

Indian Evidence of the Economic Consequences of ESG Implementation

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Received: 26/10/2025;

Revision: 30/11/2025;

Accepted: 08/12/2025;

Published: 07/01/2026

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Abstract: The new, present day capital reserves have endorsed expansion in its approach, attribute to the assimilation of Environmental, Social and Governance aspects. The association between ESG projects and commercial performance is analyzed with a perspective of underlining India as a progressive trading place, witnessing amendments. An expert judgment from year 2010 to 2025 is assimilated using the PRISMA method. The outcomes seen were varied and complicated. The ESG factors improved and enhanced the brand identity, shareholders trust and reliability whereas the effects on the gains differ from company to company. Considering the universal perspective ESG factors reduces cost of capital and promotes estimations. From India's point of view, relationship can be defined as assorted owing to administration rules and regional fluctuations. The Business Responsibility and Sustainability Report (BRSR) of SEBI'S promotes clarity however focuses on incorrect information, expenses and paint a possibility of eco-friendly wash. The present-day industrial sector research showcases environmental/social profits whereas points out the administration shortcomings. ESG provides administrative commitment as well as competitive track. The methodology suggests regularization admission, endorsing SME'S, external authentication and ESG- economic harmony.

Keywords: Environmental, Social and Governance (ESG) Corporate Financial Performance Indian Capital Markets Business Responsibility and Sustainability Reporting (BRSR) Corporate Governance.

INTRODUCTION

ESG factors has transformed the universal business outlook and investment. The officials and investors insist upon intangible measures and is evidently viewed in the EU'S CSRD as well as US SEC climate rules [1,2]. Japan, Singapore and China, the Asia-Pacific countries demonstrate multinational foreign alliance influenced by environmental alertness, inconsistencies and community needs. India lines up through the medium of SEBI'S BRSR with the uppermost enterprises from the financial year 2022-2023[3] framing ESG essential. The structure is made up of nine concepts for assignments and application of the same differs according to the size of the enterprise.

The relationship between ESG-CFP expresses: recommends mentioning of risk management and gross increase [4-6]; the analysts take records of expenditure in potential market [7]. The facilitators such as economic slowdown shows impact on the results [31].

The paper is structured as Section 2 contains objectives, Section 3 comprises Literature Review, section 4 includes Methodology, Results are covered in section 5, discussion in section 6 and conclusion in section 7.

Objectives:

The research study acknowledges the following intentions:

1. Integrate international/Indian ESG-CFP information.
2. Evaluate shareowner/sales performance
3. Analyze Indian regional outcomes
4. Demarcate strategy/ administrative suggestions

This assessment aims to generate post-BRSR insights by synthesizing current (2025) results on the economic suggestions of ESG implementation in the Indian context.

LITERATURE REVIEW

3.1 Conceptual Foundations

ESG-CFP extracts out from stakeholder modal (stabilize profits to avert capital setbacks [8]), Lawfulness (acquiring community consent [9]), reserves-based perspective (ESG as exceptional advantages [10]), establishment (outward impacts [11]) and Monitoring (lowering irregularities [12]). The above features build ESG as significant, which differs with the factors such as that of India's ordinance.

3.2 Global Statistics

ESG shows affirmative impact on ROA/ROE and Tobin's Q [13]. It provides 58% constructive progress in meta-analyses [9], sometimes faces limitations in assests [14]. Progressive-ESG establishments offer moderate capital expenditure and barriers, e.g., during the period of the pandemic Covid-19 [4,5,15].

Alterations: Progressing in carbon- intensive areas [16]; stronger in Europe, differing in US, evolving in Asia [17,18].

3.3 Indian Statistics

The BRSR give in additional results, advocating modern correspondent [1,19]. The profits showcase variance: fragile ROE in Nifty 50[7], powerful ROA in commercial banks [20]; constructive in current Nifty studies [3]. Regional: Financial institutions are in the forefront [20];

Production attains effectiveness whereas administration faces setbacks [30]; trade increases reliability [22]. Poor Administration [23]. Inactive economic funds gives average results constructively [31].

