CHAPTER 2
REVIEW OF LITERATURE

2.1 INTRODUCTION

Corporate enterprises are creatures of society; therefore it’s their moral duty to respond demands of society. The ancient ideology of giving back to the society what business gets from it has now emerged as the concept of social responsibility. In a country like India the concept is not new but its form and scope have change. In ancient time also we can witness it in the form of dharmshalas, educational institutes, places of worship, charity etc. Initially in India, CSR was perceived as philanthropic activity done by the business houses in the form of education, charity, public welfare etc to show their concern towards society. Later on many business houses like Tata, Birla, Infosys have shown there consensus on the view that being a part of society it’s their duty to fulfill social responsibility.

Day by day there is a significant rise in the expectations of stakeholders about their firm’s social commitments due to which CSR has been progressively becoming integral component of sound business practices. At the same time in the era of fierce competition the concept of ‘survival of the fittest’ is refined and widely known as social responsibility. Over the period, the concept of corporate social responsibility has developed to a great extent at national as well as international level. In a developing country like India corporates’ consideration for betterment of society can not only results in to competitive advantage but also serve as holistic view of growth and development of business as well as nation. Corporate Social responsibility can be defined as the ethical behavior of business towards society. Performing social responsibility includes focusing and working on key issues like eliminating poverty, promoting healthcare, providing education, water and sanitation, environment protection, gender equality etc.

Prior Companies Act 2013, CSR spending by companies was purely voluntary in nature. With effect from 1 April 2014, India’s new Companies Act, 2013 makes it compulsory for companies having net profit of Rs. 5 crore or more or net worth of Rs. 500 crore or more or a turnover of Rs. 1000 crore or more in any financial year to spend two percent of last three years average net profit on CSR activities as stated in
schedule VII. In countries like Australia, Denmark, Sweden, France, Norway, and Holland, where only the CSR reporting is mandatory, advent of this Act makes India the first country where reporting and spending on CSR activities has become mandatory by Act. Provision of mandatory CSR can be game changer and helps to achieve sustainable development and increasing competitiveness in a firm or industry. This change has caught attention of many academician and analysts to undertake research on this emerging topic.

A literature review is considered as eye opener for undertaking any research work. It aims to review facts, concepts and past research findings from research journals, reports, reference books, published or unpublished theses as well as seminar or conference proceedings. For undertaking any research work the prerequisite is finding of the right path to go in more depth in this area. To find untouched or less touched aspect of CSR and to get idea and inspiration to go further, researcher has reviewed several studies undertaken at national as well as international level. The main objective of reviewing literature is to make researcher up to date with existing literature on particular topic so as to analyze research gap and frame objectives for undertaking research work. Review of existing literature also helps to give right path to the study. The last part of the chapter clearly shows research gaps identified from previous studies.

Many studies have been undertaken on the topic by researcher from India as well as abroad. Some are conceptual in nature, while some are empirical in nature. In this section researcher has presented summary of previous literature carried out by researchers from India as well as abroad. The chapter covers two below mentioned dimensions.

- Literature Review on CSR at National Level
- Literature Review on CSR at International Level

2.2 LITERATURE REVIEW ON CSR AT NATIONAL LEVEL

Gautam and Singh (2010) have examined CSR practices of India’s top 500 companies. The outcome of the study shows that out of 500 companies 229 companies did not report their CSR activities. Out of remaining 271 companies only a few companies are having structured and well planned approach. Though CSR
reporting practices have improved globally, there is a need to standardize the
information enclosed in the report. Many companies have allotted less CSR fund
across several activities.

A study conducted by Arevalo and Aravind (2011) focused on CSR practices in
India with an object to examine how corporations in India infer corporate social
responsibility (CSR). In order to investigate drivers and obstacles in implementation
of CSR four commonly known approaches i.e ethical, statist, liberal, and stakeholder
approach were examined. The study is based views of managers of sample
organizations presently involved in CSR activities. Findings of the study reflect that
stakeholder approach is more favored compared to other approaches. Moreover
strategic or profit motive also plays a significant role. Collectively this two
approaches work as drives for Indian companies to do CSR. Additionally, the
outcomes of the study indicate that most important barriers to CSR implementation
are related to lack of resources and complexity faced by companies to implement
CSR.

