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Mandatory corporate social responsibility in India: reporting reality, issues and way forward

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Abstract

Purpose – Since 2013, the Indian Companies Act Section 135 has mandated corporate social responsibility (CSR) reporting by Indian central public sector enterprises (CPSEs). CSR reporting is regulated by multiple Government of India ministerial agencies, each requiring different formats and often different data. This study aims to understand the impact of these multiple regulatory bodies on CSR reporting by Indian CPSEs; evaluate the expectation gap between regulators and the regulated; and investigate the compliance burden on CPSEs.

Design/methodology/approach – An interview-based approach was adopted to evaluate the perspectives of both regulators and regulated CPSEs on the impact of the new regulations on CSR reporting quality. The authors use the lens of institutional theory to analyse the findings.

Findings – Driven by coercive institutional pressures, CPSEs are overburdened with myriad reporting requirements, which significantly negatively impact CPSEs' financial and human resources and the quality of CSR activity and reports. It is difficult for CPSEs to assess the actual impact of their CSR activities due to overlapping with activities of the government/other institutions. The perceptions of regulators and the regulated are divergent: the regulators expect CPSEs to select more impactful CSR projects to comply with mandatory reporting requirements.

Originality/value – The findings of this study emphasise the need for meaningful dialogue between regulators and the regulated to reduce the expectation gap and establish a single regulatory authority that will ensure that the letter and spirit of the law are followed in practice and not just according to a tick-box approach.

Keywords Central public sector undertaking, CSR reporting, Mandatory CSR, India

Paper type Research paper

1. Introduction

Corporate social responsibility (CSR) began as a voluntary practice in the mid-1950s. Over time, initiatives by global not-for-profit organisations such as the Global Reporting Initiative

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(GRI) and the International Integrated Reporting Council and by governments (e.g. Indonesia, China, France and India) have sought to institutionalise the performance and reporting of CSR (Gatti *et al.*, 2018; Liu and Tian, 2019; Sheehy, 2015; Subramaniam *et al.*, 2017). Accordingly, the landscape of CSR has shifted from a voluntary best practice activity in which corporations aim to meet the expectations of an assumed social contract between business and society to compliance with regulatory norms and rules developed by various governments, institutions and professional bodies and stakeholders. Supporters of a regulatory approach argue that this shift in CSR practices and reporting may lead to better CSR initiatives, homogeneity in corporate efforts, increased accountability, greater stakeholder participation and greater alignment with sustainable development goals. Studies of mandatory CSR reporting in specific nations have found strong support from various stakeholder groups for compulsory environmental disclosures (de Villiers and van Staden, 2012) and institutionalisation of CSR reporting (Ackers and Eccles, 2015). However, Gray and Milne (2002) highlight that corporations are generally opposed to government interference in reporting practices through regulatory frameworks as corporations argue that voluntary regimes are always more effective.

Section 135 of the Indian Companies Act prescribes mandatory "CSR spending of 2% of average net profits" for all companies meeting specified financial thresholds (The Government of India, 2013). The provisions for mandatory CSR apply to both public and private sector companies. The Government of India (GOI) initiated a CSR and sustainability agenda with CPSEs (central public sector enterprises) in 2010 with the Guidelines on Corporate Governance for CPSEs, which were later extended to the private sector. CPSEs in India are large state-owned enterprises (SOE) established by the central (federal) government through the Act of parliament to promote self-sufficiency, providing employment and social good after independence from the British Crown in the mid past century. CPSEs were adequately resourced to operate in areas such as manufacturing heavy machinery, petroleum and other chemicals, electronics, defence equipment, fertiliser production, mining and energy, very different to the much smaller local level government enterprises. Unlike other state or local enterprises, they operate as public sector corporations and are listed on national stock exchanges. CPSEs are unique in terms of their multi-faceted accountability to the Parliament of India, multiple departments/ministries of the central government, which hold majority shares and regulate CPSEs through the Department of Public Enterprise (DPE); and to the public at large the majority stakeholder for demonstrating financial, environmental and social performance (Kansal *et al.*, 2020).

CPSEs in India are regulated by multiple layers of central government departments/ministries, each requiring compliance with a separate guideline and prescribing a different report or reporting format. Under the DPE, GOI prescribed guidelines on CSR for CPSEs in 2011, which were modified in 2018. The Ministry of Corporate Affairs (MCA) has oversight of the law and requires CPSEs to conform to the reporting requirements. Finally, the Securities and Exchange Bureau of India (SEBI) requires the top 500 listed companies to produce a Business Responsibility Report (BRR). Thus, CPSEs are required to supply a CSR report to DPE, one to MCA and a separate BRR to SEBI. Our research is motivated, firstly, by the inherent differences between the Indian context and nations that regulate such enterprises with a single overarching regulatory body; secondly, the expectation gap between the regulators and regulated in India, which is home to the world's first experiment of this kind; and thirdly, the need to understand the regulatory/compliance burden on CPSEs.

The evaluation of any regulation includes three core aspects – regulatory administration, behaviour compliance and outcome performance. Regulatory administration includes how well the regulation/policy is being implemented. Behaviour compliance research seeks to determine the extent to which behaviour complies with the regulation. Outcome performance relates to the regulatory outcomes based on indicators and attributions (Coglianese, 2012). Numerous studies have examined CSR regulation and reporting in India (Bhattacharyya and Rahman, 2020; Dharmapala and Khanna, 2018; Gatti *et al.*, 2018; Kansal *et al.*, 2018; Sheehy, 2015; Subramaniam *et al.*, 2017) mainly focusses on behaviour compliance or outcome performance investigating the immediate impact of the regulation on CSR disclosure, CSR expenditures, dividend policy and stock returns. However, most of the studies ignored the viewpoint of regulatory administration, i.e. how the regulators perceive the performance of the regulation. This study tries to fulfil this research gap by contrasting the viewpoints of representatives of the regulatory bodies with the CPSEs' managers in the post-implementation period to assess the intended and unintended implications of the newly incorporated regulation for CSR reporting. CSR regulation in India is equally applicable to both the public and private sectors. Yet, this study analyses the viewpoints of public sector companies as they are perceived to be the worst impacted by such regulation due to bureaucratic controls (Walker, 2014). Our study focusses on the perceptions of regulators and the regulated (i.e. CPSEs) regarding the compliance burden imposed by the multiple levels of regulation and its impact on CSR reporting in India. Our investigation is guided by the following research questions (*RQs*):

RQ1. Do CPSEs consider CSR reporting requirements over-regulation?

RQ2. Do CPSEs and regulators perceive the new CSR regulation as facilitating improved CSR reporting?

RQ3. What are the practical challenges faced by CPSEs in complying with legislation mandating CSR?

