

# Accounting Standards for Local Bodies (ASLB) 18

## Segment Reporting

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## Accounting Standard for Local Bodies (ASLB) 18 Segment Reporting

*This Accounting Standard includes paragraphs set in **bold italic** type and plain type, which have equal authority. Paragraphs in bold italic type indicate the main principles. This Accounting Standard should be read in the context of its objective and the “Preface to Accounting Standards for Local Bodies”<sup>1</sup>.*

The Accounting Standards for Local Bodies (ASLB) 18 ‘*Segment Reporting*’, issued by the Council of the Institute of the Chartered Accountants of India, will be recommendatory in nature in the initial years for use by the Local Bodies. This Standard will be mandatory for Local Bodies in a State from the date specified in this regard by the State Government concerned<sup>2</sup>.

The following is the text of the Accounting Standards for Local Bodies (ASLB) 18, ‘*Segment Reporting*’.

### Objective

The objective of this Standard is to establish principles for reporting financial information by segments. The disclosure of this information will:

- (a) Help users of the financial statements to better understand the entity’s past performance, and to identify the resources allocated to support the major activities of the entity; and
- (b) Enhance the transparency of financial reporting and enable the entity to better discharge its accountability obligations.

### Scope

1. ***An entity that prepares and presents financial statements under the accrual basis of accounting should apply this Standard in the presentation of segment information.***
2. ***This Standard applies to the entities described as Local Bodies in the Preface to Accounting Standards for Local Bodies*<sup>3</sup>.**

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<sup>1</sup> Attention is specifically drawn to paragraph 4.2 of the ‘Preface to Accounting Standards for Local Bodies’, according to which Accounting Standards are intended to apply only to items which are material.

<sup>2</sup> In respect of compliance with the Accounting Standards for Local Bodies, reference may be made to the paragraph 7.1 of the ‘*Preface to the Accounting Standards for Local Bodies*’.

<sup>3</sup> Refer paragraph 1.3 of the ‘Preface to Accounting Standards for Local Bodies’.

3. [Refer to Appendix 1]
4. ***This Standard should be applied in complete sets of published financial statements that comply with Accounting Standards for Local Bodies (ASLBs).***
5. A complete set of financial statements includes a balance sheet (including statement of changes in net assets/equity<sup>4</sup> annexed thereto), income and expenditure statement, cash flow statement and notes, as provided in ASLB 1, 'Presentation of Financial Statements'.
6. ***If both consolidated financial statements of a Local Body or other economic entity and the separate financial statements of the parent entity are presented together, segment information need be presented only on the basis of the consolidated financial statements.***
7. If the consolidated financial statements of the Local Body or other economic entity and the separate financial statements of the controlling entity are compiled and presented together in a single report, the report that contains the Local Body's or other controlling entity's consolidated financial statements needs to present segment information only for the consolidated financial statements.

## Definitions

8. [Deleted]
9. ***The following term is used in this Standard with the meaning specified:***  
  
***A segment is a distinguishable activity or group of activities of an entity for which it is appropriate to separately report financial information for the purpose of (a) evaluating the entity's past performance in achieving its objectives, and (b) making decisions about the future allocation of resources.***  
  
***Terms defined in other Accounting Standards for Local Bodies are used in this Standard with the same meaning as in those Standards.***

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<sup>4</sup> As per the decision taken by the Council of the ICAI at its meeting held during December.2019, the statement of changes in net assets/equity is not required to be prepared.

10. Local Bodies and their agencies control significant public resources and operate to provide a wide variety of goods and services in differing geographical regions and in regions with differing socio-economic characteristics within its jurisdiction/territory. These entities are expected, and in some cases formally required, to use those resources efficiently and effectively to achieve the entity's objectives. Entity-wide and consolidated financial statements provide an overview of (a) the assets controlled and liabilities incurred by the reporting entity, (b) the cost of services provided, and (c) the taxation revenue, budget allocations and cost recoveries generated to fund the provision of those services. However, this aggregate information does not provide information about the specific operational objectives and major activities of the reporting entity and the resources devoted to, and costs of, those objectives and activities.
11. In some cases, the activities of the entity within its territory/ jurisdiction may be broad, and encompass so wide a range of different geographical regions, or regions with different socio-economic characteristics, that it is necessary to report disaggregated financial and non-financial information about particular segments of the entity to provide relevant information for accountability and decision making purposes.

## **Reporting by Segments**

12. ***An entity should identify its separate segments in accordance with the requirements of paragraph 9 of this Standard and should present information about those segments as required by paragraph 51-75 of this Standard.***
13. Under this Standard, Local Bodies will identify as separate segments each distinguishable activity or group of activities for which financial information should be reported for purposes of evaluating the past performance of the entity in achieving its objectives, and for making decisions about the allocation of resources by the entity. In addition to disclosure of the information required by paragraphs 51 to 75 of this Standard, entities are also encouraged to disclose additional information about reported segments as identified by this Standard or as considered necessary for accountability and decision making purposes.

## Reporting Structures

14. In most cases, the major classifications of activities identified in budget documentation will reflect the segments for which information is reported to the governing body and the authorised senior official of the entity. In most cases, the segments reported to the governing body and the authorised senior official will also reflect the segments reported in the financial statements. This is because the governing body and the authorised senior official will require information about segments to enable them to discharge their managerial responsibilities and to evaluate the performance of the entity in achieving its objectives in the past and to make decisions about the allocation of resources by the entity in the future.
15. Determining the activities which should be grouped as separate segments and reported in the financial statements for accountability and decision-making purposes involves judgment. In making that judgment, preparers of the financial statements will consider such matters as:
  - (a) The objective of reporting financial information by segment as identified in paragraph 9 above;
  - (b) The expectations of members of the community and their elected or appointed representatives regarding the key activities of the entity;
  - (c) The qualitative characteristics of financial reporting as identified in the *'Conceptual Framework for General Purpose Financial Reporting in Local Bodies'*. They include the relevance, faithful representation, understandability, timeliness, comparability and verifiability over time of financial information that is reported about an entity's different segments; and
  - (d) Whether a particular segment structure reflects the basis on which the governing body and the authorised senior official require financial information to enable them to assess the past performance of the entity in achieving its objectives and to make decisions about the allocation of resources to achieve entity objectives in the future.
16. At the Local Body level, financial information is often aggregated and reported in a manner which reflects, for example, major economic

classifications of activities undertaken by local body, such as health, education, welfare, transportation, and water supply, etc.

