# A Comparative Study of Corporate Social Responsibility Spending Before and After COVID-19: A Case Study of Tata Consultancy Services Limited

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**Abstract**
This paper examines the pattern of Corporate Social Responsibility (CSR) spending of Tata Consultancy Services Limited (TCS) before, during, and after the COVID-19 period. The study uses secondary data for seven financial years from FY 2017-18 to FY 2023-24 extracted from TCS annual/integrated reports and CSR disclosures. The period is divided into Pre-COVID (FY 2017-18 to FY 2019-20), COVID shock year (FY 2020-21), and Post-COVID (FY 2021-22 to FY 2023-24). The analysis uses trend analysis, compliance ratio, CSR intensity, period-wise comparison, and limited descriptive correlation with financial variables. The findings show that TCS actual CSR spending increased from ₹400 crore in FY 2017-18 to ₹827 crore in FY 2023-24, representing a compound annual growth rate of about 12.87%. The average actual CSR spending rose from ₹478.67 crore in the pre-COVID period to ₹779.00 crore in the post-COVID period. The COVID shock year showed a visible shift toward disaster/COVID-related CSR spending. However, due to the single-company design and only seven observations, the study should be interpreted as a descriptive case study rather than a causal statistical investigation.

**Keywords:** Corporate Social Responsibility, CSR Spending, COVID-19, TCS, Section 135, India, IT Services, Case Study

## 1. Introduction

Corporate Social Responsibility (CSR) has become an important part of corporate governance, stakeholder responsibility, and sustainable business practice in India. Under Section 135 of the Companies Act, 2013, eligible companies are required to spend at least two percent of their average net profits of the immediately preceding three financial years on CSR activities. This legal framework gives India a distinctive position because CSR is not only voluntary philanthropy but also a structured statutory responsibility for qualifying companies.

The COVID-19 pandemic created a unique context for CSR research. Businesses faced operational uncertainty, but social needs increased sharply in areas such as healthcare, sanitation, relief support, digital education, and livelihood protection. This made CSR spending especially relevant during FY 2020-21 and in the subsequent post-COVID years. TCS is a suitable case for such analysis because it is one of India's largest listed IT services companies and publishes detailed annual/integrated reports and CSR disclosures. This paper therefore studies whether TCS CSR spending changed before and after COVID-19, whether the company complied with statutory CSR obligations, and how the CSR spending pattern changed during the COVID shock year.

## 2. Brief Review of Literature and Context

CSR literature generally connects corporate social spending with legitimacy, stakeholder engagement, reputation building, and long-term sustainable value creation. In the Indian context, CSR research gained significance after the Companies Act, 2013 created a mandatory CSR framework for eligible companies. Studies on CSR after COVID-19 increasingly focus on whether companies redirected their CSR resources toward health, relief, digital education, and community resilience. However, many broad studies use large samples and may hide company-specific spending behavior. A single-company case study can therefore provide a detailed and focused understanding of how one major company responded across different periods.

The present study contributes by preparing a year-wise CSR dataset for TCS from FY 2017-18 to FY 2023-24 and comparing pre-COVID, COVID shock year, and post-COVID patterns.

## 3. Objectives of the Study

- To study the trend of CSR obligation and actual CSR spending of TCS from FY 2017-18 to FY 2023-24.
- To compare TCS CSR spending before COVID-19, during the COVID shock year, and after COVID-19.
- To examine the CSR compliance position of TCS using actual CSR spent and prescribed CSR obligation.
- To analyze the shift in broad CSR spending categories during the COVID shock year, wherever comparable category-wise data are available.
- To examine the descriptive relationship between CSR spending and selected financial variables such as revenue and profit after tax.

## 4. Research Propositions

Because this is a single-company study with seven annual observations, formal inferential hypothesis testing is not the main focus. The following propositions guide the descriptive analysis:

- P1: TCS CSR spending increased over the study period.
- P2: TCS CSR compliance improved after the pre-COVID period.
- P3: The COVID shock year changed the category-wise CSR spending pattern, particularly toward disaster/COVID-related activities.
- P4: CSR spending moved broadly in line with company scale variables such as revenue and profit after tax.

