Mandated Responsibility: A Literature Review of Post-2013 CSR Reporting in the Indian Cement Industry

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Abstract

This paper synthesizes existing literature on Corporate Social Responsibility (CSR) reporting practices within the Indian cement industry. As a sector fundamental to infrastructure development yet burdened with significant environmental and social externalities, the cement industry's approach to CSR disclosure is of critical academic and practical interest. The review traces the evolution of reporting from voluntary, philanthropic narratives to a compliance-driven activity post the landmark Companies Act, 2013, which mandated CSR spending and disclosure for eligible firms. A meta-review by Kakkar and Singh (2025) confirms that key thematic areas of disclosure remain environmental management and community development. However, the literature consistently critiques the quality of disclosures, highlighting issues of symbolic communication, lack of strategic integration, and limited assurance. Recent studies, such as those by Murthy et al. (2025) and Thomas (2021), begin to address gaps concerning strategic value creation and performance linkages. This review concludes that while reporting volume has increased, future research must prioritize longitudinal impact studies, nuanced stakeholder analyses, and examinations of how disclosures translate into tangible sustainability performance and competitive advantage in this high-impact sector.

Keywords: Corporate Social Responsibility (CSR), Sustainability Reporting, Cement Industry, India, Companies Act 2013, Strategic CSR, Decarbonization.

1. Introduction

The Indian cement industry is very important for the country's growth and building projects. However, it also faces big environmental and social problems. Making cement uses a lot of natural resources, needs a great deal of energy, and creates a large amount of carbon dioxide pollution. Because of this, the industry is under pressure from the government, local communities, investors, and international standards to reduce its harm and help society. To show what they are doing, companies now use Corporate Social Responsibility (CSR) reports. These reports explain their social and environmental work to the public. A major change happened in 2013 with India's Companies Act. A rule called Section 135 made it compulsory for large companies to spend at least 2% of their profits on CSR activities and to report on them properly.

This moved CSR from a side activity to a central, required part of business, especially in industries like cement.

Recent research, including a 2025 review by Kakkar and Singh of 17 studies from 2012-2023, shows that analysis of this sector keeps looking at how companies follow the rules, what their reports contain, and the problems they face. Following such reviews, this paper provides a fresh and detailed look at the research. It brings together studies about CSR reporting in the Indian cement industry. The goal is to understand what drives these reports, what is in them, and how good they are. This paper maps out what experts are saying, includes new findings, and identifies open questions to help direct future research.

2. Research Objectives

The objectives of this review are:

1. To create the thematic content and scope of CSR disclosures, incorporating recent quantitative data and case-specific examples.
2. To trace the evolution and multi-stakeholder drivers of CSR reporting in the Indian cement industry.
3. To identify key gaps in the existing literature by integrating recent studies and suggest directions for future empirical research.

3. Literature Review

3.1 Evolution and Regulatory Drivers of CSR Reporting

Early literature (pre-2013) characterizes CSR in the Indian cement sector as largely voluntary, ad-hoc, and philanthropic, often focusing on community charity and disaster relief without structured reporting (Sahu, 2012). The enactment of the **Companies Act, 2013** is unanimously identified across studies as the seminal turning point (Dharmapala & Khanna, 2018; Mitra, 2020). Research by Kansal et al. (2014) and Jha & Rangarajan (2020) confirms that compliance became a primary driver, leading to a formalization and standardization of CSR committees, policies, and reporting formats across major cement companies. The shift from "why report" to "what and how to report" was directly attributed to this regulatory push. However, contemporary drivers have expanded beyond domestic compliance. **S&P Global (2025)** highlights the potent influence of global policy mechanisms like the European Union's Carbon Border Adjustment Mechanism (CBAM), which creates a direct economic incentive for Indian cement exporters to measure, report, and reduce their carbon footprint rigorously. This evolution signifies a shift from a purely compliance-oriented model to one increasingly shaped by market access, international investor expectations, and competitive positioning in a decarbonizing global economy.

3.2 Thematic Content of Disclosures: From Generic to Data-Driven

The literature categorizes disclosure content into three core pillars, with recent studies providing greater specificity and data:

- **Environmental Stewardship:** Given the sector's impact, this is the most extensively reported theme. Disclosures predominantly cover **emission management** (CO_2, NOx, SOx), **energy conservation** and the use of alternative fuels, **water stewardship**, **raw material sourcing**, and **biodiversity** management in mining areas (Singh & Agarwal, 2017; Reddy & Thyagarajan, 2022). **S&P Global (2025)** provides crucial contemporary metrics, noting that as of 2025, the Indian cement industry's alternative fuel use remains around 6% (well below global averages) and blended cement constitutes 73% of production, indicating areas of progress and challenge. Studies like **Kumawat et al. (2025)** offer concrete examples, detailing company-specific investments in waste heat recovery systems, afforestation drives, and water conservation projects, moving the discussion from general themes to implemented actions.
- **Social Initiatives:** Disclosures are heavily oriented towards **community development**, including healthcare, education, skill development, sanitation (often linked to the Swachh Bharat mission), and women's empowerment (Patil & Sharma, 2019). **Employee health and safety** metrics (like Lost Time Injury Frequency Rate) are also commonly reported, reflecting the industry's operational risks. **Pareek and Dheer (2025)**, in their analysis of the Rajasthan cement cluster, provide a nuanced view of how these initiatives are tailored to local stakeholder needs and aligned with specific Sustainable Development Goals (SDGs), demonstrating a move towards more localized and structured social strategy.
- **Governance and Strategy:** Reporting on the existence and composition of the **CSR committee** is now universal due to legal mandate. A significant advancement in the literature is the exploration of **strategic integration**. **Murthy et al. (2025)** analyze Ambuja Cement's approach, framing it as a shift from philanthropy to creating shared value. They identify four success factors: community co-creation, embedding initiatives in core sustainability goals, leveraging local implementation teams, and committing to long-term investment. This framework provides a tangible model for assessing whether CSR is presented as a strategic asset or a discretionary expense in corporate reports.

