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(SET UP BY AN ACT OF PARLIAMENT)

TIRUPUR BRANCH OF SICASA

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Your views / suggestions / comments are Welcome. Kindly send your Contributions in the form of articles to tiruicai@gmail.com

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Dear Esteemed CA Students,

I hope this message finds you in good health and high spirits. As we step into the new year, I am delighted to share some noteworthy highlights from the month of January at CA STUDENTS.

1. Blood Donation Camp (09.01.2024):

We commenced the year with a compassionate and altruistic initiative—a Blood Donation Camp held on the 9th of January. It was heartening to witness the overwhelming response from our students, staff, and faculty. Your voluntary contribution to this noble cause reflects the spirit of selflessness and community service that defines the ethos of CA STUDENTS. The donated blood will undoubtedly make a significant impact and save lives, showcasing the benevolence of our CA STUDENTS family.

2. Orientation Programme (22.01.2024):

Another significant event in January was the Orientation Programme held from the 22nd of January. This program served as a crucial platform for our new students to familiarize themselves with the institute, its values, and the path that lies ahead. The warm welcome extended by our existing students, faculty, and staff played a pivotal role in making the newcomers feel a part of the CA STUDENTS family. I believe this orientation sets the tone for a successful and fulfilling journey in the field of Chartered Accountancy.

3. Republic Day Celebration (26.01.2024):

As proud citizens of our great nation, we came together to celebrate the 73rd Republic Day on the 26th of January. The patriotic fervor resonated through our institute as we honored the values enshrined in our Constitution. The event was a reminder of our collective responsibility to contribute to the progress and development of our country. It was heartening to see the spirit of unity and patriotism displayed by our students during the celebration.

These events not only contribute to the holistic development of our students but also reinforce the sense of community and shared values that define the CA STUDENTS family. I extend my gratitude to everyone who played a role in making these initiatives successful, and I encourage each one of you to continue participating actively in the various programs and activities planned for the upcoming months.

Wishing you all a year filled with learning, growth, and meaningful experiences.

Thanks and Regards
CA Varatharajan M P,
SICASA Chairman,
Tirupur Branch of SIRC of ICAI.

SRILAWVANYA G
SRO0755037

INTEGRATED REPORTING

Integrated reporting is a broad approach to corporate reporting that not only addresses stakeholders' demands today, but also creates a foundation for future standards in an evolving corporate reporting landscape. In today's business ecosystem there is a disconnect between what companies are disclosing, what investors expect in order to make informed decisions, and what broader stakeholder groups expect.

With the mosaic of corporate disclosures and information, it can be difficult to discern the full scope of factors that explain a company's value drivers and performance as well as its outlook on how it plans to build long-term success.

The changing landscape coupled with new global reporting standards on the horizon has heightened the sense of urgency to implement holistic reporting solutions. Across industries and sectors, there is an ongoing shift to integrate and embed Environmental, Social, and Governance (ESG) goals and performance into mainstream reporting.

Integrated reporting is an important tool in improving the understanding of the relationship between financial and non-financial factors that determine a company's performance and how a company creates sustainable value in the long term.

Integrated reporting is conducted by organizations to communicate how their strategy, governance and performance has led to the creation of sustainable value in the short, medium and long term. In other words, it is a holistic representation of financial and non-financial performance of an organization.

When organizations lack clear expectations for performance, they are more likely to lose focus on long-term objectives. This is one of the reasons why it's important that companies report on sustainability – not just their financials, but also how they're managing risks and opportunities in environmental, social, and governance (ESG) issues.

Integrated reporting helps businesses tell a complete story about what drives their success by addressing both company performance metrics as well as ESG factors. It provides investors with a clearer understanding of how ESGs contribute to business value creation over time. Most importantly, integrated reporting can help drive better decision-making for companies by identifying which strategies will be most successful based on ESG considerations in their Reporting.

What are “non-financial” factors?

Non-financial factors are outcomes or impacts on a company’s performance that are not recorded as transactions but still have an effect on the company. These factors include social and environmental factors that affect how society can interact with the business (e.g. employee relations or ethical conduct of the business).

<u>The benefits and outcomes of adopting an integrated report as part of your corporate reporting system:</u>

- Serves as a foundation for corporate reporting that is universal and enduring.
- Provides coherent and cohesive messaging across all aspects of an organization’s narrative.
- Provides management with deeper insight into the impact of decisions and business activities, such as what activities drive value creation and which ones do not.
- Broadens and deepens stakeholder understanding of how management makes decisions, invests capital, and measures performance.

What is the difference between Integrated Reporting and sustainability reporting?

Integrated reporting provides a more in-depth look at how all material issues affect your business’ performance, such as ESG factors. Sustainability reporting is the basic process of assessing how your company’s practices align with key industry standards and expectations, such as what is outlined in the Global Reporting Initiative.

