

Change in ESG reporting in India from BRR to BRSR Core: A Longitudinal Regulatory Analysis with an Original Maturity Framework (2015-2025)

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Abstract

This research paper is a systematic, longitudinal study of the change in Environmental, Social and Governance (ESG) regulatory development in India, tracing through six distinct phases of Business Responsibility Report (BRR, 2015) through BRSR (2021) and BRSR Core (2023) to the technical standardisation and adaptive recalibration circulars of 2024-2025.

Design/Methodology/Approach — The study uses a qualitative, document-based research design, which scores each of the regulatory phases by applying a novel RMF, which consists of five dimensions, which are disclosure structure, quantification depth, coverage scope, assurance rigour, and enforcement capacity. Structured document coding protocols classify regulatory texts based on these three dimensions, and three theoretical perspectives are incorporated in a single conceptual framework; these are stakeholder theory, legitimacy theory, and agency theory.

Findings - The results of the RMF composite scores show a progressive change of 1.4 (BRR) to 4.0 (BRSR Core + Industry Standards) indicating continuous regulatory maturation in all five dimensions, albeit with non-linear and phase-specific degrees of intensity. The three-part design of the BRSR comprises about 400-500 data variables, 65%-70% of which are quantitative - a radical change in the concept of narrative to performance accountability. Network-based accountability of stakeholders is operationalised by BRSR Core using its mandatory assurance requirements and the value chain extension. Although the adaptive recalibration of 2025 will moderate the rigour of the enforcement, it fits spiral models of institutional learning.

Originality/Value Three original contributions are proposed: (i) the concept of the Regulatory Maturity Framework (RMF), a replicable scoring tool to analyse ESG governance in the emerging economies; (ii) the concept of an adaptive convergence, which characterises the strategy of the progressive global convergence of India with the preservation of the domestic institutional viability. The policy implications that are critical are the urgent need to develop a national sustainability taxonomy, to adopt the concept of double materiality and to expand on the concept of mandatory assurance.

Keywords : ESG reporting, BRR, BRSR, BRSR Core, Regulatory Maturity Framework (RMF), sustainability disclosure, longitudinal analysis.

Introduction

The fundamental change in environmental, social and governance (ESG) reporting that has taken place across the globe is voluntary, philanthropically oriented narrative disclosure to mandatory, quantified, and assured corporate reporting (Eccles and Serafeim, 2013; Friede, Busch, and Bassen, 2015). This shift has been enshrined in a legally binding ESG governance framework: the Corporate Sustainability Reporting Directive (CSRD, 2022), the Sustainable Finance Disclosure Regulation (SFDR), and the EU Taxonomy Regulation together form a legally binding ESG governance framework. A similar, even more important, regulatory experience has been underway in India, an experience that is less researched, institutionally different and analytically rich.

The Framework of ESG Disclosure developed by the Securities and Exchange Board of India (SEBI) has over a period of ten years been established, and as such it represents an aspirin towards international alignment and responsiveness to local developmental needs. The policy of India, as reflected in the Business Responsibility Report (BRR, 2015) to the Business Responsibility and Sustainability Report (BRSR, 2021) and its extension BRSR Core (2023) - supplemented by technical standardisation circulars (2024) and adaptive compliance reforms (2025) - offers an interesting case study in what this paper termed adaptive convergence: a regulatory policy that is not imitative or idiosyncratic, but carefully calibrated. Although this is important, academic literature on the ESG governance in India is limited. The existing literature covers a specific aspect of BRSR (Jain and Ganesh, 2021; Sinha and Bhargava, 2022), the quality of disclosure at the firm level (Agarwal and Nair, 2021), or the India-EU comparisons on the surface (KPMG, 2022). There is no systematic longitudinal study of the entire regulatory arc, which is theoretically based and has an analytical structure which can be replicated.

This paper fulfils four specific goals: (i) to record and critically analyse the six stages of regulation evolution of ESG governance in emerging economies (2015-2025); (ii) to introduce and implement the RMF as a new scoring tool of ESG governance analysis in emerging economies; (iii) to constitute a unified conceptual model integrating four theoretical traditions; and (iv) to contribute the concept of adaptive convergence to the comparative ESG governance literature.

Three original contributions of the paper are: (a) the RMF - a replicable, multi-dimensional model of analytical tools that are distinctive of India strategy, but not of other possible models of ESG governance (see Section 3.3 on comparative positioning); (b) the concept of adaptive convergence - a new conceptual category that distinguishes India strategy, but not other possible models of ESG governance (see Section 3.3 on comparative positioning); and (c) a unified theoretical integration model that resolves the fragmented application of stakeholder, legitimacy, agency and institutional theories in ESG governance research.

