

## Corporate Social Responsibility and Financial Performance - A Literature Review

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**Abstract:**

Companies must not only pursue their main goal—maximizing profits—but also contribute to society's well-being through voluntary efforts, according to the definition of corporate social responsibility (CSR). CSR is becoming increasingly important in today's global world. Companies are increasingly required to engage in socially responsible activities in order to support their success. Some authors suggest that corporations that pursue CSR projects acquire a competitive edge over their competitors by establishing a positive public image or reputation and generating higher revenues and returns on investment, whereas others disagree. The purpose of this paper is to examine the advantages and disadvantages of CSR using a systematic literature review and to establish a conceptual framework.

**Keywords:** Corporate Social Responsibility, Financial Performance, Brand, Cement and Steel Industries, India.

**Introduction:**

The business world is growing rapidly, demanding the company's competence in maintaining their business. In developing a business enterprise requires not only investors who will invest in the company, but also needed a good relationship with the government, and society. The existence and impact of corporate activity are often contradictory and even detrimental to the interests of the other party. Therefore, the company should not only focus on the company's interests, but also consider the interests of parties outside the company. Awareness of the need to preserve the environment in Indonesia has begun to flourish. This is indicated by the rules limited liability company Act No. 40 of 2007 which came into force on August 16, 2007. So that the company runs its business activities in the field and, or related to the natural resources required to implement social and environmental responsibility. Environmental performance and international issues are significant as corporate social responsibility (CSR) consideration. These factors contribute to the relationship between CSR and financial performance This means that the issue of triple bottom line, a set of performances for a company comprising of social, environmental, and financial is desired by stakeholders. In addition, the issue of internationalization is an important aspect of the business structure.

Corporate social responsibility (CSR) and sustainability are two of many terms used to describe the social and environmental contributions and consequences of business activity. The notion of sustainable development lies in progress within three dimensions: economic development, environmental protection and social cohesion. Its principles are described as social progress that recognizes the needs of everyone, effective protection of the environment, prudent use of the natural resources, and maintenance of high and stable levels of economic. The concept of corporate social responsibility (CSR) has evolved over the past decades from a marginal, and often neglected, area of interest, into a comprehensive area of specialization, which has become increasingly relevant in decision-making processes in firms and enterprises. In fact, CSR used to be discussed only by a small group of academics Despite the increasing interest by professionals and academia, to this day there is no universally accepted definition of CSR.

The current global discourse on corporate social responsibility (CSR) emphasizes its cultural universality and benefits. In practice, there are numerous obstacles to achieving corporate responsibility, particularly in many developing countries where the institutions, standards and appeals systems, which give some life to CSR in North America and Europe, are relatively weak. This article examines the experience of promoting

CSR in India and its relevance to that economy and society. Particular attention is focused on CSR compliance in the cement industry sector, cement and steel sector in India.

When discussing the scope or socioeconomic impact of CSR in the Indian context, it is important to know a little of the history of contemporary economic culture. While transnational corporations (TNCs) have been in India for many years, CSR is a relatively new concept and practice. Having been generated in Europe and the United States as an answer to the perceived excesses of corporate power, CSR standards and initiatives are based on loosely defined social norms and stakeholder values that stem from Western cultural values. As a result, foreign investors and multilateral donors are increasingly demanding that developing countries provide some degree of national as well as corporate transparency and accountability.

So, this article has been created in order to make a comparative study which leads to describe the role of CSR and the way of how CSR will be implemented in such different industries as: the cement and steel industry sector, in India. There are two factors triggering changes in business structure in the 21st century which are globalization and information technology. Globalization in the business context is the unification of business entities and world-wide market resulting in increasingly intense. Consequences of the globalization are the emergence of free trade agreement in Asian and in Pacific areas well. The implementation of the agreement is to free the committed nations from the 'barriers to entry' for free flows products and services. Indonesian sectors have strong existence in technological know-how and brand names, market power resulting from scope and scale economies, a wider range of investment opportunities, competitive industries, lower factor cost, and lower systematic, or beta risk. It is reasonable to expect that Indonesian sectors have higher level of profitability. In addition to the factors, due to operating experience in diverse business environments, Indonesian sectors have more abilities to develop diverse capabilities and have a broader learning opportunity than their partner in the same country.

