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ANALYSIS OF COMPLIANCE LEVEL OF BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTS OF SELECTED LISTED AUTOMOBILE COMPANIES IN INDIA

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ABSTRACT

Due to the increasing environmental and social concerns worldwide, there has been a major shift in the reporting standards. As part of its efforts to improve the Environment Social and Governance (ESG) disclosures, new criteria for sustainability reporting were introduced by SEBI. These reporting criteria which were to be followed by the Top - 1000 publicly listed companies, were termed as BRSR (Business Responsibility and Sustainability Reporting). This paper aims to investigate environmental, social and governance reporting compliance of selected two wheeler manufacturing listed automobile companies in India. This paper aims to study background and introduction of BRSR, understand the contents of business responsibility and sustainability reports of listed automobile companies in India. analyse which selected two wheeler manufacturing listed automobile companies are adhering more to the Business Responsibility and Sustainability Reporting framework. This study used secondary data for analysis and collected from Annual Reports and BRSR of FY 2024-25. The qualitative method of Content analysis was applied to understand the quality of the disclosures. For analysis Five two wheeler manufacturing listed automobile companies were selected i.e. Bajaj Auto Ltd, Eicher Motors Ltd, TVS Motors Company Ltd, Hero Moto Company Ltd and Ola Electric Mobility Ltd.The analysis identifies that BRSR of TVS Motors Company Ltd., Hero Moto Company Ltd., is more complied with BRSR framework of SEBI than Bajaj Auto Ltd., Eicher Motors Ltd., Ola Electric Mobility Ltd.

Keywords: Sustainability practices, BRSR, two-wheeler manufacturing listed automobile companies

INTRODUCTION

In May 2021, the Indian Union Government implemented a new requirement for sustain ability reporting. The form known as the Business Responsibility and Sustainability Report (BRSR) is issued by the Securities Exchange Board of India (SEBI), which oversees the nation's capital markets. The Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE), which are the two Indian stock exchanges, have mandated that the top 1000 firms, based on market capitalization, publish the BRSR beginning in 2022–2023. These businesses are required to publish significant Environmental Social Governance (ESG) risks and opportunities, mitigation strategies, sustainability objectives, and environmental and social disclosures in the new format.

The most recent change to India's sustainability reporting laws is the BRSR. Launched in 2012, the business responsibility report (BRR) was the first reporting format required to be published by the top 100 corporations. In 2015, this mandate was expanded to include the 500 largest firms. Prior to the BRR, the government introduced the national voluntary guidelines (NVGs) in 2011 and the corporate social responsibility (CSR) guidelines in 2009, respectively. The CSR standards were the first to encourage businesses of all stripes in India to operate in a socially and ecologically responsible manner. Nevertheless, there was no structure or format offered for information disclosure in this respect. The NVGs were a set of nine principles that businesses were expected to include into their business strategies, adhering to the CSR criteria. These guidelines cover a wide range of topics, including ethics, human rights, the environment, and customers and employees. These nine tenets still serve as the cornerstone of Indian sustainability reporting. Additionally, founded on disclosures made according to principles is the most recent BRSR format.

Review of literature:

Rajkannan Rajan (2025) This review represents an analysis of the framework's progressive evolution, phased implementation, and impact from 2021 to 2025. The analysis includes the industry and scholarly publications, describing how the framework enables enhances corporate transparency, accountability, and governance. It explains how Indian corporate practices are aligned with global ESG (environmental, social, and governance) norms, standards, and UN SDGs (Sustainable Development Goals). The analysis identifies the difficulties faced by reporting entities, such as data quality management and the risk of greenwashing, along with potential strategies to improve reliability by leveraging technological solutions and third-party assurance.

Arijit Saha,Abhik Kumar Mukherjee& Aakash Dhara(2025) The highlights of this study is to explore the sustainable practices followed by select two-wheeler manufacturing Indian companies. This study used secondary data for analysis and collected from Annual Reports and BRSR. The qualitative method of Content analysis was used to understand the quality of the disclosures. Finally the selected two-wheeler companies of India had exactly met the standards of sustainability reporting, but they lack providing some of the aspects. Stakeholders may penetrate the sustainability practices commonly followed by Indian two-wheeler manufacturers.

