

STRATEGIC OPTIMIZATION OF DEPRECIATION IN HOSPITAL FIXED ASSETS

Dissertation Submitted to



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in

Hospital and Health Management

by

Subhajit Das

Under the Supervision and Guidance of

Dr. Anupam Mehrotra

2025

CERTIFICATE

This is to certify that **Mr Subhajt Das** in partial fulfilment of the requirements for the award of the degree of MBA (Hospital and Health Management) from the IIHMR University, Jaipur has successfully completed her Dissertation at Sahyadri Hospitals Private Limited, Corporate Office during 10th March 2025 to 9th June 2025.

Place

Date

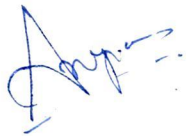
For Sahyadri Hospitals Pvt Ltd.,

Vijeta Kulkarni

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General Manager – Human Resources

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This is to Certify That The Dissertation Titled “**Strategic Optimisation of depreciation in Hospital Fixed Assets**” is a record of the research work undertaken by Subhajit Das in partial fulfillment of the requirements for the award of the degree of MBA (Hospital & Health Management) from the IIHMR University, Jaipur under my guidance and supervision and his approach to the research study has been sincere, scientific and analytical.

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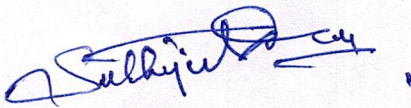
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DATE: 16/06/2025

Declaration by Student

I hereby declare that this dissertation titled "Strategic Optimization of Depreciation in Hospital Fixed Assets" is the bonafide record of my original research work. I declare that it has not been submitted to any other university or institution for the award of any degree or diploma.

Information derived from the published or unpublished work of others has been duly acknowledged in the text.



Subhajit Das

Strategic Optimization of Depreciation in Hospital Fixed Assets

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Keywords:

Depreciation, Fixed Asset Management, ERP Integration, CWIP, FAR, Hospital Finance, Asset Tagging, MIS, Audit Readiness, Strategic Financial Planning

Background: In the healthcare industry to operate efficiently and provide high-quality services, fixed assets like infrastructure, information systems, and medical equipment are essential. Depreciation, a crucial financial tool for expressing asset value over time, is, however, frequently managed in Indian hospitals using standard, outdated procedures. These results in inaccurate financial reporting, lost chances for tax optimization, and weakened audit compliance. To fill these deficiencies, this study focuses on strategically optimizing depreciation procedures in a hospital setting.

Objectives:

- i) to evaluate the current depreciation practices for fixed assets in hospitals.
- ii) to assess the impact of depreciation strategies on financial reporting.
- iii) to identify inefficiencies and gaps in current fixed asset valuation and depreciation.

Methodology: The research used a mixed-method, descriptive design at Sahyadri Hospitals Private Limited. Structured interviews with 20 employees in operations, IT, and finance were used to collect primary data. Fixed asset registers, CWIP ledgers, audit reports, and ERP documentation were the sources of secondary data. Asset life distribution, depreciation expense by asset type, and lifetime tracking were all included in the quantitative research, while thematic analysis of the interviews yielded qualitative insights.

Results: The results showed several significant inefficiencies, including a lack of digital monitoring and consistent tagging, a delay in capitalizing CWIP assets, manual FAR maintenance in Excel, and an excessive dependence on the Straight-Line Method (SLM) across asset categories. 75% of assets lacked appropriate physical labeling, and just 5% of asset movements were recorded digitally. The application of impairment reviews and insurance assessments was inconsistent. Such shortcomings compromised audit preparedness, financial correctness, and asset visibility.

Conclusions: The study recommends uniform asset coding, category-specific depreciation techniques, the use of ERP-integrated FAR systems, and the deployment of a Management Information System (MIS) for digital asset tracking. The establishment of an Asset Governance Committee, frequent impairment reviews, and a CWIP policy framework are also suggested. These actions will increase capital planning effectiveness, regulatory compliance, and depreciation accuracy. According to the findings, strategic depreciation management is crucial for long-term hospital sustainability as well as financial reporting.

Acknowledgements

A heartfelt thank you is in order for each and every one of those who have been involved in the successful completion of this dissertation.

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List of Abbreviations

Abbreviation	Full Form
P2P	Procure to Pay
GRA	Goods Receipt Advice
CWIP	Capital Work In Progress
PO	Purchase Order
A&F	Accounts & Finance
JV	Journal Voucher
FAR	Fixed Asset Register
WDV	Written Down Value
AMC	Annual Maintenance Contract
BMD	Bio Medical Department
IT	Information Technology
HOD	Head Of Department
OM	Other Material

Chapter 1

Introduction

1. INTRODUCTION

Hospitals function as capital-intensive service organizations requiring robust infrastructure, including buildings, diagnostic instruments, biomedical machinery, and IT systems. These tangible fixed assets are central to service delivery, long-term investment decisions, and financial disclosures. Managing such assets involves ensuring their accurate valuation over time through systematic depreciation—a non-cash expense that allocates the cost of an asset over its useful life.

The strategic use of depreciation is not merely an accounting obligation but a powerful tool that influences tax planning, financial health indicators, and capital replacement decisions. However, the application of depreciation in Indian hospitals, especially private tertiary care providers, often reflects outdated or uniform approaches, such as straight-line depreciation, which may not suit all asset classes. This leads to suboptimal tax outcomes, misrepresented asset values, and financial opacity.

This study investigates the current state of depreciation practices, assesses inefficiencies in asset management systems such as CWIP (Construction Work in Progress) and FAR (Fixed Asset Register), and explores opportunities for improvement. It aims to present an evidence-backed strategy that integrates accounting standards, tax optimization, and operational control to support better hospital governance.

The effective management of fixed assets and the strategic optimization of depreciation methods are critical for maintaining the financial health of hospitals. Hospitals, as complex organizations, require substantial investments in infrastructure, medical equipment, and technology to deliver quality healthcare services. These assets, which form the backbone of hospital operations, undergo depreciation over time, reflecting their decreasing value due to wear and tear, obsolescence, and technological advancements. Therefore, a nuanced understanding of depreciation principles and their application in the hospital setting is essential for accurate financial reporting, informed decision-making, and sustainable fiscal management. The strategic allocation of funds within hospitals plays a crucial role in shaping the quality of patient care and the overall efficiency of the institution, necessitating that hospital administrators recognize the importance of fund allocation for patient-centric initiatives to foster optimal patient outcomes.

Meaning of Assets: Assets are the properties possessed by undertaking assets are what the business owns i.e. its property and possessions such as cash, book-debts, debts, stock land, building etc. The lifespan of these assets varies widely—from 3 to 25 years—and their maintenance, replacement, and operational uptime are crucial to patient safety and service efficiency. The classification is done as follows:-

- i) Fixed Assets.
- ii) Current Assets
- iii) Fictitious Assets
- iv) Wasting Assets
- v) Liquid Assets

Meaning of Fixed Assets:- Fixed assets mean those assets which are durable in nature, acquired and held permanently in the business and are used for the purpose of earning profit. And are not intended for sale. For instance, plant and machinery, Land, Building, Furniture & Fixtures, Medical Equipment's etc.

Current Depreciation Practices:-

Most hospitals in India, including Sahyadri Hospitals Pvt. Ltd., predominantly use the **Straight-Line Method (SLM)** for depreciating fixed assets. This method is widely favoured for its simplicity and uniform expense recognition. The Straight-Line Method spreads the depreciable amount of an asset equally over its useful life. It assumes that the asset will provide consistent value throughout its life.

Formula: Annual Depreciation Expense =
$$\frac{\text{Cost of Asset} - \text{Salvage Value}}{\text{Useful Life}}$$

Where:

Cost of Asset = Purchase cost of the fixed asset

Salvage Value = Estimated residual value at the end of useful life

Useful Life = Expected duration (in years) over which the asset will be used

Impact of Depreciation Strategies on Financial Reporting:-

The choice of depreciation method significantly influences a hospital's financial reporting, impacting key financial metrics such as net income, total assets, and ultimately, the perceived financial health of the organization. The straight-line method, known for its simplicity and consistent application, allocates an equal amount of depreciation expense over the asset's useful life. This can lead to a smoother, more predictable earnings stream, which may be preferred by stakeholders seeking stable financial performance. However, accelerated depreciation methods, such as the double-declining balance method and the sum-of-the-years' digits method, recognize a greater portion of depreciation expense in the early years of an asset's life, which can reduce taxable income and improve cash flow in the short term. The selection of a depreciation method necessitates a meticulous evaluation of its potential effects on financial ratios, investor interpretations, and adherence to prevailing accounting standards, as these factors collectively determine the accuracy and transparency of a hospital's financial disclosures.

Purpose of the Research

The primary purpose of this research is to evaluate and improve the depreciation practices applied to fixed assets in private hospital settings. It aims to bridge the gap between regulatory compliance and strategic financial planning by:

1. **Identifying inefficiencies** in the current depreciation methods, particularly the limitations of the Straight-Line Method for technology-driven assets.
2. **Analyzing the impact** of depreciation practices on financial reporting, tax planning, and capital budgeting.
3. **Assessing the adequacy** of existing systems such as the Fixed Asset Register (FAR), Capital Work-in-Progress (CWIP) tracking, and ERP integration.
4. **Proposing actionable strategies** for optimizing depreciation calculations, asset categorization, and compliance with regulatory standards like the Companies Act 2013.
5. **Supporting hospital administrators and finance managers** in making data-driven decisions regarding asset management, lifecycle planning, and audit preparedness.

