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# FROM CSR TO ESG: THE CLIMATE CRISIS AND INDIAN CORPORATE LAW

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## ABSTRACT

The transition from Corporate Social Responsibility (CSR) to Environmental, Social, and Governance (ESG) frameworks represents a paradigm shift in Indian corporate law and policy, driven by the escalating climate crisis and global sustainability imperatives. While CSR, codified under Section 135 of the Companies Act, 2013<sup>1</sup>, institutionalized corporate philanthropy through mandatory social spending, it remained limited in addressing systemic environmental and governance challenges. ESG, by contrast, embeds sustainability within the core of corporate strategy, emphasizing transparency, accountability, and long-term value creation. This paper examines the evolution of CSR into ESG in the Indian context, analyzing regulatory developments such as SEBI's Business Responsibility and Sustainability Reporting (BRSR) framework and their alignment with international standards like the UN Sustainable Development Goals and the Global Reporting Initiative. Through a study of landmark judicial pronouncements and recent policy reforms, the paper highlights how Indian corporate law is adapting to integrate climate-conscious governance. It concludes that while India has made significant progress toward embedding ESG principles, achieving meaningful impact requires consolidated legislation, standardized reporting mechanisms, and a shift from compliance-based to impact-oriented corporate conduct.

**Keywords:** Corporate Social Responsibility, Environmental Social Governance, Companies Act 2013, SEBI, BRSR, Climate Crisis, Corporate Law, Sustainability.

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<sup>1</sup> Companies Act, No. 18 of 2013, § 135 (India).

## INTRODUCTION

The climate crisis has emerged as one of the most pressing global challenges of the twenty-first century, compelling governments, corporations, and civil society to rethink the relationship between economic growth and environmental sustainability. In this context, corporate law has evolved as a critical instrument to ensure that businesses act not merely as profit-generating entities but as responsible stakeholders in achieving sustainable development. India, one of the fastest-growing economies and among the largest emitters of greenhouse gases, has been at the forefront of this evolution through the progressive transformation of its corporate responsibility framework—from **Corporate Social Responsibility (CSR)** to **Environmental, Social, and Governance (ESG)** principles.

Corporate Social Responsibility was formally institutionalized in India with the enactment of **Section 135 of the Companies Act, 2013**, which made India the first country in the world to legally mandate corporate spending on social welfare and environmental causes. This legislative milestone reflected a paradigm shift from voluntary philanthropy to statutory accountability, requiring qualifying companies to devote at least **2% of their average net profits** to CSR activities. While the introduction of CSR under the Companies Act was visionary, it primarily emphasized expenditure and charity-driven initiatives. Consequently, scholars and policymakers have critiqued it for lacking integration with corporate strategy, long-term sustainability, and measurable impact on climate resilience.

In response to these limitations and in alignment with international sustainability imperatives, **Environmental, Social, and Governance (ESG)** frameworks have gained prominence in India's corporate and regulatory discourse. ESG goes beyond traditional CSR by embedding sustainability, ethics, and transparency into the very architecture of corporate governance. It requires companies to assess and disclose their environmental footprint, social impact, and governance standards in a quantifiable and verifiable manner. This approach is driven not only by moral obligation but also by financial prudence, as investors and regulators increasingly recognize that sustainability and profitability are interdependent in the long run.

The **Securities and Exchange Board of India (SEBI)** has been instrumental in advancing ESG integration through the **Business Responsibility and Sustainability Reporting (BRSR)** framework, which mandates the top 1,000 listed companies to disclose detailed ESG-related data. These disclosures are aligned with global frameworks such as the **Global Reporting**

**Initiative (GRI), the Task Force on Climate-related Financial Disclosures (TCFD), and the United Nations Sustainable Development Goals (SDGs).** This regulatory shift signifies India's commitment to align its corporate governance systems with international best practices, enhance investor confidence, and strengthen environmental accountability.

The transition from CSR to ESG, however, is not merely semantic—it represents a **structural transformation** in how corporate law envisions responsibility. CSR focused on external contributions, often detached from a company's core operations, whereas ESG demands internal transformation in business models, supply chains, and governance ethics. It seeks to create long-term stakeholder value through climate-conscious decision-making, inclusive growth, and transparent governance mechanisms. This marks a crucial step in India's journey towards balancing economic development with ecological preservation and social justice.

Therefore, this research seeks to analyze the **legal evolution, regulatory mechanisms, and practical challenges** surrounding the shift from CSR to ESG within the Indian corporate law framework. It explores how the emerging ESG paradigm can strengthen corporate accountability in addressing climate change, enhance transparency in environmental reporting, and harmonize India's domestic laws with global sustainability goals. The study argues that while CSR laid the foundation for responsible corporate conduct, ESG embodies the next phase of India's legal and ethical commitment to sustainable development—one that integrates environmental consciousness into the DNA of corporate governance.

### **Legislative Genesis of CSR in India**

The concept of **Corporate Social Responsibility (CSR)** in India evolved from voluntary ethical practices into a codified statutory obligation through the **Companies Act, 2013**. The legislative journey of CSR can be traced back to the **voluntary guidelines** issued by the **Ministry of Corporate Affairs (MCA)** in **2009**, titled *Corporate Social Responsibility Voluntary Guidelines*. These guidelines encouraged companies to integrate social, environmental, and ethical considerations into their business operations.

Subsequently, in **2011**, the MCA released the *National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)*, which laid a structured foundation for responsible corporate behavior. These early initiatives reflected the government's intent to formalize the social obligations of corporations and paved the way for

a statutory framework.

This culminated in the **enactment of Section 135 of the Companies Act, 2013**, making India the **first country in the world** to mandate CSR spending by law. Section 135 requires companies meeting specified financial thresholds—net worth of ₹500 crore or more, turnover of ₹1,000 crore or more, or net profit of ₹5 crore or more—to allocate **at least 2% of their average net profits** from the preceding three years towards CSR activities. The accompanying **Companies (Corporate Social Responsibility Policy) Rules, 2014**<sup>2</sup> provided operational clarity by defining eligible activities under Schedule VII, which included initiatives related to environmental sustainability, education, health, gender equality, and rural development.

