



Evolving Corporate Sustainability Reporting Landscape in India: A Literature Review of SEBI's BRSR Framework (2021 - 2025)

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Abstract

The seminal moment in Indian corporate sustainable regulatory norms was when financial markets' regulator SEBI (Securities and Exchange Board of India) unveiled the BRSR (Business Responsibility and Sustainability Reporting) framework in 2021. This review presents a comprehensive analysis of the framework's progressive evolution, phased implementation, and impact from 2021 to 2025. The analysis considered the industry and scholarly publications, explaining how the framework enables and enhances corporate transparency, accountability, and governance. It describes how Indian corporate practices are aligned with global ESG (environmental, social, and governance) norms, standards, and UN SDGs (Sustainable Development Goals). The analysis highlights the difficulties faced by reporting entities, such as data quality management and the risk of greenwashing, along with potential strategies to improve reliability by leveraging technological solutions and third-party assurance. Finally, the review concludes by recognizing the early work from academic research and proposing a critical path ahead for further inquiry to advance the framework's effectiveness and credibility.

Keywords: Corporate Sustainability Reporting, Business Responsibility, BRSR, UN Sustainable Development Goals, Corporate Governance.

1. Introduction

Corporate governance norms are being reviewed globally, given the widespread adoption of ESG (environmental, social, and governance) factors. This shift underscores a global movement towards the integration of non-financial indicators into core business strategies and reporting mechanisms. India's rise as one of the fastest-growing major economies, particularly among G20 nations, means it holds a particularly key position in this global shift (Kharola et al., 2025). [1] The nation faces considerable vulnerability to the impacts of climate change while simultaneously committing to ambitious environmental targets, such as achieving net-zero emissions by 2070 and sourcing 50% of its energy requirements from renewable sources by 2030 (Press Information Bureau, 2023). These national commitments place a substantial responsibility on the Indian corporate sector to contribute meaningfully to sustainability objectives. India's journey in ESG reporting adoption has been progressive,

commencing with the Ministry of Corporate Affairs (MCA) publishing "Voluntary Guidelines on Corporate Social Responsibility (CSR)" in 2009. These initial guidelines evolved into the more comprehensive "National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business" in 2011, establishing a foundational document for subsequent mandatory reporting frameworks. Building upon this foundation, the Securities and Exchange Board of India (SEBI) introduced the "Business Responsibility Report (BRR)" in 2012, initially mandating its disclosure for the top 100 listed companies by market capitalization. The scope progressively expanded to include the top 500 companies in 2015 and further to the top 1000 in 2019. In a significant regulatory advancement, SEBI introduced the "Business Responsibility and Sustainability Reporting (BRSR)" framework in May 2021, effectively replacing the existing BRR (SEBI, 2021). This new framework became mandatory for

the top 1000 listed entities by market capitalization starting from FY 2022-23. This literature review specifically focuses on 2021-2025, capturing the critical initial phase of BRSR implementation, its immediate challenges, and its early impacts, as reflected in academic and industry reports. [2]

2. Evolution and Mandate of SEBI's BRSR Framework (2021-2025)

The BRSR framework is structured around nine core principles of the "National Guidelines on Responsible Business Conduct (NGRBCs)," issued by the Ministry of Corporate Affairs in March 2019 (MCA, 2019). The framework is organized into three distinct sections: [3]

- **Section A:** General Disclosures - Fundamental company information including business profile, employee diversity metrics, and operational locations.
- **Section B:** Management & Process Disclosures - Assessment of sustainability integration into management structures and governance mechanisms.
- **Section C:** Principle-wise Performance Disclosures - Detailed reporting on adherence to each NGRBC principle, categorized into:

- **Essential Indicators (Mandatory):** 98 specific indicators mandatory for all companies
- **Leadership Indicators (Voluntary):** 42 indicators for showcasing advanced sustainability practices