Literature Review

The normative basis of ESG reporting is the voluntary corporate social responsibility (CSR) frameworks of the 1970s-1990s that formed the normative basis of ESG reporting. The stakeholder theory by Freeman (1984) was the backbone argument in that corporate obligations were not solely based on maximisation of shareholder wealth. This principle was operationalised in the first internationally recognised multi-stakeholder disclosure framework by the Global Reporting Initiative (GRI, 1997). The successive instruments, such as the OECD Guidelines on Multinational Enterprises (2000), the UN Global Compact (2000), the Equator Principles (2003), and the Task Force on Climate-related Financial Disclosures (TCFD, 2017) gradually established the normative framework of corporate sustainability accountability.

The decisive move towards voluntary adoption to regulatory mandate was in the 2010s. The Non-Financial Reporting Directive (NFRD, 2014), which was adopted by the EU, set a precedent of mandatory non-financial disclosure, which was subsequently amplified by the CSRD (2022), extending mandatory disclosure of sustainability matters to around 50,000 companies based in Europe and introducing the concept of double materiality, that is, the need to disclose not only the impact of sustainability risks on financial performance but also the impact of corporate activity on the environment and the society (Grewal, Riedl, and Serafeim, 2019). In June 2023, IFRS S1 (general requirements) and IFRS S2 (climate-related disclosures) were issued by the International Sustainability Standards Board

(ISSB), established by the IFRS Foundation, signalling a shift towards a global baseline of sustainability-related financial disclosures.

The critical scholarly tones, though, warn against blind zeal. Berg, Koelbel, and Rigobon (2022) reported that the rating divergence between ESG data providers was significant, with the inter-rater correlations averaging at 0.54 - much less than the near-perfect correlation of credit ratings. Bebchuk and Tallarita (2020) questioned the substantive value of the commitments in stakeholder governance and found little evidence that the ESG disclosures impacted any operational transformations. Larker and Tayan (2022) brought up even more issues regarding greenwashing, that the lack of universal verification standards exposes self-reported ESG information to systematic vulnerability to strategic framing. These criticisms reinforce the notion, that regulatory frameworks need to be developed in ways that do not merely mandate disclosure but also ensure disclosure quality, standardisation, and independent verification - which is exactly the direction that the BRSR Core and Industry Standards circulars of India have taken.

Advanced markets have been overrepresented in and in terms of the development of the ESG governance literature (Ioannou and Serafeim, 2012; Liang and Renneboog, 2017). The new literature about the developing economies discloses some contextual peculiarities, which refute the attempt to direct the transplantation of the frameworks. Zhou, Liu, and Luo (2022) showed that the institutional conditions in emerging economies that precondition the effectiveness of ESG regulations include institutional factors, such as legal enforcement capacity, investor sophistication, and the strength of civil society, which differ significantly compared to the institutional environment in which advanced frameworks were developed. Khanna and Palepu (2000) determined that the institutional voids that exist in the emerging economies require the firms to devise a mechanism of governance that replaces the missing market institutions and has direct implications on how the ESG frameworks must be calibrated to be functional and not merely aspirational.

Agarwal and Nair (2021) revealed a wide range of results in the disclosure quality of BRR in Nifty 50 companies, and this variability could be explained by the difference in endowment of resources between firms, rather than by the regulatory intentions. Early results reported by Jain and Ganesh (2023) showed that the BRSR disclosure quality was positively associated with the market performance, but they were also severely constrained by the time-series factors of novelty of the framework. Sinha and Bhargava (2022) envisaged that a combination of quantitative indicators and assurance by a third party would be required to give international credibility - a prophetic decision subsequently ratified by BRSR Core. More recently, Gupta and Sharma (2024) investigated the assurance provisions of BRSR Core and found that the model of the phased implementation of BRSR Core successfully balances regulatory ambition and institutional readiness - evidence that is consistent with the adaptive convergence thesis.

The main weakness of this literature is that there is no analytical framework that can be replicated to compare ESG regulatory maturation between jurisdictions. The existing cross-national comparisons including but not limited to the KPMG Survey of Sustainability Reporting (2022) or the ESG benchmarking reports at PwC are based on descriptive coverage measures (proportion of companies reporting, topics disclosed) as opposed to a theoretically grounded evaluation of the governance architecture itself. The RMF of this study directly works on that gap.

This paper integrates four theoretical traditions into a single analysis framework which is argued in Section 6 and visualised in Table 4.

The normative foundation to the progressive expansion of the scope of ESG disclosure, including at value chain levels, in BRSR Core is the Stakeholder Theory (Freeman, 1984; Rowley, 1997; Neville and Menguc, 2006). In particular, the network-based extension of the stakeholder theory proposed by Rowley (1997) becomes the more relevant one: by imposing the disclosure of supplier and distributor ESG performance, BRSR Core changes the unit of accountability, which is the dyadic firm-stakeholder relationship, to the relational ecosystem. The iterative nature of the regulatory interventions of SEBI can be explained in terms of the Legitimacy Theory (Suchman, 1995). Subsequent stages of regulatory evolution are indicative of SEBI pursuing alignment of legitimacy between the ESG disclosure norms in Indian context and those disclosure norms in international context (explaining the social orientation of the nine NGRBC principles).