Cement and Steel are energy intensive industries with energy typically accounting for 30–40% of the production costs. The high energy consumption places the sector to an important position from socio-economic point of view. Energy efficiency improvement in cement industry is thus an important area of research. An appropriate CSR must be adopted to achieve the principal objectives, such as maximizing the plant productivity, minimizing the raw material, minimizing the energy consumption, and improving the performance at partial load, of any cement industry.

CSR is a helpful conceptual framework for exploring the corporate attitude of companies toward stakeholders. For these industry, CSR is about balancing the diverse demands of communities, and the imperative to protect the environment, with the ever present need to make a profit, one outcome of the CSR agenda is the increasing need for individuals companies to justify their existence and document their performance through the disclosure of social and environmental information. The finite nature of non-renewables, the diverse environmental impacts associated with their extraction industries and use, the economic importance of primary extraction industries in some countries, and the social impacts of extraction activities in local communities have led the mining industry to be amongst the most prolific disclosers of social and environmental information. Most large Cement and Steel companies now disclose information covering dimensions of CSR such as social and environmental performance, Education, Rural Development, health and safety issues and ethics.

## Literature Review:

**Giannakakos 2014<sup>1</sup>** This study aims to look into the relationship between corporate governance and financial characteristics and the level of CSR disclosure in the United States. Board meetings, the average age of board members, the presence of women on the board, the board size, chief executive officer duality, financial leverage, profitability, firm size, board composition, and board commitment to CSR are corporate governance and economic features.

**Jain Datta Roy, 2014<sup>2</sup>** This paper investigates management students' awareness of and attitudes regarding corporate social responsibility (CSR). Students are viewed as future corporate executives, and businesses value their views on corporate social responsibility. Students can help companies to understand their responsibilities to a variety of stakeholders.

**Jahdi, 2014<sup>3</sup>** The purpose of this article is to investigate the basis of conveying a socially responsible image of organisations through cause-related marketing (CaRM) approach.

**Ferus -Comelo, 2014<sup>4</sup>** This study aims to shed light on current corporate social responsibility (CSR) in the tourist business in India. Its goal is to look into the community impact of two Indian five-star hotels in Goa, a small coastal state in India. The study uses a case study method to look into the Vivanta by Taj and Leela Kempinski's employment and environmental practices. Interviews with management, community leaders, and workers were used as part of the qualitative research. Secondary data was acquired through company websites and promotional materials and requests for official documents from relevant government organisations under the national Right to Information Act. According to the findings, corporate social responsibility in India's tourist industry is currently restricted to corporate self-reporting on metrics of the firms' choosing or, in some circumstances, the bare minimum needed by regulatory bodies. Company reports serve as a one-way communication channel of a company's view and practice of CSR without appropriate regulatory monitoring and pressure from local civil society. The report finds that the sector has yet to adopt contemporary CSR principles such as corporate transparency, multi-stakeholder participation, and community empowerment beyond traditional philanthropy. The study shows the limitations of CSR by examining actual activity rather than just communicating CSR. The study presents factual evidence that demonstrates the function of CSR beyond the firm's interests and its relevance to the community by studying two Indian hotels' CSR operations from the perspective of external stakeholders. The report makes recommendations for future research that will add to the corpus of knowledge on CSR in India.

**Hadfield-Hill, 2014<sup>5</sup>** This study aims to look at corporate social responsibility (CSR) in India, with an emphasis on the banking sector. This is especially important now, considering the financial industry's crucial role in propelling India's growth; this article adds to the literature on CSR operationalization in one of the world's fastest-growing economies. The study delves into four levels of CSR engagement that are now present in Indian companies' day-to-day operations. The study contributes to debates on CSR trends and tactics by presenting evidence suggesting Western CSR activities influence Indian executives, resulting in a reactive, ad-hoc response. At a time when the economies of Brazil, Russia, India, and China (BRIC) are experiencing significant infrastructure growth, a focus on responsible project finance and CSR is critical; indigenous financial institutions have a critical role to play in social and economic development.