Dr. Manisha Sinha & Dr. Gurminder Kaur Arora (2024) This research examines the preciseness and comprehensiveness of sustainability reports, as initially recommended, and later mandated by SEBI, submitted by Indian companies in the financial year 2022-23. This study used secondary data for analysis and collected from Annual Reports and BRSR. The companies are categorized into various industry sectors, and their reports are compared and analyzed. The evaluation of BRSR filings focuses on disclosing data under Principle 2. This study found that there is a need for improvement in the quality of the filings.

Sushma Maurya & Dr. Rajinder Singh (2023) This paper seeks to provide an overview of research conducted in India on Sustainability Reporting (SR) while examining other related concepts such as corporate social responsibility and corporate sustainability. The study aims to establish a theoretical framework for SR in the form of various theories through review of literature. This study has been based on secondary data. This study is supplement to the existing body of literature on SR as it explains the evolution and status of SR in Indian context and concludes that it is in developmental stage. It also tries to crucially analyse past researches relating to sustainability reporting in India through review of extant literature to identify gaps and lay down future research directions in this area.

Nidhi Sharma and Ranjana Chahar (2023) This paper aims to study the conceptual framework of BRSR and also to examine the BRSR practices of selected companies. The data has been collected from Coal India Ltd. (Public sector company) and Jindal South West Steel (Private sector company) for the financial year 2021-22. The secondary data has been collected from the BRSR reports and Annual report. Content analysis technique was used for this study. This research found that BRSR of Coal India Ltd. Complied 91.42% and JSW steel complied 94.28% with SEBI's BRSR framework. Therefore, it is found that Private Sector Company is more complied with BRSR framework of SEBI than Public Sector Company.

Ritika Mahajan (2022), This paper seeks to examine environmental, social and governance reporting compliance by the top 100 companies in India. The paper provides insights into companies' compliance, disclosures, and the issues and challenges in reporting. Content analysis method was used for analysis of business responsibility reports of these companies published between 2016 and 2019 and an expert survey were conducted. This study provides shed light on BR reporting in India. This study formed on an analysis of BR reports of the top 100 companies and it was found that some leading companies still did not publish a BRR. The number of disclosures increased yearly maximum transparency was observed in social disclosures.

Bhawana Menghnani and Dr. Shekar Babu (2022) This paper insight on the background and introduction of BRSR, the parameters of evolution of sustainability reporting from Business Responsibility Reporting (BRR) to BRSR, as well as the advancements brought in by BRSR. The authors conducted an exploratory study that provides a comprehensive description of BRSR in India along with a critical overview of the various modifications from BRR to BRSR.

RESEARCH GAP

The mandate for Business Responsibility and Sustainability reporting in India was announced in 2022-23 and the regulations have been evolved. On the basis of review of literature, but very few studies have done on Business Responsibility and Sustainability reports. Corporate sustainable reporting practices and disclosure in Indian listed two-wheeler companies remained unexplored. Present study was carried out to fulfil the existing gap and adding value for creating scope to research in the same field in future.

OBJECTIVES OF THE STUDY

1. To study the evolution of Business Responsibility and Sustainability Reporting in India.
2. To understand the contents of business responsibility and sustainability reports of listed automobile companies in India.
3. To analyse which selected two wheeler manufacturing listed automobile companies are adhering more to the Business Responsibility and Sustainability Reporting framework.
4. To provide recommendations regarding Business Responsibility and Sustainability
5. Reporting system of selected automobile companies in India.

RESEARCH METHODOLOGY

This study had used secondary data, which were collected from the BRSR and the Annual Reports of the five sample Indian listed two-wheeler manufacturing companies. Relevant data were collected from the website of respective companies for the financial year 2024-25. Two-wheeler manufacturing companies which were selected for this study are Bajaj Auto Ltd, Eicher Motors Ltd, TVS Motors Company Ltd, Hero Moto Company Ltd and Ola Electric Mobility Ltd. Content analysis and statistical tool i.e. average and percentage are used for the analysis of data.

