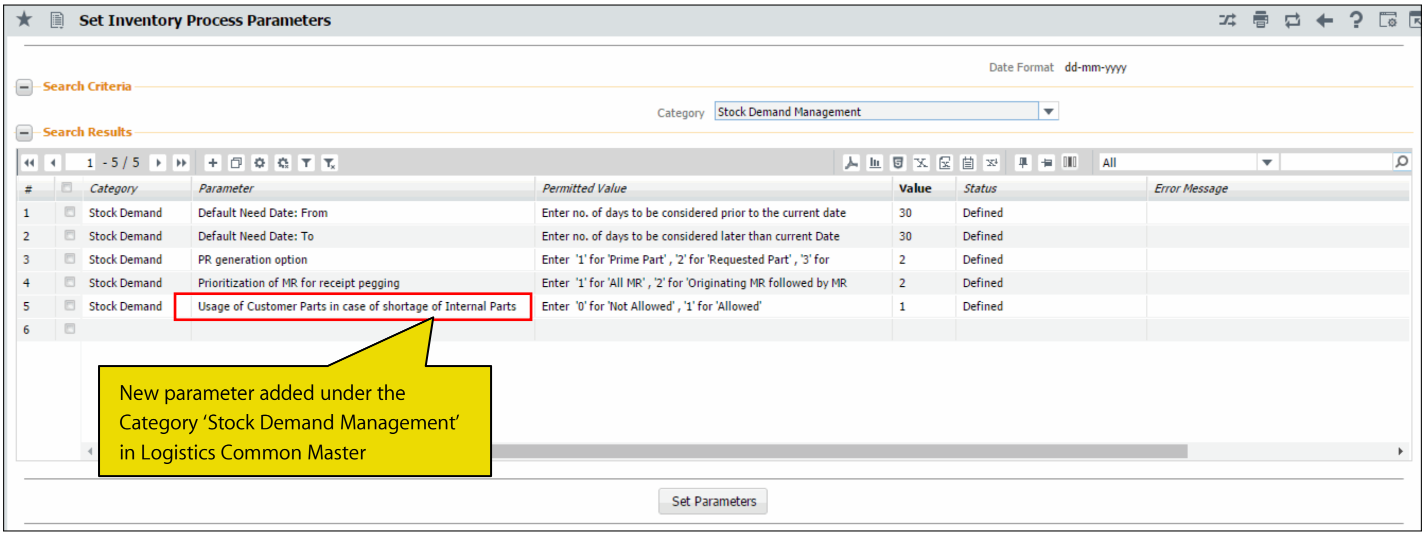
<u>Usage of other customer parts, when requested internal parts are not available in the stock</u>

<u>Logistics Common Master</u>

A new set option is added under the Category 'Stock Demand Management' in the **Set Inventory Process Parameters** activity of the **Logistics Common Master** business component.

- 'Usage of Customer Parts incase of shortage of Internal Parts' provides the following options:
  - Allowed - Upon Authorization of Maintenance or General MR having the internal parts requirement, system should consider customer stocks available in the same warehouse or Matrix warehouse, when the requested part is not available and also there is Demand and Receipt pegging preference across ownership is already defined for Trading Partner Type 'owned' and Supply Trading Partner #.
  - Not Allowed - Upon Authorization of Maintenance or General MR having the internal Parts requirement, system should consider only requested internal parts and it should not consider customer parts.

Exhibit 4: Identifies the option setting added under the Category 'Stock Demand Management' in **Set Inventory Process Parameters** screen



Note: This feature involves commercials and is not available for all customers. Please contact your Ramco Account Manager.

Ability to manage GST framework for Inter-State Stock Transfers

Reference: AHBG-14304

Background

It is quite common in Aviation business having movement of parts across India to transfer its stock to its other units, depots and warehouses to cater to timely delivery orders from different Geographical Locations. Under GST, levy of tax is on Supply which includes transfers and with the definition of distinct person, branches need to be treated as a different entity. Accordingly, any stock transfers are taxable both in intrastate stock transfer & Inter State Stock transfers. This enhancement provides the ability to manage GST framework for Stock Transfer documents under Indian GST frame work. The enhancement supports the following features:

- Tax (GST) can be levied for stock transfers - Issue and Receipt documents.
- Tax (GST) can be levied based on the parts movement (i.e. From where the parts are shipped and To where the parts moved).
- Review and adjust tax applied for stock Transfer Issue / Receipt documents.