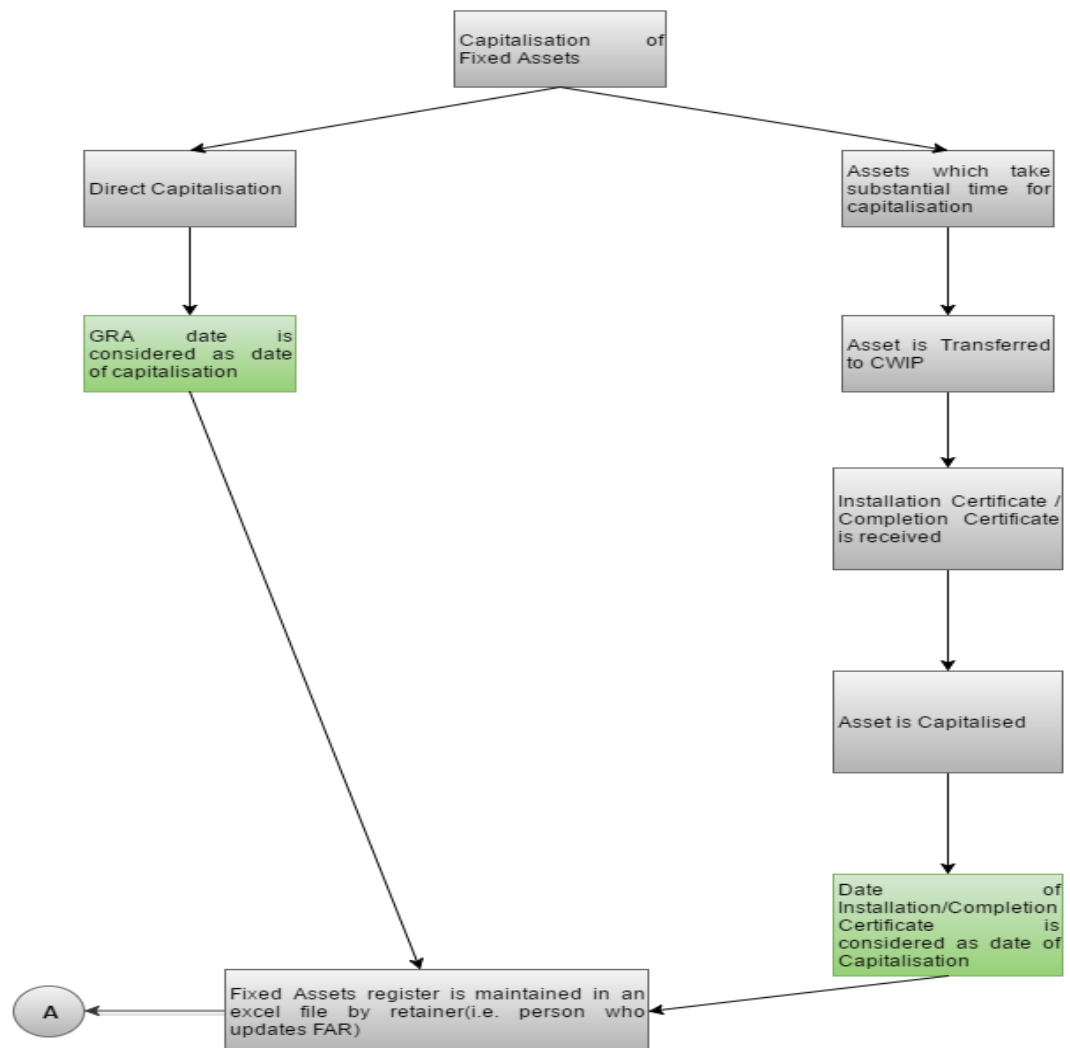
Aim of the Study

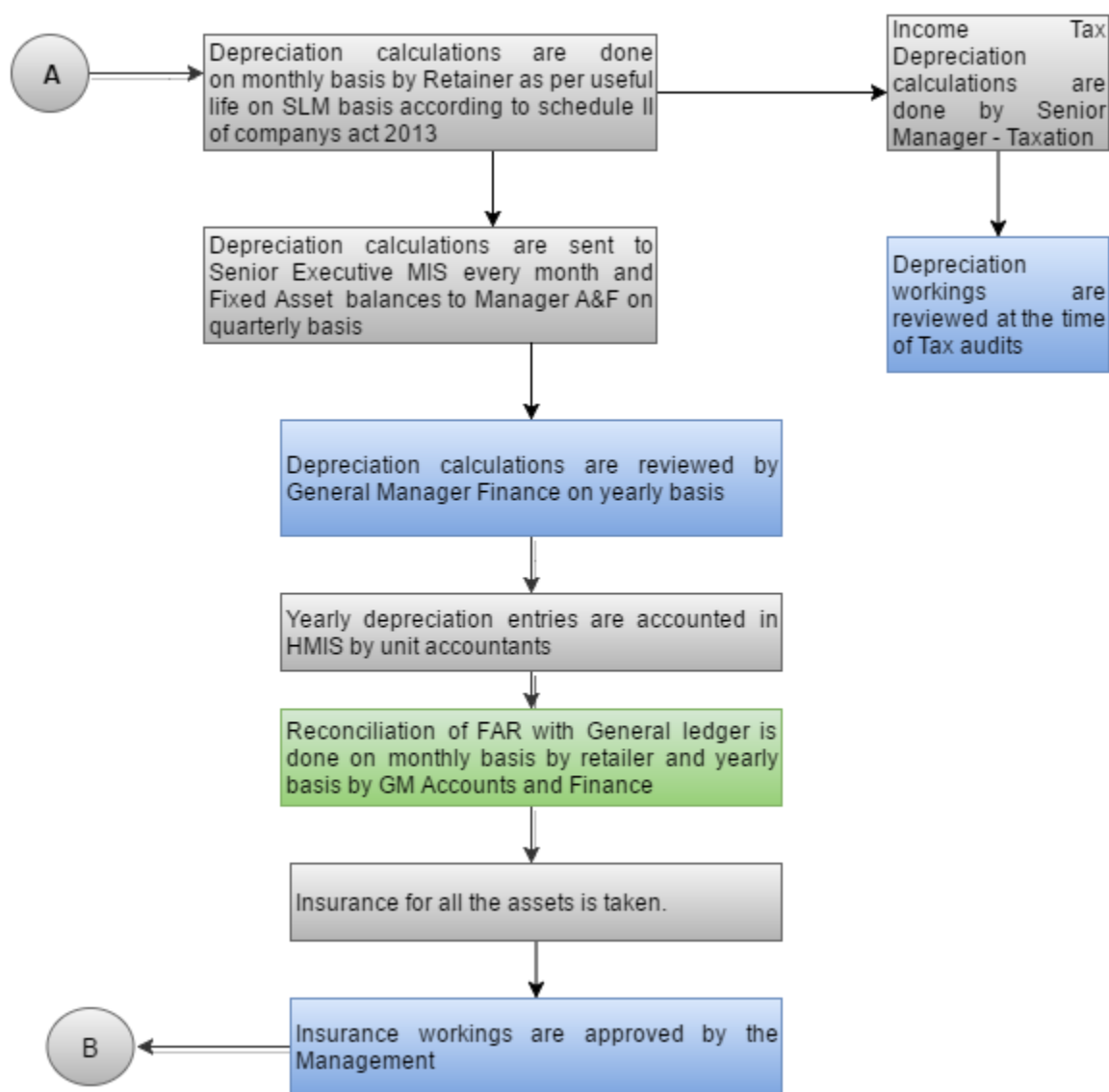
The aim of this study is to analyze, evaluate, and optimize depreciation practices for fixed assets in private hospitals, with a focus on enhancing financial reporting accuracy, tax efficiency, and asset lifecycle management.

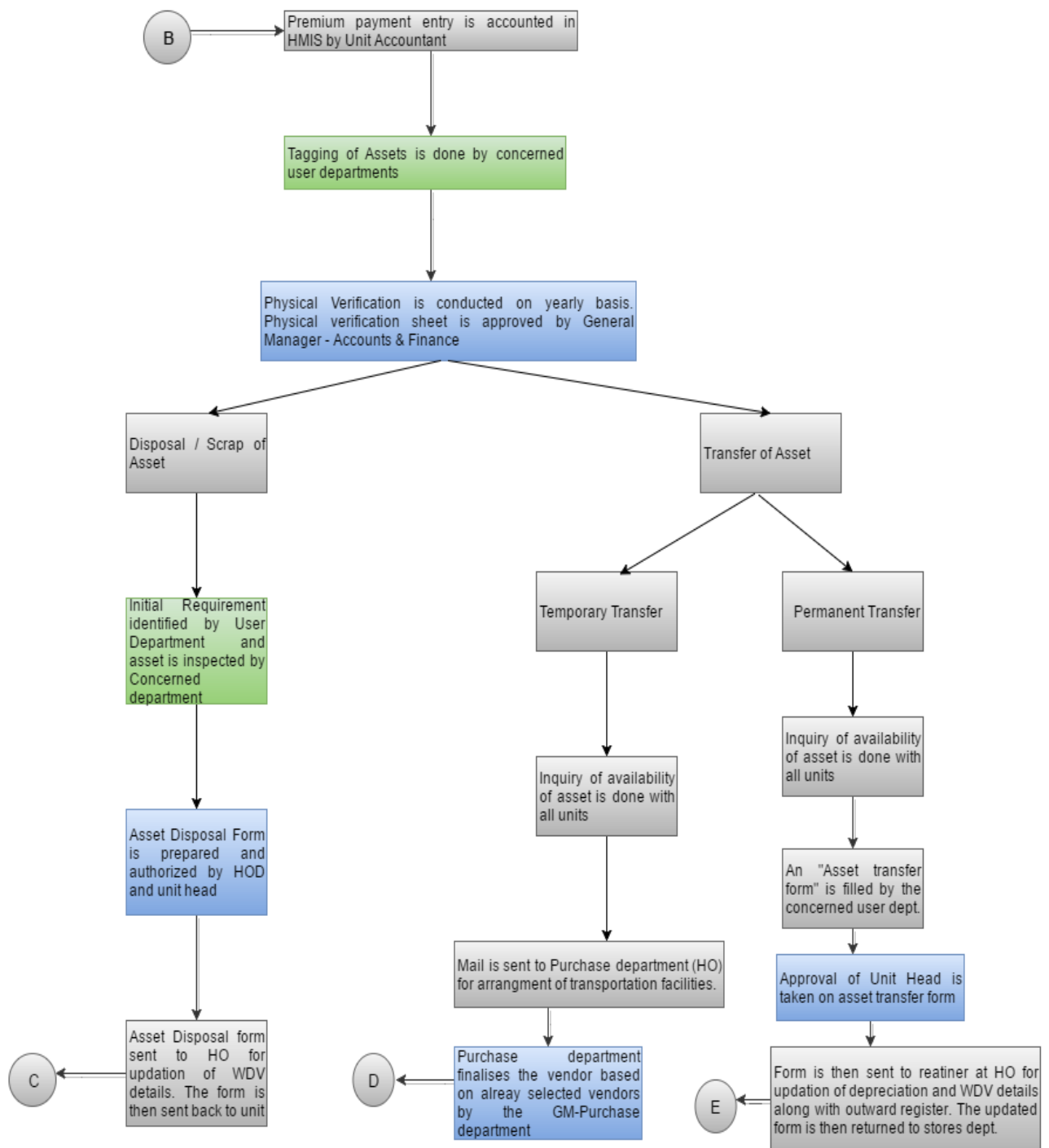
Objectives of the study

- i) to evaluate the current depreciation practices for fixed assets in hospitals.
- ii) to assess the impact of depreciation strategies on financial reporting.
- iii) to identify inefficiencies and gaps in current fixed asset valuation and depreciation.

