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CSR, Tax Evasion, and Avoidance in India

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ABSTRACT

The phrase "Corporate Social Responsibility" has gained a lot of popularity recently. It stands for a person's or, in this situation, an entity's duty to advance society. Today's society expects businesses to care for both their customers and the environment in which they operate. Simply said, corporate social responsibility is a method of conducting a company that combines financial gain with environmental sustainability. Companies can support the environment in a variety of ways, such as by investing in social, educational, or cultural initiatives or by maximizing the potential of their human resource investments. This paper triggers how Companies and Corporate Houses in India misappropriate CSR funds to avoid paying taxes. There are two sections in the research paper i.e. Misuse of Social Responsibility funds, as well as the connection between tax evasion and corporate social responsibility. To add and grasp the topic, a thorough evaluation of tax evasion from the sight of morality and immorality is also shown in the research paper. The study draws its conclusions about this topic from statutory provisions, case laws, and case studies. The result is arrived at by examining data gathered from several journals, media reports, research papers, and other trustworthy web sources.

This paper is focused on the causes of organizations, both public and private, misusing CSR funds and the way businesses engage in activities of tax evasion under the guise of CSR, even after the fact that doing so is unethical and against the law.

***Keywords**: Corporate Social Responsibility, Government, Chief Tax Officer, Company, Multi-National Companies.*

I. INTRODUCTION

In the course of profit maximization, business practices should not be unsustainable and harmful, and tax is a tangible area where corporations can bear social responsibility for the same. Paying tax is one of the most basic ways by which corporates can fulfill their obligations to the government and the broader society. However, in recent years many studies have pointed out that tax avoidance and evasion have been linked to corporate governance and social responsibility. On a global level, various cases of MNCs have undertaken tax evasion activities.

[2]Corporate social responsibility (CSR) is not an obligation (legal/business) that businesses must

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[2] Ishika Sharma, "Corporate Social Responsibility and Tax evasion",(January 12, 2023, 10:50 PM) Legal Maxim,

perform; rather, it is something that goes beyond these ideas and preserves the vital bond between a firm and its clients. India was the first nation to make CSR a requirement for businesses under Section 135 of the Companies Act in 2013. According to S 135 of the Companies Act of 2013, all holding companies, subsidiaries, and branches or any offices of foreign corporations operating in the country are required to set aside at least 2% of their annual net earnings for corporate social responsibility (CSR) expenses.

CSR is a critical component of a company's success and survival, which would improve performance. Additionally, a company's moral and social obligation to society has a direct impact on the company's reputation.

The main purpose of a shareholder is to maximize their money, and the main goal of a firm is to maximize shareholder wealth. We must remember, nevertheless, that profits are only obtained through flawless operations and the production or sale of goods and services that benefit society as a whole. Taking care of the general welfare inevitably becomes a key goal for a business that wants to achieve long-term profitability. Paying taxes, which is viewed as an element of CSR to give back to society by assisting in its development, is one approach to achieve this. In spite of this, businesses use tactics to reduce their tax obligations in India. The practice of evading taxes through contributions to CSR funds is one that businesses have adopted Because certain activities qualify for a tax deduction under the Income Tax Act of 1961, CSR has emerged as a viable option for businesses. As a result, despite the law's exclusion, businesses engage in tax evasion, with CSR activities being the simplest way to do so.

II. CORPORATE SOCIAL RESPONSIBILITY

- Section 135[3] talks about the Corporate Social Responsibility that the companies performing in the country has to do.
- It is the responsibility of the companies that are carrying on their business in India towards its environment and society. This responsibility was earlier taken by the government to fulfill responsibility but now the government has levied the responsibility on the corporates only to fulfill the responsibility towards the environment and society on its own. CSR meaning and the list is not exhaustive, it may include the much more things. The activities that are given that will be included in CSR are[4]:

https://www.legalmaxim.in/corporate-social-responsibility-and-tax-evasion/.

[3] Companies Act, 2013, No. 18, Acts of Parliament, 2013 (India)

[4] Tânia Menezes Montenegro, Tax Evasion, Corporate Social Responsibility and National Governance: A Country-

- Projects or programs relating to activities, areas, or subjects listed in Schedule 7 of the Act, particularly in Annexure A;
- Projects or programs relating to activities carried out by the board of directors of a company in response to recommendations of the CSR committee of the Board as per the declared CSR policy of the company, subject to the stipulation that such policy will cover subjects listed in Schedule 7 of the act, particularly in Annexure A.

