

Corporate Social Responsibility (CSR) Practices in Selected Indian IT Companies: A Descriptive Study

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Abstract

The paper is an analytical, secondary-data-based study of corporate social responsibility (CSR) practices of selected Indian information technology (IT) companies — Tata Consultancy Services (TCS), Infosys, Wipro and Tech Mahindra. In addition, the article presents a summary of CSR governance structures, issues targeted by companies for their CSR initiatives and proposed implementation models, as well as disclosures made on spending patterns. The findings reveal that large Indian IT firms institutionalise CSR in terms of board oversight, program implementation through their only-in-house foundation and long-term engagement with an NGO partner, and formalistic disclosure practices such as those contained in the statutory annexures of CSR reports as well as broader ESG/BRSR reports. CSR portfolios still revolve around education and skilling, healthcare, and community development, but with an increasing focus on data-driven monitoring and impact measurement. There is significant cross-company variation in the comparative spending snapshot for FY 2023–24, due to differences in scale, profitability and program design. The paper closes with implications for CSR strategy, transparency and impact measurement in the IT industry of India.

Keywords: CSR; Indian IT sector; CSR governance; CSR spending; ESG disclosure; impact assessment; Schedule VII.

1. Introduction

Corporate Social Responsibility (CSR) is the responsibility of businesses to help build a sustainable economy by working with employees, their families, the local community and society to improve their quality of life. CSR has seen a transition from a discretionary charitable practice to become an integral strategic and regulatory element of corporate governance in the last two decades with developing countries like India leading this. The implementation of the Companies Act, 2013 led to a sea change in India's CSR scenario by making it mandatory for companies to spend at least two percent of their average net profit on socially relevant activities.

In the context of India's industries, the Information Technology (IT) sector stands out because of its international focus, skilled human resources usage, innovation led work culture and relatively low environmental footprint as compared to most other sectors. "Indian IT companies cater to global clients, investors and regulators that are increasingly looking for transparency, ethical behaviour and quantifiable social impact". As a result, CSR activities in IT industry are more than requirement compliance and have often been embedded into firms long-term strategy, reputation management and stakeholder engagement.

Big IT companies like TCS, Infosys, Wipro and Tech Mahindra have in built CSR with board level monitoring and a separate foundation and long term partnerships with NGOs as well as systematization in monitoring impact. Their CSR portfolios generally focus on education, digital inclusion, healthcare, training and development of skills, environmental sustainability and community empowerment. These are pertinent to our country's priorities including inclusive growth, skill up-gradation and the SDGs (Sustainable Development Goals).

Despite the glut of coverage and professionalisation in CSR (Bondy et al., 2017, Christensen and Morsing, 2017), we lack studies which systematically gather descriptive evidence about how CSR manifests within particular sectors for benchmark firms. This paper seeks to fill the gap by undertaking a structured descriptive analysis of CSR practices in Indian IT companies and analysing governance, thematic priorities, spending patterns and disclosure.

This descriptive paper aims to understand CSR practices of some selected Indian IT firms addressing four major dimensions: (i) governance and institutional structure, (ii) thematic issues in terms of priorities, (iii) modality and partnership approaches, and lastly, (iv) expenditure patterns and disclosure trends. With the growing emphasis of quantitative results and accountability, the study indicates also the importance of monitoring and impact assessment in CSR program design

2. REVIEW OF LITERATURE

Stakeholder theory was presented by **Freeman (1984)**, according to which companies need to take care of various stakeholder groups. As a base statement of purpose, this perspective underlies the intention of the study to investigate CSR governance mechanisms in Wipro, with emphasis on stakeholder accountability being at focus of board level CSR oversight.

Beginning with the early theoretical debates of CSR, focus was given to the ethical and social responsibilities of business in relation to society. Two decades ago, **Carroll (1991)** has developed a fourfold social responsibility to account an economic, legal, ethical and discretionary responsibilities that still provide a conceptual underpinning for CSR research.

Porter and Kramer (2006) promoted the notion of strategic CSR and suggested that socially responsible practices, when integrated with firms' core activities, can be a source of shared value for business and society. This view was contrary to that of CSR as a burden or expense and acknowledged the strategic role played by the latter.

In the Indian scenario, CSR activities were mainly philanthropic and non- formal before a statutory mode came into practice (**Gupta 2007**) which was driven by business families influence and value philosophy of trusteeship rather than structured corporate policies.

Chatterjee and Mitra (2017) explored the mandatory CSR implications of Companies Act, 2013 reporting enhanced disclosure practice and augmented CSR disbursement but apprehended on lack of flexibility in choosing projects, capability to handle them and examining desired effect.

It has also been noted by **Mitra and Schmid Peter (2018)** that major Indian firms are increasingly seeking to integrate CSR activities with the UN's Sustainable Development Goals, indicating a convergence between domestic legislation and the transnational norms of sustainability.