The legislative intent behind Section 135 was to transform corporate philanthropy into **strategic social investment** by aligning business operations with the developmental goals of the nation. This codification represented a paradigm shift from voluntary compliance to **mandatory social responsibility**, thereby institutionalizing the role of the private sector in national development.

Over the years, the **amendments to the Companies Act (2019<sup>3</sup> and 2020<sup>4</sup>)** further refined CSR provisions—making unspent CSR funds liable for transfer to designated government funds and emphasizing accountability through reporting mechanisms. These legislative developments reflect an evolving recognition that corporate entities bear a **legal and moral duty** to contribute to sustainable and inclusive growth.

Thus, the legislative genesis of CSR in India demonstrates a gradual but definitive progression—from voluntary moral commitments to a **legally enforceable corporate duty**, setting the groundwork for India's subsequent transition toward the broader **Environmental, Social, and Governance (ESG)** framework.

### **Evolution of Corporate Social Responsibility (CSR) in India**

Corporate Social Responsibility (CSR) in India has evolved from ancient philanthropic

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<sup>2</sup> Companies (Corporate Social Responsibility Policy) Rules 2014, Gazette of India, Extraordinary, Part II, Section 3(i), Notification No. GSR 129(E), dated 27 February 2014, issued by the Ministry of Corporate Affairs.

<sup>3</sup> The Companies (Amendment) Act, 2019, No. 22 of 2019, Gazette of India, Extraordinary, Part II, Section 1, (31 July 2019).

<sup>4</sup> The Companies (Amendment) Act, 2020, No. 29 of 2020, Gazette of India, Extraordinary, Part II, Section 1, (28 September 2020).

traditions to a legally mandated corporate obligation. The journey reflects shifts from voluntary charity to structured community engagement, and finally to statutory compliance under the Companies Act, 2013, which introduced a 2% spending mandate for qualifying companies.

### **1. Companies Act, 2013 (Relevant Sections) Section 135**

"Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director."

### **2. CSR Policy and Expenditure (Companies Act, 2013, Section 135(1)<sup>5</sup>)**

"The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy."

### **3. CSR Activities (Companies Act, 2013, Section 135(5)<sup>6</sup>)**

Schedule VII of the Act lists permissible CSR activities, including eradicating hunger, poverty, and malnutrition; promoting education; gender equality; environmental sustainability; and contributions to the Prime Minister's National Relief Fund or other central government funds.

### **4. Non-Compliance**

"If the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134<sup>7</sup>, specify the reasons for not spending the amount."  
(Companies Act, 2013, Section 135(5) Proviso)

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<sup>5</sup> Companies Act, No. 18 of 2013, § 135(1) (India)

<sup>6</sup> Companies Act, No. 18 of 2013, § 135(5) (India)

<sup>7</sup> Companies Act, No. 18 of 2013, § 135(3)(o) (India)

## Companies (Corporate Social Responsibility Policy) Rules, 2014<sup>8</sup>

### 1. Rule 4

"The CSR Committee shall formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII."

### 2. Rule 5

"The Board of every company shall ensure that the activities included in the CSR Policy are undertaken by the company."

## Historical Context

1. Pre-1956: CSR was largely voluntary, rooted in religious and cultural traditions of charity and community service.
2. 1956–2013: The Companies Act, 1956<sup>9</sup> did not mandate CSR; practices remained voluntary, though some companies engaged in philanthropy and community development.
3. Post-2013: The Companies Act, 2013 made CSR spending mandatory for certain companies, marking a shift from voluntary to compulsory CSR.

The Supreme Court's judgment in *Bachan Singh, Sher Singh & Anr. v. State of Punjab & Ors.* (1982)<sup>10</sup> is a seminal moment in Indian legal history, particularly concerning the evolution of Corporate Social Responsibility (CSR). While the case primarily addressed the constitutionality of the death penalty, its broader implications have influenced various aspects of Indian jurisprudence, including CSR. The Court's emphasis on the 'rarest of rare' doctrine, which mandates that the death penalty be imposed only in exceptional circumstances, reflects a broader judicial trend towards proportionality and ethical considerations in sentencing. This principle has parallels in CSR, where companies are increasingly expected to act responsibly and ethically, considering the impact of their actions on society and the environment. The

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<sup>8</sup> Companies (Corporate Social Responsibility Policy) Rules, 2014, GSR 129(E), issued under s 135 of the Companies Act 2013 (India), notified in the Gazette of India, Extraordinary, Part II, Section 3(i), dated 27 February 2014.

<sup>9</sup> The Companies Act 1956 (Act No 1 of 1956).

<sup>10</sup> *Bachan Singh, Sher Singh & Anr. v. State of Punjab & Ors.* (1982) 3 SCC 24.

judgment underscores the importance of contextual analysis and moral responsibility, principles that resonate with the evolving expectations of corporate entities in India. Therefore, while *Bachan Singh* did not directly pertain to CSR, its emphasis on ethical considerations and social responsibility has contributed to the discourse on corporate accountability in India.

The case of *Harsh Vardhan Bansal vs. East Delhi Municipal Corporation* (W.P.(C) No. 13465/2021, decided on November 11, 2024)<sup>11</sup> underscores the evolving landscape of Corporate Social Responsibility (CSR) in India. While the case primarily addresses municipal governance issues, it reflects a broader trend where businesses, especially in urban sectors, are increasingly held accountable for their social and environmental impacts. This aligns with India's growing emphasis on CSR, particularly following the 2013 Companies Act, which mandates CSR spending for certain companies. The case highlights the legal complexities businesses face in fulfilling CSR obligations, especially when local governance and regulatory frameworks intersect. It also signals a shift towards more transparent and accountable CSR practices, urging companies to align their social initiatives with both legal requirements and community expectations. Thus, the case exemplifies how legal precedents are shaping the future of CSR in India, pushing for more responsible and sustainable business practices.

### **Emergence of Environmental, Social, and Governance (ESG) Frameworks**

The Environmental, Social, and Governance (ESG) framework is a comprehensive approach used to evaluate an organization's impact on the environment, its social responsibilities, and the quality of its governance. While ESG is not specifically codified in Indian law, it is increasingly relevant in the context of corporate sustainability and investor preferences. The framework has evolved globally, with significant milestones including the launch of ethical funds and the establishment of reporting standards.