- Corporate Social Responsibility (CSR) provision applies when:
  1. Every company has to do CSR that fulfills any of the conditions:
     - Having a net worth of 500 crores or more or;
     - Having a turnover of Rs. 100 crore or more or;
     - Having a net profit of Rs. 5 crores or more during the last financial year shall make a corporate Social Responsibility Committee meeting.
  2. Every company may it be a holding, subsidiary, or a foreign company having its branch or project office in India that fulfills the criteria shall follow Section 135 of the companies act.
  3. If any of the companies fail to meet the criteria for 3 consecutive years then that companies not required to comply with the provisions of the CSR. It will only be applicable till the time it meets the criteria of 3 consecutive years.
- After CSR, 2020 came into being every company on which the CSR provision was applicable and is spending 50 lakh and more is required to constitute a CSR committee. CSR committee shall have 3 or more directors. Out of all the 3 directors, there should be at least one independent director. In the case of a private company, there should be at least 2 directors on the CSR committee and there is no need for an independent director in the private company. In cases of a Foreign Company, the CSR committee shall comprise 2 directors of which at least one should be a resident of India.
- [5]CSR Board of the company has several roles to play that are as follows:
  - CSR policy of the company and ensure that CSR activities are carried on by the company as per the policy formed.

Level Study, Sustainability 2021, 13, 11166.

[5] Section 135, Companies Act, 2013, No. 18, Acts of Parliament, 2013 (India)

- The board ensures that the company spends 2% of the net average profit in the last preceding years[6].
- They ensure that the board report cover disclosure.
- They ensure that all the forms like CSR-1 are filled with the ROC.
- IF any type of project is going on in which the CSR amount is invested, to check on the same.
- The board checks that the funds have been utilized in the best possible way.
- The board will make sure that administrative costs do not amount to more than 5% of the company's overall CSR spending for the fiscal year.

- Any extra money generated by CSR efforts needs to be put back into the project or transferred to the Unspent CSR Account, and used by the company's CSR policy and annual action plan, or transferred to one of the funds listed in Schedule VII within six months of the end of the fiscal year. This surplus cannot be included in the profit of the company.
- If there is any ongoing project then it has to be transferred to a separate bank account within a period of 30 days. Such amount shall be spent within a year of 3 financial years and if the company fails to do so then shall transfer such amount as given under Schedule 7 within a period of 30 days from the end of the 3rd financial year.
- If a business spends more than is necessary, the extra money may be deducted from the amount that must be spent over the next three fiscal years.
- In Schedule 7[7], 12 points tell where the money of CSR can be spent. Only if the money is spent on these activities, then only it would be considered CSR, otherwise, it won't be under the ambit of CSR.
- There are restrictions also where the companies cannot invest in the name of CSR that are as follows:
    - The activities that are been done in the normal course of business.
    - The activities that are done by the company outside India except for training of Indian sports personnel.
    - The contributions that are made to any political party directly or indirectly.

[6] Section 135, Companies Act, 2013, No. 18, Acts of Parliament, 2013 (India)
[7] Companies Act, 2013, No. 18, Acts of Parliament, 2013 (India)

- The activities that are benefitting the employees of the company.
- The activities carried out for the fulfillment of any other statutory obligations under any other law.
- The activities that are supported by the companies on a sponsorship basis for deriving marketing benefits for its own products and services.

III. TAX EVASION

Taxes are forced contributions to the government provided by the general population for public use. When taxes are collected, there is a risk that a person or an organization will knowingly and unlawfully avoid paying taxes.

Tax evasion causes income disparity, halts economic growth, and breeds volatility in organisational system. There is a large discrepancy between tax assets and tax liabilities.

Four key factors are clearly responsible for tax evasion: demographic factors, cultural and behavioural factors, legal and institutional factors, and finally economic factors.

A reliable and efficient tax collection mechanism is necessary to close the income gap. The best strategy to lower the amount of money avoided is to simplify tax legislation and close legal loopholes. According to current trends, the Indian tax system is wholly antiquated and out of date. In contrast to industrialized nations, developing nations do not have effective taxation. Tax money is vital to the development of public infrastructure and the delivery of government services in developing nations.

(A) Methods of Tax Evasion:

1. When a person files their taxes, they may include erroneous or false information in an effort to reduce or avoid paying the required amount of tax.
2. Using fictitious documentation to claim exemption.
3. In some circumstances, a person may offer officials a bribe in order to get them to waive the tax.
4. Non-payment of Dues- One of the most popular strategies to avoid paying taxes is by not paying what is owed.

