



From Compliance to Leadership: The Impact of SEBI's recent Changes on BRSR Framework

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INTRODUCTION

Sustainability reporting has become essential for Indian companies to showcase long-term value and responsible practices. SEBI has institutionalized ESG disclosures through the BRSR framework for listed entities. Between December 2024 and March 2025, SEBI amended BRSR and LODR to align with the global standards, introducing third-party assessments, green credit disclosures, and updated related party transaction norms—boosting data quality, governance, and comparability. Transparent ESG reporting is now a strategic necessity, beyond mere compliance.

KEY AMENDMENTS TO BRSR REPORTING

- On December 12, 2024, SEBI amended the Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015. These changes have been introduced vide the SEBI (Listing and Disclosure Obligations) (Third Amendment) Regulations, 2024 (“Amendment Regulations”) read with the circular dated December 31, 2024 (“SEBI Circular”) for the implementation of recommendations of the Expert

Committee for facilitating ease of doing business for listed entities.

- The amendments to Regulation 13 (Grievance Redressal Mechanism) and Regulation 27 (Other Corporate Governance Requirements) took effect from December 31, 2024.

- The amendments to Regulation 24A (Secretarial Audit and Secretarial Compliance Report) took effect from April 1, 2025.

- On March 28, 2025, SEBI Circular No.: SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/42, issued a circular specifying the measures to facilitate ease of doing business with respect to framework for assurance or assessment, ESG disclosures for value chain, and introduction of voluntary disclosure on green credits

CHANGES IN POLICIES UNDER SECTION B OF BRSR

Following the recent amendments to the Business Responsibility and Sustainability Reporting (BRSR) framework, companies are now required to review and update their internal



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Key Change	Amended Regulation	Impacted Policies
Changes under Related Party Transaction (“RPT”) norms	Regulation 23 of LODR Regulations	Policy on Related Party Transactions
Changes to requirements for approval for the appointment of the Board of Directors	Regulation 17 of the LODR Regulations	Policy on Appointment and Removal of Directors
Amendments for ‘material subsidiaries	Regulation 24 of LODR Regulations	Policy for Determination of Material Subsidiaries
Changes with respect to agreements entered into by employees, including key managerial personnel/director/promoter	Regulation 26 of LODR Regulations	Governance Policy for Board of Directors/Code of Conduct for KMPs and SMPs
Timelines for disclosure of material events or information	Regulation 30 of LODR Regulations	Policy for Determination of Materiality of Events
Timelines for disclosure of certain types of agreements binding listed entities	Regulation 30A of LODR Regulations	Policy for Determination of Materiality of Events
Amendments under the disclosure of events and information	Part A of Schedule III of LODR Regulations	Policy for Determination of Materiality of Events

policies to ensure full compliance with the new disclosure norms. The table below outlines the key policy areas that must be revised in order to align with SEBI’s updated ESG reporting requirements and maintain regulatory adherence:

INDUSTRY STANDARDS ON RELATED PARTY TRANSACTIONS (RPTS)

Effective April 1, 2025, listed companies must implement SEBI’s revised RPT framework by integrating Industry Standards into approval processes, updating disclosures under Regulation 30, and training governance teams. These changes directly impact Principle 1 of the BRSR, which emphasizes ethical and transparent business practices.

A subsequent circular issued on February 25, 2025, introduced Industry Standards to strengthen compliance with Regulation 30 of the SEBI LODR, which governs the disclosure of material events or information to stock exchanges. These standards aim to standardize materiality assessments for Related Party Transactions (RPTs), ensure uniformity in the timing, format, and content of such disclosures, and enhance transparency in related party dealings, thereby boosting stakeholder trust and market integrity.

CHANGES IN ASSESSMENT/ ASSURANCE FRAMEWORK

SEBI has introduced assessment as an alternative to assurance for ESG disclosures under the BRSR Core

framework, allowing third-party expert evaluations with less attestation rigour. The Industry Standards Forum (ISF) will develop guidelines to ensure credibility. This applies to listed entities from FY 2024–25 and to their value chain from FY 2026–27. Notably, value chain ESG disclosures are now deferred to FY 2025–26, with corresponding assessment or assurance starting FY 2026–27.

