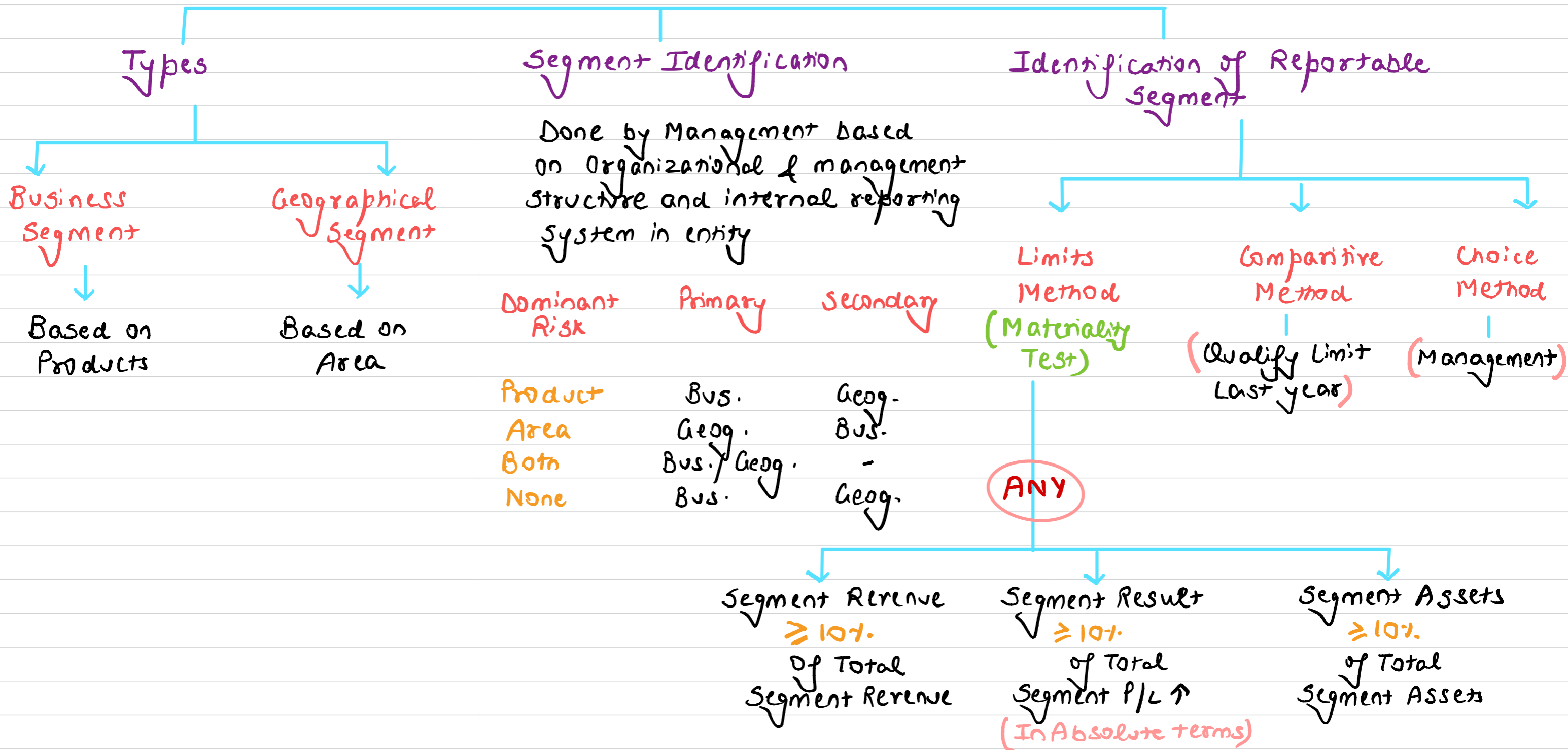


AS 17 Segment Reporting



NOTE: Selected Reportable segments should represent 75% of external sales. If limit not attained then select further segments. (Overall Test)

Business Segment: Distinguishable component of business having separate risks & rewards in comparison to other segments. Such segments are broadly based on **products**.

Basis:

- 1) Products : Silk, Cotton, Wool, etc.
- 2) Production Process : Handmade silk, Machine made silk, etc.
- 3) Distribution Process : Retailers, Wholesalers, Direct to home, etc.
- 4) Customers : Industrial, Domestic (End consumers), etc.

Example

Geographical Segment: Distinguishable component of business having separate risks & rewards in comparison to other segments. Such segments are broadly based on **Area**.

Basis:

- 1) Area : North, South, East, West, etc.
- 2) Economic Environment : Asia, Europe, USA, etc.
- 3) Currency : Rupees, Dollars, Pounds, etc.
- 4) Political Boundaries : India, Pakistan, Sri Lanka, etc.

Example

Segment Report

Primary

- 1) Segment Revenue
- 2) Segment Result
- 3) Segment Assets
- 4) Segment Liabilities
- 5) Segment Fixed Assets acquired during period
- 6) Depreciation & Amortization
- 7) Non cash expense other than Depreciation & Amortization

Secondary

- 1) Segment Revenue
- 2) Segment Assets
- 3) Segment Fixed Assets acquired during period

(Reporting of only those segments which fulfill 10-1 criterion)

Segment Revenue

Segment External Sales	xx
+ Apportioned Sales	xx
+ Inter Segment Sales	<u>xx</u>
	<u>xx</u>

Does not Include

- * Extraordinary Item
- * Interest/Dividend Income
- * Gain on Sale of Investment

Segment Expense

Segment Direct Expenses	xx
+ Apportioned Expenses	xx
+ Inter Segment Expense	<u>xx</u>
	<u>xx</u>

Does not Include

- * Extraordinary Item
- * Interest Expense
- * Income Tax Expense
- * Administrative & HO Expenses

Segment Assets

Segment Fixed Assets
+ Segment Current Assets
(Directly Attributable + Allocated)

Does not Include

- * Income Tax Assets
- * Assets used for HO purpose

Segment Liabilities

Segment Operating Liabilities
(Directly Attributable + Allocated)

Does not Include

- * Income Tax Liabilities
- * Borrowings & other Liabilities for financing

NOTE: Segment Result = Segment Revenue - Segment Expenses

Disclosure: Inter segment transfers should be measured on the basis that enterprise actually used to price those transfers. Basis of pricing inter segment transfers & any change therein should be disclosed in the financial statements.

Segment Report (Format)

Particulars	S1	S2	S3	Pending Segments	Total
1) Segment Revenue - Inter segment sales	xx	xx	xx	xx	xx <u>(xx)</u> xx
2) Segment Result ± Unallocated Items Profit / (Loss)	xx	xx	xx	xx	xx <u>xx</u> xx
3) Segment Assets + unallocated Assets	xx	xx	xx	xx	xx <u>xx</u> xx
4) Segment Fixed Assets Acquired	xx	xx	xx	xx	xx
5) Segment Liabilities + Unallocated Liabilities	xx	xx	xx	xx	xx <u>xx</u> xx
6) Depreciation & Amortization	xx	xx	xx	xx	xx
7) Non cash expenses	xx	xx	xx	xx	xx