PRAMAAN · ERP AUDIT & IMPLEMENTATION

Implementing SAP S/4HANA in-house

A Pramaan practice guide: the partner-light, 28-week plan for Nirmana's finance and people operations — written for the team that will run it, not for a system integrator.

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VERSION	**1.0 — leadership draft**
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ENTITY	**Nirmana Industrial Intelligence Pvt Ltd · Bhubaneswar**
PRACTICE	**Pramaan · ERP audit & implementation**
SCOPE	**FI · CO · PA · OM · Time · Payroll**
TARGET	**SAP S/4HANA Cloud Public Edition · current release**

WORKING DRAFT

This guide assumes a greenfield, single-entity Indian startup. PA is Personnel Administration and OM is Organizational Management. Headcount, volumes, codes and dates are planning assumptions, not Nirmana records. Pramaan is the ERP audit and implementation practice of Nirmana. Confirm SAP product scope, localisation coverage and commercial terms with SAP before contract. This is not an SAP-certified implementation plan.

DOCUMENT CONTROL

Purpose, scope and basis

Document	NII-S4H-GUIDE-001
Title	Implementing SAP S/4HANA In-House at Nirmana
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Audience	Founders, CFO, finance and HR leads, in-house SAP team, IT and audit
Scope	FI, CO, PA (Personnel Administration), OM, time management, payroll, data, integration, testing, cutover and run
Out of scope	Manufacturing/PP, full SD/MM design, plant maintenance, licensing negotiation, statutory audit
Assumption	Greenfield, one Indian legal entity, ~120 employees growing to 250, INR, April–March fiscal year
Classification	Internal — leadership draft. Not for public distribution.

VERSION HISTORY

VER.	DATE	CHANGE
0.9	10 Nov 2026	Working notes: scope, architecture options, effort model.
1.0	15 Nov 2026	First leadership draft: finance, people, delivery and checklists.

BASIS AND ASSUMPTIONS

Nirmana is treated as a Bhubaneswar-based industrial intelligence startup with one Indian legal entity, a mix of product/subscription and project/services revenue, and a greenfield ERP landscape. No legacy SAP exists. Payroll is assumed to be currently outsourced or spreadsheet-based. Pramaan is the ERP audit and implementation practice within the Nirmana portfolio at nirmanaerp.com. All SAP product names are used as of the date of this draft; confirm current names and scope with SAP.

HOW TO USE THIS GUIDE

Sections 1–6	The decision: what goes into S/4HANA, what stays outside, and which architecture to choose.
Sections 7–19	Finance and controlling design: structure, GL, AP/AR, assets, tax, close, cost centres, projects and management reporting.
Sections 20–23	People operations: PA/OM, time management, payroll and payroll-to-FI.
Sections 24–31	Delivery: data, configuration, security, testing, cutover, run, cost and risks.
Appendices	Configuration checklist, data checklist, payroll parallel-run checklist and glossary.

WHAT THIS GUIDE IS NOT

It is not a licence quote, a payroll legal opinion or a substitute for SAP's product documentation. It is a decision and delivery framework: enough design to estimate, enough sequence to start, and enough control to keep an in-house team out of the usual traps.

THE ONE MESSAGE

S/4HANA is the finance and controlling core. It is not the payroll system. Nirmana must decide the people platform separately, and must not let a well-meaning "single SAP" argument put payroll into a finance project.

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READING THE PAGE NUMBERS

The contents refer to the printed page numbers. Sections 1–31 are one page each; the appendices span four pages. The PDF also carries bookmarks for every section.

SECTION 01

A finance core, a people platform, and a team that owns both

Nirmana does not need a system integrator to own this implementation. It needs a small, decision-capable team, a standard finance core, a separate people platform, and the discipline to keep payroll out of S/4HANA.

28	6–8	640	99.5%
WEEKS TO FINANCE GO-LIVE	CORE TEAM MEMBERS	PERSON-DAYS BEFORE CONTINGENCY	PAYROLL ACCURACY TARGET

THE RECOMMENDATION

1. **Finance core in S/4HANA Cloud Public Edition.** FI, CO and management reporting, with a thin procurement and billing layer for the subledgers.
2. **People platform in SuccessFactors.** Employee Central for PA/OM, Time & Attendance for time, and Employee Central Payroll for India — with a payroll specialist for the first year.
3. **No manufacturing, no full SD/MM, no SAP HCM on-premise.** Keep the first release narrow enough to go live in 28 weeks.
4. **Partner-light, not partner-free.** Nirmana owns design, configuration, data, testing and change; a partner covers payroll localisation, security review and SAP cloud onboarding.
5. **Big-bang finance, parallel-run payroll.** Finance cuts over once, after two clean payroll parallel cycles and a signed reconciliation.

Release 1 is finance and HR only. CO-PA, a second legal entity and advanced analytics are explicitly Release 2 candidates; they do not block the first go-live.

THE THREE DECISIONS

1. Platform. Public cloud for finance, or private cloud/on-premise?

2. People. SuccessFactors, SAP HCM on-premise, or a managed payroll provider?

3. Ownership. What must Nirmana do itself, and what must a specialist own?

WHAT "DONE" LOOKS LIKE AT GO-LIVE

OUTCOME	TEST AT GO-LIVE	OWNER
A close in five days	Bank, AP/AR, depreciation, GST, TDS and cost allocations complete by working day five.	Finance controller
Project margin visible	Every live project shows revenue, direct cost and margin in the project margin report without a spreadsheet.	Delivery + finance
Payroll on time	Two parallel runs within tolerance; bank file, payslips and statutory reports accepted.	HR + payroll
One employee record	Hire, transfer, cost-centre change and exit flow from EC to payroll and finance.	HR
Auditable access	No shared logins; AP cannot pay, payroll master cannot run payroll, GL poster cannot approve.	IT / audit

THE CONSTRAINT TO RESPECT

An in-house team can configure standard finance. It cannot become a payroll compliance department in six months. The plan protects payroll with a specialist and protects finance with a strict scope.

SECTION 02

S/4HANA is not an HR and payroll system

The single most expensive mistake in this programme would be to assume that “SAP HANA” includes payroll because the quote says SAP. It does not. S/4HANA is the finance and controlling core; people operations run on a separate platform.

CAPABILITY	WHERE IT RUNS	WHAT IT COVERS
Financial accounting	S/4HANA	GL, AP, AR, asset accounting, bank accounting, tax, closing.
Controlling	S/4HANA	Cost centres, profit centres, internal orders, projects, allocations, budgets.
Management reporting	S/4HANA	Cost centre, project, budget and people-cost reports; CO-PA only if added later.
PA — Personnel Administration	SuccessFactors Employee Central or SAP HCM	Employee master data, employment, compensation, statutory data.
OM — Organizational Management	SuccessFactors Employee Central or SAP HCM	Legal entity, business unit, department, location, job, position.
Time management	SuccessFactors Time & Attendance or SAP HCM PT	Shifts, attendance, leave, overtime, time valuation.
Payroll	SuccessFactors Employee Central Payroll, SAP HCM PY, or a managed provider	Gross-to-net, statutory deductions, bank file, payslips, returns.

WHAT “PA” MEANS HERE

PA means Personnel Administration — the HR master-data module for personal, employment, pay and statutory data. It is not Profitability Analysis (CO-PA) in this guide. CO-PA is not part of the initial release; if Nirmana later needs margin by customer, product and channel beyond project margin, add account-based CO-PA as a separate scope decision.

WHAT “OM” MEANS HERE

OM is read as **Organizational Management**: the effective-dated hierarchy of legal entity, business unit, department, location, job and position. It is not “order management”. If Nirmana meant sales order management, that sits in the thin SD layer described in Section 2.

WHY SAP SPLIT THE PRODUCTS

Payroll is country-specific, legally sensitive and changes every year. SAP’s strategic HR investment is in SuccessFactors, not in new S/4HANA HR functionality. Putting payroll in the finance programme would slow both down.

CHECK THE QUOTE

If a quote bundles “SAP HCM” with S/4HANA, ask which product, which deployment and which maintenance commitment. A greenfield SAP HCM on-premise implementation is not the same decision as SuccessFactors.

THE MINIMUM ADJACENT SCOPE

Procurement	Purchase requisition, purchase order, goods receipt, invoice verification — enough for AP and cost commitment.
Sales and billing	Sales order, delivery/service confirmation, billing — enough for AR and project revenue.
Projects	WBS elements for customer projects and internal initiatives — enough for project cost and margin.

SECTION 03

Three architectures, one recommendation

The finance design is similar in all three. The difference is where people data and payroll live, and how much infrastructure Nirmana wants to own.

#	OPTION	STRENGTHS	WEAKNESSES	FIT
A	**Public cloud finance + SuccessFactors people** S/4HANA Cloud Public Edition; EC, Time & Attendance, ECP	Fastest to value; no infrastructure; standard processes; SAP's strategic HR path; clean core by design.	Subscription per user/employee; less bespoke configuration; payroll needs a specialist.	**Recommended**
B	**Private cloud/on-premise S/4HANA + SAP HCM on-premise**	Deep configuration; one vendor; payroll engine mature; data stays in Nirmana's landscape.	Highest infrastructure and Basis burden; HCM is maintenance-mode; scarce skills; slowest to value.	**Not for greenfield**
C	**Public cloud finance + managed payroll / external HR**	Lowest HR technology cost; payroll provider owns compliance; finance still standard.	Two or three vendors; employee data split; integration and reconciliation effort; weaker OM/PA depth.	**Fallback**

WHY OPTION A

- **Speed.** Public cloud comes with standard finance processes, guided configuration and a twice-yearly release cadence. A 28-week finance go-live is realistic.
- **Clean core.** Nirmana does not have the team to maintain a heavily customised on-premise system. Standard processes are a feature, not a compromise.
- **People.** SuccessFactors gives PA/OM, time and payroll a product roadmap; SAP HCM on-premise does not.
- **Cost shape.** Operating subscription instead of capital infrastructure; easier to scale from 120 to 250 employees.

WHAT "PUBLIC CLOUD" CHANGES

Configuration is done through SAP Central Business Configuration and guided activities, not classic SPRO. Extensions use key-user tools or side-by-side BTP services. Some classic ABAP exits are not available. The team must design within the released scope.

WHEN OPTION B WOULD WIN

Only if Nirmana already owned a SAP HCM landscape, had deep Basis/HR skills, or a regulatory requirement to keep all people data on-premise. None of those is assumed here.