This study contributes to the existing literature on the impact of mandatory CSR reporting by exploring the perspectives of regulators and regulated companies. Using in-depth interview data, this paper injects new evidence from the Indian context into the wide-ranging debates on CSR regulation and suggests new ways of understanding this important phenomenon of mandatory CSR and reporting requirements nationally and internationally. The findings of the study have the potential not only to help the GOI and its attendant regulatory bodies evaluate the impact of their laws/guidelines but also to inform governments at large about the potential pitfalls in using such a regulatory pathway for CSR reporting. Our results also provide regulator's perspectives on reasons for changes in CSR reporting requirements. We adopt the institutional theory, which is widely used in the extant literature, as a framework of analysis (Yin and Zhang, 2012) and the subsequent decoupling of institutional processes to map the Indian CSPE's CSR reports issued in compliance with the law (for a discussion of decoupling see, for example, Wijen, 2014).

This paper next reviews the relevant literature to put into context the transition of Indian CPSEs from voluntary to mandatory CSR reporting. This is followed by the introduction of a framework of analysis using institutional theory and the methodology, a discussion of our findings considering the institutional framework and historical context of CSR and CPSEs in India, conclusions and recommendations for further research.

2. Review of the literature

2.1 Corporate social responsibility in developing countries

CSR as a strategic orientation is defined as the "actions that appear to further some social good, beyond the firm's interests and that which is required by law" (McWilliams and Siegel, 2011).

Visser (2008) describes that CSR in developing countries is rooted in cultural and historical traditions of philanthropy, religion and culture, and thus, encounters a unique set of challenges in CSR reporting. Jamali and Karam (2018) agree that CSR in developing countries "is contextualised and shaped by the actors embedded within wider formal and informal governance systems". Extant literature explores the antecedents, practices and roadblocks to CSR in developing countries (Gatti *et al.*, 2018; Jain and Jumde, 2020; Mukherjee *et al.*, 2018; Nyquist, 2003; Visser, 2008; Waagstein, 2011; Yin and Zhang, 2012). CSR in developing countries has been construed to be a way to plug "governance gaps left by weak, corrupt or under-resourced governments" (Visser, 2008) as a crisis response or alternatively to provide market access (Momin and Parker, 2013). Governments across the world, especially in developing countries are taking increased oversight of CSR in response to corporate failures resulting in the global financial crisis of 2008 and the realisation that corporate involvement is required for solving the grand problems of the world, namely, poverty, hunger, disparity and sustainable development. Legislation regarding CSR spend and reporting brings a radical paradigm shift to the voluntary culturally and religious-based corporate philanthropy practised historically in developing countries (Visser, 2008). This change is likely to create tension between corporations and lawmakers, leading to unintended consequences as brought to light by the Indian experience.

2.2 Mandatory requirements, institutionalisation, corporate social responsibility reporting and central public sector enterprises

In the short span of 2008–2014, governments worldwide gradually increased CSR legislation, mainly in developing countries (Gatti *et al.*, 2018). Mandating CSR and its reporting results in both intended and unforeseen outcomes for firms and their stakeholders. Regulatory pressures may facilitate positive economic outcomes such as more effective CSR activities, increased CSR spending and reduced emissions (Chen *et al.*, 2018). Furthermore, regulatory oversight may serve urgent national developmental agendas (Gatti *et al.*, 2018; Subramaniam *et al.*, 2017). By contrast, Dharmapala and Khanna (2018) suggested that mandatory CSR requirements in India encourage corruption and fraud in spending CSR budgets.

The institutionalisation of pre-existing CSR practices has increased CSR activity and reporting. According to institutional theory, CSR reporting may increase because firms place high importance on the government's regulatory pressure at the expense of Non-Government Organisations (NGOs), employees and other stakeholders (Higgins *et al.*, 2015). The institutionalisation of CSR through government policies around the world has impacted CSR disclosures (Chen *et al.*, 2018; Ioannou and Serafeim, 2017) and rebalanced the flow of economic benefits from shareholders to stakeholders; for example, CSR mandates have benefited other stakeholders at the expense of shareholders in Australia (Higgins *et al.*, 2015) and India (Bhattacharyya and Rahman, 2020). The institutionalisation of CSR may bring benefits to various stakeholders in the form of increased CSR activity and reporting (Ackers and Eccles, 2015). However, Gatti *et al.* (2018) cautioned that legal mandates might reduce stakeholder dialogue and engagement.

Mandatory CSR reporting requirements may have multi-dimensional yet not necessarily favourable impacts on the quality of reporting in general and by public sector firms more specifically. Luo *et al.* (2017) demonstrated that the "institutional complexity that arises from the conflicting demands of central and local governments" led to poor quality of disclosures by Chinese SOEs in meeting conflicting and more demanding organisational and institutional expectations. A few studies have suggested that the institutionalisation of CSR reporting requirements has enhanced the quality of financial and non-financial disclosures by reducing information asymmetry in, for example, China (Wang *et al.*, 2018). Similarly, in an Indian context, Nair *et al.* (2019) found that CSR disclosure during mandatory disclosure has improved financial transparency and boosted retail investor confidence in the firms.

Nevertheless, a broader stream of research provides contrasting evidence that institutional complexities, regulatory ambiguities and inconsistencies reduce the quality of CSR reporting (Ackers and Eccles, 2015; Luo *et al.*, 2017; Waagstein, 2011). Jain and Jumde (2020) highlight that the "comply-and-explain" approach adopted by the current regulatory framework has not successfully achieved its objective of attaining a structured approach to make companies more socially responsible. They further report that CPSEs in India mainly undertake CSR activities delivering the political agenda of the state or central governments. Evaluating CSR reporting practices of Indian CPSEs prior to the 2013 law, Mansi (2015) finds that CPSEs tended to have higher disclosures in economic development, philanthropy and community development than other facets of CSR. None of the above studies has mapped the impact of the CSR law from the perspective of regulators and contrasted it with perspectives of the regulated.

2.3 Firms' issues in corporate social responsibility implementation and reporting

Academic scrutiny of the complexities and challenges faced by firms in delivering on CSR policy expectations is crucial to support potential policy revisions to improve the effectiveness and implementation of regulations. Studies of the concerns of firms in effectively executing mandatory CSR and its reporting in the public sector are limited. Zhao and Patten (2016) found that mandated CSR reporting facilitated the management of high public expectations and pressures and compliance with environmental regulations and guidelines. However, Waagstein (2011) identified a lack of education hampering the successful implementation of the Indonesian CSR law. Yin and Zhang (2012) noted that the cost of CSR reporting was a key disincentive. Luque-Vílchez and Larrinaga (2016) explored the impact of Spanish CSR reporting legislation and noted that the mandatory reporting law slightly improved the quality of CSR reports. On the contrary, Tauringana (2021) asserted that public image, avoiding adverse media coverage, training employees and awareness campaigns, etc., determine the quality of CSR reporting in India rather than regulation. None of the above studies considered the regulators' view with mandated CSR reporting in general or in CPSEs specifically.

