RESEARCH OBJECTIVES

The key objectives of this research paper are:

- To reveal a wide disclosure parameter based on IIRC framework, covering all nine aspects.
- To identify the level of IR score of selected sample companies.
- To identify the level of IRI Gap of selected sample companies.

RESEARCH METHODOLOGY

The Mandatory Disclosure weighted score of each company has been calculated on the basis of presence (1) or absence (0) of fourteen mandatory information disclosure parameters, available publicly either on the company's or the BSE's website.

Sampling

The study focused on the Bombay Stock Exchange (BSE) Top 100 index constituents by market capitalization.

Data Collection and Analysis

Data was collected through prowess software. Consistent with other related studies, content analysis was employed to the collected data for 2014 annual report. A expanded disclosure framework was developed based on IR framework in order to evaluate the level of IR disclosure by the sampled listed companies.

Development of the disclosure framework

Consistent with du Toit (2014), the disclosure framework for this study take full cognizance of the 2013 IR Framework of the International Integrated Reporting Council (IIRC), as it was published after the drafting of all the 2013 annual reports of the listed companies. The framework was thus developed based on the framework used by du Toit (2014).These were ideal to this study as they are all based on the conceptual model premised on the King Report on Governance for South Africa. All 14 parameters (Table 1) are combined for a weighted Composite Disclosure score of between 0–14, with a 14 score indicating that all 14 disclosures are publicly and readily available, with diminishing values for companies that score low on overall disclosure.

Measurement of integrated reporting

The level of IR by the sampled listed companies was measured by Integrated Reporting Index (IRI). The annual reports were analyzed and a "1" was assigned when an item on the disclosure framework is disclosed and a "0" when it is not disclosed in the annual reports.

Consistent with other annual report corporate governance disclosure studies (Boolaky, 2011;

Table 1: Disclosure Parameters

Organization's Vision	Intellectual Capital Disclosure
Organization's Values	Environment Capital Disclosure
Organization's Context	Social Capital Disclosure
Ethical Leadership and Corporate Citizenship	Governance
Boards, Directors and Remuneration	Governing Stakeholders Relationship
Governance of Risk	Integrated Reporting and Disclosure
Financial Capital Disclosure	Integrated Reporting Philosophy

Source:https://www.ifac.org/system/files/publications/exposure-drafts/IAASB-Disclosures_Discussion_Paper.pdf

Lipunga, 2014), the IRI was calculated using the following formula:

$$IRI = \sum di/n = TS/M$$

Where,

di = 1 if item is disclosed; 0 if item is not disclosed

n = number of items

TS = Total Score

M = Expected Maximum Score

Thus, the expected maximum score for each sampled company was 14, since there are 14 items of disclosure. The expected maximum IRI score was "1" and with a minimum of "0". As such a score by a sampled company of 1 or closer to it suggested high level of IR by the company, otherwise a score of "0" or closer to it, suggested low level adoption of the concept.

On the other hand an Integrated Reporting Gap (IR Gap) was calculated using the following formula consistent with Boolaky (2011) and Lipunga (2014):

$$IR\ Gap = 1 - IRI$$

Since the expected maximum score is 1, the IR gap is thus obtained by subtracting the actual IR score from 1 (Boolaky, 2011). Consequently the closer the IR Gap is to zero (0) the better the level of the IR in annual reports of the sampled companies.

RESULTS AND DISCUSSION

This section provides the results of analysis of the data. It begins by presenting the results and discussion of the types of narrative reports contained within the annual reports of the sampled companies and their frequencies.

Typical Narrative Reports within the Annual Reports of Sampled Companies

As indicated in Figure 1 that no company (except 7) present a standalone integrated report as the MCA does not explicitly require it nor mentions it. The annual reports of the sampled companies contained narrative reports that may be grouped into four namely: Chairman's report, Chief Executive Officer (CEO)'s (or Managing Director's) report, Director's reports and other reports (i.e. reports that were covering issues such as corporate social responsibility, corporate governance and corporate profile etc).

The analysis (Table 2) revealed that all the 100 (100%) sampled companies presented the Director's report, 100 (100%) presented a chairmen's report, 73 (73.6%) other reports while 76 (76.2%) presented the CEO's report. This may suggest that if the integrated report can be explicitly required by regulations, all companies are likely to present it.

