

## Corporate Social Responsibility – First Things First

**Shirish Raibagkar**

Professor,

Institute of Business Management and Rural Development's MBA Center,  
Ahmednagar, Maharashtra, India

**CITATION:** Raibagkar, Shirish (2014), "Corporate Social Responsibility – First Things First", *MERC Global's International Journal of Social Science & Management*, Vol. 1, Issue 1, pp. 37-44.

**ARTICLE HISTORY:** Submitted: August 31, 2013, Revision received: September 19, 2013, Accepted: September 24, 2013

**ARTICLE TYPE:** Review paper

### ABSTRACT

*The introduction of section 135 in The Companies Bill, 2012, making it mandatory for corporate to contribute 2% of their net profits to Corporate Social Responsibility (CSR) initiatives is a major step in the evolution of CSR in India. This is the right time to examine the concept of CSR, its broad scope, problems due to its broad scope and other basic issues with implementation. This article presents a certain macro and micro, facts and figures that point out towards the rather grim situation of Business ethics and legal compliance of the Corporate World. One obviously wonders, in the light of these facts, about what is being targeted through the new initiative? In fact, will it be simply another dimension to the already broad and hence quite vague concept of CSR? Will it divulge attention of the more critical and bigger issue of business ethics and legal compliance? An attempt has been made to critically examine the practicalities of CSR. A case has also been argued for a strategy of consolidation and integration by possibly making the concept of CSR trimmer, sharper and clearer in terms of adhering to basics like business ethics first rather than diluting the focus on core and significant issues of the concept.*

**KEYWORDS:** Business ethics, Corporate Social Responsibility, Legal Compliance, Philanthropy, Taxes.

### REFERENCES

1. Annual Reports for Financial Year 2011/12 of the respective companies accessed from websites of the respective companies
2. Baker Mallen (2004), "Corporate Social Responsibility – What does it mean?" available at <http://www.mallenbaker.net/csr/definition.php>, accessed 31/8/2013

3. BBC News – Business, “UK Tax Gap has widened to £32bn, says HMRC” – 18<sup>th</sup> October, 2012, available at <http://www.bbc.co.uk/news/business-19992942>, accessed 31/8/2103
4. IRS Releases New Tax Gap Estimates; Compliance Rates Remain Statistically Unchanged From Previous Study, *IR-2012-4*, Jan. 6, 2012, available at <http://www.irs.gov/uac/IRS-Releases-New-Tax-Gap-Estimates>, accessed 31/8/2103
5. Longley Robert, 2013, “What is the Tax Gap and Why Does it Cost You Money?” on about.com. Available at <http://usgovinfo.about.com/od/smallbusiness/a/taxgap.htm>, accessed 31/08/2013
6. Ministry of Company Affairs, *Annual Report 2011-12 on the working and administration of the Companies Act, 1956*, Table 3.2, page number 30
7. Ministry of Company Affairs, *Annual Report for the year 2011-12*, paragraph 3.3.1, page 24
8. Ministry of Corporate Affairs”, *CSR Voluntary Guidelines 2009*”, Page 11
9. Ministry of Finance, “White Paper on Black Money”, May 2012, Page number 18, paragraphs 2.9.2 & 2.9.3.
10. Narayan Khusboo, (2013), “Direct tax arrears of Rs.5.8 trillion bigger than fiscal deficit”, *live mint and The Wall Street Journal*, 17<sup>th</sup> June, 2013, Policy section
11. PTI (2013), “Over Rs.4.18 lakh cr outstanding in tax arrears till Dec”, *The Hindu Business Line*, 12<sup>th</sup> March, 2013, Home section (NPA)
12. Singh, Mahendra Kumar (2013), “Govt sees 10k crore flow/yr from CSR spend”, *The Times of India*, 9<sup>th</sup> February, 2013, India – Business Pages (NPA)
13. Verman Rahul – “What’s really at stake in the Vodafone tax case?”, Infochange News and Features, May 2012, available at <http://infochangeindia.org/corporate-responsibility/analysis/whats-really-at-stake-in-the-vodafone-tax-case.html> accessed 31/08/2013
14. Wikipedia (January, 2012), “Evolution of Corporate Social Responsibility in India”, available at [http://en.wikipedia.org/wiki/Evolution\\_of\\_corporate\\_social\\_responsibility\\_in\\_India](http://en.wikipedia.org/wiki/Evolution_of_corporate_social_responsibility_in_India), accessed 31/8/2013
15. World Bank, *Doing Business 2013* report published by the World Bank, Table 17.1, page 90, Ranks of enforcing contracts and “Economy Rankings Table”

## ABOUT THE AUTHOR (S)

**Shirish Raibagkar**, M.Com., FCMA

He is a Professor at Institute of Business Management and Rural Development’s MBA Center, Ahmednagar, Maharashtra, India and can be reached at [shirishraibagkar@gmail.com](mailto:shirishraibagkar@gmail.com).