

Corporate Social Responsibility Practices and Statutory Compliance: A Descriptive Case Study of Wipro Limited

Aneesha Saxena¹, Prof. Vinod Kumar Pandey²

¹Research Scholar, Nehru Gram Bharati University

²Department of Commerce, Nehru Gram Bharati University

Abstract

This paper is a descriptive case study of CSR practices and statutory compliances in Wipro Limited, the India-based IT service companies. Drawing on secondary data available in the public domain such as Wipro's Board/Director-level reports, Business Responsibility and Sustainability Report (BRSR), CSR policy and action plans documents, statements of regulatory references etc., this report charts out Wipro's CSR governance structure, thematic thrusts and institutional mechanisms of implementing CSR activities and its signing up to the Companies' Act 2013 (Sec 135) and Companies (CSR Policy) Rules, 2014. The study emphasizes on CSR committee oversight, project implementation through Wipro Foundation and partners, level of disclosure as well as the influence of impact assessments mandated under amendments to CSR Rules. Longer term descriptive evidence indicates Wipro's CSR expenditure has generally fulfilled or exceeded the statutorily mandated requirement in each of the specified years observed, and that the design in such programs is consistent with Schedule VII domains (education, health, environment, disaster relief and rural development). The paper discusses implications for CSR governance in Indian IT firms and identifies future research directions, including outcome measurement, attribution, and comparative benchmarking with the sector.

Keywords: CSR, statutory compliance, Companies Act 2013, Section 135, Wipro Foundation, BRSR, Indian IT sector, descriptive study.

Introduction

With time, the concept of Corporate Social Responsibility (CSR) has changed from a nice-to-do phenomenon to a hard structured and regulated part of corporate governance and sustainable development. Internationally, companies are increasingly obligated to reconcile profit-making concepts with social, environmental and ethical concerns. Such transition in India was propelled by the imposition of legal compulsion through Section 135 of the Companies Act, 2013 under which CSR spending is mandatory for corporate houses with certain (financial) net worth or turnover. This historic legislation made India the first country to institutionalize CSR by statutory intervention.

Under the obligatory CSR regime, companies that qualify are mandated to have a Board Level Committee for CSR in place and spend at least two per cent of their average net profit on activities as mentioned under Schedule VII. Thereafter, with the amendment of the Companies (CSR Policy)

Rules, 2014 compliance requirements have been substantiated through stringent reporting formats, pooling in of unspent CSR funds and mandatory impact studies for big-bang CSR projects. As a result, CSR in India has emerged as a compliance-based and disclosure-driven governance tool.

Within this CSR ecosystem, the Indian Information Technology (IT) industry has been at the centre-stage on account of its high profits and international reach in addition to positive human resource. IT4SMEs: Leveraging Social Responsibility The IT sector is strategically placed to play a significant role in contributing to society, including the advancement of social welfare through education, digital inclusion, healthcare services and environmental sustainability. The former has been the stand out among them as far as the long term commitment to social responsibility and an organised implementation of CSR through Wipro Foundation is concerned.

The study uses a descriptive case analysis approach of Wipro Limited in exploring how CSR initiatives are formulated, controlled and linked with legislative mandates. Through analysis of publicly available disclosures, this work seeks to document governance design, expenditure pattern and following practices of the Indian IT industry at firm level and contribute to government-industry CSR literature.

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.

One perspective of CSR is the CSR pyramid by **Carroll (1991)** made up of economic, legal, ethical and philanthropic responsibilities. This concept in itself, of course supports the purpose for which this research is undertaken, to analyse how statutory CSR compliance is being analysed by also enacting legal responsibility as a very kernel of corporate governance.

CSR was previously theorized as a form of legitimacy seeking behaviour (**Suchman 1995**) whereby organizations close the gap with society's expectations. This outlook informs the research gap in: how CSR reporting and compliance practices enable firms such as Wipro to gain legitimacy in a regulated environment.

