



Project – JBVNL  
Physical Inventory Process  
End User Manual – Materials Management



**Jharkhand Bijli Vitran Nigam Limited.**

# **MATERIALS MANAGEMENT**

## **USER MANUAL**

### **PHYSICAL INVENTORY PROCESS**





**Project – JBVNL**  
**Physical Inventory Process**  
**End User Manual – Materials Management**



## Table of Contents

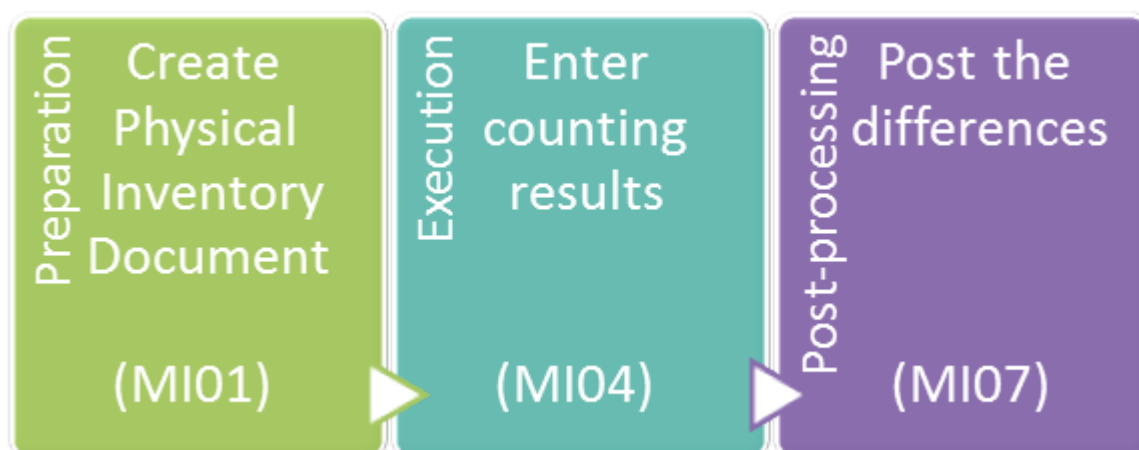
SAP MM – Physical Inventory Process .....	3
1    Create Physical Inventory Document: .....	4
1.1  Create Physical Inventory Document:-.....	4
2    Enter Counting Result: .....	7
2.1  Enter Counting Result:-.....	7
3    Post Physical Inventory Differences: .....	9
3.1  Post Physical inventory Differences:-.....	9
3.2  Inventory Difference List:- .....	10
3.3  Display Material Document:-.....	11

## SAP MM – Physical Inventory Process

Physical inventory is a process of determining that the inventory quantities are exact, or if there are differences in quantity mentioned physically present and that mentioned in the SAP system. Basically, after you are finished with physical inventory, your system and physical stock levels must be the same.

It is mandatory for legal reasons, and in the most of the times it is conducted once a year.

To simplify the process, check the below diagram, these are the most common steps for doing physical inventory (not only in SAP ERP).



Besides the legal reasons it is extremely helpful having the correct stock quantities in the system matching the physical stock. Management can have the correct information on the value of stock materials.

Not having the correct stock levels in the system means quite the opposite. Management has the wrong picture on the financial aspect of the stock in possession.

Now you see that having clear and correct stock levels is of immense importance for a lot of processes in a company. Now you will see how physical inventory is done in MM module.

We will explore the most common – annual inventory option in the following topic.

**Physical Inventory Process having following Steps:**

- 1) Create Physical Inventory Document
- 2) Enter Counting Result
- 3) Post Physical Inventory Differences

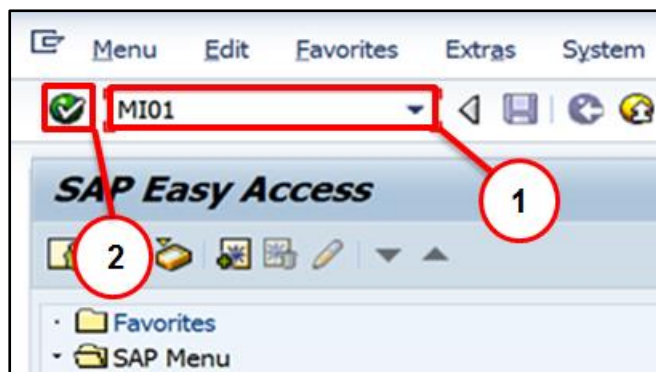
**1 Create Physical Inventory Document:**

