

TRANSMISSION CORPORATION OF TELANGANA LIMITED

From
The Chief Engineer/400kV
Chairperson. SAP Governance Committee
TSTRANSCO
Vidyut Soudha
Hyderabad

To
All Heads of departments
and Field)

- CE-IT & QC TSTRANSCO Inward No. 559	
2 / JAN 2018	
SE-IT DE-IT	SE-QC AE/ADE-T CE-IT & QC

Lr. No. CE/400kV/SAPGC/D. No. 13 Date 25/01/2018

Sir/Madam,

Sub: Minutes of the SAP Governance Committee Meeting held on 20/01/2018-
Regarding.

Ref: TOO: CE/IT&QC/(CMD)Ms. No.176 dated 30/11/2017

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Orders were issued vide reference cited above constituting an **Empowered Standing Committee 'SAP Governance Committee (SGC)'** comprising of senior officers from various wings such as construction, procurement, finance, etc., wings at headquarters and their counterparts in the field and also members from SAP Core Team as indicated below:

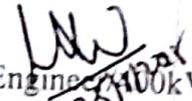
(i) Smt. D. Latha Vinod, Chief Engineer/400kV, VS – Chairperson.			
(ii)	Sri. N. Srinivasan Ravi, SE/400kV, VS	(ix)	Sri. N. Srinivas, SE/OMC/Karimnagar
(iii)	Sri. K. Venkata Ramana, SE/Const., VS.	(x)	Sri. V.K. Vohra, SE/OMC/Metro-Central.
(iv)	Sri B. Ravi, SE/P&MM, VS	(xi)	Sri C. Mohan Chander, Dy. CCA, PP&F, VS
(v)	Smt. P. Nageswari, SE/Transmission, VS	(xii)	Sri. N. Ashok, SAO/Warangal Zone
(vi)	Sri. B. Vijaya Bhaskara Rao, SE/QC, VS	(xiii)	Smt. K. Padma, SAO/Stores& Audit, VS
(vii)	Sri M. Ramesh, SE/Civil, VS	(xiv)	Sri. N. Ramesh, Dy. CCA/SAP-FICO
(viii)	Sri R. Srinivasa Rao SE/T to CMD, VS	(xv)	Sri. SBV Rajesh, DE/SAP-MM – Convener

The SGC deliberates on issues which have impact on the way business process is carried out in SAP System or vice versa and gives decisions for clearing of bottlenecks in the business processes. As per the above TOO, the decisions of the SGC and the directives issued thereby is binding on all the stake holders/departments.

Further, it is to inform that the SGC meets every 3rd Saturday at the head office. Issues/proposals requiring policy/procedural level decisions can be proposed to be included as an agenda item for the SGC meeting by mailing the details to the DE/SAP-MM, SGC convener. It is to be noted the proposal must necessarily be a high level policy issue affecting the business to be taken up by the SGC.

The minutes of the 2nd SGC meeting held on 20/01/2018 are herewith enclosed for your kind information and necessary action/compliance as indicated therein. The actions taken on the directions issued by the Committee will be reviewed during the next SGC meeting.

Yours faithfully,


Chief Engineer, 400kV
Chairperson, SGC

To
CE/Transmission/VS/Hyderabad
CE/Construction/VS/Hyderabad
CE/400kV/VS/Hyderabad
ED/LIS/VS/Hyderabad
CE/Comml. & RAC/VS/Hyderabad
CE/P&MM, SV/Hyderabad
CGM/HRD, VS, Hyderabad
CE/SLDC/VS/Hyderabad
CE/Power Systems/VS/Hyderabad
CE/Civil/VS/Hyderabad
CE/Telecom/VS/Hyderabad
CE/Metro Zone/Erragadda/Hyd.
CE/Rural Zone/Erragadda/Hyd.
CE/Warangal Zone/Warangal
CE/400kV/Warangal
CE/Karimnagar Zone
FA & CCA and CFO, VS/Hyd.
Joint Secretary/VS/Hyderabad

✓ The Chief Engineer/IT & QC – with a request to publish the minutes on the TSTRANSCO website as indicated at 5 (d) of the above TOO at a prominently visible location.