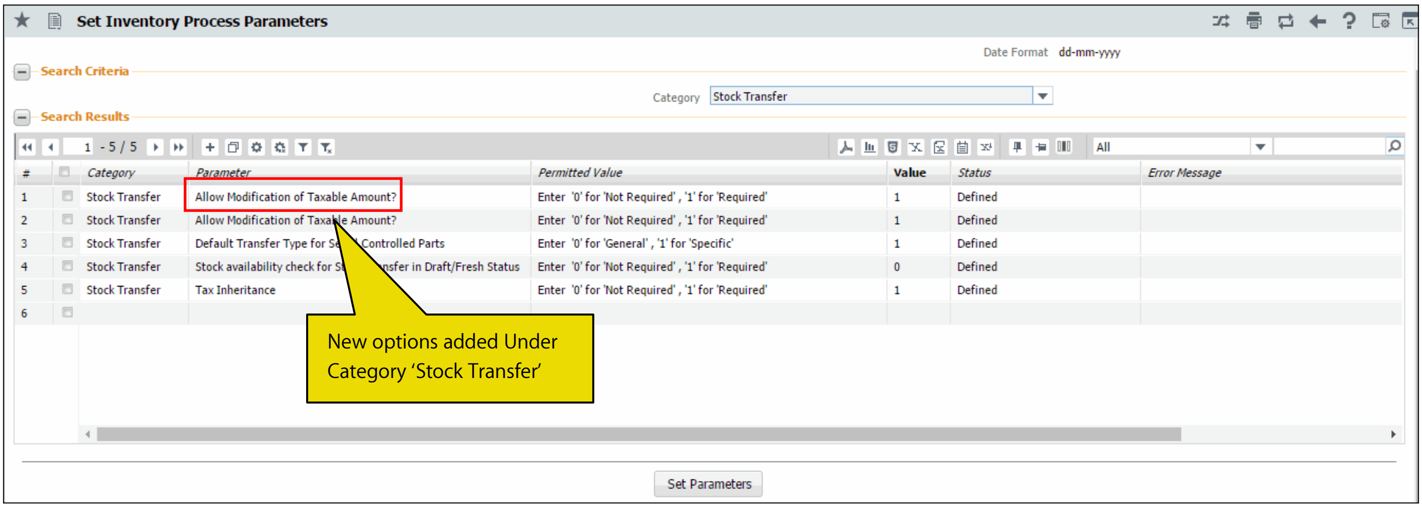
Change Details

Logistics Common Master

Two new set options are added under the Category 'Stock Transfer' in the **Set Inventory Process Parameters** activity of the **Logistics Common Master** Business component.

- 'Allow Modification of Taxable Amount?' provides the following options:
  - Required - User will be allowed to enter / modify the Taxable Amount in **Manage Taxes for Inventory Transactions** screen.
  - Not Required - System will not allow user to enter or modify the Taxable amount in **Manage Taxes for Inventory Transactions** screen.
- 'Tax Inheritance' provides the following options:
  - Required – Allows Auto Inheritance of Tax in Stock Transfer Issue and Stock Transfer Receipt.
  - Not Required – Does not allow Auto Tax Inheritance.

Exhibit 1: Identifies the option setting defined in **Set Inventory Process Parameters** screen



Stock Maintenance

A new activity **Manage Tax for Inventory Transactions** is added in the **Stock Maintenance** business component, to manage taxes during interstate stock transfers in accordance with the Indian GST. The activity allows auto inheritance of tax in Stock Transfer Issue and Stock Transfer Receipt based on set option. User can be allowed to enter / modify the Taxable Amount.

5. Document Type – The Document Type could be 'Stock Transfer Issue or 'Stock Transfer Receipt'.
6. Document Status - Status of the selected / entered document #.
7. Tax Applicability - Applicability of tax for the selected / entered document #.
    - For Stock Transfer Issue, Tax Applicability is Sales
    - For Stock Transfer Receipt Tax applicability is Purchase.
8. Doc. Amount - Total document amount of the selected / entered document #;
    - For Stock Transfer issue - Total issue value of the document.
    - For the Stock Transfer Receipt - Total Receipt value of the document (Total Issue value - Lost value)
9. Total Tax Amount - Total Tax amount incurred for the selected / entered document #.
10. Taxable Amount – The taxable amount for the Part # / document.
11. Tax Rate – The tax rate applicable for the Part # / document.
12. Tax Amount – The TCD amount for the Part # / document.

Tax Amount Calculation Logic (Compute)

If Taxes are recorded / modified and if 'Tax Applied on?' is selected as 'Document' or 'Line #/Part #', on Compute, the system computes the Tax Amount on (i) Total Issue value of the Stock Transfer Issue/Receipt document or (ii) for the selected Part # respectively, as follows:

- If user had not entered / modified taxable amount, then the system computes the Tax Amount on the Total Issue value of the Stock Transfer Issue/Receipt document.
- If user had entered the taxable amount based on the option setting in **Logistics Common Master**, the system computes the Tax Amount on the user modified Taxable Amount.