**1.1 Create Physical Inventory Document:-**

**Path to Create Purchase Requisition Manually:-**

SAP Menu Path	Logistics => Materials Management => Physical Inventory => Physical Inventory Document=> Create
SAP T-code	MI01

**1.1.1 SAP Easy Access**




Step	Action
(1)	<b>MI01</b> is now entered in the <b>Transaction box</b> .
(2)	Click <b>Enter</b> .

### 1.1.2 MI01 – Create Physical Inventory Document

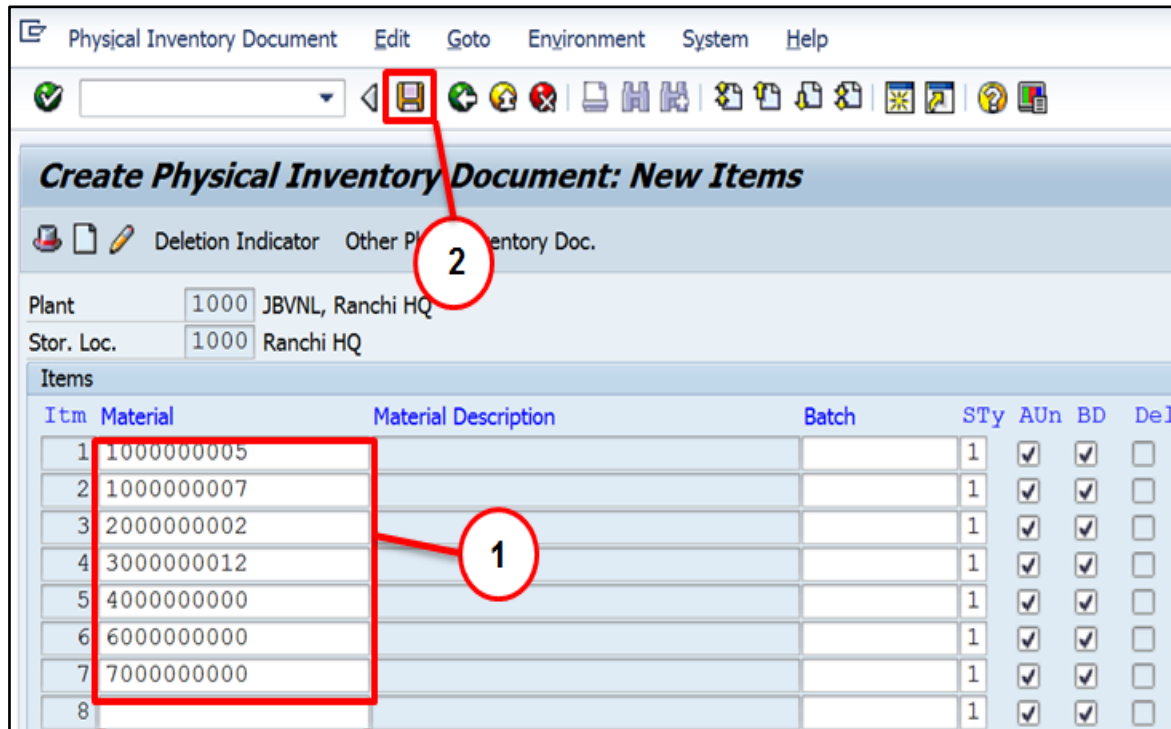
The screenshot shows the SAP 'Create Physical Inventory Document: Initial Screen'. The interface includes a menu bar (Physical Inventory Document, Edit, Goto, Environment, System, Help) and a toolbar. The main form is divided into several sections:


- Document date:** 16.01.2018 (Callout 1)
- Planned count date:** 16.01.2018 (Callout 2)
- Loc. of phys. inv.:**
  - Plant:** 1000 (Callout 3)
  - Storage Location:** 1000 (Callout 4)
  - Special Stock:** (Empty field)
- Other information:**
  - Posting Block (Callout 5)
  - Freeze book inventory
  - Batch del. flag
- Phys. inventory no.:** (Empty field)
- Phys. Inventory Ref.:** (Empty field)
- Grouping type:** (Dropdown menu)

Callout 6 points to the 'Enter' button (a green checkmark icon) in the top-left corner of the screen.