Researchers have evaluated other impacts of the law: for example, Dharmapala and Khanna (2018) found that firms increased their CSR activity and spending in response to the law. Mukherjee *et al.* (2018) reported that the new law has "fallen short of expectations both in terms of volume of CSR expenditure generated and the activities to which it is directed". Similarly, Kansal *et al.* (2018) found that mandated CSR reports focussed mainly on human resources and community development initiatives. Prior CSR regulation research globally (Chen *et al.*, 2018; Hąbek and Wolniak, 2016; Liu and Tian, 2019; Waagstein, 2011) and in the Indian context (Dharmapala and Khanna, 2018), Mukherjee *et al.* (2018) has been mainly empirical and used content analysis or surveys to understand CSR spending or reporting patterns. Globally, there is minimal literature exploring the practical challenges public sector firms face in implementing CSR legislation (Subramaniam *et al.*, 2017; Waagstein, 2011; Yin and Zhang, 2012). Subramaniam *et al.* (2017) highlighted that Indian CPSEs faced bureaucratic hurdles and lacked adequate human and knowledge resources. Mitra and Schmidpeter (2020) observed major changes in CSR implementation in India over the past five years of mandated CSR, including companies' forming their own foundations, creating funding networks, CSR spending as a supplement to government projects, reducing the gap between CSR and social enterprises and linking of CSR and sustainable development goals. Thus, the above studies have highlighted the impact of regulation from a firm's perspective but neglect the regulators' perceptions about the impact of the law on the quality of CSR reports or contrasted them with those of the regulated.

2.4 Quality of corporate social responsibility reporting and corporate social responsibility impact measurement

The Companies Act 2013 requires CPSEs to improve the quality of their reports and measure the impact of the CSR activity undertaken in response to the law. Literature provides many examples of assessment of CSR report quality and the methods of measurement of CSR impact (Pérez and Del Bosque, 2013; Weber, 2008). However, in the context of the Indian Companies Act 2013, the regulators mandate the exact type, format and nature of the format of CSR reporting. Even so, Kansal *et al.* (2018) find that disclosures are narrative and of suboptimal quality and the measurement of CSR impact is also fraught with difficulty. Referring to the impact of regulation on CSR reporting quality and impact measurement, Pedersen *et al.* (2013) argued that coercive pressures from government or regulatory institutions might have a minimal impact on large companies as they were already undertaking CSR initiatives and reporting them as a part of their best practices. Companies that have recently met the threshold requirements of new CSR law or early adopters are forced to improve CSR reporting. Thus, the impact of coercive pressures is usually seen on early adopters or small companies.

Prior studies demonstrate the lack of qualitative research informing the implications of regulatory reforms in relation to reporting practices as most studies conducted in relation to implications of CSR regulation are quantitative in nature (Dharmapala and Khanna, 2018; Mukherjee *et al.*, 2018; Bhattacharyya and Rahman, 2020). These studies were primarily conducted on leading private sector companies. Only a few qualitative studies explored the perceptions of the firms about the CSR regulation in public sector enterprises; for example, Subramaniam *et al.* (2017) analysed governance issues with CSR policies; Gatti *et al.* (2018), explaining theoretical implications of CSR regulation; Jain *et al.* (2021) providing insights into the potential impacts of the CSR regulation (Subramaniam *et al.*, 2017) on outsourcing of mandatory CSR by Indian public sector enterprises; and Kansal *et al.* (2020) analysing principal-agent perspectives on CSR regulation for the Indian CPSEs. These public sector studies primarily focussed on implementation issues but ignored reporting-related issues. We aim to fill this gap by highlighting the issues and challenges faced by the CPSEs due to reporting guidelines from multiple regulators and bringing in the regulators' perspectives about the regulation of reporting requirements drawing on the theoretical insights from institutional theory.

3. Theoretical framework

This study uses institutional theory to explain the perspectives of CPSEs (the regulated) and the regulators on the CSR expenditure and reporting requirements introduced by the Indian Companies Act 2013. Scott (2008) provided the conceptual foundations of modern organisational institutionalism and explained how an entity evolves its internal (processes and practices) and external (social, professional and regulatory expectations) behaviours. Three guiding pressures, coercive, mimetic and normative, help organisations evolve their existing behaviour in alignment with the institutional environment. Coercive pressures arise from the influence of those in powerful positions; here, the GOI regulation for mandatory CSR compliance can be perceived as a coercive pressure by CPSEs. Othman *et al.* (2011) and Khan *et al.* (2020) argued that the institutional environment regulates the reporting behaviour of listed companies. Supporting this viewpoint, Momin and Parker (2013) found that formal institutions, such as governments, corporate regulators and advisory institutions, impact social reporting practices by seeking compliance with reporting regulations and enforcing penalties for non-compliance. However, companies do not adopt a uniform response to coercive pressures for CSR reporting. Some companies report extensively on CSR, whereas others disclose only limited information on these matters (Nyquist, 2003). Through the "disclose-or-explain" provision of the Companies Act (2013), mandatory CSR regulation in India has placed coercive pressure on large Indian corporations to convert their voluntary CSR agendas to regulated and prescribed compliance. CSR regulation not only makes CSR activities mandatory but also makes CSR contributions, operations and governance more accountable through monitoring by CSR Committees in company boards. We posit that government policy and mandatory CSR regulation create an explicit coercive pressure requiring changes in CSR disclosures through the "comply or explain" provision introduced in 2013. Normative pressure is seen as an implicit expectation on the companies to maintain organisational legitimacy. Overall, we argue that the explicit coercive pressure arising from the mandatory CSR regulation or implicit normative pressure because of social contract with the society leads to the overlapping CSR outcomes, i.e. the companies engage in more CSR activities and reporting to acquire greater legitimacy in the eyes of the relevant stakeholders.

Formal and informal institutions create expectations that determine legitimate actions for organisations and form the environment by which regulations, rules and other social norms are recognised, requiring compliance. Such institutional perspective determines the roles of conformity, regulatory and social pressures in driving organisational actions in social reporting practices. Gatti *et al.* (2018) suggest that institutional theorists and prior literature acknowledge the influence of the specific social system such as norms, values and regulations in determining the CSR practices in any jurisdiction. Brammer *et al.* (2012) support the relevance of institutional theory for CSR, arguing that CSR should be explicitly placed into a broader field of economic governance characterised by different modes, including the market, state regulation and beyond rather than purely a voluntary activity of the corporations.