Table 2: Typical Reports Presented in Annual Reports

	No. of Companies (%)	
Chairman's report	1001	100 %
CEO's report	76	76.2 %
Director's report	100	100 %
Other reports (CSR*, CG, CP*** etc**	73	73.6 %

**Corporate Social Responsibility **Corporate Governance ***Corporate Profile*
Source: Own Compilation

Furthermore, Table 3indicates that 69 companies (69 %) presented all the four narrative reports while 8 companies(8%) presented three of the four and the remaining 23 companies (23%) presented two of the four. The analysis suggests that the sampled companies are generally aware of importance of narrative reporting in their annual reports and are making using various types of reports within it. This awareness may be extended in the promotion and implementation of integrated reporting. As it has already been indicated in the IIRC IR framework provide that an integrated report may be prepared either a standalone report or be included as a distinguishable, prominent and accessible part of another report or communication (IIRC, 2013). Thus MCA and other promoters of corporate governance should consider encouraging the companies to issue integrated reports within annual report or within in other reports as a step towards full IR.

Integrated Reporting Scores

Since only 7 companies presented an integrated report, the level of IR of the sampled listed companies was evaluated by analyzing the typical reports presented in Table 1.

This study uses three IR score levels in presenting results of analysis namely:

(i) Individual company scores,

(ii) Overall (averages) scores, and

(iii) Individual item scores.

As already noted, IRI closes to 1 signify high level of IR and while a better IR Gap should be closer to 0.The overall IR score for the sampled companies was 0.69. Accordingly the score suggests that on an average 69 % of the disclosure items on the IR disclosure framework were actually disclosed. The overall score indicates some progress by the listed companies towards the adoption of IR philosophy in presenting their annual reports.

Individual Company and Overall IRI scores

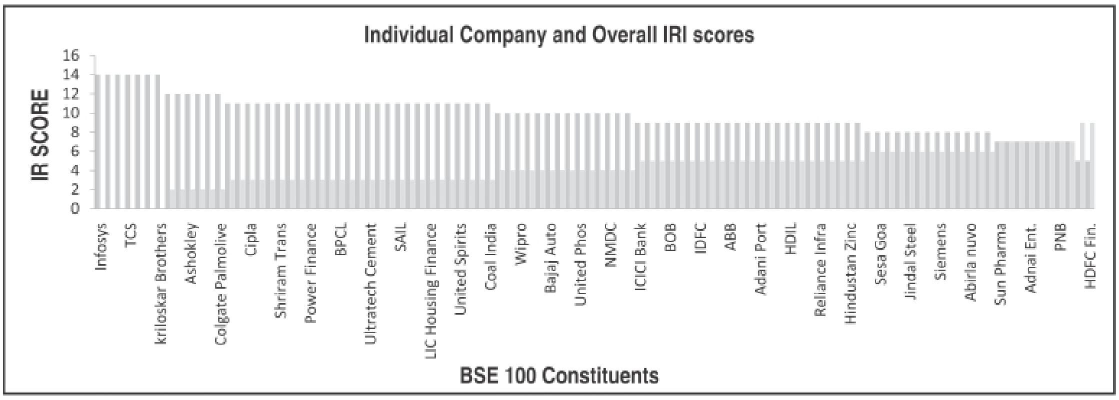
Figure 1 shows that the IRI that was exactly 1 scored by 7 companies, suggesting that in its 2014 annual report 100 % (n=100) of the items on the IR disclosure framework. On the other hand the lowest IRI was 0.35 scored by 2companies, suggesting that the company disclosed only 35 % (n=2) of the items of disclosure. Respectively these 7 and 2 companies respectively had the best 0 and worst (0.65) IR gaps. Furthermore, Figure 1shows that about 83 companies (83 %) disclosed at least half of the items (i.e. by their scores were of at least 0.5).

The overall IR score for the sampled companies was 0.69 as exhibited by the average score. Accordingly the score suggests that on average 69 % of the items on the IR disclosure framework were actually disclosed. The overall score indicates some progress by the listed companies towards adoption of IR philosophy in presenting their annual reports. On the other hand it reveals a bigger average IR gap of 0.31 that needs to be filled towards achieving full IR.

Table 3: Report Presentation Frequency

	No. of Companies (%)	
All four reports	69	69 %
Three of the four	8	8 %
Two of the four	23	23 %
One of the four	0	0 %
None	0	0 %
Total	**569**	**100 %**

Source: Own Compilation



Source: http://www.bseindia.com/

Figure 1:Composite Disclosure Scores by BSE 100 Index Constituents

Considering further that the IR disclosure framework adopted by the study was not as comprehensive as the IIRC framework, the gap is likely much wider if the later can be used. This further indicates that more promotional work is needed in order to stimulate IR in India.

