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## **SYNOPSIS**

**TITLE:** Strategic Optimization of Depreciation in Hospital Fixed Assets

### **1. INTRODUCTION:**

Hospital infrastructure heavily relies on fixed assets, which are essential for providing high-quality medical care. These consist of structures, IT infrastructure, diagnostic instruments, and medical equipment. In addition to guaranteeing service continuity, effective asset management also contributes to the institution's financial stability. Taxation and financial statements are greatly impacted by depreciation accounting, one of the essential elements of fixed asset management. Many healthcare organizations, particularly those in poor nations, either compute asset depreciation incorrectly or fail to adequately match it with actual asset usage. This frequently results in undervalued asset valuations, excessive depreciation, poor capital investment choices, and tax law violations. Tax efficiency and the clarity of financial reporting can be significantly increased by strategically optimizing depreciation procedures, regulations, and monitoring systems.

**RESEARCH QUESTION:** 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?

### **2. 3. OBJECTIVES:**

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

### **3. HYPOTHESIS:**

#### **Primary Hypothesis (H1):**

Improved and strategically optimized depreciation procedures result in a lower overall tax burden and more accurate financial reporting in private hospitals.

#### **Null Hypothesis (H0):**

There is no significant relationship between the optimization of depreciation procedures and improvements in tax efficiency or financial reporting accuracy in private hospitals.

## **Secondary Hypotheses:**

- **H1a:** Implementation of ERP-integrated Fixed Asset Registers (FAR) reduces manual errors and improves asset reconciliation accuracy.
- **H1b:** Differentiated depreciation methods based on asset type lead to more accurate representation of asset value over time.
- **H1c:** Timely capitalization of CWIP assets and regular impairment reviews reduce audit discrepancies and financial misstatements.
- **H1d:** Standardized asset tagging and tracking enhances transparency and audit readiness.

## **5. MATERIAL AND METHODS:**

**STUDY DESIGN:** Descriptive study.

**SETTING:** Sahyadri Hospitals Private Limited.

**STUDY POPULATION:** Finance and accounts personnel, hospital management staff, and fixed asset documentation.

### **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.

### **STUDY TOOLS:**

- Semi-structured interviews with finance staff
- Review of hospital financial records and fixed asset registers
- Observation checklist for asset tracking systems

**DURATION OF STUDY:** 10th March 2025 – 31st May 2025

**SAMPLE SIZE:** 20 finance department staff members, complete review of all fixed asset records over 3 years.

**SAMPLING 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.

**DATA COLLECTION PROCEDURE:** Data will be collected through direct interviews, physical fixed asset verification, review of financial documents, and observation.

#### **OPERATIONAL DEFINITIONS:**

- **Fixed Assets:** Long-term tangible assets used in hospital operations.
- **Depreciation:** Systematic allocation of asset cost over its useful life.
- **Tax Efficiency:** Reduction in tax liability through effective financial planning.

**6. DATA ANALYSIS PLAN:** Microsoft Excel will be used to enter data and create a graphical representation. To explain depreciation procedures, descriptive statistics (mean, SD, frequency) will be used.

**7. ETHICAL CONSIDERATIONS:** Every participant will be asked for their informed consent. Confidentiality and privacy will be preserved. Information will be safely kept and used only for educational purposes.

**8. IMPLICATIONS OF RESEARCH:** These findings will assist financial managers and healthcare administrators in understanding the current depreciation procedures and putting industry-standard solutions into effect. Better financial planning, compliance, and the most efficient use of institutional resources can result from this.

#### **9. REFERENCES:**

1. Cleverley WO. *Hospital guide to depreciation: a guide for hospitals*. Washington (DC): United States Department of Health, Education, and Welfare, Division of Grant Administration Policy; 1967
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