### **Service Segments and Geographical Segments**

17. The types of segments reported to the governing body and the authorised senior official of an entity are frequently referred to as “service segments” or “geographical segments”. These terms are used in this Standard with the following meanings:
  - (a) A “service segment” refers to a distinguishable component of an entity that is engaged in providing related outputs or achieving particular operating objectives consistent with the overall mission of each entity; and
  - (b) A “geographical segment” is a distinguishable component of an entity that is engaged in providing outputs or achieving particular operating objectives within a particular geographical area.
18. The departments and agencies of Local Bodies are usually managed along service lines because this reflects the way in which major outputs are identified, their achievements monitored and their resource needs identified and budgeted. An example is an entity, which reports internally on the basis of service lines or service segments, whose organisational structure and internal reporting system reflects various services such as health, education, water supply, transportation, etc., as separate segments. This basis of segmentation may be adopted internally because the skills and facilities necessary to deliver the desired outputs and outcomes for each of these services are perceived to be different. In addition, key financial decisions faced by management include determination of the resources to allocate to each of those outputs or activities. In these cases, it is likely that reporting externally on the basis of service segments will also satisfy the requirements of this Standard.
19. Factors that will be considered in determining whether outputs (goods and services) are related and should be grouped as segments for financial reporting purposes include:
  - (a) The primary operating objectives of the entity and the goods, services and activities that relate to the achievement of each of

- those objectives and whether resources are allocated and budgeted on the basis of groups of goods and services;
- (b) The nature of the goods or services provided or activities undertaken;
  - (c) The nature of the production process and/or service delivery and distribution process or mechanism;
  - (d) The type of consumer for the goods or services;
  - (e) Whether this reflects the way in which the entity is managed and financial information is reported to senior management and the governing body, i.e., administrative reporting; and
  - (f) If applicable, the nature of the regulatory environment, (for example, Urban Local Bodies or Rural Local Bodies).
20. An entity may be organised and reported internally to the governing body and the authorised senior official on a regional basis — within its jurisdictional boundaries. Where this occurs the internal reporting system reflects a geographical segment structure.
21. A geographical segment structure may be adopted where, for example, the organisational structure and internal reporting system of an entity is structured on the basis of regional outcomes within its jurisdictional boundaries because the key performance assessments and resource allocation decisions to be made by the governing body and the authorised senior official are determined by reference to regional achievements and regional needs. This structure may have been adopted to preserve regional autonomy of needs and delivery of various services, or because operating conditions or service delivery objectives are substantially different from one region to another. It may also have been adopted simply because management believes that an organisational structure based on regional devolution of responsibility better serves the objectives of the entity. In these cases, resource allocation decisions are initially made, and subsequently monitored, by the governing body and the authorised senior official on a regional basis. In these cases, it is likely that reporting information by geographical segments in the financial statements will also satisfy the requirements of this Standard.
22. Factors that will be considered in determining whether financial information should be reported on a geographical basis include:

## **Compendium of Accounting Standards for Local Bodies (ASLBs)**

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- (a) Similarity of economic, social and political conditions in different regions;
- (b) Relationships between the primary objectives of the entity and the different regions;
- (c) Whether service delivery characteristics and operating conditions differ in different regions;
- (d) Whether this reflects the way in which the entity is managed and financial information is reported to the authorised senior officials and the governing body; and
- (e) Special needs, skills or risks associated with operations in a particular area.

22A. In case the number of segments that are reportable in accordance with the requirements of this Standard increases above ten, it is considered that the practical limit has been reached and beyond this segment information may become too detailed. Therefore, the number of segments to be reported in accordance with this Standard should not increase above ten.

### **Multiple Segmentation**

23. In some cases, an entity may report to the governing body and the authorised senior official segment revenue, expense, assets and liabilities on the basis of more than one segment structure, for example, by both service and geographical segments. Reporting on the basis of both service segments and geographical segments in the external financial statements often will provide useful information if the achievement of an entity's objectives is strongly affected both by the different products and services it provides and the different geographical areas to which those goods and services are provided. In such cases, the segments may be reported separately or as a matrix. In addition, a primary and secondary segment reporting structure may be adopted with only limited disclosures made about secondary segments.
- 23A. The entity's internal reporting system to the governing body and the authorised senior official should govern whether its primary segment reporting format will be service segments or geographical segments. For example, if the organisational structure and internal reporting

system of an entity is structured on the basis of regional outcomes within its jurisdictional boundaries then its internal reporting system reflects the geographical segment structure. In such case, geographical segment structure will become its primary segment reporting format and service segment structure will become its secondary segment reporting format.

### **Reporting Structures Not Appropriate**

24. As noted above, in most cases the segments for which information is reported internally to the governing body and the authorised senior official of the entity for the purpose of evaluating the entity's past performance and for making decisions about the future allocation of resources, will reflect those identified in budget documentation and will also be adopted for external reporting purposes in accordance with the requirements of this Standard. However, in some cases an entity's internal reporting to the governing body and the authorised senior official may be structured to aggregate and report on a basis which distinguishes revenue, expenses, assets and liabilities related to budget-dependent activities from those of activities that are not dependent on budget. Reporting segment information in the financial statements on the basis of only these segments is unlikely to meet the objectives specified for this Standard. This is because these segments are unlikely to provide information that is relevant to users about, for example, the performance of the entity in achieving its major operating objectives.
25. In some cases, the disaggregated financial information reported to the governing body and the authorised senior official may not report expenses, revenues, assets and liabilities by service segment, geographical segment or by reference to other activities. Such reports may be constructed to reflect only expenditures by nature (for example, wages, rent, supplies and capital acquisitions) on a line item basis that is consistent with the budget appropriation or other funding or expenditure authorisation model applicable to the entity. This may occur where the purpose of financial reporting to the governing body and senior management is to evidence compliance with spending mandates rather than for purposes of evaluating the past performance of the entity's major activities in achieving their objectives and for making decisions about the future allocation of resources. When internal reporting to the governing body and the authorised senior

official is structured to report only compliance information, reporting externally on the same basis as the internal reporting to the governing body and the authorised senior official will not meet the requirement of this Standard.

26. When an entity's internal reporting structure does not reflect the requirements of this Standard, for external reporting purposes the entity will need to identify segments which satisfy the definition of a segment in paragraph 9 and disclose the information required by paragraphs 51-75.