The scores suggest that all the sampled companies endeavoured to give some information about their operating environment, gave a statement that they are complying with relevant regulatory instruments and provided some analysis of financial performance and position of the companies over and above the disclosures required by the accounting standards. Figure 2on the other hand, indicates that two items obtained the second highest score of 0.83, these are "Boards, Directors and Remuneration" and "Governance of Risk". Accordingly, these items were disclosed by ten sampled companies. It is worth noting that it seems that the important role of the Board committee as well as the governance of risk is well recognized the bigger majority of the companies.

Figure 2shows items that scored third highest (0.62). As is exhibited five items scored at this level. These include: ethical leadership and corporate citizenship, Intellectual capital, and Environmental capital and general impression of how the company reacting to good integrated reporting. An item worth noting is "general impression of how the company reacting to good integrated reporting". The "general impression" in this study does not necessarily mean the companies were fully presenting information as per the IR concept, but they showed willingness to provide more non-financial information.

Figure 2 shows that only about 64 % of the items on the IR disclosure framework were disclosed by at least half of the sampled listed companies. The disclosure items that scored poorly include "Integrated Reporting" and "Integrated Reporting Philosophy" (disclosed by nine companies).

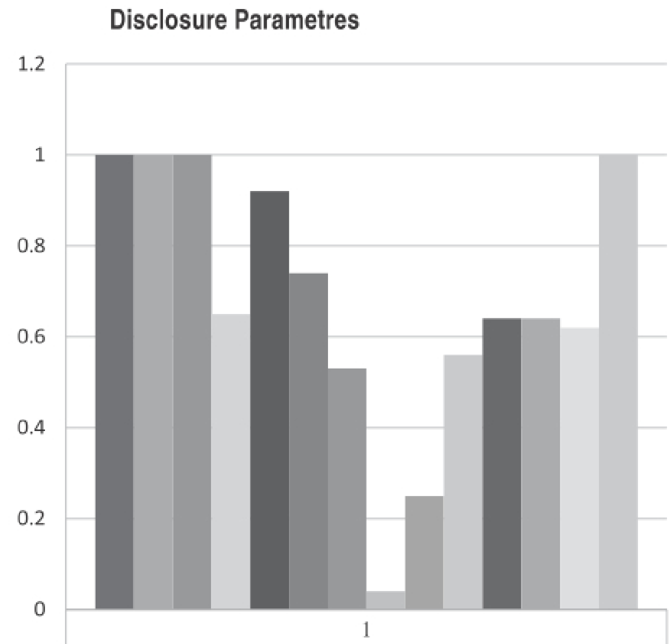
FINDINGS AND CONCLUSION

Overall as a group, the BSE 100 index constituents, have an average Composite Disclosure score of 0.69 with the IR Gap 0.31.

A little over a fourth (27%) has Composite Disclosure scores of 8 or more. This includes three companies which stand out for achieving the maximum score of 14 (Infosys, Bharti Airtel, HDFC Bank, TCS, Yes Bank, Tata Steel, Kriloskar Brothers).

About half of all BSE100 index constituent companies have Composite Disclosure scores of more than 7 but less than 12.

Individual Item Score



	1
Organisation Vision	1
Organisation Values	1
Organisation Context	1
Ethical Leadership and Corporate Citizenship	0.65
Boards, Directors and Remuneration	0.92
Governance of Risk	0.74
Governing Stakeholder Relationships	0.53
Integrated Reporting and Disclosure	0.04
Integrated Reporting Philosophy	0.25
Financial capital	0.56
Intellectual capital	0.64
Environmental capital	0.64
Social Capital	0.62
Governance	1

Figure 2 : Individual Item Score by BSE 100 Constitutents

Another fourth of the BSE 100 index constituent companies have low Composite Disclosure Scores of 5 or less. A third of these are government-owned enterprises.

73 per cent of India's N100 companies have full amount of CR disclosure. 45 per cent use standard frameworks for CR disclosure. 31 per cent of India's N100 comprehensively reports on CR through separate reports.

There is higher rate (70%) of N100 companies disclosing CR information in annual reports but Integrated Reporting will take a few years to gain prominence.

The results of analysis suggest some progress towards the implementation of IR indicated by an average IRI of 0.69 and on the other hand revealing a bigger IR gap of 0.31 that needs filling. Furthermore, it was found that the IR framework is based on the Code of Corporate Governance that contains less detailed guidance with regard to IR.