The framework demands detailed data across environmental, social, and governance practices, including GHG emissions (mandatory for Scope 1 and 2), energy consumption, water usage, waste management, biodiversity impact, and climate change initiatives (SEBI, 2021). To strengthen credibility, SEBI introduced "BRSR Core" parameters in July 2023, focusing on critical ESG attributes subject to third-party assessment or assurance (SEBI, 2023). The mandatory reasonable assurance is being implemented progressively based on a specified glide path. A significant development is the inclusion of value chain disclosures, initially set for the top 250 listed entities from FY 2024-25 but deferred to FY 2025-26. The scope includes top upstream and downstream partners comprising 75% of the entity's purchases/sales, with each partner constituting 2% or more of the value (SEBI, 2024). (Table 1,2) [4]

Table 1 Evolution of Sustainability Reporting in India (BRR to BRSR)

Year/ Period	Framework/ Guideline Name	Issuing Authority	Applicability/ Scope	Key Characteristics/ Focus
2009	Voluntary Guidelines on CSR	MCA	Voluntary	Initial focus on corporate social responsibility
2021	Business Responsibility and Sustainability Report (BRSR)	SEBI	Top 1000 listed entities (mandatory from FY 2022-23; voluntary for FY 2021-22)	Replaced BRR; aligned with NGRBC principles; comprehensive ESG disclosures (Essential & Leadership indicators)

Table 2 BRSR Core Applicability and Assurance Glide Path

Financial Year	Applicability of BRSR Core to Top Listed Entities	BRSR Core Assurance Requirement	Value Chain Disclosure Applicability
FY 2023-24	Top 150 listed entities	Mandatory Reasonable Assurance	Top 250 listed entities (initial mandate)
FY 2024-25	Top 250 listed entities	Mandatory Reasonable Assurance	Top 250 listed entities (initial mandate)
FY 2025-26	Top 500 listed entities	Mandatory Reasonable Assurance	Top 250 listed entities (deferred effective date)
FY 2026-27	Top 1000 listed entities	Mandatory Reasonable Assurance	Top 250 listed entities (deferred effective date)

3. Impact of BRSR on Corporate Behavior and ESG Performance

The BRSR framework has demonstrably improved corporate transparency by compelling standardized ESG disclosures, empowering stakeholders to make informed decisions (EY India, 2025). Enhanced accountability serves as a significant driver for businesses to adopt more responsible practices across operations. Empirical studies indicate positive correlations between ESG adoption and financial performance in Indian businesses. Companies with high ESG scores show tangible benefits, including 7.3% growth in Return on Assets (ROA) and 5.8% improvement in stock liquidity (Paridhi & Ritika, 2025). Firms integrating SDGs and ESG principles experienced a 12% increase in market capitalization over three years. BRSR formalizes ESG disclosure as mandatory for the top 1000 listed companies, shifting ESG from voluntary practice to legal obligation. The framework emphasizes board oversight in ESG compliance, expecting corporate boards to actively engage in identifying and mitigating ESG-related risks (SEBI, 2021). The framework plays a significant role in fostering inclusive socio-economic transition, aligning with the International Labour

Organization's definition of just transition. Five just transition-relevant indicators are part of 'BRSR Core' disclosure, subject to third-party assessment, providing verifiable metrics for stakeholder engagement (Grantham Research Institute, 2025). [5]

4. Challenges and Strategies in BRSR Implementation

4.1. Key Challenges

- **Data Management Complexity:** Companies struggle with collecting, integrating, and harmonizing fragmented data from disparate sources across business units. The task of compiling BRSR-related data for all nine NGRBC principles, particularly for parameters like electricity consumption and waste generation recorded at individual locations, poses significant consolidation difficulties (InCorp Advisory, 2025). [6]
- **Financial Investment:** Substantial outlays include capital expenditures for equipment upgrades, operational expenses for new management systems, staff training, and engagement of external consultants and auditors. These costs can be particularly challenging for smaller organizations with

limited resources. [7]