The optic of Mandatory Assurance has been shed light by Agency Theory (Jensen and Meckling, 1976; Fama and Jensen, 1983). Verification by third parties enhances information asymmetry between reporting companies (agents) and capital market stakeholders (principals) and helps to minimise opportunistic disclosure behaviour. The empirical evidence in the article by Simnett et al. (2009) that assurance in the reports on sustainability is their commanding attribute is a direct support to the assurance mandate of BRSR Core.

The general direction of regulation is outlined by the Institutional Theory (DiMaggio and Powell, 1983; Cashore and Howlett, 2007). The alternating pattern of a tightening of the regulatory nexus (BRSR Core) and a pragmatic recalibration (2025 Ease of Doing Business circular) that is the approach of India is captured by the spiral model of institutional learning developed by Cashore and Howlett (2007): in which the development of policy systems occurs through the cycles of feedback and feedback interaction.

Three specific gaps are identified: (i) there is no longitudinal study covering the entire ESG regulatory arc of India between 2015 and 2025, including the critical 2024 and 2025 circulars; (ii) there is no theoretically based, analytical framework, which would enable systematic and reproducible scoring of ESG regulatory maturation; and (iii) the conceptual fragmentation of theoretical frameworks in ESG governance research, of which agency, stakeholder, legitimacy, and institutional theories are typically applied independently, has not been resolved by a unifying model of integration. All three gaps are covered in this study.

Research Methodology

The research design is a qualitative, document-based research that is based on an interpretive epistemology (Bowen, 2009). Analysis of documents will be suitable in this case, as the object of the study is the regulatory architecture - that is, the structural, philosophical, and governance aspects of the ESG disclosure policy system of SEBI - and not financial results at the firm level. The longitudinal design, with the period of 2015-2025, allows a diachronic approach to the study of regulatory change in an array of policy interventions.

The main body of data is the set of six SEBI regulatory circulars (identified and justified below), the BRSR regulatory format (Annexure I), the BRSR Guidance Note (Annexure II), and the December 2024 Industry Standards document. Peer-reviewed academic literature that was obtained through the SCOPUS and Web of Science databases using a search string such as: (BRSR OR Business Responsibility Report OR reporting framework) AND (regulation OR disclosure OR reporting framework). Each document received a structured coding protocol along five dimensions of analysis, which were the same as the RMF dimensions created in Section 3.3. The coding was performed in two phases (i) the open coding that aimed at identifying explicit statements of regulatory scope, disclosure obligations, and enforcement provisions; and (ii) the axial coding that aimed at classifying each identified provision against the five RMF dimensions. The coding was repeated to compare against the entire regulatory corpus to provide internal consistency.

RMF is presented as a novel analytical tool to assess the ESG governance development in emerging economies. It has five dimensions each being measured on a 15 ordinal scale: (1) Disclosure Structure - ranging between pure narrative (1) to fully standardised templates with standard formulae (5); (2) Quantification Depth - between pure narrative (1) and fully standardised templates with standard formulae (5); (3) Coverage Scope - between firm-level only (1) and full supply chain and ecosystem (5); (4) Assurance Rigour - between no assurance (1) and mandatory independent reasonable assurance (5); and (5) Enforcement Capacity - between voluntary guidelines (1) and mandatory independent reasonable assurance (5).

The RMF has been purposely placed in opposition to the existent models. A comparative positioning is given in Table 5 (Section 5.2). In short: (i) industry ESG maturity scales (MSCI, Sustainalytics) assess the performance of firms cross-sectionally and are not based on any longitudinal regulatory dimension score. (ii) generic regulatory evolution models (Hess, 2014; Braithwaite, 2008) do not incorporate any ESG-specific dimension of governance; (iii) institutional isomorphism models (DiMaggio & Powell, 1983) do not incorporate any particular ESG-specific dimension of governance; and (iv) practitioner disclosure

coverage surveys (KPMG, 2022; PwC, 2022) provide cross-sectional snapshots without longitudinal regulation dimension scoring. To address this gap, the RMF incorporates five ESG-specific dimensions of governance into a longitudinal scoring tool that can be replicated.

Table1: Analytical Dimensions for Evaluating Sustainability Disclosure Frameworks

Dimension	What it Measures	Low (1)	High (5)	Theoretical Link
Disclosure Structure	Format of reporting	Narrative	Standardised templates	Legitimacy
Quantification Depth	Measurability	Qualitative	Fully quantitative	Agency
Coverage Scope	Who is included	Firm only	Full value chain	Stakeholder
Assurance Rigour	Verification level	None	Mandatory independent	Agency
Enforcement Capacity	Regulatory strength	Voluntary	Fully mandatory	Institutional

Source: Author's compilation from disclosure theory literature.