The current format of BR reports is narrative in nature with a few performance indicators. While this is a progressive step towards disclosure on CR in annual reports, integrated reporting in India is a distant future. With only two companies from India participating in the Pilot Programme of IIRC to develop and test the IR framework, integrated reporting is expected to take a few years to gain wider acceptability among Indian regulators, companies and investors. And Last, I would like to acknowledge my sincere gratitude to Indian Council of Social Science and Research (ICSSR), New Delhi for their financial support.

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Annexure 1

Companies	Organisation Vision	Organisation Values	Organisation Context	Ethical Leadership and Corporate Citizenship	Boards, Directors and Remuneration	Governance of Risk	Governing Stakeholder Relationships	Integrated Reporting and Disclosure	Integrated Reporting Philosophy	Financial capital (eg. Intangible, non-current assets, Short term loans	Intellectual capital (eg. Culture, Processes, Branding building, Customers)	Environmental capital (eg. Material, Energy, gas and water)	Social Capital (equitable employment, training & development health & safety)	Governance (eg. Independent directors, audit committee etc.)	IR SCORE	IR GAP
Infosys	1	1	1	0	1	1	1	0	0	0	0	0	0	1	14	0
Bharti Airtel	1	1	1	1	1	1	1	0	0	1	0	0	0	1	14	0
HDFC Bank	1	1	1	0	1	0	1	0	1	1	1	0	1	1	14	0
TCS	1	1	1	1	1	1	1	1	1	1	1	1	1	1	14	0
Yes Bank	1	1	1	1	1	1	1	1	1	1	1	1	1	1	14	0
Tata Steel	1	1	1	1	1	1	1	1	1	1	1	1	1	1	14	0
kriloskar Brothers	1	1	1	1	1	1	1	1	1	1	1	1	1	1	14	0
Reliance Com.	1	1	1	1	1	1	1	0	1	1	1	0	1	1	12	2
M&M Financial	1	1	1	1	1	1	1	0	0	1	1	1	1	1	12	2
Ashokley	1	1	1	1	1	1	1	0	0	1	1	1	1	1	12	2
Reliance Cap.	1	1	1	1	1	1	1	0	1	1	1	0	1	1	12	2
Union Bank	1	1	1	1	1	1	1	0	0	1	1	1	1	1	12	2
Colgate Palmolive	1	1	1	1	1	1	1	0	0	1	1	1	1	1	12	2
Cairn India Ltd.	1	1	1	1	1	1	1	0	0	1	1	1	0	1	11	3
Indusind Bank	1	1	1	0	1	1	1	0	0	1	1	1	1	1	11	3
Cipla	1	1	1	1	1	1	0	0	1	0	1	1	1	1	11	3
IDBI Bank	1	1	1	0	1	1	1	0	1	0	1	1	1	1	11	3
Tata Steel	1	1	1	0	1	1	1	0	0	1	1	1	1	1	11	3
Shriram Trans	1	1	1	1	1	1	0	0	0	1	1	1	1	1	11	3
RIL	1	1	1	1	1	1	1	0	0	0	1	1	1	1	11	3
Power Grid Crop.	1	1	1	1	1	1	0	0	0	1	1	1	1	1	11	3
Power Finance	1	1	1	1	1	1	1	0	0	0	1	1	1	1	11	3
Gail India	1	1	1	1	1	1	1	0	0	1	1	1	0	1	11	3
Dr. Reddy Lab.	1	1	1	0	1	1	1	0	0	1	1	1	1	1	11	3
BPCL	1	1	1	1	1	1	0	0	0	1	1	1	1	1	11	3
Lupin	1	1	1	1	1	1	1	0	0	1	1	1	0	1	11	3
NHPC	1	1	1	0	1	1	1	0	0	1	1	1	1	1	11	3
Ultratech Cement	1	1	1	1	1	1	0	0	1	0	1	1	1	1	11	3
HindalcoInds	1	1	1	0	1	1	1	0	1	0	1	1	1	1	11	3