## **Definitions of Segment Revenue, Expense, Assets, Liabilities and Accounting Policies**

27. *The following additional terms are used in this Standard with the meanings specified:*

***Segment revenue is revenue reported in the entity's statement of income and expenditure that is directly attributable to a segment and the relevant portion of entity revenue that can be allocated on a reasonable basis to a segment, whether from budget appropriations or similar, grants, transfers, fines, fees or sales or rendering services to external consumers or from transactions with other segments of the same entity. Segment revenue does not include:***

- (a) *Interest or dividend revenue, including interest earned on advances or loans to other segments, unless the segment's operations are primarily of a financial nature; or*
- (b) *Gains on sales of investments or gains on extinguishment of debt unless the segment's operations are primarily of a financial nature.*

***Segment revenue includes an entity's share of net surplus (deficit) of associates, joint ventures, or other investments accounted for under the equity method only if those items are included in consolidated or total entity revenue.***

***Segment revenue includes a joint venturer's share of the revenue of a jointly controlled entity that is accounted for by proportionate consolidation in accordance with ASLB 8, 'Interests in Joint***

**Venture<sup>5</sup>.**

**Segment expense is an expense resulting from the operating activities of a segment that is directly attributable to the segment and the relevant portion of an expense that can be allocated on a reasonable basis to the segment, including expenses relating to the provision of goods and services to external parties and expenses relating to transactions with other segments of the same entity. Segment expense does not include:**

- (a) ***Interest, including interest incurred on advances or loans from other segments, unless the segment's operations are primarily of a financial nature;***
- (b) ***Losses on sales of investments or losses on extinguishment of debt unless the segment's operations are primarily of a financial nature;***
- (c) ***An entity's share of net deficit or losses of associates, joint ventures, or other investments accounted for under the equity method;***
- (d) ***Income tax expense, if applicable; or***
- (e) ***General administrative expenses, head office expenses, and other expenses that arise at the entity level and relate to the entity as a whole. However, costs are sometimes incurred at the entity level on behalf of a segment. Such costs are segment expenses if they relate to the segment's operating activities and they can be directly attributed or allocated to the segment on a reasonable basis.***

***Segment expense includes a joint venturer's share of the expenses of a jointly controlled entity that is accounted for by proportionate consolidation in accordance with ASLB 8, 'Interests in Joint Ventures'.***

***For a segment's operations that are primarily of a financial nature, interest revenue and interest expense may be reported as***

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<sup>5</sup> IPSAS 8, 'Interests in Joint Ventures', has been superseded by a new IPSAS, accordingly, ASLB 8 would not be formulated and appropriate revisions in this ASLB would be carried out in the revision stage.

*a single net amount for segment reporting purposes only if those items are netted in the consolidated or entity financial statements.*

**Segment assets** *are those operating assets that are employed by a segment in its operating activities and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis.*

*If a segment's segment revenue includes interest or dividend revenue, its segment assets include the related receivables, loans, investments, or other revenue-producing assets.*

*Segment assets include investments accounted for under the equity method only if the net surplus (deficit) from such investments is included in segment revenue. Segment assets include a joint venturer's share of the operating assets of a jointly controlled entity that is accounted for by proportionate consolidation in accordance with ASLB 8, 'Interests in Joint Ventures'.*

*Segment assets are determined after deducting related allowances that are reported as direct offsets in the entity's balance sheet.*

**Segment liabilities** *are those operating liabilities that result from the operating activities of a segment and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis.*

*If a segment's segment expense includes interest expense, its segment liabilities include the related interest-bearing liabilities.*

*Segment liabilities include a joint venturer's share of the liabilities of a jointly controlled entity that is accounted for by proportionate consolidation in accordance with ASLB 8, 'Interests in Joint Venture'.*

**Segment accounting policies** *are the accounting policies adopted for preparing and presenting the financial statements of the consolidated group or entity as well as those accounting policies that relate specifically to segment reporting.*

### **Attributing Items to Segments**

28. The definitions of segment revenue, segment expense, segment assets, and segment liabilities include amounts of such items that are directly attributable to a segment and amounts of such items that can be allocated to a segment on a reasonable basis.
29. An entity looks to its internal financial reporting system as the starting point for identifying those items that can be directly attributed, or reasonably allocated, to segments. That is, where segments used for internal reporting purposes are adopted, or form the basis of segments adopted, for general purpose financial statements, there is a presumption that amounts that have been identified with segments for internal financial reporting purposes are directly attributable or reasonably allocable to segments for the purpose of measuring the segment revenue, segment expense, segment assets and segment liabilities.
30. In some cases, a revenue, expense, asset or liability may have been allocated to segments for internal financial reporting purposes on a basis that is understood by entity management but that could be deemed subjective, arbitrary or difficult to understand by external users of financial statements. Such an allocation would not constitute a reasonable basis under the definitions of segment revenue, segment expense, segment assets and segment liabilities in this Standard. Conversely, an entity may choose not to allocate some item of revenue, expense, asset or liability for internal financial reporting purposes, even though a reasonable basis for doing so exists. Such an item is allocated pursuant to the definitions of segment revenue, segment expense, segment assets and segment liabilities in this Standard.
31. Local Bodies can generally identify the costs of providing certain groups of goods and services or of undertaking certain activities and the assets that are necessary to facilitate those activities. This information is needed for planning and control purposes. However, in many cases the operations of Local bodies and its departments are funded by “block” appropriations, or appropriations on a “line item” basis reflecting the nature of the major classes of expenses or expenditures. These “block” or “line item” appropriations may not be

related to specific service lines, functional activities or geographical regions. In some cases, it may not be possible to directly attribute revenue to a segment or to allocate it to a segment on a reasonable basis. Similarly, some assets, expenses and liabilities may not be able to be directly attributed, or allocated on a reasonable basis, to individual segments because they support a wide range of service delivery activities across a number of segments or are directly related to general administration activities which are not identified as a separate segment. The unattributed or unallocated revenue, expense, assets and liabilities would be reported as an unallocated amount in reconciling the segment disclosures to the aggregate entity revenue as required by paragraph 64 of this ASLB.