Kansal, Joshi and Batra (2019) also examined CSR disclosures made by companies in India empirically and found strong inter-sectorial variation with IT and financial services sector firms making proportionately higher levels of structured reporting / transparency.

Recent research works by **Panda and Dhanesh (2020)** had considered involvement and communication with stakeholders as an essential factor for successful CSR, particularly in knowledge-based industries like IT.

Recent evidence points to a trend toward impact evaluation and outcome measurement in CSR initiatives. **Reddy and Mahajan (2022)** found that leading Indian companies increasingly use third-party impact evaluations to improve the accountability and credibility of CSR impacts.

3. Objectives of study

- 1) To outline the CSR structure practices and implementation model as employed by few companies in Indian IT sector.
- 2) To profile key CSR focus and program themes among the sampled companies.
- 3) To consider how reported CSR expenditure would be for selected companies for FY 2023–24, taking into account two-year trend period.
- 4) To consolidate various disclosure and accountability requirements with mention of impact assessment and statutory reporting.

4. RESEARCH METHODOLOGY

The current study is descriptive in nature and used to analysis the practice of corporate social responsibility (CSR) in some of selected Indian IT companies. Descriptive approach is suitable in the context of the study because it intends to rapidly characterize and compare extant CSR governance arrangements, expenditure behavior and disclosure activities without making a claim of the cause-and-effect relationship.

The present study used only secondary data, which were obtained from authentic public sources including annual reports, Corporate Social Responsibility (CSR) annexures under Section 135 of the Companies Act, 2013; Business Responsibility and Sustainability Reports (BRSR); company websites; and reputable CSR-related magazines. In addition to the theoretical framework and literature review, academic journals and policy documents were referred for substantiating arguments.

Four of the top Indian IT-services companies, namely TCS (Tata Consultancy Service), Infosys Limited, Wipro Ltd., and Tech Mahindra Ltd. were selected based on purposive sampling method. The companies were selected because the stock exchange listed them, their uniform disclosure of CSR information and significant incurring of CSR expenses, and they had abundant public data.

Scope of the study is 3 financial years, from FY; 2021-22 to FY; 2023-24 for comparison of CSR spending and up-to-date trend. The study is broken down on the parameters such as CSR governance systems, themes of implementation, mode of implementation and year-wise along with company-wise spending on CSR and comparison of the spend me net profit.

The details were analyzed using descriptive analytical methods involving tabulation, comparative analysis, trend analysis and drawing of tables and charts. No inferential statistical procedures were used because the study is exploratory.

CSR in India: Regulatory and Reporting Context

CSR in India falls under the legal provisions pursuant to Section 135 and Schedule VII of the Companies Act, 2013 with respect to ensuring other listed companies also contribute towards CSR. This provision is particularly pertinent for Indian Information Technology (IT) companies, because given the financial thresholds that have been stipulated by this legislation, most big IT companies are required to comply with CSR requirements. And CSR has been inserted in the governance, and strategic decisions in dominant IT organisations.

Under the Act, IT companies are mandated to establish a Board level CSR Committee, draft a CSR policy and assign 2 per cent of the average net profits of last three years for projects falling within Schedule VII. Typically, these CSR priorities of IT firms –education, skills development, digital inclusion, health and community development are a good fit with statutory requirements as well as the knowledge intensity that is characteristic of this industry.

From a reporting point of view, Indian IT firms adopt a systematic disclosure regime through the Annual Report on CSR Activities that is incorporated in the Board's Report. This also includes the project-wise information of CSR spend, manner of execution, status of unspent amount and statement on compliance. Because of their global connections and

stakeholders' expectations regarding CSR, IT companies tend to be relatively transparent and consistent in reporting their commitment to CSR than many other industries.

In recent years, the IT industry has undergone a further development in CSR reporting following the emergence of Business Responsibility and Sustainability Report (BRSR) requirements. Large IT companies listed on the stock exchange, include their CSR disclosures in their ESG (environmental, social and corporate governance) reporting frameworks that has focus towards outcome-based reporting, impact assessment and stakeholder accountability. This kind of regulatory and reporting regime has converted CSR in the Indian IT companies from a compliance-led exercise to a structured and governance-led activity, further underpinning sector's role as one that encourages sustainable and inclusive development.

5. CSR Practices in Selected Indian IT Companies

5.1 Tata Consultancy Services (TCS)

"Many of TCS's CSR initiatives are large, well designed and impactful ones in the areas of: education, digital inclusion, employability and community development with its fair share of programs/activities which recognize social needs that can be addressed through technology based solutions as also employee volunteering." Sector-wise FY 2023–24 CSR spending, listed in the attached schedule-12, ranks TCS as one of the highest spenders among its peer group companies in India."