## 5. Research Methodology

| Item | Description |
|---|---|
| Nature of study | Empirical, descriptive, analytical case study |
| Company selected | Tata Consultancy Services Limited |
| Industry | Information Technology / IT Services |
| Study period | FY 2017-18 to FY 2023-24 |
| Period classification | Pre-COVID: FY 2017-18 to FY 2019-20; COVID shock year: FY 2020-21; Post-COVID: FY 2021-22 to FY 2023-24 |
| Data type | Secondary data |
| Primary sources | TCS annual/integrated reports, CSR annexures, sustainability disclosures |
| Tools used | Trend analysis, percentage analysis, compliance ratio, CSR intensity, period-wise averages, descriptive correlation |

CSR compliance ratio is calculated as Actual CSR Spent divided by Prescribed CSR Obligation. CSR intensity is calculated as Actual CSR Spent divided by Revenue. Return on assets (ROA) is calculated as Profit After Tax divided by Total Assets. All monetary values are reported in ₹ crore.

## 6. Dataset Used for Analysis

| Year | Period | Prescribed CSR | Actual CSR | Excess/ Shortfall | Compliance % | Revenue | PAT | CSR Intensity % | ROA % |
|---|---|---|---|---|---|---|---|---|---|
| FY 2017-18 | Pre-COVID | 497 | 400 | -97 | 80.48 | 123104 | 25826 | 0.33 | 24.30 |
| FY 2018-19 | Pre-COVID | 542 | 434 | -108 | 80.07 | 146463 | 31472 | 0.30 | 27.38 |
| FY 2019-20 | Pre-COVID | 600 | 602 | 2 | 100.33 | 156949 | 32340 | 0.38 | 26.75 |
| FY 2020-21 | COVID Shock | 663 | 674 | 11 | 101.66 | 164177 | 32430 | 0.41 | 24.80 |
| FY 2021-22 | Post-COVID | 716 | 727 | 11 | 101.54 | 191754 | 38449 | 0.38 | 27.17 |
| FY 2022-23 | Post-COVID | 773 | 783 | 10 | 101.29 | 225458 | 42303 | 0.35 | 29.45 |
| FY 2023-24 | Post-COVID | 818 | 827 | 9 | 101.10 | 240893 | 46099 | 0.34 | 31.48 |

Note: Category-wise CSR values for later post-COVID years are not uniformly disclosed in the same broad categories in the dataset; therefore, category-wise comparison is restricted mainly to the years where comparable broad category totals are available.

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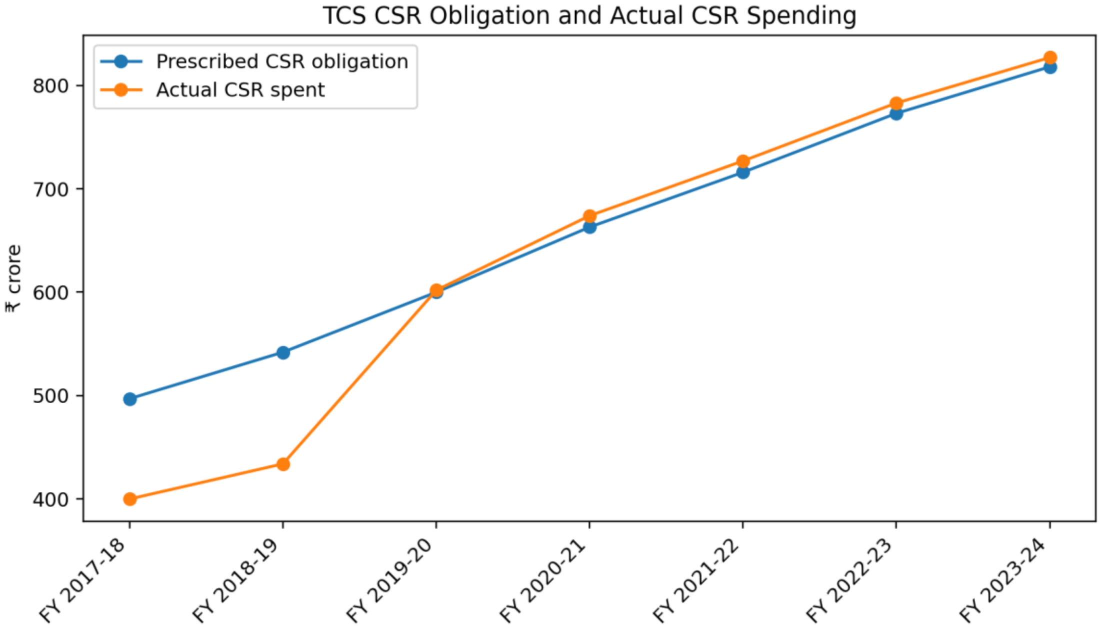