32. Local Bodies and their departments may enter into arrangements with private sector entities for the delivery of goods and services or to conduct other activities. These arrangements may take the form of a joint venture or an investment in an associate which is accounted for by the equity method of accounting. Where this is the case, segment revenue will include the segment's share of the equity accounted net surplus (deficit), where the equity accounted surplus (deficit) is included in entity revenue and it can be directly attributed or reliably allocated to the segment on a reasonable basis. In similar circumstances, segment revenue and segment expense will include the segment's share of revenue and expense of a jointly controlled entity which is accounted for by proportionate consolidation.

### **Segment Assets, Liabilities, Revenue and Expense**

33. Examples of segment assets include current assets that are used in the operating activities of the segment; property, plant and equipment; assets that are the subject of finance leases; and intangible assets. If a particular item of depreciation or amortisation is included in segment expense, the related asset is also included in segment assets. Segment assets do not include assets used for general entity or head office purposes, for example:
- (a) The office of the central administration of an entity is not included in segments reflecting the delivery of various services such as education, housing, transportation, water supply, etc.,  
or

- (b) The general assembly building is not included in segments reflecting major functional activities such as education and health when reporting at the level of the economic entity.

Segment assets include operating assets shared by two or more segments if a reasonable basis for allocation exists.

- 34. The consolidated financial statements of a Local Body may encompass entities acquired in an entity acquisition which gives rise to purchased goodwill<sup>6</sup>. In these cases, segment assets will include goodwill that is directly attributable to a segment or that can be allocated to a segment on a reasonable basis, and segment expense includes related amortisation of goodwill.
- 35. Examples of segment liabilities include payables, accrued liabilities, advances from members of the community for the provision of partially subsidised goods and services in the future and claims relating to the provision of goods and services. Segment liabilities do not include borrowings, liabilities related to assets that are the subject of finance leases, and other liabilities that are incurred for financing rather than operating purposes. If interest expense is included in segment expense, the related interest-bearing liability is included in segment liabilities.
- 36. The liabilities of segments whose operations are not primarily of a financial nature do not include borrowings and similar liabilities because segment revenues and expenses do not include financing revenues and expenses. Further, because debt is often issued at the head office level or by a central borrowing authority on an entity-wide basis, it is often not possible to directly attribute, or reasonably allocate, the interest-bearing liability to the segment. However, if the financing activities of the entity are identified as a separate segment, as may occur at the economic entity level, expenses of the “finance” segment will include interest expense, and the related interest-bearing liabilities will be included in segment liabilities.
- 37. Accounting Standards may require adjustments to be made to the carrying amounts of the identifiable assets and liabilities of an entity acquired in an acquisition (see for example AS 14). Measurements of

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<sup>6</sup> Purchase consideration may be there in case of acquisition of a private entity by a Local Body and in that case goodwill may arise.

segment assets and liabilities include any adjustments to the prior carrying amounts of the identifiable segment assets and segment liabilities of an entity acquired in an entity combination accounted for as a purchase, even if those adjustments are made only for the purpose of preparing consolidated financial statements and are not recorded in either the controlling entity's separate or the controlled entity's individual financial statements. Similarly, if property, plant, and equipment has been revalued subsequent to acquisition, in accordance with the revaluation model in ASLB 17, '*Property, Plant and Equipment*', measurements of segment assets reflect those revaluations.

38. In some cases, a Local Body may control an entity that operates on a commercial basis, and is subject to income tax. These entities may be required to apply accounting standards such as Accounting Standard (AS) 22, '*Income Taxes*' which prescribe the accounting treatment of income taxes. Such standards may require the recognition of income tax assets and liabilities in respect of income tax expenses, which are recognised in the current period and are recoverable or repayable in future periods. These assets and liabilities are not included in segment assets or segment liabilities because they arise as a result of all the activities of the entity as a whole and the tax arrangements in place in respect of the entity.
39. Some guidance for cost allocation can be found in other ASLBs. For example, ASLB 12, '*Inventories*' provides guidance for attributing and allocating costs to inventories, and ASLB 11, '*Construction Contracts*' provides guidance for attributing and allocating costs to contracts. That guidance may be useful in attributing and allocating costs to segments.
40. ASLB 2, '*Cash Flow Statements*' provides guidance on whether bank overdrafts should be included as a component of cash or should be reported as borrowings.
41. The financial statements of a Local Body, and certain other controlling entities, may require the consolidation of a number of separate entities such as departments, and its agencies. In preparing these consolidated financial statements, transactions and balances between controlled entities will be eliminated in accordance with ASLB on

*'Consolidated and Separate Financial Statements'*<sup>7</sup>. However, segment revenue, segment expense, segment assets and segment liabilities are determined before balances and transactions between entities within the economic entity are eliminated as part of the consolidation process, except to the extent that such intra-economic entity balances and transactions are between entities within a single segment.

42. While the accounting policies used in preparing and presenting the financial statements of the entity as a whole are also the fundamental segment accounting policies, segment accounting policies include, in addition, policies that relate specifically to segment reporting, such as the method of pricing inter-segment transfers, and the basis for allocating revenues and expenses to segments.

## **Segment Accounting Policies**

43. ***Segment information should be prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the consolidated group or entity.***
44. There is a presumption that the accounting policies that the governing body and management of an entity have chosen to use in preparing the consolidated or entity-wide financial statements are those that the governing body and management believe are the most appropriate for external reporting purposes. Since the purpose of segment information is to help users of financial statements better understand and make more informed judgments about the entity as a whole, this Standard requires the use, in preparing segment information, of the accounting policies that the governing body and management have chosen for preparation of the consolidated or entity-wide financial statements. That does not mean, however, that the consolidated or entity accounting policies are to be applied to segments as if the segments were separate reporting entities. A detailed calculation done in applying a particular accounting policy at the entity-wide level may be allocated to segments if there is a reasonable basis for doing so.

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<sup>7</sup> ASLB on *'Consolidated Financial Statements'* is yet to be formulated. The Guidance in regard to this may be obtained from other corresponding pronouncements as per the hierarchy prescribed in paragraph 15 of the ASLB 3, *'Accounting Policies, Changes in Accounting Estimates, and Errors'*.

Employee entitlement calculations, for example, are often done for an entity as a whole, but the entity-wide figures may be allocated to segments based on salary and demographic data for the segments.

