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How SEBI's Recent ESG Mandates Are Boosting Women-Led Startups in India

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India's regulatory landscape is undergoing a quiet but powerful transformation one that is beginning to open new doors for women entrepreneurs across the country.

The ESG Framework Takes Shape

In 2025, the Securities and Exchange Board of India (SEBI) elevated ESG mandates by introducing the BRSR Core under the SEBI BRSR 2025 framework, requiring businesses to share standardised and verifiable data on aspects like carbon emissions, workplace diversity, ethical practices, and boardroom accountability. The mandate requires India's top 1,000 listed companies to file ESG reports with increasing scope and assurance over the next several years, with mandatory ESG reporting for the top 250 companies including value chain disclosures now in effect for FY 2025–26.

Crucially, this framework does not stop at a company's front door. SEBI requires listed companies to disclose ESG information on key upstream and downstream value-chain partners, imposing accountability for ESG risks outside a company's own operations. This has significant implications for startups that supply to or partner with large corporates.

Gender Diversity as a Measurable Metric

At the heart of SEBI's social mandates is a hard focus on gender. The BRSR Core identifies key performance indicators such as GHG emissions, water consumption, gender diversity, wage parity, and safety that must be independently assured. Additional KPIs have been factored in specific to India's context, including gross wages paid to women, job creation in small towns, and business openness.

This means large listed companies now have a financial and reputational incentive to demonstrate diversity not just within their own walls, but across the supply chains they report on. Partnering with and sourcing from women-led startups has become a tangible way for corporations to improve their ESG scores turning gender inclusion from a soft commitment into a boardroom priority.

Early data shows the framework is producing real results: one IT company improved gender diversity by 15% after tracking BRSR metrics, enhancing its social performance score.

Capital Is Following

The ESG push is coinciding with and accelerating a surge in dedicated funding for women-led ventures. Under the Fund of Funds for Startups (FFS), managed through SIDBI and channelled into SEBI-registered alternative investment funds, investments have surged from ₹333.96 crore in 2020 to ₹914.47 crore in 2025, pushing cumulative funding to around ₹2,995 crore. The Credit Guarantee Scheme for Startups has also extended guarantees on 24 loans worth ₹331.7 million specifically for women-led startups as of October 2025.

Challenges Ahead

The progress is real, but gaps remain. Critics point out that the BRSR currently emphasises quantitative disclosures such as the number of women employed and their percentage of board representation with limited qualitative data on workplace culture, inclusion, or the structural reasons behind wage gaps and leadership disparities. Consequently, many companies treat gender diversity disclosures as mere compliance exercises rather than opportunities to drive meaningful change.

The Bigger Picture

SEBI's ESG mandates are reshaping what India's corporate sector values and what it rewards. For women-led startups, this regulatory shift is generating something that has historically been scarce: structured, sustained demand for their participation in the economy. As SEBI moves from labelling compliance to building genuine investor confidence in ESG-linked instruments, the ripple effects are beginning to reach India's most underserved entrepreneurs. The regulatory and financial ecosystems are, for once, pointing in the same direction.

Sources: SEBI BRSR Framework • Mondaq • Trak.in • ORF Online • Law.asia