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# International Reporting Standards in Indian Business

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### *Abstract*

The term "sustainable development" refers to growth that serves the needs of the present without risking the future. A number of novel approaches to sustainability accounting and reporting have arisen in recent years. Their work demonstrates the power of financial frameworks in addressing social and environmental problems. Non-financial performance is currently being displayed in a variety of ways. In reality, there isn't a single reporting standard. Therefore, companies now have more freedom. More and more companies are compiling reports on their operations' impact on the environment, society and economy. The Securities and Exchange Board of India (SEBI) mandates an annual Business Responsibility Report (BRR) for the country's top 100 publicly traded corporations. Based on the NVG, SEBI's BRR disclosure technique is (National Voluntary Guidelines).The Global Reporting Standards have been applied to some of these companies, while the National Voluntary Guidelines have been applied to others. Accordingly, the purpose of this study is to evaluate how Indian firms compile BRRs in order to establish whether or not these reports are in conformity with global reporting requirements, as well as to satisfy stakeholder information needs. Based on the 2014-2015 financial year BRRs of Indian enterprises, this paper is presented here. When it comes to materiality and comparability, most Indian corporations follow the worldwide criteria for sustainability reporting, however these reports fall short.

***Keywords** : Reports on corporate social responsibility (BRRs), Global Reporting Initiatives (GRIs), National Voluntary Guidelines (NVG), Global Sustainability Reporting Standards (GRS), and Sustainability Reporting Study of Indian Companies' Business Responsibility Reports for the Financial Year 2014-15, with Particular Reference to Global Standards.*

Introduction Sustainability accounting, sustainability development, and sustainability reporting are all interconnected. Growth that does not put future generations at risk of not being able to meet their own requirements in the future is detailed in the Brundtland Report. (1). To put it another way, sustainable development is meeting immediate demands but still keeping an eye on the big picture.' Sustainable development is a way of thinking about development that helps people make informed choices about how to use material, human, and environmental resources today and in the future. According to most definitions of sustainability, there are three basic aspects.

Long-term planning and accounting have become increasingly important as a means of monitoring corporate sustainability.For the first time, social and environmental challenges may be contextualized using financial data. In recent years, sustainability accounting has become more prominent. Organizations are now embracing a variety of procedures and methods for reporting on their sustainability initiatives as they focus on their core activities and environmental effect.

**Sustainability Reporting Standards and Guidelines**

Over the past several years, international organizations such as UNCSD, Global Reporting Initiative (GRI), OECD, and GRI have collaborated to build a policy framework for financial reporting that encompasses all components of sustainable development (UNCSD).

As a result of taking into account the needs of all parties involved, universally applicable reporting criteria have been developed. It is estimated that 74% of the world's largest 250 firms use GRI's Standards to disclose their sustainability performance. Global Resource Index (GRI) is used by more than 35 countries in sustainable development programs. Some of the most widely accepted financial reporting standards can be found here (2).The inclusion of a wider range of economic, environmental, and social assets in the traditional economic balance sheet is a key component of this strategy (3).

Environmental sustainability accounting is the primary emphasis of UNCSD's sustainable reporting.

**Sustainability Reporting Initiatives in India:**

There have been periodic updates to India's sustainability reporting guidelines since 2009, thanks to the Ministry of Corporate Affairs (MCA). Sustainability reports are not currently required by the majority of governments around the world. In 2012, the Securities and Exchange Board of India (SEBI) mandated that the top 100 Indian publicly listed firms include Business Responsibility Reports (BRRs) in their annual reports. The National Voluntary Guidelines form the basis of SEBI's BRR disclosure mechanism (NVG).

**Methodology and Scope**

In this study, the 2014-15 BRRs of Indian corporations were assessed qualitatively utilizing data from these BRRs' websites. In order to do so, a review and analysis is carried out on the BRRs of the twenty companies selected. Using five useful reporting criteria, the study tries to evaluate how well the BRRs' disclosures are done. As a result, it fails to take into account the entire success of the companies under consideration.

**Framework for the GRI and NVG**

**• GRI**

The three basic areas into which these principles are divided into subcategories are economic, environmental, and social. "Labor," "human rights," "society," and "product responsibility" are all subcategories of "social."