**Sharma; Jain, 2017<sup>6</sup>** In recent decades, an increase in the number of aware individuals who critically assess the effects of commercial activity on society has been noted. This has resulted in a shift in social expectations, focusing on inclusive growth, social equality, and affirmative action. As a result, businesses are increasingly

under pressure to participate in CSR initiatives visibly (Corporate Social Responsibility). Countries currently aim to achieve sustainable development goals must also adopt environmental protection and social welfare programmes. Each firm, level, industry, and country have a pressing need for environmental and social protection. Any economic sector's progress is inextricably related to the environment's and society's long-term viability. In the long run, an enterprise's environmental and social responsibilities will be a significant element in determining its profitability. As a result, businesses must balance economic advantages and social and environmental contributions, executing environmental duties through specific measures such as environmental impact assessments, material and fuel cost minimization, and waste cost reduction. In compliance with the provisions of the New Companies Act, 2013, this report attempts to evaluate the contribution made by the cement industry to CSR initiatives. The current paper is entirely based on secondary data. The necessary information was gathered and assembled from a variety of published and unpublished sources.

**Arli; Tjiptono, 2014<sup>7</sup>** This study aims to look at how consumers perceive corporate social responsibility (CSR) and how CSR affects customer support in Indonesia. The findings validated Carroll's (1979) categorization of CSRs as applicable to Indonesian consumers, but they cast doubt on the importance of these duties in that order. Furthermore, the findings showed that their legal and philanthropic responsibility beliefs highly influenced responsible enterprise customer support. The findings will benefit managers in emerging countries, particularly Indonesia. It is critical for businesses operating in Indonesia to focus on being a corporation that follows the regulatory framework and supports various charitable activities such as poverty reduction, mainly because half of Indonesia's population lives barely above the national poverty line. The use of an inoculation communication strategy has been demonstrated to lessen perceived hypocrisy and its harmful implications.

**Fatma; Rahman; Khan, 2015<sup>8</sup>** Based on customer perceptions of banks in India, researchers looked at the impact of corporate social responsibility (CSR) programmes on two marketing outcomes: corporate reputation (CR) and brand equity (BE). A survey of banking customers was conducted, and 303 valid replies were received. Structural equations modelling was used to address the research objectives and test the hypothesis. The findings show that CSR activities have a direct and indirect impact on CSR and BE. Furthermore, the importance of trust as a mediator between CSR and CR and CSR and BE is discovered to be substantial. According to the report, CSR actions increase consumer trust in a firm, which positively impacts CSR and BE. The findings have significant significance for Indian retail banks, implying that CSR initiatives can assist banks in increasing CR and BE. The proposed theoretical framework has been put to the test in the banking industry.

**Muttakin; Subramaniam, 2015<sup>8</sup>** The researchers examined whether the amount and type of CSR disclosures made by Indian publicly traded companies are linked to company ownership and broad characteristics. The data was analysed using a 17-item CSR disclosure measure on the top 100 companies listed on the Bombay Stock Exchange from 2007 to 2011. Foreign ownership, government ownership, and board independence are positively associated with CSR disclosure, but CEO duality is negatively associated. The level of CSR disclosure is unaffected by promoter ownership. Regarding the type of CSR disclosure, government ownership and board independence boost community information, while foreign ownership and board independence increase environmental information. Employee/human resource information has a favourable relationship with foreign ownership and diminishes with CEO duality. The amount of product and services information grows with promoter ownership, foreign ownership, board independence, and CEO



duality. The study provided much evidence that this is from India – one of the world's largest, rapidly developing economies.

**Raimi; Akhuemonkhan; Ogunjirin, 2015<sup>9</sup>** The possibility of using corporate social responsibility and entrepreneurship (CSRE) as antidotes for reducing poverty, insecurity, and underdevelopment in Nigeria was investigated. The stakeholder, instrumental, and legitimacy theories all justify the application of CSRE for the actualization of the Triple Bottom Line (i.e., the social, economic, and environmental concerns of corporate organizations) in the study. The study relied on secondary data published by institutional authorities and used a quantitative research strategy. The quantitative method entails methodical extraction of credible data on CSR, insecurity, poverty, and development from publications by the Office of the Millennium Development Goals in Nigeria, CLEEN Foundation, National Bureau of Statistics, and Central Bank of Nigeria, respectively. The authors improvised by utilizing projections and proxies to fill in the gaps. The data was retrieved over 13 years and subjected to econometric tests using SPSS, from which informed conclusions were generated. The first econometric result reveals that there is a negative link between GDP and poverty. The second finding reveals that the gross domestic product and total crime rate have a significant positive association. The third finding reveals that the gross domestic product and the pace of industrial expansion have a positive association. The final analysis suggests that gross domestic product and CSR have a significant positive association.