Kansal et al. (2014) have empirically investigated CSR reporting in India and found that spending is concentrated around education and healthcare. This result is connected to the research aim of recording CSR foci and expenditure pattern of Wipro.

Chatterjee and Mitra (2017) found that mandatory CSR turned CSR into a compliance-based form of governance in India. It helps fill the research gap that this present study has tried to address i.e. studying firm-level CSR governance architecture after Companies Act, 2013.

Jamali et al. (2017) emphasized the significance of board-level CSR committees and internal governance structures. This is consistent with the aim of the study, to investigate Wipro's CSR committee structure and procedures.

Gatti et al. (2019) made a demarcation between symbolic and substantive CSR adoption, and pointed that the importance of impact measurement is not being properly addressed. This understanding underpins the research aim to investigate the impact assessment and disclosure of Wipro.

IT firms reported better CSR disclosure **Bhatia and Makkar (2019)** IT sector is doing excellent in

terms of CSR Disclosure quality. This is documented evidence at sectoral level which also serves as the rationale for choosing Wipro Limited as a typical case in Indian IT industry.

CSR as a Part of Good Governance and Sustainance: **Sharma and Khanna (2020)** focused on CSR as a part of corporate governance and sustainable. Their contribution offers the essential theoretical ground for current investigation on governance-related CSR compliance objectives.

Velte (2021) emphasized outcome-focused CSR evaluation. This has direct implications for the research gap on examining Wipro's CSR impact assessment Tools under Amended CSR Rules.

CSR in India was given a legislative form through Section 135 of Companies Act, 2013 which mandated certain companies to constitute a committee called the Corporate Social Responsibility Committee and spend at least two percent of their average net profits (as calculated) on CSR activities as enumerated in Schedule VII. In this scenario, Indian IT companies –high on human capital and global delivery model –have begun to mesh CSR with sustainability, stakeholder engagement, and ESG reporting. Wipro Limited is often mentioned as a pioneer in structured community programmes and functions through its CSR wing, Wipro Foundation, along with several non-profits partners.

The present study – as a descriptive case study – seeks to describe the CSR activities of Wipro, focusing on patterns of statutory compliance, governance structures, spend trends, format(s) of disclosure and emerging requirements in compliance including impact assessment for its large CSR projects.

Objectives of the Study

1. To explain the CSR governance structure and policy framework of Wipro Limited.
2. To investigate statutory compliance indicators with Section 135 and CSR Rules using public disclosures.
3. To illustrate descriptive trends in CSR expenditure (selected years) and to profile indicators of disclosure (including impact assessment)].

Research Methodology

The research utilizes a descriptive case study methodology that is appropriate for investigating CSR activities in a context of an organisation. This research does not involve any primary data collection, all information are from secondary sources.

The data were collected from public sources, such as Wipro Limited's documents of CSR Policy, annual action plan, Board's Report, Business Responsibility and Sustainability Reports (BRSR), brief notes of impact assessment on the CSR activities and corporate governance reports. Regulatory prescriptions including the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014 were also scanned for understanding of legal provisions.

The analysis focuses on the time horizon of FY 2020–21 through FY 2023–24 depending on data availability. Documents and descriptive analysis were used to review CSR governance frameworks, expenditure practices and compliance. Relevant tables and figures were included to enhance the clarity of thoughts. As a descriptive study, no statistical tests were performed.

Research Design: Descriptive case study. Data Type: Secondary data.

Sources of data publicly available company disclosures (CSR Policy and Annual Action Plan, CSR impact assessment summary; BRSR; Form 20-F; Extracts from the Board/Director-level report,

which can be found in public PDFs and corporate governance reports), regulatory guidelines & (Companies Act, 2013; CSR Rules, 2014)..

Data Analysis: analysis of documents and description supported by tables, graphs and diagram of the framework. No surveys/interviews were done but 'disclosure' accounts are reported and described.

Study Duration: Limited between FY 2020–21 to FY 2023–24 wherever data points are available in the sources referred; FY 2022–23 is taken as the reference year for statutory obligation vs spending owing to published figures being available in the form of Board's Report PDF.