Depreciation Flow Chart







Chapter 2

Literature Review

Authors & Year	Study Location	Sample Size	Sampling Technique	Salient features
(Singh & Prasad) 2023	India	12 government hospitals	Purposive sampling	This study examined how 12 public hospitals in India managed their fixed assets, including tracking, maintenance, and depreciation practices. The researchers found a significant disconnect between the physical verification of assets and their accounting records. In many institutions, assets were still being depreciated despite being out of service or missing. The authors recommend implementing automated asset tracking systems, establishing annual physical audits, and regularly updating depreciation schedules. They argue that such reforms would not only improve financial accuracy but also enhance asset utilization and reduce tax burdens in institutions that claim exemptions or government subsidies.
(Lopez & Myers) 2022	United Kingdom	25 hospitals	Stratified random sampling	This empirical study evaluated how accurate depreciation practices affect overall financial efficiency in 25 NHS hospitals. Hospitals that used asset-specific depreciation methods and conducted periodic life assessments reported better cost forecasting and fewer audit flags. On the other hand, institutions that applied blanket straight-line depreciation faced discrepancies between actual asset value and book value, leading to underutilization of financial insights. The study emphasizes the importance of training finance personnel in both IFRS and local healthcare regulations to ensure timely and accurate adjustments to depreciation methods.
(Chen et al.) 2023	China	18 hospitals	Cluster sampling	This research focused on the strategic use of depreciation as a financial tool rather than just an accounting necessity. By examining 18 regional hospitals in China, the authors found that forward-looking hospitals intentionally adjusted depreciation policies to optimize tax savings and justify reinvestment in newer technology. They linked strategic depreciation to improved budget flexibility and stronger cost-benefit alignment in capital planning. The paper suggests that depreciation, when aligned with technological replacement cycles, supports both compliance and innovation.

(Martinez & Evans)2023	Spain	10 tertiary hospitals	Judgmental sampling	Martinez and Evans explore the intersection of hospital sustainability and financial practices, particularly depreciation. They argue that financial sustainability isn't possible without proper asset life tracking and depreciation accuracy. The study found that Spanish hospitals that reviewed depreciation schedules annually and aligned them with maintenance reports had fewer instances of emergency capital expenditure. They advocate for depreciation policies to be reviewed in conjunction with green hospital strategies, such as energy-efficient upgrades, which can be better justified when true asset value is reflected in the books.
(Deloitte Insights) 2024	United States	Audit data from 40 hospitals	Retrospective analysis	Based on retrospective audit data from 40 U.S. hospitals, this report highlights common issues that result in audit flags, with depreciation being among the top five. Inconsistent depreciation methods, outdated asset lists, and poor documentation were recurring problems. Hospitals that integrated depreciation with asset condition monitoring and ERP systems showed far better compliance and cost predictability. The report recommends best practices including dual-book depreciation (for tax and internal use), real-time asset updates, and documentation trails as safeguards for financial reporting integrity.
(Putra et al.) 2024	Indonesia	15 studies	Systematic literature review	This literature review from Indonesia compiles findings from 15 studies examining financial improvements in hospitals using Lean and continuous improvement methods. It found that structured financial oversight—particularly in asset management—led to better cost control and strategic capital budgeting. When hospitals actively tracked asset usage and lifespan, they were able to apply more realistic depreciation schedules, improving both budgeting and tax efficiency. This review advocates for depreciation models to be part of broader financial health assessments, as they influence cost-to-service ratios and infrastructure reinvestment planning.

(Milbank Fund) 2024	United States	3 case studies	Case studies	This practical guide aims to help healthcare administrators and policy analysts understand and interpret hospital spending, including how to analyze depreciation and amortization data. Using three U.S. hospitals as examples, the guide explains how poor depreciation tracking can distort financial statements, affecting hospital budgeting and state reimbursements. It provides tools for disaggregating depreciation costs by department and aligning them with capital expenditure patterns. A key takeaway is the recommendation to link depreciation schedules with actual equipment usage data and service delivery logs for more transparent reporting.
(NetSuite) 2024	United States	Not specified	Not specified	This guide presents a roadmap for managing healthcare assets more efficiently, focusing on procurement, utilization, and depreciation cycles. It emphasizes how outdated or paper-based tracking systems lead to discrepancies in financial records and missed tax-saving opportunities. The report advocates for integrated asset management platforms that monitor both physical conditions and financial metrics of equipment. By aligning asset maintenance records with depreciation schedules, hospitals can ensure their books reflect actual value—improving both internal decision-making and external audits.

Chapter 3

Methodology

Key Research Questions:

The primary research questions guiding this study are:

1. What are the main work flow of fixed asset verification and capitalization of assets at Sahyadri Hospitals Private Limited?
2. What are the inefficiencies and gaps in current fixed asset valuation and depreciation?
3. How can the identified inefficiencies be addressed to improve the overall efficiency and effectiveness of managing fixed assets in the hospital?

Research Design

This research adopts a descriptive study design conducted at Sahyadri Hospitals Pvt. Ltd., Pune. The focus is on evaluating the existing depreciation workflow, FAR maintenance, and the impact of asset categorization on financial and tax reporting. The study used a triangulation of primary and secondary data.

Primary data was gathered through semi-structured interviews with 20 finance and accounts staff members using purposive sampling. Secondary data included analysis of fixed asset ledgers, CWIP registers, FAR entries, and audit reports from the past 3 financial years.

Study Setting

The study was conducted at **Sahyadri Hospitals Private Limited**, a prominent multi-specialty hospital Pune, Maharashtra, India. Known for its advanced diagnostic and treatment facilities, Sahyadri operates across 11 units with centralized finance and asset management systems.

Study Population

The study population consisted of hospital personnel directly involved in fixed asset management and financial reporting. This included:

- Finance and Accounts staff responsible for depreciation calculations, FAR maintenance, and compliance reporting.
- Biomedical engineers and IT personnel managing equipment lifecycle and inventory.
- Supply Chain and Maintenance staff handling procurement, tagging, and asset transfer processes.

Inclusion Criteria

- Staff involved in financial reporting or fixed asset management for at least one year.
- Availability of asset records for the last 3 financial years.

Exclusion Criteria:

- Temporary or contract-based finance staff.
- Incomplete or inaccessible financial documentation.
- Any staff unwilling to participate in the study.

Research Procedures

Quantitative Analysis

Quantitative data was analyzed from hospital records across four key dimensions: depreciation expense by asset head, the ratio of gross block to accumulated depreciation, asset life tracking, and the distribution of asset life ranges. The analysis of depreciation by asset head provided insights into the financial burden associated with different categories of hospital assets. The gross block versus depreciation ratio helped assess the extent of asset utilization and aging. Asset life tracking enabled the evaluation of how long assets remained in use compared to their expected lifespan. Finally, the distribution of asset life ranges offered a comprehensive view of the age profile of hospital assets, aiding in capital planning and replacement strategies.

Qualitative Analysis

The qualitative analysis, conducted through staff surveys and interviews, revealed several thematic insights. Firstly, while many finance staff were aware of the Companies Act guidelines, there were notable training gaps, particularly in selecting appropriate depreciation methods such as Straight Line Method (SLM) versus Declining Balance Method (DDB), and underutilization of ERP modules for fixed asset tagging and tracking due to limited user training. Secondly, there was a significant misalignment between depreciation practices and actual asset usage; staff noted that medical equipment depreciated in value and functionality more rapidly than infrastructure, yet uniform SLM rates were applied across all asset types, leading to distorted asset valuations. Thirdly, challenges in asset tagging and reconciliation were evident, with frequent discrepancies between physical assets and entries in the Fixed Asset Register (FAR), compounded by the existence of informal, department-specific tracking systems that caused misclassification and lack of synchronization. Lastly, delays in moving completed projects from Capital Work in Progress (CWIP) to capitalized status were reported, resulting in missed depreciation entries and associated tax inefficiencies.

Data Collection Procedure:

Both Primary and Secondary Data has been used to conduct this study.

Primary data was collected through direct and interactive means within the hospital setting:

- Direct Interview
- Physical Observation and Verification of Fixed Assets.
- Review of hospital annual reports.

Secondary data was obtained from internal financial and operational systems:

- Fixed Asset Register (FAR)
- Capital Work-in-Progress (CWIP)
- Financial Reports
- Hospital Information System (HIS)

Sample Size: 20 staff members across the departments directly associated in the fixed asset management & complete review of all fixed asset records over 3 years.

Sample Technique: The method of mixed sampling will be applied. Using purposeful sampling, financial personnel will be chosen according to their roles and responsibilities in asset management and depreciation. Total enumeration will be utilized to incorporate all accessible records from the previous three fiscal years for the purpose of asset record analysis.

Operational Definitions:

Asset: Assets are the properties possessed by undertaking assets are what the business owns i.e. its property and possessions such as cash, book-debts, debts, stock land, building etc. The lifespan of these assets varies widely—from 3 to 25 years—and their maintenance, replacement, and operational uptime are crucial to patient safety and service efficiency.

Fixed Asset: Fixed assets mean those assets which are durable in nature, acquired and held permanently in the business and are used for the purpose of earning profit. And are not intended for sale. For instance, plant and machinery, Land, Building, Furniture & Fixtures, Medical Equipment's etc.