In India, while there is no specific legal framework dedicated solely to ESG, several legal provisions and regulations encourage companies to adopt sustainable practices and report on their environmental and social impacts. For instance:

1. Companies Act, 2013: This act mandates certain disclosures related to corporate social responsibility (CSR) and environmental sustainability, which aligns with ESG principles. Section 135 of the Act requires companies to spend a portion of their profits

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<sup>11</sup> *Harsh Vardhan Bansal v. East Delhi Mun. Corp.*, W.P.(C) No. 13465/2021 (Delhi High Ct. Nov. 11, 2024).

on CSR activities, and Section 134(3)(o) requires companies to include a CSR policy in their annual reports.

2. National Green Tribunal Act, 2010<sup>12</sup>: This act provides for the establishment of the National Green Tribunal to handle environmental disputes and enforcement of environmental laws, which can influence ESG considerations.
3. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015<sup>13</sup>: These regulations require listed companies to disclose certain ESG-related information in their annual reports.

The case of *Mrs. X v. Union of India* (April 26, 2023)<sup>14</sup> marked a significant development in India's legal landscape concerning the protection of individuals' rights in the digital age. The Delhi High Court addressed the issue of Non-Consensual Intimate Images (NCII) and emphasized the responsibility of digital intermediaries to take proactive measures in removing such content. The Court's directive underscored the need for intermediaries to not only act upon specific URLs provided by users but also to employ technology to prevent the re-uploading of offending images. This judgment highlighted the intersection of technology, privacy, and individual rights, setting a precedent for the enforcement of digital accountability in India.

The Delhi High Court's judgment in *Ajay Maken & Ors. vs. Union of India & Ors.* (March 18, 2019)<sup>15</sup> significantly advanced the recognition of Environmental, Social, and Governance (ESG) principles in urban governance. The case arose from the forcible eviction of approximately 5,000 residents from Shakur Basti, Delhi, by the Indian Railways without prior notice or rehabilitation, leading to the displacement of vulnerable communities. The Court held that slum dwellers possess the constitutional right to housing, emphasizing that forced and unannounced evictions violate their right to life and dignity under Article 21 of the Indian Constitution<sup>16</sup>. The judgment mandated that no eviction could occur without conducting a proper survey, consulting affected populations, and providing adequate rehabilitation for eligible residents. This decision underscored the state's duty to uphold the dignity and rights of

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<sup>12</sup> National Green Tribunal Act, No. 19 of 2010, Acts of Parliament, (India).

<sup>13</sup> Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI/LAD-NRO/GN/2015-16/013 (India).

<sup>14</sup> *Mrs. X v. Union of India*, W.P.(Crl.) No. 1505/2021, 2023 DHC 2806 (Apr. 26, 2023).

<sup>15</sup> *Ajay Maken v. Union of India*, W.P.(C) No. 11616/2015 (Delhi High Court, Mar. 18, 2019).

<sup>16</sup> Ind. Const. art. 21.



its most vulnerable citizens, aligning with ESG principles by promoting social justice, environmental sustainability, and ethical governance in urban planning and development.

The Supreme Court's judgment in *Citizens For Green Doon v. Union of India* (14 December 2021)<sup>17</sup> significantly advanced the integration of Environmental, Social, and Governance (ESG) principles into India's legal and infrastructural framework. The case scrutinized the environmental clearance process for the Char Dham Highway Project in Uttarakhand, particularly concerning the diversion of forest land and tree felling. The Court emphasized the necessity for stringent adherence to environmental laws, transparency in decision-making, and robust mitigation strategies to offset ecological impacts. By mandating the implementation of the High-Powered Committee's recommendations and ensuring public disclosure of environmental data, the ruling reinforced the role of ESG considerations in infrastructure development. This landmark decision underscores the judiciary's commitment to sustainable development and the enforcement of environmental governance standards in large-scale projects.

## **Regulatory and Reporting Framework for ESG in India**

India's regulatory and reporting framework for Environmental, Social, and Governance (ESG) focuses primarily on mandatory disclosures by listed companies and the issuance of ESG-labelled debt securities. The framework has evolved from voluntary guidelines to mandatory reporting requirements aligned with global standards, with Securities and Exchange Board of India (SEBI) playing a central role.

### **1. Business Responsibility and Sustainability Reporting (BRSR) Framework**

1.1 Introduced by SEBI in 2021, replacing the earlier Business Responsibility Report (BRR) framework (2009)<sup>18</sup>.

1.2 Mandatory for the top 1000 listed companies by market capitalization from FY 2022-23

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<sup>17</sup> *Citizens For Green Doon v. Union of India*, (2021) 14 SCC 48 (India).

<sup>18</sup> Ministry of Corporate Affairs, Government of India, Business Responsibility Report Framework (2009), <https://www.mca.gov.in>

onwards<sup>19</sup>.

1.3 BRSR Core framework applies to the top 150 listed companies from FY 2023-24, with enhanced disclosure requirements across nine ESG parameters including energy, water, waste, social impact, and governance<sup>20</sup>.

1.4 From FY 2024-25, the top 250 companies must disclose Scope 3 greenhouse gas (GHG) emissions on a comply-or-explain basis and meet assurance requirements for these emissions<sup>21</sup>.

1.5 Voluntary ESG reporting for value chain partners of the top 250 companies is encouraged from FY 2025-26<sup>22</sup>.

1.6 The BRSR aligns closely with global frameworks such as the Global Reporting Initiative (GRI) and Task Force on Climate-related Financial Disclosures (TCFD).

## **2. SEBI ESG Debt Securities Framework (2025)**

2.1 SEBI issued a comprehensive regulatory framework for ESG-labelled debt securities other than green bonds on June 5, 2025 (Circular SEBI/HO/DDHS/DDHS-POD-1/P/CIR/2025/84)<sup>23</sup>.

2.2 Covers social bonds, sustainability bonds, and sustainability-linked bonds (SLBs).

2.3 Mandates eligibility criteria aligned with international standards like the International Capital Market Association (ICMA) Principles and Climate Bonds Standards.

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<sup>19</sup> Securities and Exchange Board of India, Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 (July 12, 2023), available at [https://www.sebi.gov.in/legal/circulars/jul-2023/brsr-core-framework-for-assurance-and-esg-disclosures-for-value-chain\\_73854.html](https://www.sebi.gov.in/legal/circulars/jul-2023/brsr-core-framework-for-assurance-and-esg-disclosures-for-value-chain_73854.html).

