



Item No. D-1

Court on its own motion Vs. Union of India & others.

CWPIL No. 90 of 2025

17.12.2025. Present: Mr. Deven Khanna, Advocate as Amicus Curiae.

Mr. Balram Sharma, Deputy Solicitor General of India with Mr. Rajeev Sharma, Advocate, for respondents No. 1 to 4.

Mr. Anup Rattan, Advocate General with Mr. Sidharth Jalta, Deputy Advocate General, for respondents No. 5 & 6.

Perusal of the affidavit dated 01.12.2025, filed on behalf of respondent No. 5-Director of Health Safety & Regulation, to the Government of Himachal Pradesh, Shimla, would go on to show that the State had not issued any directions to the Companies under the Corporate Social Responsibilities (CSR) provision, specially for unprecedented rainfall in 2025, which has led to the crippling of the infrastructure. Though there are 65 Companies which are stated to have fallen within the ambit of the provisions of Section 135 of Companies Act, 2013 (for short 'the Act')

2. The affidavit filed on behalf of respondent No. 6-Special Secretary) to the Government of Himachal Pradesh, would go on to show that there are 80 Companies, which fall within the preview of the aforesaid Section having net worth of rupees five hundred crores or more/turnover of rupees one thousand crore or more/net profit of rupees five crores

or more and for the financial year 2025-26, only an amount of Rs.4752.39 lacs has been contributed for different activities, including the disaster as per Schedule VII of the Act.

3. The State has tried to justify its inaction while submitting an apology that on account of the letters of the Ministry of Corporate Affairs, Government of India, dated 12.01.2016 and dated 03.06.2020, the State Government and the Union Territories were advised not to issue guidelines or orders which may affect the independence and decision-making powers of the CSR Committee and the Board of the Company and there was limited role of the Government as such.

4. The affidavit of the Union of India filed through the Registrar of Companies, Ministry of Corporate Affairs, would go on to show that the provisions as such of Section 135 of the Act have been mentioned apart from the fact that there are two primary modes for discharge of CSR obligation-activity mode (direct or through implementing agency) and fund mode (contribution to specified Central Government funds such as Clean Ganga Fund, PM's National Relief Fund, Swachh Bharat Kosh and PM CARES Fund). It has further been mentioned that any CSR project related to disaster management must be

well defined with estimates of cost, identification of beneficiaries and proper monitoring mechanisms. The Ministry has rolled out the Exchange Portal to facilitate interaction between companies and implementing agencies. It has further been mentioned that the Ministry is in the process of compiling data and ascertaining compliance of eligible companies under Section 135 of the Act in the State of Himachal Pradesh with respect to contributions towards disaster relief and rehabilitation following the recent calamity and the process would include calling upon eligible companies for disclosures and facilitating companies as per statutory requirements.

5. The contradiction is apparent as per the affidavit filed by respondent No. 2-Deputy Director, Ministry of Power, whereby it has been mentioned that no request from the Government of Himachal Pradesh has been received for funding under CSR to repair the crippling infrastructure post the heavy rainfall in 2025, but the three central public sector enterprises, namely NTPC Ltd., NHPC Ltd. and SJVN Ltd. have contributed as such for the works keeping in view the unprecedented rainfall.

6. We are of the considered opinion that both the Union of India and the State have been remiss in

their duties and have not realized the ambit of statutory provisions of Section 135 of the Act and the benefits which have to be rolled out to the general public.

7. Perusal of the provisions of Section 135 of the Act would go on to show that the company would have to spend at least 2% in every financial year of its average net profits made during the three immediately preceding financial years, in pursuance to its Corporate Social Responsibility Policy and the Company shall give preference to the local area and areas around where it operates. The reasons have to be given for not spending the amount and un-spent amount has to be transferred by the company within six months of the financial year and penalty is liable to be paid under sub Clause (7) of Section 135 of the Act and the Central Government has the power to make general or special directions to the company or the class of companies.

8. Schedule VII(xii) of the Act provides for disaster management including relief, rehabilitation and re-construction activities.