(B) Causes of Tax Evasion:

1. The presence of inefficient tax collectors
2. Complex tax systems amplify tax evasion and avoidance formulas or methods.

3. The refusal to accept the tax system because a taxpayer will be less willing to comply if he believes the tax system to be unfair.
4. Transnational companies that use aggressive tax planning are present.
5. Heavy emphasis on intangibles.
6. With the rapid advancement of technology, governing and taxing the digital economy has become more challenging.
7. Other causes of tax evasion include- populations with low levels of education, Inflation, High tax pressure, and rates.

(C) Penalties and Prosecution for Tax Evasion:

1. **Concealment of income**- According to Section 271(C)[8], the fine for hiding income is from 100% to 300% of the tax evaded. The income tax authorities may feel the necessity to conduct a raid in order to recover the taxpayer's hidden funds. In certain circumstances, the fine will be assessed in accordance with Section 271AAB. The following various situations result in varying penalties:
    - If the taxpayer discloses the unreported income, just 10% of the unreported amount from the prior year, plus interest, must be paid. In addition, all undeclared income must always be disclosed.
    - The taxpayer may eventually declare the amount that was not disclosed to the Assessing Officer in the return of income submitted the previous year. In such circumstances, the fine would be 20% of the unreported amount plus interest[9].
    - If the sum from the prior year is still not declared, a minimum 30% and maximum 90% penalty may be assessed[10].
2. Property removal, concealment, transfers, or deliveries are prohibited under Section 276[11]. A person who fraudulently removes, conceals, transfers, or distributes an asset with the intention of preventing the collection of tax is subject to strict punishment of up to two years in jail and a fine.
3. According to Section 276C[12], a taxpayer faces at least a six-month sentence up to seven years in prison, and a fine if they knowingly try to escape paying taxes or underreport

[8] Income Tax Act, 1961, No. 43, Acts of Parliament, 1961 (India)
[9] Income Tax Act, 1961, No. 43, Acts of Parliament, 1961 (India)
[10] Income Tax Act, 1961, No. 43, Acts of Parliament, 1961 (India)
[11] Income Tax Act, 1961, No. 43, Acts of Parliament, 1961 (India)
[12] Income Tax Act, 1961, No. 43, Acts of Parliament, 1961 (India)

income that exceeds Rs 25 lakh.

IV. TAX EVASION AND CSR

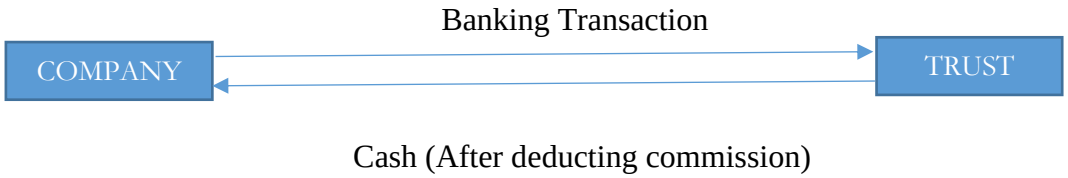
- There is a positive relationship that exists between CSR and tax evasion in the sense that when there will be an increase in CSR in the country there will be increased tax evasion.
- Now there are three methods of evading taxes and that are as follows:
  i) Accounting Method
  ii) Trust Method
  iii) Consulting Firms Method

The First method that is taken for evading taxes is by the way of accounts and the most common method that is used to evade taxes. There are three ways by which taxes can be evaded and these are as follows:

- **Under-reporting income:** The act of purposely reporting less income or revenue than was actually received is referred to as underreporting. In order to avoid or minimize their respective tax burdens, businesses and individuals typically underreport their incomings. The real income is not shown or the real income is shown to a level where there is no need of doing CSR activities or if needed then it is so less than what was actually needed to be done.
- **Overstating Deductions:** In order to determine their tax liability, taxpayers may deduct specific expenses from their gross income under the Internal Revenue Code. Many tax deductions involve actions that the government wishes to promote, such as allowing a firm to write off the cost of some employee benefits. Taxpayers who claim more deductions pay less in taxes overall. The deductions are overstated and false and fabricated bills are made to claim a deduction which is not even spent.
- **Illegal accounting schemes:** Accounting fraud is the intentional falsification of financial records to make it appear as though a business is financially sound. Additionally, it entails deceiving shareholders and investors on behalf of the company, a worker, or even an accountant. By exaggerating revenue, failing to report expenses, and declaring false assets and liabilities, a firm might falsify its financial accounts. Accounting fraud can be committed by overstating revenue, unrecorded expenses, and misstating assets and liabilities. The tax may be reduced if false financial records or account books are presented, showing

incomes that are lower than what was actually obtained.

