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**A Study on Relief and Response Effort of TCS towards CSR with the
inclusion of COVID-19 for Upliftment of Society**

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ABSTRACT

On 1st April 2014 India mandated CSR spending of 2%, as per Section 135 of Companies Act 2013. The Companies with certain net worth, turnover and net profit are required to mandatorily spend 2% on their average net profit for the past three years towards CSR activities. Tata Consultancy Services, a BSE and NSE listed company and the largest software and IT services company of India is actively spending towards CSR past several years. This paper is an attempt to highlight various CSR activities of TCS past five years and their initiative towards uplifting society during COVID-19 pandemic time.

Introduction

Introduction and Conceptual Background of CSR in India

Corporate Social Responsibility traditionally was a philanthropical activity where the concept is promoted to ensure that companies are considering the protection and upliftment of society and the environment even though they are profit making concerns. The CSR spending became mandate from 1st April 2014.

As per Section 135 of Indian Companies Act 2013, those companies which have an annual turnover of Rs.1000 crore or a networth of 500 crore or a net profit of 5 crore are mandatorily required to spend 2% of their average net profit for the past three years.

There are several activities can be chosen by companies for discharging corporate social responsibilities such as contributions to PM's funds meant for socio-economic development, activities for promoting sanitation, availability of drinking water, health promotional activities, educational support of women and children, setting up of hostels for women, public library, contribution to research and development of science and technology etc. to name a few. At the same time benefits provided to company's employees and their families as well as donations to political parties are not considered as CSR activities.

In 2020, the Ministry of Corporate Affairs has stated that the spending on health

infrastructure and measures would be considered as an eligible CSR spending. Several Indian companies contributed towards health infrastructure for the benefit of the society.

Literature Review

1. Aarzo Katyal (2019) found that after making the CSR mandatory, the Asian Paints has done lot of social activities such as developing local community, education, water conservation etc. It has set up several strategies and road map to focus on CSR activities. It has also converted products into eco-friendly.
2. Dr. Rajesh Ranjan (2017) has remarked in his study that CSR helps in various improvements like cost reduction, competitive advantage, brand image etc. The selected companies are engaging in CSR activities which mainly cover health, education, sanitation, games, sports, environment protection, etc.
3. Dr. Priyanka Varma (2014) in her research found out that as a philanthropical activity, CSR was not properly implemented and documented by the Indian companies. After CSR is made mandatory the CSR activities became transparent through official websites, annual reports, sustainability report etc. Govt. believes that the mandatory CSR will help our country to reduce poverty, unemployment, literacy and malnutrition. It proves that the businesses also have responsibility towards the society. The researcher concluded that India being a developing country requires financial support from businesses for economic and social growth. Hence a mandatory CSR is necessary.
4. Sudepta Pradhan (2016) analysed and found out through research that due to the implementation of legislation, the Indian companies shifted their stand from passive philanthropy. Corporate reputation is improved due to discharging of CSR activities. A firm which publicizes its social activities can increase its reputation. And the study proved that there is no significant relationship between CSR and financial performance of the company. Reputation does not help a firm in financial performance during short term. At the same time, a good reputed company gradually gets super profits over the time which means financial performance occurs in the long run. A good reputed company eliminates the supplier and customer power.

Research Methodology

For the purpose of conducting this study secondary data was used from the company website, various other websites and literatures.

Objectives

1. To study overall CSR initiatives of TCS for the period 2014-2021
2. To analyze area-wise CSR spending of TCS during the period 2014-2021, the post mandatory CSR rule
3. To compare the area of spending on CSR towards COVID-19 for social upliftment during 2019-2021

Tata Consultancy Services

TCS is an IT services, consulting and business solution organization headquartered at Mumbai, It is founded in the year 1968 and has 4,88,649 employees across the globe. It is listed in both BSE and NSE. It has solid revenue of Rs.164,177 Crore which is very high from the past five years.

