

# IMPACT OF THE CORPORATE SOCIAL RESPONSIBILITY LAW : SEC 135 OF THE COMPANIES ACT, 2013 ON INDIAN CORPORATES

## ABSTRACT

The enactment of Section 135 of the Companies Act, 2013 marked a significant milestone in the evolution of Corporate Social Responsibility (CSR) in India, making it the first country in the world to mandate CSR for certain categories of companies.

This research paper, through its doctrinal research, attempts to study and analyse the multifaceted impact of this legislative intervention on Indian corporates since its implementation. The study evaluates how mandatory CSR spending has influenced corporate behaviour, governance structures, stakeholder engagement, and long-term sustainability strategies. It further explores sector-wise trends, compliance patterns, and the evolving perception of CSR from a philanthropic obligation to a strategic business function.

This research delves into the transformative implications of this statutory obligation, evaluating how companies have adapted to these requirements both in letter and spirit. It explores the shift from voluntary philanthropy to structured, reportable initiatives that align with Schedule VII of the Act, which lists permissible CSR activities. A key area of focus is the strategic integration of CSR into core business operations and the emergence of CSR as a tool for enhancing brand reputation, investor confidence, and stakeholder trust. The study also investigates the challenges faced by corporates, such as identifying meaningful projects, ensuring compliance and transparency, and navigating the dynamic regulatory landscape following amendments to CSR rules, especially those introduced in 2021 which imposed penalties for non-compliance.

## INTRODUCTION