- But the second method which is the trust method and the most common and favorite method that is adopted by the firms is transferring the funds that are to be spent as a CSR to charitable trusts. Spending on these trusts is tax-deductible activity. This is an illegal activity.
- Many politicians have set up a trust or there are public trusts to escape from the CSR fund. Money goes from a legitimate source like a bank and after that, it is returned to the company in cash or kind. In this way, the CSR money is circulated and CSR is not done and tax is also not paid because they have the receipt and banking transaction that they have transferred the amount to some trust. All of this is done with the express purpose of misleading its clients and avoiding CSR law requirements. Due to lax government oversight and the absence of a centralized repository that might manage the operations of such trusts, this is the most popular method of laundering CSR funds. All of this is done with the express purpose of misleading its clients and avoiding CSR law requirements.



- Companies in India adhere to weak disclosure guidelines when it comes to disclosing the specifics of their spending on CSR initiatives to avoid paying money for CSR activities. A report from the Institutional Investor Advisory Services attested to 51 companies listed on the Sensex index of the Bombay Stock Exchange fell into this category, the report states. According to the survey, corporations are not very transparent when disclosing the specifics of their CSR spending to spend less on CSR projects than is necessary.
- There are CSR consulting firms that help in spending the amount for CSR. Depending on the billing cycle for a given project, the CSR consulting organization submits invoices to the CSR funding organization for approval, reimbursement, or settlement using CSR funds that have already been received. In this instance, the invoice is sent to the CSR funding firm on the letterhead of the CSR Consulting organization, and no supplemental bills are provided until specifically requested by the company for

verification. Even when only 30% of the project activities' planned unit costs are actually spent, the so-called CSR consulting organization reports 100% of that amount as spent and requests payment for that amount.

- One example can be Bajaj Auto when he followed the same strategy. He not only conceals the amount spent on the CSR activities but also did not mention the unspent CSR and whether it is transferred to the next year. The Companies Bill,2019 was introduced for this only that the amount of unspent CSR has to be transferred to the govt. bank account. The main aim of the act was to have transparency and accountability. But due to many controversies that were not implemented.
- The consequences of tax evasion through CSR fraud are as follows:
    - Penalties will be levied on the assesses in accordance with the provisions of the companies act and Taxation act.
    - Working with such NGOs and CSR consulting firms exposes businesses/CSR foundations to significant danger of defamation, damage to their brand image, and harm to their reputation, both within the communities they serve and among other stakeholders. Companies that meet the criteria for CSR are typically required to work in partnership with NGOs to undertake CSR activities and increase staff capacity.
    - CSR can decrease customers' perception of the firm or the company.
    - Evaded CSR will decrease the income of the government treasury and ultimately it will disturb the development and progress of the country.
    - Evaded CSR will prevail and very less of actual CSR activities will take place.
- If we talk about the scenario that is relevant in today's scenario is that there can be tax evasion only through public trusts because the laws that are prevailing are so stringent that no one can evade doing CSR activities. Even there is a Schedule VII that was issued in 2019, for the firms and companies where the CSR funds can be spent. So, it has now become a little difficult for firms and companies to evade taxes either they have to spend the fund on CSR activities in accordance with the Schedule VII of the Companies Act.
- Now the option that remains open with the firms or companies is tax avoidance instead of tax evasion. CSR and tax avoidance will be talked about in the later part of the paper.

