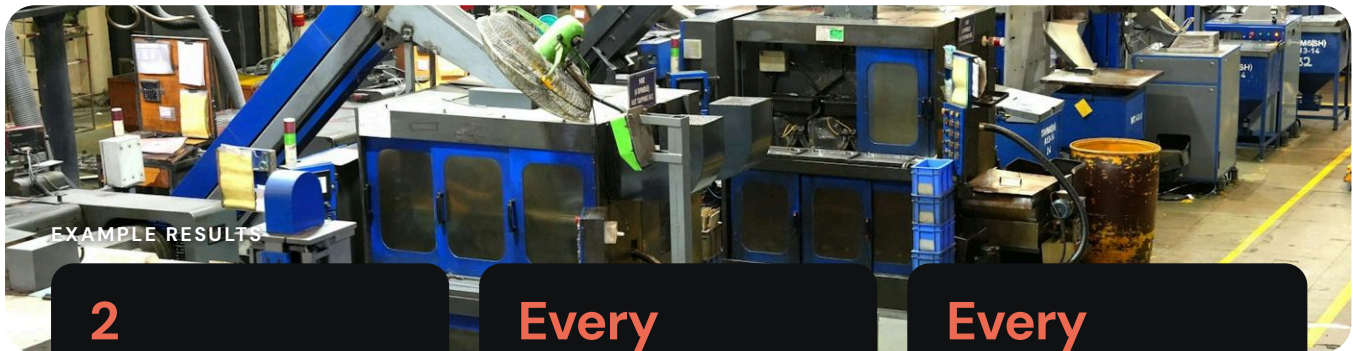


Manufacturing

Example scenario

How an Indian company runs Companies Act and tax depreciation together with Asset Infinity

A manufacturing company in India runs Schedule II book depreciation and Income-tax block depreciation side by side on one fixed asset register, and verifies its assets physically before year end.



EXAMPLE RESULTS

- 2** depreciation books, Companies Act and Income-tax, from one register
- Every** asset counted in a verification round before year end
- Every** exception from verification followed up before the books close

AT A GLANCE

EXAMPLE TYPE

Mid-sized manufacturer

REGION

India

EXAMPLE SIZE

3 plants, a head office, 9,000 fixed assets

PREVIOUSLY

Excel fixed asset register, two depreciation workbooks

FEATURES USED

Finance

Assets

01 The organization

A mid-sized manufacturer in India runs three plants and a head office, with plant and machinery, buildings, vehicles, furniture and IT equipment on its fixed asset register.

Like every Indian company, it depreciates assets under Schedule II of the Companies Act for its books and by block of assets under the Income-tax Act for its return, and its auditors expect a physical verification of fixed assets.

02 The challenge

The register is a spreadsheet, and each depreciation basis has its own workbook. Physical verification is a printed list and a team walking the plants in March.

- Book and tax workbooks drift apart as additions and disposals are keyed twice.
- Additions in the second half of the year need half-rate tax depreciation, worked out by hand.
- Verification lists come back with ticks and notes that take weeks to reconcile.
- Assets moved between plants are still listed at the old location.
- Auditors ask for proof of verification that is hard to produce.

03 How it is set up in Asset Infinity

The company keeps one fixed asset register in Asset Infinity, runs both depreciation bases from it and verifies assets with the mobile app.

Finance

Schedule II book depreciation

Each asset carries its Schedule II useful life and residual value, and book depreciation is calculated per asset in each depreciation run.

Finance

Income-tax depreciation alongside

The same assets are grouped into Income-tax blocks with their rates, and tax depreciation is calculated side by side with the book figures.

Assets

Physical verification rounds

Auditors scan asset labels in the mobile app and mark each one verified, moved, not found or damaged, with photos where needed.