Greenwashing dilutes reliability [24]; SME's experience limitations [25]; Groundwork lacks success [26]; financier faithlessness due to lack to certainty and security [27]; Limitations in administrative procedure require stability [30].

3.4 Application Barriers

METHODOLOGY:

The research study conducted with PRISMA assistance on Scopus, Web of science, Emerald, Science Direct produced around 1200 data which was brought down to around 100 data records through the process of removing duplicates and filtering. It incorporates expert's review taken from the year 2010 to 2025 in English with ESG-CFP center highlighted. The method eliminates non-English, abstract. The procedure involves filtering, removing (support/criterion/factors), durability assurance. It is upgraded with the studies carried out in the year 2024-25.

4.1 PRISMA Flow Diagram:

PRISMA flow diagram sketches the structured analysis procedure. The data replicates the verification, evaluation, suitability, and incorporation phases.

Process	Number of Data
Authentication (data extracted from data bank)	1,200
Filtered information	820
Entire text editorial examined for suitability	280
Editorials eliminated (does not meet the absorption standards)	180
Research work incorporated in the concluding evaluation	100

RESULTS:

5.1 International

Approving 42/60 editorial featuring ESG-gains [13,16]; 70% beneficial research guarantee [13]. Sales: decrease in instability, improved stocks [4,15,28]. Locations: Europe convincing [13]; US varied [29]; Asia raising [18].

5.2 India

Affirmative sales response [1,19]. Regional: Investment ROA profits [20]; production effectiveness with administration affairs [21,30]; commitment in providing facilities [22]. Stronger relations build succeeding BRSR [19, 20]; administration accountability [23]; improves slow -paced [31].

Features	Worldwide Conclusions	Indian Conclusions	Significant Results
Productivity (e.g., ROA/ROE)	Constructive in 70%; slow up	Varied; constructive investment; unstable production [7,20,30]	Assimilation, inactive regulation
Commercial Value	Trouble mitigation [4,15]	unexpected outcomes [1,19]	clarity, commitment [27]
Regional difference	Carbon base sturdy [16]	Finance accelerate ; setbacks in production administration [20,21,30]	Customised perspective [22]
Barriers	territorial spilt [17,29]	Eco-friendly-wash, SMEs [24,25]	Reconcile guidelines [26]
Liability/investment	Reasonable expenditure [4,28]	Succeeding-BRSR developments [19]	Prolong emphasis [14]
Mediators	Strain/monitor [11,12]	Slow-pace builds-up [31]	Assist restricted things

DISCUSSION

6.1 Tactical vs. Managerial

Worldwide crucial; India regularly bureaucratic, hampering advantages [19, 20]. Organized alterations advance along with inactivity or laziness [31].

6.2 Business Alterations

Expenditures/ outflow provides more advantage [20, 21]; constructing affirmative surroundings/ community-based set in opposition exercising authority [30].

6.3 Shareowner's Perspective

Promoting hunger, well-constructed by certainty; environmental wash barriers [1,19,24,27].

6.4 Strategy

BRSR moves onward and requires GRI/ SASB sync, assistance of SME, inspection [26].

6.5 Suggestions

Officers incorporate thoughtfully [31]; advisors instruct inspections [24]; financiers compile reliable ESG [27,30]. Wide-range; liability structures, learning.

CONCLUSION:

ESG encourages lasting wellness with unpredictable momentary reactions. The BRSR in India drives acknowledgment, revealing discontinuity. Looked upon as an asset, communicating facilitator [30,31].

The result of the research findings confirms the ESG ‘s addition to continuing monetary stability, whereas with uncertain temporary returns. BRSR, in India generates admission and also focuses the aspects of administration and collaboration. ESG should be reevaluated as a significant asset and should not be examined with resistance along with the conformation which showcases affirmative network restrained with the issues like business magnitude, inactiveness. Acknowledging these aspects with the help of strategies and administration can exercise ESG for beneficial competing in the progressing financial management.

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