**Javaid lone; Ali; Khan, 2016<sup>10</sup>** The purpose of this study was to see if there has been any change in corporate social responsibility (CSR) disclosure in Pakistani companies since the Securities and Exchange Commission of Pakistan (SECP) introduced CSR voluntary guidelines in 2013 and to see what effect corporate governance (CG) elements have on CSR disclosure. From 2010 to 2014, content analysis was used to assess CSR disclosure in 50 annual and sustainability reports from eight different industries. The difference in CSR disclosure was investigated using a paired-samples t-test. The association between CG elements and CSR disclosure was investigated using regression analysis. After implementing CSR voluntary guidelines in 2013, paired-samples reveal an increase in CSR disclosure. The one-way ANOVA test demonstrates that CSR disclosure varies by sector, and multiple regression results show that independent directors, women directors, and board size all have a favourable impact on CSR disclosure.

**Agrawal; Sahasranamam, 2016<sup>11</sup>** They have explored how firms use corporate social entrepreneurship activities to achieve social and economic value. A numerous case study approach is used in this research. The companies featured in the case study have implemented a transparent corporate social entrepreneurship model that addresses various social issues. According to this study, corporate social entrepreneurship (CSE) is driven by environmental dynamics, organisational antecedents, and organisational outcomes. Furthermore, the researcher discovered that CSE gives both implicit and explicit strategic benefits to businesses. The authors offer an integrated model of CSE based on their findings. Because all of the cases are from India, the authors cannot rule out the potential of applying solely to a specific institutional and socioeconomic setting. The proposed model is vital for businesses operating in complicated situations in developing economies since it provides ideas on improving social and public legitimacy while also earning returns on their investments. Furthermore, the created model aids enterprises functioning in hostile areas with persisting societal difficulties in establishing a favourable position. By emphasising the favourable financial, social, and political benefits of CSE, the study aims to legitimise the practice. By emphasising the favourable financial, social, and political benefits of CSE, the study aims to legitimise the practice. This paper illustrates how firms can derive implicit and explicit benefits from an integrated model of CSE in the Indian setting.

**Li; Lin; Yang, 2016<sup>12</sup>** The researchers wanted to see if the link between stakeholders and corporate social responsibility (CSR) demonstrated in industrialised nations is also present in China. By modelling ordinary least squares regressions, this study tests the hypothesis and investigates the impact of the central government, political connections, shareholders, customers, suppliers, employees, and international investors on CSR practises. The central government, supplier concentration, and foreign investors are positively associated with CSR in China, according to CSR indexes produced by the Chinese Academy of Social Science (CASS), whereas shareholder concentration and consumer concentration are negatively associated with CSR. Incompatible with Employees are more productive in industrialised countries, according to statistics. CSR has nothing to do with power. This research builds on previous work by including stakeholders such as the government and foreign investors, who have an extraordinary impact on CSR efforts in emerging markets, as well as other stakeholders who have an extraordinary impact on CSR activities in emerging markets (Classens et al., 2000; Faccio and Land, 2002). While the problem of CSR has sparked increased study attention in recent years, the majority of empirical findings are based on data from the United States. Surprisingly, several of the findings in this study contradict those observed in wealthy countries. The inconsistency highlights the risk of transferring CSR-stakeholder research findings from affluent nations to emerging economies.