Another study by Bihari and Pradhan (2011) described CSR performance of major
Indian banks. They made attempt to find impact of CSR practices on financial
performance as well as on image of Indian bank under study. To validate the same
researcher used data from published reports of CSR activities of selected Indian
banks. The outcome of the study reveals that there is a remarkable increase in CSR
practices by selected Indian banks which results in to improved financial
performance and goodwill. The study also focuses on CSR reporting practices by
Indian banks. Furthermore it denotes banks should think and look beyond their day-
to-day activities and focus on broader social goals.

Tewari (2011) in her research paper entitled “Communicating Corporate Social
Responsibility in Annual Reports: A Comparative Study of Indian Companies &
Multi-National Corporations” compare CSR reporting practices of Indian IT
companies with the MNCs operating in the IT sector. To analyses extent of CSR
communication annual reports of 100 IT companies have been examined using
content analysis. The findings of the study reveal that both Indian and the MNCs
target and give importance to similar group of stakeholders for their CSR
communication but the area of focus differs for the specific stakeholder. Talking about human resource MNCs give more importance to quality of work life while the Indian companies consider monetary benefits provided. Likewise in case of customers MNCs focus on quality of product while Indian companies consider price as a parameter. In case of environment related disclosure Indian companies are ahead than MNCs.

One more study undertaken by Narwal and Singh(2013) considered different areas of CSR covered by the Indian companies and compare CSR practices of Indian companies with MNCs functioning in India. The study includes examination of CSR practices of 38 companies including 18 Indian companies and 20 MNCs of different countries functioning in India across different industries. Findings of the study reported that CSR practices of Indian companies and MNCs have only little difference and that is in terms of focused areas of CSR. Companies are undertaking CSR practices in the area of environment protection, sustainable development and local community support. The similarity in CSR practices of Indian companies and MNCs shows that MNCs are following the prevailing business practices of host counties.

Singh and Agarwal (2013) in their research paper discussed how top 200 Indian companies undertake their CSR activities. To gain comprehensive understanding of the same they perform content analysis of annual report of selected corporations. The study discuss concept of CSR, CSR initiatives by companies, social issues and methodology to deal with this issues. The study throw light on the fact that many Indian companies undertake CSR activities near their operations area and targeted beneficiaries are local public only. There is an urgent need to extend these practices across the nation using any local NGO’s or foundation. The study also reflects that most of the companies have performed CSR in the same sector like healthcare or education and after it they spend their CSR budget using project to project basis. The study ends with suggestion to align business strategy with their CSR strategy in order to leverage benefit of CSR expenses and make some changes in planning and formulating CSR strategy for Indian companies.
**Kansal and Joshi (2014)** reviewed perceptions of shareholders and brokers about CSR initiatives by companies of India. The outcome of the study shows that the respondents in both categories of stakeholder groups show their consensus on the view that CSR oriented companies enjoy higher levels of investor confidence, which in turn helps the organization to enhance their reputation and goodwill. Both investors and share brokers expect higher CSR disclosure from Indian companies and MNCs operating in India. Further, educational initiatives and environmental issues are the key areas which maximum attention from the both the groups of stakeholders. This study very well shows that the stakeholder theory is a very useful tool for gathering and evaluating CSR data and explains that to some extent, the stakeholder perception of CSR performance determines which initiatives corporate should undertake.

**Patil and Sawant (2014)** carried out research work to examine CSR practices by major cement units of India. The study focused on CSR spending by selected cement companies with special reference to Shree Cement Company. The study revealed that cement companies namely ACC, Ambuja Cement Ltd, Ultra tech Cement Ltd and Shree Cement perform their CSR activities in needy areas and committing for betterment of society and environment. Thematic areas for CSR spending include health, education, community welfare, infrastructure development, women empowerment, agriculture and natural resource management. It has been observed from the study that CSR spending have remarkable impact on cement companies under study.