Step	Action
(1)	Document date: Select document date
(2)	Planned count date: Select planned count date
(3)	Plant: Select Plant
(4)	Storage Location: Select Storage Location If you want to create physical inventory documents for Project material then give input "Q" in special stock. Then systems ask WBS element input after entering in the transaction.
(5)	Posting Block: Ticked
(6)	Click Enter  .

### 1.1.3 MI01 – Create Physical Inventory Document



Step	Action
(1)	<b>Material:</b> Input Material.
(3)	Click <b>Save</b> 

You will be informed of the newly created physical inventory document number.

 Physical inventory document 100000000 created

You can change physical inventory document with **MI02** transaction code and

You can Display physical inventory document with **MI03** transaction code

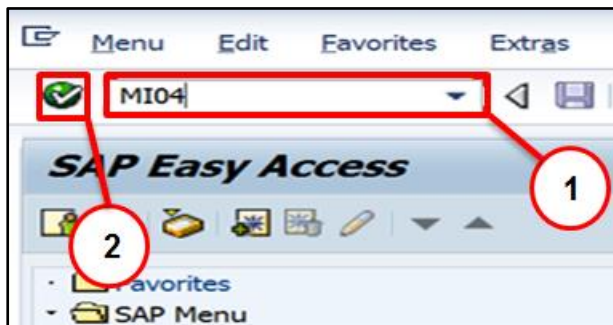
## 2 Enter Counting Result:


### 2.1 Enter Counting Result:-

**Path to Enter Counting Result:-**

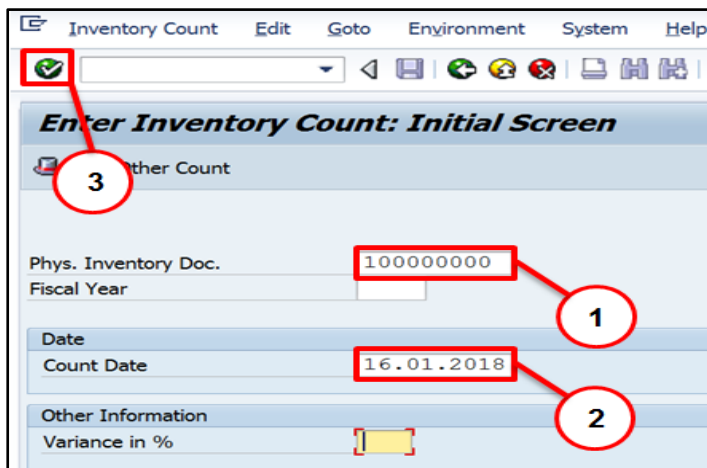
SAP Menu Path	Logistics => Materials Management => Physical Inventory => Inventory Count => Enter
SAP T-code	MI04

#### 2.1.1 SAP Easy Access



Step	Action
(1)	<b>MI04</b> is now entered in the <b>Transaction box</b> .
(2)	Click <b>Enter</b>  .

#### 2.1.2 MI04 – Enter Inventory Count



Step	Action
(1)	<b>Phys.Inventory Doc.:</b> Input Phys.Inventory Doc (Created after MI01)
(2)	<b>Count Date:</b> Input Count Date





Project – JBVNL  
Physical Inventory Process  
End User Manual – Materials Management



Step	Action
(3)	Click Enter

### 2.1.3 MI04 – Enter Inventory Count

Enter Inventory Count 100000000: Collect.Processing

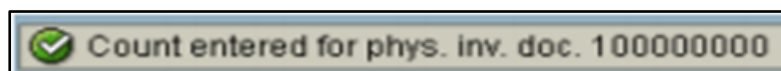
Physical Inventory History **Count** Other Count