**Habbash, 2016<sup>13</sup>** In a growing Arab country, Saudi Arabia, researchers uncovered corporate social responsibility (CSR) disclosure procedures and the possible influence of corporate governance (CG), ownership structure, and corporate characteristics. This study adds to the existing knowledge by looking into the factors that influence CSR disclosure in a country where such research is lacking. Using annual content and multiple regression analysis, as well as a checklist of 17 CSR disclosure elements based on ISO 26000, this study investigates 267 annual reports of Saudi Arabian non-financial listed companies from 2007 to 2011. According to the study, the average CSR disclosure rate is 24 per cent, which is higher than the 14.61 and 16 per cent obtained by ALJanadi et al. (2013) and Macarulla and Talalweh (2012) for two Saudi Arabian samples taken in 2006-2007 and 2008. This improvement could be attributed to the implementation of the Saudi CG code in 2007. The study also discovered that government and family ownership, firm size, and firm age are positive determinants of CSR disclosure. In contrast, firm leverage is a negative determinant, and effective AC, board independence, role duality, institutional ownership, firm profitability, and industry type are not. The agency theory is used in this study to determine the impact of specific board characteristics and ownership structures on transparency. As a result, it has significant implications for CG authorities and other stakeholders and an assessment of the recently implemented Saudi CG code from the standpoint of CSR disclosure.

**Jain; Winner, 2016<sup>14</sup>** Examining the CSR and sustainability reporting methods of India's 200 largest state-owned and private enterprises provided an international perspective to corporate social responsibility and sustainability discussions. The authors perform a case study at EGE, a carpet manufacturing company in Denmark. The authors approach the topic from the perspective of pragmatic constructivism, which emphasises the integration of facts, possibilities, values, and communication in all of its aspects. While most organisations offer CSR information on their websites, the study found that varying priority levels are assigned to this communication. However, the study discovered that India's CSR climate is exhibiting signs of improvement. As one of the first, this study lays the groundwork for future research into the CSR setting in India, a country that has been largely disregarded in the CSR literature despite its growing importance and influence. The paper analyses current CSR reporting trends and best practices in India, which can assist managers and organisations in identifying issues and subjects where they can focus their resources and efforts

to optimise returns and benefits. This elucidates how firms in a growing and complex economy like India are taking on the role of corporate citizens and actively employing web-based communication to engage and interact with stakeholders on matters of general interest.

**Sun; Price, 2016<sup>15</sup>** They have examined the relationship between corporate social responsibility and customer satisfaction and the impact of this relationship on firm performance, with a focus on the moderating effect of environmental uncertainty on the relationship between corporate social responsibility and customer satisfaction. The authors used Fortune Magazine's World's Most Admired Companies and CompStat data to create a panel data set. To estimate the empirical models, the authors used two methods: Newey-West and White-Cluster robust regressions. This study's hypotheses are generally supported by the results of this moderating analysis of environmental uncertainty. The authors conclude that corporate social responsibility contributes to enhanced customer satisfaction for major businesses operating in highly competitive contexts and highly dynamic industries. According to this study, in high-growth contexts, corporate social responsibility can also lead to lower customer satisfaction. Environmental elements in the examination boundary conditions are the focus of the research, and the moderators should be expanded to include factors like market orientation, marketing, and operational capacity. The empirical findings can help practitioners better convert corporate social responsibility into increased customer pleasure.

**Dhanesh, 2015<sup>16</sup>** The goal of this study was to present a more nuanced and socio culturally informed explanation of the primary drivers of corporate social responsibility (CSR) in India than what is already available in debates. The findings revealed that participant understandings of CSR drivers in India simultaneously negotiated seemingly contradictory notions of moral and economic imperatives, based on 19 elite, in-depth conversations with business leaders and senior managers actively involved in shaping CSR in India. The essay posits that the ancient Indian idea of dharma could be a possible theoretical framework within which these fundamental drivers of CSR in India could be further understood, building on past recommendations for culturally situating the study of CSR.

**Jammulamadaka, 2020<sup>17</sup>** From a post-colonial perspective, the research goes beyond critique to examine decolonizing potential by reading institutional approaches, notably institutional logics of CSR in India and their administration by Indian enterprises. It reads institutional logics of CSR literature using a post-colonial approach to catachrestic reading to argue against a linear hierarchical journey of western CSR logic into India, which is then adapted/adopted/translated or decoupled, implying a secondary status for India; and it suggests that Indian and western CSR logics are competing logics. It claims that these opposing logics are non-core yet essential and that Indian businesses must manage them. An exploratory survey backs up this claim. It also proposes a few testable hypotheses regarding CSR institutional logics, based on the mechanics of "deferred routine development" and "strategic ambiguity in meanings."