**Sahu (2014)** in his research paper studied and gain critical insight into the behavior, attitude and the dimension of the Maharatna companies towards various aspects of CSR. The study includes analysis of CSR practices of seven Maharatna PSU’s namely INDIAN OIL, BHEL, CIL, GAIL, NTPC, SAIL and ONGC with the aim of generate information about the CSR activities and to assess the commonality of CSR actions of the Maharatna Companies. The study pointed that companies should go beyond 2% mandatory contribution and work for the betterment of the society in true sense for the sustainability of the businesses. Further it shows that Maharatna companies focus in five areas i.e. education, livelihood, health, environment and infrastructure to initiate CSR activities.
Sawant (2014) in his article throws light on CSR practices of five leading Pharma companies namely Ranbaxy, Dr. Reddy’s Laboratories, Cipla, Lupin Labs and GlaxoSmithKline Pharma. The main objective of the study is to understand the CSR initiatives by five selected Pharma companies in the areas like education, health and rural development. The study also focuses on expenditure/spending made towards CSR activities by Select Pharma Companies. The outcome of the research shows that spending of Dr. Reddy’s Laboratories are higher for CSR activities as compared to other companies. It is near to 2% of average profit of the last 3 years as compared to other companies. Its focus area for CSR activities includes livelihoods, education, health, rural development, disaster relief and bringing dropouts and working children into the education system.

Verma and Kumar (2014) conducted study to examine expenditure pattern of thirty companies included in BSE Sensex from 2001 to 2012 towards CSR activities in the period of voluntary spending and based on the results, evaluate whether inclusion of such a provision in the Act was necessary or not. The sample comprises thirty companies included in BSE Sensex from year 2001 to 2012. The expenditure pattern of sample units have been analyzed by considering how many sample companies spend resources for CSR, details of CSR expenditure, CSR spending as percentage of profit and sales for each year and overall spending. The analysis indicates during the phase of voluntary spending CSR spending was very less as percentage of revenue and profits. Moreover, the outcomes also show companies are not giving priorities to issues like environment and pollution control. Though one cannot evaluate impact of CSR on the basis of allocation of fund, still it indicates how well company is engaged with society. Lastly, it concludes that introduction of mandatory CSR provision is an appropriate step by the authority to make business socially more accountable.

Wankhade (2014) studied CSR spending of 50 Indian companies. The study also includes comparison of how much percentage of PAT spent for CSR activities and the transparency score of both public and private sector companies. The study is undertaken with the help of secondary data. Findings of the study have shown that in Indian companies CSR spending is less than 2% of PAT and also there is no significant difference in the CSR spending & transparency score of the public sector.
and private sector companies. Talking about CSR transparency score of public sector companies & private sector companies, no significance difference have been found. Concluding remarks put weight on increasing CSR spending and add more transparency in disclosure practices.

**Athma and Yarragorla (2015)** have undertaken a study to identify major difference between Central Public Sector Enterprise (CPSE) guidelines and provision of section 135 of companies act 2013. The study is based on secondary data collected from annual reports of selected companies for year 2011 to 2014. For the year 2014-15 CSR liability as per CPSE guidelines is somewhat equal to CSR liability according to 135 of companies’ law 2013. Researcher opined that for Maharatna Companies CSR as per section 135 is more flexible as it considers average profit of past three financial year which reflects true picture of companies profitability. Such flexibility does not exist under CPSE guidelines on CSR and sustainability as CSR liability as per this guideline depends only on last year’s profitability.

**Chaudhari (2015)** in his research paper discusses few CSR of Indian companies. The paper discusses about social initiatives of many Indian companies like reliance foundation, Infosys foundation and Azim Premji foundation. The voluntary nature of CSR changes after Companies Act, 2013. Indain companies have taken mandatory CSR positively and started making contribution as per the law. Some big business groups like Tata, Birla, Bajaj etc. are having good record of philanthropic activities and are well known as major contributors. The study conclude that top thousand Indian companies need to come ahead and contribute for community service and community development in order to make India better as well as brighter. Companies entering first time in to CSR domain required proper support for effective use of CSR fund.