DECISION CRITERIA

CRITERION	WHY IT MATTERS	WEIGHT
Time to first close	The CFO needs a reliable close before the next funding or audit cycle.	High
Payroll compliance	A missed statutory change is a legal and employee-trust issue.	High
Total cost over 5 years	Subscriptions, internal effort, partner and integration.	High
In-house operability	Can a 6–8 person team run it without a permanent SI?	Medium
Flexibility	Industrial intelligence processes will change; avoid frozen custom code.	Medium

CONFIRM THE SCOPE ITEMS, NOT THE BROCHURE

Public-cloud scope varies by edition and country. Before signing, confirm that the quote includes asset accounting, project control with WBS, margin analysis, internal orders (if needed), bank integration and the payroll integration services. A missing scope item is a change request after go-live.

SECTION 04

The company the model must fit

A 120-person startup is not a small version of a large enterprise. The design must be simple enough to run with a lean team, but structured enough to survive 250 employees, multiple project sites and an audit.

Entity	Nirmana Industrial Intelligence Pvt Ltd
Location	Bhubaneswar, Odisha; project sites across India
Business	Industrial AI products, subscriptions and project/services delivery
Employees	~120 today; plan for 250 within 24 months
Legal entities	One Indian entity (assumed)
Currency / fiscal year	INR; April–March
Tax	GST registered in Odisha; inter-state project supplies
Revenue mix	~60% services/projects, ~40% products/subscriptions (assumed)
Customers / vendors	~150 active customers; ~200 active vendors
Banks	Two current-account banks (assumed)

PLANNING VOLUMES

GL lines / month	~1,000
AP invoices / month	~250
AR invoices / month	~120
Payroll headcount	~120
Time entries / month	~2,500
Live projects	~15–25
Fixed assets	~150
Named SAP users	~35–45

WHAT THE BUSINESS MODEL DOES TO FINANCE

- **Project margin is the core number.** Revenue, direct cost and effort must meet at the project, not only at the company level.
- **Subscriptions need recurring-revenue reporting.** Management reporting must separate subscription from services.
- **Inter-state supply changes GST.** Place of supply, e-invoicing and input credit must work from day one.
- **People cost is the largest cost.** Payroll posting to cost centres and projects is not optional.

WHAT MUST BE TRUE

One named finance owner, one named HR owner, a 0.5-FTE SAP lead, and a leadership decision on payroll ownership before week 4. Without those four, the 28-week plan is fiction.

ASSUMPTIONS TO CONFIRM

Entity count, revenue mix, headcount plan, bank count, project-site states and whether payroll is currently outsourced. Each changes the design or the effort.

GROWTH ASSUMPTIONS

YEAR	HEADCOUNT	LEGAL ENTITIES	WHAT CHANGES IN THE SYSTEM
Year 1	120	1	Single company code, single payroll area, one set of statutory registrations.
Year 2	250	1–2	New cost centres, more projects, possible second payroll area; no redesign.
Year 3	350+	2+	Second company code and intercompany; management reporting by entity; consolidation consideration.

SECTION 05

One finance core, one people core, one integration layer

Two systems of record are deliberate: S/4HANA for finance and controlling, SuccessFactors for people. The integration layer is what makes them behave like one business.

LAYER	COMPONENTS	PURPOSE
Experience	Fiori launchpad; mobile; email; SAP Analytics Cloud	One entry point for finance, managers and employees; no direct table access.
Finance core	S/4HANA Cloud Public Edition: FI, CO, procurement, billing, projects	Books, cost, margin, statutory reporting and the universal journal.
People core	SuccessFactors Employee Central, Time & Attendance, Employee Central Payroll	Employee record, org structure, time, payroll and statutory outputs.
Integration	SAP Integration Suite / CPI; OData APIs; SFTP where needed	Master data, time, payroll posting, bank files and statutory exchanges.
Identity	SAP Identity Authentication and Provisioning; SSO; MFA	One identity per person; joiner, mover, leaver.
External	Banks, GST/IRP, e-way bill, biometric devices, expense tools	Statutory and operational edges, monitored and reconciled.

SYSTEMS OF RECORD

DATA	SYSTEM OF RECORD AND FLOW
Employee and org	SuccessFactors Employee Central → S/4, ECP
Time and attendance	SuccessFactors Time & Attendance → ECP, projects
Payroll results	Employee Central Payroll → S/4
GL and cost	S/4HANA universal journal → SAC
Customer and vendor	S/4HANA business partner → analytics
Project master	S/4HANA WBS → time, cost

WHY NOT ONE SYSTEM?

A single S/4HANA system cannot run Indian payroll without a separate HR component. Forcing it creates a custom payroll engine that Nirmana would own forever. Two systems with a clean interface is the lower-risk design.

THE INTEGRATION IS THE PRODUCT

If employee, time and payroll data do not flow reliably, the user experience collapses regardless of how well finance is configured. Budget integration effort and monitoring from the start.

NON-FUNCTIONAL REQUIREMENTS

Availability	Cloud service levels from SAP; no Nirmana data centre. Critical payroll cutover window agreed with SAP/partner.
Performance	Finance reports under 5 seconds for 12 months of data; payroll run within the payroll window.
Retention	Financial records per Companies Act; employee records per applicable labour and tax law; define archive/retention before go-live.
Resilience	Daily integration monitoring; payroll fallback procedure; bank-file reconciliation.

SECTION 06

The interfaces that must work on day one

Most go-live failures are not accounting failures. They are an employee who did not reach payroll, a bank file that did not reconcile, or an e-invoice that never reached the IRP.

#	INTERFACE	DIRECTION	FREQUENCY	PATTERN	DAY-ONE TEST
01	Employee and org master	EC → ECP, S/4	Daily / event	OData API / CPI	Hire, transfer, exit reflected in payroll and cost centre.
02	Time and attendance	Time → ECP	Daily / period	CPI / API	Overtime and leave reach the payroll run.
03	Payroll posting	ECP → S/4	Monthly	CPI / IDoc / file	Salary cost posts to the right cost centre and GL.
04	Vendor payments	S/4 → bank	Daily	Payment file / API	Payment file accepted; bank statement returns.
05	Bank statement	Bank → S/4	Daily	MT940 / camt.053	Auto-reconciliation rate and exceptions visible.
06	Sales invoice / e-invoice	S/4 → IRP	Per invoice	SAP Document Compliance / API	IRN returned; printed invoice carries QR code.
07	Biometric punches	Device → Time	Daily	Vendor API / SFTP	Missing punches produce an exception, not a silent zero.
08	Expense claims	Expense tool → S/4	Weekly	API / file	Employee reimbursement posts to cost centre and project.
09	Finance analytics	S/4 → SAC	Daily	Live connection / extract	Close dashboard matches the GL.

INTEGRATION RULES

- **One pattern per interface.** Do not mix API and file for the same object without a reason.
- **Idempotency.** Every inbound interface carries a source key so a retry does not duplicate a record.
- **Error queue.** Failed messages go to a monitored queue with an owner; email is not monitoring.
- **Reconciliation.** Every interface has a daily count and value reconciliation, not only a success message.
- **No point-to-point sprawl.** Use Integration Suite as the hub; document every endpoint.

TEST WITH REAL EDGES

A bank file tested against a mock is not tested. Use the bank's test environment, a real GST test invoice and a real biometric device before UAT.

PAYROLL INTERFACE IS CRITICAL

Payroll posting is the one interface where a one-day delay becomes an employee issue. Run it twice in parallel and reconcile every wage type to the GL.

INTEGRATION TEST CALENDAR

WEEK	TEST	PASS CONDITION
12	Bank payment file and electronic statement in the bank's test environment.	File accepted; statement auto-reconciles.
14	GST invoice, credit note and e-invoice through the IRP test endpoint.	IRN and QR returned; GL and tax agree.
16	Biometric punches → time evaluation → payroll input.	Overtime and leave appear correctly.
18	Payroll result → FI/CO posting, by cost centre and WBS.	Salary cost ties to the payroll register.
20	End-to-end P2P, O2C and payroll in the same test cycle.	No manual workaround outside the system.

SECTION 07

Twenty-eight weeks, six gates

SAP Activate fits an in-house team well: fit-to-standard workshops decide what to adopt, sprints build it, and gates stop the programme from drifting. The sequence below assumes the SAP subscription and cloud tenant are available by week 2.

PHASE	WEEKS	OUTCOME	GATE EVIDENCE
0 · Mobilise	1–2	Team, scope, decision log, tenant, project plan, data profile	Signed charter and plan
1 · Discover / prepare	3–5	As-is finance and HR walkthrough, chart of accounts draft, data baseline	Discovery pack
2 · Explore	6–11	Fit-to-standard workshops for FI, CO, HR, time and payroll; blueprint	Signed blueprint
3 · Realize	12–20	S/4 configuration, SuccessFactors configuration, integrations, roles, reports	Prototype in DEV/QAS
4 · Data	12–22	Cleanse, map, load, reconcile: GL, BP, assets, WBS, employees, payroll	Reconciliation pack
5 · Test	21–25	SIT, UAT, payroll parallel runs, security and performance	Test exit, UAT sign-off
6 · Cut over	26–28	Freeze, opening balances, final load, go-live, first close support	Go-live certificate
7 · Hypercare	29–34	Floor support, first payroll, first close, handover to run team	Hypercare exit

BUILD SEQUENCE

1. **Structure first.** Company code, chart of accounts, cost centres, profit centres, org units.
2. **Then master data.** GL, business partners, assets, WBS, employees, pay components.
3. **Then transactions.** AP, AR, assets, projects, time, payroll.
4. **Then integration.** Bank, GST, payroll posting, biometric, analytics.
5. **Then close and report.** Month-end cockpit, project margin, finance dashboards.

FIT-TO-STANDARD, NOT FIT-TO-WISH

In public cloud, the workshop question is “how does standard handle this, and can we adopt it?”. A gap that needs custom code goes to the change board with a cost and a release impact.

THE CRITICAL PATH

Chart of accounts → open balances → first close, and employee data → time → payroll parallel run. Protect those two chains; everything else can move a week.

IN-HOUSE DELIVERY RULES

One scope baseline	Signed after Explore. New scope enters through the change board, not a corridor conversation.
One decision log	Every design decision has an owner, date and impact. If it is not written, it did not happen.
Test with real data	Use a masked copy of the real chart of accounts, vendors, customers and employees; synthetic data hides the exceptions.
No code without a case	Standard configuration, then key-user extension, then side-by-side BTP; custom code is the last option.
Protect the team	Core team members are not available “50%” while doing their day job 100%. Allocate real time.

