

Exensys Software Solutions Ltd.		AA/B/CCDD V x.y
White Paper		W. E. F. dd/mm/yy



Best Practice
eXensys – Fixed Assets



Exensys Software Solutions Ltd.		AA/B/CCDD V x.y
White Paper		W. E. F. dd/mm/yy

Table of Contents

Introduction: 3

Overview:..... 3

Benefits:..... 8

Conclusion: 8



Exensys Software Solutions Ltd.		AA/B/CCDD V x.y
White Paper		W. E. F. dd/mm/yy

Introduction:

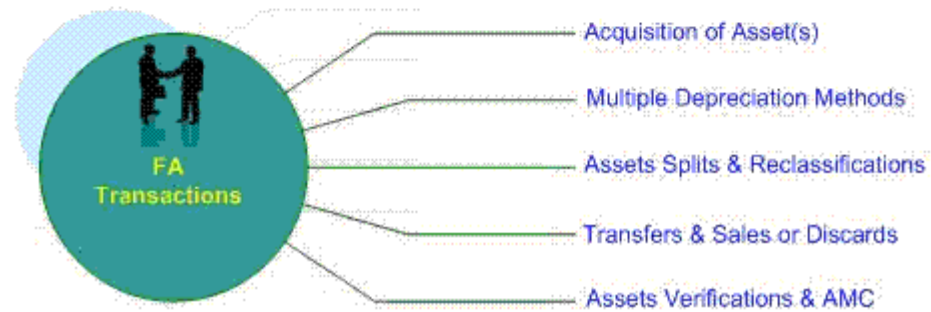
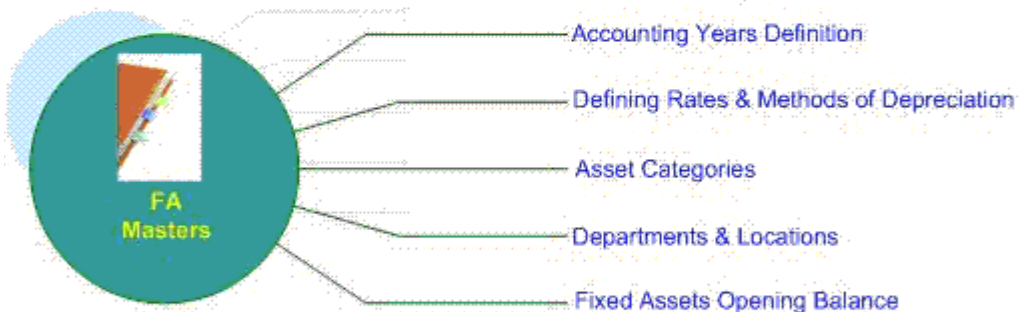
eXensys **Fixed Assets** caters to the need for maintaining effective management of Fixed Assets with its high-end solutions and up to date authentic accounting treatment as per the set standards against Indian Companies Act, 1956 and Income Tax Act, 1961. Its unique features help the management to be in a comfortable position to account, report and determine the status the Fixed Assets employed in the business.

Overview:

eXensys provides excellent processes, techniques and solutions to handle the complete process cycle of **Fixed Assets Management System**. Its tailor made tools and features understands the various functionalities that would be accessible depending upon the various operations of the business environment.

eXensys caters solutions which are in sync and apt for the complete organization's requirements and can be configured, set up according to the operating strategies and procedures existing in the business entities. Wide range of features facilitates the Operating Units and Business organizations to be equipped with quick solutions which are organized, effective and business motive.

With increasing need of asset data maintenance, reporting and presentation there exists a wide range of statutory reports required under Schedule VI of the Companies Act, 1956 and against Section 32(I) of the Income Tax Act, 1961. It suffices automatic calculation of depreciation based upon the Fixed Assets Category and Block codes etc. Business and Statutory Reporting are taken much care along with calculation of Depreciation, Accumulated Depreciation, Asset Transfers, Reclassification, Asset Maintenance and Services with Physical Asset verification etc to maintain effective communication between the Customers, Vendors, Suppliers, Service Agents and other Stake Holders through its best resources and practices.