**Mehta and Aggarwal (2015)** in their paper entitled “Making Corporate Social Responsibility Mandatory in India-Prospects and Problems” made attempt to throw light on the problems and prospects of making CSR mandatory in India. The new companies Act, 2013 has come up with the concept of mandatory CSR. Though the concept of corporate social responsibility is not new in India, there is lack of clarity about its definition and implementation and hence it results in to subjectivity about
the interpretation of concept of CSR. By making CSR mandatory, India attempts to resolve these subjectivities by clarifying who has to spend, how much to spend as well as where to spend. The study concludes that in the era of accountability where companies need to act responsibly, mandatory CSR may seem like a burden, but what actually it urges is to expand our horizon and strengthen our sustainability. Accepting this change would help to make corporate India better and stronger. Hence, it is recommended that Indian companies should consider CSR not only a legal obligation but have to adopt it as a long term strategy.

A comparative study by Ramesh and Mendes (2015) focused on CSR practices of selected public and private sector banks of India. The study explores CSR spending pattern on 12 public sector banks and 7 private sector banks for four financial years starting from 2010-11 to 2013-14. The study observed that compared to public sector banks private sector banks contribution is high in CSR activities. The banks having high profitability and growth are not having top position in CSR spending. Findings of the study shows banks need to put more emphasize on CSR and need to broaden their CSR activities beyond particular geographical areas or sector.

A case study by Srivastava and Goyal (2015) analyzed the pre and post legislative implications of corporate social responsibility on Mahindra and Mahindra’s policy framework. In their case study they focus on CSR initiatives of Mahindra and Mahindra. The outcome of the study states that the company makes noteworthy success in integrating social responsibility into their businesses. Along with changes in law companies like Mahindra would make certain changes in their CSR policy. The companies need to give preference to the local and nearby area where it operates for spending the CSR resources which will surely help them to strengthen community-business relationship. The study also throws light on the fact that though the company is considered as a finest one, its contribution for CSR is quite less (22 crore) compared to what it should be (59 crore).

A study conducted by Taneja (2016) reveals that out of 55 companies 20 companies have spent more than 2% of PAT for both the year i.e. 2013-14 and 2014-15. 24% of the selected companies do not have even spent 1% of their PAT on CSR. Overall outcome of the study have shown that even after Companies Act 2013, many
companies have not spent 2% of average PAT for CSR activities. The study concludes that there is no significant difference in CSR spending of public and private sector companies.

_Yadav and Singh (2016)_ have studied impact of CSR on financial performance of four commercial (two public and two private) banks of India. They study impact of CSR on financial performance of banks by using regression model and considering net profit as key financial indicator. It was found from the study that the quantum of CSR expenditure in all selected banks is increasing but in Public sector banks impact of CSR on net profit is insignificantly positive while in private sector banks impact of CSR on profit is significantly positive. Impact of CSR on overall banking performance differs individually.

_Singh and Sharma (2015)_ have conducted a case study on CSR for sustainable change. They do examine of CSR practices by one of the largest FMCG Companies namely Hindustan Unilever Limited. The study indicates that effective CSR implementation requires participation of all associated stakeholders. The organization should keep proper record of CSR activities and have to follow inclusive policy for CSR implementation. Companies’ socially responsible behavior obviously helps to attain sustainability. The paper also gives highlights of provision of CSR as per the companies’ act 2013.

_Singh and Sharma (2015)_ in their paper explained CSR practices framework for companies and analyze the public companies CSR practices. They made an attempt to analyses the corporate social responsibility activities carried by public companies. The study concluded that Companies Act 2013 has increased the investment as well strategic efforts for CSR in India. Guidelines on CSR practices cover is broad enough and includes all categories like sustainable development, education, poverty elimination, women empowerment, promoting gender equality, infrastructure sports etc. Companies are going much beyond that of activities laid under section 135 of companies’ act 2013.

_Singh and Kaur (2016)_ have carried out a case study of Apple, Canon, Coca cola, Walmart and Wipro to identify the best CSR polices and their implementation in
India. The study explores the social conflicts as well as environmental issues in which these five multinationals were involved and the measures adopted by the companies to resolve it. The main objective of the case study is to find out whether conflicts affect CSR policy of the companies. The findings of the study shows that the way management resolves certain conflicts which were raised in these five companies spread positive message in to society.