Plant: 1000 JBVNL, Ranchi HQ  
Stor. Loc.: 1000 Ranchi HQ

Item	Material	Batch	Sales Value	STy	Quantity	UnE	ZC
1	1000000005			1	99	NOS	
	TRANSFORMER 125 KVA				0	NOS	
2	1000000007			1	10	NOS	
	TRANSFORMER 100 KVA				0	NOS	
3	2000000002				101	KG	
	M10 X 200MM FULL THREAD HEXAGON BOLT,SS				0	KG	
4	3000000012				100	L	
	OIL, EHV-Grade				0	L	
5	4000000000				4	NOS	
	CONDUCTOR 11.20 X 5.30 X 2.00			1	0	NOS	
6	6000000000			1	100	NOS	
	BUILDING BRICKS 4" X 4" X 8"				0	NOS	
7	7000000000				100	NOS	
	SCREWDRIVER, 0.1 " BLADE DIA,5.7" LENGHT			1	0	NOS	

Entry 1 of 7

Step	Action
(1)	<b>Qty:</b> Input Inventory Count.
(3)	Click <b>Save</b>





### 3 Post Physical Inventory Differences:

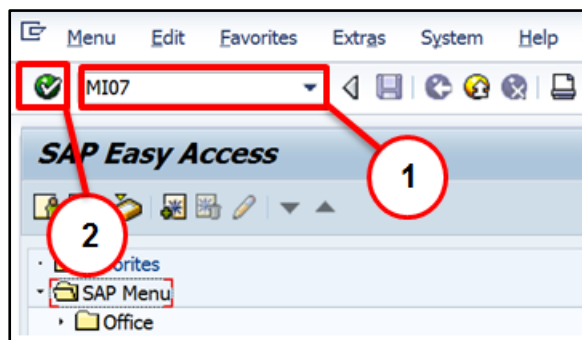
#### 3.1 Post Physical inventory Differences:-


##### Path to Post Physical Inventory Differences:-

SAP Menu Path	Logistics => Materials Management => Physical Inventory => Difference => Post
SAP T-code	MI07

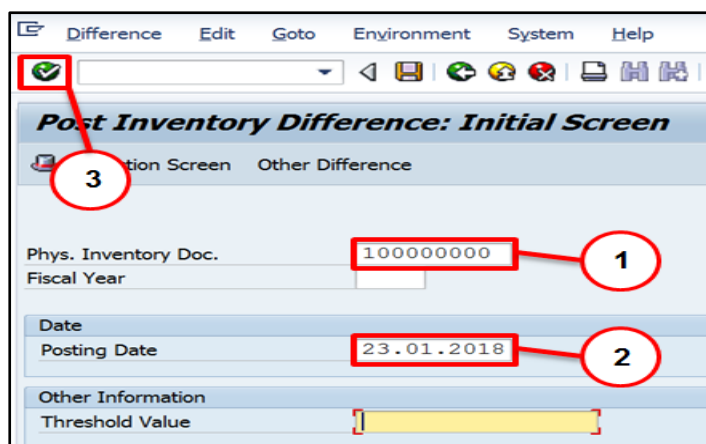
You have possibly recounted and reentered quantity information for problematic materials; you can post the differences by using the transaction **MI07**.

#### 3.1.1 SAP Easy Access



Step	Action
(1)	<b>MI07</b> is now entered in the <b>Transaction box</b> .
(2)	Click <b>Enter</b>  .