TCD Difference Amount Calculation Logic (Confirm)

If a new tax is added or an existing tax record is deleted or Tax Rate is reduced, the system updates the Tax Amount based on the modification and posts the TCD diff. amount on save based on the following logic:

- If 'Tax Applied on?' is set as 'Document' and if user has added a new tax record or Deleted an existing tax record or modified an existing tax rate, the system re-computes the Tax Amount based on the modified values and posts the diff. TCD amount (i.e. +ve or -ve) appropriately.

- If 'Tax Applied on?' is set as 'Line # / Part #' and if user has added a new tax record or Deleted an existing tax record or modified an existing tax rate to the corresponding to the Line # / Part #, the system re-computes the Tax Amount based on the modified values for the Line # / Part # and posts the diff. TCD amount (i.e. +ve or -ve) for the Line # / Part # by apportioning the cost to all qty appropriately.

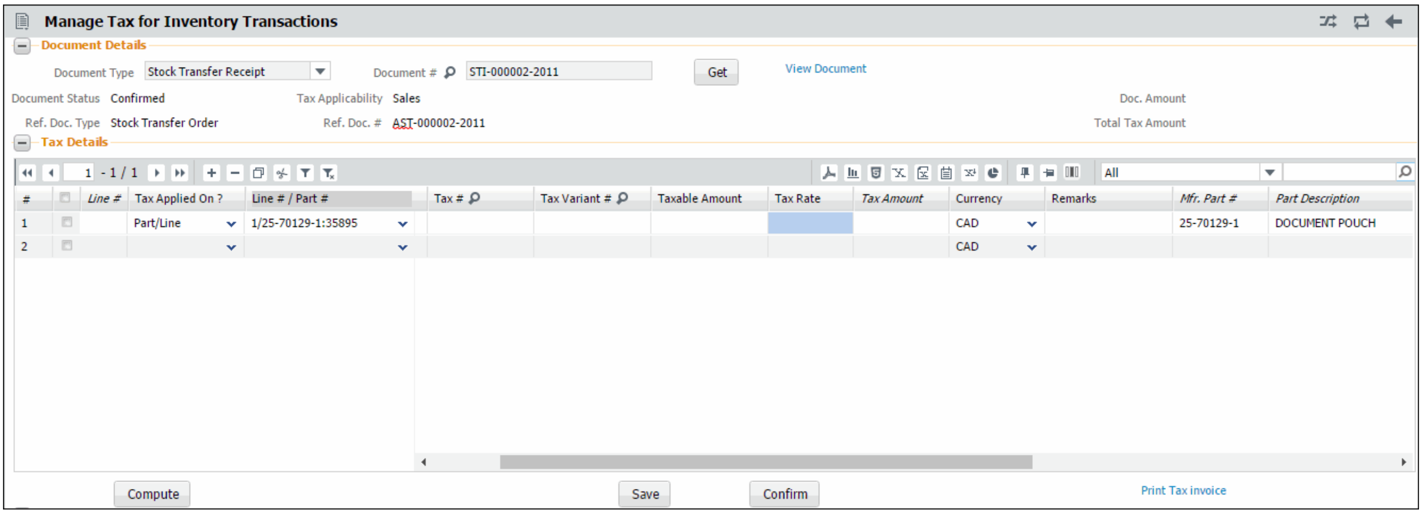
Note: if the Invoice is processed for the document, the system does not allow the user to add New tax or delete any tax or revise any tax rate.

Auto Tax Inheritance Logic

Tax details will be auto inherited as follows, only if the option 'Tax Inheritance' is set as 'Required' in the **Set Inventory Process Parameters** activity of the **Logistics Common Master** business component.

- Stock Transfer Issue – Tax will be auto inherited from Manage Sales Tax Rules, when the Issue document creates in confirmed status.
- Stock Transfer Receipt – Tax will be auto inherited from Manage Purchase Tax Rules, when the Transfer Receipt document creates in confirmed status.

Exhibit 2: Identifies the new activity **Manage Tax for Inventory Transactions**.