3.3 Frameworks, Quality, and Critical Perspectives

A significant strand of literature examines the adoption of reporting frameworks. The **Global Reporting Initiative (GRI)** standards are the most widely referenced, with industry leaders like UltraTech, ACC, and Ambuja Cements producing GRI-based reports (Gupta & Saxena, 2023). There is emerging discussion on linkages with **Sustainable Development Goals (SDGs)**.
On **quality**, the consensus in the literature is critically evaluative. Key criticisms include:

- **Symbolism over Substance:** Reports often emphasize narrative success stories while omitting failures, controversies, or unmet targets, serving a legitimizing rather than accountability function (Bose & Roy, 2021). **Pandey (2024)** adds a critical dimension by examining gender disparity in the disclosure of stakeholder-desired information, revealing that even within social reporting, biases and gaps persist.
- **Lack of Comparability and Consistency:** Even with GRI, selective indicator disclosure and varying measurement methods hinder meaningful inter-firm comparison (Reddy & Thyagarajan, 2022).

- **Limited External Assurance:** The absence of robust, independent third-party assurance for most CSR reports raises questions about data credibility and reliability (Kumar & Singh, 2020).
- **Compliance-Oriented Mindset:** The 2% spending rule has, in some cases, led to a focus on expenditure justification rather than impact communication and strategic alignment (Mitra, 2020). The strategic framework offered by **Murthy et al. (2025)** serves as a useful benchmark to critique reports that lack such integrated thinking.

3.4 Stakeholder Influence and Motives

Studies identify a multi-stakeholder landscape driving reporting practices, with recent research adding granularity:

- **Regulatory Bodies:** The primary coercive driver post-2013 (Ministry of Corporate Affairs).
- **Investors and Financial Institutions:** Growing demand for ESG (Environmental, Social, and Governance) data from both domestic and international investors is a major motivator (Jha & Rangarajan, 2020).
- **Local Communities and NGOs: Pareek and Dheer (2025)** emphasize the role of deep, localized stakeholder engagement—with employees, panchayats, and local regulators—in shaping relevant CSR agendas, moving beyond seeing communities as passive recipients.
- **Global Markets and Policymakers:** As highlighted by **S&P Global (2025)**, international trade policy (e.g., CBAM) and supply chain pressures from global clients are becoming increasingly powerful motives for transparent and performance-driven environmental reporting.

4. Research Gap

The review, incorporating recent literature, reveals several salient and evolving gaps:

1. **Longitudinal Impact and Performance Linkage:** While **Thomas (2021)** provides an early empirical study linking sustainability reporting to firm performance in the sector, this remains an underexplored area. There is a scarcity of longitudinal research tracking how sustained reporting quality influences long-term financial stability, cost of capital, or operational efficiency. The causal relationship between strategic disclosure and tangible business benefit requires more robust validation.
2. **Stakeholder-Centric and Perception-Based Analyses:** Despite the work of **Pareek and Dheer (2025)**, there remains limited empirical research investigating how key stakeholders (local communities, employees, investors) perceive, trust, and utilize the CSR information disclosed by cement companies. Studies focusing on the credibility and readability of reports from the stakeholder's viewpoint are needed.
3. **Comparative and Localized Studies:** Few studies systematically compare the reporting practices and outcomes of Indian cement firms with their global counterparts. Furthermore, sub-national comparative analyses, like the Rajasthan cluster study, should be replicated in other regions to understand geographic and cultural variances in CSR implementation and reporting.

4. **Depth of Qualitative Inquiry:** An over-reliance on content analysis of reports has led to a gap in qualitative, interview-based studies exploring the internal motivations, decision-making processes, resource allocation challenges, and internal performance measurement systems used by managers in preparing CSR disclosures.

5. **Integration of Advanced Metrics and Assurance:** Research on the adoption and challenges of implementing frameworks like **Task Force on Climate-related Financial Disclosures (TCFD)** or obtaining high-level external assurance for sustainability reports in the Indian cement context is minimal.

5. Conclusion

This literature review confirms that CSR reporting in the Indian cement industry has undergone a profound transformation, primarily catalyzed by regulatory mandate but now increasingly driven by global market forces and strategic considerations. The practice has matured from voluntary philanthropy to structured disclosure, with a growing incorporation of data (S&P Global, 2025) and strategic frameworks (Murthy et al., 2025). Thematic reporting strongly reflects the sector's environmental imperative and community-centric social license to operate, with studies like Kumawat et al. (2025) detailing specific corporate initiatives.

However, the prevailing academic critique, supported by analyses like Pandey's (2024), underscores a persistent disconnect between the volume of reporting and its substantive quality, strategic depth, and equitable focus. Disclosures often remain symbolic, incomparable, and lacking in assured accountability. To advance both scholarship and practice, future research must address the identified gaps by employing longitudinal, comparative, and stakeholder-centric methodologies. The ultimate goal should be to foster CSR reporting that moves beyond compliance to become a transparent, strategic, and impactful tool for genuine sustainable development and value creation in one of India's most vital yet challenging industries.

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