Copy submitted to:

The Chairman and Managing Director, Vidyut Soudha, Hyderabad.

The JMD/Fin., HRD and Comml., Vidyut Soudha, Hyderabad

The Director/Transmission, Vidyut Soudha, Hyderabad

The Director/Projects & Grid Operation, Vidyut Soudha, Hyderabad

The Director/LIS, Vidyut Soudha, Hyderabad

MINUTES OF SAP GOVERNANCE COMMITTEEMEETING # 2

Date: 20/01/2018

Members Present:

(i) Smt. D. Latha Vinod, Chief Engineer/400kV, VS – Chairperson.			
(ii)	Smt. P. Nageswari, SE/Transmission, VS	(ix)	Sri. V.K. Vohra, SE/OMC/Metro-Central.
(iii)	Sri. B. Vijaya Bhaskara Rao, SE/QC, VS	(x)	Sri. N. Ashok, SAO/Warangal Zone
(iv)	Sri M. Ramesh, SE/Civil, VS	(xi)	Sri. N. Ramesh, Dy. CCA/SAP-FICO
(v)	Sri R. Srinivasa Rao SE/T to CMD, VS	(xii)	Sri. SBV Rajesh, DE/SAP-MM – Convener
(vi)	Sri. N. Srinivasan Ravi, SE/400kV, VS	(xiii)	Smt. K. Padma, SAO/Stores& Audit, VS
(vii)	Sri. N. Srinivas, SE/OMC/Karimnagar	(xiv)	M Satya Srinivas, DE/SAP-PS (Invitee)
(viii)	G. Srinivas, DE/SAP-PM(Invitee)	(xv)	M Vijaya Ravindra, DE/SAP-Basis(Invitee)

Members Absent:

(i)	Sri. K. Venkataramana, SE/Const., VS.	(ii)	Sri C. Mohan Chander, Dy. CCA, PP&F, VS
(iii)	Sri B. Ravi, SE/P&MM, VS		

A. Action Taken Report:

1) **Consensus to be evolved with Circuit Breaker manufacturers regarding HSN codes to be used for Circuit Breaker Spares.**

Action Taken (SE/P&MM): Negotiations were held with M/s Siemens and M/s CGL on 29/12/2017 and with M/s Alstom-GE, M/s ABB and M/s Schneider on 19/01/2018. All the 5 companies have accepted for a common HSN code of 85389000 for Circuit Breaker spares supplied by them and their authorized dealers.

Next Steps: SE/P&MM to communicate minutes to all the companies confirming the agreed HSN codes for the Circuit Breaker Spares with copy to all the CEs/SEs for information.

2) **Guidelines to be issued for applicability of GST on Bulk Load, Power Evacuation, Lift Irrigation and Deposit Contribution Works.**

Action Taken (SAO/Audit & Stores): Subject was referred to the GST consultants as per the instructions of JMD for opinion regarding applicability of GST on Lift Irrigation Works. Consultant opinion is awaited and is expected by end of January 2018.

Next Steps: Matter to be pursued with the consultants and Board approval obtained expeditiously for communicating the final guidelines covering all implications of GST on Bulk Load, Power Evacuation, Lift Irrigation and Deposit Contribution Works in the Sales and procurement processes. SAP Sales configuration to be done as per the guidelines communicated by the finance wing.

- 3) **Service POs to be created in SAP after finalization of the percentage of Contractor's overhead and profit (COP).**

Action Taken (SE/Civil): Percentage of CoP finalised and circular issued communicating the same.

Next Steps: All the wings dealing with civil works i.e., CE/Civil, CE/400kV, CE/Construction, CE/Lift Irrigation Schemes and ED/Lift Irrigation to issue amendments to the existing Purchase Orders at the earliest and get the same uploaded in SAP System for completing and regularizing (in case where advance payments are made) the billing process.

- 4) **SAO/Stores & Audit to monitor virtual stocks and the concerned SEs to review virtual stocks on regular basis. Virtual Stocks existing in the System as on date must be got cleared by Jan 15th.**

Action Taken (SAO/Audit & Stores): Instructions were issued to all the field AOs/SAOs to get the virtual stocks cleared. Some of the stocks are already cleared, however considerable stocks are yet to be cleared.

