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The BRSR Mandate and its Effect on Corporate ESG Reporting in India: A Comparative Study

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Abstract: *BRSR Mandate sets out to understand how a major new regulation is changing the way companies in India report their environmental, social, and governance (ESG) efforts. The study aims to evaluate the effectiveness of the SEBI's Business Responsibility and Sustainability Reporting (BRSR) Mandate in enhancing corporate transparency and accountability, by comparing company reports, both from before and after the rule was put in place. A comprehensive analysis of reports from 20 leading Indian companies is conducted to evaluate the effectiveness of the Business Responsibility and Sustainability Report (BRSR) mandate. The study compared pre-mandate corporate reports (2020) with post-mandate BRSR reports (2022–2024) to assess changes in transparency and sustainability performance. The study employed a structured framework to measure each report's quality. The findings indicate that the BRSR mandate has significantly improved corporate reporting. Companies are now providing a lot more specific, quantifiable data, which has made their reports much more trustworthy and useful. However, the change isn't perfect. It was observed that most companies are doing bare minimum, they are following the required rules to a certain extent. It is also seen that companies struggle to get complete information.*

Keywords*:* ESG Reporting, Corporate Governance, SEBI, BRSR Mandate

I. INTRODUCTION

ESG, stands for Environmental, Social, and Governance, refers to the core principles we now use to measure a company's sustainability and ethical impact. These aren't just buzzwords anymore, they've become important to how companies operate and how investors make decisions. Today investors to regulators to the public are demanding more than just financial success. They want to see genuine accountability and transparent reports on a company's environmental and social footprint.

This growing demand for accountability is why India made a major change. To tackle the messy and often inconsistent world of voluntary reporting, the Securities and Exchange Board of India (SEBI) replaced the old Business Responsibility Report (BRR) with the new Business Responsibility and Sustainability Report (BRSR). This isn't just an updated form, it's a mandatory, structured framework. Its main goals are to increase transparency, standardize data, and, most importantly, combat "greenwashing" by requiring companies to report on a specific, wide range of ESG metrics.

II. LITERATURE REVIEW

Mahmut Aydoğmuş,Güzhan Gülay,Korkmaz Ergun (2022), investigates whether ESG performance is associated with financial performance, focusing on firm value and profitability. Using a global panel of 1,720 publicly listed firms from 2013–2021 and ESG scores, the study examines the relationships through eight fixed-effects regression specifications. Dependent variables are Tobin’s Q (firm value) and ROA (profitability); independent variables are ESG CS (combined score) and its components (ENV, SOC, GOV), with size and leverage as controls. The results show a robust positive link between ESG performance and financial outcomes, especially for firm value and profitability. In particular, ESG CS strongly correlates with Tobin’s Q and ROA, with governance and social dimensions driving value, while the environmental score exhibits a weaker or non-significant relation to firm value but contributes to profitability. The findings support stakeholder theory: higher ESG performance aligns with better financial performance, though

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effects vary by dimension and metric. Limitations include non-causal inference and reliance on a single ESG scoring scheme.

Ting-Ting Li,**Kai Wang**,**Toshiyuki Sueyoshi** and **Derek D. Wang (2021),** surveys the evolving landscape of Environmental, Social, and Governance (ESG) research, outlining key strands, debates, and gaps. It traces the conceptual development of ESG from corporate social responsibility to integrated sustainability metrics and stresses the growing role of standardized ESG ratings in investment decisions. The authors highlight robust evidence that ESG performance is linked to financial outcomes such as stock returns, cost of capital, and firm value, but findings vary by dimension (Environmental, Social, Governance) and by industry, region, and time horizon. Methodological trends include meta-analyses, panel data analyses, and natural experiments, with a notable shift toward causal inference through instrumental variables and difference-in-differences designs. The review emphasizes data challenges (measurement error, aggregation of scores, data availability) and calls for harmonized reporting standards. It also identifies future directions: deeper understanding of mechanism (stakeholder vs. shareholder benefits), time lags, and the role of governance structures in translating ESG into performance. Useful for framing how ESG accountability interacts with financial performance in diverse contexts.

