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Assessment or Assurance?



The BRSR Core choice the next 500 companies must now make

If your company ranks between **501 and 1,000** by market capitalisation, **FY 2026-27** is the first year your company must obtain a third-party assessment or assurance of its BRSR Core disclosures.

Choosing the provider should already be on the audit committee's agenda. But the first question is not who to appoint. It is what kind of engagement the provider will perform.

Under SEBI's LODR Master Circular, last updated in January 2026, a listed entity can choose between two routes.

ASSURANCE

Under standards such as ISAE 3000 and ISAE 3410 internationally, or ICAI's SSAE 3000 and SAE 3410 in India.

ASSESSMENT

Against standards developed by the Industry Standards Forum (ASSOCHAM, CII and FICO) in consultation with SEBI.

The company must disclose the type of assessment or assurance obtained in its BRSR.

This flexibility widens the field of providers. It does not lower the bar for the work.

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Who can verify, and what they need

Profession agnostic, but board's responsibility

SEBI has made verification profession agnostic, so it is not restricted to chartered accountants. It has, however, placed responsibility on the board to ensure the provider has the necessary expertise.

Nine attributes, broad expertise

BRSR Core spans nine attributes. They range from greenhouse gases, energy, water and waste to employee safety, gender diversity, inclusive development, fairness to customers and suppliers, and openness of business. The provider's team must bring skills across all of them.

Independence is essential

Independence is also the company's responsibility. SEBI requires the listed entity to ensure that the provider and its associates do not sell products, or provide any non-assurance or non-assessment service, including consulting, to the company or its group.



Beyond these requirements, look for three things.

01
A documented methodology.

02
A review of the work by someone outside the engagement team.

03
Working papers that can support the conclusion if questioned.

Without these, verification becomes a tick box exercise, **and a such a report protects no one.**

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What did not change



Same attributes and metrics

The nine BRSR Core attributes and their metrics are the same under either verification route.

Same reporting basis

Listed entities must follow the Industry Standards on reporting of BRSR Core whichever route they choose. SEBI treats the approach as a base methodology, and any adjustments or estimates must be disclosed.

Company remains responsible

Neither route shifts responsibility for accurate reporting away from the company.

How the routes compare

The regulatory choice is between assessment and assurance. Within assurance, the level and the standard applied determine the procedures performed and the form of the conclusion.

	REASONABLE ASSURANCE	LIMITED ASSURANCE	ASSESSMENT
Nature	Positive-form opinion	Negative-form conclusion	Conclusion based on the methodology, track record methodology (newer route)
Standards	ISAE 3000 / ISAE 3410 (international) or ICAF's SSAE 3000 / SAE 3410 (in India)	ISAE 3000 / ISAE 3410 (international) or ICAF's SSAE 3000 / SAE 3410 (in India)	Standards developed by the Industry Standards Forum (ASSOCHAM, CII and FICCI) in consultation with SEBI
Procedures	More extensive evidence-gathering, including an understanding of reporting processes and controls	Fewer procedures	Procedures as per the Industry Standards Forum methodology
Form of conclusion	States that the disclosures are prepared, in all material respects, in accordance with the criteria	States only that nothing has come to the practitioner's attention suggesting the disclosures are materially misstated	Conclusion form depends on the methodology, track record is shorter, so companies should be clear about what they are engaging with

The reasonable assurance opinion provides a defined positive form and the **highest level of confidence**. Limited assurance involves fewer procedures. Assessment is the newer route, and companies should be clear about what they are engaging with.

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Before appointing any provider, ask four things.



01

Standard and conclusion

What standard and level of assurance, or what assessment methodology, will apply, and what will the opinion / conclusion say?

02

Sampling and site visits

How will samples be selected, and how many sites will be visited?

03

Data controls

Will controls over the data be evaluated?

04

Supporting documentation

What documentation will support the conclusion?

If the answers fall short of what your stakeholders expect, **the board should know that before it signs.**

Four questions for the audit committee

Who reads your BRSR?

Your shareholders may include foreign institutions or ESG funds. Banks may seek sustainability information when lending, and global customers may ask for supplier data. These readers typically look for assurance. Domestic institutions, lenders and rating agencies are equally attentive to how credible the verification is.

How ready is your data?

Weak data does not become easier to verify under any route. Gaps in reporting boundary, denominators or safety statistics take time to investigate and correct. Choosing a route does not fix the data. Fixing the data does.

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Where are you heading?

A growing number of jurisdictions are adopting IFRS S1 and S2, and the IAASB has issued ISSA 5000 as a global standard for sustainability assurance. If overseas investors or customers are likely to ask for assurance, starting elsewhere may mean switching later.

What will you defend?

When a number is challenged by an investor, a lender or a rating agency, consider which conclusion the committee would rather point to.

Making the call

For most companies, reasonable assurance is the stronger first-year choice.

For companies in the 501 to 1,000 band with a meaningful institutional investor base or international customers, reasonable assurance is the stronger first-year choice, over both assessment and limited assurance. It costs more and asks more of management. In return, it provides the highest level of confidence and a positive-form opinion under established international standards.

If you choose otherwise

If a board chooses otherwise, it should do so deliberately, document its rationale and set out the expected procedures in the engagement letter.

Flexibility with responsibility

SEBI gave companies flexibility on the route. It did not give flexibility on quality.

A clear choice today can give your company a credible **position with investors, lenders, customers and other stakeholders tomorrow.**

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What to do before the financial year closes

Put the choice on the next audit committee agenda as a decision, not a procurement item.

Ask each prospective provider which standard and level they will apply, what the conclusion will say and who will be on the team. Ask to see a sample report.

Check independence and expertise before you shortlist. Appoint early. Interim procedures before 31 March give you time to find and fix issues while the year is still open.

Focus them on reporting boundaries, calculation methods, evidence trails, and site-level data controls.



The flexibility SEBI introduced is real.
Use it as a choice, not a shortcut.



Ravi Sankar Nori
COO - ESG & Sustainability Advisory