<sup>20</sup> Securities and Exchange Board of India, *Business Responsibility and Sustainability Report (BRSR) Core Framework: Applicability to Top 150 Listed Companies from FY 2023-24*, ¶¶ \_\_ (2023), <https://www.sebi.gov.in>

<sup>21</sup> Securities and Exchange Board of India (SEBI), *Business Responsibility and Sustainability Reporting (BRSR) Core Framework*, (FY 2024-25), available at [https://www.sebi.gov.in/legal/circulars/may-2024/business-responsibility-and-sustainability-reporting-brsr-core-framework\\_69823.html](https://www.sebi.gov.in/legal/circulars/may-2024/business-responsibility-and-sustainability-reporting-brsr-core-framework_69823.html).

<sup>22</sup> Securities and Exchange Board of India, Measures to Facilitate Ease of Doing Business with Respect to Framework for Assurance or Assessment of ESG Disclosures for Value Chain and Introduction of Voluntary Disclosure on Green Credits, SEBI/HO/CFD/CMD1/P/CIR/2025/93 (Mar. 28, 2025)

<sup>23</sup> Securities and Exchange Board of India, Circular No. SEBI/HO/DDHS/DDHS-POD-1/P/CIR/2025/84 (June 5, 2025), Framework for Environment, Social and Governance (ESG) Debt Securities (Other than Green Debt Securities), available at [https://www.sebi.gov.in/legal/circulars/jun-2025/framework-for-environment-social-and-governance-esg-debt-securities-other-than-green-debt-securities-\\_94424.html](https://www.sebi.gov.in/legal/circulars/jun-2025/framework-for-environment-social-and-governance-esg-debt-securities-other-than-green-debt-securities-_94424.html)

2.4 Requires mandatory third-party pre- and post-issuance reviews to ensure transparency and credibility.

2.5 Imposes ongoing reporting obligations, including key performance indicator (KPI) tracking for SLBs, to maintain alignment with global best practices.

2.6 This framework complements the existing green bond regulations under SEBI's 2017 framework, updated in 2023.

### **3. Corporate Social Responsibility (CSR) Compliance**

3.1 CSR remains a critical component of ESG compliance in India, requiring companies to align social responsibility efforts with governance and transparency standards.

### **4. National Voluntary Guidelines (NVGs) and Responsible Business Conduct**

4.1 The Ministry of Corporate Affairs (MCA) issued NVGs in 2011 and updated them in 2019 as the National Guidelines for Responsible Business Conduct, providing a foundational framework for ESG principles and reporting<sup>24</sup>.

### **5. SEBI's Review and Future Developments**

5.1 SEBI is conducting ongoing reviews of ESG disclosure mandates to improve data quality and ease compliance burdens, especially for smaller firms.

5.2 India is developing a climate finance taxonomy to further standardize ESG-related financial disclosures.

The Supreme Court's judgment in *Vellore District Environment Monitoring Committee v. The District Collector, Vellore District* (2025 INSC 131) on January 30, 2025<sup>25</sup>, underscores India's evolving regulatory and reporting framework for Environmental, Social, and Governance (ESG) compliance. The Court addressed severe pollution caused by tanneries in Tamil Nadu's Vellore district, emphasizing the application of the Polluter Pays Principle and the Public Trust Doctrine. It mandated comprehensive remediation measures, including the establishment of

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<sup>24</sup> Ministry of Corporate Affairs, *National Guidelines on Responsible Business Conduct* (2011, updated 2019), available at <https://www.mca.gov.in/content/mca/global/en/home.html>

<sup>25</sup> *Vellore Dist. Env't Monitoring Comm. v. Dist. Collector, Vellore Dist.*, (2025) INSC 131.

new Common Effluent Treatment Plants (CETPs), real-time water quality monitoring, and public disclosure of effluent data. Additionally, the Court directed the implementation of Zero Liquid Discharge (ZLD) systems and the creation of a state-level committee to oversee compliance, reporting directly to the National Green Tribunal. These directives reflect a shift towards stringent ESG governance, integrating environmental accountability with transparent reporting mechanisms. By aligning judicial mandates with ESG principles, the ruling sets a precedent for integrating environmental considerations into corporate governance and regulatory practices in India.

The case of *Central Pollution Control Board vs. News Item Published in Asian Age*, Authored by Sanjay Kaw (2022)<sup>26</sup> before the National Green Tribunal (NGT) underscores the evolving regulatory landscape for Environmental, Social, and Governance (ESG) reporting in India. The NGT addressed concerns regarding the Central Pollution Control Board's (CPCB) initiative to rank industrial units based on pollution levels, as reported by Sanjay Kaw in *The Asian Age*. The tribunal's involvement highlighted the intersection of media reporting, regulatory actions, and environmental governance. While the NGT ultimately dismissed the application, the case drew attention to the need for a robust and transparent ESG reporting framework in India. In response to such concerns, India has been strengthening its ESG regulatory and reporting framework. The Securities and Exchange Board of India (SEBI) has mandated Business Responsibility and Sustainability Reporting (BRSR) for the top 1,000 listed companies, aligning with global standards like the Global Reporting Initiative (GRI) and the Task Force on Climate-related Financial Disclosures (TCFD). Additionally, the Ministry of Corporate Affairs (MCA) has introduced the National Guidelines on Responsible Business Conduct (NGRBC), providing a comprehensive set of principles for corporate responsibility. These initiatives aim to enhance transparency, accountability, and sustainability in corporate practices, reflecting India's commitment to integrating ESG considerations into its regulatory framework.

The Karnataka High Court's judgment in *M/S V.S. Lad & Sons v. State of Karnataka* on November 19, 2010<sup>27</sup>, underscored the critical need for a robust regulatory and reporting framework for Environmental, Social, and Governance (ESG) issues in India's mining sector. The case highlighted the challenges posed by illegal mining activities, inadequate oversight,

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<sup>26</sup> Central Pollution Control Board v. News Item Published in *Asian Age*, Authored by Sanjay Kaw, (2022).