Listed entities shall mandatorily undertake assessment or assurance of the BRSR Core, as per the glide path specified in the following table:

Financial Year Applicability of BRSR Core to top-listed entities (by market capitalization)

2023-2024	Top 150 listed entities
2024-2025	Top 250 listed entities
2025-2026	Top 500 listed entities
2026-2027	Top 1000 listed entities

To safeguard the integrity of the evaluation process, providers are explicitly prohibited from:

- Engaging in the sale of any products or services to the reporting company; and
- Offering any non-assessment, non-assurance, or non-audit services—including consulting—to the company or its affiliates.

REFINEMENTS IN ESG METRICS AND REPORTING TERMINOLOGY

Reflecting the regulatory shift from a pure assurance model to a dual compliance pathway, SEBI has made several terminological and disclosure adjustments:

- The “Data and Assurance Approach” section in the BRSR Core format has been retitled “Data and Assessment or Assurance Approach” to align with the expanded framework.

- In the standard BRSR format (Section A), the term “assurance provider” has likewise been revised to “assessment or assurance provider.”

These modifications underscore the regulator’s emphasis on clarity and consistency in ESG reporting. Additionally, in the area of waste management disclosures, companies must now explicitly state when data is derived from vendor-issued certificates. This requirement enhances transparency and enables stakeholders to better assess the reliability of underlying ESG metrics.

INTRODUCTION OF GREEN CREDIT DISCLOSURE

SEBI has introduced a new leadership indicator under Principle 6 of the BRSR framework. This amendment, reflected in Annexure 16 of the SEBI Master Circular for Compliance with LODR provisions, mandates listed entities to disclose information related to the generation and/or procurement of Green Credits in the given format:

“8. How many Green Credits have been generated or procured:

a) By the listed entity

b) By the top ten (in terms of value of purchases and sales, respectively) value chain partners”

These disclosures must capture activities undertaken during the reporting period. The top 10 value chain partners (both in terms of purchase and

sale value) are also expected to furnish relevant data to the listed entity for FY 2024–25. The aim is to enhance value chain-level transparency and align business practices with national environmental priorities.

UNDERSTANDING GREEN CREDITS: REGULATORY FRAMEWORK

A Green Credit is defined as a singular unit of an incentive provided for a specified activity, delivering a positive impact on the environment. As per the Green Credit Rules, 2023, recognized activities include:

- Afforestation and tree plantation
- Water resource management (e.g., rainwater harvesting, wastewater recycling)
- Sustainable agricultural practices (e.g., natural and regenerative farming)
- Waste management and circular economy initiatives
- Air pollution mitigation strategies
- Mangrove conservation and restoration
- Eco-mark certification for sustainable products
- Sustainable infrastructure development

The disclosure requirement precedes the formal operationalization of India’s Carbon Market Framework, for which the Bureau of Energy Efficiency (BEE) released a draft framework in January 2025. Although the public consultation has concluded, the trading mechanism is yet to be formally launched. 



Sonal Verma leads the ESG Practice in the firm as a Partner and Global Leader – Markets & Strategy. With his crossroad working with business & laws – he brings advice & technology for effective change management in the journey of ESG. Sonal is well acclaimed for his work in regulatory & compliance programs over the last decade. He had in the past worked with 1800 plus clients in India and 61 other countries globally. He has worked with the top 3 unicorns and many Fortune 500 companies. His clients have been across different industries, viz. Automotive and OEMs, Pharma and Life Sciences, Manufacturing, Chemical Industry, BFSI, Infrastructure and Utilities (including stateowned PSUs), e-Commerce and Fintech Companies, Diversified Conglomerates etc.



Risha Sharma is a dynamic and driven lawyer with the ESG practice at Dhir & Dhir Associates. Since graduating in 2016, she has built a rich and diverse career spanning civil and commercial litigation, contract automation and lifecycle management. Known for her work ethic and strategic problem solving, Risha brings a solutions-oriented mindset and a deep commitment to driving responsible, future-focused outcomes in the ESG space.