What are some guidelines for conducting an Integrated Reporting process?

The guidelines provided by the International Integrated Reporting Council (IIRC) can help any organization begin its own reporting assessment. It’s a good idea to consider what your company will need in order to conduct a successful analysis, including:

• How will your company determine your organization’s key stakeholders?

• What steps will your company take to identify the relationships between business performance metrics and ESGs?

• How can your company use public engagement opportunities to get valuable feedback on how ESG factors affect your bottom line?

All these guidelines play a role in determining what kind of analysis you should perform when reporting on your company’s performance. Remember, you can also consider whether or not to use Integrated Reporting for your business based on how it fits with your current reporting practices.

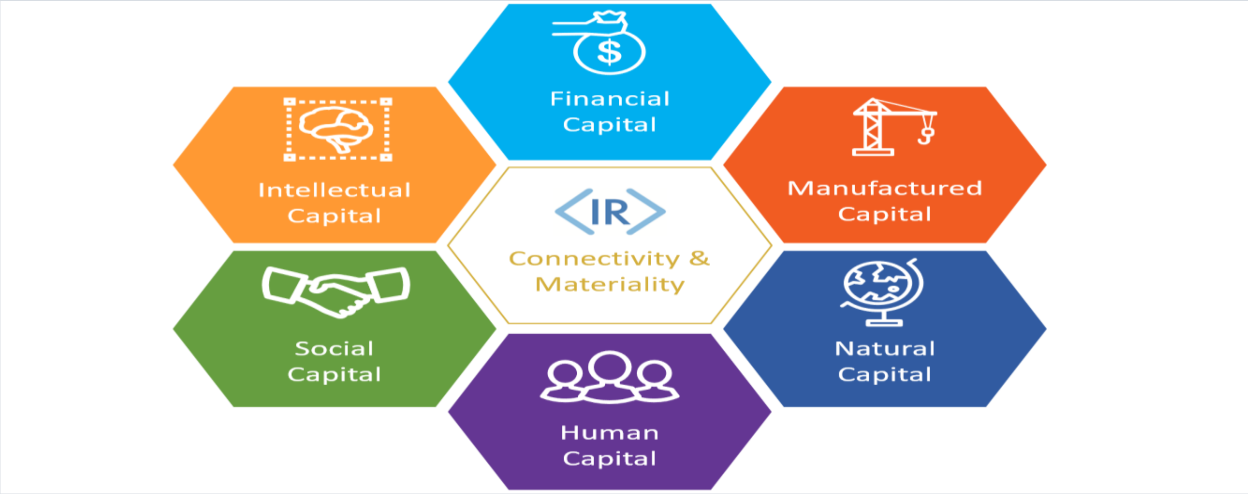
The 'value creation' process

An essential concept of the value creation process is the proposition that companies should expand their reporting beyond the stewardship of financial capital, to include all the resources they use as inputs to their business activities. The IIRC uses the term "capitals" to denote these various resources, with six capitals identified: financial; manufactured; intellectual; human; social and relationship; and natural.

Rather than the traditional approach of thinking in silos, integrated thinking involves greater collaboration between organizational members, from different functions and backgrounds, to achieve strategic objectives. This process ensures that management connects internal and external information on relevant capitals to identify issues that are material to value creation over the short, medium and longer term. It creates the potential to significantly alter investor and company mindsets on how companies operate.

This creates a shift in focus from meeting short-term financial goals, to developing a long-term business strategy, which not only makes a commitment to social and environmental issues, but also to sustainable businesses and society.

What are the 6 capitals of integrated reporting?



The 6 Capitals model is a more balanced approach to generating holistic and actionable reports and, when integrated into an organizations investment decision-making processes, provides Sustainable Development as a behaviour as well as an aspirational set of goals.

1. Manufactured capital

The tools, machines, plant, infrastructure and buildings which contribute to the essential services we provide rather than being the product or service derived from equipment and tools.

2. Natural capital

Natural resources, energy and materials used to provide services and products including renewable and non-renewable materials, sinks – that absorb, neutralize or recycle wastes. It is inclusive of climate change processes, air, water, land, forests and minerals as well as biodiversity and ecosystem health.

3. Social & Relationship capital

Values relating to our relationships with other people, society in general and other organizations. It includes trust placed in us by our customers, suppliers, society, and the impacts that we have from everything we do.

4. Human capital

Our people's health, wellbeing, intellectual engagement, motivation, competence, ability to do their jobs well and fulfil their personal potentials. We buy this service from our people with salaries, benefits and the intrinsic rewards from doing a worthwhile job.