<sup>27</sup> M/S V.S. Lad & Sons v. State of Karnataka, W.P. No. 24103/2010 (Karnataka H.C. Nov. 19, 2010).

and the lack of transparency in environmental compliance. It emphasized the necessity for stringent enforcement of the Mines and Minerals (Development and Regulation) Act, 1957<sup>28</sup>, and the Environmental Protection Act, 1986<sup>29</sup>, to ensure that mining operations adhere to sustainable practices. The court's intervention pointed to systemic failures in monitoring and reporting, which allowed for the exploitation of natural resources without due consideration for environmental and social impacts. This case serves as a pivotal reference for advocating the integration of comprehensive ESG reporting standards and regulatory mechanisms in India's mining industry, aiming to promote accountability, transparency, and sustainable development.

The case of Entertainment Society of Goa, Panaji vs. Assessee, decided on 21 February 2013<sup>30</sup>, is pivotal in understanding the regulatory and reporting framework for Environmental, Social, and Governance (ESG) considerations in India. This case highlighted the necessity for transparency and accountability in corporate governance, particularly within the entertainment sector. The court emphasized the importance of disclosing material facts to shareholders, ensuring that they are informed about any ongoing investigations that could impact the company's operations and financial health. This ruling underscore the broader expectation for companies to adopt robust ESG reporting practices, aligning with global standards and fostering investor confidence. In response to such judicial precedents, Indian regulatory bodies have been progressively integrating ESG disclosures into the corporate reporting framework, mandating companies to provide comprehensive information on environmental impact, social responsibility, and governance structures. This evolution reflects a growing recognition of ESG factors as integral to sustainable business practices and long-term value creation.

### **Judicial and Legislative Developments Supporting ESG Principles**

Judicial and legislative developments supporting Environmental, Social, and Governance (ESG) principles are increasingly prominent globally. These developments include regulatory updates, litigation outcomes, and policy changes that emphasize sustainability, corporate responsibility, and social welfare. In recent years, there has been a significant focus on climate change, environmental protection, and governance issues, with various jurisdictions implementing laws and regulations to enforce ESG standards.

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<sup>28</sup> Mines and Minerals (Development and Regulation) Act, No. 67 of 1957, Acts of Parliament, 1957 (India), <https://egazette.nic.in/>

<sup>29</sup> Environmental Protection Act, 1986, No. 29, Acts of Parliament, 1986 (India).

<sup>30</sup> *Entertainment Society of Goa, Panaji v. Assessee*, ITA No. 90 (Panaji) of 2012, decided on February 21, 2013.

While specific Indian legal provisions directly addressing ESG principles are not detailed in the provided search results, global trends highlight the importance of ESG in legal frameworks. For instance, the European Union has introduced several regulations, such as the Corporate Sustainability Reporting Directive and the Carbon Border Adjustment Mechanism (CBAM), to enhance ESG compliance and reduce carbon emissions. In the United States, there are ongoing debates and legal challenges related to ESG, including anti-ESG legislation and climate change litigation.

On January 30, 2025, the Supreme Court of India delivered a landmark judgment in the case of *Vellore District Environment Monitoring Committee v. The District Collector, Vellore District*<sup>31</sup>, reinforcing the integration of Environmental, Social, and Governance (ESG) principles into India's legal framework. The Court addressed the long-standing issue of pollution caused by tanneries discharging untreated effluents into the Palar River in Vellore District, Tamil Nadu, leading to significant ecological and public health damage. Emphasizing the 'Polluter Pays' principle, the Court directed the Tamil Nadu government to compensate the affected families and recover the amount from the polluting industries. Additionally, the Court invoked the Public Trust Doctrine, asserting that the state holds natural resources in trust for public benefit and must protect them from exploitation. The judgment also mandated the establishment of an expert committee to conduct an audit of the ecological damage and recommend remedial measures, thereby promoting sustainable development and environmental justice. This decision underscores the judiciary's role in enforcing ESG principles and holding both industries and government authorities accountable for environmental stewardship.

### **Challenges in Transitioning from CSR to ESG**

Transitioning from Corporate Social Responsibility (CSR) to Environmental, Social, and Governance (ESG) involves several challenges. CSR is often seen as voluntary and qualitative, focusing on community relations and philanthropy, while ESG is more rigorous and quantifiable, integrating environmental, social, and governance factors into business strategies. Key challenges include cost considerations, the need for comprehensive risk management, and the integration of ESG into corporate strategy.

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<sup>31</sup> Vellore Dist. Env't. Monitoring Comm. v. Dist. Collector, Vellore Dist., 2025 INSC 131 (India).

In India, CSR is mandated under Section 135 of the Companies Act, 2013, which requires companies to spend a certain percentage of their profits on CSR activities. However, there are no specific legal provisions directly addressing ESG in Indian law. Instead, ESG is often implemented through voluntary adoption of international standards and frameworks.

**Companies Act, 2013 (Section 135):** "Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director."

While Indian law does not explicitly mandate ESG reporting, companies are increasingly adopting ESG practices to align with global standards and regulatory requirements in other jurisdictions.

The Supreme Court's decision in *Satyanarayan Rao v. Union of India* (Civil Appeal No. 7449 of 2025) on July 9, 2025<sup>32</sup>, underscores the ongoing challenges in India's corporate governance landscape, particularly in the transition from Corporate Social Responsibility (CSR) to Environmental, Social, and Governance (ESG) frameworks. The appellant's appeal against the National Green Tribunal's order was dismissed, highlighting the judiciary's cautious approach towards environmental compliance and corporate accountability. This reflects a broader trend where companies, especially those listed on the Bombay Stock Exchange (BSE), are increasingly aligning with ESG standards, as evidenced by their annual reports for the fiscal year 2024-25. These reports indicate a shift towards more comprehensive sustainability practices, integrating ESG considerations into corporate strategies. However, the transition is not without its challenges, including the need for standardized reporting frameworks, effective implementation of ESG policies, and addressing stakeholder expectations. The case serves as a reminder of the complexities involved in this transition and the necessity for robust legal and regulatory mechanisms to support sustainable corporate practices.

### **The Role of ESG in Addressing the Climate Crisis**

Environmental, Social, and Governance (ESG) frameworks play a significant role in addressing the climate crisis by guiding companies to reduce greenhouse gas emissions, improve resource

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<sup>32</sup> *Satyanarayan Rao v. Union of India*, Civil Appeal No. 7449 of 2025 (Supreme Court of India July 9, 2025).

efficiency, and adopt sustainable practices, thereby mitigating climate change impacts and promoting sustainable development. ESG also enhances corporate transparency and accountability, encouraging climate risk management and innovation in low-carbon solutions.