Brief Profile of Wipro Limited

Wipro Limited is an Indian multinational corporation that provides information technology, consulting and business process services. Approach CSR in Wipro is driven through focused programmes and partnerships which are implemented at scale, with Wipro Foundation as a key vehicle for CSR. Economic, environmental and social information can be found in Wipro's public sustainability disclosures which include the Sustainability Report, BRSR (as mandated by SEBI for top listed entities), and statutory reporting in annual reports/Board's reports.

Statutory Framework for CSR in India

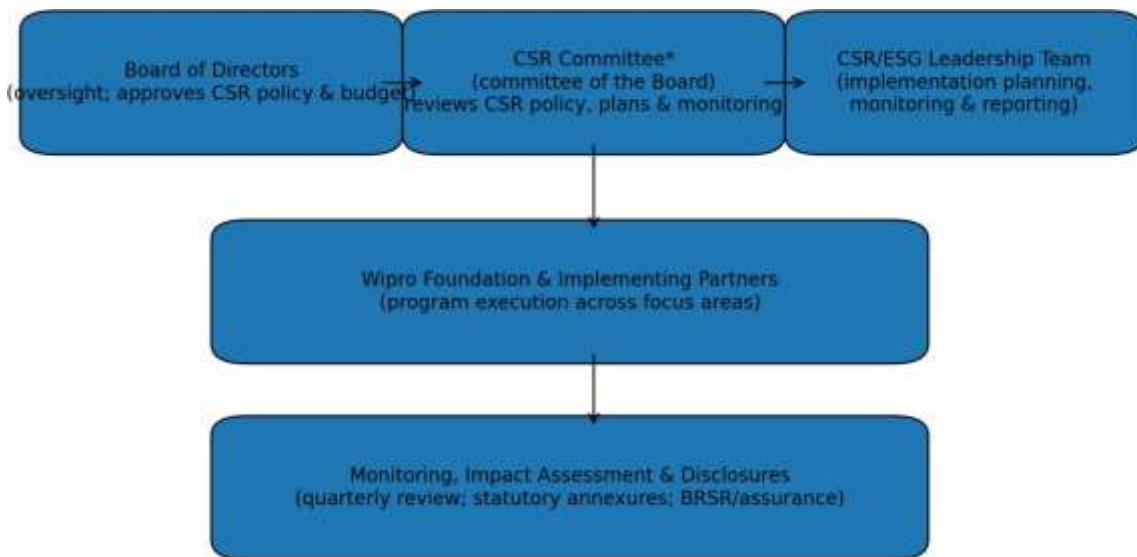
Section 135 of the Companies Act, 2013 is applicable to companies which trigger prescribed thresholds on net worth, turnover and / or net profit so as to involve constitution of a CSR Committee of the Board; formulation of CSR policy; and spend at least 2 per cent or such other amount allowed on average net profit fixed by Schedule VII activities being spent in every financial year (calculated from immediately preceding three years). The CSR Rules, 2014 specify the format of an annual report on CSR performance, as well as limits for administrative overheads and treatment of unspent amounts including transfers to Unspent CSR Account pertaining to ongoing projects, and – post amendments - mandatory impact assessment for larger CSR projects (subject to thresholds).

Findings and Discussion

CSR Governance Structure

Disclosure:1. Wipro's disclosures illustrate the Board level oversight of CSR with a committee at the level of the Board as CSR Committee. As per Wipro (FY 2023-24) (Form 20-F), the Nomination and Remuneration Committee also functions as a Corporate Social Responsibility Committee, which would inter-alia include recommending the CSR policy, and overseeing the implementation of these programs. The composition of the CSR Committee and its related attendance are also included in Quarterly Corporate Governance reports.

Figure 1. Conceptual CSR Governance Framework (Wipro)



*Per Wipro disclosures, the Nomination & Remuneration Committee also acts as the CSR Committee.