Next Steps: Field SEs to issue instructions to the field DEs to monitor clearing of virtual stocks and to ensure that all the virtual stocks are cleared at the earliest.

B. New Agenda Items:

- 1) **SE/Construction:** Guidelines are required regarding applicability of GST on Bulk Load/Power Evacuation/DC Works/LI Works:

Covered under A(2)

- 2) **SE/Quality Control:** Raising of Inspection lots through SAP System for Factory Acceptance Testing:

As per the TOO No. 26 dated 06/08/2016, Dispatch Instructions are to be issued by the inspecting officers at the Vendor's works/inspection site. Accordingly, few Dispatch Instructions are issued through SAP System by the QC wing on trial basis successfully. It is planned to issue all the Dispatch Instructions from the Vendor site with effect from 1st of April.

Action: Procurement/Construction CEs at head office to instruct concerned ADEs to raise a few Inspections Lots in SAP System for local (Hyderabad) inspection offers to get familiar with the process. SAP-QM team will be assisting/training the ADEs in this process.

- 3) **DE/SAP-MM:** Working instructions for finalizing HSN codes at TSTRANSCO Level:

It was decided in the first meeting of the SAP Governance Committee that SE/Transmission will be coordinating with the field Circles for finalizing the HSN codes at Transco level. It was felt that detailed working instructions outlining the procedure to be followed by the field officers for seeking clarifications about HSN codes are necessary. SE/OMC/Karimnagar has volunteered to be the Nodal Officer for finalizing the HSN codes.

Action: CE/Transmission to issue a circular outlining the detailed working procedure to be followed for seeking clarifications on HSN codes for materials/services and designating SE/OMC/Karimnagar as the Nodal officer for finalizing of HSN codes.

4) **Dy. CCA/SAP-FICO:** Assignment of Position IDs to Projects in SAP System:

The process of assigning Position IDs to the Scheme IDs is to be completed in the SAP System by the respective officers in the Construction wings responsible for creation of WBS elements in the SAP System. Unless this process is completed, it will not be possible to allot budget to the schemes and for creation of POs and subsequent transactions in the SAP System. This process is to be completed on priority basis.

Action: CE/IT & QC to issue circular regarding assignments of position IDs in SAP System along with working guidelines by 31/01/2018.

5) **SE/OMC/Karimnagar:**

(i) **Extending Web Access for SAP at least up to DE cadre.**

Considering the field conditions and the necessity of completing various transactions such as Goods Receipt, Check Measurement and Issue of Form-13 in the SAP System within the timelines stipulated by the Board, it was requested to extend Web Access to SAP System at least up to DE cadre to eliminate delays due to lack of access to the SAP System at remote sites.

DE/SAP-Basis has informed the Committee that the existing infrastructure does not support web access and also apprised the Committee about the risks involved in exposing the SAP System for internet access. Further, financial implications for such provision also needs to be examined and the Board's approval will be required.

Action: CE/IT & QC to explore the feasibility and various options for providing web access to SAP System.

(ii) **Enabling multiple Log-on for each SAP User ID**

Presently a single User ID is shared between all the ADEs under a DE or between all AEs under an ADE. As multiple log-on is not permitted, only one officer can work on the SAP System at a time. Lack of separate User IDs for each office and lack of multiple Log-on

provision is severely affecting the productivity and is also impacting the time lines of the business processes such creation of POs, Goods Receipt, processing of vendor Invoices.

The Committee has opined that individual SAP User IDs have to be provided to each officer at all levels for smooth functioning of work without delays and for improvement of overall efficiency of the organization. Further, the scope of re-assigning some of the User IDs which are unused or are required for low priority process from SAP perspective needs to be examined.

Action: (i) SE/OMC/Karimnagar to hold discussions with the SAP/PM team and review the usage of User IDs assigned to the substations and their criticality for the TSTRANSCO Business process. The feasibility of re-assigning some of the Substation User IDs for other users handling more critical SAP processes may be assessed.

(ii) CE/IT & QC to arrive at additional requirement of SAP User licenses based on the inputs from the SE/OMC/Karimnagar and to seek Board's approval for procurement of additional User licenses.