V. CSR AND TAX AVOIDANCE

- Tax avoidance includes and refers to all the legal means and tools used to avoid paying taxes, or pay as little as possible. Individuals and companies often exploit loopholes in the tax code of their countries. Tax avoidance is not punishable, yet there are certain provisions that do impose heavy penalties if the assesses indulges in under-reporting of income or the officer finds undisclosed income during the investigation.
- Moreover, as already discussed above, tax evasion is illegal but tax avoidance, and in cases of corporations, the line of difference between the two is slim.
- The Supreme Court has also been instrumental in clearing up the confusion between these terms and their implications. In [13]**McDowell & Co. Ltd. v. CTO (2003)**, J Chinnappa Reddy took a stance against tax avoidance and held that "the proper way to construe a taxing statute, while considering a device to avoid tax, is to ask whether the transaction is a device to avoid tax and whether the transaction is such that the judicial process may accord its approval to it".
- Further uncertainties were also cleared in [14]**Vodafone International Holding v. Union of India (2012)** and held not all types of tax planning are legitimate if it is within the scope of the law and without using any colorable devices.
- In India, we can easily see tax avoidance as a practice by firms and corporations not only by them but also in cases of individual taxpayers.
- In the case of India, CSR, and tax avoidance are related in one way and that is there is no limit to CSR. There is a minimum limit of 2% but no maximum limit for CSR.
- This becomes the positive point for avoiding tax or it may be for evading tax for an assessee who wants to avoid or evade tax.
- The firms or company transfers fund for CSR in huge amounts so that they increase their profits instead of paying tax to the government and this becomes a point to avoid paying taxes to the government.
- In recent years many studies have pointed out that tax avoidance and evasion have been linked to corporate governance and social responsibility. On a global level, various cases of MNCs have undertaken tax avoidance activities like transfer pricing, re-invoicing,

[13] Mc Dowell & Company Limited vs The Commercial Tax Officer, 1986 AIR 649 (India).
[14] Vodafone International Holdings v/s Union Of India & Anr, [2012] 1 S.C.R. 573.

etc.

- NGOs and other groups have been instrumental in bringing about these major corporations' lack of moral responsibility towards tax payment. Taxes are levied based on a company's profits and income from other investments, and the shareholders that contribute capital are provided with returns and dividends from the same profit. In the Indian context, as explored above, there are multiple problems and loopholes with the system of corporate taxation and mandatory CSR that is especially hard on upcoming or growing businesses.
- Another practice that must be explored is the damage caused to governments on a global level by the existence of tax havens. Tax havens define themselves as tax-neutral channels that supplement international trade and commerce.
- Nevertheless, the connection between tax evasion and CSR is very disproportional in different countries. No two countries have the same legal and institutional institutions and environments, and that creates a difference in attitudes, and norms in corporations. Historically, when the country has a strong framework and institutions, there are fewer chances of corporations being able to get away with tax avoidance strategies and ambiguous CSR statements. A stringent system that focuses on transparency and compulsory disclosures, is the need of the hour.

VI. CASE STUDIES

- [15] In Case of **NALCO**: National Aluminium Company (NALCO) is a business that engages in metal mining and electricity production. 51.5% of the company's equity is held by the Indian government. The company's internal vigilance division filed a complaint against NALCO in 2012 for not using the funds of CSR in a proper way as it was needed to be. The funding was relocated of 3 Cr. to some private colleges in the guise of CSR Activities. Centurion University of Technology and Management (CUTM), a private university founded in 2010, received Rs 3 crore that was allocated for CSR activities. Such a donation was made with the intention of collaborating with the university to establish an IIT through a partnership. Additionally, NALCO employed one more university (CUTM university) as a companion to manage an industrial technical institute (ITI) for 4.25 crores in the Marachamal neighbourhood of Koraput. According to their agreement, the university will

[15] Ishika Sharma, "Corporate Social Responsibility and Tax evasion",(January 12, 2023, 10:50 PM) Legal Maxim, https://www.legalmaxim.in/corporate-social-responsibility-and-tax-evasion/.

be used to pay for all expenses related to ITI.

- [16] CAG sale report- One of India's largest steel-producing companies is **Steel Authority of India Limited**. 75% of the company's equity is owned by the Indian government. A report on the CSR initiatives carried out by SAIL between 2004 and 2010 was published by CAG in 2011. As part of their CSR policy, SAIL contributed 2% of their net profit to CSR initiatives. As a result of engaging in CSR activities, they provided free healthcare, medical camps, and other services as well as contributed to social development. To fulfil their social obligation to society, SAIL organised medical camps with free care (including free drugs). However, CAG's research revealed that SAIL only used 18% of funds designated for medical facilities, and the majority of those funds—under the guise of medical camps—were really spent on other activities rather than on medications or other health-related items. These "other actives" included public relations campaigns that undermined the main goal of the medical camp and hearing helicopters for the steel minister.
- [17]**PM Cares funds**- In the PM Cares Funding, the problem of CSR funds has lately come to light. It was developed to aid individuals in their fight against the COVID-19 pandemic. Through a gazette notification, the Ministry of Corporate Affairs (MCA) revised Schedule VII of the Corporations Act, 2013 to include corporate donations made to PM Cares as CSR activities of the companies. In contrast, State assistance funds that had previously been included in CSR operations were removed from Schedule VII's list. These contributions made through the PM Cares fund are completely tax-exempt and eligible for the advantages of section 80G of the Income Tax Act of 1961. PM Care funds are currently under contention because despite the fact that there are already State relief funds available, S.135 was introduced to offer money for local welfare.