5.2 Infosys

Infosys institutionalizes CSR with a tightly governed structure that encompasses various causes typically covering education, health care, women's empowerment, sustainability, rural development and cultural activities. Statutory CSR annexures and related papers reveal that the company informs detailed spending, unspent balances for continuous projects and project-wise disclosure among them capital assets created through CSR.

5.3 Wipro

Wipro's CSR focus is on education, primary healthcare and community development implemented through long-term associations with implementation partners. Extracts from the Aspire search of its integrated annual report 2023–24 note CSR expenditure for FY 2023–24 available from the board reports, compared with previous years' search figures that can be inferred from the monthly budget and annual capital workbook. Wipro also has impact assessment summaries in place for certain projects, highlighting a change towards results-focused CSR reporting.

5.4 Tech Mahindra

Tech Mahindra's CSR is commonly carried out through the Tech Mahindra Foundation and associate bodies, which has a clear focus on education and employability. The company's statutory CSR annexure for FY 2023–24 records spending levels and compliance-related information including the total amount spent during the year as well as disclosures on unspent amounts.

6. Results and Discussion

6.1 Comparative CSR Spending Snapshot

Table 1 and Figure 1 present reported CSR spending (₹ crore) for the selected firms for FY 2023–24 based on cited sources.

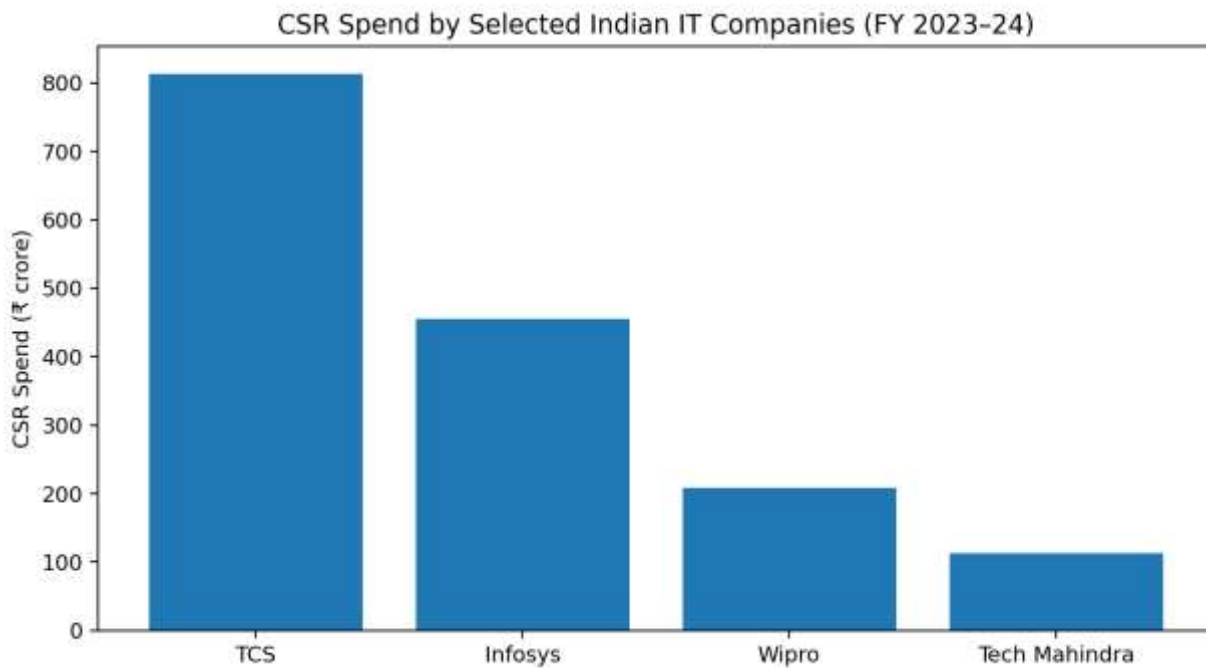
Table 1. Reported CSR Spend in FY 2023–24 (₹ crore)