SECTION 08

A small team with real decision rights

The most common in-house failure is not a configuration error. It is a team of part-time people with no authority to decide, waiting for a founder who is travelling.

ACTIVITY	ACCOUNTABLE	RESPONSIBLE	CONSULTED
Scope and business case	CEO / CFO	SAP programme lead	Finance, HR, delivery
Finance design	CFO	Finance functional lead	Controller, audit
Controlling and reporting	CFO	CO lead	Delivery, sales
HR, time and payroll	HR head	HR functional lead	Payroll specialist, finance
Integration and security	CTO / IT lead	SAP technical lead	Security reviewer
Data migration	Data owners	Data lead	Finance, HR
Testing and cutover	CFO	Test / cutover manager	All workstreams

CADENCE

Daily	15-minute stand-up in Realize and Test.
Weekly	Workstream leads; decisions, risks, data rejects.
Fortnightly	Steering with CEO/CFO; scope, dates, escalations.
Gate	Written pack; pass, pass with conditions, or stop.

ONE OWNER PER OBJECT

Every master-data object — GL, vendor, customer, asset, WBS, employee, pay component — has one named Nirmana owner who signs the reconciliation. The project team can load; only the business can accept.

ESCALATION RULE

A decision that cannot be closed in two sessions goes to the CEO/CFO with options and a recommendation. A third workshop is not an escalation path.

CORE TEAM AND ALLOCATION

Programme lead	0.8 FTE; plan, risks, decisions, partner management.
Finance functional lead	1.0 FTE; FI design, configuration, data, UAT.
CO / reporting lead	0.8 FTE; cost centres, projects, margin reporting.
HR / payroll lead	1.0 FTE; EC, time, payroll, statutory data.
SAP technical / integration	0.8 FTE; BTP, APIs, roles, transports.
Data lead	0.6 FTE; templates, cleansing, reconciliation.
Change / training	0.4 FTE; communications, training, super users.

GOVERNANCE ARTEFACTS

ARTEFACT	WHAT IT HOLDS	OWNER
Decision log	Decision, options, date, accountable person, impact.	Programme lead
RAID log	Risks, assumptions, issues, dependencies with owner and due date.	PMO
Blueprint	To-be process, org structure, data model, interfaces, reports.	Functional leads
Reconciliation pack	Counts, rejects and sign-off per data object.	Data lead
Change log	Post-baseline changes with scope, cost and date impact.	Programme lead

SECTION 09

What “in-house” should mean

In-house does not mean doing everything alone. It means Nirmana owns the design, the data and the decisions, and buys specialist work where the risk is highest.

ACTIVITY	NIRMANA	PARTNER	WHY
Programme management	Own	—	The team must control scope and decisions.
Finance process design	Own	Review	CFO and controller know the business; a reviewer checks SAP standard.
S/4 configuration	Own	Coach	Public-cloud guided configuration is learnable; a coach accelerates the first sprint.
Management reporting design	Own	Review	Report logic is a business decision, not a technical one.
HR / OM / time	Own	Review	HR owns the org model and policy; partner checks localisation.
Payroll configuration	Own data	Own build	Payroll compliance is the highest-risk area; buy expertise for year one.
Integrations	Own	Build edge	Nirmana owns the interface contract; partner builds complex adapters.
Security and authorisations	Own	Review	Segregation of duties needs an independent check.
Testing	Own	—	Only the business can accept the process.
Cutover	Own	Support	Nirmana, not the partner, goes live.

THE PARTNER SCOPE TO BUY

- **Payroll localisation and year-one run support.** Indian payroll, statutory changes and parallel-run review.
- **SAP cloud onboarding.** Tenant provisioning, activation and the commercial route; confirm what SAP requires.
- **Independent security review.** Role design, segregation of duties, interface security.
- **Complex integration build.** Bank, GST/IRP or biometric adapters where Nirmana lacks the skill.
- **QA reviewer.** A short, fixed-scope review at blueprint and before cutover.

THE TEST FOR “IN-HOUSE”

Can Nirmana explain, change and test the process without calling the partner? If yes, it is in-house. If no, it is outsourced with extra steps.

DO NOT DIY PAYROLL IN YEAR ONE

Payroll has statutory deadlines, state-specific rules and employee-trust consequences. Own the data and the approval; buy the compliance.

CAPABILITY BUILD OVER THREE YEARS

YEAR	NIRMANA OWNS	PARTNER OWNS
Year 1	Finance configuration, data, testing, change, first close.	Payroll build and run support, security review, integration edges.
Year 2	Payroll changes, release regression, reporting extensions, training.	Annual statutory update review, independent audit.
Year 3	Full payroll configuration, integration ownership, second entity.	Specialist advice only.

SECTION 10

Structure before configuration

The enterprise structure is the skeleton. Change it after go-live and every report, role and interface moves with it.

SETTING	SAMPLE VALUE	WHY
Company code	`1000` — Nirmana India	One legal entity, one set of books, one GST registration set.
Chart of accounts	`NII1`	Nirmana-specific, 6-digit numeric, grouped by function.
Fiscal year variant	K4 — April to March	Indian statutory and management reporting year.
Currency	`INR`	Local currency; group currency only if a parent requires it.
Country / language	`IN` / EN	Indian localisation and English UI.
Credit control area	`1000`	One credit policy for the startup; split later if needed.
Plant	`1000` — Bhubaneswar	Procurement and asset receipt; project sites are business places, not plants.
Storage location	`0001` — Main stores	IT assets and office stores; no manufacturing stores.
Business places	Bhubaneswar HQ; project site states	GST place of supply and statutory reporting, not a full plant per state.

COST CENTRE HIERARCHY (SAMPLE)

COST CENTRE	NAME	RESPONSIBLE
`NII-FIN`	Finance and controllership	CFO
`NII-HR`	People and payroll	HR head
`NII-ENG`	Engineering and product	CTO
`NII-DEL`	Delivery and projects	Delivery head
`NII-SAL`	Sales and marketing	CEO
`NII-IT`	IT and infrastructure	CTO
`NII-BDHQ`	Bhubaneswar office	Admin

PROFIT CENTRES (SAMPLE)

PROFIT CENTRE	BUSINESS
`PC-PROD`	Product licences and subscriptions
`PC-SERV`	Implementation and inspection services
`PC-SUPP`	Support and managed services

DO NOT CREATE A COMPANY CODE PER BUSINESS LINE

Products, services and support are profit centres, not legal entities. A second company code is for a second legal entity, not for management reporting.

GST IS NOT A PLANT

Do not create a plant for every state. Use business places and the customer's place of supply; add a plant only where you hold inventory or fixed assets.

ORGANISATIONAL DECISIONS TO SETTLE IN WEEK 3

One entity or two?	If a second entity is planned within 12 months, design the chart of accounts and management reporting to scale now.
Cost centre by function or by project?	Function for overhead; WBS for project direct cost. Do not use one for both.
Project sites as business places?	Yes for GST; no for procurement unless the site holds stock.

SECTION 11

A chart of accounts that survives growth

The chart of accounts is a management instrument, not an accountant's private list. Six digits, four blocks, and a rule that no account is created for a one-off report.

ACCOUNT RANGES (SAMPLE)

RANGE	PURPOSE	EXAMPLES
100000–199999	Assets	Cash, receivables, fixed assets
200000–299999	Liabilities and equity	Payables, GST, TDS, equity
300000–399999	Revenue	Product, subscription, services
400000–499999	Direct cost	Project cost, subcontract, travel
500000–599999	Overhead	Salaries, rent, marketing, IT
600000–699999	Tax and other	GST, TDS, rounding

SAMPLE GL ACCOUNTS

ACCOUNT	NAME	TYPE	GROUP
100100	Bank — current account 1	Asset	Bank
110100	Trade receivables — domestic	Asset	AR
200100	Trade payables — domestic	Liability	AP
210100	GST output — CGST	Liability	Tax
210200	GST input — CGST	Asset	Tax
220100	TDS payable	Liability	Tax
300100	Product licence revenue	Revenue	Product
300200	Subscription revenue	Revenue	Product
300300	Project services revenue	Revenue	Services
400100	Project subcontract cost	Expense	Direct
500100	Salaries and wages	Expense	People

CONFIGURATION RULES

- **One account per purpose.** Do not create "miscellaneous" or "other"; they become the largest balance.
- **Account groups control fields.** Bank, customer, vendor, tax and P&L groups have different field status.
- **Retained earnings account** is defined once; the carry-forward is automatic.
- **Field status** hides what the team does not need; it does not replace authorisation.
- **No parallel ledger** in year one unless a parent requires IFRS; Indian GAAP is the leading ledger.

UNIVERSAL JOURNAL

In S/4HANA, FI and CO share one line-item table. A journal entry carries the GL account, cost centre, profit centre and WBS at once. There is no separate CO reconciliation to run.

OPENING BALANCES ARE NOT A REPORT

Load balances at the account, cost centre, profit centre and open-item level. A trial balance that only ties at the company level will fail the first close.

FINANCIAL STATEMENT VERSION

Balance sheet	Assets, liabilities and equity grouped for the Companies Act format and management review.
P&L	Revenue by stream, direct cost, people cost, overhead and EBITDA.
Cost of sales	Project direct cost and delivery cost, separated from sales and marketing.

SECTION 12

The cash cycle, without the spreadsheet

AP and AR are where a startup feels the system first. If a vendor payment or a customer receipt still needs a manual spreadsheet, the implementation has not landed.

BUSINESS PARTNER SETUP

SETTING	VALUE
BP roles	Customer, vendor, FI customer, FI vendor
Numbering	Internal, 10-digit, one number per BP
Groups	Domestic company, individual, government, related party
Payment terms	Immediate, 15 days, 30 days, 45 days, 60 days
Credit limit	Only for customers with a credit policy; start simple
Withholding	TDS section and threshold on the vendor master

AP PROCESS

1. Purchase requisition and purchase order for the commitment.
2. Goods receipt or service entry sheet for the actual.
3. Invoice verification with 3-way match; block exceptions.
4. Payment proposal, review, bank file, reconciliation.

AR PROCESS

1. Sales order or project milestone.
2. Service confirmation or delivery.
3. Billing with GST and e-invoice.
4. Collection, dunning and cash application.