Maheshwari, Kaura and Gupta (2016) have discussed stakeholders view and perception about corporate social reporting and disclosure (CSRD) practices in India. The study is based on primary data and empirical in nature. Total 400 respondents representing four groups –academician, investors, government officials and finance managers have been contacted. The analysis has exposed the fact that corporate social reporting and disclosure looks to have received modest attention from the different stakeholders though there exist significant difference between the means of perceptions of different stakeholders regarding importance of CSRD. The study concluded that stakeholders assign high importance to community involvement information while less importance to energy related information disclosed by Indian companies in CSRD.

Gupta et al. (2017) in their paper “Corporate social responsibility practices in India: A review of literature” reviewed the study done in a decade regarding implementation of corporate social responsibility practices in Indian organizations and its impact on their overall success in market as well as society. They studied variety of research articles from different journals, periodicals, newspaper and web and reviewed thoroughly at national and international level. The outcome of the study indicates that though there is lot of reporting and information available on CSR spending and CSR policy, but all the information of CSR has been demonstrated qualitatively till date. The amount contribution and its allocation among different activities have not been discussed in previous researches. There is a scope for future research to compare the financial performance before and after implementation of mandatory guidelines as per the section 135 of companies act, 2013.

Baluja (2017) explored CSR Practices by banks and make comparison of CSR practices by public, private and foreign banks. The study is based on secondary data
of top fifteen banks which includes five public banks, five private banks and five foreign banks which were analyzed using content analysis method. The study reveals that public sector banks are largely involved in CSR activities as compared private sector banks and foreign banks. The findings exhibit that banks are mainly engaged in CSR activities like sustainable livelihood, women and children welfare, rural development, education and of community welfare. Study concludes that banks need to implement RBI’s guidelines for financial literacy programs properly and have to attempt for better CSR by including many more social development activities.

Sharma and Jain (2017) have attempted to study CSR in cement industry in which they focus to examine CSR practices by selected cement units of Rajasthan. Rajasthan is a rich state in terms of required raw material for cement production. It is a state where many cement companies are located and many giant cement units have their plant. Around 19 cement plants are located in different areas of Rajasthan which signifies importance to study CSR activities by cement industry. The study includes examination of contribution of cement units towards CSR activities as per companies act, 2013.

Susrut (2017) examined the relationship between corporate social responsibility and firm’s financial performance in India. The study is based on secondary data, collected from ten randomly selected Indian companies annual report and financial results for the period of four years. Researcher made an attempt to study the level of CSR initiatives taken by the Indian companies and its influence on the performance of the companies. The outcome of the study shows that there is a considerable positive relationship between the CSR and Financial performance of the firm, and firms spending on CSR not only benefits from continuous long term sustainable development but also enjoy enhanced financial performance. Indian companies aware and spending more for society well-being, environmental protection, and health and education facilities and employees’ betterment that operate effective CSR programmes.

Tailor and Modi (2017) have conducted study on CSR reporting on selected cement companies of India. The study includes examination of 500 employees from five cement companies of Rajasthan state. The study brings in to light role of selected
cement companies in development of India. Out of the five units under study Ambuja Cement Limited is spending good amount for CSR activities. The focus area of ACL is healthcare activities. CSR practices of J K Lakshmi Cement Limited are not found satisfactory for the period of study. Shree Cement Limited is doing excellent in the area of CSR was awarded many times for their CSR activities. Ultratech Cement Limited decides their CSR spending by evaluating their past performance. India Cement Limited being new company does CSR spending by considering employee performance and conflicts. Out of the five selected units, the Shree Cement Limited is assign 1st ranked for CSR activities during the period of the study.

Chellasamy and Jayakumar (2018) have undertaken a study on CSR initiative of selected mining companies of India. The study includes examination of four companies which belongs to mining sector. The study is based on data of two fiscal year i.e 2015- 2016 to 2016-2017. The outcome of study shown that in spite heavy expenditure and good efforts by industry, the results are not satisfactory. The study also recommends introducing proper CSR measurement parameters in core business operations.