The six regulatory phases (as opposed to four or seven) were identified by applying a principled criterion: a new phase is denoted when a regulatory intervention achieves a significant change (≥ 1 point on the 15 scale) in at least two of the five RMF dimensions at once, which is a material change in the governance architecture and not an incremental update. Applying this criterion: the BRR (2015) = Phase I; the BRSR (2021) changes Disclosure Structure (1 \rightarrow 3) and Quantification Depth (1 \rightarrow 3) which trigger Phase II; and BRSR Core (2023) changes Coverage Scope (2 \rightarrow 3) and Assurance Rigour (1 \rightarrow 3) which trigger Phase III; and BRSR Core (2023) changes Coverage Scope (2 \rightarrow 3) and Assurance Rigour (1 \rightarrow 3) which trigger Phase IV; and the Industry Standards Circular (2024) modifies the Quantification Depth (3 \rightarrow 4.5) which triggers Phase V; and the Ease of Doing Business Circular (2025) modifies the Assurance Rigour (4 \rightarrow 3) and the Coverage Scope (4 \rightarrow 3.5) which trigger Phase VI as an adaptive recalibration.

An interpretive validity is treated by utilitarian triangulation - use of four different theoretical lenses in each phase and cross-checking resulting interpretations to establish coherence. The construct validity is evidenced by explicit operationalisation of RMF dimensions with well-defined anchors. The main limitations include: (i) the trend analysis is limited by the nascency of longitudinal BRSR data, even given that the principled criterion used to apply the trend analysis will be balanced; (ii) phase limits involve interpretive judgment despite the principled criterion that will be applied to determine the trend analysis; and (iii) the limited scope of the study to a single country limits direct generalisability even given that the principled criterion that will be applied to determine the trend analysis is a balance in itself.

Results: Six Phases of ESG Regulatory Evolution in India (2015-2025)

The analysis has shown that there is a consistent, non-linear regulation trajectory that encompasses six identifiable phases, each of which is characterised by specific advances in governance across the dimensions in the RMF. The chronological mapping is given in Table 1; the full RMF scoring matrix is presented in Table 2, with the composite scores increasing between 1.4 (BRR, Phase I) and 4.0 (Industry Standards, Phase V).

Table 2: Evolution of SEBI's ESG Regulatory Framework in India (2015–2025)

Phase	Year	Circular (SEBI)	Framework	Key Features	Limitations	RMF Advance
I	2015	CIR/CFD/CMD /10/2015	BRR	9 NVG principles; narrative; top 500 firms	No KPIs; no assurance; low comparability	Disclosure structure: Narrative (1/5)
II	2021	HO/CFD/CMD2 /P/CIR/2021/562	BRSR	3-section A/B/C; essential + leadership KPIs; quantitative metrics; top 1,000	No mandatory assurance; Scope 3 voluntary; inter-firm variability	Quantification: Semi-quant (3/5)

				firms		
III	Jul-23	HO/CFD/PoD2 /CIR/P/2023/120	LODR Master Circular	BRSR consolidated into LODR; single compliance reference point	No new ESG rules; consolidation only	Enforcement: Mainstreamed (3/5)
IV	Jul-23	HO/CFD/CFD-SEC-2/P/CIR/2023/122	BRSR Core	9 ESG attributes; mandatory assurance (phased); value chain KPIs; PPP-adjusted metrics	Assurance only for Core subset; phased rollout	Assurance rigour: Partial mandatory (4/5)
V	Dec-24	HO/CFD/CFD-PoD-1/P/CIR/2024/...	Industry Standards	Standardized KPI formulae; uniform definitions; enhanced auditability	Complexity for SMEs	Quantification: High (4.5/5)
VI	Mar-25	HO/CFD/CFD-PoD-1/P/CIR/2025/42	Ease of Business	Assessment OR assurance option; 2% value chain threshold; deferred timelines; green credits	Risk of compliance dilution	Enforcement: Adaptive recalibration (3.5/5)

Source: SEBI Regulatory Circulars (2015–2025); Authors' Compilation and RMF Classification.