GMR Infra	1	1	1	0	1	1	1	0	0	1	1	1	1	1	11	3
SAIL	1	1	1	1	1	1	0	0	0	1	1	1	1	1	11	3
Reliance Power	1	1	1	1	1	1	1	0	0	0	1	1	1	1	11	3
Maruti Suzuki	1	1	1	1	1	1	0	0	0	1	1	1	1	1	11	3
LIC Housing Finance	1	1	1	1	1	1	1	0	0	0	1	1	1	1	11	3
Excide Ind.	1	1	1	1	1	1	1	0	0	1	1	1	0	1	11	3
Amuja cement	1	1	1	0	1	1	1	0	0	1	1	1	1	1	11	3
United Spirits	1	1	1	1	1	1	0	0	0	1	1	1	1	1	11	3
Divis Lab	1	1	1	1	1	1	1	0	0	1	1	1	0	1	11	3
Can Bank	1	1	1	0	1	1	1	0	0	1	1	1	1	1	11	3
Coal India	1	1	1	1	1	1	0	0	0	1	1	1	1	1	11	3
Hindustan Unilever	1	1	1	1	1	0	1	0	1	1	1	0	0	1	10	4
Cumminis India	1	1	1	0	1	1	0	0	0	1	1	1	1	1	10	4
Wipro	1	1	1	1	1	1	1	0	0	0	0	1	1	1	10	4
BOI	1	1	1	1	1	1	1	0	0	0	1	1	0	1	10	4
Ranbaxy Lab	1	1	1	1	1	1	0	0	0	0	1	1	1	1	10	4
Bajaj Auto	1	1	1	1	1	1	0	0	0	1	1	1	0	1	10	4
Tata Power	1	1	1	1	1	0	1	0	1	1	1	0	0	1	10	4
HCL Tech	1	1	1	0	1	0	1	0	1	1	1	0	1	1	10	4
United Phos	1	1	1	0	1	1	0	0	0	1	1	1	1	1	10	4
Godrej Cons.	1	1	1	1	1	1	1	0	0	0	0	1	1	1	10	4
CG	1	1	1	1	1	1	1	0	0	0	1	1	0	1	10	4
NMDC	1	1	1	1	1	1	0	0	0	0	1	1	1	1	10	4
Unitech	1	1	1	1	1	1	0	0	0	1	1	1	0	1	10	4
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NTPC	1	1	1	0	1	1	1	0	1	0	0	0	1	1	9	5
Kotak Mahindra Bank	1	1	1	0	1	1	1	0	1	0	0	0	1	1	9	5
BOB	1	1	1	1	1	0	0	0	1	1	1	0	0	1	9	5
Axis	1	1	1	0	1	0	1	0	1	0	0	1	1	1	9	5
Federal Bank	1	1	1	1	1	0	0	0	0	0	1	1	1	1	9	5
IDFC	1	1	1	1	1	1	0	0	0	0	0	1	1	1	9	5
Hero Motor Corp.	1	1	1	0	1	0	1	0	0	0	1	1	1	1	9	5
GlenmarkPharma	1	1	1	1	1	0	0	0	0	1	1	0	1	1	9	5
ABB	1	1	1	0	1	1	1	0	1	1	0	0	0	1	9	5
SBI	1	1	1	1	1	1	1	0	0	1	0	0	0	1	9	5
Dabur India	1	1	1	0	1	1	1	0	1	0	0	0	1	1	9	5
Adani Port	1	1	1	0	1	1	1	0	1	0	0	0	1	1	9	5