Garg, A., Upadhyay, K., Arora, D., Avashia, V., Shah J., Gupta, V. (2025), analysis of ESG disclosures from 1,012 Indian businesses under the BRSR guidelines for 2022–23 reveals significant progress and key areas for improvement. On average, companies disclosed 72% of the total 140 indicators, with a strong emphasis on mandatory "essential" indicators (73% disclosed) compared to voluntary "leadership" indicators (50% disclosed). This suggests a preference for compliance over comprehensive transparency. Disclosures were most robust for principles related to employee well-being (76%), stakeholder interests (82%), human rights (77%), and consumer responsibility (67%). Conversely, principles on business ethics (50%), public policy engagement (43%), and inclusive growth (38%) showed lower reporting levels. The analysis also highlights that sectors with high emissions, like Power and Construction Materials, have fewer companies with Net Zero commitments than sectors with lower emissions, like Information Technology. Overall, while businesses are laying a strong foundation for sustainability reporting, there's a need to enhance disclosure on value chain partners and environmental impact metrics like emissions. Improving voluntary reporting will be crucial for India's corporate sector to align with national sustainability goals and build stakeholder trust.

Nishy Joy (2025), explores the challenges and opportunities of integrating Environmental, Social, and Governance (ESG) principles, with a specific focus on India. It argues that ESG has evolved from a trend into a crucial paradigm shift driven by global imperatives. The volume offers a comprehensive look at various ESG applications, including sustainable finance, corporate social responsibility (CSR), Green Human Resource Management (GHRM), and consumer behaviour. It provides both theoretical discussions and practical case studies, such as an analysis of ESG factors in BRICS countries and the financial impact of CSR at HDFC Bank. The text emphasizes the importance of capacity building and skill development to effectively implement these frameworks across different industries and for a diverse range of stakeholders, from policymakers and corporate leaders to academics and students.

Research Gap

While existing research in India has analysed the limitations of the previous BRR framework, it has not yet provided a detailed, comparative analysis of the new BRSR's effectiveness.

The study will fill this gap by:

- Providing one of the first in-depth qualitative content analyses of the BRSR.
- Directly comparing reporting before and after the mandate to measure its tangible impact on disclosure quality.
- Evaluating whether the BRSR has successfully shifted corporate behaviour from vague, qualitative reporting to standardized, quantifiable metrics.

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III. RESEARCH METHODOLOGY

3.1 Objective of the study

The primary objective of this study is to critically evaluate the impact of SEBI's Business Responsibility and Sustainability Reporting (BRSR) mandate on ESG disclosures by the listed companies in India. Specifically, the study aims to:

- Understanding of the core principles of Environmental, Social, and Governance (ESG)
- Compare sustainability reports published before and after the mandate to identify changes in reporting practices.
- Identify challenges companies face in complying with the BRSR framework, such as value chain coverage and the voluntary "Leadership Indicators."
- Assess the extent to which the mandate has enhanced corporate accountability and provided stakeholders with more dependable information for decision-making.

3.2 Hypotheses

H01: The introduction of the BRSR framework has not led to an increase in the disclosure of quantifiable ESG data.
Ha1: The introduction of the BRSR framework has led to an increase in the disclosure of quantifiable ESG data.
H02: The adoption of voluntary "Leadership Indicators" is not limited among Indian companies.
Ha2: The adoption of voluntary "Leadership Indicators" is limited among Indian companies.
H03: Companies face no significant challenges in reporting value chain data under the BRSR framework.
Ha3: Companies do face significant challenges in reporting value chain data under the BRSR framework.
H04: The overall credibility of ESG reporting has not improved, and gaps in data quality and comparability do not persist under the BRSR framework.
Ha4: The overall credibility of ESG reporting has improved, and gaps in data quality and comparability do persist under the BRSR framework.