Depreciation: Depreciation as a concept and in practice plays a very important role in a hospital's cash flow hence in funding. The reasons are basically two, firstly because depreciation is a way of self-finance for an organization and secondly because is a way of decreasing taxes that the government claims at the company doesn't have to pay taxes on depreciation which consequently enlarge the cash flow of two company . As a term depreciation in accounting is the process of allocation the cost of a capital assets over the period of its useful life. Depreciation takes in to account the decrease in the service potential of capital assets invested in a business venture, resulting from such causes as physical wear and tear in ordinary use, deterioration by natural elements or obsolescence caused by technological changes. Basically depreciation is a loss in value or a diminishment in market price of a good always 5 taking the time factor in to account. Depreciation is a rate of change in value in an asset fixed or current compared to the

present value of that asset. Therefore, yearly calculation of actual cost of fixed asset, charging depreciation, finding out the actual profit and financial position of the fixed assets in the hospital are growing the importance of the fixed assets and depreciation accounting in hospital.

Useful Life: The useful life of an asset is defined as the expected duration (in years or days) during which the asset will be functional and contribute to hospital operations. It is estimated based on technical parameters, usage patterns, and accounting norms.

Capital Work-in-Progress: CWIP refers to assets that are under construction or installation and have not yet been commissioned for use. These assets are not subject to depreciation until they are capitalized.

Asset Register: The Asset Register is a formal record maintained by the hospital's finance department, listing all capitalized fixed assets along with details such as asset head, location, cost, depreciation, and useful life. It serves as the primary database for analysis in this study.

Capitalization of Assets: Capitalization refers to the process of recording a cost as a fixed asset on the hospital's balance sheet rather than as an immediate expense in the income statement. When an asset is capitalized, it is treated as a long-term investment, and its cost is systematically allocated over its useful life through depreciation.

Statistical Methods

Quantitative Data Analysis

Descriptive statistics: It is used to summarize and interpret the key characteristics of the fixed asset data. These included:

- **Mean:** To determine the average depreciation and net block value across asset categories.
- **Median:** To identify the central tendency in asset life and depreciation values.
- **Standard Deviation:** To measure variation in depreciation across different asset types.
- **Range & Minimum/Maximum Values:** To assess the spread of useful life, depreciation rates, and asset costs.

Qualitative Data Analysis

Thematic analysis: It is employed to systematically interpret and analyse qualitative data collected through interviews, observations, and document reviews. This method allowed for the identification of recurring patterns, insights, and practical issues related to fixed asset depreciation within the hospital setting.

Ethical Considerations

Informed Consent: Every participant is asked for their informed consent. Confidentiality and privacy are preserved. Information is kept safely and used only for educational purposes.

Data Security and Confidentiality

- **Data Security:** All data collected is securely stored with restricted access to ensure the privacy of the participants.
- **Anonymity:** All reports and publications identify participants anonymously to protect their confidentiality.

Chapter 4

Results

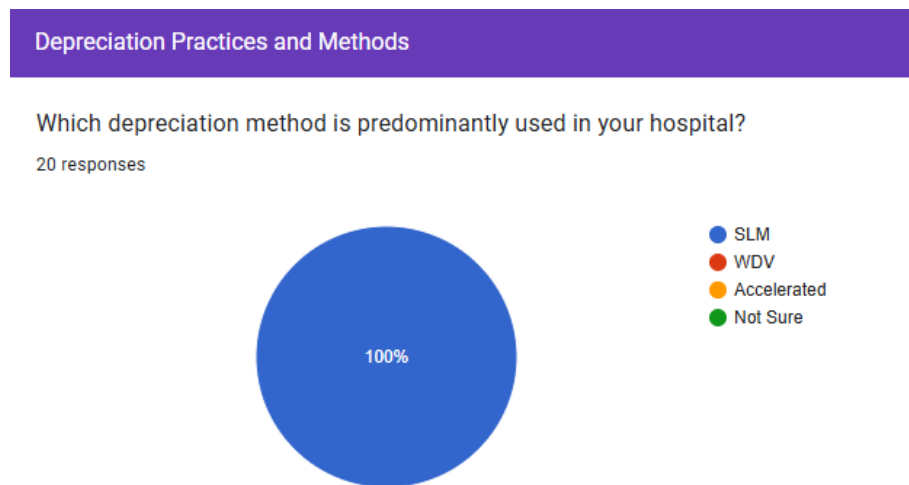
This chapter presents the results of a descriptive study in the Department of Finance at Sahyadri Hospitals Private Limited. Results are presented as text, figures and tables to convey key findings.

Overview of Data Collected

Primary data was collected using structured questionnaires distributed to 20 staff members from Finance, Biomedical, IT, and Supply Chain departments. The surveys included both closed- and open-ended questions focusing on depreciation methods, asset tagging and ERP usage. Data was collected via Google Forms and supplemented by in-person interviews. In addition, secondary data from fixed asset registers, CWIP ledgers, and audit reports was used for comprehensive analysis.

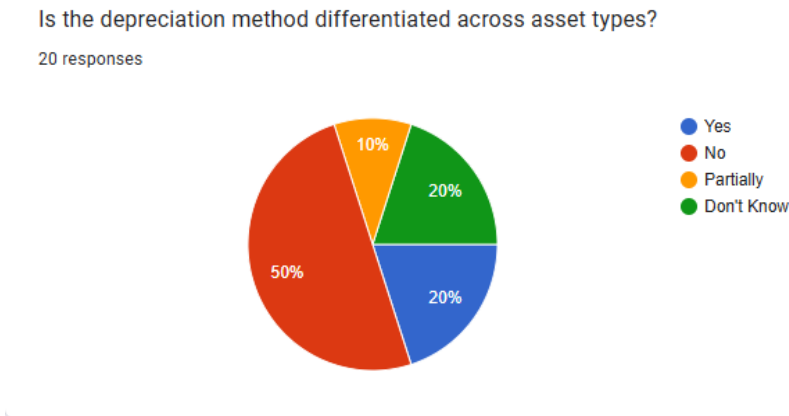
Study on Primary Data

Figure 4.1 Depreciation Practices and Methods



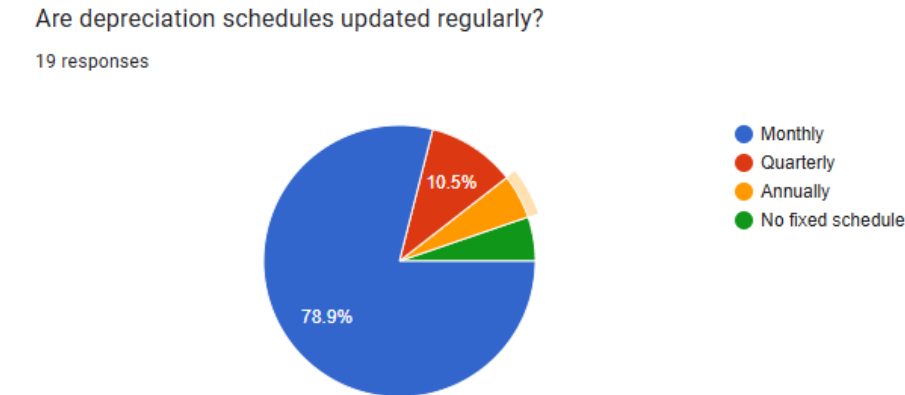
The pie chart clearly shows that 100% of the respondents utilize the Straight-Line Method (SLM) for depreciating fixed assets.

Figure 4.2: Differentiation of Depreciation Method Across Asset Types



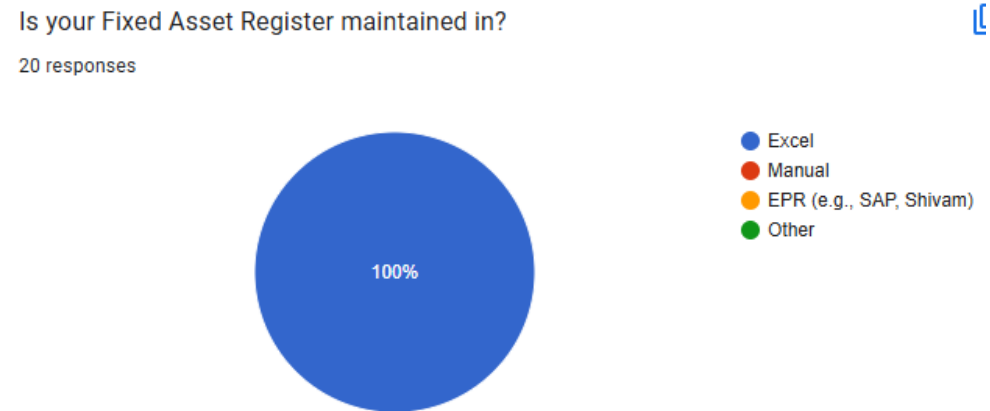
A substantial percentage of staff surveyed said they do not diversify their depreciation techniques across different asset types, with 50% saying "No" and another 20% saying "Don't Know." Inaccuracies in asset assessment may result from the widespread uniform implementation of depreciation methodologies, especially for assets with different useful lifetimes and depreciation patterns, like medical equipment that relies heavily on technology.

Figure 4.3: Regularity of Depreciation Schedule Updates



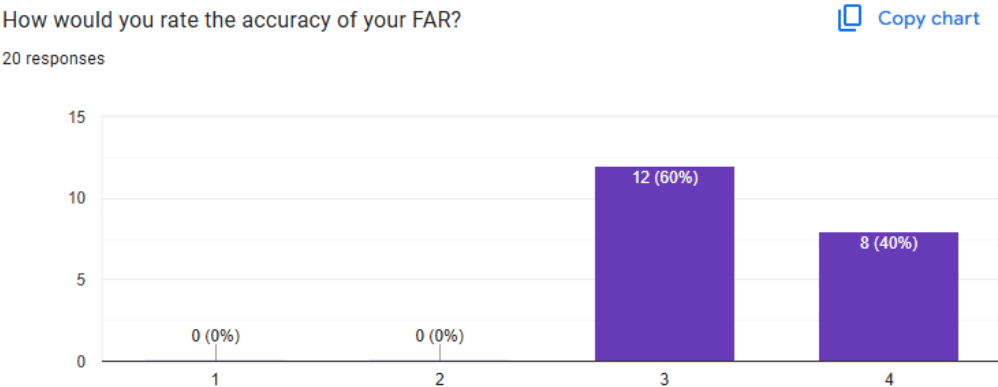
As can be seen 78.9% of the staff reviewed change their depreciation schedules regularly, while 10.5% do so quarterly. This shows a strong commitment to frequent updates, which is essential for keeping financial records current and guaranteeing that depreciation charges are accurate.