45. As noted in paragraph 42, accounting policies that deal with entity only issues such as inter-segment pricing may need to be developed. ASLB 1, '*Presentation of Financial Statements*' requires disclosure of accounting policies necessary to understand the financial statements. Consistent with those requirements, segment specific policies may need to be disclosed.
46. This Standard permits the disclosure of additional segment information that is prepared on a basis other than the accounting policies adopted for the consolidated or entity financial statements provided that:
  - (a) The information is relevant for performance assessment and decision making purposes; and
  - (b) The basis of measurement for this additional information is clearly described.

## Joint Assets

47. ***Assets that are jointly used by two or more segments should be allocated to segments if, and only if, their related revenues and expenses are also allocated to those segments.***
48. The way in which asset, liability, revenue and expense items are allocated to segments depends on such factors as the nature of those items, the activities conducted by the segment, and the relative autonomy of that segment. It is not possible or appropriate to specify a single basis of allocation that should be adopted by all entities. Nor is it appropriate to force allocation of entity asset, liability, revenue and expense items that relate jointly to two or more segments, if the only basis for making those allocations is arbitrary or difficult to understand. At the same time, the definitions of segment revenue, segment expense, segment assets and segment liabilities are interrelated, and the resulting allocations should be consistent. Therefore, jointly used assets are allocated to segments if, and only if, their related revenues and expenses are also allocated to those segments. For example, an asset is included in segment assets if, and only if, the related depreciation or amortisation is included in measuring segment expense.

## Newly Identified Segments

49. *If a segment is identified as a segment for the first time in the current period, prior period segment data that is presented for comparative purposes should be restated to reflect the newly reported segment as a separate segment, unless it is impracticable to do so.*
50. New segments may be reported in financial statements in differing circumstances. For example, an entity may change its internal reporting structure from a service segment structure to a geographical segment structure and management may consider it appropriate that this segment structure also be adopted for external reporting purposes. An entity may also undertake significant new or additional activities, or increase the extent to which an activity previously operating as an internal support service provides services to external parties. In these cases, new segments may be reported for the first time in the general purpose financial statements. Where this occurs, this Standard requires that prior period comparative data should be restated to reflect the current segment structure where practicable.

## Disclosure

51. *The disclosure requirements in paragraphs 52–75 should be applied to each segment.*
52. *An entity should disclose segment revenue and segment expense for each segment. Segment revenue from budget appropriation or similar allocation, segment revenue from other external sources and segment revenue from transactions with other segments should be separately reported.*
53. *An entity should disclose the total carrying amount of segment assets for each segment.*
54. *An entity should disclose the total carrying amount of segment liabilities for each segment.*
55. *An entity should disclose the total cost incurred during the period to acquire segment assets that are expected to be used during more than one period for each segment.*
56. An entity is encouraged, but not required, to disclose the nature and amount of any items of segment revenue and segment expense that

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are of such size, nature, or incidence that their disclosure is relevant to explain the performance of each segment for the period.

57. ASLB 1, '*Presentation of Financial Statements*' requires that when items of revenue or expense are material, their nature and amount of such items are disclosed separately. ASLB 1 identifies a number of examples of such items, including write-downs of inventories and property, plant, and equipment; provisions for restructurings; disposals of property, plant, and equipment; litigation settlements; and reversals of provisions. The encouragement in paragraph 56 is not intended to change the classification of any such items or to change the measurement of such items. The disclosure encouraged by that paragraph, however, does change the level at which the significance of such items is evaluated for disclosure purposes from the entity level to the segment level.
58. This Standard does not require a segment result to be disclosed. However, if a segment result is calculated and disclosed, it is an operating result which does not include finance charges.
59. An entity is encouraged but not required to disclose segment cash flows consistent with the requirements of ASLB 2, '*Cash Flow Statements*'. ASLB 2 requires that an entity present a cash flow statement that separately reports cash flows from operating, investing, and financing activities. It also requires the disclosure of information about certain cash flows. The disclosure of cash flow information about each segment can be useful in understanding the entity's overall financial position, liquidity and cash flows.
60. An entity which does not disclose segment cash flows in accordance with ASLB 2, '*Cash Flow Statements*' is encouraged, but not required, to disclose for each reportable segment:
  - (a) Segment expense for depreciation and amortisation of segment assets;
  - (b) Other significant non-cash expenses; and
  - (c) Significant non-cash revenues that are included in segment revenue.

This will enable users to determine the major sources and uses of cash in respect of segment activities for the period.

- 61. ***An entity should disclose for each segment the aggregate of the entity's share of the net surplus (deficit) of associates, joint ventures, or other investments accounted for under the equity method if substantially all of those associates' operations are within that single segment.***
- 62. While a single aggregate amount is disclosed pursuant to the requirements of paragraph 61, each associate, joint venture or other equity method investment is assessed individually to determine whether its operations are substantially all within a segment.
- 63. ***If an entity's aggregate share of the net surplus (deficit) of associates, joint venture, or other investments accounted for under the equity method is disclosed by segment, the aggregate investments in those associates and joint ventures should also be disclosed by segment.***
- 64. ***An entity should present reconciliation between the information disclosed for segments and the aggregated information in the consolidated or entity financial statements. In presenting the reconciliation, segment revenue should be reconciled to entity revenue from external sources (including disclosure of the amount of entity revenue from external sources not included in any segment's revenue); segment expense should be reconciled to a comparable measure of entity expense; segment assets should be reconciled to entity assets; and segment liabilities should be reconciled to entity liabilities.***

### **Additional Segment Information**

- 65. As noted previously, it is anticipated that segments will usually be based on the major goods and services the entity provides, the programs it operates or the activities it undertakes. This is because information about these segments provides users with relevant information about the performance of the entity in achieving its objectives and enables the entity to discharge its accountability obligations. However, in some organisations, a geographical or other basis may better reflect the basis on which services are provided and resources allocated within the entity and, therefore, will be adopted for the financial statements.

66. This Standard adopts the view that disclosure of minimum information about both service segments and geographical segments is likely to be useful to users for accountability and decision-making purposes. Therefore, if an entity reports segment information on the basis of:
- (a) The major goods and services the entity provides, the programs it operates, the activities it undertakes or other service segments, it is also encouraged to report the following for each geographical segment that is reported internally to the governing body and the authorised senior official of the entity:
    - (i) Segment expense;
    - (ii) Total carrying amount of segment assets; and
    - (iii) Total outlay during the period to acquire segment assets that are expected to be used during more than one period (property, plant, equipment and intangible assets); and
  - (b) Geographical segments or another basis not encompassed by (a), the entity is encouraged to also report the following segment information for each major service segment that is reported internally to the governing body and the authorised senior official of the entity:
    - (i) Segment expense;
    - (ii) Total carrying amount of segment assets; and
    - (iii) Total outlay during the period to acquire segment assets that are expected to be used during more than one period (property, plant, equipment and intangible assets).