#### 3.1.2 MI07 – Post Inventory Difference



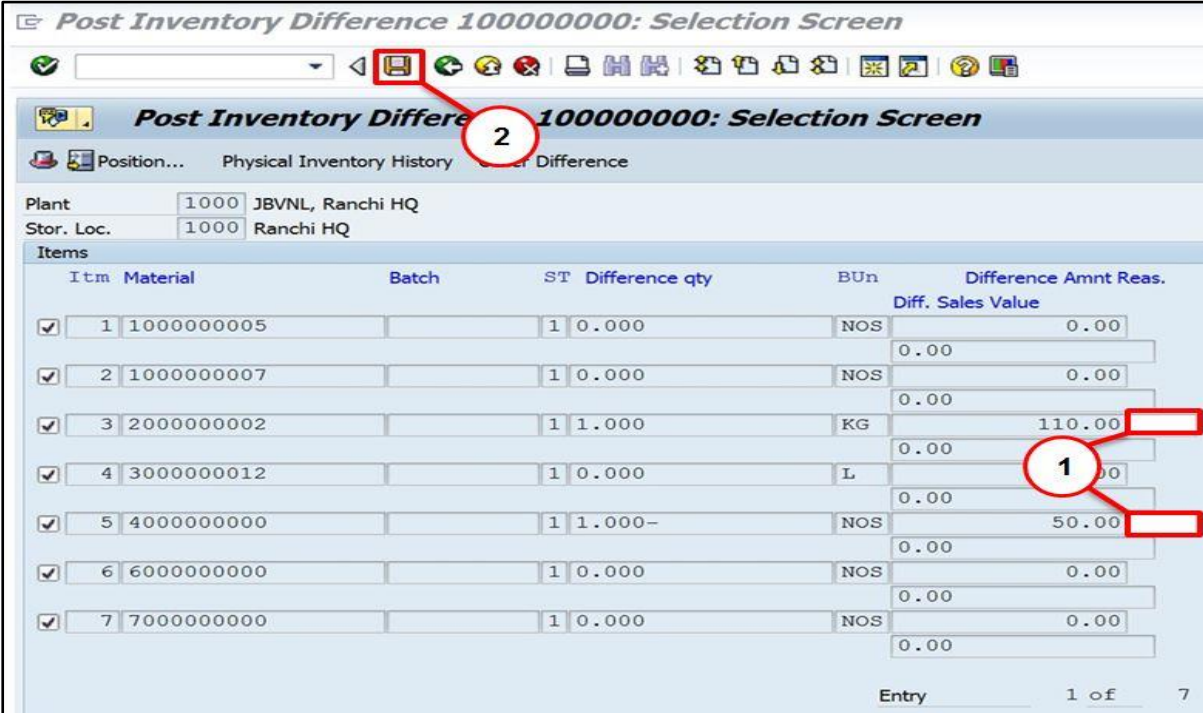


**Project – JBVNL  
Physical Inventory Process  
End User Manual – Materials Management**



Step	Action
(1)	<b>Phys.Inventory Doc.:</b> Input Phys.Inventory Doc (Created after MI01)
(2)	<b>Posting Date:</b> Input Posting Date
(3)	Click <b>Enter</b>  .

### 3.1.3 MI07 – Post Inventory Difference




**Post Inventory Difference 100000000: Selection Screen**

Position... Physical Inventory History Inventory Difference

Plant: 1000 JBVNL, Ranchi HQ  
Stor. Loc.: 1000 Ranchi HQ

Item	Material	Batch	ST	Difference qty	BUn	Difference Amnt	Reas.
<input checked="" type="checkbox"/>	1 1000000005		1	0.000	NOS	0.00	0.00
<input checked="" type="checkbox"/>	2 1000000007		1	0.000	NOS	0.00	0.00
<input checked="" type="checkbox"/>	3 2000000002		1	1.000	KG	110.00	0.00
<input checked="" type="checkbox"/>	4 3000000012		1	0.000	L	0.00	0.00
<input checked="" type="checkbox"/>	5 4000000000		1	1.000-	NOS	50.00	0.00
<input checked="" type="checkbox"/>	6 6000000000		1	0.000	NOS	0.00	0.00
<input checked="" type="checkbox"/>	7 7000000000		1	0.000	NOS	0.00	0.00

Entry 1 of 7

Step	Action
(1)	<b>Difference Amnt Reason:</b> Select Correct Reason.
(3)	Click <b>Save</b>  .

We can see that our posting is done by creating the resulting material document **4900000006**.