5. Intellectual capital

Things of value not on the balance sheet, but without which we would operate less efficiently or have a less optimal future. It includes data, information and knowledge where it is not financially quantified. It is R&D, Innovation, IP, the sum of everything everybody knows that gives an organization competitive edge.

6. Financial capital

Arguably, financial capital has no real value other than shares, bonds & banknotes used to trade manufactured, natural, human, social, & intellectual capitals. It is the sum of funds available to an organization including Cash in Bank, Invested Capital, Liabilities, OPEX, CAPEX, NBV & True Assets Value and Income.

SEBI Circular

As per SEBI Circular SEBI/HO/CFD/CMD/CIR/P/2017/10 dated 06-02-2017 Integrated Reporting may be adopted on a voluntary basis from financial year 2017-18 which are required to prepare Business Responsibility Report (BRR).

The Information related Integrated Reporting may be provided:

(i) in the annual report separately, or
(ii) by incorporating in Management Discussion & Analysis, or
(iii) by preparing a separate report (Annual Report as per IR framework).

In 2013, the International Integrated Reporting Council (IIRC) released a framework for integrated reporting. The framework establishes principles and concepts that govern the overall content of the Report.

<IR> Framework

Form of Report and Relationship with other information

1. An integrated Report should be designated, identifiable communication.

Application of the Framework

1. Any Communication claiming to be integrated report and referencing the framework should apply all the requirements identified in bold italics type unless:
    - The unavailability of reliable information or specific legal prohibitions results in an inability to disclose information.
    - Disclosure of material information would cause significant competitive harm.
2. In the case of unavailability of reliable information or specific legal prohibitions, an integrated report should:
    - Indicate the nature of information that has been omitted
    - Explain the reasons why it has been omitted

- In the case of the unavailability of data, identify the steps being taken to obtain the information and the expected time frame for doing so.

Responsibility for an Integrated Report

1. An integrated report should include a statement from those charged with governance that includes:
   - An acknowledgement of their responsibility to ensure the integrity of the integrated report.
   - Their opinion or conclusion about whether, or the extent to which the integrated report is prepared in accordance with IR Framework.

Where legal or regulatory requirements preclude a statement of responsibility from those charged with governance, this should be clearly stated.

GUIDING PRINCIPLES

Strategic focus and future orientation

1. An integrated report should provide insight into the organization's strategy, and how that relates to its ability to create value in the short, medium and long term to its use of and effects on the capitals.

Connectivity of Information

2. An integrated report should show a holistic picture of combination, interrelatedness and dependencies between the factors that affect the organization's ability to create value over time.

Stakeholder relationships

3. An integrated report provide insight into the nature and quality of the organization's relationships with its key stakeholders, including how and to what extent the organization understands, takes into account and responds their legitimate needs and interests.

Materiality

4. An integrated report should disclose information about matters that substantively affect the organization's ability to create value over the short, medium and long term.

Conciseness

5. An integrated report should be concise. Reliability and completeness

6. An integrated report should include all material matters, both positive and negative, in a balanced way and without material error. Consistency and Comparability

CONTENT ELEMENTS

Organization overview and external environment

1. An integrated report should answer the question: What does the organization do and what are the circumstances under which it operates?

Governance

2. An integrated report should answer the question: How does the organization's governance structure support its ability to create value in the short, medium and long term?

Business Model

3. An integrated report should answer the question: What is the Organization's business model?

Risks and Opportunities

4. An integrated report should answer the question: What are the specific risk and opportunities that affect the organization's ability to create value over the short, medium and long term, and how is the organization dealing with them?

Strategy and resource allocation

5. An integrated report should answer the question: Where does the organization want to go and how does it intend to get there?

Performance

6. An integrated report should answer the question: To what extent has the organization achieved its strategic objectives for the period and what are its outcomes in terms of effect on the capitals?

Outlook

7. An integrated report should answer the question: What Challenges and uncertainties is the organization likely to encounter in pursuing its strategy, and What are the potential implications for its business model and future performance?

Basis of preparation and presentation

8. An integrated report should answer the question: How does the organization determine what matters to include in the integrated report and how are such matters quantified or evaluated?

- Details about capital as input
- Company Strategy
- Value created during the year by each capital (outcomes)
- Stakeholder Engagement
- Risk- Risk Management
- Strategic objective of the company
- External risk and their likely impact

Attaching the Integrated report of Tata Projects Limited for your reference: https://www.tataprojects.com/annual-report/22-23/images/Tata-Projects-Limited-Integrated-Report-2022-23.pdf

THANK YOU

PHOTO GALLERY

BLOOD DONATION CAMP WAS HELD ON 09TH JAN

ORIENTATION PROGRAMME BATCH NO. 54 WAS HELD FROM 22TH JAN TO 05TH FEB

<u>REPUBLIC DAY CELEBRATION WAS HELD ON 26TH JAN</u>