AUTOMATIC PAYMENT PROGRAM

Configure one payment run per bank, with a clear run date, due-date selection and exception report. Do not let each accountant run a private payment cycle.

BANK RECONCILIATION IS THE CONTROL

An unreconciled bank account is an unaudited company. Use electronic bank statement processing and review exceptions daily, not at month-end.

PAYMENT TERMS (SAMPLE)

TERM	DAYS	USE
Immediate	0	Employee reimbursement, statutory payments.
Net 15	15	Small vendors and utilities.
Net 30	30	Standard vendor and customer terms.
Net 45	45	Project subcontractors.
Net 60	60	Large suppliers, only with approval.

BANK CONFIGURATION AND CONTROLS

House banks	One house bank per bank relationship; bank keys for each account.
Payment methods	NEFT/RTGS for INR; cheque only as an exception.
EBS	MT940 or camt.053; mapping rules for receipts and payments.
Approval	Payment proposal reviewed by finance; release by a second person.
Master data	Bank change on a vendor requires dual control and callback.

SECTION 13

Assets that audit can follow

A startup's assets are mostly IT, furniture, vehicles and capitalised software. The design is simple; the discipline is in capitalization, transfer and retirement.

ASSET CLASS	EXAMPLES	DEPRECIATION	USEFUL LIFE
1000 · IT equipment	Laptops, servers, network, test devices	Straight line	3–4 years
2000 · Furniture	Desks, chairs, partitions	Straight line	5–10 years
3000 · Vehicles	Company cars, field vehicles	WDV / SL	5–8 years
4000 · Leasehold improvements	Office fit-out	Straight line	Lease term
5000 · Intangibles	Capitalised software, licences	Straight line	3–5 years

CONFIGURATION DECISIONS

- **Depreciation areas.** One leading area for Indian GAAP; add a second only if a parent requires IFRS or a different tax view.
- **Capitalisation.** Asset acquisition posts from AP or direct; AUC for projects under construction.
- **Transfers.** Cost-centre and asset-to-asset transfers keep the history; do not delete and recreate.
- **Retirement.** Gain/loss posting and disposal document; no direct write-off without approval.
- **Low-value assets.** Set a threshold and expense below it; do not create thousands of trivial records.

ASSET MASTER DATA

Required: asset class, description, capitalisation date, cost centre, location, serial number for IT, and the acquisition document. A missing cost centre breaks depreciation posting.

DO NOT CAPITALISE PEOPLE TIME BY DEFAULT

Capitalised software development needs a defensible policy and time evidence. If Nirmana capitalises, define the project, the eligible time and the approval before the first posting.

SAMPLE ASSET REGISTER

ASSET	DESCRIPTION	CLASS	COST CENTRE	COST (INR)	CAPITALISED
100001	Laptop batch — engineering	1000	NII-ENG	6,50,000	01-04-2026
100002	Office furniture — HQ	2000	NII-BDHQ	4,20,000	15-04-2026
100003	Field vehicle	3000	NII-DEL	12,00,000	01-05-2026
100004	Office fit-out	4000	NII-BDHQ	18,50,000	01-06-2026
100005	Analytics platform licence	5000	NII-IT	9,00,000	01-07-2026

MONTH-END ASSET CLOSE

Depreciation run	Run for the period, review the log, post; do not repeat without reversing.
AUC settlement	Settle completed projects to assets; leave only genuine work-in-progress.
Reconciliation	Asset subledger to GL; additions, retirements and depreciation tie.
Physical verification	Annual; reconcile tags to the register before the audit.

SECTION 14

Tax is a configuration, not a spreadsheet

GST and TDS are the two areas where a small error becomes a penalty. Configure the codes once, test with real invoices, and keep the statutory calendar in the system.

GST SETUP

Registrations	Odisha GSTIN; additional state registrations as project sites require.
Tax procedure	India GST; CGST, SGST, IGST, cess where applicable.
Place of supply	Derived from customer location and service delivery; tested for inter-state projects.
E-invoice	B2B invoices above the notified threshold; IRN and QR on the invoice.
E-way bill	Only where goods move; not for pure services.
Returns	GSTR-1, GSTR-3B, GSTR-9; reconciliation to GL.

TDS SETUP

Sections	194C (contract), 194J (professional), 194I (rent), 192 (salary), others as applicable.
Thresholds	Maintained in configuration; reviewed when the law changes.
Vendor master	TDS section, resident status, lower-deduction certificate.
Returns	Quarterly 26Q/24Q; Form 16/16A; reconciliation to GL.

SAMPLE TAX CODES

CODE	DESCRIPTION	RATE
`G0`	Exempt / nil	0%
`G5`	CGST + SGST 2.5%	5%
`GA`	CGST + SGST 6%	12%
`GB`	CGST + SGST 9%	18%
`IG`	IGST 18%	18%

TEST WITH REAL DOCUMENTS

One intra-state invoice, one inter-state invoice, one credit note, one import of service and one TDS vendor payment. If those five work, the configuration is credible.

DO NOT HARD-CODE RATES

Rates, thresholds and forms change. Keep them in tax codes and condition records so a change is a configuration task, not a code change.

STATUTORY CALENDAR

FREQUENCY	OBLIGATION	OWNER
Monthly	GST return and payment; TDS payment; payroll statutory payments.	Finance / payroll
Quarterly	TDS returns; advance tax; GST annual reconciliation preparation.	Finance
Annual	GST annual return; income tax return; tax audit; payroll year-end.	CFO / auditor
Event	New state registration; lower-deduction certificate; notice response.	CFO

TAX RECONCILIATION BEFORE CLOSE

CHECK	WHAT TIES TO WHAT	OWNER
GST output	GL tax liability = GSTR-1 / e-invoice register.	Tax accountant
GST input	GL input credit = GSTR-2B, with unmatched items explained.	AP / tax
TDS payable	GL withholding = 26Q / 24Q and challans.	Tax accountant
E-invoice count	Billing documents = IRN register; exceptions cleared.	AR

SECTION 15

A five-day close, designed not hoped for

The close is the first real test of the design. If it needs a parallel spreadsheet, the interface or the master data is not finished.

DAY	ACTIVITY	OWNER	SYSTEM EVIDENCE
D+1	Cut-off: AP/AR invoices, expense claims, bank statements, payroll posting.	Finance / HR	Posting logs, bank reconciliation
D+2	Accruals, prepayments, GR/IR clearing, intercompany if any.	Controller	Journal list, GR/IR report
D+3	Depreciation, asset AUC settlement, foreign currency valuation.	Fixed assets	Depreciation log
D+4	Cost allocations, project cost settlement, project margin review.	CO lead	Allocation log, margin report
D+5	GST/TDS reconciliation, financial statements, management pack, lock period.	CFO	Signed close checklist

CLOSE CHECKLIST

- All bank accounts reconciled; no unexplained difference.
- AP and AR subledgers tie to GL; no unposted invoices.
- Payroll posted and reconciled to the payroll register.
- Depreciation run complete; AUC only genuine work-in-progress.
- GST output/input and TDS payable reconcile to returns.
- Project cost and revenue meet in the project report; margin is explainable.
- Journal approvals complete; period locked.

CLOSE COCKPIT

Use a Fiori close task list with owners and due dates. The cockpit is the audit trail; a WhatsApp group is not.

FIRST CLOSE IS A GATE

Do not declare hypercare complete until the first close finishes by D+5 with no material adjustment. The first close is the real UAT.

JOURNAL APPROVAL AND AUDIT TRAIL

Manual journals	Template, reason code, supporting document, approval by controller.
Reversals	Next-period reversal for accruals; no deletion of posted documents.
Period lock	Only the CFO can reopen a closed period; the reopening is logged.
Evidence	Every material journal has an attachment or a referenced source document.

FIRST-CLOSE REHEARSAL

WHEN	ACTIVITY	PASS CONDITION
T-3 weeks	Dry run with the previous month's data in QAS; all tasks executed by the real owners.	Every task completed; gaps logged.
T-2 weeks	Fix gaps, rerun the failed tasks, confirm the close cockpit.	No task depends on a spreadsheet.
First live close	Close by D+5 with the hypercare team on the floor.	Signed close checklist; no material adjustment.
D+10 review	Retrospective: what took longer, what was manual, what to automate.	Actions with owners and dates.

SECTION 16

Cost where it is consumed, not where it is paid

A startup's overhead is small but cross-functional. Cost centre accounting makes the monthly conversation about margin possible, instead of a single "other expenses" line.

COST CENTRE DESIGN

COST CENTRE	PURPOSE	ALLOCATION
NII-FIN	Finance, audit, legal	Headcount / revenue
NII-HR	People, payroll, recruitment	Headcount
NII-ENG	Product engineering	Project effort / product
NII-DEL	Delivery management	Project direct
NII-SAL	Sales and marketing	Revenue
NII-IT	IT infrastructure and licences	Headcount
NII-BDHQ	Office and admin	Headcount / sq ft

ACTIVITY TYPES (SAMPLE)

ACTIVITY	DESCRIPTION	RATE BASIS
CONS01	Consulting and advisory	Hourly, annual KP26
ENGG01	Engineering and product	Hourly, annual KP26
SUPP01	Support and managed service	Hourly, annual KP26

ALLOCATIONS

- **Distribution** for primary costs that belong to another cost centre (for example, one office rent bill split by square feet).
- **Assessment** for secondary costs using a surcharge or rate (for example, IT support per head).
- **Statistical key figures** — headcount and square feet — updated monthly; they are the allocation drivers.
- **One cycle per driver**, documented with the receiver rule. Do not nest cycles without a diagram.

> **DO NOT ALLOCATE TO PROJECTS BY MAGIC**
>
> Project direct cost should be booked directly to the WBS. Overhead allocation to projects is a management choice; make it explicit and keep it out of direct margin.

> **DO NOT CREATE A COST CENTRE PER PERSON**
>
> People move. Use cost centres by function and the employee master for headcount; otherwise every transfer creates a master-data change and a reporting break.

BUDGETING AND VARIANCE

OBJECT	BUDGET APPROACH	REVIEW
Cost centre	Annual plan by account group; monthly phasing for people cost.	Monthly variance with owner
Project	Bottom-up WBS budget approved before spend.	Monthly estimate-to-complete
Internal order	Small discretionary spend; budget and actual only.	At closure
Capital	Asset budget by class; AUC and capitalisation.	Quarterly

MONTH-END SEQUENCE

1 · Post	All primary costs, payroll and project actuals.
2 · Allocate	Run distribution and assessment cycles in the agreed order.
3 · Settle	Settle internal orders and project WBS to the receiver.
4 · Report	Cost centre variance and project margin; lock the period.

