

As 17

Segment Reporting

An enterprise may have many segments based on

- * Services - business-wise
- * Location - geographical destination
- * Goods - business-wise

for diversified risk and return and better decision making

Financial Statements

<u>Particulars</u>	<u>Reportable</u> <u>Segments 1</u>	<u>Reportable</u> <u>Segments 2</u>	<u>Reportable</u> <u>Segment 3</u>	<u>Amount(₹)</u>
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Steps of the Standard

- * Identify reportable segments
- * Prepare segment-wise financial statements
- * To enable better decision making

Reportable Segments

Assets

If segments' ^{assets} are 10% or more of total assets
(does not include tax related items)

Result

If segment results are 10% or more of total enterprise result
(do not consider net of profits and losses. Find total of profit from profitable segments and total loss from the loss of segments individually; whichever is high is considered for calculation of 10%.)

Turnover

If sales or turnover of segments is 10% or more of the total turnover

(includes turnover from internal transfer)

Note:

There is a conflict whether to consider cost or transfer price for internal transfers
This is resolved by considering such price which is followed consistently w.r.t. significant accounting policy by the enterprise

Management Discretion

(or to ensure that 75% of total revenue is generated externally, by segment reporting)