CSR Policy, Focus Areas and Implementation

CSR policy statements of Wipro, as well as the CSR reports of Wipro Foundation, reflect multi-sector interventions predominantly focusing on education, primary healthcare, ecology/environment, disaster response and community development/civic spaces. Implementation is usually done through implementing agencies/NGOs and partner organisations, with in-house review and monitoring systems. Description of projects/ programs and the implementation schedule; with impact assessment wherever applicable as per CSR Rules are included in the Annual Action Plan document.

CSR Expenditure and Indication of Compliance Patterns

Pursuant to the statutory disclosures required in the Board’s Report for FY 2022–23, CSR spend of ₹ 2,157 million is reported against a CSR obligation of ₹ 1,986 million and mention set-off of surplus amount as per provisions of CSR Rules. The secondary director-report aggregations report CSR spend of around ₹ 2,086 crore for FY 2023-24. In general, the available disclosure points that CSR spend “equal or more” (or to “NIL”) against statutory minimum in cited years.

Table 1. CSR spend (selected years) used in this descriptive study

Financial Year	CSR Spend (₹ Crore)	Source Type
FY20-21	251.2	Secondary (media summary)
FY22-23	215.7	Company Board’s Report/CSR disclosures
FY23-24	208.6	Secondary (director-report aggregation)

Figure 2. CSR spend trend (selected years)

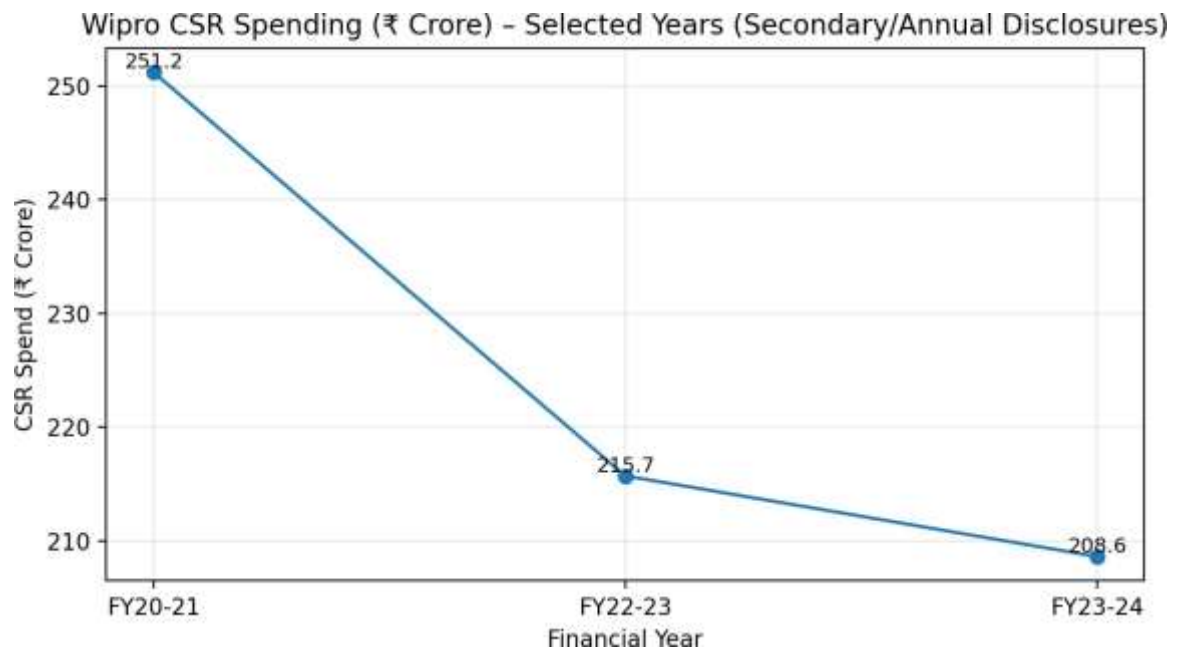
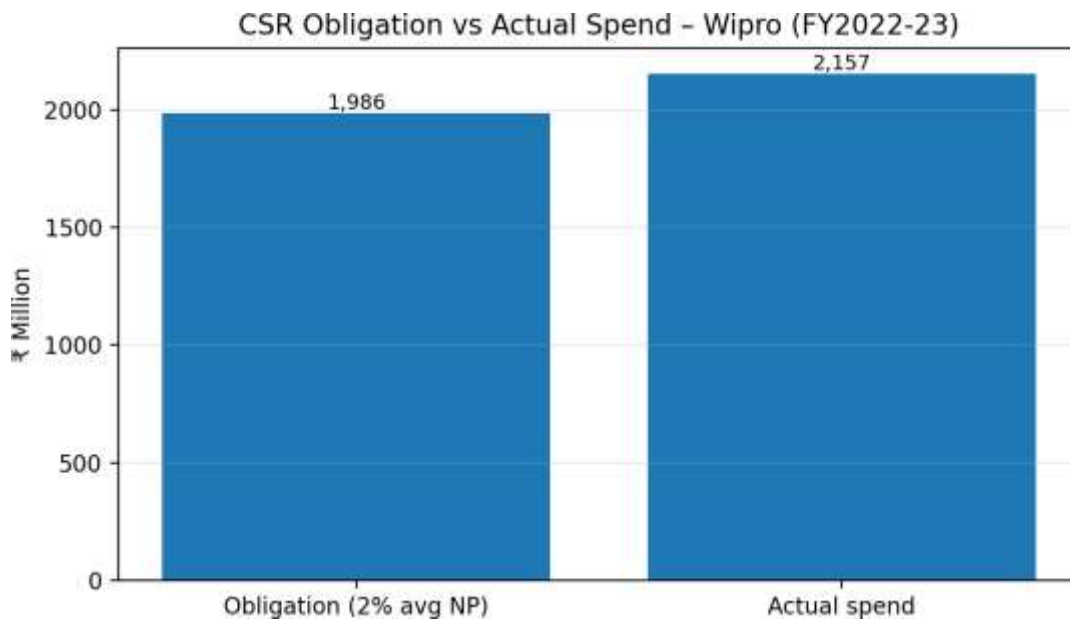