### **Other Disclosure Matters**

67. ***In measuring and reporting segment revenue from transactions with other segments, inter-segment transfers should be measured on the basis that they occur. The basis of pricing inter-segment transfers and any change therein should be disclosed in the financial statements.***
68. ***Changes in accounting policies adopted for segment reporting that have a material effect on segment information should be disclosed. Such disclosure should include a description of the***

***nature of the change, the reasons for the change, and the financial effect of the change if it is reasonably determinable. If an entity changes the identification of its segments, then for the purpose of comparison, an entity should report segment data for both the old and the new bases of segmentation in the year in which it changes the identification of its segments.***

69. Changes in accounting policies adopted by the entity are dealt with in ASLB 3, 'Accounting Policies, Changes in Accounting Estimates and Errors'. ASLB 3 requires that changes in accounting policy are made by an ASLB, or if the change will result in reliable and more relevant information about transactions, other events or conditions in the financial statements of the entity, or if change in an accounting policy is required by a statute.
70. Changes in accounting policies applied at the entity level that affect segment information are dealt with in accordance with ASLB 3. Unless a new ASLB specifies otherwise, ASLB 3 requires that:
- (a) A change in accounting policy be applied retrospectively unless it is impracticable to determine either the cumulative effect or the period-specific effects of the change;
  - (b) If retrospective application is not practicable for all periods presented, the new accounting policy should be applied retrospectively from the earliest practicable date; and
  - (c) If it is impracticable to determine the cumulative effect of applying the new accounting policy at the start of the current period, the policy should be applied prospectively from the earliest date practicable.
71. [Refer to Appendix 1]
72. Paragraph 67 requires that, for segment reporting purposes, inter-segment transfers should be measured on the basis that the entity actually used to price those transfers. If an entity changes the method that it actually uses to price inter-segment transfers that is not a change in accounting policy. However, paragraph 67 requires disclosure of the change.

73. *If not otherwise disclosed in the financial statements or elsewhere in the annual report, an entity should indicate:*
- (a) *The types of goods and services included in each reported service segment;*
  - (b) *The composition of each reported geographical segment; and*
  - (c) *If neither a service nor geographical basis of segmentation is adopted, the nature of the segment and activities encompassed by it.*

### **Segment Operating Objectives**

74. If not otherwise disclosed in the financial statements or elsewhere in the annual report, the entity is encouraged to disclose the broad operating objectives established for each segment at the commencement of the reporting period and to comment on the extent to which those objectives were achieved.
75. To enable users to assess the performance of an entity in achieving its service delivery objectives, it is necessary to communicate those objectives to users. The disclosure of information about the composition of each segment, the service delivery objectives of those segments and the extent to which those objectives were achieved will support this assessment. This information will also enable the entity to better discharge its accountability obligations. In many cases, this information will be included in the annual report as part of the report of the governing body or the authorised senior official. In such cases, disclosure of this information in the financial statements is not necessary.

76-77. [Refer to Appendix 1]

## Appendix A

### Illustrative Segment Disclosures

*The appendix is illustrative only and does not form part of the Standard. The purpose of the appendix is to illustrate the application of the standard to assist in clarifying its meaning.*

The appendix illustrate the both service segment and geographical segment disclosures that this Standard would require for a Local Body. For illustrative purpose, the examples given below presents comparative data for two years. Segment data is required for each year for which a complete set of financial statements is presented.

#### SCHEDULE A – INFORMATION REPORTED AS PER SERVICE SEGMENTS (All amounts in ` lakhs)

|                               | Health      |             | Education   |             | Water Supply & Sewage Services |             | Housing    |            | Eliminations |      | Consolidated |      |
|-------------------------------|-------------|-------------|-------------|-------------|--------------------------------|-------------|------------|------------|--------------|------|--------------|------|
|                               | 20X2        | 20X1        | 20X2        | 20X1        | 20X2                           | 20X1        | 20X2       | 20X1       | 20X2         | 20X1 | 20X2         | 20X1 |
| <b>SEGMENT REVENUE</b>        |             |             |             |             |                                |             |            |            |              |      |              |      |
| Appropriation                 | 48          | 40          | 22          | 23          | 10                             | 10          | 7          | 7          |              |      |              |      |
| Revenue from external sources | 5           | 4           | -           | -           | 9                              | 6           | -          | -          |              |      |              |      |
| Inter-segment transfers       | <u>10</u>   | <u>6</u>    | <u>6</u>    | <u>7</u>    | <u>2</u>                       | <u>4</u>    | <u>2</u>   | <u>2</u>   |              |      |              |      |
| <b>Total Segment Revenue</b>  | <u>63</u>   | <u>50</u>   | <u>28</u>   | <u>30</u>   | <u>21</u>                      | <u>20</u>   | <u>9</u>   | <u>9</u>   | 20           | 19   | 101          | 90   |
| <b>SEGMENT EXPENSE</b>        |             |             |             |             |                                |             |            |            |              |      |              |      |
| Salaries and Wages            | (39)        | (31)        | (13)        | (13)        | (13)                           | (13)        | (2)        | (2)        |              |      |              |      |
| Depreciation                  | (9)         | (7)         | (5)         | (7)         | (5)                            | (3)         | (1)        | (1)        |              |      |              |      |
| Other expense                 | <u>(12)</u> | <u>(11)</u> | <u>(10)</u> | <u>(9)</u>  | <u>(5)</u>                     | <u>(5)</u>  | <u>(2)</u> | <u>(2)</u> |              |      |              |      |
| <b>Total Segment</b>          | <u>(60)</u> | <u>(49)</u> | <u>(28)</u> | <u>(29)</u> | <u>(23)</u>                    | <u>(21)</u> | <u>(5)</u> | <u>(5)</u> | 20           | 19   | (96)         | (85) |