EVOLUTION OF BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING (BRSR)

- In 2009, Ministry of Corporate Affairs (MCA) issued the 'Voluntary Guidelines on Corporate Social Responsibility' as a step towards main streaming the concept of business responsibility.
- In June 2011, the United Nations Human Rights Council (UNHRC) adopted the United Nations Guiding Principles on Business and Human Rights (UNGPs) which idea endorse.
- In July2011, MCA issued the 'Nationals Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, 2011' (NVGs)
- In 2012 SEBI introduced non -financial reporting in the form of Business Responsibility Report (BRR) as a part of Annual Reports for the top 100 listed companies based on market capitalization. The format of BRR was based on NVGs issued by MCA.
- In 2014 Corporate Social Responsibility (CSR) is mandated CSR and Rules came into force.
- In 2015 from 1st April 2016 top 500 companies on the basis of market capitalization were mandated for publishing BRR under 34(2) f of Listing Regulating.
- In 2017 Integrated Reporting (IR) SEBI circular advised that Integrated Reporting may be adopted on voluntary bases from FY 2017-18 by the top 500 companies which are required to prepare.
- In 2019-20 BRR is made applicable to top 1000 listed companies based on market capitalization.
- In March 2019 NVGs were revised and released as the National Guidelines on Responsible Business Conduct (NGRBCs).
- In 2018 MCA formed a committee to align the BRR formats in line with the NGRBCs and provide new formats.
- On May 08, 2020 the committee formed by MCA gave its reports and had prescribed a revised format to reflect the intent and scope of reporting requirement, The Committee recommended that the BRR be called the Business Responsibility and Sustainability Report (BRSR) . It was also envisaged that the information captured through BRSR filling be used to develop a Business Responsibility-Sustainability Index for companies. On August 18, 2020 SEBI had issued a consultation paper, inviting public comments on the format of BRSR by September 18, 2020.
- On March 25, 2021 SEBI decided to make Business Responsibility and Sustainability Report (BRSR) replacing the existing Business Responsibility Reports BRR)

applicable to top 1000 listed entities (by market capitalization) to report it on a voluntary basis for FY 2021-22 and on a mandatory basis from FY 2022-23.

Table -1 BRSR Applicability to Top Listed Entities

Financial Year	Applicability of BRSR to Top Listed Entities
FY 2023-24	Top 150 listed entities
FY 2024-25	Top 250 listed entities
FY 2025-26	Top 500 listed entities
FY 2026-27	Top 1000 listed entities

(Source: As per SEBI circular dated 10 May 2021)

MANDATE OF SEBI'S BRSR FRAMEWORK

The BRSR framework is structured around nine core principles of the "National Guidelines on Responsible Business Conduct (NGRBCs)," issued by the Ministry of Corporate Affairs in March 2019 (MCA, 2019). The framework is organized into three distinct sections:

Section A: General Disclosures - Fundamental company information including business profile, employee diversity metrics, and operational locations.

Section B: Management & Process Disclosures - Assessment of sustainability integration into management structures and governance mechanisms.

Section C: Principle-wise Performance Disclosures - Detailed reporting on adherence to each NGRBC principle, categorized into:

Essential Indicators (Mandatory): 68 specific indicators mandatory for all companies

Leadership Indicators (Voluntary): 39 indicators for showcasing advanced sustainability practices

Table -2 Number of Essential Indicators and Leadership Indicators

Principle	No. of Essential Indicators (Mandatory)	No. of Leadership Indicators (Voluntary)
Principle 1	**9**	**2**
Principle 2	**4**	**5**
Principle 3	**15**	**6**
Principle 4	**2**	**3**
Principle 5	**11**	**5**
Principle 6	**13**	**7**
Principle 7	**2**	**1**
Principle 8	**5**	**6**
Principle 9	**7**	**4**
TOTAL	**68**	**39**

