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**Intergovernmental Working Group of Experts on International  
Standards of Accounting and Reporting  
(ISAR)**

**40<sup>th</sup> SESSION  
17 – 19 October 2023**

Tuesday, 17 October 2023

**Agenda item 3. Review of practical implementation and  
recent developments in sustainability reporting requirements**

Presented by

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Chair

Thirty-ninth session of ISAR

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# India Inc ESG journey

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OCTOBER 2023





INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

# India readiness for Sustainability reporting



• BRSR Reporting Voluntary for top 1000 listed companies

• BRSR Reporting Mandatory for top 1000 listed companies

• BRSR Core Mandatory for top 150 listed companies  
• ESG schemes to invest 65% of AUM

• ESG Disclosures & for Value Chain Partners  
• Assurance on a comply & explain basis

• BRSR Core Mandatory for top 1000 listed companies

**Regulatory requirements for sustainability reporting in India**



- ✓ Issued various Accounting Standards, Technical Guidance and standards on Sustainability Assurance Engagements.
- ✓ Certification Course on Business Responsibility and Sustainability Reporting (BRSR)
- ✓ BRSR CORE Back testing in collaboration with SEBI
- ✓ Issue 16 Social Audit Standards
- ✓ Launch Training on Social Audit for NISM Series XXIII
- ✓ Publications, Awareness Programs and Workshops

- ✓ Research Projects on Nature and Climate Disclosures, Integrated Statements
- ✓ G 20 Prime Partner, Projects with UNPD, UNCTAD, Participating in World Economic Forum
- ✓ ICAI Carbon Neutral and Net Zero Plan
- ✓ Other Publications and Capacity Building

**ICAI readiness and collaboration in Implementation of sustainability reporting in India**



# Key ESG Decisions at SEBI Board Meeting in March 2023

KEY ESG DECISIONS	BRSR CORE	ESG Disclosure for Value Chain Partners	ESG Investing	ESG Rating
KEY OBJECTIVE	The BRSR Core contains a limited set of Key Performance Indicators	ESG Disclosures & Assurance will be introduced for Value Chain of listed entities with certain thresholds	To address risk of mis-selling and greenwashing and promote ESG Investing	ESG Rating parameters as per India/Emerging Market Parameters
APPLICABILITY	Applicable to top 150 listed entities by market cap from FY 2023-24, which will be extended to 1000 entities by fy 2026-27	Applicable to top 250 listed entities as per market cap from FY 2024-25 and FY 25-26.	Mandating ESG schemes to invest 65% of Assets under management (AUM) in listed entities where BRSR Core is Assured	ERP will offer separate category of ESG Ratings called "Core ESG Ratings
ASSURANCE	Reasonable Assurance	Assurance / On a comply or explain basis	Mandatory third-party Assurance and certification by BOD on compliance	Based on the assured parameters under BRSR Core

# Key strength to make India a sustainable economy...**Collaboration**



India is leading in the ESG readiness amongst the top countries of the world. The ESG disclosures have evolved and strengthened as per needs of business and global and financial markets.

- A very key role has been played by various stakeholders, regulatory bodies in India, Ministry of corporate affairs (MCA), Securities exchange board of India (SEBI) and other supporting bodies/corporates to strengthen and build the esg framework for India for the top listed companies.
- The Institute of Chartered Accountant of India (ICAI) has supported the ESG journey of India and the regulatory bodies through various reporting standards, guidelines and courses to enhance the quality of professionals for "true and fair" corporate governance reporting, assurance & compliance.

# Role of ICAI...in Standard Setting



## **ASSURANCE STANDARDS**

The Standard on Sustainability Assurance Engagements (SSAE) 3000 has been issued by the Institute of Chartered Accountants of India, to meet the SEBI requirements on Assurance on entity's sustainability information. Also Standard on Assurance Engagements (SAE 3410) on Greenhouse Gas statements was issued in February 2021.

## **SOCIAL AUDIT STANDARDS (16 SAS)**

Since our social sector plays a significant role in social and economic development of India, a Social Audit Framework has been defined with the objective of defining elements and objectives of a social audit performed by social auditors. ICAI has released 16 Social Audit Standards which aim to provide social auditor the guidance to do an independent impact assessment of Social Enterprises engaged in Social Projects.

## **BRSR BACK TESTING**

the Institute of Chartered Accountants of India (ICAI) and the Securities and Exchange Board of India (SEBI) was conducted a thorough back testing exercise with the participation of eight listed companies from various sectors. The purpose of this back testing was to evaluate and validate the key performance indicators (KPIs) of the BRSR Core. The measurable and proven impact of this collaborative effort can be observed in the strengthening of the regulatory and institutional foundations related to sustainability reporting in India.

# India's ESG journey

## Capacity Building

### BRSR CERTIFICATE COURSES BY ICAI

- ✓ The 5-day Certificate course on Business Responsibility and Sustainability Reporting (BRSR) which has already done 20 batches covering about 2,000 participants.

### TRAINING COURSE ON SOCIAL AUDIT FOR NISM Series XXIII

## Technical Guidance

- Standard on Sustainability Assurance Engagements (SSAE) 3000
- Standard on Assurance Engagements (SAE) 3410 “Assurance Engagements on Greenhouse Gas Statements”
- Social Audit Framework - 16 Social Audit Standards (SAS 100 to 1600)
- Background Material on “Business Responsibility and Sustainability Reporting (BRSR)” – Revised Edition 2021
- Publication on “Sustainable Development Goals - Accountants Creating Sustainable World – Series - Part 1, Part 2 and Part 3”
- Benchmarking Model - Sustainability Reporting Maturity Model (SRMM) Version 2.0
- FAQs on Sustainability Reporting – Heart of Good Governance
- An Introduction to Social Stock Exchange in India

## Other Initiatives

- Sustainability Reporting Maturity Model (SRMM)
- SUSTAINABILITY REPORTING AWARDS
  - The National Awards had three categories:
    - Integrated Reporting – Manufacturing, Service and Public Sector (total 37 participants)
    - New Entrants in Integrated Reporting (6 participants)
    - Reporting on Sustainable Development Goals (20 participants)
  - International Category had two categories:
    - Gender Equality (18 participants)
    - Climate Change (27 participants)