*Figure 1. TCS CSR obligation and actual CSR spending from FY 2017-18 to FY 2023-24.*

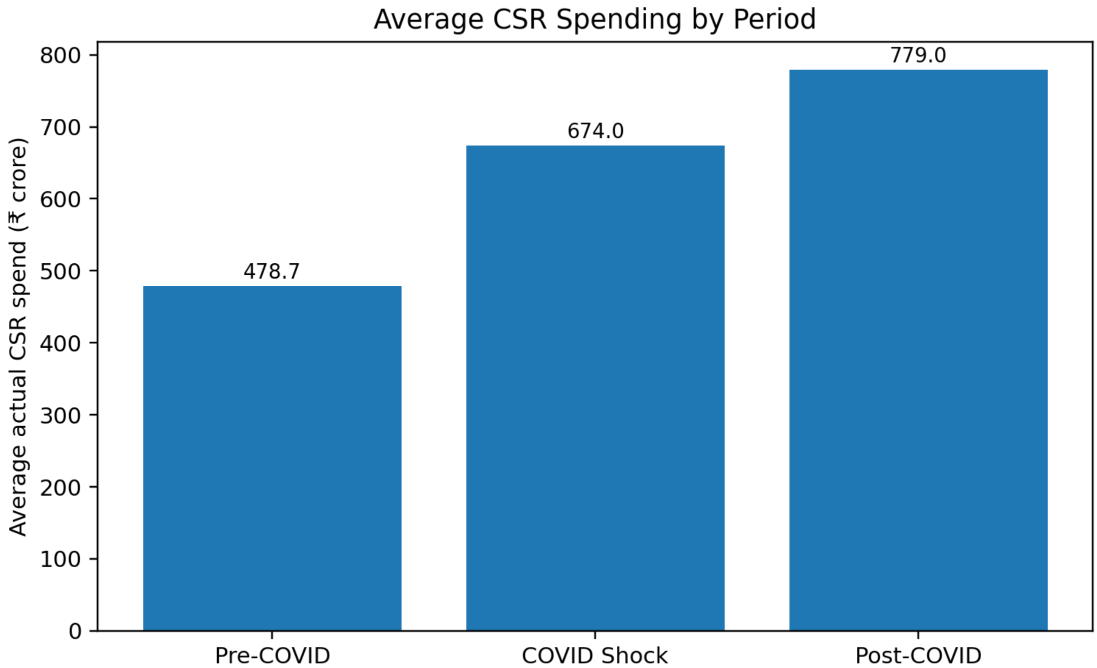


*Figure 2. Average actual CSR spending by period.*

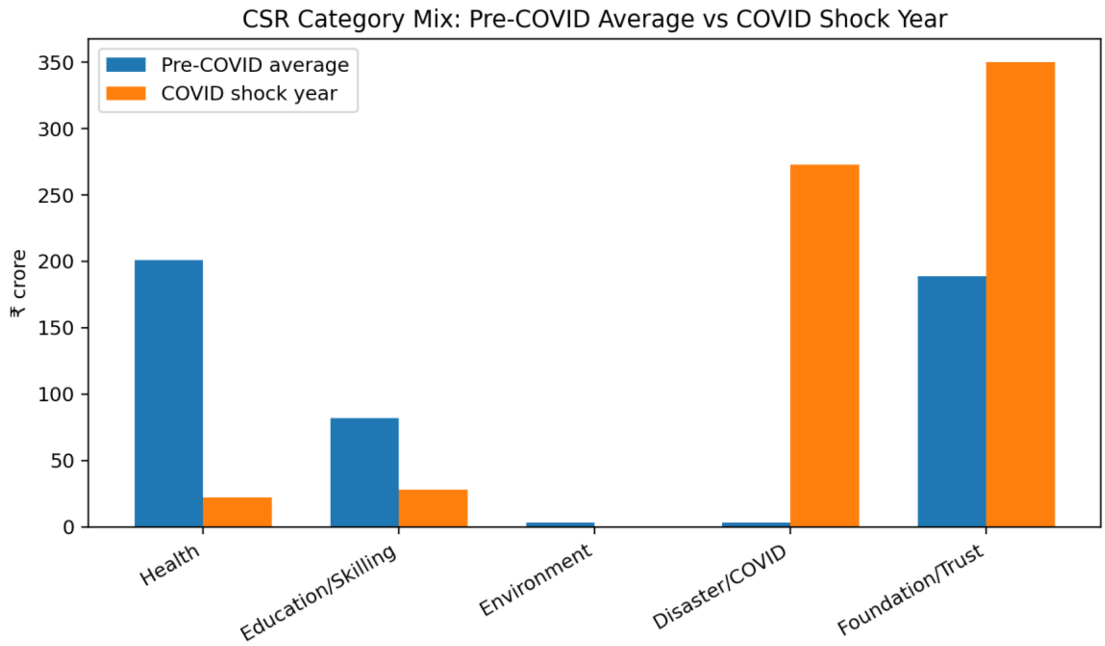


*Figure 3. CSR category mix: pre-COVID average vs COVID shock year*

## 7. Analysis and Interpretation

### 7.1 Trend of CSR Spending

TCS actual CSR spending increased from ₹400 crore in FY 2017-18 to ₹827 crore in FY 2023-24. Over the seven-year period, actual CSR spending more than doubled and recorded an approximate CAGR of 12.87%. The increase was not purely linear, but the overall direction was upward. The largest visible structural change occurred after FY 2018-19, because actual CSR spending crossed the prescribed CSR obligation from FY 2019-20 onward.

### 7.2 CSR Compliance Position

During FY 2017-18 and FY 2018-19, actual CSR spending was below the prescribed CSR obligation. The compliance ratio was approximately 80.48% in FY 2017-18 and 80.07% in FY 2018-19. From FY 2019-20 onward, TCS actual CSR spending met or exceeded the prescribed CSR obligation. The compliance ratio remained above 100% from FY 2019-20 to FY 2023-24. This indicates a shift from shortfall in the early part of the study period to consistent compliance and marginal excess spending in later years.

### 7.3 Pre-COVID, COVID Shock, and Post-COVID Comparison

The pre-COVID average actual CSR spending was ₹478.67 crore. In the COVID shock year FY 2020-21, actual CSR spending increased to ₹674 crore, which was about 40.81% higher than the pre-COVID average. In the post-COVID period, average actual CSR spending increased further to ₹779.00 crore, about 62.74% higher than the pre-COVID average. Therefore, the data suggest that CSR spending did not simply return to the earlier level after COVID-19; rather, it remained at a higher absolute level.

### 7.4 Category-wise Shift During COVID

The category-wise data available for FY 2017-18 to FY 2020-21 show a clear shift in the COVID shock year. Before COVID-19, the average spending on health was ₹201 crore, education/skilling was ₹82 crore, disaster/COVID-related spending was only ₹3 crore, and foundation/trust contribution averaged ₹189 crore. In FY 2020-21, disaster/COVID-related spending increased sharply to ₹273 crore and foundation/trust contribution increased to ₹350 crore. This suggests that the COVID period changed the CSR allocation pattern by increasing emergency and relief-oriented CSR spending.