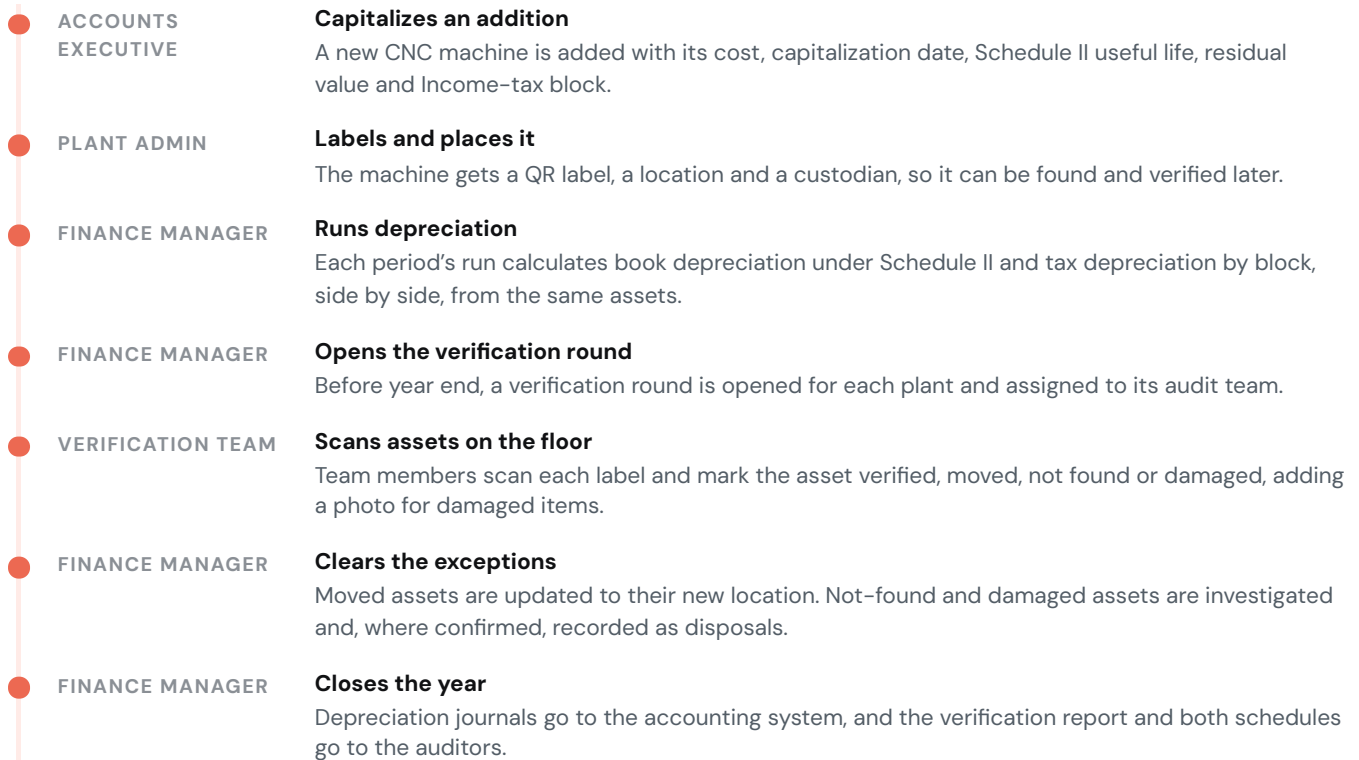
Finance

Disposals and journals

Sales and write-offs are recorded as disposals against the register, and depreciation journals are exported to the accounting system.

04 How it works day to day

Here is how the fixed asset year runs, from a new addition to the year-end close.



05 Before and after

	BEFORE	WITH ASSET INFINITY
Fixed asset register	An Excel workbook	One register with location and custodian
Book and tax depreciation	Two workbooks that drift apart	Both calculated from the same assets
Additions and disposals	Keyed twice	Entered once
Physical verification	Printed lists and ticks	Mobile scans with statuses
Moved assets	Left at the old location	Updated during the round
Audit evidence	Hard to produce	Reports from the register

06 The first month

1

Register imported. The spreadsheet register was imported with cost, capitalization date, Schedule II life and tax block for each asset.

2

Opening values reconciled. The first depreciation run was checked against both workbooks before they were retired.

3

Assets labeled. Each plant labeled its assets with QR tags, ready for the year-end verification round.

07 Example results

- Additions and disposals are entered once and flow to both book and tax depreciation.
- Verification results come back as statuses on the register, not ticks on paper.
- Assets found at another plant are updated to their new location during the round.
- Auditors receive the verification report and depreciation schedules from the same register.

08 Why it worked

One register, two laws

Book and tax depreciation come from the same asset records, so they cannot disagree about what the company owns.

Verification that updates the books

Each scan sets a status on the register, so exceptions are followed up in the same place the books are kept.

Ready for the auditors

Schedules and verification reports are drawn from one source, with an audit trail behind every change.

09 Looking ahead

With one register serving both the Companies Act and the Income-tax Act, and verification recorded in the mobile app, the company closes its fixed asset books without reconciling separate workbooks.

The same register also holds each asset's location, custodian and maintenance history, so finance and operations work from one list of what the company owns.

See it on your own assets

A 30-minute demo, set up for a finance team in India.

An example of how this kind of organization runs on Asset Infinity.

Book a demo

Start a 14-day free trial