Table 3: RMF Scoring Matrix- India's ESG Governance (2015–2025)

RMF Dimension	Phase I BRR 2015	Phase II BRSR 2021	Phase III Master 2023	Phase IV BRSR Core 2023	Phase V Ind. Std 2024	Phase VI Ease 2025	Theoretical Basis
Disclosure Structure	1 Narrative	3 Semi-struct.	3 Mainstreamed	4 Standardised	5 Formulaic	4.5 Flexible	Legitimacy Theory
Quantification Depth	1 Qualitative	3 Semi-quant.	3 Unchanged	4 Core KPIs	4.5 Formulae	4.5 Unchanged	Agency Theory
Coverage Scope	2 Firm-level	2 Firm-level	2 Unchanged	4 Value chain	4 Unchanged	3.5 Relaxed	Stakeholder Theory
Assurance Rigour	1 None	1 None	1 None	4 Partial mandatory.	4 Unchanged	3 Optional	Agency Theory
Enforcement Capacity	2 Listing obliging.	2 Listing obliging.	3 Consolidated	3 Listing obliging.	3 Unchanged	3 Unchanged	Institutional Theory
Composite RMF Score	1.4	2.4	2.4	3.8	4.0	3.7	—

Note: Scores on a 1–5 ordinal scale per dimension. Composite score = unweighted mean across five dimensions. Scale: 1 = nascent; 5 = mature/globally aligned. Source: Authors' original scoring.

The Business Responsibility Report (BRR), the first formal ESG disclosure requirement in India was introduced in the SEBI Circular CIR/CFD/CMD/10/2015 (November 4, 2015) that required the top 500 (later changed to 1,000) listed companies to report against the nine principles of the National Voluntary Guidelines (NVGs, 2011). The design of the BRR was primarily narrative, with companies explaining their responsible business practices in a discursive manner, without standardised metrics, quantitative KPIs, or verification requirements. Using the RMF, Phase I scores 1.0 on Disclosure Structure (pure narrative), 1.0 on Quantification Depth (qualitative only), 2.0 on the Coverage Scope (firm-level, and reflects the extension to the top 500 companies), 1.0 on the Assurance Rigour (none),

and 2.0 on the Enforcement Capacity (listing obligation). Composite: 1.4. As confirmed by Agarwal and Nair (2021), empirically, the BRR has analytical limitations, which, in turn, allowed the technical compliance, yet, substantive transparency, which also happens to be a pattern typical of what institutional theory defines as decoupling (Meyer and Rowan, 2007).

The BRR was superseded by the Business Responsibility and Sustainability Report (BRSR), pegged on the revised National Guidelines on Responsible Business Conduct (NGRBC, 2018). The most significant individual regulatory intervention in the ESG history of India, advancing Disclosure Structure by 1 to 3 and Quantification Depth by 1 to 3 - the twin dimensions that trigger Phase II under the phase identification criterion. The BRSR brought in a three-part governance structure (analysed in detail in Section 5) of around 400-500 variables of data, of which 65-70% are quantitative, standardised formulae of key metrics (energy intensity, GHG emissions, LTIFR, water intensity), and a two-tier disclosure regime - Essential (mandatory) and Leadership (voluntary) indicators. The extension of the mandatory application was also introduced to the top 1,000 listed entities during FY 202223. Although these advances had been made, Scope 3 emissions were still voluntary, there was no third-party assurance and variability between firms also existed as a result of the interpretive flexibility of the framework on qualitative disclosures. RMF composite: 2.4.

All Listing Obligations and Disclosure Requirements circulars were formally incorporated into a single reference document (the Master Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 (July 11, 2023)), formally embedding BRSR within the mainstream corporate governance compliance framework. Although this phase does not introduce any new obligations on ESG reporting, it advances the Enforcement Capacity by raising the number of continuing required to be included in the listing list on DiMaggio and Powell (1983) terms of coercive isomorphism. RMF composite: 2.4.

BRSR Core, the phase that is structurally innovative to the greatest extent, was introduced with BRSR Circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 (July 12, 2023). Two dimensions of the RMF progress in parallel: Coverage Scope (2→4) and Assurance Rigour (1→4), and Phase IV is initiated. Assurance mandate BRSR Core would mandate reasonable assurance of a defined set of KPIs across nine ESG attributes that would be phased by company cohort: top 150 companies in FY 202324, expanding to top 250 (FY 202425), top 500, and ultimately top 1,000 by FY 202627. Independence requirements have to be met by assurance providers, and a consulting or advisory relationship is a disqualifying conflict. This is a direct operationalisation of the information asymmetry reduction rationale of agency theory (Jensen and Meckling, 1976; Simnett et al., 2009). Value chain mandate: The top 250 cohort companies should report BRSR Core KPI performance of major upstream and downstream partners (including ≥75% of purchases and sales) on comply-or-explain basis and applying ESG accountability to the business ecosystem. This operationalises the network-based stakeholder accountability that Rowley (1997) proposed and transforms the unit of ESG governance which is an individual firm, to the relational supply chain. KPIs specific to India, such as creation of jobs in small towns and rural areas, wages paid to women as a percentage of total wages, PPP-adjusted ratios of revenue generated by an economy over a specific timeframe are anchored BRSR Core at the same time to global comparability and domestic developmental priorities. RMF composite: 3.8.