Ability to enable GST Accounting in Stock Transfer transaction

Reference: AHBG-14377

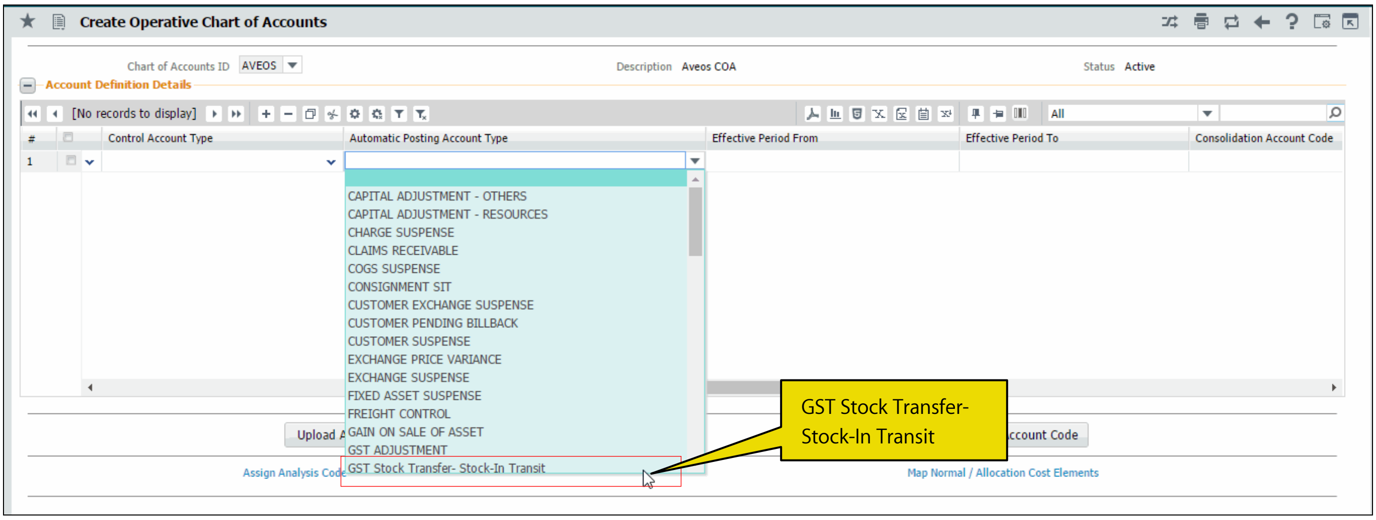
Background

In the current Tax framework, Tax (VAT/CST) will not be levied on Stock Transfers. With the revised GST Tax framework, GST will be applicable for Stock Transfers at the time of Issue as well as Receipt. This enhancement enables GST accounting for Inter-State Stock Transfers under Indian GST. Therefore taxes can be applied and accounted during interstate stock transfers in accordance with the Indian GST.

Change Details

A new value auto post accounting type "GST Stock Transfer – Stock-In Transit" has been added in the "Automatic Posting Accounting Type" column in the **Creative Operative Chart of Accounts** activity of the **Accounting Setup** business component under the **Finance Setup** business process.

Exhibit 1: Create Operative Chart of Accounts screen in the **Accounting Setup** business component



Account Postings for Tax

Confirm Issue

In case of stock transfer from one location to another, GST will be applied during the stock issue, which in turn will be considered as 'sale of goods'. Tax will be auto inherited based on the Sale Tax Rules for the stock transfers in the **Manage Tax For Inventory Transactions** activity of the **Stock Maintenance** business component.

Example: On confirmation of issue, the system posts the following:

Debit Stock-In Transit	10,000 [Existing Functionality]
Credit Inventory	10,000 [Existing Functionality]

Assuming Tax rate @ 18%

Debit GST-ST-SIT	1,800 (Auto Post Account Type)
Credit Output Tax	1,800 (TCD Account Code)

Note: If the transferred part is 'Capital', then only TCD postings will happen.

Amendment

After confirmation of issue document for Reference Document Type # Stock Transfer Issue, user can modify the taxable amount in **Manage Tax For Inventory Transactions** screen.

Therefore, on click of the 'Confirm' pushbutton, the system posts an entry for the 'Tax Amount' based on the modified taxable amount.

In the above example, if the user modifies the taxable amount from 10,000 to 9000 and GST is 18%, then the system posts the following adjustment entry.

Dr. Output Tax 180	[(10,000 - 9000) * 18%]
Cr. GST-ST-SIT 180	

Confirm Receipt

In case of stock transfer from one location to another, GST will be applied during stock receipt which in turn will be considered as 'purchase of goods'. Tax shall be auto inherited based on the Purchase Tax Rules for the stock transfers in the **Manage Tax for Inventory Transactions** activity of the **Stock Maintenance** business component.

Example: On confirmation of receipt, the system posts the following:

Debit Inventory	10,000 [Existing Functionality]
Credit Stock-In Transit	10,000 [Existing Functionality]

Debit Input Tax	1,800 (TCD Account Code)
Credit GST-ST-SIT	1,800 (New Auto Post Account Type)

Note: If the transferred part is 'Capital', then only TCD postings will happen.

Amendment

Accounting for Tax is triggered during modification of taxable amount for reference document type Stock Transfer Receipt as follows:

Note: All the modifications in the taxable amount for reference document type Stock Transfer Receipt shall post to GST Expense (Pre-defined Usage)

During Stock Receipt

Debit Inventory	10,000
Credit Stock-In-Transit	10,000
Dr. Input Tax	1,800 [10,000*18%] [TCD Account Code]
Cr. GST-ST-SIT	1,800

Modified Taxable amount from 10,000 to 8,000

Debit GST Expense	360 [2000*18%] [Pre-defined Usage]
Cr. Input Tax	360

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