We argue that Indian CPSEs operate in a complex regulatory environment with multiple regulatory bodies such as SEBI, MCA, GOI and DPE, each maintaining myriads of different reporting standards, varying data requirements and multiple inputs of the same data in differing formats, creating complex challenges. Therefore, the institutional theory is appropriate in analysing the perceptions of both regulators and the regulated in understanding the responses of CPSEs to compliance pressures. Wijen (2014) described the decoupling of the institutional process: "means-end decoupling" where "compliant adopters do not achieve the goals intended by institutional entrepreneurs". Institutional theory literature abounds with references of decoupling of the institutional process (Alvesson and Spicer, 2019; Boxenbaum and Jonsson, 2017; Scott, 2008; Wijen, 2014), highlighting the tension between institutional processes and the organisations, which are forced by isomorphic forces to adopt these processes. Thus far, literature has focussed on voluntary standards. It would be expected that compliance with legislation is a given under institutional theory, as the law induces a hard, coercive isomorphic field. We show that even though CPSEs are complying with the law, there is tension between the law and its implementation. Thus, we feel that there is a decoupling of the letter intent and spirit of the law, its implementation and unintended consequences partly because of the background institutional framework under which the CPSEs operate (Subramaniam *et al.*, 2017). We argue that the CSR reports issued by India's CPSEs in response to the Indian Companies Act 2013 also suffer from a decoupling process such as Bangladesh Banks (Khan *et al.*, 2020). We also highlight the field level consequences of this decoupling, similar to Boxenbaum and Jonsson (2017) and Wijen (2014). In doing so, we extend the realm of institutional theory to include legislative mandates.

4. Research methodology

We adopt a qualitative approach in this study and answer the RQs using data collected from in-depth interviews of key stakeholders, i.e. policymakers and senior top management officials of CPSEs. Interviews permitted a richer contextual understanding of the thought processes involved in introducing CSR provisions in the Companies Act 2013 at the regulator level and planning and approving CSR projects at the corporate level. Prior studies examining complex social phenomena, Healy and Perry (2000) have found that qualitative approaches facilitate deeper interrogation and better appreciation of the intricacies inherent in complex, real-world relationships. This study is positioned in the relativistic realm and uses the theoretical lens of institutional theory using the "big Q" research approach to qualitative data (Clarke and Braun, 2013). Key officials from all the five CSR regulators involved in CSR in India, namely, MCA, DPE, SEBI, Standing Conference of Public Enterprises (SCOPE) and the Indian Institute of Corporate Affairs (IICA), were directly contacted to request an interview. Amongst these five regulators, SCOPE and IICA are responsible for policy and rule formulation, advocacy, guidance, capacity-building and execution of CSR in India. SEBI declined the interview request because SEBI is not directly engaged in CSR policy planning and implementation. Ultimately, five senior government officials shared their perceptions as regulators, namely, two from MCA and one each from DPE, SCOPE and IICA. On the regulated side, we selected a sample of 32 (25% of eligible companies) of the total 129 CPSEs (as of 31 March 2017) required to undertake mandated CSR under the Companies Act 2013. These CPSEs were selected to cover a broad variety of backgrounds, CPSE size, CSR spending requirements, nature of the business and operational logistics of the CSR plans (in-house CSR projects or through a trust/foundation) (Table 1). Data sensitivities restrain any further sample descriptions. All companies in the sample spend 2% of their profits on CSR.

Senior CPSE representatives involved in CSR execution/reporting were invited for interviews, all at similar authority levels in their respective organisations (see interviewees' designations in Table 1). There were no exclusion criteria. Appropriate human research ethics approval was obtained prior to the interview process along with the informed consent of all participants. In total, 27 public sector managers from 18 CPSEs were interviewed using a semi-structured format. We continued with CPSE interviews until we reached a point that we could no longer identify any new similarities or differences (Boeije, 2002; Glaser, 1965) regarding the impact of regulation on CSR reporting within the category. Further, the use of theoretical sampling [small and large CPSEs measured in the number of employees and wide range of CSR budgets (Table 1)] with adequate sample size provided access to rich, varied and in-depth data ensuring the research validity. The interview questionnaire was designed to explore the reflections, opinions and lived experiences of regulators and public sector managers about CSR reporting requirements. All interviews were conducted at the respective corporate offices. We did not collect any identifying personal information except for the positions of the interviewees, who were assured of anonymity and confidentiality.

Interview questions were developed separately for regulators and CPSEs. All interviews were recorded and field notes were taken. A professional transcribing company transcribed the interviews verbatim. We analysed the data using reflexive thematic analysis based on Braun and Clarke (2019). The first stage of data familiarisation led to the internal reliability of the data as the research team member based in India conducted all interviews and gathered fieldnotes. The next stage involved reading and coding the interview transcripts to produce a map of codes and emerging themes mapped against the *RQs*. The study used an inductive approach to develop initial codes and themes from the large interview data set using a constant comparison analytical approach (Boeije, 2002; Glaser, 1965), increasing the internal validity of results (Boeije, 2002; Healy and Perry, 2000). Repeated readings of the

CPSE no.	No. of regular employees	CSR budget*	No. of interviews	Designation of interviewee/s
1	>5,000	42.74	2	Additional General Manager (CSR) and Senior Manager (CSR)
2	>5,000	11.66	2	Chief Engineer (CSR) and Senior Manager (CSR)
3	>5,000	33.40	1	General Manager (CSR)
4	>5,000	19.46	1	General Manager (CSR and Corporate Development)
5	>5,000	16.67	2	Director (HR) and General Manager (CSR)
6	<1,000	22.60	1	Chief Finance Officer
7	1,000–5,000	0.02	1	Head (Administration and CSR)
8	1,000–5,000	19.01	2	Executive Director (CSR) and Deputy General Manager (CSR)
9	<1,000	0.30	1	General Manager
10	<1,000	41.28	1	General Manager (CSR)
11	>5,000	0.77	1	General Manager (HR)
12	>5,000	177.47	1	Executive Director (HR)
13	>5,000	41.64	4	Director (HR), Executive Director (CSR), General Manager (CSR), Senior Manager (CSR)
14	>5,000	16.63	1	General Manager (CSR)
15	<1,000	0.07	1	General Manager (Planning)
16	1,000–5,000	1.67	1	General Manager (CSR)
17	1,000–5,000	1.42	1	Chief General Manager (CSR)
18	1,000–5,000	5.82	3	General Manager (HR and CSR), Deputy General Manager (CSR), Deputy Manager (CSR)

Note: * Planned/Spent in 2016–2017 (US$ million) US$1 = Rs. 65 in 2016–2017

Table 1.
Profile of sample CPSEs

transcripts and treating all quotes as equally important preserved the reliability of the data. Following Braun and Clarke (2019), we did not aim to achieve coding reliability through a pre-determined coding frame but used multiple iterations of code refinement through the theoretical lens of institutional theory and generated themes for the final analysis. We achieved external validity of findings in two ways; firstly, by triangulating interview data with multiple CSR reports available in the public domain for the subset of sample CPSEs; secondly, by constantly comparing and triangulating the responses from regulators with those of CPSEs managers and field notes (Boeije, 2002). All researchers used web-based conferencing to discuss, refine and develop interrelations between candidate themes. We finalised the themes after multiple rounds of revision and redefinition of ideas to develop conceptually identified patterns. Attitudes towards the new CSR reporting requirements were used as a central organising concept (Braun and Clarke, 2019).