The Industry Standards Circular (December 20, 2024), controversially closed the final gap in BRSR Core, the lack of standardised methods of calculation. Whereas in the previous circulars the companies are required to report, this intervention required the firms to calculate, interpret, and disclose the precise measures of each metric - introducing common formulae of energy intensity, GHG emission conversion factors, calculation of LTIFR and water intensity denominators. This gets rid of the definitional ambiguity that made it possible to calculate variable KPI across firms, increasing Quantification Depth to 4.5 instead of 3, and dramatically raising auditability. RMF composite: 4.0.

The Ease of Doing Business Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/42 (March 28, 2025) had targeted compliance relaxations; replacement of mandatory assurance with assurance OR assurance flexibility; lowering of the value chain coverage threshold of 75% to 2% individual-partner criterion; postponing implementation timelines; and voluntary disclosure of green credits. Assurance Rigour moderates between 4 and 3 and Coverage Scope between 4 and 3.5. RMF composite: 3.7. This step is theoretically important in the sense that it confirms that the regulatory approach that has been adopted by India is not unidirectionally tightening but spirally adaptive (Cashore and Howlett, 2007): the

recalibration that will be undertaken by India in 2025 is not a withdrawal act of ESG governance ambition but a spirally adaptive act of recalibration. This is the trend that is typical of adaptive convergence.

BRSR Framework Architecture: Structural and Analytical Evaluation.

The three-section structure of the BRSR is a theoretically consistent governance design where each of the three sections plays a complementary and analytic role. Table 3 gives the structural description.

Table 4: Structural Architecture of the BRSR Framework

Section	Purpose	Key Disclosures	Analytical Function	ESG Pillar
Section A General Disclosures	Context-setting and boundary definition	Corporate identity; workforce composition; CSR activities; material issues; grievance mechanisms	Materiality framing; reporting boundary; stakeholder mapping	Social / Governance
Section B Management & Process	Governance maturity layer	Board ESG oversight; policy existence (P1–P9); certifications (ISO, SA8000); performance tracking mechanisms	Governance gap analysis; policy-to-process bridge; agency cost reduction	Governance
Section C Principle-wise Performance	Performance accountability core	Essential (mandatory) + Leadership (voluntary) indicators across P1–P9; ~65–70% quantitative variables	Cross-firm benchmarking; time-series analysis; ESG scoring; value chain mapping	E / S / G (integrated)

Source: SEBI BRSR Circular (2021); Guidance Note (Annexure II); Authors' Analysis.

Section A defines the reporting boundary and contextualises material ESG issues - similar to the materiality framing process in GRI Standards. The materiality principle that Adams and Larrinaga (2019) determine is the most crucial in ensuring the disclosure is relevant. Section B - the governance maturity layer - looks at the existence of policies, board-level ESG oversight, and certification status (ISO 14001, SA8000), which operationalises the proposition of agency theory that boards of directors that have high governance maturity levels reduce the principal-agency gap in sustainability governance (Fama and Jensen, 1983). The performance accountability core (section C) connects the nine NGRBC principles to quantitative and qualitative indicators using a two-tier system that forms a graded maturity model that promotes the progressive adoption of ESG (van der Wiele et al., 2001)

Table 5: Comparative Positioning of the RMFAgainst Existing Models

Framework / Model	Origin & Context	Scope	Key Dimensions	Gap Addressed by RMF
ESG Maturity Scales (e.g., MSCI, Sustainalytics)	Industry rating agencies; investor-oriented	Firm-level ESG performance	Environmental, Social, Governance performance ratings	Rating-based; cross-sectional only; not applicable to regulatory architecture evolution
Regulatory Evolution Models (Hess, 2014; Braithwaite, 2008)	Regulatory sociology; policy studies	Generic regulatory policy	Hard/soft law spectrum; compliance coercion	General; not ESG-specific; no quantification of maturity across disclosure dimensions
Institutional Isomorphism (DiMaggio & Powell, 1983)	Organisational theory; institutional economics	Organisational field	Coercive, mimetic, normative pressures	Explains why frameworks change; not how to measure the degree or trajectory of change
Sustainability Reporting Indices (e.g., KPMG)	Professional bodies; practice-oriented	Country / firm disclosure rates	Coverage breadth, quality scores	Cross-sectional snapshots; no longitudinal regulatory

Survey, GRI Index)				dimension analysis
RMF (This Study)	ESG governance research; emerging economies	Regulatory framework evolution	Disclosure structure, quantification depth, coverage scope, assurance rigour, enforcement capacity	Integrates all five governance dimensions; longitudinal; specifically designed for emerging economy ESG regulatory trajectories

Source: Authors' compilation from Hess (2014), DiMaggio and Powell (1983), KPMG (2022), PwC (2022), MSCI ESG Research (2023).