Company	CSR Spend (₹ crore)
TCS	813.00
Infosys	455.67
Wipro	208.60

Tech Mahindra

112.42

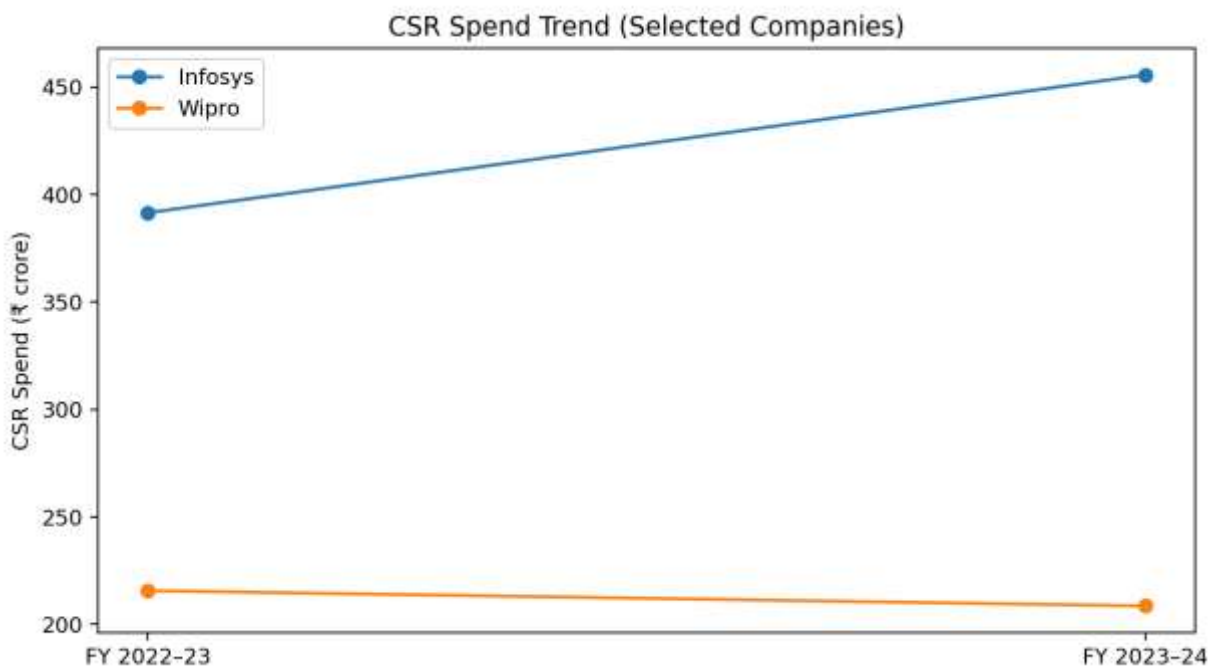
Figure 1. CSR Spend by Selected Indian IT Companies (FY 2023–24)



6.2 Two-Year CSR Spend Trend (Selected Firms)

Where two-year data were available from the cited sources, Infosys shows an increase in CSR spending from FY 2022–23 to FY 2023–24, while Wipro shows a modest decline over the same period (Figure 2).

Figure 2. CSR Spend Trend (Selected Companies)



6.3 Governance, Partnerships, and Disclosure Practices

Across the chosen companies, CSR governance process commonly comprises: (i) board/CSR committee supervision, (ii) a CSR policy and annual action plan in line with Schedule VII, (iii) implementation via foundations and partner

NGOs; and (iv) systematised monitoring, impact assessment (if applicable), and public disclosure. Figure 3 illustrates a prototypical governance-to-disclosure continuum consistent with legally-mandated CSR reporting and the expanded ESG/BRSR disclosure universe.

Figure 3. Typical CSR Governance-to-Disclosure Process in Large IT Firms

Figure 3. Typical CSR Governance-to-Disclosure Process in Large IT Firms



6.4 Thematic Focus Areas

Reported CSR initiatives in Indian IT sector widely focus on:

- Education and skilling (school education, digital literacy, employability schemes)
- Healthcare and preventive care
- Community development and livelihoods
- Environmental sustainability initiatives

Sector-based CSR study of Indian companies also show a shift towards projects with longer maturity periods that could be considered as impact driven, along with growing correlation with the UN Sustainable Development Goals (SDGs).

Limitations

The present study's scope is restricted to some of the large IT companies in India and depends on CSR information that has been disclosed. Although the study does not evaluate the immediate effect on social wellbeing via primary data with respect to CSR activities, it presents an organization wide picture of CSR practices and reporting patterns among Indian IT firms. The data of this study is sourced from publicly accessible documents.

7. Conclusion

This paper analyses corporate social responsibility practices in some of the selected Indian IT companies and observes that CSR in the sector has matured into systematic, governance-oriented, and strategically aligned corporate activity. These results imply that boards with CSR committees, formal policies, and transparent disclosure mechanisms institutionalize CSR practices to a greater degree.

The results reveal that CSR spending continues to focus on education, skill development, healthcare and community development thereby reiterating the congruence with national developmental agenda. Year-wise trends in CSR spending and the comparison of CSR with profit show that big IT companies not only meet the statutorily mandated requirement but there is consistency in adopting responsible business behaviour.

Moreover, the growing alignment of CSR reporting with ESG and BRSR frameworks indicates a trend toward more accountability and results-based reporting. While the study is constrained by its dependence on secondary data and a small sample of companies, it sheds light on sector-specific trends and provides a base for additional research work not only with respect to CSR impact measurement but also regarding stakeholder outcomes in Indian IT industry.

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