TCS was in news recently for a good reason, that is when most of the organizations were laying off employees due to the adverse effect of COVID-19 pandemic situation to cut down the salary expenditure, TCS instead gave salary hike for its employees across all levels. Moreover, it has pledged to add 10,000 employees in US as part of employment generation in the post COVID era.

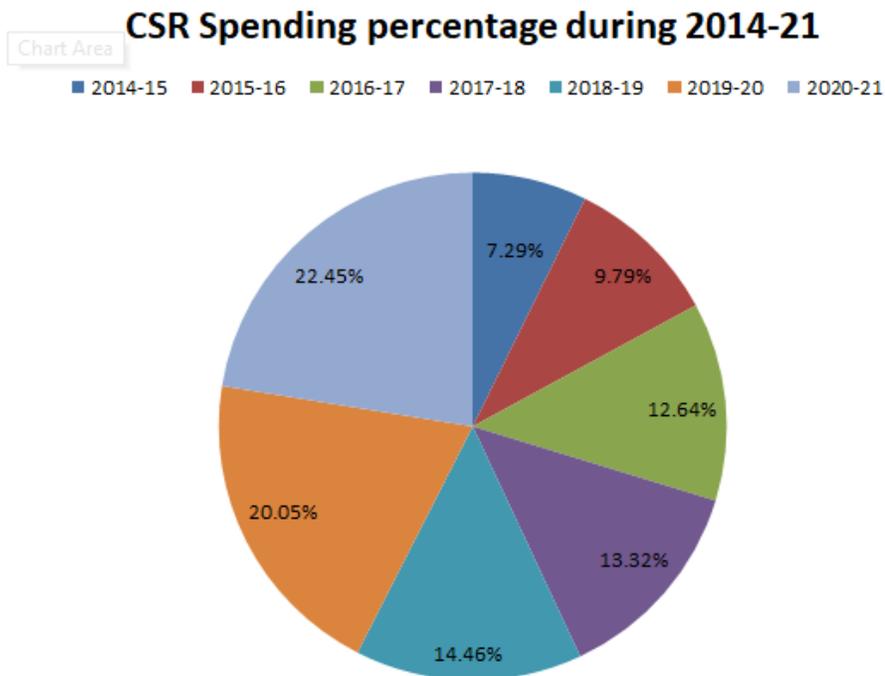
Mandatory CSR Reporting by TCS

Since India became the first country to have mandatory CSR, all the eligible companies started discharging CSR activities in various areas and reporting the same through their annual statements as a separate annexure. There is clarity on reporting after the mandatory law. Before the mandatory CSR, even though TCS has done tremendous social services through various projects and schemes, it was not specified how much amount had spent on each category. The mandatory CSR made it very transparent while reporting of CSR activities.

CSR initiatives at TCS after post mandatory CSR

TCS though its CSR committee is discharging its responsibilities to the society. The CSR committee identifies and recommends to the Board about various CSR activities to be undertaken and amount of expenditure to be incurred upon. Some of the amount is spent towards ongoing projects and the rest is spent on selected activities:

Fig.1



TCS spent 22.45% on CSR for FY 2020-21, which is the highest in comparison with rest of the periods from FY2014-15. This is because the CSR spending is calculated on its average net past three years’ average net profit. With the increase in the average net profit, CSR spending also has been improved. It indicates that when a company earns more net profit, it is more beneficial to the society.

Over the years, TCS spent on various activities as part of CSR. A snapshot has been tabled below to understand various programs and initiatives by TCS.