Figure 4.4: Maintenance Method of Fixed Asset Register (FAR)



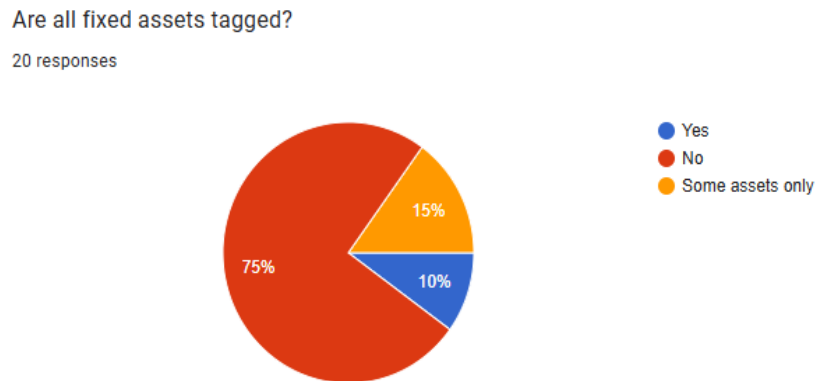
It is shown that all staff surveyed keeps their Fixed Asset Register (FAR) in Excel. According to the dissertation's conclusions, this dependence on a manual, spread sheet-based system exposes a significant inefficiency because it frequently results in inconsistencies, reconciliation errors, and a lack of interaction with more comprehensive ERP systems.

Figure 4.5: Accuracy Rating of the Fixed Asset Register (FAR)



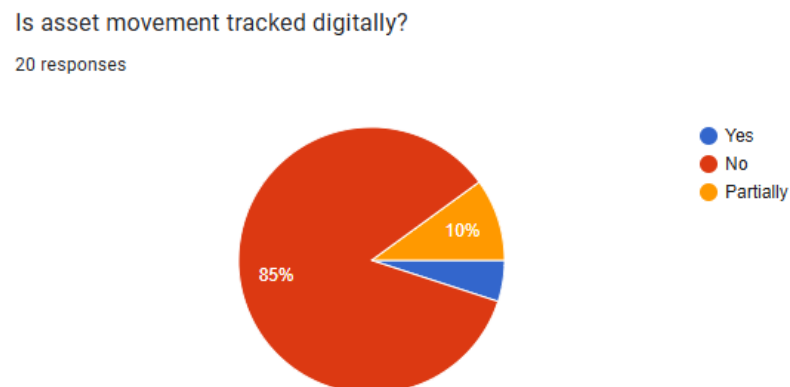
60% of respondents gave their Fixed Asset Register (FAR) a "3" rating, and 40% gave it a "4" rating, indicating that respondents typically believe their FAR to be moderately to very accurate. Despite this apparent accuracy, the study results show real inefficiencies such as missing asset tags and reconciliation mistakes, indicating that the self-reported accuracy might not accurately represent the operational difficulties.

Figure 4.6: Fixed Asset Tagging Status



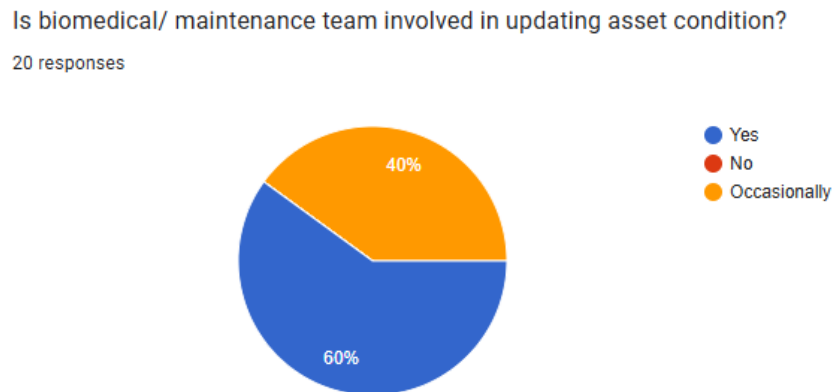
75% of respondents said that not all fixed assets are tagged, and another 15% said that just some assets are labelled, indicating a severe asset management difficulty. This common problem with asset tagging makes inventory management and accurate evaluation more difficult by directly contributing to differences between physical assets and the Fixed Asset Register.

Figure 4.7: Digital Tracking of Asset Movement



Only 5% of hospitals surveyed confirmed digital tracking, while the great majority (85%) do not track asset movement. Finding assets, confirming their status, and keeping correct records in the Fixed Asset Register can become challenging due to an increasing dependence on non-digital means for asset movement tracking.

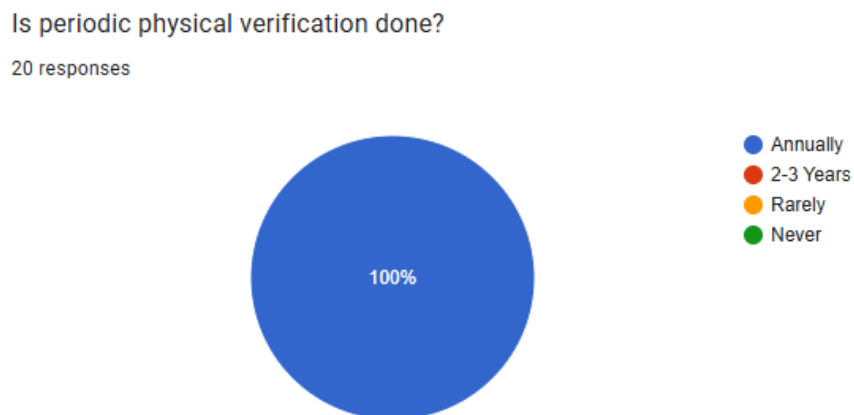
Figure 4.8: Involvement of Biomedical/Maintenance Team in Updating Asset Condition



- **60%** of respondents stated "Yes," indicating that the biomedical/maintenance team is involved in updating asset condition.
- **40%** responded "Occasionally," suggesting inconsistent involvement.

This shows that most staff do update asset conditions with their biomedical or maintenance teams, but a large percentage only do rarely, which may result in asset data that are out-dated or inaccurate. This conclusion can be deduced as a detail that the study will examine in regard to asset management efficiency even though it was not specifically stated in the material that was provided.

Figure 4.9: Periodic Physical Verification

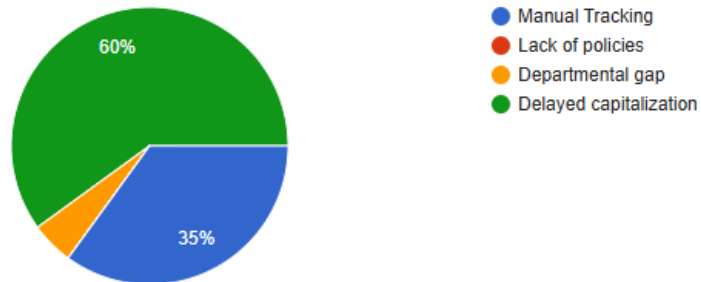


All 20 respondents (100%) said that periodic physical verification of assets is done "Annually." This supports the study's conclusion that yearly physical verification is carried out.

Figure 4.10: Biggest Challenges in Managing Depreciation

Biggest challenges in managing depreciation?

20 responses



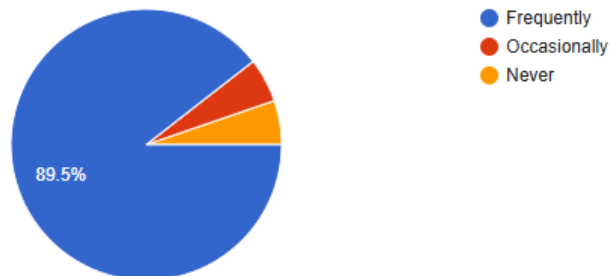
- 60% of respondents cited "Delayed capitalization" as a frequent challenge.
- A smaller percentage cited it other challenges.

Figure 4.11: Financial and Strategic Impact

Financial and Strategic Impact

Audit queries on depreciation/ asset classification?

19 responses



- 89.5% of respondents cited "Depreciation/Asset Classification" as a frequent challenge.
- A smaller percentage cited it "Occasionally" or "Never."

The study focus on identifying inefficiencies in depreciation practices and asset categorization is in line with this overwhelming response, which shows that the vast majority of the finance and accounts staff views depreciation and asset classification as significant and frequent challenges.

Study on Secondary Data

The secondary data collected from Sahyadri Hospitals Private Limited is carefully reviewed in this section, providing quantitative insights into the hospital's fixed asset depreciation procedures. A strong quantitative basis for understanding current depreciation trends, asset lifecycles, and their financial implications is provided by this data, which includes asset registries and financial records. Through the analysis of these current records, the study aims to find trends and inefficiencies that support the qualitative conclusions drawn from primary data collection, providing a thorough and empirically supported viewpoint on the strategic optimization of depreciation in hospital fixed assets.