(Source: Authors compilation based on BRSR report)

ANALYSIS

For the purpose of analysis, the total contents of BRSR are counted one hundred forty five and all Top Listed Entities companies are required to report under Section A- General Disclosures includes 26 parameters, Section B- Management and process disclosures includes12 parameters and Section C- Principle-wise performance disclosures includes Essential indicators (mandatory): 9 principles and 68 Indicators. Leadership indicators (voluntary): 9 principles and 39 Indicators for the financial year 2024-25 in their BRSRs. The content score sub- heading wise for each selected companies is followed by Table 3,

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Table 3, Analysis of Compliance Level of selected companies with BRSR Framework of SEBI

Sl.No.	Content elements of BRSR	Total Score	Bajaj Auto Ltd.,	Eicher Motors Ltd.,	TVS Motors Company Ltd.,	Hero Moto Company Ltd.,	Ola Electric Mobility Ltd.,
Section –A- General Disclosures							
1	Details of the Listed Entity	15	15	15	15	15	15
2	Products or Services	2	2	2	2	2	2
3	Operations	2	2	2	2	2	2
4	Employees	3	3	3	3	3	3
5	Holding, Subsidiary and Associate Companies	1	1	1	1	1	1
6	CSR Details	1	1	1	1	1	1
7	Transparency and Disclosures Compliances	2	2	2	2	2	2
Section –B- Management And Process Disclosures							
8	Policy and Management Processes	6	6	6	6	6	6
9	Goverance, Leadership and Oversight	6	6	6	6	6	6
Section –C- Principle Wise Performance Disclosure							
10	Ethics & Transparency- Essential indicators	9	9	9	9	9	9
11	Ethics & Transparency - Leadership indicators	2	2	1	2	2	0
12	Product Responsibility- Essential indicators	4	4	4	4	4	4
13	Product Responsibility - Leadership indicators	5	2	1	5	5	0
14	Human Resources- Essential indicators	15	15	15	15	15	15
15	Human Resources - being-Leadership indicators	6	6	6	6	6	0
16	Responsiveness to Stakeholder- Essential indicators	2	2	2	2	2	2
17	Responsiveness to Stakeholder - Leadership indicators	3	1	3	3	3	0
18	Respect for Human rights-Essential indicators	11	11	11	11	11	11

19	**Respect for Human rights -Leadership indicators**	**5**	**3**	**5**	**5**	**5**	**0**
20	**Efforts to restore the Environment-Essential indicators**	**13**	**13**	**13**	**13**	**13**	**13**
21	**Efforts to restore the Environment-Leadership indicators**	**7**	**6**	**7**	**7**	**7**	**0**
22	**Public Policy Advocacy-Essential indicators**	**2**	**2**	**2**	**2**	**2**	**2**
23	**Public Policy Advocacy - Leadership indicators**	**1**	**0**	**1**	**1**	**1**	**0**
24	**Inclusive growth-Essential indicators**	**5**	**5**	**5**	**5**	**5**	**5**
25	**Inclusive growth-Leadership indicators**	**6**	**3**	**6**	**6**	**6**	**0**
26	**Customer Engagement-Essential indicators**	**7**	**7**	**7**	**7**	**7**	**7**
27	**Customer Engagement -Leadership indicators**	**4**	**3**	**4**	**4**	**4**	**0**
TOTAL		**145**	**132**	**140**	**145**	**145**	**106**

(Source: Authors compilation based on BRSR report)