## Compendium of Accounting Standards for Local Bodies (ASLBs)

|                                          |     |     |     |     |     |     |     |     |  |            |            |
|------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|--|------------|------------|
| <b>Expenses</b>                          |     |     |     |     |     |     |     |     |  |            |            |
| Unallocated central expenses             |     |     |     |     |     |     |     |     |  | (7)        | (9)        |
| <b>Deficit from Operating Activities</b> |     |     |     |     |     |     |     |     |  | (2)        | (4)        |
| Interest expense                         |     |     |     |     |     |     |     |     |  | (4)        | (3)        |
| Interest income                          |     |     |     |     |     |     |     |     |  | 2          | 3          |
| Share of net surplus of associates       |     |     |     |     |     |     | 8   | 7   |  | 8          | 7          |
| <b>Surplus for the period</b>            |     |     |     |     |     |     |     |     |  | 4          | 3          |
| <b>OTHER INFORMATION</b>                 |     |     |     |     |     |     |     |     |  |            |            |
| Segment assets                           | 54  | 50  | 34  | 30  | 10  | 10  | 10  | 9   |  | 108        | 99         |
| Investment in associates (equity method) |     |     |     |     |     |     | 32  | 26  |  | 32         | 26         |
| Unallocated central assets               |     |     |     |     |     |     |     |     |  | <u>35</u>  | <u>30</u>  |
| <b>Consolidated Total Assets</b>         |     |     |     |     |     |     |     |     |  | <u>175</u> | <u>155</u> |
| Segment liabilities                      | 25  | 15  | 8   | 11  | 8   | 8   | 1   | 1   |  | 42         | 35         |
| Unallocated central liabilities          |     |     |     |     |     |     |     |     |  | <u>40</u>  | <u>55</u>  |
| <b>Consolidated Total Liabilities</b>    |     |     |     |     |     |     |     |     |  | 82         | 90         |
| Capital expenditure                      | 13  | 10  | 9   | 5   | 4   | 0   | 2   | 3   |  |            |            |
| Non-cash expense excluding depreciation  | (8) | (2) | (3) | (3) | (2) | (2) | (1) | (1) |  |            |            |
| Non-cash revenue                         | -   | -   | -   | -   | 1   | 1   | -   | -   |  |            |            |

**SCHEDULE B – INFORMATION REPORTED AS PER GEOGRAPHIC  
SEGMENTS (All amounts in ` lakhs)**

|                                                  | North<br>Zone |             | East Zone   |             | West Zone   |             | South<br>Zone |            | Eliminations |      | Consolidated |            |
|--------------------------------------------------|---------------|-------------|-------------|-------------|-------------|-------------|---------------|------------|--------------|------|--------------|------------|
|                                                  | 20X2          | 20X1        | 20X2        | 20X1        | 20X2        | 20X1        | 20X2          | 20X1       | 20X2         | 20X1 | 20X2         | 20X1       |
| <b>SEGMENT<br/>REVENUE</b>                       |               |             |             |             |             |             |               |            |              |      |              |            |
| Appropriation                                    | 48            | 40          | 22          | 23          | 10          | 10          | 7             | 7          |              |      |              |            |
| Revenues from<br>external<br>sources             | 5             | 4           | -           | -           | 9           | 6           | -             | -          |              |      |              |            |
| Inter-segment<br>transfers                       | <u>10</u>     | <u>6</u>    | <u>6</u>    | <u>7</u>    | <u>2</u>    | <u>4</u>    | <u>2</u>      | <u>2</u>   |              |      |              |            |
| <b>Total Segment<br/>Revenue</b>                 | <u>63</u>     | <u>50</u>   | <u>28</u>   | <u>30</u>   | <u>21</u>   | <u>20</u>   | <u>9</u>      | <u>9</u>   | 20           | 19   | 101          | 90         |
| <b>SEGMENT<br/>EXPENSE</b>                       |               |             |             |             |             |             |               |            |              |      |              |            |
| Salaries and<br>Wages                            | (39)          | (31)        | (13)        | (13)        | (13)        | (13)        | (2)           | (2)        |              |      |              |            |
| Depreciation                                     | (9)           | (7)         | (5)         | (7)         | (5)         | (3)         | (1)           | (1)        |              |      |              |            |
| Other expense                                    | <u>(12)</u>   | <u>(11)</u> | <u>(10)</u> | <u>(9)</u>  | <u>(5)</u>  | <u>(5)</u>  | <u>(2)</u>    | <u>(2)</u> |              |      |              |            |
| <b>Total Segment<br/>Expenses</b>                | <u>(60)</u>   | <u>(49)</u> | <u>(28)</u> | <u>(29)</u> | <u>(23)</u> | <u>(21)</u> | <u>(5)</u>    | <u>(5)</u> | 20           | 19   | (96)         | (85)       |
| Unallocated<br>central<br>expenses               |               |             |             |             |             |             |               |            |              |      | <u>(7)</u>   | <u>(9)</u> |
| <b>Deficit from<br/>Operating<br/>Activities</b> |               |             |             |             |             |             |               |            |              |      | (2)          | (4)        |
| Interest<br>expense                              |               |             |             |             |             |             |               |            |              |      | (4)          | (3)        |
| Interest income                                  |               |             |             |             |             |             |               |            |              |      | 2            | 3          |
| Share of net<br>surplus of<br>associates         |               |             |             |             |             |             | 8             | 7          |              |      | 8            | 7          |
| <b>Surplus for<br/>the period</b>                |               |             |             |             |             |             |               |            |              |      | <u>4</u>     | <u>3</u>   |
| <b>OTHER<br/>INFORMATION</b>                     |               |             |             |             |             |             |               |            |              |      |              |            |
| Segment<br>assets                                | 54            | 50          | 34          | 30          | 10          | 10          | 10            | 9          |              |      | 108          | 99         |

### Compendium of Accounting Standards for Local Bodies (ASLBs)

|                                          |     |     |     |     |     |     |     |     |            |            |
|------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|------------|------------|
| Investment in associates (equity method) |     |     |     |     |     | 32  | 26  |     | 32         | 26         |
| Unallocated central assets               |     |     |     |     |     |     |     |     | 35         | 30         |
| <b>Consolidated Total Assets</b>         |     |     |     |     |     |     |     |     | <u>175</u> | <u>155</u> |
| Segment liabilities                      | 25  | 15  | 8   | 11  | 8   | 8   | 1   | 1   | 42         | 35         |
| Unallocated central liabilities          |     |     |     |     |     |     |     |     | 40         | 55         |
| <b>Consolidated Total Liabilities</b>    |     |     |     |     |     |     |     |     | <u>82</u>  | <u>90</u>  |
| Capital expenditure                      | 13  | 10  | 9   | 5   | 4   | 0   | 2   | 3   |            |            |
| Non-cash expense excluding depreciation  | (8) | (2) | (3) | (3) | (2) | (2) | (1) | (1) |            |            |
| Non-cash revenue                         | -   | -   | -   | -   | 1   | 1   | -   | -   |            |            |

**Note :** Under Schedule A, Local Body reports to the governing body on the basis of major services: health, education, water supply & sewage services and housing and under Schedule B, Local Body report on the basis of major geographical areas: north zone, east zone, west zone & south zone.