GRI's reporting requirements, for example, place an emphasis on materiality and stakeholder inclusion, as well as a comprehensive strategy that takes into account long-term sustainability and the perspectives of various stakeholders.

As a result, GRI is working to ensure that the framework is compatible with reporting technologies in other nations. The Guidelines for Multinational Enterprises (MNE) cite ISO 26000, the Carbon Disclosure Project Questionnaire, and the United Nations Global Compact Principles (5).

**• NVGs**

Ethics, openness, sustainability of the product lifecycle, employee well-being, stakeholder involvement, human rights, environmental preservation and policy advocacy, inclusive growth and customer value all play a role in the NVGs' foundational principles.

All five components of the NVG framework have their own disclosures. Information about the company's finances and other specifics are requested in parts A through D. Section D asks if the company produces a BRR or a sustainability report, and how often they do so.

Any relevant report should also be linked to. Section E of the NVGs also requires enterprises to report on their performance against each of the NVG Principles on a principle-by-principle basis.

The NVGs highlight the Indian perspective, a company's "spirit," ethical business practices, and a "triple bottom-line" approach to business. Many of the interests of society, the environment, and the environment's stakeholders can be met while still achieving financial success in a way that is environmentally and socially responsible (6).

**• BRR**

The "National Voluntary Guidelines on Social, Environmental, and Economic Responsibilities of Business" include reporting criteria for corporate social responsibility. All of the world's largest publicly traded businesses were obliged by SEBI in 2012 to submit Business Responsibility Reports (BRR) describing their environmental, social and governance efforts as part of their annual reports, as stated in Clause 55 of the Listing Agreement. If we look at international cases like Volkswagen (where they were charged with falsifying pollution levels in some of their models) and Lehman Brothers (where they were accused of commercializing products without any regard for ethical considerations) or national ones like Bankia (where they were accused of selling toxic financial products), certain business leaders put their own interests above the common good during times of crisis.

**Criteria for evaluating the BRRs of Indian companies:**

If these conditions are met, the report is regarded as credible and trustworthy. They are used as a basis for comparing Indian corporations' business responsibility reports, as a result (BRRs).

1. Materiality: A financial account's "Materiality" refers to the point at which erroneous or missing data has a significant influence on users' ability to make sound financial decisions.

2. Stakeholder-engagement: It is necessary to meet the informational requirements of the stakeholders. Systematic or widely established procedures, methodologies, or principles should be used in the reporting of the data. Organizational or business procedures as well as the reporting process must be informed by the report.

3. Completeness: When discussing data gathering methods, the term "completeness" is often employed. Data acquired includes the results of all organizations inside the company, as well as whether or not the presentation of information is acceptable and appropriate.

4. Clarity: Graphics and aggregated data tables make the report easier to understand. When a report's degree of detail is substantially more or lower than expected, the report's clarity is impacted.

5. Comparability: Comparability is critical when assessing a company's success. Use of this information by stakeholders should allow them to compare the company's current and past performance with that of other organizations, as well as with that of other companies in the same industry.

**Selected Companies' Corporate Social Responsibility Reports: A Comparative Study**

Ten companies from each of the following two categories are selected for a comparative examination of Business Responsibility Reports:

1. Companies who began posting BRRs following SEBI criteria after 2012-13 are chosen from a sample of companies. According to the NVGs, the BRRs are being prepared.

2. Five corporations have been publishing GRI-compliant sustainability reports since before SEBI's mandate on the matter. Reports from companies in the first and second groups were compared to see how they stack up. On the basis of their industry, the companies were put together

## Conclusions

Almost all of the companies in this study adhere to the frameworks and guidelines that were established for them. The options accessible to them are not being utilized to their full potential, as has been discovered. It may appear that the reports are similar, but this isn't the case. The study has been presented in a variety of ways by each of the participating companies. There are too many and too few reports to make up for the lack of comparability. In order for entrepreneurs to carry out their responsibilities effectively, policies that foster entrepreneurship [4] need an awareness of core competences. Even in the sciences, entrepreneurship and entrepreneurial activities are gaining importance. This aids in the formulation of educational guidelines and curriculums.

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