M&M	1	1	1	1	1	0	0	0	1	1	1	0	0	1	9	5
ITC	1	1	1	0	1	0	1	0	1	0	0	1	1	1	9	5
HDIL	1	1	1	1	1	0	0	0	0	0	1	1	1	1	9	5
United brewiers	1	1	1	1	1	1	0	0	0	0	0	1	1	1	9	5
Tech Manhindra	1	1	1	0	1	0	1	0	0	0	1	1	1	1	9	5
Reliance Infra	1	1	1	1	1	0	0	0	0	1	1	0	1	1	9	5
Indian Oil Corp.	1	1	1	1	1	1	0	0	0	0	0	1	1	1	9	5
HPCL	1	1	1	0	1	0	1	0	0	0	1	1	1	1	9	5
Hindustan Zinc	1	1	1	1	1	0	0	0	0	1	1	0	1	1	9	5
Ansal A P I Power Ltd.	1	1	1	0	1	1	0	0	0	1	1	0	1	1	9	5
DLF	1	1	1	0	1	1	0	0	0	0	0	1	1	1	8	6
Sesa Goa	1	1	1	1	1	1	1	0	0	0	0	0	0	1	8	6
Nestle India	1	1	1	1	1	0	0	0	0	1	0	1	0	1	8	6
L&T	1	1	1	1	1	0	0	0	0	1	0	1	0	1	8	6
Jindal Steel	1	1	1	1	1	1	0	0	0	0	0	0	1	1	8	6
Adani Pow	1	1	1	0	1	0	0	0	0	1	1	1	0	1	8	6
Zee Ent.	1	1	1	0	1	1	0	0	0	0	0	1	1	1	8	6
Siemens	1	1	1	1	1	1	1	0	0	0	0	0	0	1	8	6
BHEL	1	1	1	1	1	0	0	0	0	1	0	1	0	1	8	6
Asian Paints	1	1	1	1	1	0	0	0	0	1	0	1	0	1	8	6
Abirlanuvo	1	1	1	1	1	1	0	0	0	0	0	0	1	1	8	6
Asia Bioenergy (India) Ltd.	1	1	1	0	1	0	0	0	0	1	1	1	0	1	8	6
Prashant India Ltd.	1	1	1	1	1	0	0	0	0	1	1	0	0	1	8	6
Sun Pharma	1	1	1	1	1	1	0	0	0	0	0	0	0	1	7	7
Grasim Inds	1	1	1	0	1	1	0	0	1	0	0	0	0	1	7	7
Bharat Forge	1	1	1	1	1	1	0	0	0	0	0	0	0	1	7	7
AdnaiEnt.	1	1	1	0	1	0	1	0	0	1	0	0	0	1	7	7
Idea Cellular	1	1	1	0	1	1	1	0	0	0	0	0	0	1	7	7
REC	1	1	1	1	1	1	0	0	0	0	0	0	0	1	7	7
PNB	1	1	1	0	1	1	0	0	1	0	0	0	0	1	7	7
Titan Inds	1	1	1	1	1	1	0	0	0	0	0	0	0	1	7	7
ONGC	1	1	1	0	1	0	0	0	0	0	0	0	0	1	5	9
HDFC Fin.	1	1	1	0	1	0	0	0	0	0	0	0	0	1	5	9

Integrated Reporting in India: A Case Study of BSE 100 Constituents

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"<IR> is a journey and it will take more than one reporting cycle to get there. As businesses start to use <IR> as a tool to better understand the connections between key resources and relationships that contribute to their success, and as a result make more informed decisions, the real value of integrated thinking and the integrated report will be realized".

PAUL DRUCKMAN, CEO
INTERNATIONAL INTEGRATED REPORTING COUNCIL (IIRC)

The study investigated the level of Integrated Reporting (IR) in India focusing on mandatory disclosure norms. It employed content analysis using an Integrated Reporting Index (IRI) in examining the annual reports of top 100Indian listed companies on BSE. Based on the score range of 0 to 1 being the minimum and maximum respectively, the study revealed an average IRI of 0.69and consequently an IR gap of 0.31. The average IRI suggested achievement of some progress toward IR by the companies and on the other hand the IR gap indicates the need for much more effort to be exerted in promoting IR amongst the listed companies in India.

Keywords: *Integrated reporting (IR), Integrated Reporting Index (IRI), Integrated Report Gap (IR gap).*

INTRODUCTION

Historically, private and publicly-listed companies in India have disclosed only as much information as is mandatorily required. The justification and argument for this approach- that the provision of additional information would be of greater interest to competitors rather than investors- has often been repeated by companies. Today, however, increasing regulatory activism and international institutional investors are demanding additional disclosures from India's 9,000+ listed companies, in the interest of improving corporate governance and removing information asymmetries in the capital markets. Last year, Indian capital market regulator Securities and Exchange Board of India (SEBI) introduced an amended Clause 49 in the Equity Listing Agreement that demands board-level oversight for 'disclosure and communications,' while acknowledging weak enforcement of mandatory disclosure standards.

The modern business communit considers information as an influential component in decision-making process. Reporting is thus important aspect of management of companies. Previously financial reporting was considered adequate in meeting the reporting requirements. This was possible because companies were narrowly recognizing their stakeholders who were also less demanding and biased towards financial information. The current business environment embraces a broader stakeholder view; as a result the number of recognized stakeholders has greatly increased. Furthermore, the stakeholders are more demanding and not simply biased on financial indicators; they are seeking a balanced overview of the companies' situation. There is pressure for the companies to provide balanced reporting of performance by providing both financial and non-financial information. Although the original intention of non-financial reporting was to provide information of interest to other stakeholders not previously recognized, ironically shareholders are also paying increasing attention to them.