Figure 4.12: Depreciation Expense by Asset Head (FY2025)

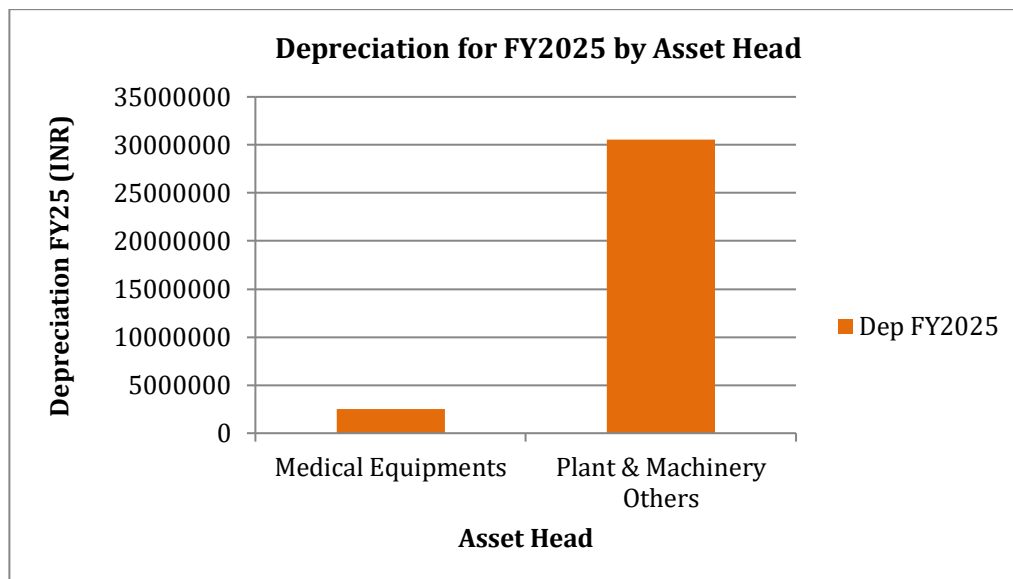


Table 4.1: Depreciation Expense by Asset Head (FY2025)

Asset Head	Dep FY2025
Medical Equipment's	2498636.544
Plant & Machinery Others	30534504.74

The allocation of depreciation expense across important asset categories within Sahyadri Hospitals Private Limited is shown in this table, which was created using secondary financial data for the fiscal year 2025. It is evident that the depreciation expense for "Plant & Machinery Others" (₹30,534,500) is substantially larger than that of "Medical Equipment's" (₹2,498,640). This significant discrepancy indicates that the "Plant & Machinery Others" category accounts for the greatest portion of the hospital's overall depreciation load, most likely due to a higher volume or value of generic infrastructure and non-specialized machinery. In contrast to medical equipment, which despite its high cost and rapid technological obsolescence shows a comparatively lower depreciation expense in this particular fiscal year.

Figure 4.13: Asset Lifecycle Analysis (Life Completed vs. Total Life)

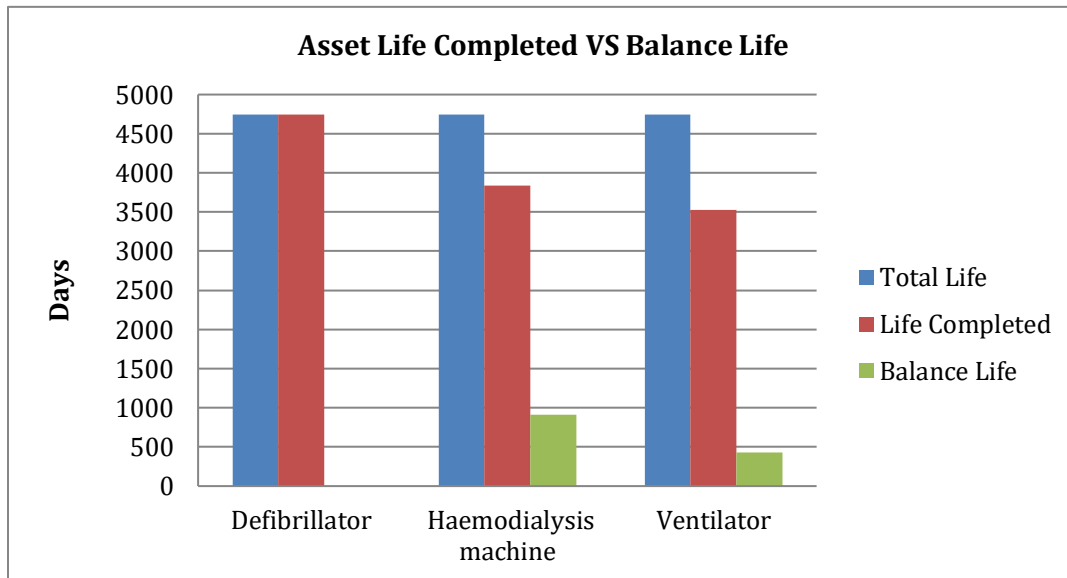


Table 4.2: Asset Lifecycle Analysis (Life Completed vs. Total Life)

Brief Asset List	Total Life	Life Completed	Balance Life
Defibrillator	4745	4745	0
Haemodialysis machine	4745	3836	909
Ventilator	4746	3525	428

Based on information from secondary asset registers, this table includes a thorough lifespan study of particular hospital medical equipment, displaying its estimated "Total Life" (in days), "Life Completed," and remaining "Balance Life." With 0% balance life left, the data shows that the defibrillator has reached the end of its anticipated useful life and may need to be replaced or reassessed. Although they still have some life left, the haemodialysis machine and ventilator have reached a significant point in their lifespan. In order to deliver continuous patient care and maintain technological relevance, choices on the prompt replacement or upgrading of vital medical devices are informed by this secondary data, which is essential for strategic capital expenditure planning. A practice that was found to be lacking in the primary data findings, the existence of assets that are approaching the end of their documented useful life emphasizes the significance of routine impairment reviews.

Figure 4.14: Distribution of Asset Life Ranges

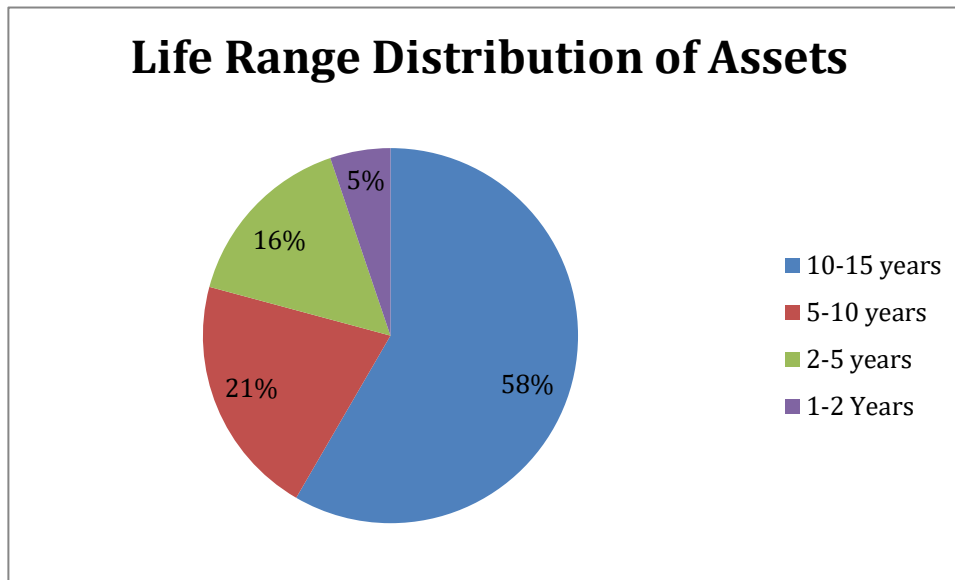


Table 4.3: Distribution of Asset Life Ranges

Life Range	Asset Count
10-15 years	101
5-10 years	36
2-5 years	27
1-2 Years	9

A complete overview of the asset portfolio's age profile is given by this table, which was created using secondary asset data and shows how the hospital's fixed assets are distributed among several "Life Range" categories. The vast majority of assets (101) are in the "10-15 years" life category, suggesting that the hospital's inventory is heavily weighted toward older, longer-lived assets. Assets in the "5-10 years" range (36 assets), "2-5 years" range (27 assets), and "1-2 Years" range (9 assets) come next. This distribution is essential for strategic asset management since it aids in predicting future capital expenditure needs, scheduling maintenance, and determining when a significant proportion of assets may need to be replaced. The importance of comprehensive asset impairment evaluations to guarantee that their book values appropriately represent their current state and operational utility is highlighted by the large percentage of assets in older life ranges.

The results show that asset management has structural inefficiencies that extend beyond depreciation rates. They influence institutional decision-making, regulatory compliance, and the accuracy of financial reporting.

Fixed Asset and Depreciation Control Process Matrix

The Process Matrix provides a systematic summary of the main internal controls, hazards, and solutions related to Sahyadri Hospitals Private Limited's fixed asset management and depreciation procedures. It identifies possible material misstatement risks, reviews current controls, and makes recommendations for enhancements that are in line with industry best practices for healthcare financial governance. The effectiveness of asset tracking, capitalization, depreciation recording, insurance, impairment, and interdepartmental asset transfers can be evaluated and improved with the help of this matrix, which is based on operational procedures and audit comments. It is a vital point of reference for assessing the institution's preparedness for financial audits and for integrating ERP to establish system-driven controls.

Main process	Identification of Risk of Material Misstatement ("What Could Go Wrong")	Control Objective	Control That Addresses Risk of Material Misstatement — As is controls	Suggestions
Fixed assets & Depreciation review	Inaccurate Procurement of Capital Asset. Actual expenditure exceeds budgeted amount.	CAPEX budget should be prepared and approved by appropriate authority.	• Annual Budget activity starts in January and ends in March. • Each segment (Biomedical, engineering, facility, IT) of every unit prepares annual budget. • Budgets prepared by department heads and approved by unit head are submitted to Accounts and Finance Department. • This budget is then analysed by the Accounts and Finance department with respect to cost / requirements etc. Queries, if any are clarified on phone/ mail. • A consolidated budget sheet with unit wise summary is then prepared and submitted by Manager A&F to the Chief Financial Officer. • A meeting of the Unit Administrators and the Chief Financial officer is conducted to finalize the budget. • Once the budget is approved, the same is circulated to all the units HOD & Supply Chain HOD by the	Budget should be uploaded/ updated in the Shivam system and System should restrict if actual expenditure exceeds budgeted expenditure.