Diffs in phys. inv. doc. 100000000 posted with m. doc. 4900000006

### 3.2 Inventory Difference List:-

Path to Inventory Difference List:-



**Project – JBVNL  
Physical Inventory Process  
End User Manual – Materials Management**



SAP Menu Path	Logistics => Materials Management => Physical Inventory => Difference => Difference List
SAP T-code	MI20

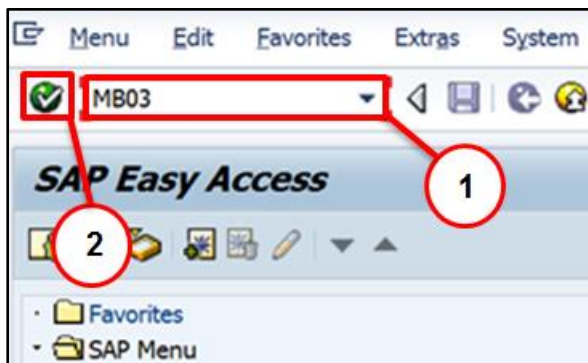
You can view inventory difference list with **MI20** transaction code by providing inputs which you want to see.


### 3.3 Display Material Document:-

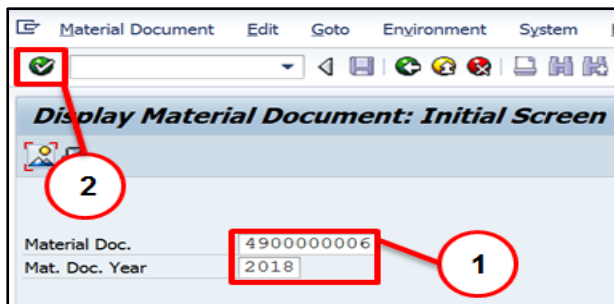
#### Path to Display Material Document:-

SAP Menu Path	Logistics => Materials Management => Inventory Management => Material Document => Display
SAP T-code	MB03

We can check the material document in **MB03**.



Step	Action
(1)	<b>MB03</b> is now entered in the <b>Transaction box</b> .
(2)	Click <b>Enter</b>  .



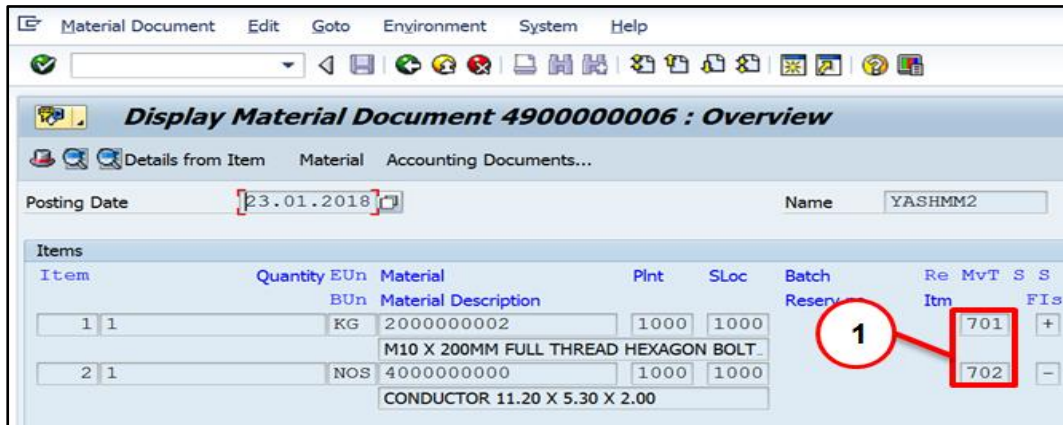
Step	Action
------	--------



Project – JBVNL  
Physical Inventory Process  
End User Manual – Materials Management



Step	Action
(1)	<b>Material Doc. And Year.:</b> Input material Doc and Year
(2)	Click <b>Enter</b>



For a reference of standard movement types, used for physical inventory, see the below table.

701	GR phys.inv.: whse
702	GI phys.inv.: whse
703	GR phys.inv: QI
704	GI phys.inv: QI
707	GR phys.inv.:blocked
708	GI phys.inv.:blocked

**701** – Goods Receipt for unrestricted stock

**702** – Goods Issue for unrestricted stock

**Manual End**