- **Skills Gap:** Many companies lack internal expertise in environmental impact assessments, sustainability reporting methodologies, and risk management. The absence of ESG awareness among on-ground staff leads to inaccuracies in data collection (Taxmann Publications, 2025). [8]
- **Greenwashing Risks:** The potential for companies to exaggerate ESG promises without genuine action undermines framework credibility. Current self-declared reporting with limited mandatory third-party assurance creates opportunities for less scrupulous reporting (Council on Energy, Environment and Water, 2024). [9]

4.2. Strategic Solutions

- **Technology Integration:** Artificial Intelligence and Machine Learning automate data collection, provide predictive insights, and optimize resource usage. Blockchain technology enhances supply chain transparency and traceability. IoT-enabled monitoring systems facilitate real-time ESG data reporting (Times of India, 2025).
- **Third-Party Assurance:** Companies increasingly opt for independent verification to enhance credibility. The phased mandatory assurance for BRSR Core institutionalized this practice.
- **Capacity Building:** Comprehensive training programs address skill gaps and improve ESG awareness within organizations. Stakeholder engagement through systematic consultations helps identify material issues and align strategies. [10]
- **Standardization:** Companies select and standardize ESG metrics material to operations while ensuring BRSR compliance. Early preparation provides advantage in developing comprehensive internal policies aligned with NGRBC principles. [11]

5. Academic Research Landscape and Future Directions

The period 2021-2025 has witnessed the emergence of initial empirical studies on BRSR reporting.

Research analyzing corporate attributes' influence on sustainability disclosures found that company size by market capitalization had a strong positive impact on reporting quality, while traditional metrics like age, profitability, and board size showed no significant associations (ResearchGate, 2024). Analysis of BRSR reports from 1012 Indian companies for FY 2022-23 revealed relatively higher disclosure levels for principles related to product responsibility, stakeholder engagement, and ethical conduct. However, significant improvement opportunities exist for environmental stewardship and human rights disclosures, particularly regarding value chain partners and comprehensive GHG emissions reporting (IIM Ahmedabad, 2024). [12]

5.1. Research Gaps and Future Directions

- **Longitudinal Impact Studies:** Current research is largely cross-sectional due to BRSR's recent introduction. Future research needs longitudinal studies assessing long-term impact on corporate behavior and financial performance. [13]
- **BRSR Core Effectiveness:** As mandatory third-party assurance rolls out, empirical studies should evaluate the impact of core disclosures on data credibility, investor trust, and greenwashing reduction. Sector-Specific Analysis: More in-depth comparative analyses across different economic sectors are required to uncover unique challenges and industry-specific best practices. [14]
- **Greenwashing Detection:** Research should focus on developing robust methodologies for detecting misleading ESG claims and assessing enforcement mechanism effectiveness. Technology Impact: Empirical studies are needed to quantify AI, blockchain, and IoT's actual impact on reporting accuracy, efficiency, and overall ESG performance. [15]

Conclusion

SEBI's BRSR framework represents a transformative evolution in India's corporate sustainability reporting landscape, marking a decisive shift from voluntary qualitative disclosures to mandatory comprehensive ESG reporting. The framework has enhanced

corporate transparency, accountability, and ESG performance comparability across Indian listed entities, directly influencing investor decisions and promoting sustainability integration into core business strategies. For Indian businesses, BRSR compliance necessitates strategic investments in data management systems, skilled talent development, and ESG principle integration across operations. While challenging, this commitment offers opportunities for enhanced brand reputation, improved access to sustainable finance, and long-term organizational resilience. For regulatory bodies, BRSR's dynamic nature demands continuous monitoring, agile guideline refinement, and strengthened enforcement mechanisms to combat greenwashing effectively. For investors, BRSR provides standardized, progressively verifiable ESG data, empowering informed, responsible investment decisions and fostering sustainable finance growth. Through BRSR implementation and continuous refinement, India has established itself as a proactive leader in corporate sustainability reporting among emerging markets. While challenges persist regarding data quality, greenwashing risks, and regulatory consistency, the framework's design for continuous evolution and increasing stakeholder engagement signal a positive trajectory toward a more sustainable, transparent, and inclusive economy.

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