Figure 3. CSR obligation vs spend (FY 2022–23)



Impact Assessment and Disclosure Measures

According to CSR Rules, some companies are required to conduct their own impact assessment for major CSR works and attach it with annual report on CSR. Wipro’s summary of Impact assessment for FY 2023–24 gives regulatory threshold and list projects for which impact assessment was applicable accompanied by mentioning completion of assessments, availability of executive summary/detailed report to be reviewed by CSR Committee. BRSR (FY 2023–24) of Wipro mentions CSP applicable disclosures and general sustainable performance information, while Form 20-F details governance structures and CSR compliance assertions.

Implications for the Indian IT Industry

The Wipro example demonstrates how CSR compliance among large listed IT players is implemented through such a layered architecture: (i) On top, the Board/committee oversight; (ii) below that, codified CSR policy and annual action planning; (iii) under that, ecosystem-based program execution via foundation/partners; (iv) still lower down the institutional stack, monitoring and never mind if/how independent impact assessment becomes applicable; and (v), knee-deep within it all, multi-instrument disclosure systems abound – be those annual report annexures or BRSR/sustainability reporting! This structure is a boon to the IT sector which ensures long-term programs sustainability and investor confidence on compliance adherence.

Limitations and Scope for Future Research

This analysis is restricted to secondary reporting and does not cross-check inferred results or resource allocations with externally reported numbers. Additionally, a few of the year-wise CSR spend numbers shown for trend representation are also based on secondary level aggregations as full integrated annual report PDF isn't accessible natively in this workflow. Future research could (i) conduct a multi-company comparison in an industry such as IT based on statutory CSR annexure data; (ii) investigate the relationship among CSR spend, ESG ratings and financial performance; (iii) assess program effectiveness through outcome indicators and counterfactual methods; and (iv) analyse the quality of CSR governance based on Board and committee variables.