The approximate 65-70 percent of the quantitative indicators in the BRSR framework data variables include about 400 500 data variables (including 400-500 employee turnover and retention rates). The principle that what is measured is what is managed of Kaplan and Norton (1992) is operationalised to sustainability performance using standardised formulae, as documented in Guidance Note (Annexure II) and reinforced by the 2024 Industry Standards Circular.

Critical constraints remain. The emissions rated as Scope 3, which are usually the majority of climate impact in emissions-intensive industries, are still considered as voluntary Leadership indicators, limiting climate risk transparency. No industry-specific KPI requirements imply that any industry-material risks (e.g., biodiversity impact in extractives; water use in textiles) may be systematically underweighted. And the two-level Essential/Leadership framework, although theoretically allowing progressive adoption of ESG policies, results in a two-mode distribution of disclosure as quality: well-resourced firms produce an advanced report; smaller listed firms tend to produce a minimum quality report.

The five out of nine NGRBC principles are social in nature workforce well-being (P3), stakeholder engagement (P4), human rights (P5), inclusive growth (P8), and consumer responsibility (P9). This weighting is an Indian institutional context: high labour informality, high income inequality, and a historical tradition of stakeholder-inclusive CSR based upon the trusteeship philosophy of the Indian founding industrial group. In the view of the legitimacy theory, this social orientation makes the disclosure obligations of the ESG in line with the prevailing societal expectations of corporate responsibility in India. Not that the ESG framework of India has been left behind the global standards of environmental focus; but that it responds to a somewhat different and institutionally based set of sustainability priorities.

Discussion

One of the main theoretical contributions of this work is that it brings together four theoretical traditions that have been fragmented in the past, into a single conceptual model, as shown in Table 4. Both theories are projected to their central regulatory implication, their very specific implementation in the BRSR architecture and their contribution to the adaptive convergence thesis. This integration addresses the theoretical discontinuity observed in the ESG governance literature where stakeholder, legitimacy, agency, and institutional theories are typically used as discrete explanatory prisms instead of parts of an analytical architecture.

Table 6: Theoretical Foundations of India's ESG Regulatory Architecture

Theory	Core Proposition	Regulatory Implication	BRSR Manifestation	Adaptive Convergence Link
Stakeholder Theory (Freeman, 1984; Rowley, 1997)	Corporations owe obligations to all stakeholders, not shareholders alone	ESG scope must extend beyond firm boundaries to ecosystem actors	Value chain disclosure mandate (BRSR Core); nine NGRBC principles covering workers, communities, consumers	Adds India-specific stakeholders (MSMEs, rural communities) not captured in Western models
Legitimacy Theory (Suchman, 1995)	Organisations seek congruence between values and broader social norms	Regulatory frameworks must align with dominant societal expectations	Social-heavy NGRBC design (5/9 principles); iterative SEBI recalibrations reflecting industry feedback	Legitimises global alignment without delegitimising domestic institutional identity
Agency Theory (Jensen & Meckling, 1976)	Information asymmetry between principals and agents drives	Mandatory assurance reduces principal-agent gap	BRSR Core third-party assurance requirement; phased rollout of reasonable	Adopts global assurance norms while accommodating India's

	opportunistic behaviour	in sustainability governance	assurance	nascent assurance ecosystem
Institutional Theory (DiMaggio & Powell, 1983; Cashore& Howlett, 2007)	Organisations adopt practices through mimetic, coercive, and normative isomorphism	Policy systems adapt iteratively through feedback; regulatory spirals not linear progression	Phase I–VI evolution pattern; adaptive recalibration in 2025 circular; BRSR integration into LODR	Spiral convergence: progressive global alignment without institutional transplantation

Source: Freeman (1984); Suchman (1995); Jensen & Meckling (1976); DiMaggio & Powell (1983); Cashore& Howlett (2007); Authors' synthesis.

The model shows that not only one but all four theories have a dynamic interaction, which explains each regulatory phase. Phase IV (BRSR Core), such as, operationalises concurrently stakeholder theory (value chain extension), agency theory (mandatory assurance), legitimacy theory (India specific KPIs that keep domestic institutional identity) and institutional theory (phased implementation as a spiral learning mechanism). This multi-theoretical coherence is the best argument that the regulatory approach of India is not ad hoc but a deliberate and architecturally sophisticated approach to regulation.

Adaptive convergence is suggested as an alternative conceptual category to describe the ESG regulatory approach adopted by an emerging economy deliberate, iterative alignment of the governance framework of an emerging economy with global standards whilst maintaining and institutionalising priorities specific to a particular context. It is set in opposition between two existing conceptual options: (i) regulatory mimicry (Levi-Faur, 2005) - the surface level adoption of advanced economy models with no meaningful local adjustment, creating the institutional decoupling that Meyer and Rowan (1977) reported; and (ii) leapfrogging (Weaver, 2009) - bypassing intermediary stages of regulation to adopt state-of-the-art models, risking failure in implementation due to institutional capacity gaps. Adaptive convergence stands at a theoretically differentiated stance: it adopts progressive global convergence without ruling out implementation paths based on context-calibration.

