

## **Extension of Business Responsibility Reporting to top 1000 listed entities by market capitalization**

### **SEBI Press Release no 24/2019 dated 20 November 2019**

For better Corporate governance, The SEBI requires that the top 1000 listed entities (earlier: top 500 entities) based on market capitalization, as on March 31 of every financial year shall include Business Responsibility Reporting (BRR) as part of their annual reports covering their activities relating to environment and stakeholder relationships.

The decision is part of a larger effort to improve corporate governance practices and more transparency in terms of various socially responsible activities out by the listed entities.

The Board upon deliberations, approved a proposal to extend the applicability of Business Responsibility Reporting (BRR) to top one thousand listed entities. This circular was passed by the SEBI to improve transparency among the listed entities.

BRR is a disclosure of adoption of responsible business practices by a listed company to all its stakeholders. This is important considering the fact that these companies have accessed funds from the public, have an element of public interest involved, and are obligated to make exhaustive disclosures on a regular basis. SEBI has prescribed a format for 'Business Responsibility Report' as a mandatory requirement for the top 1000 listed entities by market capitalization (extending it from 100 then to 500 and then finally now to 1000). Other companies are encouraged to use the BRR for making disclosures to their stakeholders. The BRR must be submitted as a part of the Annual Report.

The BRR contains a standardized format for companies to report the actions undertaken by them towards adoption of responsible business practices. BRR has been designed to provide basic information about the company, information related to its performance and processes, and information on principles and its core elements. The companies falling in this threshold need to list and publish these reports on their websites. The key areas to be reported by the entities include environment, social, governance and stakeholder relationships.