

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS  
LOK SABHA  
UNSTARRED QUESTION NO. 221  
ANSWERED ON MONDAY, July 21, 2025/Ashadha 30, 1947 (Saka)**

**ESG REFORMS**

**QUESTION**

**221. Shri Vijayakumar Alias Vijay Vasanth:  
Shri Suresh Kumar Shetkar:  
Shri Manickam Tagore B:**

**Will the Minister of CORPORATE AFFAIRS be pleased to state:**

- (a) the follow-up mechanisms put in place by the Government to ensure that discussions at NCRBC, 2025 lead to binding ESG reforms and are not limited to voluntary industry participation;**
- (b) whether the Government is supporting Indian MSMEs and exporters in meeting international ESG standards such as the EU's Corporate Sustainability Due Diligence Directive (CSDDD), especially to safeguard market access and if so, the details thereof;**
- (c) the current status of ESG adoption in public sector enterprises and the way by which the Government is ensuring transparency and accountability in their sustainability disclosures;**
- (d) whether the Government shares any concrete regulatory or policy outcomes expected from NCRBC 2025, particularly in areas like BRSR alignment, green finance and workforce transition; and**
- (e) the way by which the global partners like UNICEF and ILO actively participate in order to incorporate their recommendations into national ESG policy frameworks, especially for inclusive employment and supply chain due diligence?**

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS**

**[SHRI HARSH MALHOTRA]**

**(a) to (e) IICA is an autonomous body under the Ministry of Corporate Affairs (MCA), mandated to undertake academic research, provide capacity building, and facilitate advocacy in areas relating to corporate affairs and responsible business conduct. IICA introduced its programme on responsible business conduct and consequently, it organises the National Conference on Responsible Business Conduct (NCRBC) which is an annual event to facilitate multi-stakeholder dialogue, knowledge exchange, and capacity building on themes relating to responsible business practices. The deliberations at the NCRBC aims at fostering a shared understanding of good practices and encouraging academic enhancements in collective understanding of business responsibility and the conference is not intended to serve as a policymaking or regulatory forum, calling for putting in place a formal follow-up mechanism by the Government.**

**Business Responsibility and Sustainability Reporting is an approach to drive an organization's commitment to sustainability which was first embedded in the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released in 2011 and later incorporated in Companies Act, 2013, which envisages wider responsibilities for a Company and its Directors beyond its shareholders to its stakeholders - employees, community, and environment. In keeping with global developments and domestic changes, the NVGs were upgraded and updated as the National Guidelines for Responsible Business Conduct (NGRBC) in 2019.**

**The essence of Environmental, Social and Governance (ESG) is embedded in the Companies Act, 2013, aligning corporate conduct with sustainability and ethical standards. The key aspects of the Act that promote ESG principles can be found in relevant clauses related to Director's responsibility in their Board Report w.r.t disclosures about energy conservation, appointment of women directors, disclosures on maternity benefit, duties of directors, corporate social responsibility etc. Furthermore, these disclosures are part of the financial statements and the Board of the respective companies are responsible for compliance of applicable disclosures which are required under the Act and rules made thereunder. For any policy formation, the government consults all the stakeholders.**

**The Securities and Exchange Board of India (SEBI) had mandated top 500 listed companies by market capitalisation to make disclosures on business responsibility and sustainability indicators contained in the NVGs since 2012 through Business Responsibility Reporting (BRRs) which were then later increased to the top 1000 listed companies (by market capitalization) where these companies for the FY 2021-22 would voluntarily submit the report on BRSR and mandatorily from FY 2022-23 onwards. Subsequently, vide circulars dated July 12, 2023 and Mar 28, 2025, SEBI has introduced BRSR Core, which contains a limited set of critical / core Key Performance Indicators (KPIs), for which listed entities shall need to obtain assurance/ assessment, as per the specified glide path beginning with the top 150 listed entities from FY 2023 - 24, and applicable to the top 1000 listed entities by FY 2026 - 27. Further, SEBI has also introduced ESG disclosures for the value chain of top 250 listed entities on a voluntary basis from FY 2025 - 26 and assurance/assessment of the same on a voluntary basis from FY 2026 - 27. These are applicable to both private and public sector companies.**

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