Conclusion

Wipro Limited's CSR policies as indicated in their public disclosures reflect an entrenched socio-legal orientation to its CSR governance practices. The governance of CSR is through a Board level Committee on CSR and functions are executed by the Wipro Foundation and other partner institutions. CSR policy The disclosures of the company broadly explains the details regarding CSR policy frameworks, applicability provisions, compliance statement and in case necessary impact assessment process. The analysis also reflects that Wipro's CSR spend is in line or higher than the statutory requirements for all the years under consideration. Given the dynamic development of CSR regulations and growing assurance expectations under Business Responsibility and Sustainability Reporting (BRSR) framework in India, Wipro case is a good test bed reference model to understand CSR compliance architecture particularly in large listed IT companies.

References

1. Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Pitman.
2. Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business Horizons*, 34(4), 39–48. [https://doi.org/10.1016/0007-6813\(91\)90005-G](https://doi.org/10.1016/0007-6813(91)90005-G)
3. Suchman, M. C. (1995). Managing legitimacy: Strategic and institutional approaches. *Academy of Management Review*, 20(3), 571–610. <https://doi.org/10.5465/amr.1995.9508080331>
4. Kansal, M., Joshi, M., & Batra, G. S. (2014). Determinants of corporate social responsibility disclosures: Evidence from India. *Advances in Accounting*, 30(1), 217–229. <https://doi.org/10.1016/j.adiac.2014.03.009>
5. Chatterjee, B., & Mitra, N. (2017). CSR should contribute to the national agenda in emerging economies: Evidence from India. *International Journal of Corporate Social Responsibility*,

- 2(10), 1–15. <https://doi.org/10.1186/s40991-017-0019-1>
6. Jamali, D., Karam, C., Yin, J., & Soundararajan, V. (2017). CSR logics in developing countries: Translation, adaptation and stalled development. *Journal of World Business*, 52(3), 343–359. <https://doi.org/10.1016/j.jwb.2017.02.001>
 7. Bhatia, A., & Makkar, B. (2019). CSR disclosure in developing and developed countries: A comparative study. *Journal of Global Responsibility*, 10(1), 1–26. <https://doi.org/10.1108/JGR-04-2018-0018>
 8. Gatti, L., Vishwanath, B., Seele, P., & Cottier, B. (2019). Are we moving beyond voluntary CSR? Exploring theoretical and managerial implications of mandatory CSR resulting from the new Indian Companies Act. *Journal of Business Ethics*, 160(4), 961–972. <https://doi.org/10.1007/s10551-018-3783-8>
 9. Sharma, E., & Khanna, S. (2020). Corporate social responsibility, corporate governance and sustainability: Synergies and interrelationships. *Corporate Governance: The International Journal of Business in Society*, 20(6), 967–985. <https://doi.org/10.1108/CG-01-2020-0023>
 10. Velte, P. (2021). Meta-analyses on corporate social responsibility (CSR): A literature review. *Management Review Quarterly*, 71(3), 627–675. <https://doi.org/10.1007/s11301-020-00192-7>
 11. Government of India, Ministry of Corporate Affairs. (2013). Companies Act, 2013 (Section 135 & Schedule VII). <https://www.mca.gov.in>
 12. Government of India, Ministry of Corporate Affairs. (2014). Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended). <https://www.mca.gov.in>
 13. Wipro Limited. (2024). Business Responsibility and Sustainability Report (FY 2023–24). <https://www.wipro.com/>
 14. Wipro Limited. (2024). Form 20-F for the fiscal year ended March 31, 2024. <https://www.wipro.com/>
 15. Wipro Limited. (2023). Board’s Report (for year ended March 31, 2023) – CSR disclosures. <https://www.wipro.com/>
 16. Wipro Limited. (2024). CSR impact assessment summary (FY 2023–24). <https://www.wipro.com/>
 17. Wipro Limited. (2024). CSR Policy and Annual Action Plan (FY 2023–24). <https://www.wipro.com/>
 18. Ministry of Corporate Affairs, Government of India. (2013). Companies Act, 2013 (Section 135) and Schedule VII.