5. Research findings and discussion

We present our findings under three main themes (Figure 1), namely, the reality of the CSR reporting environment to answer *RQ1*; conflicting views of the CPSE managers and regulators over the selection of CSR projects, quality of CSR reporting and assurance to answer *RQ2*; issues negatively impacting the quality of CSR disclosures to answer *RQ3*. Finally, we discuss the way forward as suggested by the CPSEs.

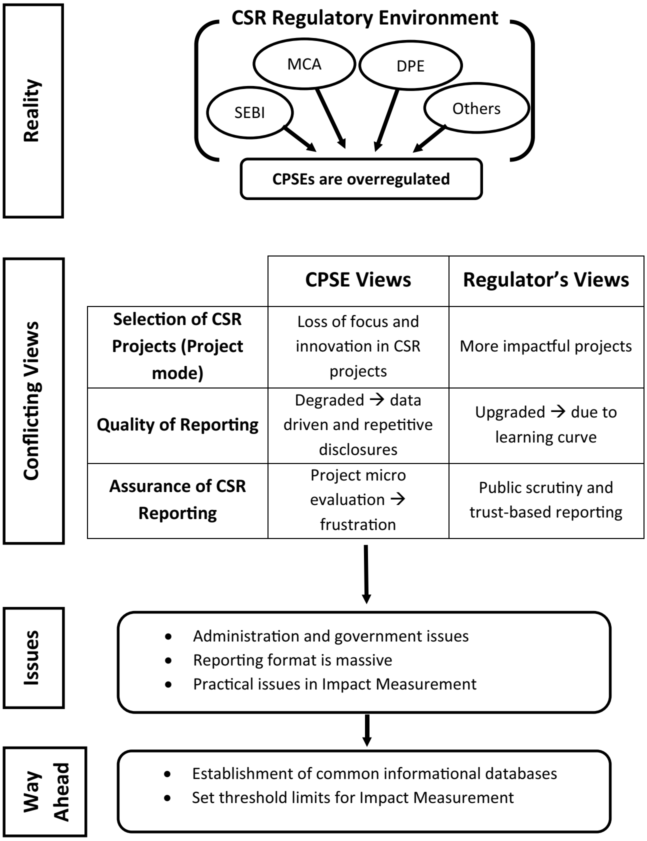

Figure 1.
Conflicting views of CPSEs and regulators on over-regulation of CSR reporting: issues and way forward

5.1 Multiple layers of corporate social responsibility reporting compliance overburden central public sector enterprises

As public sector companies, CPSEs must report to MCA under the new CSR Act and to SEBI under BRR requirements. In practice, the CPSEs are obligated to report the same information to each regulator in different formats and, sometimes, numerous times. Almost unanimously, the CPSEs stated that this is a direct outcome of overregulation under the new law (CPSE10, 13, 11, 14, 2, 3, 5, 8, 9, 15 and 16). Managers of both small and large CPSEs expressed their resentment using the following terms to define CSR reporting: "a full-time job"; "tedious process"; "extremely tough and different"; "overlapping and not worth the effort"; "too much". For example:

> There is a lot of duplication. It should be a comprehensive report; what we are reporting in our annual report. That should suffice for everything (CPSE11).

> Ministry is asking for different reports; DPE is asking for different reports. DPE is looking after the Companies Act and all PSUs. I don't know why the ministry is asking for this [information] (CPSE15).

In general, CPSEs are accountable for multiple audits and bureaucratic enquiries. Thus, our results confirm the findings of Subramaniam *et al.* (2017) regarding administrative, bureaucratic and political pressures faced by CPSEs in CSR governance. These demands for disparate and repetitive inputs of similar data increase the financial, time and human resource burden of compliance on CPSEs. CPSEs also find themselves frustrated by the required level of detail that must be reported for each small component of a CSR activity and the multiplicity of reports. These reporting requirements detract CPSEs from their main business activities. We argue that these multiple layers of reporting requirements coming from different regulators, i.e. institutional actors can cause substantial coercive pressure on CPSEs to adopt CSR activities that are compliant with mandatory regulatory requirements, modified by constant political and bureaucratic interference as informed by multiple CPSEs in their interviews.

5.2 Do new corporate social responsibility reporting requirements translate to "more meaningful" disclosures?

5.2.1 The regulator view – reporting compliance requires impactful projects in project mode. The regulators expected that compliance with the new law would force CPSEs to shift from intermittent, informal, philanthropic CSR projects to strategic initiatives executed in project mode. The regulators asserted that the new reporting regime is simple and easy if CPSEs design and implement CSR initiatives in project mode; for example, companies can no longer simply donate books to schools; they need to train teachers and show enhanced retention rates to demonstrate the impact of their actions.

> In reporting, there is no challenge. The challenge lies in actually having done the 2% and having projectivised what they have done. They [CPSEs] need to change their mindset completely. Earlier, CSR was intermittent, informal, donation, charity and in non-project mode. [Now] you need to detail your activity, as it is project-based. (R2- regulator).

5.2.2 The central public sector enterprise view – reporting compliance negatively dictates the selection of corporate social responsibility projects, resulting in stress and loss of focus. CPSEs' selection of CSR projects is now dictated by reporting needs. CPSEs have long cherished and supported CSR projects that further the interests of their employees, contract workers in the supply chain and local communities, now no longer possible. This situation has caused stress and misdirected the focus of CPSE managers (CPSE1, 2, 16, 15 and 16). Mandatory CSR projects and reporting also demoralise CPSE managers and suppress innovative thinking and motivation (CPSE2):

> It (new law) will deprive the CPSEs of meeting the genuine expectations of their stakeholders, and it will be difficult for CPSEs to fulfil social commitments made to the communities affected by their operations. (CPSE2).

> We love working with our contract workers, which we are continuing to do, but we don't report it as CSR. All of that is not considered CSR, so now we have lost focus. (CPSE16).

These findings are somewhat similar to Gatti *et al.* (2018), suggesting mandatory CSR might translate to lesser stakeholder dialogue and engagement. However, our results are more specific than Gatti *et al.* (2018) in identifying the negative impact of mandatory CSR reporting requirements in CPSEs by compelling them to abandon their CSR projects relevant to their key stakeholders. These findings indicate the coercive pressures faced by Indian CPSEs, as the government imposes coercive power as a major stakeholder, as suggested by Higgins *et al.* (2015). This study offers novel insights that mandatory CSR reporting results in stress, loss of focus and innovation in addition to already documented negative impacts such as corruption and fraud (Dharmapala and Khanna, 2018). These perspectives negate the regulators' expectation that new reporting requirements would positively coerce the CPSEs to strategise CSR initiatives in project mode.