Pressure to provide both financial and non-financial information is also emanating from the very objective of financial reporting of presenting "a true and fair view". Eccles and Saltzman (2011) argued that the 'questions about whether a financial report presents a "true and fair view" of a company cannot be adequately answered, because the reports do not contain information on non-financial performance that can determine a company's long-term financial picture'. Basically organizations do not operate in a vacuum, their performance is impacted by the environment; hence the financial figures aiming at representing the performance of the organizations should be given within their operating context to allow the stakeholders make appropriate assessments.

Another reason for increased need for non-financial reporting is based on morality. The current thinking is that organizations are obliged morally to enhance a positive contribution to society. This is based on the understanding that organizations exist because society has authorized them to operate, to use resources and to affect the quality of citizens' lives. Thus it is expected that corporate reporting should provide insights into how a company views itself and its role in society, communicating company's performance both good and bad and indicating commitments to improve future performance and establish accountability for meeting objectives.

This increased need to improve disclosure of both financial and non-financial information has brought into attention the opportunity to implement a reporting framework called "Integrated Reporting". Integrated Report attempts to combine the reporting of different facets of organizational activities on a common platform with a unified objective, bringing together all important elements of organizational performance in a single report. At the heart of the IR conceptual framework is the notion that companies should expand their reporting to include all of the resources they use as inputs to their business activities. Krzus (2011) posited that the IR practice has potential of enabling stakeholders to fully evaluate the economic, environmental, and social performance of a business in so doing facilitating a more effective assessment of a company's ability to create value over the long-term. The IR framework is being seen as an opportunity for reporting formats that focus on single aspect of reporting that work together to achieve a more holistic reporting format about the simultaneous web of interactions and implications of financial, social, environmental, and governance-related organizational activities for stakeholders.

Due to the perceived benefits, IR is gaining worldwide acceptance and research interest is growing. However currently there is dearth of empirical studies on the subject worldwide. At the same time, it is being acknowledged that research is in a complex developmental stage which is critical to its development. There is therefore need for more studies to facilitate its development generally. Further to that, more often than not, most studies on contemporary corporate reporting issues (such as CSR, corporate governance, risk etc) tend to be carried out in developed countries and far less in developing countries. This tendency leads to little knowledge of the status and of the needed improvements in developing countries, and consequently the reporting frameworks tend to be underdeveloped. This study ensures that developing countries are not left behind. As a result, the study focused on a developing country, India and it examined the annual reports of companies listed on Bombay Stock Exchange (MSE). The study endeavours to create awareness and impetus for IR in Malawi by highlighting the existing gaps in the Indian IR framework and giving the current IR status by the Indian listed companies. The study will also assist the preparer of annual reports in aligning them and move in tandem with current reporting trends. The study contributes to extant literature on integrated reporting generally and on current status in developing countries and will act as a reference for future studies. The rest of the paper is structured as follows. Section two presents a review of literature on the development of the integrated reporting framework and the provisions of integrated reporting in India and the gaps thereof, followed by section three that discusses the research methodology. Presentation of results and the ensuing discussion are in section four and the finally section five gives concluding remarks.

LITERATURE REVIEW

Integrated Reporting

According to Ioana and Adriana (2013), corporate non-financial reporting has developed from predominately single-issue reports that were mostly environmentally focused, to multi-issue or sustainability reports. Ioana and Adriana (2013) noted that the trend towards multi-issue reporting is going further towards integrated reporting, which they described as sustainability reporting integrated within the financial or annual report". They then intimated that IR could be one of the major topics in the debate on the future of sustainability reporting. Rightly as they predicted, currently IR is gaining worldwide acceptance as a holistic corporate reporting framework of relevance to the modern environment.

IIRC (2013) defines Integrated Reporting as "a process founded on integrated thinking that results in a periodic integrated report by an organization about value creation over time and related communications regarding aspects of value creation". IR can be understood as the convergence of the sustainability report and the financial report into a single "narrative" i.e. a communication intended mainly for investors in which top management provides its views on how sustainability issues and initiatives are expected to contribute to the long-term growth strategy of the business. "Integrated thinking" on the other hand is defined as "the active consideration by an organization of the relationships between its various operating and functional units and the capitals that the organization uses or affects". IIRC (2013) recognizes that integrated thinking leads to integrated decision making and actions that consider the creation of value over the short, medium and long term.

