



SHAHEED BHAGAT SINGH COLLEGE ALUMNI ASSOCIATION

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Executive Committee Member,
SBSCAA

Dear Members,

Spring is in the air, and we're surrounded by winds of change..

But what remains constant is our endeavour to stay connected with you!

We continue with our ongoing features in this month's issue with another alumnus under the spotlight, and yet another insightful article.

We hope you enjoy this month's sampling!

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KNOWLEDGE PAGE

Meeting expectations through transparent reporting



The annual report of a company reflects its performance during the year. It generally comprises of a brief communication from the chairman, the directors' report on the company's performance and activities, the financial statements of the company and the auditors' report thereon. It also has the management's discussion and analysis of company's operations which includes commentary on operations and financial performance along with quantitative details of the company.

The annual report of company being the one of the importance source of information for the members of the company, should meet their expectations. Apart from mandatory presentation and disclosure requirements in the annual report as prescribed under the Companies Act, 1956/Companies Act, 2013, other financial information and disclosures, which are narrative in nature, are included to provide useful information to investors.

Considering this, there is a need for companies to look at ways and means to improve presentation of information in the annual reports.

To meet such objectives, companies could possibly look at the following:

Improved Disclosures

Investors are interested in improved disclosures (other than those mandated by regulators) which provide insight into an entity's performance and financial condition as a complement to standard measures of performance.

For instance shareholders would like to know how business financing has changed over the year. It may reveal matters which are not given in the financial statements.

The economic downturn and continued strain on the availability of financing have resulted in increased focus of stakeholders on cash and an entity's ability to meet working capital requirements, refinance and service existing debt and ability to secure new debts.

Profitability

The shareholders would like to identify the organic and acquired growth in operating profitability. Thus if there is any mergers/acquisitions, shareholders would like to understand the total cost of acquisitions and assess the return on investment.

Similarly in tax disclosures shareholders could be interested in correlating tax expense and related cash outflows and also tax implications on unusual items like impairments, revaluation and restructuring costs.

In case of employee benefits shareholders may seek more information on discount rates employed and basis for applying such rates.

Form

The structure, tone and formatting of an annual report will have an impact on the type of investors that the company attracts. Transparency and balanced review of performance combined with consistency appeal to long term investors.

To achieve this, there should be quality in segment reporting i.e splitting business into appropriate segments with adequate data for each segment.

The narrative information should be coherent with the audited financial statements.

Usefulness

Investors need to understand the impact of transactions across the primary financial statements in the annual report. Information needs to be consistent throughout the annual report.

For instance shareholders may wish to know about linkage between strategy, risk, key performance indicators and remuneration. If such information is not forthcoming in the annual report it can impact entity's valuation. This is also possibly a focus area for regulators.

Compliance

In addition to complying with accounting standards, shareholders would welcome critical accounting policies being disclosed prominently in the context of business. There could be additional information as to why the accounting policies are changed and

how it is linked to business objectives.

Content

The shareholders do not expect more information but more useful information. They are interested in underlying economic substance of accounting in the financial statements.

The objectives and vision of the company, the accounting principles adopted by them should be communicated through clear and concise statements from the management.

An optimal mix of strategic and future oriented information linked with current trends may meet the information needs of the shareholders.

Audit Report

Investors place faith in audit report and look for any modification therein. They would like to have more information on the debates and discussion with management in the areas of disagreement or subject matter of modification in the audit report.

Transparency

Transparency in reporting is another important expectation of the shareholders as far as annual report is concerned. There should be appropriate disclosure of internal and external factors influencing the strategic vision and goals of the company as well as the current performance of the company.

Additional Disclosures



Additional disclosure could be given in relation to the specific sector to which entity belongs. For instance retail companies can give more description on their revenue recognition policy in addition to the requirement per accounting standards.

However, the management should ensure to strike a balance between additional and excess disclosure.

The annual report is, in summary, all about presenting the company's profile, objectives and performance indicators in a transparent and lucid manner, to reflect company's value to the shareholder.

Companies, therefore, should make maximum use of this tool to ensure the dissemination of adequate and appropriate information to its stakeholders on a timely basis.

It is the optimal quantity of qualitative information in the annual reports that can meet the shareholders expectations.

(Article contributed by Mr. Harinderjit Singh)

NEWS

Communication & Presentation Skills

Campus To Corporate

21st February saw the return of The

Campus to Corporate Series with Ms. Varshanjali Asthana conducting a Workshop on Communication and Presentation Skills.



Ms. Varshanjali Asthana interacting with students

The Dale Carnegie "Train The Trainer" Trained and IBTA Internationally Certified Master Trainer interacted with a hall packed with enthusiastic students.

IN THE SPOTLIGHT

Featured Alumni

Mr. Shyamal Mukherjee
Executive Director,
PricewaterhouseCoopers, India



Shyamal, a commerce graduate of the 1979 batch, started his professional career with PwC in 1984 and has worked in the firm's New York and London offices. He has been holding

the responsibility of a Tax partner since 1993.

Shyamal is Joint Tax Leader of the Indian firm. Shyamal started his professional career with PwC in 1984 and has worked in the firm's New York and London offices. He has been holding the responsibility of a Tax partner since 1993.

He regularly interacts with Indian Government officials on various Tax and Transfer Pricing issues and has also assisted in drafting the rules relating to the Indian Transfer Pricing legislation.

He has contributed numerous articles on Transfer Pricing to both national and international journals and is a regular speaker at various national and international forums.

His areas of expertise also include inward investment advise, cross-border investment structuring, contract structuring, Permanent Establishment issues, etc. He is on the Board of Editors of the Asia - Pacific Tax Bulletin (APTB) published by the International Bureau of Fiscal Documentation (IBFD)

He is a Member of the Institute of Chartered Accountants of India (ICAI) and also Bachelor of Laws, Delhi University.

WE NEED YOU!

Contribute to the organisation

An organisation cannot exist without its members, and we are extremely proud of our alma mater and alumni.

In order to accomplish our objectives we need active participation from our members. We welcome with open arms, contributions from members towards the growth of the organisation in any form.

Donations

In order to ensure smooth functioning of the organisation, we need to obtain a stable financial position. As a Registered society our organisation has an Exempt income status under Section 12 A of the Income Tax Act. Further, we have applied for Section 80 G of income tax Act for 50% exemption to the Donors.

Volunteers

We organise programmes and workshops for alumni as well as students on a regular basis. , and People are the backbone of any activity, and we're looking for members to participate in activities to give something back to the college.

Big Ideas

Have some thoughts on what should be our areas of focus? We're listening!

Newsletter

If you wish to contribute towards the newsletter, we'd love to hear from you. Send us your articles, opinions, notes on thought leadership, anecdotes, illustrations - anything that we could feature here, and we'll be glad to include it.

Simply email us with the relevant subject line Donations / Volunteering / Feedback / Newsletter.