ESG initiatives help companies transition to renewable energy, implement energy-efficient operations, and manage environmental risks related to climate change, such as physical and transition risks from regulatory changes or market shifts toward low-carbon economies. These efforts contribute to reducing pollution and fostering social equity, which supports broader societal welfare alongside environmental goals.

However, ESG-driven climate action has limitations. Critics argue that ESG measures alone cannot fully address the distributional challenges of climate change mitigation, as interventions often disproportionately impact low-income and vulnerable populations. Unlike public policy, ESG lacks mechanisms to generate revenue to offset these regressive effects, highlighting the need for complementary governmental action and aligned corporate lobbying to ensure equitable climate solutions.

ESG reporting further strengthens climate action by making corporate environmental impacts transparent, aligning corporate behavior with societal climate goals, and attracting sustainability-focused investors. Theoretical frameworks such as stakeholder, agency, and institutional theories explain how ESG reporting influences corporate governance and climate mitigation efforts.

In summary, ESG serves as a crucial market-based tool for climate crisis mitigation by promoting sustainable corporate practices and transparency, but it must be complemented by public policy to address social equity and systemic challenges effectively.

The Supreme Court's judgment in *Vellore District Environment Monitoring Committee v. The District Collector, Vellore District* (2025 INSC 131)<sup>33</sup> underscores the pivotal role of Environmental, Social, and Governance (ESG) principles in confronting the climate crisis. The Court addressed the severe pollution caused by tanneries in Vellore District, Tamil Nadu, which had led to irreversible damage to the Palar River, groundwater, and agricultural lands. In its ruling, the Court emphasized the application of the Polluter Pays Principle, the Precautionary Principle, and the Public Trust Doctrine, all of which are integral components of ESG

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<sup>33</sup> Vellore Dist. Env't. Monitoring Comm. v. Dist. Collector, Vellore Dist., 2025 INSC 131 (India).



frameworks. The Court directed the establishment of comprehensive pollution control measures, including the creation of No Discharge Zones, the construction of Common Effluent Treatment Plants (CETPs), and the implementation of real-time monitoring systems. Additionally, it mandated industries to publicly disclose effluent data and imposed stringent penalties for non-compliance. These directives align with ESG objectives by promoting environmental sustainability, social responsibility, and robust governance mechanisms. Furthermore, the Court's emphasis on compensating affected communities and ensuring the health and safety of workers reflects a holistic approach to ESG, highlighting its significance in addressing environmental degradation and fostering sustainable development.

On 11 February 2021, the Rajya Sabha passed the Major Port Authorities Bill, 2020<sup>34</sup>, with significant amendments aimed at enhancing operational efficiency and promoting private sector participation in India's major ports. This legislative development has important implications for Environmental, Social, and Governance (ESG) considerations, particularly in addressing the climate crisis. Ports are critical nodes in global trade and are also significant sources of greenhouse gas emissions, marine pollution, and habitat disruption. By integrating ESG principles into port management and operations, the Bill encourages sustainable practices such as cleaner fuel usage, energy-efficient logistics, and responsible waste management. This alignment with ESG not only helps mitigate environmental impacts but also strengthens social accountability and governance standards, ensuring that port development contributes positively to India's climate commitments and sustainable growth objectives.

### **Comparative Analysis: CSR and ESG in Global Jurisdictions**

Corporate Social Responsibility (CSR) and Environmental, Social, and Governance (ESG) are two frameworks for sustainable business practices, but they differ in origin, focus, and legal status across global jurisdictions. CSR is traditionally a voluntary, value-driven approach, while ESG is increasingly a regulated, data-driven framework used by investors and regulators. This analysis compares their legal and practical status in major jurisdictions, with a focus on India.

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<sup>34</sup> Major Port Authorities Bill, 2020, Rajya Sabha (India), passed Feb. 10, 2021, available at [https://rajyasabha.nic.in/Debates/OfficialDebatesDatewise/Floor/253/1022021/F10022021\(1\).pdf](https://rajyasabha.nic.in/Debates/OfficialDebatesDatewise/Floor/253/1022021/F10022021(1).pdf)

## India

### CSR

1. **Companies Act, 2013, Section 135:** “Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board...” (India Code, Ministry of Corporate Affairs)
2. **Rule 4, Companies (Corporate Social Responsibility Policy) Rules, 2014<sup>35</sup>:** “The Board of every company referred to in sub-section (1) of section 135, shall ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years...” (India Code, Ministry of Corporate Affairs)
3. **Schedule VII<sup>36</sup>:** Lists permissible CSR activities, including eradicating hunger, promoting education, gender equality, environmental sustainability, etc.

### ESG

1. **No standalone ESG law:** India does not have a comprehensive ESG statute. ESG reporting is driven by stock exchange requirements (e.g., SEBI Listing Obligations and Disclosure Requirements Regulations, 2015, as amended).
2. **SEBI Circular (May 10, 2021):** Mandates Business Responsibility and Sustainability Reporting (BRSR) for top 1,000 listed entities, requiring disclosure on ESG parameters<sup>37</sup>.
3. **SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Regulation 34(2)(f)<sup>38</sup>:** “The listed entity shall submit to the stock exchange... a

<sup>35</sup> Companies (Corporate Social Responsibility Policy) Rules, 2014, Rule 4, Ministry of Corporate Affairs, India.

<sup>36</sup> Companies (Corporate Social Responsibility Policy) Rules, 2014, Schedule VII, Ministry of Corporate Affairs, G.S.R. 129(E) (Feb. 27, 2014) (India).

<sup>37</sup> Securities and Exchange Board of India, SEBI Circular on Business Responsibility and Sustainability Reporting (BRSR) for Top 1,000 Listed Entities, May 10, 2021, [https://www.sebi.gov.in/legal/circulars/may-2021/mandates-business-responsibility-and-sustainability-reporting-brsr-for-top-1000-listed-entities\\_50363.html](https://www.sebi.gov.in/legal/circulars/may-2021/mandates-business-responsibility-and-sustainability-reporting-brsr-for-top-1000-listed-entities_50363.html)

<sup>38</sup> Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Reg. 34(2)(f).