SECTION 17

Every project has a budget, a cost and a margin

Nirmana's services revenue depends on project profitability. The WBS is the object that connects time, cost, revenue and margin.

WBS STRUCTURE (SAMPLE)

WBS ELEMENT	LEVEL	BUDGET
NII-2026-001	Project — customer implementation	—
NII-2026-001.01	Phase — discovery	8%
NII-2026-001.02	Phase — build and configure	55%
NII-2026-001.03	Phase — test and deploy	22%
NII-2026-001.04	Phase — hypercare	10%
NII-2026-001.05	Phase — travel and expenses	5%

PROJECT PROFILE

Planning	Cost and revenue plan by WBS; versioned; approved before start.
Budget	Original and current budget; availability control at 90%/100%.
Actual	Time, expense, subcontract, materials, overhead.
Commitment	Purchase orders and open commitments visible before invoice.
Settlement	To the project margin view for customer projects; to asset for capital projects; CO-PA only if later enabled.

INTERNAL ORDERS

Use internal orders for discretionary, non-project spend: marketing campaigns, office move, a one-off event. They are lighter than a WBS and can be settled to a cost centre at month-end.

ONE PROJECT, ONE WBS

Do not create a new WBS for every change request. Use a phase or a sub-WBS so the project margin stays comparable across the delivery lifecycle.

BUDGET IS NOT A FORECAST

Budget is the approved envelope; estimate-to-complete is the forward view. Report both, or the project review will confuse "spent" with "will spend".

TIME, COST AND REVENUE FLOW

1 · PLAN
WBS + budget
Approved before start.

→

2 · EXECUTE
Time + expense
Booked to the WBS.

→

3 · BILL
Milestone / T&M
Revenue to project margin.

→

4 · SETTLE
WBS → margin
Cost meets revenue.

→

5 · REVIEW
Project margin
Monthly, with delivery.

PROJECT CONTROLS

Budget check	Availability control warns at 90%, blocks at 100% unless CFO approves.
Time cut-off	Timesheets approved by the payroll cut-off; late time goes to the next period.
Revenue recognition	Milestone or percentage-of-completion per contract; documented and consistent.
Closure	No project closes with open commitments; settle and archive.

SECTION 18

Five reports, one margin definition

Controlling is not a report factory. Nirmana needs five views in the first release: cost centre variance, project budget vs actual, project margin, shared cost allocation and people cost. Market-segment profitability can come later.

REPORT	THE QUESTION IT ANSWERS	SOURCE	CADENCE	OWNER
Cost centre variance	Are we overspending by function, and on what?	GL actual vs plan	Monthly	Controller
Project budget vs actual	Which project is over budget, and why?	WBS budget, actual, commitment	Monthly	Delivery + finance
Project margin	Does revenue cover direct cost and effort?	WBS + billing	Monthly	CFO
Shared cost allocation	Is overhead allocated on a defensible driver?	Assessment cycles	Monthly	Controller
People cost	What does headcount cost by function and project?	Payroll posting + EC	Monthly	HR + finance

ILLUSTRATIVE PROJECT MARGIN (INR LAKH)

PROJECT	BUDGET	ACTUAL	COMMITTED	ESTIMATE TO COMPLETE	FORECAST MARGIN
NII-2026-001	48.0	21.4	3.2	22.0	2.8%
NII-2026-002	32.0	12.8	1.6	18.9	–4.1%
NII-2026-003	26.0	9.5	0.8	14.2	9.2%

Illustrative values, not Nirmana actuals. The point is the layout: budget, actual, commitment and estimate-to-complete in one line.

ONE MARGIN DEFINITION

Revenue net of credits; direct cost including subcontract, travel and people time at actual cost; overhead shown separately. If sales and finance use different definitions, the meeting is about definitions, not the business.

WHAT IS NOT IN THE INITIAL RELEASE

CO-PA — profitability by customer, product and channel — is not part of the first release. If the board later needs market-segment margin beyond project margin, add account-based CO-PA as a separate scope decision.

REPORT DESIGN RULES

One owner per number	A named person signs the report definition and the monthly result; a committee does not.
One source	The report reads S/4HANA or SuccessFactors; no parallel spreadsheet feeding the board pack.
One cadence	Monthly for margin and cost; weekly for cash; daily only during close week.
One version	Version the report definition when it changes; do not overwrite history mid-year.

SECTION 19

Five tiles for the monthly review

A dashboard is a decision tool, not a data dump. Five tiles, one monthly cadence, and a named owner for every number.

TILE	WHAT IT SHOWS	SOURCE	CADENCE	OWNER
Close status	Tasks complete, open journals, unreconciled bank lines, period lock.	Close cockpit, FI	Daily in close week	Controller
Cash and working capital	Bank balance, AR ageing, AP due, collection forecast.	FI, AR, AP, bank	Weekly	CFO
Project margin	Budget, actual, commitment and estimate-to-complete by project.	WBS, CO, billing	Monthly	Delivery + CFO
People cost and headcount	Cost per FTE, headcount by function, attrition, utilisation.	Payroll posting, EC	Monthly	HR + CFO
Payroll and statutory	Payroll variances, on-time filings, open statutory items.	Payroll, tax calendar	Monthly	Payroll lead

REPORT DELIVERY

- **Fiori** analytical apps for the controller and CFO.
- **SAP Analytics Cloud** for the board pack, live connection where possible.
- **Excel export** only as a convenience; the system remains the source.
- **Mobile** view for cash, close status and payroll exceptions.

THE BOARD PACK IS NOT THE SYSTEM

If a board slide disagrees with S/4HANA, the slide is wrong. Reconcile the pack to the system before the meeting, not after.

DO NOT REPORT MARGIN DAILY

Project margin is a monthly management view. A daily margin dashboard on incomplete time and cost creates noise and erodes trust in the number.

DASHBOARD GOVERNANCE

Definition	Each tile has a written definition, formula, source and owner in the reporting catalogue.
Refresh	Published refresh time and data cut-off; a late tile is marked, not silently stale.
Access	Role-based; payroll and personal data restricted to named roles.
Change	New tile or formula goes through the change board and a version note.
Review	Quarterly: is the tile still used, and is the owner still right?

START WITH FIVE, NOT FIFTEEN

A dashboard with fifteen tiles is a wall. Five tiles that are trusted and acted on will change more decisions than a hundred that are admired once.

SECTION 20

One employee record, one org model

PA (Personnel Administration) is the system of record for the person and the employment; OM (Organizational Management) is the system of record for the organisation. Both are effective-dated, so a transfer in April does not rewrite March.

ORGANIZATIONAL MANAGEMENT (OM)

OBJECT	NIRMANA EXAMPLE	EFFECTIVE
Legal entity	Nirmana Industrial Intelligence Pvt Ltd	From incorporation
Business unit	Products; Services; Corporate	Dated
Department	Engineering, Delivery, Finance, People, Sales	Dated
Location	Bhubaneswar HQ; project site	Dated
Job	Engineer, Senior Engineer, Project Manager	Dated
Position	ENG-LD01, DEL-PM02	Dated
Cost centre	NII-ENG, NII-DEL	Dated

PERSONNEL ADMINISTRATION (PA)

Personal	Name, date of birth, gender, contact, emergency contact.
Employment	Hire date, probation, contract type, notice, exit.
Job and pay	Position, grade, pay scale, CTC components.
Statutory	PAN, Aadhaar (masked), UAN, ESIC, tax regime, declarations.
Bank	Salary account, IFSC, cancellation cheque; dual control on change.
Dependents	For insurance and statutory benefits, with consent.

EFFECTIVE DATING

Every org and employment change carries a start date. A promotion effective 1 May must not change April payroll or April cost-centre reporting. Test a retroactive hire and a retroactive transfer before go-live.

ORG CHART, NOT A SPREADSHEET

The OM hierarchy is the source for approvals, cost-centre defaults and headcount reporting. If it lives in a PowerPoint, every report is a manual reconciliation.

DATA PRIVACY FROM DAY ONE

Employee data is personal data under the DPDP Act 2023. Collect only what payroll and statutory reporting need; restrict access by role; log changes; define retention.

SAMPLE ORG HIERARCHY

```
NII                    Nirmana Industrial Intelligence Pvt Ltd
+-- CORP               Corporate
|   +-- FIN            Finance and controllership
|   +-- HR             People and payroll
|   +-- IT             IT and infrastructure
+-- PROD               Products
|   +-- ENG            Engineering
|   +-- AI             Data and AI
+-- SERV               Services
|   +-- DEL            Delivery
|   +-- SUP            Managed support
+-- SALES              Sales and marketing
```

Sample only. The production hierarchy should match the reporting lines the founders actually use, not an aspirational organisation.

SECTION 21

Time is a payroll input and a project cost

Nirmana needs two kinds of time: attendance time for payroll, and project time for margin. Capture once, approve once, and let the system route each to its purpose.

TIME TYPES (SAMPLE)

CODE	TYPE	PAID?	ROUTE
0100	Earned leave	Yes	Payroll + project
0200	Sick leave	Yes	Payroll
0300	Work from home	Yes	Payroll
0400	Overtime	Yes / comp-off	Payroll
0500	Project time	Already paid	WBS / project
0600	Internal / bench	Already paid	Cost centre

CAPTURE AND APPROVAL

- **Biometric** at the Bhubaneswar office; mobile or web punch for project sites.
- **Timesheet** weekly, approved by the project manager; locked at payroll cut-off.
- **Leave** applied in the employee portal, approved by the reporting manager.
- **Exceptions** — missing punch, long shift, overtime — reviewed daily, not at month-end.

TIME VALUATION

Normal	Paid at the employee's rate; no premium.
Overtime	Policy-driven; single or double rate; capped and approved.
Shift	Allowance by shift code; only for eligible populations.
Holiday	Paid per calendar; worked holiday at premium.
Comp-off	Accrued and expiring; tracked, not informal.

CUT-OFF DISCIPLINE

Publish the payroll cut-off. Time after it goes to the next cycle, except a documented off-cycle for a joiners/leavers batch.

DO NOT PAY FROM TWO SOURCES

If attendance comes from biometric and project time from a spreadsheet, the payroll and project cost will disagree. One capture, one approval, two outputs.

TIME-TO-PAYROLL AND TIME-TO-PROJECT FLOW

1 · CAPTURE
Biometric / mobile
Punch or timesheet.