5.3 New reporting requirements and quality of corporate social responsibility reporting

5.3.1 The regulator view – corporate social responsibility reporting is augmented after the learning curve. The regulators maintain that companies have slowly augmented CSR disclosures, learning both from their own experience and from the strong message sent by the government on compliance with the new law:

> It is a typical reaction; in the first year, there was total opposition, denial, and responses like "this cannot be done". In fact, in many of the reports, you will see statements like "we are not required to do any CSR expenditure". But the government has been pretty firm that this has to be complied with, so companies are reporting. You will see, from the first year to the second year to the third year, there is a massive improvement. (R1- regulator)

5.3.2 The central public sector enterprises view – data-driven repetitive disclosures degrade corporate social responsibility reporting. CPSEs are sceptical about improvements in the quality of their reporting because of the new regulation. In contrast to the regulator view, they state that the quality of information has decreased, with reports becoming extremely data-driven. The CPSE managers feel that they are so fixated on CSR reporting that the actual focus on the CSR project is lost (CPSE3). Even after uploading the data in the DPE portal, the CPSE managers continue to receive requests for the same data repeatedly. CPSE managers feel obligated to honour these official requests even though this is repetitive, time and labour intensive. The frustration of CPSE managers over the reporting requirements is justified given that they need to report repetitively to different authorities or regrettably, the same authority (CPSE3, 6, 3 and 13):

> In a PSU, a ministry official demands "that I want data immediately. Just this second". All of them [multiple authorities] have made the reporting structure a mess. We are fed up with giving data. They have asked me at least 20 times how many toilets we have built. (CPSE6).

These quotations exemplify the degree of coercive pressure exerted by the government and other institutions on these firms and how regulation has increased complexities in delivering CSR activities.

A closer examination of the reasons for the above situation is warranted, i.e. inefficient handling of CSR data at the regulators' end or the technological issues:

> Regulators often ask for the same information in different formats, which leads to duplication of activity and involvement of manpower that could otherwise be utilised for some productive activity. (CPSE13)

These findings confirm and extend the existing research arguing that institutional demands from regulators may reduce the quality of CSR reporting (Ackers and Eccles, 2015; Luo *et al.*, 2017; Subramaniam *et al.*, 2017; Waagstein, 2011). The regulators, though, seemed to be more concerned with the quantity of disclosures rather than quality. We provide the rationale behind existing literature proposing a high level of disclosures because of regulatory pressures (Chen *et al.*, 2018; Ioannou and Serafeim, 2017). We suggest that augmented reporting should be interpreted with caution as it may also signal lower quality of disclosures due to repetitive data-driven demand for information. Our results are informed by institutional theory in echoing existing research by Luo *et al.* (2017), positing that the SOEs prepare poor CSR reports in complying with regulatory pressures.

5.4 New reporting requirements and assurance of corporate social responsibility reporting

5.4.1 Regulator view – trust-based legislation makes corporate social responsibility reporting more authentic through public scrutiny. The new law does not require intrusive monitoring by the government. The regulators accept all CSR reports without further evaluation and trust CPSEs to perform a formal internal or external assurance process. There is an expectation that the CSR exports will undergo informal public and stakeholder scrutiny to identify lapses in compliance:

> Most of the requirements in the regulatory sphere are disclosure-based, so information is disclosed to the public, and then the public consumes the data; through that, the pressure comes to ensure that the data or company performance is right, and if there is any discrepancy, then you can prompt them through the regulator. (R1- regulator)

5.4.2 The central public sector enterprise view – micro-evaluation/management of projects. CPSEs have serious concerns about content coverage in reporting and its assurance, including the need to intricately report micro aspects of the projects, e.g. social services to underprivileged or specific sections of society or from the past:

> There is an SC and ST [SC and ST are designated underprivileged communities] committee, and they ask for the spending on SC and ST. Then if I say I have constructed a school, now they ask whether that school is for SC or ST. You have made room for the school, and how will you say whether it is being used for SC or ST. Mind you when you go to a village for social work, you cannot ask their caste. (CPSE5)

> Maintaining so much documentation, especially for social work, it is very difficult. They came to audit today and asked us to show some minor thing from 4 years back. You have installed 25 hand pumps five years ago somewhere. (CPSE14)

CPSEs routinely come under fire for audits of projects years after completion. This delayed retrospective evaluation is an extremely onerous task:

> Our perception is that when a project is completed, we are out of it. In fact, we had given a multiutility vehicle way back in 2012. The project was completed in that financial year, but now the queries were coming in 2016-17. (CPSE15)

Not unexpectedly, the perceptions of regulators and the regulated are divergent. Informed by the institutional theory perspective, we argue that CPSEs face two-dimensional pressure in the Indian context. Firstly, regulative pressures from the government may be identified as coercive isomorphism. Secondly, CPSE executives are unhappy with the forced changes in their CSR philosophy and the nature of the projects they undertake, resulting in a decoupling of the isomorphic forces from the intent of the law. Thirdly, CPSEs struggle with the regulatory (over) burden of multiple reporting formats and repeated requests for the same data, often from the same ministerial office, providing further decoupling of the institution (law) from the resultant coercive isomorphism. The evaluation of this decoupling of this process is unique in institutional literature. This highlights the disconnect between coercive institutional processes, the Indian Companies Act 2013 in our research and ground reality.

The shift from voluntary to mandated CSR reporting has positioned GOI as a moderator and collaborator with Indian corporations in its broad socio-environmental-economic development agenda (Subramaniam *et al.*, 2017). Whilst our findings of CPSE's perceptions may seem similar to those from Subramaniam *et al.* (2017) and Kansal *et al.* (2018), we have used different key questions to compare and contrast the CPSEs perceptions from those of the regulators. CPSEs suggest that the new law is rigid and that they are "ill-equipped to deal with the causal complexity and practice multiplicity" (Wijen, 2014). Thus, as Wijen (2014) states that the exact results of policy implementation are difficult to follow and opaque. We suggest that the voluntary framework for sustainable practices, which results in decoupling of the institutional process (Wijen, 2014) can also be extended to legislative mandates such as India's CSR law. As the relationship between CPSE CSR and the ultimate socio-economic outcomes cannot be measured or quantified, we argue, similar to Wijen (2014), that the adoption of any rigid law is inherently at odds with the multifaceted, diverse nature of CSR. If the regulation restricts the latitude given to CPSE actors in choosing their CSR, it poses a risk to the very purpose of the law. Also, the added complexity of multiple regulators, each with their own separate compliance criteria, further increases the likelihood of this decoupling.

5.5 Factors impacting the efficacy of regulation of corporate social responsibility reporting in India

5.5.1 Administration and governance issues. The exponential increase in CSR budgets under the Companies Act has increased the political visibility of many CPSEs. All stakeholders, including regulators and the public, now hold CPSEs accountable, but CPSEs are not ready for the new expectations:

> At the strategic level, we can say first that the funding has increased drastically, so much that [. . .] now we are in the limelight. They [regulators] want to see [instant] results. But the pattern changed so rapidly over the last 2-3 years that we are not geared up to the expectations. Organisations and procedures cannot be changed overnight, and these are the main issues here. (CPSE1)

Some CPSEs contend they do not have sufficient human resources or social skills to handle CSR reporting. CSR does require specific focus, thinking, attitudes and aptitudes (CPSE3, 2, 6). For small projects, reporting becomes very tedious and such an extensive and complex level of reporting may not be fair for smaller CPSEs with limited budgets and human resources (CPSE2, 15, 3).