### 7.5 CSR Intensity and Financial Scale

CSR intensity remained below one percent of revenue throughout the study period because TCS is a very large revenue-generating company. CSR intensity was 0.325% in FY 2017-18, increased to 0.411% in FY 2020-21, and then declined to 0.343% in FY 2023-24. This indicates that although actual CSR spending increased in absolute terms, revenue growth partly reduced CSR spending as a percentage of revenue in the later years.

### 7.6 Descriptive Relationship with Financial Variables

The descriptive correlation between actual CSR spending and PAT during the seven-year period is approximately 0.91, and the correlation between actual CSR spending and revenue is approximately 0.93. These values indicate that CSR spending moved broadly with company scale and profitability. However, due to the small single-company sample, these correlations should not be interpreted as evidence of causality.

## 8. Major Findings

- TCS actual CSR spending increased from ₹400 crore in FY 2017-18 to ₹827 crore in FY 2023-24, with an approximate CAGR of 12.87%.
- TCS had CSR spending shortfalls in FY 2017-18 and FY 2018-19, but from FY 2019-20 onward it spent equal to or more than the prescribed CSR amount.
- The post-COVID average actual CSR spending of ₹779.00 crore was substantially higher than the pre-COVID average of ₹478.67 crore.
- The COVID shock year FY 2020-21 showed a strong shift toward disaster/COVID-related CSR spending.
- CSR intensity was highest in FY 2020-21, indicating a temporary rise in CSR spending relative to revenue during the COVID shock year.
- The association between actual CSR spending and financial scale variables is positive, but the study design does not support causal conclusions.

## 9. Conclusion

The study concludes that TCS CSR spending showed a strong upward trend during FY 2017-18 to FY 2023-24. The company moved from under-spending against prescribed CSR obligation in the early years to consistent compliance and marginal excess spending in later years. The COVID-19 shock year was important not only because CSR spending increased, but also because the spending pattern shifted toward disaster and COVID-related areas. Post-COVID CSR spending remained higher in absolute terms, suggesting that the CSR scale of TCS expanded after the pandemic. However, CSR intensity did not rise proportionately in every post-COVID year because company revenue also increased significantly. The research is best understood as a single-company CSR case study that provides detailed insight into TCS rather than general evidence for all Indian IT companies.

## 10. Suggestions

- Future research may extend the sample to Infosys, Wipro, HCLTech, and Tech Mahindra for industry-wise comparison.
- For deeper category-wise analysis, MCA project-level CSR data should be aggregated into common categories such as health, education, environment, livelihood, rural development, and disaster relief.
- Future studies may examine whether CSR spending affects firm value, brand reputation, employee engagement, or ESG scores.
- Researchers should maintain consistency in financial basis, because CSR obligation is statutory while financial variables may be standalone or consolidated depending on source availability.

## 11. Limitations of the Study

- The study is limited to one company, Tata Consultancy Services Limited.
- The study period contains only seven financial years, so inferential statistical testing is not emphasized.
- Some category-wise CSR values after FY 2021-22 are not uniformly available in the same broad format and may require project-level aggregation.
- The analysis is based on secondary data and depends on the accuracy and consistency of annual reports and CSR disclosures.
- The findings cannot be generalized to all Indian IT companies without extending the sample.

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## Appendix A: Formulae Used

- CSR Compliance Ratio = Actual CSR Spent / Prescribed CSR Obligation × 100
- CSR Shortfall/Excess = Actual CSR Spent – Prescribed CSR Obligation
- CSR Intensity = Actual CSR Spent / Revenue × 100
- ROA = Profit After Tax / Total Assets × 100
- CAGR = (Ending Value / Beginning Value)^(1/n) – 1