→

2 · APPROVE
Manager
Exceptions resolved.

→

3 · VALIDATE
HR / payroll
Cut-off and rules.

→

4 · SPLIT
Payroll + WBS
Attendance and project time.

→

5 · POST
ECP + S/4
Pay and project cost.

CONTROLS

Cut-off	System lock after the published date; HR can reopen only with approval.
Exception report	Missing punches, zero hours, excessive overtime, unapproved leave.
Project time	At least 90% of delivery employees booked to a WBS or an internal code.
Audit	Change log on time entries; no backdated edits without reason.

SECTION 22

Payroll is a controlled run, not a monthly emergency

The payroll design is standard: a payroll area, a control record, a calendar, wage types and statutory deductions. The discipline is in the cut-off and the parallel run.

PAYROLL STRUCTURE

Payroll area	`IN01` — monthly, all employees
Pay period	Calendar month; pay date on the last working day
Control record	Release → start → check → exit; no run without release
Off-cycle	Joiners, leavers, arrears, bonus; separate reason and approval
Bank	Salary bank file; rejected payments handled before pay date
Payslip	Portal / email; statutory format; password-protected

WAGE TYPES (SAMPLE)

CODE	DESCRIPTION	TYPE	STATUTORY BASE
1000	Basic	Earning	PF, gratuity
1100	HRA	Earning	PF rules
1200	Special allowance	Earning	PF rules
1300	Variable pay / bonus	Earning	As applicable
2000	PF employee	Deduction	—
2100	ESI employee	Deduction	—
2200	Professional tax	Deduction	State
3000	TDS on salary	Deduction	Income tax
4000	Reimbursement	Earning	Not PF

STATUTORY DEDUCTIONS

PF	Employee and employer contribution on eligible wages; UAN and ECR.
ESI	Where the wage threshold applies; employee and employer share.
Professional tax	State levy as applicable; confirm current Odisha rules.
TDS	Salary TDS by regime, declarations and proof; Form 24Q and Form 16.
Gratuity	Provision and payment on eligible separation; actuarial view for accounts.
Bonus	Statutory bonus where applicable; payment and provision.

ECP OR MANAGED PAYROLL?

Choose ECP if Nirmana wants one employee record and is willing to fund specialist support. Choose a managed provider if payroll compliance is better bought than built. Either way, S/4HANA receives the posting.

PARALLEL RUN IS MANDATORY

Run at least two full cycles in parallel with the current payroll. Variance by employee and wage type must be explained and signed before cutover.

PAYROLL CALENDAR (SAMPLE)

WHEN	ACTIVITY	OWNER
D-8	Time cut-off; leave and overtime approved; master-data changes frozen.	HR
D-5	Payroll release; run; exceptions reviewed.	Payroll
D-3	Parallel reconciliation; statutory checks; bank file review.	Payroll + finance
D-1	Bank file released; payslips published.	Finance
D	Pay date; post payroll to FI; statutory payment scheduled.	Payroll + finance

SECTION 23

Payroll is the largest cost; post it like it matters

A payroll run that pays people correctly but posts to one cost centre destroys project margin. The posting design is as important as the calculation.

POSTING LOGIC

COST ELEMENT	DEBIT	CREDIT	DRIVER
Salaries and wages	Cost centre / WBS	Payroll clearing	Employee assignment
Employer PF / ESI	Cost centre / WBS	Statutory payable	Payroll result
Bonus / gratuity provision	Cost centre	Provision	Actuarial / policy
Salary payable	Payroll clearing	Bank / salary payable	Net pay
TDS / PF / ESI payable	Statutory payable	Bank	Payment run

SAMPLE POSTING

EMPLOYEE	COST OBJECT	GROSS	EMPLOYER	TOTAL
E-001	NII-ENG	1,20,000	18,000	1,38,000
E-002	NII-2026-001.02	95,000	14,250	1,09,250
E-003	NII-DEL	1,10,000	16,500	1,26,500
Total	—	**3,25,000**	**48,750**	**3,73,750**

Illustrative amounts in INR. The point is the cost object, not the value.

RECONCILIATION

- Payroll register total = FI posting total, by wage type and cost object.
- Employee count in payroll = active headcount in EC, with joiners/leavers explained.
- Statutory payables = returns and payments; no ageing balance.
- Project time cost = WBS actual; unassigned time goes to a bench cost centre.

PEOPLE ANALYTICS THAT FINANCE WILL USE

METRIC	DEFINITION	OWNER
Headcount	Active employees at period end, by org unit and cost centre.	HR
People cost	Gross, employer cost and cost per FTE, by function.	Finance
Attrition	Leavers / average headcount, annualised.	HR
Utilisation	Project time / available time for delivery employees.	Delivery
Payroll accuracy	Variances per run / employees paid; target 99.5%.	Payroll
Cost per hire	Recruitment cost / hires; optional year one.	HR

PEOPLE DATA IS SENSITIVE

Restrict payroll and personal data to named roles; mask Aadhaar and bank details in reports; log every change; do not export payroll to personal email or uncontrolled spreadsheets.

SECTION 24

Data is the implementation

Configuration can be copied from a template. Nirmana's chart of accounts, vendors, customers, assets and employees cannot. The data work starts in week 3, not in the cutover window.

#	OBJECT	VOLUME	SOURCE	VALIDATION RULE	OWNER
01	Company code / org	1	Incorporation documents	Legal name, GSTIN, PAN, address match.	CFO
02	Chart of accounts	~180	Finance design	No duplicates; group and field status valid.	Controller
03	Cost / profit centres	~12	Finance design	Hierarchy, owner, validity.	Controller
04	Business partners	~350	Tally / Excel	GSTIN, PAN, bank, payment terms, TDS.	AP / AR
05	Fixed assets	~150	Asset register	Class, cost centre, capitalisation date, cost.	Finance
06	Open AR / AP	~300	Ledger	Invoice, due date, balance, customer/vendor.	AR / AP
07	GL opening balances	~180	Trial balance	Ties to signed financials; cost object split.	Controller
08	Employees	~120	HR / payroll	PAN, UAN, bank, cost centre, position.	HR
09	Org structure	~40	HR / founders	Effective date, parent, manager, cost centre.	HR
10	Pay components	~25	Payroll policy	Taxability, PF/ESI base, GL posting.	Payroll
11	Projects / WBS	~25	Delivery	Customer, budget, dates, profit centre.	Delivery
12	Bank master	2	Bank letters	Account, IFSC, house bank, payment method.	Finance

LOAD SEQUENCE

1. Org structure, chart of accounts, cost and profit centres.
2. Business partners, banks, tax codes.
3. Fixed assets and opening balances.
4. Open AR and AP items.
5. Employees, org assignments and pay components.
6. Projects, WBS and budgets.
7. Historical GL and payroll balances for reporting.

HISTORICAL DATA: LESS IS MORE

Load three years of GL balances and open items, current assets and current employees. Do not migrate a decade of payroll history unless statutory or audit requires it.

TWO RECONCILIATIONS

Counts (records in, records loaded) and values (balances tie to the signed accounts). A load that passes counts but fails values is not complete.

DATA QUALITY RULES

No blanks	Mandatory fields populated; "N/A" and "TBD" are rejected, not mapped.
No duplicates	One vendor/customer per PAN/GSTIN; one employee per PAN.
Valid references	Every cost centre, WBS, bank and tax code exists before load.
Owner sign-off	Each object reconciled and signed by its business owner.

SECTION 25

Configure less, document more

An in-house team does not have the capacity to maintain a heavily customised system. Every extension must earn its place and be documented for the person who inherits it.

PUBLIC CLOUD CONFIGURATION

Tool	SAP Central Business Configuration (CBC) and guided configuration activities.
Tenants	Development, test and production; configuration moves through the SAP process.
Changes	Scoped configuration activities; no classic SPRO table access.
Extensions	Key-user extensibility for fields, forms and logic; developer extensibility only where released.
Side-by-side	BTP for integrations, complex logic and custom apps; keep the core clean.

THE CLEAN-CORE LADDER

1 Standard configuration. **2** Key-user extension. **3** Side-by-side BTP app. **4** Custom code in the core — only with a written exception and an owner.

THE UPGRADE TEST

Will this change still work after the next SAP release without a developer? If not, it is a liability, not a feature.

PRIVATE CLOUD / ON-PREMISE (IF CHOSEN)

Clients	100 DEV, 200 QAS, 300 PRD; no customising in PRD.
Transports	One transport per coherent change; configuration and code separated.
SPRO	Documented path and value for every setting in the blueprint.
Modifications	None. Use BAdIs, enhancement spots and released APIs.

NAMING AND DOCUMENTATION

OBJECT	PATTERN	EXAMPLE
Custom CDS view	`ZI_FIN_*`, `ZI_HR_*`	`ZI_FIN_ProjectMargin`
Custom class	`ZCL_FIN_*`, `ZCL_HR_*`	`ZCL_FIN_PayrollPost`
Integration flow	`IF_*`	`IF_EC_TO_S4_EMPLOYEE`
Fiori app / tile	Business role + catalog	`Z_FIN_CONTROLLER`
Configuration document	Section + setting + value + transport	Blueprint appendix

RELEASE AND CHANGE MANAGEMENT

Public cloud releases	Twice a year; review the release notes, regression-test critical scenarios, train on changed apps.
Change request	Business case, impact, test plan, approval; no change directly in production.
Emergency change	Named approver, retro-documented within 48 hours, reviewed at the next CAB.
Documentation	One page per extension: purpose, owner, objects, test, release dependency.

THE CUSTOM-CODE REGISTER

Every Z object has an owner, a business reason, a transport, a test and a review date. A register that nobody reads is not governance; review it quarterly.

SECTION 26

Small team, real segregation

A 120-person company cannot have a large control department. It can still ensure that the person who creates a vendor does not pay it, and the person who runs payroll does not approve it.

PERSONA	ACCESS	EXCLUDED
CFO	All finance display; journal approval; period close; reports.	Payment release (dual control)
Controller	GL, close, asset, tax; journal posting and approval.	Vendor master, payments
AP accountant	Vendor invoice, payment proposal, AP reports.	Payment release, vendor bank change
AR accountant	Customer invoice, collections, AR reports.	Credit master override
Payroll lead	Payroll master, run, statutory reports.	Payroll approval, bank release
HR manager	Employee master, org, time, leave.	Payroll run, bank data
Delivery manager	Project, WBS, time approval, margin display.	GL, payroll
Auditor	Display and audit logs only.	Any change

SEGREGATION OF DUTIES

Vendor master vs payment	Create/change vendor and release payment must be different people.
Payroll master vs run	Bank detail change and payroll release must be different people.
Journal vs approval	A manual journal is approved by the controller, not the poster.
Goods receipt vs invoice	Where volume allows; at minimum, invoice approval is independent.
User admin vs business role	IT administers access; the business owner approves the role.