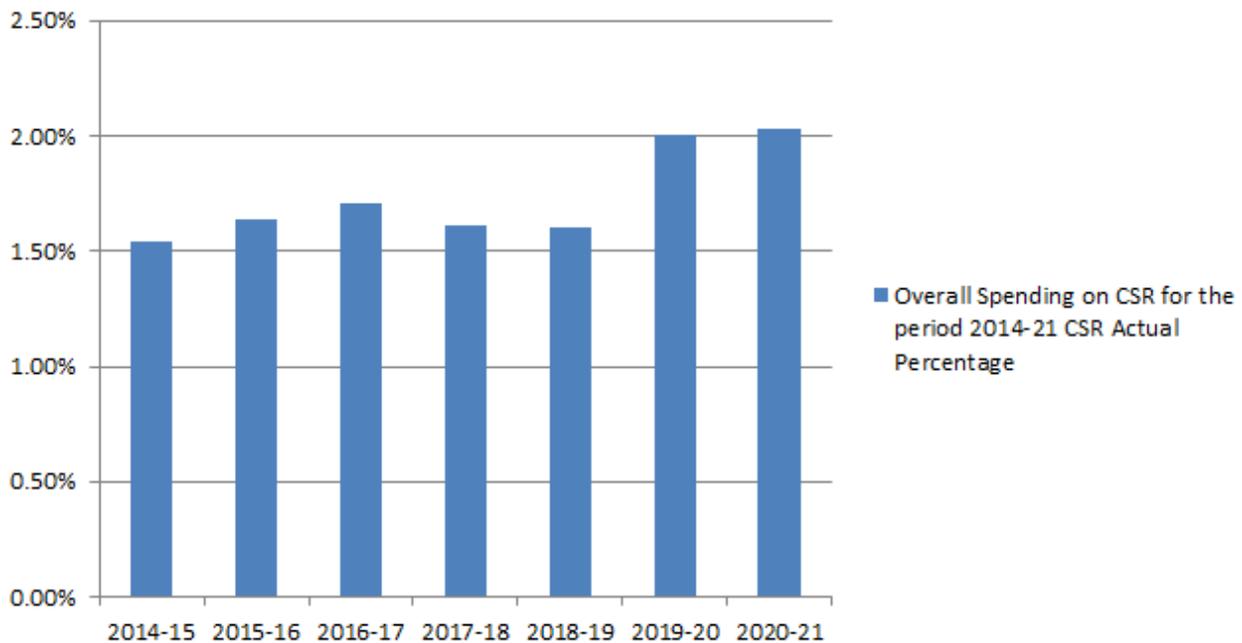
Sl.No.	Programs/Initiatives	Purpose
1	TCS iON Digital Glass Room	Free software for students in COVID time. Aimed to enable web-based learning.
2	Business Continuity	Technological support to run business during COVID
3	VHAB	Virtual habilitation for differently abled children through physiotherapy
4	mKRISHI	digital farming data, alerts farmers about crop disease and weather for fishing
5	Cancer Care	to bring cancer care to home, it is a digital nerve care.
6	Sanitation	Swachh Vidyalaya as part of Swachh Bharat Abhyan, thorough which toilets are constructed for schools
7	Literacy Programs	Started Adult Literacy Program which benefited rural villagers. It is a computer based literacy program
8	UDAAN	This initiative is to enhance the employability of Kashmiri youth
9	Empower	Skill development program for its supporting staff like computer literacy, spoken English etc.
10	Academic Interface Programme (AIP)	conducted several faculty development programs and designed various curriculums
11	Advanced Computer Training Center (ACTC)	to enhance employability
12	Rural IT Quiz	Partnered Karnataka Govt. to enhance IT skills of rural students
13	TCS Maitree Village Development Programme	women empowerment program and promoted empowerment in rural areas
14	Insight	To improve communication, team building, presentation skills and technical skills among children
15	Hospital Management System for Tata Medical Center (TMC), Kolkata has been provided with Hospital Management	This is provided only to TMC, Kolkata

	System	
16	Bahujan Hitay Hostel for Girls & Boys	Set up library, water purifier, computers and broadband connection in hostels
17	BriDgeIT	IT facility in Govt. schools
18	IT Employability Programme	pecially designed 200 module training for engineering students

The overall spending towards CSR in each year is varying. Even though the mandatory CSR is 2% on average net profit of past three years, TCS had not spent 2% but less than that.

