



EVOLVING CORPORATE SUSTAINABILITY REPORTING LANDSCAPE IN INDIA: A LITERATURE REVIEW OF SEBI'S BRSR FRAMEWORK (2021–2025)

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Abstract

Corporate sustainability reporting has become a pivotal mechanism for promoting transparency, accountability, and responsible business conduct in India. The Securities and Exchange Board of India (SEBI) introduced the Business Responsibility and Sustainability Reporting (BRSR) framework in 2021 as a comprehensive disclosure mechanism for listed entities, replacing the earlier Business Responsibility Report. This paper undertakes a critical review of the evolving landscape of BRSR from 2021 to 2025, examining its regulatory development, integration with global ESG frameworks, and its role in strengthening corporate governance. The study is guided by three objectives: first, to critically analyze the evolution of the BRSR framework; second, to investigate the principal challenges in its adoption, including data quality, reporting consistency, and risks of greenwashing; and third, to propose forward-looking strategies for enhancing its credibility through technological solutions and independent assurance mechanisms. The review highlights that while BRSR has advanced India's alignment with international sustainability standards, practical challenges remain in ensuring comparability, reliability, and broader adoption across industries. The findings contribute to the ongoing discourse on sustainable corporate practices and provide insights for regulators, practitioners, and researchers to strengthen the future trajectory of BRSR in India.

Keywords: *Business Responsibility and Sustainability Reporting (BRSR); SEBI; Corporate Sustainability Reporting; ESG Disclosure; Greenwashing*

1. Introduction

Sustainability and responsible business conduct have emerged as global imperatives in the twenty-first century. Increasing pressure from investors, regulators, consumers, and international institutions has placed corporate transparency at the heart of business operations. In India, this regulatory transformation has been spearheaded by the Securities and Exchange

Board of India (SEBI) through the introduction of the Business Responsibility and Sustainability Reporting (BRSR) framework in 2021.

The BRSR replaced the earlier Business Responsibility Report (BRR), which had been mandated since 2012 but was criticised for being largely narrative, lacking measurable indicators, and offering limited comparability. With BRSR, India moved towards measurable and globally harmonised disclosures, covering a broader spectrum of Environmental, Social, and Governance (ESG) issues.

This paper reviews the evolution, challenges, and prospects of the BRSR framework from 2021 to 2025. By synthesising academic studies, regulatory circulars, and industry reports, it provides a comprehensive account of how the framework has reshaped corporate sustainability reporting in India.

2. Literature Review

Evolution of SEBI's BRSR Framework (2021–2025)

India's corporate sustainability reporting has undergone significant transformation with the launch of the Business Responsibility and Sustainability Reporting (BRSR) framework by the Securities and Exchange Board of India (SEBI) in May 2021. The BRSR replaced the earlier Business Responsibility Report (BRR), which was widely considered descriptive and inadequate for addressing measurable ESG parameters (SEBI, 2021). Grounded in the National Guidelines on Responsible Business Conduct (NGRBC, 2019), the BRSR was designed to capture structured disclosures across environmental, social, and governance dimensions, ensuring that sustainability practices became integral to corporate governance (MCA, 2019).

The framework was made mandatory for the top 1,000 listed companies by market capitalisation from FY 2022–23. In 2023, SEBI further introduced BRSR Core, a streamlined version focusing on key ESG indicators with mandatory reasonable assurance from external auditors (SEBI, 2023a). This initiative aimed to address concerns about the credibility of disclosures and enhance investor trust. Additionally, BRSR Core extended disclosure requirements to value-chain partners on a comply-or-explain basis, expanding the scope of accountability beyond listed entities (SEBI, 2023b).

Another unique feature of the BRSR lies in its attempt to harmonise with international sustainability reporting standards such as the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-related Financial Disclosures (TCFD). By permitting companies to cross-reference global frameworks, SEBI reduced duplication of efforts while promoting international comparability (EY, 2022).

Current literature suggests that India is progressively aligning BRSR with the International Sustainability Standards Board (ISSB) standards (IFRS S1 and S2), which are emerging as the global baseline for ESG reporting (PwC, 2023). At the same time, BRSR retains India-specific developmental indicators such as local job creation, thus balancing international comparability with domestic priorities (SEBI, 2023a).