			Accounts and Finance Department. •Budget is not uploaded/ updated	
Fixed assets & Depreciation review	Depreciation expense is recorded for assets of a non-capital nature or for assets that have been disposed off	Depreciation expense is not recorded for assets of a non-capital nature or for assets that have been disposed off	• Nature of asset is verified by Unit Account Manager at the time of booking of expenditure ("PV Capital" voucher type is used for booking capital expenditure) • In case of Sale or discard of assets, depreciation is calculated till the date of sale/discard on the basis of asset disposal/sale form and entry is recorded in books.	System should restrict booking revenue expenditure using "PV Capital" voucher type
Fixed assets & Depreciation review	CAPEX GRA may be created before it is tested for quality by user department. Inaccurate details entered in the system at the time of creation of GRA.	The Capex GRA is done after remark is received from the user department that the asset is in good condition. System automatically picks item from PO and user cannot change it.	• The security maintains a separate register for CAPEX goods. •The goods required by the Bio Medical, Maintenance and IT departments (small Machines, desktops etc.) are received at the Main store other material department and only quantity is checked. The main store then supplies the Asset to the user department on the next day. • If any defect is identified by the user after quality check the same is written on the bill and material is returned to the main store other material, if any defect is not there the same is written on the bill/ challan. The Capex GRA is not done till the remark is received from the user department that the material is in good condition. One copy of the bill is kept at records and original copy is sent to the accounts department. • The CAPEX Material other than required by the Bio Medical, Maintenance and IT departments is directly received by the respective user department. The HOD/manager at the users department physically verifies the assets received on the user location. The proper installation of the asset at the user location is ensured by the HOD and an installation certificate is signed and kept on records. • The GRA for CAPEX is done by	Screenshots of GRA creation process

			Main store other material and other departments through Inventory module. The same is done by using both “Full match” as well as “quantity match” option.	
Fixed assets & Depreciation review	Calculation of depreciation for income tax purpose is done inaccurately	Calculation of depreciation for income tax purpose is done accurately	• Calculation of depreciation for income tax purpose is done by Assistant Manager. • The data regarding the additions/deletions of fixed assets is extracted from GL. • The Fixed assets are then classified by the Senior Manager – Taxation as assets additions beyond 180 days and asset additions below 180 days. • Based on this classification and the depreciation rates as per Income tax applicable, the depreciation is calculated by the Assistant Manager.	
Impairment of Assets	Incorrect impairment of assets is done	Assets Impairment working is done accurately & on regular basis.	• At present impairment of assets working is not done by anyone.	
Insurance of Fixed Asset	a) All fixed assets are not insured. b) Assets are either not insured or under insured c) Insurance is not renewed on timely basis	Assets are safeguarded against risks by taking an Insurance policy every year	• The Manager – Accounts and Finance gets the value of fixed assets from the Corporate office A&F. • Insurance cover is taken for assets present as per the manual FAR. • The same is done with the approval of the Chief Financial Officer of the company. • Unit by Unit insurance is taken by the Manager – Accounts and Finance Department after considering Fixed Asset Value as on 29thFeb every year and budget for the coming year. • This is a yearly activity which is generally conducted in the month of March.	Asset disposal form with approvals

			• At present the insurance valuation of fixed assets is done at acquisition value or at replacement cost for some assets. • At present Unit wise insurance policy is taken. • Unit wise summary of the insurance to be taken is submitted to the insurance brokers by the company who in turn provide the quotes for insurance policy. • Once the quotes are received from the brokers, comparison of broker quotes is done and the broker is finalized jointly by Manager – Accounts and Finance & CFO. • Post approval, payment of premium is done before March end & the policy becomes effective from 1st April.	
Physical verification of Fixed Assets	a) Asset held by companies are not physically existing. b) Provision for impaired asset is not recorded.	1) Physical verification of assets are conducted on yearly basis and are reconciled with the FAR 2) There has to be maker-checker process in place for asset adjustments 3) Reasons for variances to be analyzed so as to minimize asset differences in future	• The physical verification of fixed asset is carried out by Corporate office and concerned department. • Every year, the verification is generally conducted in the month of January – February for the assets having more than Rs.2,00,000. • The differences if any are intimated to the concerned unit, the reasons for the same are identified by unit and intimated to the Corporate office. • Physical Verification is conducted by all User Departments • The physical verification report is reviewed and approved by the respective unit head.	Physical verification of Fixed Assets

Transfer of Asset	a) Transfer of asset without authorization. b) Control over location is lost and accurate count may not be possible	All assets are transferred with proper authorization	a) Temporary Asset Transfer:- • In case of requirement of an asset by department at a branch, a transfer request is raised by the concerned department. • An e-mail is sent by the department head to all the other units/ branches for checking the availability of the asset. • An email is sent to the Stores department by the concerned user department for temporary transfer of asset to other unit / branch and vice versa. • Then the Main Stores-OM contacts the transporter as arranged by the HO for the transfer of asset. b) Permanent Asset Transfer:- • In case of requirement of an asset by department at a branch, a transfer request is raised by the concerned department. • An e-mail is sent by the department head to all the other units/ branches for checking the availability of the asset. • In case of availability of the required asset at a unit / branch – an Asset transfer form is filled in by the concerned department. • “Details of asset transferred” column are filled in & signed by the unit who is transferring the asset along with Unit head signatures. • This form is then sent to the Corporate office by user department for updating of “Particulars of bill” and “Depreciation and WDV” details. Post updating, Corporate office sends back the form to user departments. • The Internal Asset Transfer Form is then sent by user department to the Stores department. • There is no separate register as such maintained at user department level to record the movement of asset. However, the updating is done in departmental FAR. • This form is then sent to the HO for getting authorization of Corporate office and accounts department head of transferring unit. • An outward register is maintained to	Asset transfer form (Approved) Copy of Non-returnable gate pass (prepared by transferring dept.)
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			record the forms sent to the Accounts and Finance department. • The transportation is handled by the receiving department. • A 'non-returnable gate pass' is prepared and the asset is transferred with asset disposal form based on intimation received by the user department on the arrival of vehicle in branch. • This asset transfer form is then sent to the department to which the asset is to be transferred for their signatures. • The concerned department at the unit to which the asset is transferred checks the quality/ working condition of the asset & signs the asset transfer form. • Post signatures, the form is then sent to the Corporate office for updating the assets in the FAR.	
Transfer of Asset	a) Incorrect recording of transfer of assets b) Delay in recording or non-recording	All transferred assets are recorded with proper authorization & on timely basis	a) Temporary Asset Transfer:- • The entry for payment to the transporter is made in the ERP system by the accounts team • A duplicate copy is then given to the Stores department. • After this a 'Returnable gate pass' is prepared by the Main Stores OM. • Post completion of the work the user department intimates the stores department for return of the fixed asset. • Again the same process as above is followed for movement of asset. • Asset along with the 'Non-returnable gate pass' is then received by the Stores department OM from other branches. • At present, there is no 'Asset transfer form' maintained for temporary transfer of assets. • Also there is no 'Asset transferred register' maintained to record the temporary transfer of asset at branch level as well as no intimation is given to the accounts department for the	Asset transfer form may be maintained for temporary transfers / Separate excel sheet should be prepared to keep track of temporary transfers

			asset movement. FAR is not affected in case of temporary asset transfers. b) Permanent Asset Transfer:- • The date of gate pass date is considered while updating the fixed asset register. • Once the asset is transferred again an excel sheet is prepared by the Corporate office for passing the accounting entry in the system. • This excel sheet is then handed over to the unit accountant by the Corporate office. • The unit accountant then passes an entry for transfer of asset through JV. • The JV is self-approved in the system. At present no hardcopy approval of the same is taken. • After passing of the entry in the system by the Unit accountant, the Corporate office checks the same with the fixed asset register.	
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Chapter 5

Discussion

The primary findings of the study conducted at Sahyadri Hospitals Private Limited are interpreted and placed in context in this chapter. The discussion attempts to connect empirical evidence with the more general goals of financial transparency, operational efficiency, and strategic depreciation management by drawing on both primary and secondary data. With an emphasis on how observed inefficiencies in asset management systems affect hospital financial performance and compliance, the findings are analysed in light of current research, accounting rules, and industry best practices.

Interpretation of Results

The analysis highlighted a number of significant inefficiencies in Sahyadri Hospitals' present depreciation procedures. The most significant of them include the delayed capitalization of assets under CWIP, the manual maintenance of the Fixed Asset Register (FAR) using Excel, a disproportionate reliance on the Straight-Line Method (SLM) for all asset classes, and inadequate asset tagging. Together, these problems lead to missed opportunities for tax optimization, regulatory non-compliance, and inaccurate financial reporting.

Despite the different usable lifetimes and depreciation patterns of medical infrastructure and equipment, the consistent use of SLM results in a wrong estimation of asset value. This supports the conclusions of Lopez & Myers (2022), who highlighted the necessity of asset-specific depreciation plans in healthcare organizations in order to enhance audit results and financial planning.

Additionally, the manual process of FAR maintenance and the absence of ERP interface lead to poor visibility of asset location and condition as well as reconciliation problems. Uncoordinated asset transfers, inconsistent insurance valuation, and a lack of impairment assessments exacerbate these issues, as the Process Matrix makes clear.

Alignment with Literature and Audit Frameworks

The audit red flags included in national and international research (e.g., Deloitte Insights, 2024) align with the operational weaknesses identified. Similar findings in Indian public hospitals (Singh & Prasad, 2023) are echoed by the inconsistent tagging techniques and absence of digital tracking, which begs for standardized digital asset management platforms.

By highlighting certain internal control errors, such as the lack of system-enforced budgeting restrictions, random depreciation entries for disposal assets, and the absence of temporary asset transfer logs, the Process Matrix provides additional support for these conclusions. These problems are a reflection of structural flaws that make it more difficult for the hospital to maintain asset accountability and financial integrity.

Implications for Strategic Management

The results have significant strategic implications. Hospitals incur the risk of losing their financial stability if they don't implement effective asset tracking systems and dynamic depreciation techniques. Informed capital planning, cost effectiveness, and compliance with the Companies Act and Income Tax Act all depend on accurate asset assessment. Inaccurate depreciation and delayed capitalization affect cash flow estimates and tax obligations, and the hospital is at risk of audit due to inadequate FAR systems.