Fig.2

Overall Spending on CSR for the period 2014-21



TCS managed to spend towards CSR 1.54%, 1.63%, 1.70%, 1.61%, 1.60%, 2.01% and 2.03% for FY 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21 respectively. It shows that TCS had crossed mandatory CSR 2% only in the year 2019-20 for the first time with 602 crore CSR expenditure. In the FY 2020-21 TCS spent 2.03% on average net profit towards CSR. The amount unspent is Rs. 403 crore from FY 2014-2015 to, which includes the highest amount of Rs.108 crore in the FY2018-19 followed by 2017-18 with 97 crore. The reason for this shortfall is due to multiyear projects funding as mentioned by its Chairman Mr. Natarajan Chandrasekharan.

Areas covered in CSR spending in each year from FY 2014-15 to FY 2020-21:

FY2020-21		
Area Covered	Amount Spent (Cr.)	Percentage to Total CSR
Tata Translational Cancer Research Center	3	0.45%
BridgeIT - CADAM (Project 2) -Centre for Alternative Dalit Media)	1	0.15%
BridgeIT - DF (Project 2)	1	0.15%
Contribution for Schedule VII activities	351	52%
COVID support - PM CARES Fund	256	38%
COVID support - Quarantine centre, supply of disinfectant and food packets distribution	12	2%
Education and skill building projects	7	1%
Digital Nerve Centre	6	1%
COVID support - Food distribution for frontline healthcare workers	5	1%
Community transformation projects	5	1%
Hospital Management System at Cancer Institute and Tata Medical Centre	2	0.30%
Centre of Excellence in Cyber Security	2	0.30%
Support towards Museum of Art & Photography	1	0.15%
Administration Overheads	22	3%
TOTAL	674	

2019-20		
Area Covered	Amount Spent (Cr.)	Percentage to Total CSR
Training to various categories such as women, elderly and specially abled people given so that employability can be increased. Education to children are also provided	114	19%
To promote hygienic sanitation hospitals including cancer centres are provided with technical support and disaster relief financing is done.	176	29%
Amount spent on cleaning and maintaining lakes, water conservation, for protection from floods water shed restoration is done.	6	1%
Contribution made to Foundation/Trusts	303	50%
Overheads for various CSR initiatives	3	0.50%
TOTAL	602	

2018-19		
Area Covered	Amount Spent (Cr.)	Percentage to Total CSR
Training to various categories such as women, elderly and specially abled people given so that employability can be increased. Education to children are also provided	36	8%
To promote hygienic sanitation hospitals including cancer centres are provided with technical support and disaster relief financing is done.	296	68%
Amount spent on cleaning and maintaining lakes, water conservation, for protection from floods water shed restoration is done.	3	0.69%
Contribution to TCS Foundation	92	21%
Overheads	7	2%
TOTAL	434	

FY2017-18		
Area Covered	Amount Spent (Cr.)	Percentage to Total CSR
Training and educating children, women, elderly, differently abled, scholarships, special education and increasing employability, software has been developed for child helpline to track the missing children.	86	22%
To promote hygienic sanitation hospitals including cancer centres are provided with technical support and disaster relief financing is done.	131	33%
Amount spent on cleaning and maintaining lakes, water conservation, for protection from floods water shed restoration is done.	1	0.25%
Contribution to TCS Foundation	172	43%
Overheads	10	2.5%
TOTAL	400	

2016-17		
Area Covered	Amount Spent (Cr.)	Percentage to Total CSR
Training and educating children, women, elderly, differently abled, scholarships and special education and increasing employability	88.08	23%

