

Preface

The opening up of the economy, emergence of large and giant multi-national companies, endeavor to attract retail investors in the capital market, adoption and application of new technology, boom in the knowledge-based industry – all these have changed the landscape of the economy and business worldwide. India too, from the early 1990s started to open up its economy. Reforms, since then, have been taking place not only in certain sectors of the economy but also in accounting education and corporate governance. These changes have prompted the users and regulators of financial statements to give a clarion call to the accountants “wake up, face the challenge”. Accountants’ response in India in this context can be found in the publication of new accounting standards like Segment Reporting, Leases, Borrowing Costs, Related Party Disclosures, Consolidated Reporting, Impairment of Assets, etc. Nowadays, most companies deal in more than one product and their operations are not restricted to a particular geographic region. Therefore, to the shareholders, lenders, and even to the employees and the government, a single consolidated statement loses much of its relevance, unless and until it is read together with separate segment information. Segment Reporting is now considered to be one of the most important and significant developments in the field of Financial Reporting.

In this backdrop, the *general objective* of our thesis, Segment Reporting in India, is to evaluate the segment reporting practices of the listed Indian companies and examine how far the segment information provided in the financial statements fulfils the needs of the investors and the creditors.

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