3.3 *Research Design*

This study will use a qualitative content analysis approach to see how the BRSR mandate has changed ESG disclosures. We'll look at reports from top Indian companies across different industries to get a broad picture of what's happening. The analysis will compare reports from before the mandate in 2020 to those from after it in 2022, 2023 and 2024. We'll be specifically looking for changes in how consistent, quantifiable, and comprehensive the reports are, paying close attention to whether companies are reporting on their value chain and including the voluntary "Leadership Indicators."

3.4 Data Sources and Sample

There is use of publicly available documents for this study. To ensure our findings are representative of India's corporate , we'll choose a sample of 20 companies from the top 1000 listed firms. This sample will include a mix of sectors like Information Technology, Manufacturing, and Financial Services. We'll get our data directly from the annual and sustainability reports of these companies, analysing their last Business Responsibility Report (BRR) and their first three mandatory BRSRs, giving us a clear "before-and-after" comparison to work with.

3.5 Data Analysis

To analyse the data, there is a use of structured approach to make sure our findings are objective and reliable. At first, creating a coding framework based on the key indicators in the BRSR. This framework will help us score the quality of a company's disclosure by looking at:

Level of disclosure is just reporting on what's required (essential indicators) or are they also including the voluntary items (leadership indicators). Quantifiability is using specific numbers and data, or are they sticking to vague statements. Completeness, if any key data is missing.

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Here's a simple example of how framework looks like:

Category / Code	Question to be answered	Example from a BRSR
Environmental (E) - Water	Does the company disclose its total water consumption in liters?	"We consumed 150 million liters of water in FY23." (Code: Yes, Quantitative) "We are making efforts to reduce water usage." (Code: No, Qualitative)
Social (S) - Diversity	Does the company disclose the percentage of women on its board of directors?	"Women constitute 30% of our board." (Code: Yes, Quantitative) "We are committed to gender equality on our board." (Code: No, Qualitative)
Governance (G) - Anti-Corruption	Does the company disclose details of any anti-corruption training programs?	"All employees underwent anti-corruption training." (Code: Yes, Qualitative) "We do not condone corruption." (Code: No, N/A)

After coding the data, there is comparing the BRR and BRSR periods to find any emerging trends. Our goal is to see if the new mandate has resulted in more reporting on specific metrics or a decrease in the use of ambiguous language, which will ultimately reveal its impact on corporate transparency.

V. DATA ANALYSIS AND INTERPRETATION

Indicator Type	Pre-BRSR Mandate (2020)	Post-BRSR Mandate (2022-2024)	Companies
Environmental	Vague qualitative statements ("efforts to reduce water use")	Specific quantitative data (e.g., "195,000 KL water consumption")	TCS, Tata Steel, Reliance Industries
Social	General commitments ("promoting diversity," "partial disclosure")	Precise, measurable data (e.g., "39.4% women on board," "94% social security coverage")	Infosys, HDFC Bank, L&T
Governance	General policy statements ("anti-corruption policy in place")	Verifiable metrics (e.g., "100% employees trained," "Zero reported bribery cases")	HCL Technologies, ICICI Bank, Adani Ports

The review of company reports shows a clear and significant increase in the disclosure of quantifiable ESG data under the BRSR framework. Unlike the voluntary BRR, the new mandate compels companies to report specific metrics. For example, firms like Tata Steel and Ultratech Cement now provide precise data on their water consumption (e.g., "140-145 million liters"), while HDFC Bank and Infosys report the exact percentages of women on their boards. This shift from qualitative descriptions to quantitative metrics has fundamentally enhanced data availability and enabled stakeholders to conduct meaningful comparisons and benchmarking across different firms and sectors, such as the emissions data from Reliance Industries. Hence supporting **Ha1** *The introduction of the BRSR framework has led to an increase in the disclosure of quantifiable ESG data compared to the pre-mandate period.*