9. It is, thus, apparent that it was for the State as such to act upon the said provisions and direct the companies keeping in view the fact that the directions had to be issued within the preview of the

instructions issued by the Union of India dated 03.06.2022 which provide that CSR has been aligned with the national development priorities, but the intent is not to substitute budgetary spending of the Government on social sector. Thus, it has been clarified that the CSR should not be used as a source of financing the resources gaps in a Government scheme and the State Governments are free to create an enabling environment for facilitating companies to undertake CSR activities such as publicizing the districts and development sectors where CSR funds may be spent, setting up statutory and other implementing agencies.

10. Perusal of the list of 80 Companies (Annexure R-6/III) would go on to show that there are a large number of companies who have not even provided information to the State as to how much CSR contribution they have made during the financial year 2025-2026. The names of such Companies are M/s Botanic Healthcare Pvt. Ltd. Bilaspur, M/s Deepak International Ltd. Plot No. 115-119 & 115-A, Distt. Kangra, M/s Morepen Laboratories Ltd, Parwanoo, District Solan, M/s Visage Beauty & Health Care Pvt. Ltd. Parwanoo, Distt. Solan, M/s Procter & Gamble Home Products Pvt Ltd. Baddi, District Solan, M/s Betts

India Pvt. Ltd. Hilltop Ind. Area, Phase 1 Jharmajri, Baddi, Distt. Solan, M/s Wipro Enterprises Pvt Ltd, Baddi, District Solan, M/s Morepen Laboratories, Village Malkhumajra, Tehsil Baddi, District Solan, M/s Glenmark Pharmaceuticals Tehsil Nalagarh, Distt. Solan, M/s Colgate Palmolive India Ltd., Baddi, District Solan, M/s Godrej Consumer Products Ltd., Baddi, District Solan, M/s L'Oreal India Pvt. Ltd. Baddi, Distt. Solan, M/s Luminous Power Technologies, Pvt. Ltd. Baddi, District Solan, M/s Livguard Batteries Pvt. Ltd. Baddi, District Solan, M/s Birla Textiles Mills Baddi, Distt. Solan, M/s Unichem Laboratories Baddi, District Solan, M/s VVF (India) Limited, Baddi, District Solan, M/s Harsoria Healthcare Pvt. Ltd. Baddi, District Solan, M/s Hetero Lbs Ltd, Baddi, District Solan, H.P. M/s Livguard Battery Pvt Ltd., Distt. Una, M/s MBD Printographics Pvt. Ltd. Distt. Una M/s Sheela Foam Ltd. Kala Amb, Distt. Sirmour, M/s Pidilite Industries Ltd. Kala Amb, Distt. Sirmour, M/s Rich Products & Solutions Pvt. Ltd. Kala Amb, Distt Sirmour, HP., M/s Sirmour Remedies Pvt. Ltd. Paonta Sahib, Distt. Sirmour, M/s Relax Pharmaceutical Pvt. Ltd. Paonta Sahib, Distt. Sirmour, M/s Copmed Pharmaceutical (P) Ltd. Paonta Sahib, Distt. Sirmour, M/s Laborate Pharmaceutical India Ltd. Paonta Sahib, Distt. Sirmour and M/s Biological E. Ltd.

Paonta Sahib Distt. Sirmour, H.P. Some other Multi National Companies have contributed meager amount towards CSR, such as M/s Godrej Consumer Products Ltd. Baddi, Distt. Solan has spent only rupees 0.86 lakhs, M/s Dr. Reddy's Laboratories Baddi, Distt. Solan has spent only Rs 77.44 lakhs and M/s Ultra Tech Cement Ltd. Bagheri Cement Works, Nalagarh, Distt. Solan, has spent only Rs. 6.34 lakhs during the financial year 2025-2026.

11. Accordingly, let a fresh affidavit be filed by the State as to what pro-active steps it is going to take against the Industries as such for the ineffective contribution and to enforce the provisions of the Act.

12. The State shall also make an effort to identify the number of the Industries falling in the State of Himachal Pradesh which would fall under the provisions of Section 135 of the Act, so that effective implementation of the said provisions can be done.

13. List on **05.03.2026**. Office to reflect the name of Mr. Deven Khanna, learned Amicus Curiae in the Cause List, henceforth.

(G.S. Sandhawalia)
Chief Justice.

(Jiya Lal Bhardwaj)
Judge

December 17, 2025
(hemlata)