Integration of Recommendations with Findings

The identified deficiencies in CWIP management, FAR maintenance, and depreciation procedures directly affect the suggestions made. For instance:

The emphasized inefficiencies of using a standard Straight-Line Method across all asset categories is addressed by the use of dynamic depreciation modelling (e.g., Double Declining Balance for technology-driven assets).

The existing reliance on Excel-based registers, which have been demonstrated to be error-prone, inconsistently updated, and incapable of balancing with actual inventories, is addressed by the ERP-integrated Fixed Asset Register suggestion.

As indicated by primary data and the internal audit process matrix, the CWIP policy framework and standardized tagging protocol seek to address capitalization delays and disparities between asset documentation and physical verification.

There is evidence that many hospital assets are underinsured or approaching the end of their life without a proper review, which affects risk management and operational planning. This data supports the recommendations for routine impairment evaluations and insurance value reviews.

Every suggestion was created to be in line with both strategic financial goals, like tax efficiency, audit readiness, and optimal capital planning, and compliance (Companies Act, Income Tax Act).

Study Limitations

- **Institutional Scope:** A well-organized, well established hospital chain with centralized financial systems, Sahyadri Hospitals Pvt Ltd., was the one place where this study was carried out. The results might not adequately reflect the variation found in smaller hospitals, stand-alone clinics, or government healthcare facilities, even if this context offers insightful information on existing procedures and difficulties in fixed asset depreciation. Implementation of depreciation and asset management procedures in various healthcare settings may be impacted by variations in compliance culture, resource availability, and technological acceptance.

- **Sample Size:** The primary data, which only includes 20 finance and operations staff, might not adequately represent the range of viewpoints held by external auditors and clinical department heads, among other stakeholders in asset management.
- **Data Reliability:** Despite the best attempts at cross-verification, some secondary data sources, like the Fixed Asset Register kept in Excel, may have inherent errors that have impaired analysis.
- **ERP Access:** Real-time analysis of depreciation entries and asset movement tracking, which could have enhanced the data insights, were restricted due to the absence of live ERP system data.

Implications of Findings

The findings of the research have significant implications for internal controls, audit readiness, strategic planning, and hospital financial management. Since fixed assets account for a sizable amount of capital investment in healthcare organizations, poor management or erroneous depreciation has a direct impact on capital allocation, tax responsibilities, and financial transparency.

- **For Hospital Administrators:** Inconsistent depreciation techniques, manual Fixed Asset Register (FAR) maintenance, and reported inefficiencies in CWIP processing point to the urgent need for administrative policy reform. Integrating ERP systems for asset tracking and depreciation automation should be a top priority for hospital executives in order to enhance internal supervision and lower audit risks.
- **For Financial and Compliance Teams:** Despite variations in technology and functionality, the Straight-Line Method (SLM) is widely used for all asset classes, which suggests that depreciation planning lacks strategic difference. Asset-specific depreciation models should be used by financial teams to match changes in remaining value and actual usage. Accurate profit and loss reporting, tax optimization, and improved forecasting would all benefit from this.
- **For Policymakers and Regulators:** The results highlight the importance of regulatory policies that support strategic asset lifetime planning in addition to compliance. The healthcare industry can improve financial discipline by standardizing digital asset tagging, requiring regular impairment evaluations, and promoting the adoption of integrated asset management systems.

Chapter 6

Conclusion

This dissertation explored the strategic optimization of depreciation practices in hospital fixed assets, with Sahyadri Hospitals Private Limited serving as the case study. The research was grounded in the premise that effective asset management, particularly depreciation accounting, is not only critical for accurate financial reporting but also plays a vital role in tax optimization, audit compliance, capital budgeting, and the overall financial sustainability of healthcare institutions. As hospitals continue to invest heavily in infrastructure, biomedical technology, and IT systems, the importance of aligning depreciation practices with operational realities and regulatory expectations becomes increasingly crucial.

The study uncovered a range of structural inefficiencies that significantly affect the integrity of asset valuation and financial disclosure. Chief among these were the universal application of the Straight-Line Method (SLM) across all asset types, delays in the capitalization of Construction Work in Progress (CWIP), inconsistent or missing asset tagging, and the manual maintenance of the Fixed Asset Register (FAR) using Excel. These practices were found to be out dated, prone to human error, and lacking integration with Enterprise Resource Planning (ERP) systems—resulting in data inconsistencies, underreported asset values, and compromised audit readiness.

A critical finding was the misalignment between the depreciation method used and the actual functional lifespan of assets. High-tech medical equipment and rapidly evolving IT assets depreciate much faster than structural assets like buildings or furniture. However, a one-size-fits-all depreciation rate was applied, leading to a distorted reflection of asset value and financial health. This has implications not only for internal financial management but also for external stakeholders, including tax authorities, auditors, and potential investors.

The study also highlighted deficiencies in CWIP management. Approximately 12% of CWIP items older than two years had not been capitalized, leading to missed depreciation entries and tax inefficiencies. Similarly, the lack of regular impairment reviews and inadequate insurance coverage—often based on outdated acquisition costs—posed serious risks in terms of asset recovery, accurate net book value estimation, and financial exposure in the event of loss or damage.

In response to these findings, the dissertation proposed several strategic interventions. These include adopting dynamic depreciation methods (such as the double-declining balance method for technology-dependent assets), integrating FAR into the hospital's ERP system, establishing a strict CWIP policy framework to ensure timely capitalization, and conducting annual impairment reviews. Furthermore, implementing standardized asset tagging and classification protocols, along with training programs for finance and operations personnel, were recommended to improve accuracy and accountability.

The implications of these findings are broad and impactful. For hospital administrators, the research underscores the necessity of financial governance reforms to support sustainable

growth and transparency. For finance teams, it offers a roadmap to enhance forecasting, budgeting, and audit preparedness. For policymakers and regulators, it highlights areas where stronger compliance enforcement and incentive structures could drive better financial discipline across the healthcare sector.

Overall, this dissertation makes a significant contribution to the limited but growing body of research on healthcare asset management and financial optimization in India. It demonstrates that depreciation, when strategically planned and executed, goes beyond mere accounting—it becomes a tool for operational efficiency, strategic capital planning, and institutional resilience.

In conclusion, the strategic optimization of fixed asset depreciation is not just an accounting improvement—it is a financial imperative. Hospitals that adopt the recommendations provided in this study can expect to achieve enhanced financial performance, improved regulatory compliance, and greater confidence among stakeholders. These outcomes are essential for ensuring that healthcare institutions are not only clinically competent but also financially sustainable in the long term.

Recommendations:

1. Development of a Management Information System (MIS) for Digital Asset Tracking

A dedicated, hospital-wide MIS should be developed and integrated with the existing ERP platform (such as Shivam ERP) to digitally monitor the lifecycle of fixed assets. This system must include functionalities for real-time asset location tracking, movement logs, usage history, and condition monitoring. Currently, only 5% of asset movement is digitally tracked, leading to discrepancies between the physical and recorded assets in the Fixed Asset Register (FAR). By incorporating barcodes or RFID tagging linked with the MIS, hospital administrators can maintain real-time control over asset allocation, transfer, and condition status. This system should also include alert mechanisms for insurance renewal, maintenance schedules, and impending asset obsolescence.

2. Implementation of Standardized Asset Coding

All fixed assets should be assigned a unique identification code at the time of acquisition. The coding system must follow a uniform structure across all departments and units, incorporating details such as asset type, location, acquisition year, and responsible department. The current absence of a standardized tagging format leads to misclassification, missed depreciation entries, and challenges in audit reconciliation. This coding should be linked to the digital FAR and be visibly affixed to the asset itself. The standardized code will facilitate automated depreciation calculation, improve audit preparedness, and support department-level budgeting and performance analysis.

3. ERP-Integrated Fixed Asset Register (FAR) System

Sahyadri Hospitals should implement a fully ERP-integrated Fixed Asset Register (FAR) to replace the current Excel-based system. The manual FAR is prone to errors, lacks real-time updates, and is not effectively reconciled with physical verification or other modules such as procurement, maintenance, and finance.

An ERP-integrated FAR system will:

- Automate depreciation calculations based on asset category and lifecycle.
- Enable real-time updates on asset additions, disposals, and transfers.
- Integrate with tagging and barcode systems to streamline verification.
- Support internal controls through audit trails and access logs.
- Improve data reliability for financial reporting and audits.

This integration is vital for transitioning from fragmented records to a centralized, transparent, and automated asset management environment.

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Annexure

Questionnaire for Study on Depreciation Practices in Hospitals

Title: Strategic Optimization of Depreciation in Hospital Fixed Assets

SECTION A: Respondent Profile

1. Name (Optional): _____

2. Department: _____

SECTION B: Depreciation Practices and Methods

1. Which depreciation method is predominantly used in your hospital? ☐ SLM ☐ WDV
☐ Accelerated ☐ Not sure

2. Is the depreciation method differentiated across asset types? ☐ Yes ☐ No ☐ Partially
☐ Don't know

3. Are depreciation schedules updated regularly? ☐ Monthly ☐ Quarterly ☐ Annually ☐
No fixed schedule

4. Is your Fixed Asset Register maintained in: ☐ Excel ☐ Manual ☐ ERP (e.g., SAP, Shivam) ☐ Other: _____

5. How would you rate the accuracy of your FAR? ☐ Very Accurate ☐ Moderate ☐
Needs Improvement ☐ Error-Prone

SECTION C: Asset Classification and Tagging

1. Are all fixed assets tagged? ☐ Yes ☐ No ☐ Some assets only

2. Is asset movement tracked digitally? ☐ Yes ☐ Partially ☐ No

3. Is biomedical/maintenance team involved in updating asset condition? ☐ Yes ☐
occasionally ☐ Not involved

4. Is periodic physical verification done? ☐ Annually ☐ 2–3 years ☐ Rarely ☐ Never

5. Are impairment reviews conducted? ☐ Yes ☐ No ☐ only during audits ☐ Not aware

SECTION D: Financial and Strategic Impact

1. Audit queries on depreciation/asset classification? ☐ Frequently ☐ Occasionally ☐
Rarely ☐ Never

2. Biggest challenges in managing depreciation (check all): ☐ Manual tracking ☐ Lack of
policies ☐ Departmental gaps ☐ Delayed capitalization ☐ Others: _____