The product of the IR process is the production of an "integrated report". IIRC (2013) defines integrated report as "a concise communication about how an organization's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value over the short, medium and long term". According to Eccles and Saltzman (2011), an integrated report is not intended simply to be a compendium of every single piece of performance information; on the contrary, it is there to bring together material information on financial and non-financial performance in one place. Furthermore, Abeysekera (2013) posited that integrated report should explain the story of reaching the organisation's vision, underpinned by its values, enacted by management, monitored by governance, and using facets of resources relating to financial capital, intellectual capital, social capital, and environmental capital. Besides, it should show the relationships between material, financial and non-financial performance metrics (Eccles and Saltzman, 2011).Thus the report should be capable of promoting a more cohesive and efficient approach to corporate reporting, that aims at improving the quality of information enabling more efficient and productive allocation of capital (IIRC, 2013).

International Integrated Reporting Council (IIRC) Framework

The International Integrated Reporting Council (IIRC) was established in 2010 (Cheng et al., 2014). The IIRC is a global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs with a shared view that the "communication about value creation should be the next step in the evolution of corporate reporting" (IIRC, 2013).The mission of the council is "to enable Integrated Reporting to be embedded into mainstream business practice in the public and private sectors" (http://www.theiirc.org/theiirc/). Accordingly IIRC issued an Integrated Reporting (IR) Framework in late 2013 (Cheng et al., 2014). The Framework allows companies to provide a clear link between the reported non-financial information and the financial information in a manner that allows assessment of the on-going future performance of the company. It is supposed to be implemented by companies through the production of a separate report (i.e. an integrated report) that integrates the companies' financial and non-financial information (Cheng et al., 2014).

The Framework comprehensively provides general understanding of IR, the IR process and the essential elements that may be included in the presentation of the integrated report. According to IIRC (2013) an integrated report is supposed to depict the following eight elements answering the corresponding questions:

Organizational Overview and External Environment: What does the organization do and what are the circumstances under which it operates?

Governance: How does the organization's governance structure support its ability to create value in the short, medium and long term?

Business Model: What is the organization's business model?

Risks and Opportunities: What are the specific risks 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: Where does the organization want to go and how does it intend to get there

Performance: To what extent has the organization achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals?

Outlook: 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 presentation: How does the organization determine what matters to include in the integrated report and how are such matters quantified or evaluated?

According to the Framework an integrated report has three aims which are to provide insight about:

The external environment that affects an organization.

The resources and the relationships used and affected by the organization. The "resources and relationships" are collectively referred as the "capitals" and are categorized as financial, manufactured, intellectual, human, social and relationship, and natural.

How the organization interacts with the external environment and the capitals to create value over the short, medium and long term.

Furthermore, the IR framework is principle based, thus underlying the preparation of an integrated report are the eight guiding principles which according the Framework should inform the content and how the information is presented. They are:

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

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

Stakeholder relationships: An integrated report should 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 to their legitimate needs and interests.

Materiality: 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: An integrated report should be concise.

Reliability and completeness: An integrated report should include all material matters, both positive and negative, in a balanced way and without material error.

Consistency and comparability: The information in an integrated report should be presented: (a) on a basis that is consistent over time; and (b) in a way that enables comparison with other organizations to the extent it is material to the organization's own ability to create value over time.

Benefits of the established IR framework

According to Krzus (2011) the four critical benefits of IR that are correcting fundamental problems with today's reporting model include: greater clarity; better decisions; deeper engagement; and lower reputational risk. Eccles and Saltzman (2011) classified the benefits to include: internal benefits – involving better internal resource allocation decisions, greater engagement with shareholders and other stakeholders, and lower reputational risk and external market benefits – the ability to meet the needs of mainstream investors who want environmental, social and governance information. Krzus (2011) observed that IR enables the reader to better understand the cause and effect relationships between, for example, financial and sustainability performance. Abeysekera (2013) pointed out that IR facilitates achievement of a more holistic reporting format that reports about the simultaneous web of interactions and implications of financial, social, environmental, and governance-related organizational activities for stakeholders. Technologically, Krzus (2011) noted that IR serves as a platform to furnish more detailed data than what is available only in a paper or PDF report. This enables organisations to leverage on the Internet and Web 2.0 tools and technologies, consequently facilitating the readers' ability not only to perform their own analysis of financial and non-financial information, but also to communicate their thoughts and opinions with other stakeholders. The same is of importance because in the current era in which news spreads as it happens through the Internet and social media networks, investors, society, and governments are increasingly demanding that organisations be accountable to stakeholders, not merely shareholders, and be transparent about their activities (Abeysekera, 2013).