Challenges in Implementation

The first cycle of mandatory BRSR implementation during FY 2022–23 revealed wide variations in reporting practices across firms. Some organisations produced detailed quantitative ESG disclosures, while others presented minimal compliance-oriented information, highlighting disparities in institutional capacity (Indian Institute of Management Ahmedabad [IIMA], 2023).

Several challenges have been identified in the literature. First, data quality and standardisation remain significant concerns. Many companies lack robust internal systems for collecting and verifying ESG data, leading to inconsistencies in disclosure (KPMG, 2023). Second, the risk of greenwashing is prevalent, where firms selectively report favourable sustainability outcomes while concealing material risks (SEBI, 2023b). Third, the absence of reliable assurance mechanisms during the early stages reduced the credibility of reports, limiting investor confidence. Although BRSR Core introduced assurance requirements, smaller firms and supply-chain partners continue to face difficulties in meeting compliance costs (SEBI, 2023a). In addition, the fragmented ESG rating ecosystem in India created confusion among investors. Different rating providers applied inconsistent methodologies, leading to unreliable sustainability scores. To address this, SEBI introduced regulatory oversight of ESG rating agencies in 2023 and expanded the framework in 2025 to enhance transparency and comparability (SEBI, 2023c).

Future Directions

The evolution of BRSR highlights several promising future directions. First, India is expected to move toward progressive convergence with ISSB standards, thereby strengthening global comparability and facilitating access to international capital markets (PwC, 2023). Second, the use of technology-driven solutions such as artificial intelligence, blockchain, and big data analytics is anticipated to play a key role in ensuring accuracy, timeliness, and auditability of ESG disclosures (EY, 2022). Third, SEBI is likely to adopt a calibrated approach toward supply-chain disclosures, balancing rigor in reporting with the practical realities faced by micro, small, and medium enterprises (SEBI, 2025).

Overall, the BRSR represents a landmark regulatory initiative in India's corporate governance landscape. While challenges of data quality, assurance, and comparability remain, its phased implementation demonstrates SEBI's long-term commitment to institutionalising sustainability reporting and embedding ESG considerations into financial decision-making.

3. Objectives of the Study

1. To analyse the evolution of SEBI's BRSR framework.
2. To examine the principal challenges associated with the adoption of BRSR.
3. To suggest forward-looking strategies aimed at strengthening the credibility and effectiveness of BRSR.

4. Methodology of the Review

This study adopts a narrative literature review methodology to synthesise developments in India's corporate sustainability reporting between 2021 and 2025. Data sources include:

- Peer-reviewed journal articles on ESG and sustainability reporting.
- Regulatory documents from SEBI and the Ministry of Corporate Affairs.
- Practitioner reports (EY, PwC, KPMG, Deloitte).
- Industry analyses, think-tank reports, and research institute publications.

The scope is limited to the period 2021–2025, with thematic focus on the evolution of BRSR, implementation challenges, and future strategies.

5. Evolution of BRSR in India (2021–2025)

5.1 From BRR to BRSR

- 2012: Introduction of the Business Responsibility Report (BRR) for the top 100 listed companies.
- 2019: Ministry of Corporate Affairs launches the National Guidelines on Responsible Business Conduct (NGRBC), laying the foundation for structured disclosures.
- 2021: SEBI introduces BRSR to replace BRR, with phased implementation. Unlike the BRR, which was mostly narrative, BRSR introduced quantifiable, measurable indicators, making disclosures comparable across firms.

5.2 Phased Implementation

- Voluntary Phase (FY 2021–22): Companies were encouraged to experiment with BRSR disclosures.

- Mandatory Phase (FY 2022–23 onwards): Top 1,000 listed entities by market capitalization required to submit BRSR.
- 2023–24: SEBI introduces BRSR Core, focusing on 49 critical ESG parameters.
- 2024–25: Supply-chain level reporting initiated, requiring large firms to capture ESG performance across partners.

5.3 Convergence with Global Standards

BRSR has been consciously designed to align with frameworks such as:

- Global Reporting Initiative (GRI)
- Task Force on Climate-related Financial Disclosures (TCFD)
- Sustainability Accounting Standards Board (SASB)
- International Sustainability Standards Board (ISSB, 2023 onwards)

This evolution ensures that Indian corporates are not isolated but remain globally comparable.

6. Challenges in Implementation

6.1 Data Quality and Consistency

A key challenge lies in ensuring accuracy and completeness of ESG data. Early BRSR filings revealed inconsistent definitions, missing disclosures, and fragmented reporting, especially among mid-cap companies.