Exensys Software Solutions Ltd.		AA/B/CCDD V x.y
White Paper		W. E. F. dd/mm/yy

eXensys **Fixed Assets** provides exceptional features intended for the Organizations extending from Small, Medium to Large Scale Businesses. Capable to control and monitor transactions and operations proficiently with high end solutions and excellent reporting options.

Under Fixed Assets, eXensys provides dynamic Masters required for performing the transactions authentically and also as per the set standard defined by law governing the same.

Brief description of Dynamic Masters:

❑ **Accounting Year As per Companies Act:** eXensys provides the facility to create the Masters pertaining to Accounting Year as per Companies Act, 1956. This is an operating fiscal year as per the Companies Act.

❑ **Financial Year As per Income Tax Act:** Definition of Financial Year as per Income Tax Act, 1961 and thereby deriving the Assessment Year for the defined financial year.

❑ **Rates of Depreciation:** eXensys provides the facility to define the depreciation rates of fixed assets of different nature according to the existing statutory rates assigned to them as per the Companies Act, 1956 and Income Tax Act, 1961. While defining the rates the method of depreciation is also mentioned, Whether it is a Straight Line Method or Written Down Value Method

❑ **Asset Category:** eXensys facilitates creation of Assets at Main category, Sub category and the Physical Category . Categories can be created for three levels as per the standard legal format. Assets with similar features, nature are clubbed together under one category and so on.

❑ **Departments:** There is a provision to create the active departments where in physical assets can be used. Under one branch/sub organization there is a possibility of several departments or combinations of departments using the Fixed Assets collectively or individually. This activity is taken care in eXensys to its best of the user applicability and operations.

Exensys Software Solutions Ltd.		AA/B/CCDD V x.y
White Paper		W. E. F. dd/mm/yy

❑ **Locations:** As against the Category creation, Locations are also can be created up to three levels. Main Location, Sub Location and Physical Location. eXensys follows the Tree structure very stringently while defining the Categories and Locations in order to suffice the set standards for Fixed Assets Management Systems.

❑ **Opening Balance:** eXensys provides the facility to the new businesses who are migrating from their legacy systems to the eXensys a unique feature of Opening Balance feature where in the Assets Acquisition Details, Put to use details, Accumulated Depreciation as per Companies Act and Income Tax Act balances which are existing as on the date of migrating is being captured and loaded in to the eXensys system. This assist the smooth of flow of transactions for the assets which were existing and their accounting treatment, depreciation, reporting formalities etc are taken much care.

Flexible and Authentic Transaction Details:

❑ **Acquisition of Asset(s):** There is a provision that a acquisition of the fixed asset can be acquired directly through the vendor or through the Procurement Workflow from raising of Capex/Fixed Assets Type Purchase Order Under this scenario all the details pertaining to Unique Asset Code, Asset Description, Vendor details, Cost, Cenvat, Asset Category Levels either at I/II/III , Physical location level, Ownership/Acquisition Type, Date of acquisition and Put To Use, PO details, Rates of Depreciation as per Companies Act and Income Tax Act, Independent Asset or Parent and Child relationships, Warranty period etc are stored.

❑ **Asset Verification:** Period verification of Fixed Assets is necessary as per the statutory requirement and also for internal control. eXensys caters to fulfill this requirement by providing unique user friendly screen where there is provision to select the asset records based o Location, Department, Asset Code wise etc. This helps the verifying officer to have a list of complete fixed assets basing on different categories. The Date and time of verification taken with remarks and deviations are recorded in this screen.

❑ **Depreciation as per Companies Act:** eXensys provides asset code wise computation of depreciation as per the rates defined in the Companies Act, 1956 and also proportionate to the Put to Use date to the depreciation calculation date. Depreciation can be generated periodically as per the needs and interest of the organization. Financial Postings and accounting treatment is taken much care and authenticity is maintained.