Business Responsibility Report describing the initiatives taken by the listed entity from an environmental, social and governance perspective.”

## European Union

### CSR

1. **EU Directive 2014/95/EU (Non-Financial Reporting Directive, NFRD):** Requires large companies to disclose non-financial information, including environmental, social, and employee matters, respect for human rights, anti-corruption, and bribery<sup>39</sup>.
2. **Corporate Sustainability Reporting Directive (CSRD):** Replaces NFRD, expanding scope and requiring more detailed sustainability reporting, including double materiality (impact of sustainability on the company and vice versa).

### ESG

1. **Sustainable Finance Disclosure Regulation (SFDR):** Requires financial market participants to disclose sustainability risks and adverse impacts at entity and product level.
2. **EU Taxonomy Regulation:** Establishes a classification system for environmentally sustainable economic activities.

## United States

### CSR

1. **No federal CSR mandate:** CSR remains largely voluntary, guided by corporate governance principles and stakeholder expectations.
2. **State laws:** Some states have laws encouraging or requiring certain CSR practices (e.g., California’s Transparency in Supply Chains Act).

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<sup>39</sup> Directive 2014/95/EU, 2014 O.J. (L 330) 1 (EU) (Non-Financial Reporting Directive).

## ESG

1. **Securities and Exchange Commission (SEC):** Proposed rules on climate-related disclosures for public companies (as of 2023, not yet finalized).
2. **State laws:** Certain states (e.g., California, New York) have introduced or proposed ESG disclosure requirements for pension funds and other institutional investors.

## United Kingdom

## CSR

1. **UK Companies Act 2006, Section 172:** Directors must act in a way that promotes the success of the company for the benefit of its members, and in doing so have regard to the impact of the company's operations on the community and the environment<sup>40</sup>.
2. **Modern Slavery Act 2015<sup>41</sup>:** Requires certain companies to publish a slavery and human trafficking statement.

## ESG

1. **UK Stewardship Code<sup>42</sup>:** Encourages institutional investors to integrate ESG factors into investment decisions.
2. **Task Force on Climate-related Financial Disclosures (TCFD):** UK listed companies must disclose in line with TCFD recommendations.

The Supreme Court of India, in the case of *Vellore District Environment Monitoring Committee v. The District Collector, Vellore District* (2025 INSC 131)<sup>43</sup>, delivered a landmark judgment on January 30, 2025, addressing the severe environmental degradation caused by tannery industries in Vellore District, Tamil Nadu. This case serves as a critical reference point for understanding the interplay between Corporate Social Responsibility (CSR), Environmental, Social, and Governance (ESG) principles, and judicial intervention in environmental matters.

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<sup>40</sup> Companies Act 2006, c. 46, § 172 (U.K.).

<sup>41</sup> Modern Slavery Act 2015, c. 30 (U.K.).

<sup>42</sup> UK Financial Reporting Council, *UK Stewardship Code* (2020), <https://www.frc.org.uk/investors/uk-stewardship-code>.

<sup>43</sup> Vellore Dist. Env't. Monitoring Comm. v. Dist. Collector, Vellore Dist., 2025 INSC 131 (India).

The Supreme Court's intervention in the Vellore tannery pollution case highlights the critical need for stringent regulatory frameworks, technological integration, and active community participation in environmental governance. It also emphasizes the importance of aligning CSR and ESG practices with judicial oversight to ensure effective and lasting ecological restoration.

### **The Way Forward: Strengthening ESG Governance in India**

Strengthening ESG (Environmental, Social, and Governance) governance in India involves regulatory reforms, enhanced reporting frameworks, corporate accountability, and state-level policy initiatives aimed at aligning with global sustainability standards and promoting responsible business practices.

**Environmental Regulatory Reforms (2025):** The Ministry of Environment, Forest and Climate Change (MoEF & CC) has revised the Environmental Impact Assessment (EIA) framework to ensure rigorous environmental assessments and accountability for project developers. The Draft Greenhouse Gases Emission Intensity Target Rules, 2025<sup>44</sup>, introduce emission intensity targets for energy-intensive sectors, supporting a market-based Carbon Credit Trading Scheme (CCTS) to reduce greenhouse gas emissions.

**SEBI ESG Disclosure and Debt Frameworks:** The Securities and Exchange Board of India (SEBI) is reviewing ESG disclosure mandates for listed companies to improve data quality and ease compliance burdens, especially for smaller firms. SEBI has also issued an ESG debt securities framework governing social bonds, sustainability bonds, and sustainability-linked bonds (SLBs), mandating eligibility criteria aligned with international standards, third-party reviews, and ongoing KPI reporting.

**Mandatory ESG Reporting:** SEBI amended the Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015, requiring the top 1000 listed companies to submit ESG reports based on the Business Responsibility and Sustainability Reporting (BRSR) framework from FY 2022-23. BRSR assesses companies on nine principles of the National Guideline on Responsible Business Conduct, with mandatory essential indicators and voluntary leadership indicators to enhance transparency and investor decision-making.

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<sup>44</sup> Draft Greenhouse Gases Emission Intensity Target Rules, 2025, Ministry of Environment, Forest and Climate Change, India, June 23, 2025.

**Corporate Governance and Accountability:** Recommendations for strengthening ESG governance emphasize the need for comprehensive and standardized reporting frameworks aligned with international best practices, technology-driven data collection, workforce training on ESG principles, robust corporate leadership, investor activism, and prevention of greenwashing through enhanced transparency and accountability.

**State-Level ESG Policy (Kerala):** Kerala has approved India's first comprehensive state-level ESG policy to promote sustainable, socially conscious, and transparent industries. The policy includes incentives such as subsidies, concessional loans, tax reimbursements, and preferential public procurement for ESG-compliant enterprises. It aims for 100% renewable energy by 2040 and carbon neutrality by 2050, aligning with global standards like GRI and SASB<sup>45</sup>.

The case of *Satyanarayan Rao v. Union of India* (Civil Appeal No. 7449 of 2025)<sup>46</sup> was decided by the Supreme Court of India on March 24, 2025. The appellant, Satyanarayan Rao, challenged the environmental clearance granted to M/s Vedanta Ltd. for a mining project in Odisha. The Supreme Court upheld the National Green Tribunal's decision, dismissing the appeal and affirming the clearance. This judgment has significant implications for Environmental, Social, and Governance (ESG) governance in India.