FINDINGS

Bajaj Auto Ltd., Scored one hundred thirty two i.e. 91.03% of the BRSR framework. Bajaj Auto Ltd., not reported the Leadership indicators under principle 2 (Product Responsibility) i.e. details of the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services. The products and packaging reclaimed at end of life of products and Reclaimed products and their packaging materials for each product category. Under Leadership indicators of principle 4(Responsiveness to Stakeholder) i.e. details of whether stakeholder consultation is used to support the identification and management of environmental, and social topics. Details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups. Under the Leadership indicators of Principle 5 (Respect for Human rights -) i.e. details of the scope and coverage of any Human rights due-diligence conducted. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016? Under Leadership indicators of principle 6 (Efforts to restore the Environment) i.e. details of total Scope 3 emissions & its intensity is not reported. Under Principle 7 - Leadership indicators (Public Policy Advocacy) i.e. details of public policy positions advocated by the entity. Under Leadership indicators of principle 8 (Inclusive growth) i.e. details of the benefits derived and shared from the intellectual properties owned or acquired by entity. Under Leadership indicators of principle 9 (Customer Engagement) i.e. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services are not reported Bajaj Auto Ltd.

Eicher Motors Ltd., scored one hundred forty i.e. 96.55% of the BRSR framework. Eicher Motors Ltd, not reported the Leadership indicator under principle 1(Ethics & Transparency) i.e. awareness programmes conducted for value chain partners on any of the Principles during the financial year. Under leadership indicators of principle 2(Product Responsibility) i.e. The entity conducted Life Cycle Perspective / Assessments for any of its products or for its services. If there are any significant social or environmental concerns and/or risks arising from production or disposal of their products / services. The products and packaging reclaimed at end of life of products are not reported by Eicher Motors Ltd.,

TVS Motors Company Ltd., scored one hundred forty five i.e.100% of the BRSR framework. This company has disclosing all essential indicators and leadership indicators in their BRSR.Under Principle 6(Efforts to restore the Environment) of Leadership indicators the company has also disclosing information on generation of Green Credits.

Hero Moto Company Ltd., scored one hundred forty five i.e.100% of the BRSR framework. Under Principle 6(Efforts to restore the Environment) of Leadership indicators the company has disclosing information on generation of Green Credits.

Ola Electric Mobility Ltd., scored one hundred six i.e.73.10% of the BRSR framework. The company has reported all essential indicators, but not reported leadership indicators in their report.

RECOMMENDATIONS

- Automobile companies have to conduct surveys or discussions with stakeholders (e.g., investors, customers, employees) to understand which issues they consider most important.
- Highlight the company's initiatives in electric vehicle (EV) manufacturing, renewable energy adoption, and research on battery technology.
- Many automobile companies are setting ambitious carbon neutrality goals. Be sure to report progress towards such goals, including the use of renewable energy and the reduction of carbon footprints across operations.
- Outline programs or initiatives that benefit local communities, such as initiatives to support education, healthcare, or road safety.
- Showcase sales growth in electric and hybrid vehicles, or share data on the market adoption rate for more sustainable vehicle technologies.
- The report should not only provide transparency for customers but also demonstrate to investors the financial and long-term strategic benefits of the company's sustainability initiatives.
- Many automobile companies operate in multiple countries. It's important to highlight efforts to meet local sustainability needs.

CONCLUSION

The results of the study show that Bajaj Auto Ltd., has disclosed one hundred thirtytwo elements of BRSR out of one hundred forty five. Bajaj Auto Ltd., has complied all the essential indicators but not complied three leadership indicators under Principle 2, two leadership indicators under Principle 4, two leadership indicators under Principle 5, one leadership indicator under Principle 6,one leadership indicator under Principle 7, three leadership indicators under Principle 8, one leadership indicators under Principle 9.Eicher

Motors Ltd., has disclosed one hundred forty elements of BRSR out of one hundred forty five. Eicher Motors Ltd., has complied all the essential indicators but not complied one leadership indicator under Principle 1, one leadership indicator under Principle 2.TVS Motors Company Ltd., Hero Moto Company Ltd., has complied all the essential indicators and leadership indicators of BRSR. Ola Electric Mobility Ltd., has complied all the essential indicators and not leadership indicators of BRSR. Therefore it is concluded that BRSR of TVS Motors Company Ltd., Hero Moto Company Ltd., is more complied with BRSR framework of SEBI than Bajaj Auto Ltd., Eicher Motors Ltd., Ola Electric Mobility Ltd.

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