Dharmapala and Khanna (2018) have studied impact of mandated CSR. The study was conducted by using financial statement and share price data of Indian firms. The study examines effects of different variables including firm value, CSR spending, and other outcomes, as well as their theoretical implications. After Companies Act 2013, there is a significant increase in CSR activity among firms affected by Section 135. The study highlights that those who were spending less than 2% have increased their CSR spending, while large organization who were spending more than 2% have reduced their CSR spending after provision on section 135. The study also revealed that there is no significant impact of CSR on sales and financial performance.

### 2.3 LITERATURE REVIEW ON CSR AT INTERNATIONAL LEVEL

Carroll (1979) presented a conceptual model which broadly discusses important aspect of social performance of companies. The model outlined that corporate social performance firstly requires assessment of firm’s social responsibility, secondly
identification of social issues that firm must address and lastly firm's philosophy or mode of social responsiveness. As per Carroll CSR comprises the economic responsibility, legal responsibility, ethical responsibility and discretionary responsibility. These four categories provide idea about expectations that society has from business at a given point in time.

A study by Abdul and Ibrahim (2002) examined the attitudes of managers and executives of Malaysian companies towards social responsibility. It considers the factors influencing managers and executives attitudes towards CSR, disclosure practices and also the degree of socially responsible activities management is involved. The study is based on primary data collected through structured questionnaire from 198 respondents. The results revealed nearly 69 per cent respondents believed that firm’s involvement in improving its community’s quality of life will also increase its long term profitability. About 65 per cent agree with opinion that undertaking social responsibility activities create favorable public image. Almost all respondents agreed on the view that their corporations were engaged in CSR activities. From total respondents nearly 83 percent said their companies are quickly responding to consumer complaints and 77 percent respondents agreed that their companies maintain quality of products and services. Talking about disclosure practices, only 54 percent respondents revealed that their companies communicate the general public about their socially responsible activities. The study also states that family upbringing, customs and traditional beliefs common prevailing practices in the industry are most affecting determinants of attitudes towards CSR. Analysis of variance highlighted significant difference in managers’ attitude towards social responsibility in different industries.

Chapple and Moon (2005) made attempt to examine CSR web site reporting by seven country of Asia namely India, Indonesia, Malaysia, Philippines, South Korea, Singapore, and Thailand. An analysis of web site reporting of 50 companies from each of seven Asian countries reflects that there is a variation in CSR reporting among countries. This variation is not explained by development but by factors in the respective national business system. Study also indicates that MNCs are more likely to adopt CSR than those operating only in their home country.
**Golob and Bartlett (2007)** in their paper “Communicating about corporate social responsibility: A comparative study of CSR reporting in Australia and Slovenia” examined disclosure practices of two countries, Australia and Slovenia. The focus of the study is on reporting a means which ensure greater corporate transparency as well as engagement with various stakeholders. The conclusion of the study indicates that in both countries CSR reporting in voluntary. Market pressure is also a major driving force in both countries for CSR reporting. Findings of the study show that it would be beneficial for both the countries to increase reporting incentives and there is a need to compare them with global norms.

**Birth et al (2008)** in their paper “Communicating CSR: practices among Switzerland's top 300 companies” tried to narrate how top 300 Switzerland companies communicate corporate social responsibility (CSR) practices. The paper considers various elements like synergies, purpose and medium, norms for credible social report, CSR advertising on web and to understand national context where organization is functioning. The findings of the study show that Switzerland companies have well developed CSR communication but yet there is a scope for development.