Disaster Relief, tech support for hospitals including Cancer Institutes, financing hygienic sanitation	85.63	23%
Childline software support to track missing children	0.26	0.07%
Desilting, repair and maintenance of Chinnappanahalli Lake, Siruseri lakes Watershed Restoration for sustainability and flood protection	0.54	0.14%
Contribution to Prime Minister's National Relief Fund & other Central Government Funds	0.00	0.00%
Contribution to Trusts engaged in CSR	0.00	0.00%
Contribution to TCS Foundation	200	53%
Support for the restoration and renovation of the heritage structure	0.20	0.05%
Overheads	5	1%
TOTAL	380	

FY2015-16		
Area Covered	Amount Spent (Cr.)	Percentage to Total CSR
Training to various categories such as women, elderly and specially abled people given so that employability can be increased.	71.16	24%
To promote hygienic sanitation hospitals including cancer centres are provided with technical support and disaster relief financing is done.	71.3	24%
Software has been developed for child helpline to track the missing children.	1.09	0.37%
Repairs and maintenance of Chinnappanahalli Lake	0.06	0.02%
Contribution made to PM's National Relief Fund	4.44	2%
Contribution made to those trusts who are engaged in CSR activities.	13.8	5%
Contribution to TCS Foundation	118.07	40%
Renovation and restoration has been undertaken to support our heritage structures	0.30	0.10%
Overheads	14.01	5%
TOTAL	294	

FY2014-15		
Area Covered	Amount Spent (Cr.)	Percentage to Total CSR
Training to various categories such as women, elderly and differently abled people given so that employability can be increased.	32.4	15%
To promote hygienic sanitation hospitals including cancer centres are provided with technical support and disaster relief financing is done.	19	9%
Software has been developed for child helpline to track the missing children, promoting women empowerment, gender equality	0.26	0.12%
Undertaken tree plantation drive	0.047	0.02%
Contribution to PM's National Relief Fund & various other funds launched by central governments	1.49	0.68%
Contribution to TCS Foundation and other Trusts engaged in socio-economic development and relief work	154	70%
Support is provided for renovation and restoration of our heritage structures	1.68	0.77%
Overheads	9.73	4%
TOTAL	219	

In every year there is a huge disparity among the spending, where some of the areas are on high focus while few areas are not covered much for CSR. This is because, even though 2% has to be spent on overall CSR, there is no sub division of this percentage into various activities.

It is not specifically mentioned in the Section that how much should be spent on each activity as part of CSR. Hence the eligible companies have taken it as a freedom to spend on any few or all activities as mentioned above as per their choice. Moreover, all the initiatives of TCS are not PAN India. Some benefits or programs are available only one or very few localities. This creates inequality in distribution of CSR in India.

Initiatives of TCS in COVID-19 Pandemic

TCS is actively contributing towards relief and response efforts against COVID -19 expenditure of the globe. It has already done lot many supporting activities like setting up of hospitals, healthcare centers, isolation centers, providing testing kits, giving training to the frontline workers, research and development efforts on vaccine etc.

It distributed meals to 2,50,000 doctors and medical professionals, and also donated 12 crore to community organizations across the globe including PM Cares

Fund. To bridge the educational gap at this time, TCS has introduced Edu VirtualAssist (EVA) for virtual learning experience.

Above two lac households got benefited out of virtual critical services. Ambulance service helped many households to get food, protective kits and medicines timely.

In the year 2020-21, TCS has spent 286 crore exclusively towards COVID-19 pandemic by providing supply of food packets, quarantine centers and many other supporting activities as mentioned in the previous paragraphs. In the year 2019-20, TCS spent 176 crore as disaster relief towards COVID as a supporting agent.

Conclusion:

There is a tremendous change in CSR spending and reporting by TCS after the CSR spending became mandatory. Slowly the company started crossing CSR mandatory 2% in last two years which definitely make the public believe that TCS will be spending for the social upliftment much more better way compared to the previous years. In this pandemic time, TCS has shown its social responsibility as a business giant for all better ways of supporting the country which is appreciable by the society. The CSR spending will be more effective if TCS takes initiative for social upliftment PAN India instead of concentrating on very few localities.

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