ACCESS CONTROLS

- SSO through SAP Identity Authentication; MFA for privileged roles.
- Named accounts only; no shared finance or payroll login.
- Quarterly access review, signed by each function head.
- Joiner/mover/leaver process tied to HR; access removed on the last working day.
- Audit logging on master-data changes, payroll, payments and period close.

PRIVACY AND DATA PROTECTION

DPDP Act 2023	Collect only necessary employee data; notice and consent where required; support access and correction requests.
Sensitive fields	Aadhaar, PAN, bank account and salary masked in reports; access by named role.
Retention	Define retention for payroll, statutory and personal data; archive rather than keep forever.
Vendors	Payroll and integration partners must meet the same confidentiality and security terms.

TEST THE CONTROL, NOT THE ROLE NAME

Log in as the AP accountant and try to release a payment. Log in as the payroll lead and try to change a bank account. If it works, the role design is wrong regardless of the matrix.

SECTION 27

Test the month, not the screen

A finance test that stops at “the journal posted” proves nothing. The test must run from a vendor invoice through payment, from a timesheet through payroll, and from a sale through project margin.

TEST LEVELS

LEVEL	WHAT IT PROVES	OWNER
Unit	Configuration, validation and interface mapping in isolation.	Functional
Integration	FI ↔ CO, AP ↔ bank, payroll ↔ FI, EC ↔ payroll.	Technical
SIT	End-to-end scenarios with realistic data and roles.	Test lead
UAT	Nirmana runs its own process with its own people.	Process owner
Payroll parallel	Two full cycles against the current payroll.	HR + payroll
Security	Persona access and segregation of duties.	IT / audit

ENTRY AND EXIT

SIT entry	Configuration complete, data loaded in QAS, roles assigned.
SIT exit	No open S1/S2 defect on a core scenario; reconciliation signed.
UAT entry	SIT exit, trained users, UAT data set, support rota.
UAT exit	Process owner sign-off per scenario; accepted defects have a workaround.
Go-live	Two payroll parallels, first-close rehearsal, security sign-off.

SCENARIO MATRIX (MINIMUM)

#	SCENARIO	OBJECTS	EXPECTED
01	Purchase requisition → PO → service entry → AP invoice → payment	Vendor, cost centre, bank	3-way match, payment file, GL posted
02	Customer project → timesheet → milestone invoice → receipt	WBS, customer, GST	Revenue, project cost, project margin
03	Inter-state invoice with e-invoice; credit note	GST codes, IRP	IGST, IRN, QR, credit note
04	Asset acquisition → depreciation → retirement	Asset class, cost centre	Capitalisation, depreciation, gain/loss
05	Payroll cycle with joiner, leaver, overtime, reimbursement	Employee, wage types	Gross-to-net, bank file, payslip
06	Payroll posting to cost centre and WBS; reconciliation	Payroll, GL, CO	Salary cost ties to register
07	Month-end close: accrual, depreciation, allocation, project margin	Close cockpit	Close by D+5; margin explainable
08	Segregation test: AP cannot release payment; payroll cannot change bank	Roles	Access denied, no workaround

Defect severity — S1 cannot run the process; no workaround. S2 runs with manual effort. S3 cosmetic or report-only. Only S1/S2 block go-live.

Evidence pack — script, data, screen evidence, result, defect reference and sign-off, indexed in one file.

SECTION 28

A cutover plan with no heroes

Cutover is a sequence of known tasks with named owners. If it depends on one person staying awake for 36 hours, it is not a plan.

WHEN	ACTIVITY	OWNER
T-4 weeks	Freeze master data; final extraction; open-item and balance reconciliation; user access check.	Data / security
T-2 weeks	Cutover rehearsal in QAS; payroll parallel run 2; rollback plan signed.	Cutover manager
T-1 week	War room; freeze legacy transactions; confirm bank/GST/IRP test windows.	PMO / finance
T-1 day	Final backup; legacy read-only; batch jobs stopped; communication to employees.	IT / HR
T-0	Load balances and open items; validate; smoke test; first payroll input cut-off if in window.	Data / finance
T+1	Business validation; bank file test; first invoices and payments; go/no-go.	CFO
T+2	Go live; hypercare rota; daily defect triage.	Programme lead

GO/NO-GO CRITERIA

- Opening balances and open items reconcile and are signed by the controller.
- Two payroll parallel runs within tolerance and signed by HR and finance.
- Bank file, GST/e-invoice and payroll posting tested with real edges.
- No open S1/S2 defect on a core scenario.
- Roles tested; no shared logins; privileged access approved.
- Hypercare rota and escalation published.

ROLLBACK TRIGGERS

Opening balances cannot be reconciled; payroll parallel variance above tolerance; bank file rejected twice; a core statutory process has no workaround. Roll back to the legacy process for one cycle, fix, and set a new date.

THE FIRST CLOSE IS THE GATE

Do not exit hypercare until the first month-end closes by D+5 and the first payroll pays correctly. A go-live that has not closed is only a launch.

HYPERCARE (SIX WEEKS)

WEEK	FOCUS	EXIT EVIDENCE
1	Floor support; login, invoice, payment, timesheet issues.	Daily defect log trending down
2–3	First payroll; bank reconciliation; GST/e-invoice exceptions.	Payroll paid; no unreconciled bank line
4	First month-end close; project margin review.	Close by D+5; margin signed
5–6	Handover to run team; documentation; access review.	Support model live; no S1

SECTION 29

The team that builds it must be able to run it

Hypercare ends; the system does not. A run model with clear tiers, SLAs and a release calendar is the difference between a project and a capability.

SUPPORT TIERS

TIER	WHO	WHAT
L1	Super users in finance and HR	How-to, access, data correction, known issues.
L2	In-house functional leads	Configuration change, role fix, interface triage, report change.
L3	SAP / partner	Product defect, complex integration, payroll localisation, release issue.

SERVICE LEVELS (SAMPLE)

S1 payroll / payment stopped	Respond 1 hour; workaround same day.
S2 close blocked	Respond 4 hours; fix within 1 working day.
S3 report / access issue	Respond 1 working day; fix within 5 days.
Change request	Assessed within 5 days; scheduled in the next release.

RUN KPIS

Close cycle	Working days to signed close; target ≤5.
Payroll accuracy	Variances / employees paid; target ≥99.5%.
Payment on time	% vendor payments within terms; target ≥95%.
Interface failures	Failed messages / total; target <1%, all with an owner.
Ticket SLA	% tickets within response and fix targets.
Access review	Quarterly completion, signed by function heads.

ANNUAL CALENDAR

WHEN	ACTIVITY	OWNER
Monthly	Close, payroll, statutory payments, interface reconciliation.	Finance / HR
Quarterly	TDS returns, access review, custom-code register review, release regression.	CFO / IT
Half-yearly	SAP public-cloud release assessment; training refresh.	Programme lead
Annual	Statutory audit, GST annual return, insurance, asset verification, DR test.	CFO / IT

TRAINING AND KNOWLEDGE

Finance users	AP, AR, assets, close cockpit, project margin reports; 2 days plus sandbox.
Managers	Time approval, project margin, budget review; 1 day.
HR / payroll	EC, time, payroll run, statutory reports; 3 days plus parallel run.
Super users	L1 triage, known errors, data correction; 2 days.
Documentation	One-page process guides, short videos, a searchable knowledge base.

SECTION 30

The effort is real; so is the case

An in-house implementation saves partner fees but consumes salary and management attention. The business case must count both.

EFFORT ESTIMATE (PERSON-DAYS)

WORKSTREAM	DAYS	NOTE
Programme management	50	Plan, risks, decisions, partner
Finance (FI)	120	GL, AP, AR, assets, tax, close
Controlling and reporting	90	Cost centres, projects, margin
HR, time and payroll	100	EC, time, payroll, parallel runs
Integration	60	Bank, GST, payroll, biometric
Data	70	Templates, cleanse, load, reconcile
Testing	80	SIT, UAT, payroll parallel, security
Security and controls	30	Roles, SoD, access review
Change and training	40	Communications, training, super users
Total before contingency	**640**	**≈5 FTE average over 28 weeks**
With 15% contingency	**736**	**Plan the upper number**

COST CATEGORIES

SAP subscription	S/4HANA Cloud Public Edition, SuccessFactors, BTP; per user/employee, quote.
Internal effort	640–736 person-days of salary and opportunity cost.
Partner	Payroll localisation, SAP onboarding, security review, QA.
Integration	Bank, GST/IRP, biometric, expense; test environments.
Training / change	Content, sandbox, backfill for trained users.
Contingency	15–20% of total; do not hide it in a workstream.

DO NOT USE LIST PRICES

SAP public-cloud pricing depends on users, employees, modules and term. Get a written quote for Nirmana's volumes; a web list price is not a budget.

BENEFITS AND PAYBACK

BENEFIT	HOW IT IS MEASURED	YEAR 1 TARGET
Faster close	Working days from period end to signed close.	From ~15 to ≤5
Project margin	% projects with a monthly margin review.	100% of live projects
Payroll accuracy	Variances per run.	≥99.5%
AP on time	% payments within terms.	≥95%
Audit effort	Auditor days and open audit points.	30% reduction
Scalability	Cost to add 100 employees / one entity.	No reimplementation

THE REAL COST IS ATTENTION

The CFO and HR head will spend 20–30% of their time for six months. If they cannot, the plan needs a different operating model, not a shorter timeline.

SECTION 31

What can go wrong, and what to decide now

The risks below are not theoretical. Each has a named mitigation and an early warning signal. The decisions are the ones that change the plan if left open.