The PM Cares fund is diverting money intended for local welfare into a pitch-black hole through which not a single particle of light can pass. 38 public sector entities (PSUs) made contributions totaling 21,000 crores, or 70% of the fund's corpus, to the fund. Instead of safeguarding public finances in hard times, these PSUs started competing with one another by giving more money—public money—to PM Cares. Given that these gifts were 100% tax-exempt, tax evasion may have been the primary motivation for the PSUs to make such significant payments.

[16]Ishika Sharma, "Corporate Social Responsibility and Tax evasion",(January 12, 2023, 10:50 PM) Legal Maxim, https://www.legalmaxim.in/corporate-social-responsibility-and-tax-evasion/.

[17] "NH Desk, 'Clear Absence of Transparency in Every Aspect of PM CARES Fund Disturbing: Over 100 Ex-Bureaucrats Write To PM', National Herald, 2021, 20 January 2023, 02:23 PM, https://www.nationalheraldindia.com/india/clear-absence-of- transparency-in-every-aspect-of-pm-cares-fund-disturbing-over- 100ex-bureaucrats-write-to-pm.

- In this case, [18]Satyam Computers-Service Limited was a Hyderabad-based provider of information technology services in India. The CEO, Ramalinga Raju, admitted to defrauding the company of R 7000 crores in 2009 by falsifying the corporate accounts and inflating assets (cash and bank balance). Later, the company Tech Mahindra acquired the company's shares in bulk and changed its name to Mahindra Satyam. The IT department gave the corporation a legal notice prior to this biggest corporate scandal after denying tax exemption requests totaling 17 billion for the years 2003–2004 through 2008–2009. Despite having enough money to pay taxes, Satyam Computers submitted phony income tax returns and created fake invoices. Multiple notices were served by the IT department, but they ignored them. Due to the company's conscious decision to not pay taxes, this activity was deemed tax evasion.

VII. SOLUTIONS

- Tax Rates should be Reduced, this will help corporates to pay more taxes or invest in CSR activities.
- More stringent rules have to be made so that these public trusts that are made and the way they circulate the money has to be controlled and penalties have to be levied on the same.
- There should be a maximum limit on CSR spending so that the tax evasion can be reduced.
- There are NGOs that have also set up their own private companies with the same name or a similar brand to offer consultancy and implementation assistance to businesses. But finding the correct implementing agencies.

VIII. CONCLUSION

The purpose of CSR is to support social initiatives that benefit the environment of the community where the company is headquartered, not to raise money for charity. CSR is regarded as a responsibility that every company should accomplish, regardless of the legal obligation for them or not. In essence, the business makes money and operates by selling things to the general public. One of the parts of CSR that is thought to be important is paying the proper taxes. [19]Due to India's high tax rates, businesses have used CSR to escape taxes rather

[18] N.Kiran, "Case Study on SCSL", Your Article Library, https://www.yourarticlelibrary.com/case-studies/case-study-on-satyam-computer-services-limited-scsl/99569

[19] Pradeep Kumar Das, An Insight into Black Money and Tax Evasion Indian Context, 10.18775/jibrm.1849-8558.2015.34.3004 (2018).

than fulfilling their social obligation. According to figures from 2018, many businesses use CSR to escape taxes in order to maximize shareholder income, even though half of the Indian corporations do not register their CSR. Leading corporations claimed to be socially conscious, and the environment, labor, etc. are given priority in their CSR initiatives. The company's credibility could be impacted by failing to pay taxes in a like manner that employee mistreatment or environmental disasters would. Because tax rates are so high in India, many people don't want to pay taxes there.

However, many frauds include more than just the misappropriation of public funds. The government's ineptitude in allowing such a significant legal gap that might result in such corruption is a stain on both the integrity of the corporation that releases the funds and the integrity of the company itself. Companies must take decisive action to ensure that such scams do not occur and the CSR contributions are allocated to the desired causes while the government determines how the problem can be fixed. Instead of paying taxes, one of the simplest methods to avoid them is to engage in tax evasion. So according to the study, the tax rates should be reduced to make the corporate pay taxes accordingly.

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