In above examples, the information reported about the segments is used by the governing body and the authorised senior officials as a basis for evaluating the entity's past performance in achieving its objectives and for making decisions about the future allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Inter-segment transfers: In both examples segment revenue and segment expense include revenue and expense arising from transfers between segments. Such transfers are usually accounted for at cost and are eliminated on consolidation. Investments in associates are accounted for using the equity method. The investment in, and the Local Body's share of associate's net profit are excluded from segment assets and segment revenue.

## Appendix B

### Implementation Guidance

*This guidance accompanies, but is not part of, ASLB 18.*

#### Summary of Required Disclosures

[¶xx] refers to paragraph xx in the Standard.

##### *Disclosures*

Total expense by segment [¶52]

Total revenue by segment [¶52]

Revenue from budget appropriation or similar allocation by segment [¶52]

Revenue from external sources (other than appropriation or similar allocation) by segment [¶52]

Revenue from transactions with other segments by segment [¶52]

Carrying amount of segment assets by segment [¶53]

Segment liabilities by segment [¶54]

Cost to acquire assets by segment [¶55]

Share of net surplus (deficit) of [¶61] and investment in [¶63] equity method associates or joint ventures by segment (if substantially all within a single segment)

Reconciliation of revenue, expense, assets and liabilities by segment [¶64]

##### *Other Disclosures*

Basis of pricing inter-segment transfers and any changes therein [¶67]

Changes in segment accounting policies [¶68]

Types of products and services in each service segment [¶73]

Composition of each geographical segment [¶73]

If neither a service nor geographical basis of segmentation is adopted, the nature of the segments and activities encompassed by each segment [¶73]

## Appendix 1

*Note: This Appendix is not a part of the Accounting Standard for Local Bodies. The purpose of this Appendix is only to bring out the major differences, if any, between Accounting Standard for Local Bodies (ASLB) on, 'Segment Reporting' and the corresponding International Public Sector Accounting Standard (IPSAS) 18, 'Segment Reporting'.*

### Comparison with IPSAS 18, 'Segment Reporting'

- 1 In certain instances, different terminology has been used in the ASLB 18 as compared to the corresponding IPSAS 18, 'Segment Reporting', e.g., the term 'balance sheet' has been used in place of 'statement of financial position', 'income and expenditure statement' has been used in place of 'statement of financial performance' and the 'authorised senior official' has been used in place of 'senior manager'.
- 2 Appendix on qualitative characteristics of financial reporting given in IPSAS 18 has been removed from the ASLB 18 as the same are proposed to be covered in the 'Conceptual Framework for General Purpose Financial Reporting in Local Bodies'.
- 3 Paragraph 3 of IPSAS 18 which provides that Government Business Enterprises should use IFRSs, has been deleted, as it is not relevant for the ASLB 18, which is applicable to Local Bodies in India. However, paragraph number has been retained in ASLB 18 in order to maintain consistency with IPSAS 18.
- 4 Certain examples given in the IPSAS 18 have been deleted/ modified and illustrative example given in Appendix A of the IPSAS 18 has been modified in the ASLB 18 in order to make them more relevant for the Local Bodies in India.
- 5 ASLB 18 provides the threshold limit for the number of segments that are required to be reported, i.e., not more than ten segments are to be reported. IPSAS 18 does not provide the same.
- 6 ASLB 18 contains additional guidance for identification of the primary and secondary segments as compared to the IPSAS 18.
- 7 As per IPSAS 18, the statement showing changes in net assets/equity is included as separate statements in the complete set of the financial statements in line with IPSAS 1. The said requirement has been

modified in the ASLB 18 in line with the ASLB 1 which prescribes that the statement of changes in equity is to be annexed to the balance sheet.

- 8 In case of change in accounting policies adopted for the segment, IPSAS 18 requires to restate the comparative information for each segment unless it is impracticable to do so. The said requirement has been removed in the ASLB 18 in line with the ASLB 3.
- 9 Paragraphs pertaining to Effective Date have been deleted as the ASLB 18 would become mandatory for the Local Bodies in a State from the date specified by the State Government concerned.
- 10 Consequential changes in the ASLB 18 have been made due to all above changes. However, paragraph numbers have been retained to maintain consistency with the corresponding IPSAS.

## Appendix 2

*Note: This Appendix is not a part of the Accounting Standard for Local Bodies. The purpose of this Appendix is only to bring out the major differences, if any, between Accounting Standard for Local Bodies (ASLB) on Segment Reporting and the corresponding existing Accounting Standard (AS) 17, 'Segment Reporting' (Issued 2000).*

### **Major differences between the ASLB 18, 'Segment Reporting', and existing AS 17 (issued 2000)**

1. ASLB 18 is based on the corresponding IPSAS which require entities to report segments on a basis appropriate for assessing past performance and making decision about allocation of resources. Whereas, the corresponding existing AS requires segments to be reported on the basis of risk and reward.
2. Additional commentary to that in existing AS 18 is there in order to clarify the applicability of the Standard to Local Bodies.
3. In certain circumstances, different terminology has been used in ASLB 18 such as 'Income and Expenditure Statement' in place of 'Profit and Loss Account', and 'Governing Body' and 'Authorised Senior Official' in place of 'Board of Directors' and 'Chief Executive Officer', respectively.
4. ASLB 18 provides that where the entity report to the Governing body on the basis of more than one segment structure, in that case both segments may be reported in form of matrix or separately in form of primary and secondary segment reporting structure with only limited disclosure made about secondary segments whereas as per AS 17 reportable segments are classified as primary and secondary segments on basis of risk and return.
5. ASLB 18 does not require entities to disclose segment results whereas as per AS 17 the segment results are to be disclosed.