RISK	IMPACT	MITIGATION	EARLY SIGNAL
Payroll compliance	High	Payroll specialist, two parallel runs, statutory calendar.	Parallel variance >0.5%
Data quality	High	Owners, templates, reconciliation, no load without sign-off.	>5% rejects in cycle 1
Key-person dependency	High	Documentation, cross-training, named deputies.	One person on every decision
Scope creep	Medium	Scope baseline, change board, release plan.	New requirements in UAT
Integration delay	Medium	Early bank/GST/biometric tests; test environments booked.	No bank test by week 16
SAP release change	Medium	Regression suite, release notes review, sandbox.	Untested app in release
HR adoption	Medium	Managers trained before time cut-off; super users on floor.	Timesheets late in week 1
Subscription cost	Medium	User tiering, quarterly licence review, 3-year quote.	Named users growing unchecked

DECISIONS TO CLOSE BEFORE WEEK 4

#	DECISION	RECOMMENDATION	OWNER
D1	Public or private cloud	Public cloud for finance; revisit only if a regulatory constraint appears.	CEO / CFO
D2	People platform	SuccessFactors EC + Time + ECP; payroll specialist for year one.	CEO / HR
D3	Payroll ownership	Nirmana owns data and approval; partner owns statutory build and run support.	CFO / HR
D4	Scope boundary	Finance + people; minimal procurement/billing; no manufacturing or full SD/MM.	Steering
D5	In-house model	Partner-light: own design/data/test; buy payroll, security review, complex integration.	Steering
D6	Go-live strategy	Big-bang finance; payroll parallel runs; no multi-year phased rollout.	Steering

WHAT WOULD CHANGE THIS PLAN

A second legal entity within 12 months, a regulatory requirement for on-premise people data, or a payroll population above ~500 employees. Each adds design and partner scope; none invalidates the core recommendation.

STOP CONDITIONS

No named finance owner by week 3; no payroll specialist by week 6; no bank/GST test environment by week 16. Stop and fix the precondition; do not compress testing.

APPENDIX A

Configuration checklist

Use this as the blueprint-to-build gate. Every line needs an owner, a value and a test; a tick without evidence is an opinion.

#	CONFIGURATION ITEM	WHERE	NIRMANA VALUE	STATUS
01	Company code	S/4 org structure	1000 · Nirmana India	Open
02	Chart of accounts	Finance	NII1 · 6-digit	Open
03	Fiscal year variant	Finance	K4 · April–March	Open
04	Cost centre hierarchy	CO	NII-FIN … NII-BDHQ	Open
05	Profit centres	CO	PC-PROD, PC-SERV, PC-SUPP	Open
06	Activity types	CO	CONS01, ENGG01, SUPP01	Open
07	Business partner roles	S/4 BP	Customer, vendor, FI	Open
08	Payment terms	AP/AR	Immediate, 15/30/45/60	Open
09	House banks / payment methods	Bank accounting	Two banks; NEFT/RTGS	Open
10	Asset classes	Asset accounting	1000–5000	Open
11	Depreciation areas	Asset accounting	Leading Indian GAAP	Open
12	GST tax procedure and codes	Tax	G0, G5, GA, GB, IG	Open
13	TDS sections and thresholds	Withholding tax	194C, 194J, 194I, 192	Open
14	Close cockpit / task list	Finance	D+1 to D+5	Open
15	Project margin report	Controlling	5 report views	Open
16	WBS profile and budget	Projects	Customer project	Open
17	Org units and positions	SuccessFactors	NII / CORP / PROD / SERV	Open
18	Employee data model	SuccessFactors	PA fields, bank, statutory	Open
19	Time types and schedules	Time	0100–0600	Open
20	Payroll area and calendar	Payroll	IN01 · monthly	Open
21	Wage types and statutory bases	Payroll	1000–4000	Open
22	Payroll posting to FI/CO	Integration	Cost centre / WBS	Open
23	Bank and GST/IRP endpoints	Integration	Test and production	Open
24	Business roles and catalogs	Security	8 personas	Open
25	SSO / MFA	Identity	IAS / IPS	Open

Status values — Open, Configured in DEV, Transported, Tested, Signed. Do not use “Done”; it hides the difference between configured and accepted.

Reviewers — Finance for 01–16; HR for 17–21; IT and security for 22–25. Each line also needs a named business owner.

APPENDIX B

Master-data acceptance checklist

Counts do not prove a load. Each object needs a validation rule, a reconciliation source and a named owner who signs.

#	OBJECT	VOLUME	VALIDATION RULE	RECONCILES TO	OWNER
01	Company code / org	1	Legal name, PAN, GSTIN, address match the incorporation documents.	Incorporation file	CFO
02	Chart of accounts	~180	No duplicate account; group, field status and tax type valid.	Finance design	Controller
03	Cost / profit centres	~12	Hierarchy, owner, validity, currency.	Finance design	Controller
04	Business partners	~350	PAN/GSTIN unique; bank, payment terms, TDS section.	Tally / vendor list	AP / AR
05	Fixed assets	~150	Class, cost centre, capitalisation date, acquisition cost.	Asset register	Finance
06	Open AR	~180	Invoice, due date, balance, customer, GST.	AR ageing	AR
07	Open AP	~120	Invoice, due date, balance, vendor, TDS.	AP ageing	AP
08	GL opening balances	~180	Ties to signed financials; cost object split.	Trial balance	Controller
09	Employees	~120	PAN, UAN, bank, cost centre, position, statutory data.	HR / payroll	HR
10	Org structure	~40	Parent, manager, effective date, cost centre.	Org chart	HR
11	Pay components	~25	Taxability, PF/ESI base, GL posting, payslip text.	Payroll policy	Payroll
12	Projects / WBS	~25	Customer, budget, dates, profit centre, settlement rule.	Delivery plan	Delivery
13	Bank master	2	Account, IFSC, house bank, payment method, signatory.	Bank letters	Finance
14	Tax codes	~10	Rate, jurisdiction, GL accounts, valid from.	GST registration	Tax
15	Roles / users	~45	Named user, persona, plant/company scope, no shared login.	HR active list	IT

SIGN-OFF RULE

One owner per row. A row signed by “the team” has no owner. Record the sign-off date and the reconciliation file name against the row.

SAMPLE IS NOT A TARGET

Volumes are planning estimates for a 120-person startup. Replace them with actual counts before the first load cycle.

RECONCILIATION RULES

Balances	GL opening balances tie to the signed financial statements at account and cost-object level.
Open items	AR and AP ageing totals tie to the subledger and to the GL control accounts.
People	Employee count and payroll headcount tie to the active HR list, with joiners and leavers explained.
Assets	Asset register cost and accumulated depreciation tie to the fixed-asset schedule.

APPENDIX C

Payroll parallel-run checklist

The parallel run is the only proof that payroll is ready. Run the current payroll and the new payroll on the same input, then explain every difference.

#	CHECK	EVIDENCE	OWNER
01	Employee list matches the current payroll headcount; joiners and leavers explained.	Reconciliation sheet	HR
02	Bank accounts and IFSC validated; no rejected salary payments.	Bank validation report	Payroll
03	Gross pay by employee matches or variance is explained by a known policy change.	Employee-level comparison	Payroll
04	PF, ESI, professional tax and TDS match the statutory calculation.	Statutory comparison	Payroll
05	Employer contributions and accruals post to the correct GL and cost object.	FI posting log	Finance
06	Overtime, leave, arrears and reimbursements behave as documented.	Scenario results	HR
07	Payslip content and access are correct; no personal data leak.	Payslip sample	HR
08	Bank file total equals net pay; file accepted in test.	Bank acknowledgement	Finance
09	Statutory returns and challans reconcile to the payroll result.	Return reconciliation	Payroll
10	Variance by employee and wage type is within the agreed threshold, or signed off.	Variance report	CFO / HR
11	Off-cycle and full-and-final cases tested.	Case results	Payroll
12	Runbook, escalation and fallback documented.	Signed runbook	Payroll lead

VARIANCE TOLERANCE (SAMPLE)

Gross pay	±0.5% of total payroll, with every employee difference explained.
Statutory deductions	±0.1%; a difference is a defect, not a rounding issue.
Net pay	±0.5%; bank file total must equal the payroll result.
Headcount	Exact match after joiners/leavers reconciliation.

TWO CLEAN CYCLES

Do not go live after one parallel run. The second run proves the fixes and the runbook; the first only discovers the problems.

FALLBACK IF THE PARALLEL FAILS

One cycle	Run the legacy payroll for the live month; fix the new system; repeat the parallel.
Two cycles	Escalate to the steering committee; re-plan go-live; do not switch payroll mid-cycle.
Statutory issue	Payroll specialist and CFO decide; document the legal position before any workaround.

THE PAYROLL RUNBOOK MUST CONTAIN

- Cut-off calendar and who can reopen it.
- Pre-run master-data checks: joiners, leavers, bank, salary changes.
- Release, start, check and exit sequence with named owners.
- Exception handling: overtime, arrears, off-cycle, full-and-final.
- Bank file, payslip and statutory output checks.
- Fallback contact, escalation and communication template.

APPENDIX D

Glossary and abbreviations

The terms that mean different things to finance, HR and IT — fixed once, for this guide.

AP / AR	Accounts payable / accounts receivable.
AUC	Assets under construction.
BTP	SAP Business Technology Platform; integration, extension and analytics services.
CBC	SAP Central Business Configuration; scoping and configuration for public cloud.
CO	Controlling: cost centres, profit centres, orders, projects, allocations.
CO-PA	Profitability Analysis; optional later, not in the initial release.
CPI	SAP Cloud Platform Integration, now part of Integration Suite.
EC	SuccessFactors Employee Central; the people core.
ECP	SuccessFactors Employee Central Payroll.
FI	Financial accounting: GL, AP, AR, assets, bank, tax.
Fiori	SAP's role-based web and mobile user experience.
GST	Goods and Services Tax; CGST, SGST, IGST.
OM	Organizational Management: legal entity, unit, department, job, position.
PA	Personnel Administration; the HR master-data module. Not Profitability Analysis.
PF / ESI	Provident Fund / Employees' State Insurance.
S/4HANA	SAP's ERP suite on the HANA database; the finance and controlling core here.
SAC	SAP Analytics Cloud; dashboards and planning.
SAP Activate	SAP's implementation method: Discover, Prepare, Explore, Realize, Deploy, Run.
SIT / UAT	System integration testing / user acceptance testing.
SoD	Segregation of duties.
TDS	Tax deducted at source.
WBS	Work breakdown structure; the project cost object.
Universal journal	The single S/4HANA line-item table shared by FI and CO.

DOCUMENT END

This guide is a leadership draft for Nirmana's in-house SAP programme. Headcount, volumes, sample codes and effort are planning assumptions. Confirm SAP product scope, payroll localisation and commercial terms before contract, and re-test every integration in the target release.

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