**Smith (2008)** undertook a case study based on corporate social responsibility (CSR) practices in the pharmaceutical industry. The study focuses on two well-known pharmaceutical companies namely GlaxoSmithKline (GSK) and Bayer Corporation (BC). The study put emphasize on implementing corporate social responsibility principles while designing strategies. No doubt profit plays major role in any industry, but to enhance profit and sustain customer, companies should create awareness about products to consumers. Pharmaceutical companies have to allocate major financial resources for research and development in order to maintain their position in market which is challenging for them but they should put effort to be socially responsible and CSR culture should reflect in their actions. The conclusion of study indicates in order to build healthy and long term customer relationship by undertaking CSR activities pharma companies need to build their brand name loyalty. Corporations should educate and train employees about value based process along with CSR strategies, at the same time internal as well as the external stakeholders of the industry should also accept and implement the concepts.
of being socially responsible.

**Patrícia et al (2010)** explored the social meaning of corporate social responsibility. They made attempt to improve understanding of CSR by providing add on knowledge on social meaning of the term ‘CSR’ in a European country, Portugal. The study includes examination of two hundred seventy five individuals from different industries. The outcome of the study has presented three different views of socially responsible companies. Out of total respondents, some individuals thinks an organization as socially responsible if it undertake its business functions ethically as well as in efficient manner while others perceive it as a corporation who plays active role for betterment of society and behave in an ecofriendly way. For rest respondents socially responsible organization is one who adopts good HR practices and shows concern for well-being of employees as well as their family members.

**Ditlev Simonsen (2010)** performed a case study of three different companies from three different sectors and of three different sizes. All three companies have strength of 1500 to 10000 personnel and are from 50 largest companies of Norway. The study divided in to two parts: 1) How company addressed CSR in its annual report 2) Semi structured interview with the personnel responsible for introducing CSR in their respective organization. The semi structured interview are based on KTT theory i.e. knowledge transfer and translation theory. The findings of study emanated that how translator understand the term corporate social responsibility (CSR), his or her position as well as motivation influences outcome of introducing CSR in firm. It further reveals that whether the company introduces the term CSR in corporate vocabulary or not, it does not reflect any changes in its corporate activities.

**Roberto et al (2012)** have reviewed corporate social responsibility (CSR) practices adopted by Brazilian bank and its relationship with brand strengthening. The study concludes that CSR actions, adopted by Banco do Brazil, generate positive recognition of its brand, for both Banco do Brazil’s capacity to modify the environment and its direct involvement with populations, harmonizing economic or social distortions found in Brazil. The banks intention of dealing with social,
environmental and economic issues and use of CSR has helped the bank to strengthen organization’s brand.

**Khan et al (2013)** identified and explored the relationship between CSR and corporate reputation in the context of cement industry of Pakistan. The study includes examination of 68 respondents selected from ten randomly selected cement units of Pakistan. To examine relationship between CSR and corporate reputation four dimensions of CSR i.e environmental, legal, customer and community oriented responsibilities have been studied. The study ends with an outcome that there exist positive relationship between CSR activities and corporate reputation. Cement companies of Pakistan enjoy benefits of increased corporate reputation as they fulfill responsibilities towards environment, community, customers and follow legal norms.

**Awan and Akhtar (2014)** have analyzed the impact of Corporate Social Responsibility (CSR) on profitability of corporate organizations. The study includes examination of CSR practices by fertilizer and cement sector of southern Punjab in Pakistan and its impact on profitability. To examine relationship among the CSR and human rights, environment, Labor standards, Corporate Governance and Organization’s Interest primary data consisting 200 responses have been analyzed. The study proved positive and significant relationship between CSR (independent variable) and dependent variable like human rights, environmental policies, labor standard; corporate governance and organization’s interest. The study concludes that in a country like Pakistan where major people are facing issues like poverty and it is not possible for government to deal with all such issues, CSR activities by corporate organization results in to betterment of society. Pakistani companies should focus more on CSR activities and thereby contribute their efforts for community development.

A study undertaken by **Batool et al(2016)** describes different types of CSR practices and its effectiveness across the industries in Pakistan. To examine CSR practices and its effectiveness they use primary and secondary data of chemical, manufacturing, telecom and tobacco companies. The study exposes that corporate social responsibility is very effective across the industry of Pakistan. CSR practices by
Pakistani companies have results in increasing goodwill and raising brand name of firm.