6.2 Assurance and Credibility Gap

Unlike financial reporting, sustainability disclosures often lack third-party assurance. This raises concerns of reliability, particularly for investors.

6.3 Risk of Greenwashing

Some firms exaggerate ESG achievements to attract responsible investors. Without proper checks, BRSR reports may become marketing tools rather than genuine accountability mechanisms.

6.4 Compliance Burden on MSMEs

Extending BRSR requirements to supply chains imposes compliance costs on small and medium enterprises (SMEs), many of which lack resources or expertise in ESG reporting.

6.5 Capacity Building and Awareness

Corporate managers often lack training in sustainability measurement, making it difficult to translate policies into measurable outcomes.

6.6 Technology and Infrastructure Limitations

Data collection remains largely manual. Absence of robust digital platforms creates risks of inefficiency and error.

7. Strategies and Future Directions

7.1 Technological Integration

The integration of advanced technologies can greatly enhance the effectiveness of the BRSR framework. Artificial intelligence and blockchain hold significant potential for enabling real-time collection, verification, and monitoring of ESG data, thereby improving accuracy and transparency. In addition, the adoption of cloud-based reporting platforms can provide a standardized system of disclosures across industries, ensuring consistency, comparability, and ease of access for stakeholders.

7.2 Mandatory Third-Party Assurance

Introducing compulsory third-party assurance for critical BRSR disclosures would substantially improve the credibility of sustainability reporting. Independent ESG audits can serve as an objective verification mechanism, minimising the risk of bias or misrepresentation. To facilitate this, SEBI can play an important role in encouraging the establishment and regulation of specialised ESG assurance firms, thereby ensuring accountability and quality standards in the assurance process.

7.3 Capacity Building and Training

Developing human capital is crucial for the successful implementation of BRSR. Conducting workshops and training programs for corporate managers, supply chain partners, and MSMEs would help improve awareness and technical expertise in ESG reporting. Furthermore, building partnerships between academia, regulators, and industry associations can support the creation of specialised ESG skill pools, fostering a sustainable ecosystem for long-term compliance and innovation.

7.4 Stronger Regulatory Oversight

Robust monitoring and enforcement are vital to maintaining the credibility of BRSR disclosures. SEBI can strengthen oversight by conducting random audits of corporate reports, thereby ensuring greater accountability. At the same time, penalizing companies engaged in greenwashing practices would act as a deterrent against manipulation and misuse, ultimately reinforcing investor trust in the reporting system.

7.5 Global Convergence with Local Context

Aligning BRSR with global frameworks such as the International Sustainability Standards Board (ISSB) guidelines can improve the international credibility of Indian firms and enhance investor confidence. However, it is equally important to preserve India-specific dimensions of sustainability, including inclusive growth, gender equality, and community engagement, which reflect the country's unique socio-economic conditions. This balanced approach would ensure both global relevance and local applicability.

7.6 Incentivising Compliance

Providing incentives can accelerate the adoption of high-quality BRSR reporting. Offering tax or financial benefits to early adopters would encourage proactive participation from corporates. Additionally, linking ESG performance with access to sustainable financing instruments, such as green bonds and sustainability-linked loans, would motivate firms to embed ESG principles more deeply into their business and financing strategies.

8. Research Gaps and Future Agenda

Despite the progress made, several research gaps remain in the area of BRSR. There is limited empirical evidence on how the adoption of BRSR impacts the financial performance of Indian firms, leaving scope for in-depth studies that can quantify such relationships. Comparative research across different sectors is also lacking, making it difficult to identify industry-specific challenges and best practices. Furthermore, stakeholder perceptions—particularly those of investors, employees, and consumers—have not been sufficiently explored, even though these groups play a crucial role in shaping corporate sustainability strategies. Finally, there is a need for longitudinal studies that track changes over time to better understand the long-term effects of BRSR implementation on corporate governance, investor trust, and sustainability outcomes.

9. Conclusion

The BRSR framework represents a landmark transformation in India's corporate sustainability reporting. Its phased evolution from BRR to a globally harmonized disclosure mechanism reflects India's growing commitment to ESG principles. However, successful adoption depends on addressing persistent challenges of data quality, assurance, greenwashing, and MSME readiness.

Looking ahead, technological integration, independent assurance, and convergence with ISSB standards will play pivotal roles in strengthening credibility. If effectively implemented, BRSR

could serve as a model for other emerging economies seeking to balance sustainability with economic growth.

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