Notably, the managers are resisting not accountability but the high frequency and repetitive nature of detailed reporting. The CPSEs' managers are so frustrated that they suggest that the government simply take the 2% funding and eliminate reporting. CPSEs frequently mentioned that the constant monitoring and reporting disturbed their functioning and focus on the core business (CPSE3, 6, 17 and 15). Compliance by CPSEs with extensive, multiple and repetitive reporting demands burdens their human and financial resources, similar to the results of Yin and Zhang (2012). Our results confirm CSR dedicated human resource concerns raised by companies in general (Yeh *et al.*, 2014) and by Indian CPSEs in particular (Subramaniam *et al.*, 2017), emphasising that small teams are usually responsible for implementing and monitoring CSR projects. Additionally, public sector managers seeing CSR reporting merely as an image-enhancing mechanism (Zhao and Patten, 2016) may explain the insufficient allocation of staffing for efficient execution of CSR implementation and report (Yeh *et al.*, 2014). Finally, lack of CSR knowledge resources in CSR teams such as specific training, thinking and attitudes (Subramaniam *et al.*, 2017) would aggravate the CSR reporting troubles to meet the multiple reporting expectations of the varied regulators as articulated by many participants in selected quotes above.

5.5.2 Detailed reporting format. Several participants described how large CPSEs with extensive CSR budgets and hundreds of projects find it extremely difficult and impractical to comply with reporting expectations for multiple projects requiring minute project details:

> Among the problems that companies are facing with the implementation of CSR is one big problem, reporting, because the reporting format itself is very comprehensive/too detailed. It is very difficult to report in that format (CPSE15).

As CSR trends in developing countries are shaped by their historical, institutional or economic circumstances, the Indian Government uses CSR as a potential solution to address broader national social problems (Van Zile, 2011; Visser, 2008) and it monitors the CSR outcomes through CSR reporting. The use of mandated reports in multiple formats seeks detailed information regarding outcomes of CSR projects such as improvements in sanitation and health or a decline in mortality illiteracy rates. Though the outputs of the CSR projects, such as CSR budget utilisation or training hours can still be reported, it is not practical to report on the real social impact called outcomes (Subramaniam, 2017) as envisaged by the regulators. Only a few large CPSEs had adequate CSR management processes and systems in place to effectively implement and monitor CSR projects (Subramaniam, 2017), thus, they may be able to report on CSR outputs. Based on CPSE manager's perspectives, we argue that most of the other CPSEs without dedicated CSR systems and well-thought-out processes will struggle to comply with elaborate reporting requirements. Only two CPSEs with small CSR budgets and fixed projects within a limited geographical area could manage CSR reporting without any difficulty (CPSE6 and 17).

5.5.3 Practical issues in corporate social responsibility impact measurement. There are practical difficulties in measuring and reporting CSR impact, as many CSR initiatives overlap with existing government social development schemes (CPSE1, 5). The following statements from the participants justify the argument put forward by Pedersen *et al.* (2013) that the possible impact of regulation could be that companies may continue reporting in the same way on similar themes as the new regulatory requirements may overlap with their existing CSR issues reported:

> It is overlapping [with government initiatives], you are doing a health camp, you are distributing tablets, [. . .] constructions of toilets [and] you are not able to bring some real solutions to them. (CPSE1)

We must clarify that CPSEs are not questioning the acceptability and merit of CSR reporting requirements. On the other hand, CPSEs appreciate the new reporting requirements for two reasons. Firstly, the trust deficit between NGOs and CPSEs (identified in Subramaniam *et al.*, 2017) is shrinking as they become more aware of each other's perspectives on reporting, accountability and ground reality (CPSE13, 16). Secondly, the new CSR law provides the much-needed structure for CSR strategic planning, execution and reporting of CSR initiatives as intended by the regulators. Under formal governance, CSR is followed more diligently and strategically (CPSE2, 16 and 15). However, CPSEs rightfully claim that it is difficult to assess the impact of their CSR activities because these activities piggyback on existing government or other programmes. CPSEs feel that the mandated CSR activities reduce their innovation and independence and lament the lack of recognition of their non-prescribed philanthropic social and staff support activities under the new framework. CPSEs have concerns about the size of the reporting documents and recurrent requests for CSR projects completed in the past. Pedersen *et al.* (2013) argued that new CSR regulations would usually impact CSR reporting of early adopters, which are usually small companies facing the challenges of lack of awareness, resource limitations, misinterpretations and practical difficulties. Our results confirm similar concerns faced by relatively smaller CPSEs in measuring the impact of CSR initiatives. Large CPSEs managers perceive a little contribution of mandatory CSR regulation in improving their CSR reporting or impact measurement. Thus, they feel overwhelmed by newly introduced detailed reporting requirements.

5.6 Way forward: suggestions from central public sector enterprises

5.6.1 Common information portal. In the absence of a single platform for both public and private companies to present their CSR information, multiple regulators in India keep requesting similar information at different points of time in different formats. MCA could replicate the development of a centrally managed database on the lines of the GRI database [1] of sustainability reports, which are available to various stakeholder groups, including regulators, to evaluate the progress and impact of CSR initiatives. On similar lines, many CPSEs suggested that all information be centrally uploaded in a standard format and made available to regulatory agencies and the public via a common portal (CPSE1, 10, 14, 13, 17, 6, 18 and 3):

> Multiple reporting is not at all good. There should be one portal where we put the information, and everybody should be able to access that information, which is best. (CPSE10)

The availability of such a common platform may be seen as an ideal solution to relieve overburdened CPSE managers entangled in multiple reporting loops. The CPSEs viewpoint is known to the regulators. They have indicated that they are aware of such duplicity of CSR reporting and are working towards a solution by building up a data portal at the central level:

> We are also building up a data portal that we hope will be ready soon. We also hope it will be better monitored by the public and the stakeholders concerned. (R3)

5.6.1.1 Threshold limits for impact assessment. Impact assessment should be mandatory only for projects beyond a threshold limit so that the precious productive time of CPSEs is not wasted in elaborate reporting for small monetary value projects, such as donating an ambulance or installing hand pumps in a remote village:

> There should be a threshold limit like we will do impact assessment above this and not below this. (CPSE4)

Our research highlights the concerns faced by CPSEs and presents their suggestion to establish a common information portal and set out the minimum threshold limits for impact measurements to alleviate some of the above challenges. Paralleling the views of CPSEs and regulators, we suggest that all is not lost, as the regulators have resonated and tacitly acknowledged these concerns. Regulators indicated that a single common portal for submitting CSR reports in the prescribed format is under development. We hope that this single portal will make the implementation of Section 135 of the Companies Act 2013 easier and result in improved quality of CSR reports in the future. We also wonder that if the law required further mandated activity such as professional external assurance of CSR reports would it suffer from similar constant bureaucratic interference and just increase compliance costs for firms without a significant positive impact. Regulators need to consider the pressing concerns and suggestions of CPSE managers and endeavour to alleviate the need for multiple and monotonous reporting.

