



Ministry of Corporate Affairs

New formats of Business Responsibility Report according to the GoI panel

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Relevant to M&M CE Business

Dissecting the three sections

- The objective of the 'General Disclosures' section is to obtain basic information about the company -- size, location, products, number of employees, CSR activities among others
- In the 'Management and Process' section, the company is required to disclose information on policies and processes relating to the National Guidelines on Responsible Business Conduct (NGRBC) concerning leadership, governance, and stakeholder engagement
- Wherever relevant, companies have been asked to provide links to their websites where these policies are available
- Responses to the third section indicate how a company is performing in respect of each principle and core element of the NGRBC
- This section requires companies to demonstrate their intent and commitment to responsible business conduct through actions and outcomes

What are the recommendations?

- The reporting shall be done by top 1,000 companies in terms of their market capitalization. Also, it shall be done as prescribed by market regulator.
- The report requirement shall be extended by Ministry of Corporate Affairs to unlisted companies. A specific threshold of turnover shall be fixed to these companies
- Two formats have been suggested. One is called the "Lite Version" and the other is called "comprehensive format".
- The report shall be integrated with MCA 21 portal. The portal is used to submit requisite filings.

- The information captured by the report shall be used to develop Business Responsibility Sustainability Index.
- The panel was formed under the National Guidelines on Responsible Business Conduct (NGRBC).

Why?

- The committee on Business Responsibility was constituted for finalising business responsibility reporting formats for listed and unlisted companies under the National Guidelines on Responsible Business Conduct (NGRBC)
- Among others, the panel has recommended that the BRSR could be integrated with MCA 21 portal as that would ensure that all information already filed on the portal by companies would be automatically filled while filing the BRSR

References:

1. <https://economictimes.indiatimes.com/news/economy/policy/govt-appointed-panel-proposes-2-formats-for-business-responsibility-reporting-by-companies/articleshow/77507144.cms?from=mdr#:~:text=for%20disclosing%20information%20The%20committee%2C%20constituted%20by%20the%20Ministry%20of%20Corporate%20Affairs%20in,requirement%2C%22%20the%20report%20said.>
2. <https://www.moneylife.in/article/mca-panel-suggests-2-formats-for-business-responsibility-reporting/61193.html>
3. <https://currentaffairs.gktoday.in/goi-panel-proposes-two-formats-of-business-responsibility-report-o82020332619.html>