

White Paper



Best Practice mbas – Segment Reporting

White Paper		GC/T/0113 V 1.0
mbas-Segment Reporting		W. E. F. 01/01/2009

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1. Introduction

Many entities deal with groups of products or services or operate in diverse geographical areas. The information and reporting available from Finance or other modules is usually aggregated and does not provide details of individual group of products or services or geographical areas.

Segment information highlights the entity's risks and returns, showing the financial position and performance by segment.

Segment reporting under various statutes should highlight the information and measures that management believes are important and are used to make key decisions. It should also provide a better link between the financial statements and the information reported in management commentaries such as Operating and Financial Review or Management Discussion and Analysis.

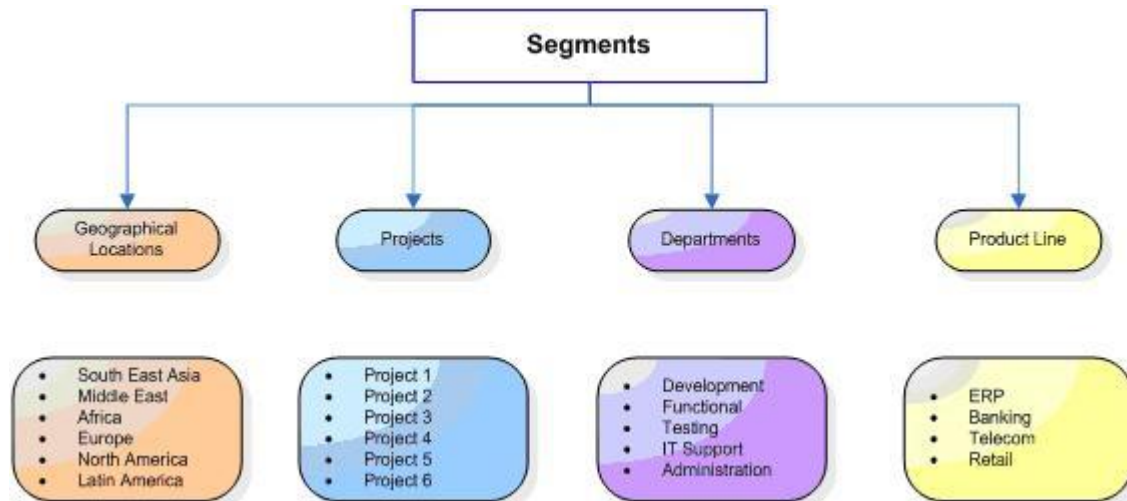
Around the globe are volumes of legal regulations, or the equivalent, which require the segment reporting of consolidated financial statements and determine their contents. In addition, similar reporting regulations exist for listings on certain stock exchanges. So the reporting requirements change from statute to statute and country to country.

The below content explains the key requirements and some practical uses of the feature and the points to be considered when it is applied for the first time.

2. Overview

There are different basis for identification of Segments, sometimes mandated by statute. The general basis is that Segments are either business or geographical or distinguishable component that is subject to different risks and returns from those of others. There are statutory definitions how segments can be classified. That apart the management can have its own definition based on which the organization is segregated into segments.

Example: An Organization in software development might have a below classification of segments



Types of Segment Reporting – Statutory / Management

Segment reporting can be legally mandated or as required by the Management. An organization can have segment reporting even if not mandated by the statute and have its own definitions of the segments for its internal management reporting.

The format, content and classification depend on the basis on which the segment reporting is being done, statutory or management.

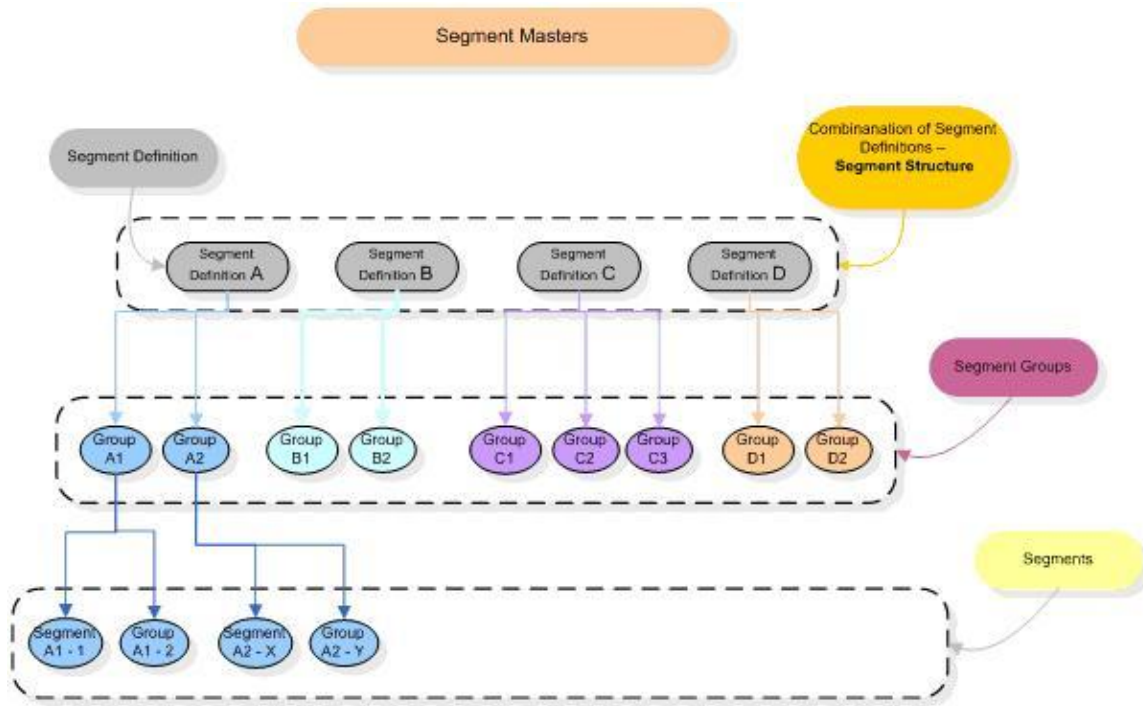
Segment Reporting in mbas

Type of segments and Master Creation

mbas supports creation of up to 4 types of segments. The segment types that need to be created are as decided by the management. Under each type mbas provides option of creating Segment Groups, with option to create sub-groups, and the final segments under

such groups. This allows the users to create a tree structure for the segment reporting with option to generate reports at any level.

Diagrammatic representation of Segment Master Creation



Allocation to Segments:

Finance

Segment can be allocated by the users on recording a transaction in the Finance Screens. The segment is affected by the amount posted to the account.

Sales, Purchase, Inventory, Manufacturing

Segment Information is captured in the inventory screens with reference to the Items or for the transaction as a whole. Segments are captured in all the transactions which have integration postings to the finance module or where an Item is converted, reduced, increased or is transferred to other Sub-organization.

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HCM

Default segment applicable to an employee are captured and all the finance entries in relation to the employee are recorded to the segment mapped to the employee.

Reporting

Finance reporting is provided by default which displays segment wise details of the financial information captured.

Apart from this the software has option of generating multiple MIS reports in all the modules on the basis of the segments captured. The content and format of these MIS reports are specific to the information required by the Management.

3. Benefits

3.1. << *Write down overall benefits of the white paper-module name*>>

4. Conclusion

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