6. Conclusion

This study explores whether expectations of improved CSR outcomes and reporting have been realised in practice. This paper identifies current tensions in implementing mandatory CSR requirements in India due to institutional pressures arising from the "comply or explain clause", "multiple regulatory authorities", "specific activities to spend CSR budget" and lack of clarity in the government guidelines. CPSEs are responding to the coercive pressure of the legislative mandate by increasing their CSR expenditure to requisite limits, using CSR reports in multiple formats as required by the various regulators. In the Indian context, this isomorphic activity appears to have resulted in coercive isomorphism as CPSEs are forced to comply with the law to legitimise their operations. At the same time, interviews with CPSE officials and regulators provide the answers to our RQs, all of which point to unintended consequences of the law or decoupling of the institutional process (similar to Wijen, 2014). *RQ1* investigated the perceptions of CPSEs on reporting requirements under the new law. We found a new reality of several hidden layers of reporting where CPSEs feel overburdened under the oversight of multiple regulators. To answer *RQ2*, we contrasted the views of regulators and CPSEs to explain why the regulators' expectations of the new CSR reporting requirements have not been realised. In contrast, the regulators expected that CPSEs would select more impactful CSR projects to comply with comprehensive reporting, CPSEs state that they lost focus and independence in their CSR projects. CPSEs contend that the regulators continue to disregard the CPSEs' need to secure legitimacy through accountability to existing key stakeholders, such as nearby communities and the public in general. The tendency to seek repetitive and data-driven reports has degraded reporting quality and CPSEs are frustrated with demands for micro evaluations of projects. Finally, in answering *RQ3*, we identified four factors responsible for the low efficacy of CSR law, namely, one, administration and governance issues, similar to Subramaniam *et al.* (2017) and Yin and Zhang (2012); two, the requirements for micro-level data in CSR reporting, which are unsuitable for the hundreds of projects that large companies usually undertake; three, the difficulty of measuring the exclusive impact of CSR projects run in tandem with existing government programmes; and four, the impossibility of providing a detailed impact assessment of each project to the satisfaction of all concerned regulators and ministries. There is clear decoupling of the intention of the law from the current outcomes. We argue that project managers in CPSEs may engage in opportunistic behaviour and adopt decoupling CSR practices because of the institutional framework in which they operate. They may dress their ongoing CSR projects as meeting the mandatory requirements or use outsourcing for CSR decoupling. As the interview data set included CSPEs, the results cannot be extrapolated to all firms under mandatory CSR reporting requirements.

The findings of this study have practical implications for CSR executives and policymakers. In relation to institutional pressures, we found clearly identifiable coercive pressures arising from governmental and other institutional actors and interview data also reports conflicting arguments from both CPSEs and the regulators. We emphasise the need for meaningful dialogue between regulators and the regulated to reduce the expectation gap and establish a single regulatory authority that will ensure that the law's letter and spirit are followed in practice and not just according to a tick-box approach. Jain and Jumde (2020) also call for establishing a specialised and independent regulatory watchdog with an increased role for assessing and monitoring the companies' CSR compliance. They found that most Indian companies demonstrate a "tick-box compliance" approach, with possible indications of decoupling just to meet the legal pressures arising from the new law. From a theoretical perspective, this study extends the application of institutional theory about CPSEs reporting compliance being impacted by coercive pressures and decoupling of institutional processes. The establishment of a central regulatory body will facilitate the intended reporting compliance without overburdening coercive pressures. This paper makes a theoretical contribution to the institutional theory by applying it in a unique setting, i.e. highly regulated public sector in a developing country, to explain institutional pressures faced by CPSEs managers to spend on CSR and report the same.

The study has some limitations. Our data sample is limited to CPSEs in India subject to the Indian Companies Act (2013) for CSR spending and reporting. Our sample represents a small proportion of the top 500 companies by market capitalisation in India, who are now mandated to report their CSR. The study specifically covers only one aspect of institutional isomorphism as it enquires coercive pressure on CPSEs to report CSR matters. Even though we anticipate that other firms' experience in complying with the law is not dissimilar, an empirical review of their experience will further support our findings and provide improved guidance for other governments wishing to follow the path of mandated CSR.

Further research into the long term impact of the law is also required to map if the regulators or regulated perceptions are more accurate, and the decoupling between the institution (law) and its implementation persists. Finally, we argue that this article's conclusions are based on the early institutionalisation of the mandatory CSR requirement. The viewpoints of regulators and the CPSEs may change based on the review of the government's CSR guidelines, availability of more guidance and clarity to the reporting entities and enhanced quality of dialogue amongst various stakeholders engaged in delivering the CSR. Ultimately, time will tell.

Note

1. www.globalreporting.org

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Appendix

ASX	Australian stock exchange
BRR	Business responsibility report
CPSE	Central public sector enterprises
CSR	Corporate social responsibility
DPE	Department of Public Enterprise, Government of India
EU	European Union
GFC	Global Financial Crises of 2008
GOI	Government of India
GRI	Global Reporting Initiative
IICA	Indian Institute of Corporate Affairs
IIRC	International Integrated Reporting Council
MCA	Ministry of Corporate Affairs, Government of India
OECD	Organisation for economic co-operation and development
OBC	Other backward classes
RQ	Research question
SC	Scheduled class
ST	Scheduled tribes
SEBI	Securities and Exchange Bureau of India
SCOPE	Standing Conference of Public Enterprises
SOE	State owned enterprises
USA	United States of America

Table 1A.
List of abbreviations

About the authors

Pawan Taneja is a PhD in Management has also done the Certificate Course in Global Health from Johns Hopkins University, USA. He has rich and varied experience in teaching, research and industry for over 18 years. Presently, he is working as Senior Faculty in Management and Public Health at the Indian Institute of Public Administration, New Delhi, a premier Policy Think Tank for Public Policy to Government of India (GOI). He is also heading the Centre for Management Studies, Public Enterprises and Behavioural Studies. He is conducting training programmes for foreign government officials on project management and leadership for sustainable development, under the prestigious ITEC initiative of GOI. He has led more than 25 funded research projects on various aspects related to financing public policy initiatives. These research projects are supported by various departments of GOI, UNICEF, WHO, Bill and Melinda Gates Foundation, Deakin University, Australia, etc. He has more than 30 research papers in peer-reviewed international journals such as the *Journal of Business Ethics, Acta Tropica, Economic and Political Weekly*. His areas of research are CSR for Sustainable Development, Health-care Financing, Measuring Climate Change and Human Health Vulnerability, Leadership for responsible economic and social performance, etc.

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