**Dhanesh, 2015b<sup>18</sup>** Academic study on corporate social responsibility (CSR) communication often takes a functionalist or critical approach, with a dialogic viewpoint being used to a lesser extent. This study builds on the latter perspective by using a dialectical approach to empirically examine how organisational players in India communicate about the definitions and bounds of CSR. The analysis reveals two fundamental dialectics: the dialectic of selflessness and selfishness inherent in the discursive construction of the meaning of CSR in India as inclusive growth, and the dialectic of togetherness and separateness in the articulation of boundaries of CSR in India as shared social responsibility, based on data generated through in-depth interviews with senior managers of companies recognised as socially responsible in India. The paper finishes by discussing the consequences of CSR communication research.



**Garg; Gupta; Bhullar, 2021<sup>19</sup>** The current study looks at the importance of CSR spending for Indian companies operating under the obligatory system. The paper's theoretical foundation is the instrumental part of the Stakeholder theory, which assumes that CSR has a positive impact on financial performance. As a result, the study predicts that companies who meet the CSR spending requirement will have higher stock returns and lower systematic risk. The data for four years (2016-2019) for a sample of 426 National Stock Exchange (NSE) listed Indian enterprises were used to utilise the OLS regression approach since India required CSR in 2014. Because of the negligible positive impact of mandatory CSR expenditure on stock returns, CSR expenditure in the mandatory regime was not deemed to be meaningful to the firms.

**Aggarwal; Jha, 2019<sup>20</sup>** Due to the varying institutional embedding of CSR activities, there are significant disparities in the focus and form of CSR among countries. This research aims to identify significant pressures driving CSR practices to explain them within the framework offered by institutional theory. It also aims to broaden theory by offering a conceptual model that connects institutional forces, CSR activities, business reputation, and financial performance in a developing country like India. The approach is based on Scott's institutional theory, linking CSR practices to regulative, normative, and cognitive forces. The relationship between CSR and financial performance is mediated through reputation. For the first time, the authors have suggested an integrative model that will aid in understanding the causes and implications of CSR practises in a developing country within a theoretical framework.

**Holtbrügge; Oberhauser, 2019<sup>25</sup>** The purpose of this research is to look at how India's future top managers improve their corporate social responsibility (CSR) mindset. This research examines how individual variables influence CSR orientation using socialisation theory, focusing on the two main drivers of CSR in India: charitable and strategic imperatives. The findings show that diverse elements of primary and secondary socialisation impact an individual's CSR orientation. According to the study, women and younger people had a higher proclivity for strategic CSR. On the other hand, religiousness and emotional stability predict a charitable CSR perspective. Furthermore, a strategic CSR focus results from the business school curriculum. The study fills a gap in the present literature on CSRO in India by describing and delving deeper into the demographic and psychographic factors that influence people's CSRO. Individuals' preferences toward a strategic or altruistic approach are also identified.

**Nair; Bhattacharyya, 2019<sup>21</sup>** The Companies Act of 2013, which mandates CSR spending in India, is a regulatory demand from the government. According to institutional theory, regulatory pressure impacts firm heterogeneity and, as a result, on a firm's competitive advantage. On the other hand, a company's resources and capabilities, such as R&D expertise, advertising intensity, and employee welfare and training intensity, contribute to business heterogeneity and assist the company gain a competitive edge. To investigate the combined influence of both on financial performance, this research integrates the insights of the resource-based view with the institutional viewpoint from organisation theory. The research was carried out on Indian companies that were among the top thousand in sales between 2010 and 2018. The information was gathered from the CMIE Prowess database.