Exensys Software Solutions Ltd.		AA/B/CCDD V x.y
White Paper		W. E. F. dd/mm/yy

❑ **Depreciation as per Income Tax Act:** Calculation of Depreciation Block Code wise is provided under eXensys for once in a single financial year as per the existing laws governing the same. There is also a provision of computation of the depreciation for fixed assets which are used in the business less than or greater 180 than days and its treatment of depreciation either 50% or 100% is taken care effectively. There is a facility to edit the depreciation manually as per the need and functionality of the organization.

❑ **Reclassification of Asset:** Provision is facilitated to reclassify that asset from previous asset category to the new category based on various needs of the business and its adjustments. Financial Postings and accounting treatment of previous asset category to new category, physical location is considered as per the standard accounting systems.

❑ **Asset Transfers:** There is a feature provided to transfer the assets within the department under the same organization and transferring the asset to other branch/sub organization. While transferring the asset outside the office premises, its accounting and financial treatment is given much care and standards are followed against Inter Branch Financial postings and adjustments.

❑ **Assets Split:** eXensys provides the provision of Splitting of Assets into to different parts enabling them to be the individual new assets. Their financial treatment, depreciation, transfers are unique with new asset code. The Cost of Asset, Accumulated Depreciation, Net Value etc as on date of split is divided as per the number of splits proportionately.

❑ **Sale or Discarding of Asset:** Whenever the management feels the assets have to be disposed either in normal cases or in clearance of scrap, this functionality is enabled. Under this there is a provision of Bulk Sale and Bulk Discard. Asset Code wise Asset can be sold or discarded for profit/loss. Information regarding Cost of the Asset, Sales Value, Accumulated Depreciation as on date of Sale/Discard, Profit or Loss on the proceeds of the sale, Customer or miscellaneous party information is stored for the records and auditing. Necessary accounting is provided to record the physical movement of the asset from the Fixed Asset Register.

❑ **Fixed Assets AMC:** Necessary Asset Maintenance Contracts and agreements are maintained and services are utilized as per the said terms and conditions laid down. eXensys provides asset code wise AMC details tracking to facilitate effective use of asset maintenance and services.

Exensys Software Solutions Ltd.		AA/B/CCDD V x.y
White Paper		W. E. F. dd/mm/yy

Benefits:

- Two Sets of Books are maintained for Fixed Assets for both Companies as well as for Income Tax Authorities.
- Provision of uploading of opening balances of the fixed assets, Asset code wise under the opening balance functionality, tracking all the necessarily details for a smooth transition from legacy to eXensys.
- Strong Financial Postings and Accounting treatment during Acquisitions, Transfers, Reclassification, Sale/Discarding of the Assets, Depreciation as per Books and Income tax etc.
- As per Income Tax Depreciation of Assets for assets which are less than and greater than 180 days in the business is effectively maintained, calculated and reported to the management and auditors.
- Effective Statutory Reports like Fixed Assets Register as per the standards of Schedule VI of Companies Act, 1956.
- Functional Reports necessary for the management like Depreciation Reports as per the Company as well Income Tax, Sale or Discarding of Fixed Assets Report, Assets Transfers Report etc.
- Physical verification of assets are thoroughly carried out with effective Graphical User Interface Screen functionality and authentic reporting tools.
- Assets Maintenance and periodic services are effectively utilized based on the terms and conditioned agreed upon by the dual parties in the laid down agreement.

Conclusion:

eXensys Software provides the organizations sufficient artillery necessary to meet the modern technological challenges and to overcome the hurdles of Fixed Asset Management System. It is equipped with latest competency and high-end technology to provide effective solutions to the diverse verticals and functions existing in the competitive markets. eXensys understands the business needs and can be tailor made to the best fit and suit the organizational needs and requirements. Its dynamic features and capabilities would enhance the organization's productivity, efficiency and time.