While companies have largely complied with the mandatory "Essential Indicators," the study found minimal adoption of the voluntary "Leadership Indicators." The reports from most companies did not provide data on these optional metrics, which include supplier ESG performance and detailed lifecycle assessments. This finding suggests that, at this stage, the primary driver for a majority of companies is regulatory compliance rather than a deeper, proactive commitment to comprehensive sustainability reporting. There is a clear gap between meeting minimum requirements

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and voluntarily providing advanced sustainability data. Hence Supporting **Ha2** *Despite the mandate, the adoption of voluntary "Leadership Indicators" remains limited among Indian companies.*

Despite the mandate's push for end-to-end transparency, companies, particularly those with complex supply chains in the manufacturing sector, continue to struggle with reporting complete and consistent value chain data. Many reports contained disclaimers or showed partial disclosures, highlighting the significant logistical and operational difficulties in collecting and verifying data from a network of diverse suppliers. This demonstrates that while the BRSR has driven internal corporate accountability, extending that accountability to the entire value chain remains a key obstacle. Hence Supporting **Ha3** *Companies face significant challenges in reporting value chain data under the BRSR framework, leading to partial or inconsistent disclosures.*

The BRSR mandate has undoubtedly improved the overall credibility of ESG reporting by standardizing the framework and increasing data availability. The shift to quantifiable metrics makes reports more reliable and less susceptible to the broad claims of "greenwashing." However, the study also found that gaps in data quality and comparability persist. For example, some companies provided data without sufficient qualitative context to explain their performance or strategic goals. The widespread non-adoption of Leadership Indicators also creates gaps, as it limits the depth of a firm's reporting and makes it difficult to compare companies on more advanced metrics. The findings thus indicate that while the BRSR is a major step forward, a need for continued regulatory oversight and independent assurance is required to fully close the gaps in data quality and reliability. Hence Supporting **Ha4** *The overall credibility of ESG reporting has improved under the BRSR, but gaps persist in data quality and comparability.*

Interpretations and Findings

The findings of this study have some really important takeaways for everyone in India's financial world. For investors, the BRSR is a providing a much more reliable and consistent set of data. This allows them to finally factor ESG into their investment decisions with confidence and better manage non-financial risks. For companies, while the new rules may feel like a compliance burden, they're actually a huge opportunity to boost brand value and accountability by demonstrating a actual commitment to sustainability. And for regulators, our results prove that a structured, mandatory framework is highly effective in driving corporate behavior. However, this isn't a perfect solution, as our study also highlights the need for continued oversight to address persistent issues like inconsistent data quality, the limited adoption of voluntary indicators, and the challenge of reporting on a company's full value chain.

VI. CONCLUSION AND FUTURE SCOPE

6.1 Conclusion

The new BRSR framework is a major step forward for India. Our study found that the mandate successfully pushed companies to report more standardized and specific data, which helps everyone from investors to the public to compare firms more easily. This is a big improvement from the old, inconsistent reporting.

However, the change isn't perfect. We found that companies are still just doing the bare minimum. They're good at reporting the required information but often ignore the optional, or "leadership," data. They also struggle to get complete information from their suppliers and other partners. These issues show that simply making a rule isn't enough; true sustainability requires a deeper commitment from companies themselves.

6.2 Future Scope

Building on this study's findings, future research should conduct a larger-scale quantitative analysis to explore the correlation between enhanced BRSR disclosures and financial metrics such as the cost of capital and firm valuation. A deeper, sector-specific analysis could also provide nuanced insights into how reporting practices vary across different industries. Furthermore, investigating the role of independent assurance and regulatory oversight is critical to understanding how to best address persistent gaps in data quality and comparability. Ultimately, this research can help strengthen India's sustainable finance ecosystem by moving the focus from mere compliance to authentic corporate accountability.

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