**Khandelwal; Bakshi, 2014<sup>22</sup>** We all live in a fast-paced society where the only constant is change. We continue to evolve in various shapes and ways. All of these changes are necessary for the well-being of humankind and society as a whole. This expansion can impact how businesses are run, and because we take so much from the environment, we have a moral obligation to give back to society what we take. As a result of this understanding, corporate social responsibility (CSR) has taken on a new meaning in today's world,

extending the firm's borders into society. As a new topic in management research, numerous companies in India have implemented CSR strategies serving a variety of societal demands. CSR has generally been a sensible response to consumer and civil society concerns, characterised by enterprises' responsiveness to stakeholders' legal, ethical, social, and environmental expectations. Furthermore, CSR in India has evolved significantly over time. With the introduction of the new CSR rule in India, there has been much conjecture about how it will be implemented and what the consequences will be. This article attempts to comprehend the rise of CSR in India and the subtleties of the new CSR Regulation, with a focus on how public-private partnerships and NGO work might aid in the expansion of CSR practises in India.

**Jumde; Du Plessis, 2020<sup>23</sup>** When the Companies Act of 2013 was passed, India became one of the few countries in the world to make Corporate Social Responsibility (CSR) a legal requirement for a considerable number of Indian businesses. This article presents a bird's-eye view of the primary difficulties afflicting India's current CSR regulatory system, based on a comprehensive examination of companies' CSR filings and interviews with necessary parties. Furthermore, this essay emphasises the significant disparities in motivations, techniques, and problems to implementing and enforcing India's CSR law between privately held and government-owned businesses. The Indian CSR standards, according to this article, are very broad and give vast flexibility that could be abused, necessitating legislative changes to make them more concise and promote accountability and transparency. From a broader corporate law perspective, this article finds that while the current company law in India may have adopted a more stakeholder-centric approach by its construction, the approach of many companies towards the enforcement and implementation of CSR and the law remains essentially shareholder centric. In light of the above observations, the article suggests that the existing regulatory framework needs to be strengthened with several legislative measures such as stricter auditing and monitoring measures for third-party implementing agencies and pre-and post-project impact assessment mechanisms.

**Jumde, 2021<sup>24</sup>** Based on a qualitative content analysis of their self-reported CSR-related disclosures for the 2018–19 financial year, this article critiques the level of compliance with the Indian CSR regulatory framework by Indian corporations. The findings in this paper are significant in how corporations comply with the Indian CSR regulation. Most importantly, this report reveals that many businesses are not adhering to the spending and other legal criteria. Many businesses use a "tick-box compliance" strategy, indicating that passing the law serves their objectives. Government enterprises, in particular, primarily engage in CSR initiatives in response to national and state government directives. The incorporation of systematic and thorough procedures to promote accountability and transparency in firms' CSR efforts is advocated in this article.

### **Research Gap:**

A survey of the existing literature reveals that significant focus is placed on one of the components of CSR rather than on the holistic viewpoint of CSR that accommodates a broader reach. As a problem statement, this research need is Recognised. There is a need to understand the contribution of Cement and Steel Industry regulations that would aid in the implementation of CSR Practices in Kalyana Karnataka Region.

There are studies in all industries, as well as industry-specific contexts, but there is a scarcity of research on engineering industries. As a suggested feature of future research, this study will delve into CSR practises in the Cement and Steel Industries with a focus on employee volunteering.

In terms of degree of study, scholars have increasingly progressed from discussions of CSR's macro-social consequences to organizational-level analyses of CSR's effect on financial performance.

Second, academics' theoretical approach has shifted from openly normative and ethics-oriented studies to implicitly normative and performance-oriented studies (Lee, 2008). This research will also include the outcomes of CSR activities for the intended beneficiaries, with examined to see the impact of CSR Activities of selected Cement and Steel Industries in Kalyana Karnataka Region.

### **Conclusion:**

First, it is simple to conduct the importance of ideas and information about the role of CSR and the level of compliance in each area using financial records and annual reports from each sector. As a result, the strengths and weaknesses of each sector will be recognised or discovered. So, in order to develop a successful CSR strategy, those in the cement and steel industries must understand that the benefits of CSR include creating a well-managed business, attracting and keeping happy employees, increasing the sector's influence in the industry, strengthening risk management and enforcing compliance, increasing access to funding opportunities, and saving money on energy and operating costs. In addition to strengthening ties with stakeholders and customers.

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