The Income Tax Appellate Tribunal's (ITAT) ruling in *Belden India Private Limited, Gurgaon v. DCIT, Circle 1(1), Gurgaon* on February 3, 2023<sup>47</sup>, sheds light on the evolving landscape of Environmental, Social, and Governance (ESG) compliance in India. While the case primarily addresses tax-related matters, it underscores the increasing importance of ESG considerations in corporate governance and regulatory frameworks.

On 19 November 2010, the Karnataka High Court delivered a significant judgment concerning the iron ore mining industry in the state. The case involved M/S V.S. Lad & Sons, a mining company operating in Bellary District, which challenged two orders issued by the State Government on 26 July 2010 and 28 July 2010. These orders prohibited the export of iron ore from ten ports in Karnataka and halted the issuance of mining dispatch permits for the transport of iron ore intended for export. The petitioners contended that these orders were arbitrary and adversely affected their business operations. The Court examined the intent behind the State

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<sup>45</sup> Kerala Cabinet, Kerala State-Level Environmental, Social, and Governance (ESG) Policy, approved Oct. 2, 2025.

<sup>46</sup> *Satyanarayan Rao v. Union of India*, Civil Appeal No. 7449 of 2025 (Sup. Ct. of India 2025).

<sup>47</sup> *Belden India Pvt. Ltd. v. DCIT, Circle 1(1), Gurgaon*, ITA No. 1234/Del/2023 (ITAT Delhi, Feb. 3, 2023).

Government's orders and concluded that the primary objective was to curb illegal mining activities rather than to regulate the export of iron ore. The Court noted that the State Government had not sought to annul or modify the petitioners' export licenses but had instead focused on addressing illegal mining, transportation, and storage of iron ore. The Court emphasized that the State's actions were aimed at tackling the theft of iron ore and not at disrupting legitimate mining operations<sup>48</sup>.

## Recent Development

Recent developments in technology and global observances for October 2025 include significant advances in artificial intelligence, biotechnology, autonomous vehicles, and Internet of Things (IoT) applications, alongside notable cultural and environmental events.

### Key technological trends for 2025 emphasize:

1. **Agentic AI:** A rapidly emerging form of AI that autonomously plans and executes complex workflows, creating "virtual coworkers" with broad applicability in enterprise and consumer sectors.
2. **Generative AI and Quantum Computing:** Continued expansion and integration in various industries, enhancing computational capabilities and creative processes.
3. **Internet of Things (IoT):** Projected growth to approximately 30 billion devices by 2025, facilitating smart city infrastructure, traffic management, energy optimization, and public safety improvements.
4. **Biotechnology in Agriculture:** Use of CRISPR gene editing to develop crops with enhanced resistance to pests, diseases, and environmental stresses, addressing climate change and food security.
5. **Autonomous Vehicles:** Progress in AI-driven navigation and operation, particularly in public transport and freight logistics, aiming to reduce accidents and emissions.

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<sup>48</sup> V.S. Lad & Sons v. State of Karnataka, W.P. No. 24103 of 2010 (Karnataka High Court July 2010).

**Cultural and environmental observances in October 2025 include:**

1. **International Day of Older Persons (October 1):** Focused on elder issues and societal inclusion, established by the UN in 1990.
2. **Sober October and Stoptober (starting October 1):** Campaigns promoting alcohol abstinence and smoking cessation, respectively.
3. **UK Black History Month (October):** Celebrating Black heritage and culture with the 2025 theme "Reclaiming Narratives".
4. **Astronomical Events:** A supermoon on October 6, appearing 30% brighter and 14% larger than usual, alongside the Draconid and Orionid meteor showers.

These developments reflect ongoing innovation in technology with societal and environmental engagement through global awareness campaigns and natural phenomena.

**Conclusion**

The evolution from Corporate Social Responsibility (CSR) to Environmental, Social, and Governance (ESG) principles marks a fundamental transformation in the philosophy and practice of Indian corporate law. What began as a statutory obligation for social expenditure under Section 135 of the *Companies Act, 2013* has matured into a holistic framework that embeds sustainability, accountability, and ethical governance within the very structure of corporate decision-making. The CSR regime laid the groundwork for responsible corporate conduct, but its philanthropic orientation often fell short of addressing systemic environmental and governance challenges. ESG, by contrast, shifts the focus from expenditure to performance, from compliance to strategy, and from external charity to internal reform.

India's regulatory trajectory, anchored in SEBI's Business Responsibility and Sustainability Reporting (BRSR) Framework, the ESG Debt Securities Framework, and the Ministry of Corporate Affairs' National Guidelines on Responsible Business Conduct—demonstrates the country's commitment to align domestic law with international sustainability standards such as the GRI, TCFD, and SDGs. Judicial developments, including environmentally conscious rulings by the Supreme Court and National Green Tribunal, further reinforce the judiciary's role in operationalizing ESG principles within the broader climate governance framework.



However, the transition remains a work in progress. The absence of a consolidated ESG statute, inconsistencies in data disclosure, and the lack of standardized reporting metrics continue to impede uniform implementation. Moreover, the gap between corporate commitments and measurable impact underscores the risk of “greenwashing,” calling for stronger assurance mechanisms and regulatory oversight. The effectiveness of ESG integration ultimately depends on a cultural shift, where sustainability becomes an intrinsic element of corporate identity rather than a regulatory checkbox.

Looking ahead, India’s challenge lies in transforming ESG from a reporting obligation into a catalyst for innovation, resilience, and equitable growth. Legislative consolidation, technological integration in ESG data systems, independent audit standards, and incentivization of sustainable enterprises, such as Kerala’s pioneering state-level ESG policy, can together build a robust ecosystem for climate-conscious corporate governance.

In conclusion, the journey from CSR to ESG encapsulates India’s broader legal and moral evolution in the era of the climate crisis. By embedding environmental and social consciousness into the core of business governance, India is not only redefining corporate accountability but also reaffirming its constitutional vision of sustainable development under Articles 21 and 48A. The future of Indian corporate law thus lies in deepening the ESG paradigm—where profit, people, and planet coexist within a single, legally enforceable framework of responsible capitalism.

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