**Lyra et al (2017)** in their paper made attempt to compare different models of corporate social responsibility (CSR). The study is based on theoretical examination of CSR models of Schwartz and Carroll (2003, 2008). The study is based on data collected with the help of questionnaire from 200 respondents. The results of research have shown interaction between ethical and legal dimensions and had confirmed a convergence features on CSR dimensions. Results of canonical analysis (CA) indicates two model i.e Schwartz and Carroll (2003, 2008) are correlated.

**Samet and Jarboui (2017)** in their paper explored association between CSR performance and dividend payout decision. The study mainly focuses on how CSR performance influence dividend payout share repurchases. The study is based on 397 companies of Europe listed in the STOXX Europe 600 over the period from 2009 to 2014. Findings of research indicates that firm with high CSR performance employ more in dividend payout policy. CSR performance has remarkable impact in judging relationship between dividends and share repurchase. The study also reveals that companies having successful CSR strategies have high dividend payout and increased CSR expenditure doesn’t results in to lesser cash flow paid to shareholder.

**Alhouti and D’Souza(2018)** in their paper narrated how consumers benefit from corporate social responsibility (CSR). To study benefits of CSR researcher have first identify reliable and relevant measure for spiritual, status, aesthetic and efficiency benefits. In order study how CSR relates to numerous benefits they conduct an experiment instigating the presence and absence of CSR. The outcome shows that CSR influences spiritual, aesthetic, status and efficiency benefits however spiritual benefits tends to be powerful predictor of personal satisfaction and attitude than status and efficiency benefits. It can be concluded from the study that CSR results in to benefits to consumers but types of benefits do not have identical effects.
2.4 IDENTIFICATION OF RESEARCH GAP

Considering the fact that the concept of corporate social responsibility (CSR) is gaining interest locally and globally, researcher has presented multilevel review of previous studies on CSR in developed and developing countries. Based on above review research gap have been identified and presented in the below section:

- There is a sizable literature on CSR, but based on discrete outlook. Major studies done at doctorate level are based on primary data collected with the help of questionnaires. At the same time there exists research showing relationship between CSR and financial performance, CSR reporting and disclosure, CSR and profitability etc, CSR and sustainability, conceptual review of CSR etc.

- While doing literature review researcher noticed many studies have been undertaken on CSR in banking sector. Many researchers have undertaken their studies on top companies of BSE and NSE where the sample includes companies from varied sectors. Few studies have been done on cement Industry in India as well as Pakistan but the methodology is quite different than what designed for present study.

- Cement is considered as key raw ingredient for infrastructure sector. No doubt India is the second largest producer of cement and its production capacity is expected to reach 550 MT by 2020. Though there exists high profit potential for cement companies, it is equally true that cement production always release carbon dioxide (CO₂) and change climate of the earth. Moreover, it uses large amounts of raw materials which are non-renewable in nature. That’s why cement industry faces challenges due to environmental and sustainability issues. To overcome the impact of this issue, it is necessary for cement companies to adopt good CSR practices and be environment friendly. Though this reality of Indian cement industry is widely known, the study of CSR practices by cement companies has not gain much attention. Keeping in mind above point researcher identify need to study CSR practices by cement units of Gujarat.

- Major research works on this topic have been conducted in developed country. In India, after companies act 2013 and provision of mandatory CSR (Section 135 and
Schedule VII), many researcher have carried out their studies on role of CSR committee, CSR policy, CSR initiatives, CSR reporting, post act spending pattern on CSR etc. There is a lack of research which is comprehensive in nature and all aspects have been covered. In this study researcher has attempt to do in-depth study on CSR practices by selected cement units of Gujarat using secondary data. The study uses content analysis of annual reports as well as CSR policy and other details available on websites of respective cement companies.

2.5 CONCLUSION

The review of previous literature at national as well as international in context with different dimensions as presented in this chapter helped in identifying the research gaps which emerged with many research questions and has contributed the necessary inputs for framing research objectives for undertaking the study. The study regards CSR practices by selected cement units of Gujarat examine extent of CSR practices by selected cement units, area/sector wise CSR spending and compare CSR practices by selected units before and after Companies Act 2013. The methodology adopted by researcher for the present study is explored in detail in the following pages.