(iii) Identification of PO lines schedule wise

Same item appears multiple times in the turnkey POs under different schedules. But in the SAP PO, items under all the schedules appear sequentially and there is no provision to indicate the Schedule number. This is sometimes leading to confusion while issuing of Dispatch Instruction in the SAP System and is leading to errors and delays. This situation can be avoided if a separate field can be made available to indicate PO schedule at the item level of the SAP PO.

Action: SAP MM team to explore the possibility of providing separate field at item level for indicating schedule reference.

(iv) Restriction of authorization for material transfer by AE to another circle.

SAP System allows the AEs to transfer material to any other AE without intervention of their superiors. It was expressed that transfer of material by AEs without the knowledge of DE/SE must not be allowed as utilization of these materials for other works may already be under consideration at Division/Circle office. It was requested to create necessary controls/workflows in SAP System to achieve control over AE's inventory transactions.

It was explained by DE/SAP-MM that the standard SAP System does not support any control over inventory transactions as they are mostly single step transactions. Even if customized transactions/enhancements are developed, they will be too complex, fragile and prone to frequent errors, especially during software upgrades to higher versions. Additional workflow and approval process will also introduce additional delays in the process. It was informed that

it was much simpler and easier to exercise control over AE's inventory transactions by issuing suitable instructions at field level.

In view of the technical constraints and other reasons explained above, it is decided to continue with the existing process in SAP System for AE's inventory transactions and for the field SEs to exercise offline control over the material transactions of the AEs.

(v) **Closing of Plant Maintenance Orders by AE and approval to be done by DE**

In SAP System approval of Plant Maintenance Orders (Maintenance estimates) is happening as per the delegation of powers. However, after the completion of maintenance activities the closing of the PMOs is being done by AEs and the concerned higher ups are not aware of closing of the PMO as it doesn't come through workflow.

It was informed by DE/SAP-PM that as on date closing of PMO comprises of two steps. AE/ADE does completion of PMO and the DE subsequently does the Technical Completion (TECO) transaction.

Action: DE/SAP-PM to make necessary changes in the SAP System for DE to do Technical Completion of the Plant Maintenance order initiated by AE/Maintenance through Workflow.

(vi) **Budget consumption in the process of creation of Plant Maintenance Order (PMO):**

In SAP System O & M budget gets consumed when a Purchase Requisition is automatically generated through creation of a Plant Maintenance Order. This is often causing exhaustion of budget even before the approving authority is approving the maintenance activity and there is no control at Division and Circle over budget consumption. Necessary changes are to be made in the SAP System to provide control at Circle/Division level regarding budget consumption.

It was requested to make the default option for generation of PR on release of PMO to be 'never' with an option to Order releasing authority to decide choose whether to generate a PR or not. When opted for proceeding without a PR (i.e., if the works are planned to be done through imprest/temporary advance without placing a PO), then the PMO approval should be linked to temporary advance request in the SAP System.

Action: (i) DE/SAP-PM to make necessary changes the PMO configuration to make default option for generation of PR as 'Never' and for the PMO releasing authority to decide regarding need for creation of the PR.

(ii) Further, SAP PM& FICO leads may explore the possibility of linking of PM Order to Fund Reservation.

(vii) Consolidation and streamlining of Service Masters:

It was informed that a large number of Service Masters are found to be either redundant or those which are not required for the regular business processes of TSTRANSCO. It was felt that the Service Masters need to be streamlined and consolidated to make it easier for the users to search for the required services.

It was informed by the DE/SAP-PS that if the services which are not required are identified by the business, then the same will be hidden from the Users in the System. In case any of these services are required in future, then there is provision to make them available.

Action: CE/Transmission, CE/400kV, CE/Construction, ED/LIS to nominate one officer (AE/ADE) to identify services in SAP which are not relevant for TSTRANSCO business.

C. Table Items:

- (i) **SE/OMC Karimnagar:** It is found that the field officers are not indicating the HSN codes in SAP System while closing of permanent imprest. It was felt that if headquarters issues orders mandating HSN Codes for closing of imprest/temporary advance then the compliance will improve.

Action: ED/Finance to issue circular directing field officers to mandatorily enter relevant HSN code while processing of imprest/temporary advance bills.