The argument of adaptive convergence in the path of India is multi-dimensional. Convergence is supported by: progressive quantification of disclosure (BRR → BRSR → Industry Standards); adoption of third-party assurance (BRSR Core); extension of the value chain (partial alignment with the S1/S2 norms of the ISSB in the climate disclosures of BRSR Core); and explicit calibration with ISSB S1/S2 norms in the climate disclosures of BRSR Core. Adaptation is demonstrated by: India-specific KPIs (job creation in small towns; PPP-adjusted measures of intensity); retention of social orientation of nine NGRBC principles; and pragmatic recalibration in 2025. All these are part of a consistent regulatory plan and not a fluctuating pendulum.

The concept behind adaptive convergence can be generalised. It offers a conceptual map on understanding the ESG regulatory evolution in similarly positioned economies big, fast-growing, institutionally complex emerging markets with substantial global ESG exposure (e.g., Brazil, Indonesia, South Africa) that must find a way to navigate between international comparability pressures, and domestic institutional realities.

The lack of formal, science-based classification system of what constitutes the environmentally sustainable economic activity is the greatest structural ESG governance gap in India. In its absence, there is a self-definition of sustainability claims in BRSR disclosures, which cannot be verified against external criteria, creating endemic greenwashing risk and limiting the usability of Indian ESG data in global capital markets where taxonomy-alignment data is increasingly demanded. The top regulatory priority of SEBI and the joint sustainable finance agenda of the RBI and the EU Taxonomy should be a national green taxonomy that is calibrated to the developmental priorities and ecological context of India, but can interoperate with the EU Taxonomy and the ISSB S2.

The single materiality basis of BRSR, which only discloses ESG issues when they are financially material to the company, systematically underreports the environmental and social impacts of such issues when they are not financially material to the company. A firm that has substantial environmental impact but this impact does not have direct financial implications, then such a firm does not need to disclose such impacts under BRSR. Gradual implementation of impact materiality, starting with the

largest BRSR Core reporters, would greatly increase the scope of the disclosure decisions-relevant information and would bring India in line with emerging global consensus (Grewal et al., 2019). The social orientation that is already inherent in the nine principles of BRSR gives an inherent institutional support of this expansion.

The existing framework (limited to BRSR Core KPIs on a phased subset of companies that is further moderated by the 2025 flexibility provisions) creates a two-level credibility hierarchy within the framework. Simnett et al. (2009) showed that mandatory assurance can be of great help; Gupta and Sharma (2024) confirmed that the staged approach of India is not a problem. India needs a time-constrained roadmap to full mandatory assurance of all material BRSR indicators with express quality standards of assurance providers and supervisory capacity of SEBI is pertinent to India ESG disclosures to support the development of the green capital market and meet the expectation of international institutional investors.

Conclusion

This work has presented the first in-depth, longitudinal, and theoretically based analysis of the ESG regulatory evolution of India over six phases (2015-2025). The scores of the RMF confirm that there is a consistent maturation of the regulatory process, not sporadic, which is attested by the scores of the RMF: The scores in the RMF confirm that there is a consistent maturation of the regulatory process, not sporadic, which is attested by the scores of the RMF: The 2025 adaptive recalibration (composite: 3.7) is in line with the spiral institutional learning, rather than regulatory retreat.

This study has three original contributions. The RMF is a replicable, multi-dimensional analytical tool to perform comparative ESG governance research explicitly placed against and distinctly differentiated by existing ESG maturity scales, regulatory evolution models, institutional isomorphism frameworks, and practitioner disclosure surveys. The concept of adaptive convergence fills a conceptual gap between regulatory mimicry and leapfrogging, and the concept provides a conceptual category of broad applicability to the emerging economies grappling with the pressures of aligning their environmental, social, and governance policies with the global demands and trends of environmental and social responsibility. The integrated conceptual integration model solves the research theoretical fragmentation characteristic of present research with ESG governance by mapping four theoretical traditions, namely stakeholder, legitimacy, agency, and institutional, into a unified analytical architecture.

BRSR is a great starting point, but not a finish. Its progression towards globally comparable, credible, and decision-useful ESG disclosures needs the creation of a national sustainability taxonomy, the gradual adoption of double materiality and the expansion of mandatory assurance. These reforms must be so drawn as to be ambitious in aim, pragmatic in pace, and institutionally attuned. The story of adaptive convergence in action is the story of the ESG governance in India.

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