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RESEARCH ARTICLE

CONTRIBUTION OF PHARMACEUTICAL INDUSTRIES IN CORPORATE SOCIAL RESPONSIBILITY(CSR)

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Abstract

The pharmaceutical Industries of India are well-positioned and the nation has very strong scientific as well as upgrading technological base. India is home to more than 141.72 crores population and due to this the country has very large domestic market. On the other hand, the Indian government introduced CSR policy which is meant for the companies and industries to minimize the impact of social issues caused by them. In CSR policy, health sector has been taken as an important game changer (Mishra & Swain, 2016). Additionally, the country is working on seventeen Sustainable Development Goals, out of which SDG-3 is based on Good Health and Wellbeing. According to CSR policy 2014, the Pharmaceutical Companies has to spend 2 percent of their average net profit of preceding three years on social sector activities and for Pharma industries, the healthcare and wellbeing of the society is important. The purpose of this paper is to discuss, how pharmaceutical companies are fulfilling their social obligations through CSR initiatives and how the contribution of CSR through Pharma companies is impacting the society.

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Introduction:-

The pharmaceutical sector in our Country fulfills almost more than fifty of the world's demand. More than 3,000 pharma houses and 10,500 production units consist of India's pharmaceutical industry. The pharmaceutical or drug companies of India are absolutely well recognized around the whole world (Khandhar & Patel, 2023). There are various big pharmaceutical industries in India which are giving new heights to the growth of this sector. The pharmaceutical units of the country supply almost eighty percent of the medications used all over the world to address. Therefore, in good faith the country is often addressed as the "PHARMACY OF THE WORLD" because of the good quality and ethical practices of its pharmaceutical products. As per the reports of economic surveys of 2023, India came on third rank all over the world for the production of pharmaceutical products in terms of volume and fourteenth in the terms of value. India is the biggest supplier of generic medicines and also covering twenty percent share in international supply of generic medicines. The Pharma sector of this country produce over 60,000 various types of brands and supply across different countries (Dixit, 2019).

Apart from this the Indian government is working on Vision Pharma 2047, and this vision can only be achieved by the performance of Pharma sector, by the end of 2047 the government want to establish India as a big international leader of good quality as well as patient centric medicines and medical devices. Additionally, for the attainment of this vision there is need to deliver innovative health care products with proper accessibility and affordability.

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The Corporate Social Responsibility initiatives in the Indian pharma industry mainly cover the initiatives related to social and community services. The CSR initiatives in Pharma industries consist of, health care, sanitation, medical services and hospitals etc. Additionally, the CSR practices in the pharmaceutical companies are expected to make contribution towards the growth of the industry, for which the companies aim to establish a positive image for development of the community (Kumar, 2017). The pharmaceutical industries seek the innovative areas for growth and development by strengthening the rural healthcare conditions. In respect of CSR spendings the health care sector attracts the second highest portion of CSR fundings.

Review of Literature:-

The impact of CSR on Pharmaceutical sector: Evidence from Incepta Pharmaceutical Company: (Kumar, 2017).

The aim of this research paper is to examine the CSR initiatives of Incepta Pharmaceutical Company. It takes into account that how the idea has been segmented inside the increasingly worldwide pharmaceutical industry. The discussion of this paper involves predication on manager interviews about tackling the CSR strategy. It also concerns an examination of publicly available reports which includes yearly reports from many years in a sequence. Thorough extensive research was carried out for this paper using a variety of statistical tools and techniques, such as interviews and exploratory studies to arrange the data. The results of Incepta CSR shows that the company prioritizes profitability but by considering social good for the society too.

Corporate Social Responsibility (Analysis Of Selected Pharmaceutical And It's Companies) (Dixit, 2019).

The prime goal of this study is to analyze and examine the CSR practices undertaken by the particular IT company and pharmaceutical company. The study's secondary data was collected from the annual reports of the chosen IT company as well as the pharmaceutical company throughout the last five years. The study applied a descriptive methodology for the paper. The researcher discovers that IT and pharmaceutical companies are working hard. The findings of the study shows that the Pharmaceutical and IT firms are making continuously efforts in the CSR health related areas but still there is need of more emphasis on CSR practices.

Objectives of the study:-

1. To understand the role and significance of Pharma companies CSR for the society.
2. To discuss the state wise CSR spendings of Pharma companies towards Health care facilities.
3. To give an overview of top three foundations of Pharma Companies which are Impacting lives of people through CSR.

Methodology:-

This paper is analytical in nature and it is based on the secondary data. Basically, the practices on CSR are conducted in various areas but health care sector of Pharma companies plays vital role. In this paper, scenario of CSR in Pharma companies in India is studied and the contribution by Pharma companies for society is highlighted. The relevant data for this paper is collected from national CSR portal, annual reports of Pharma companies and from other reliable sources. The data under this paper is processed as per the requirements of the study.

Contribution Of Pharma Companies CSR in Health care

The pharmaceutical industry of India is booming and reaching to the new heights. It is expected to reach to \$130 billion in 2030. Additionally, the estimated projections says that the sector hit \$450 billion by the year ending 2047. In India, the pharmaceutical corporate sector is focusing on a new role, which intended to meet the needs of the business but without compromising the needs and wellbeing of the society.

Table 1:-

CSR spendings in Health, Malnutrition, Safe Drinking water, and Sanitation (Amount in Crores)

S.No	State	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
1	Andaman&Nicobar	0.29	0.19	0.52	0.65	0	0.02	1.38
2	Andhra Pradesh	104.32	573.76	215.16	187.41	247.32	278.4	291.37
3	Arunachal Pradesh	0.25	0.04	1.06	0.42	3.31	3.94	4.94
4	Assam	32.52	22.39	47.66	78.79	97.32	128.49	46.49

5	Bihar	4.34	18.05	8.03	14.03	20.27	24.64	30.44
6	Chandigarh	0.01	1.9	12.98	2.16	5.17	2.94	6.67
7	Chhattisgarh	28.54	29.83	43.8	25.43	66.89	170.79	189.81
8	DadraNagar Haveli	2.14	2.09	2.12	2.63	3.66	4.37	10.1
9	Daman And Diu	0.04	1	2.27	5.84	2.42	3.58	4.4
10	Delhi	98.71	187.89	192.49	143.36	166.76	269.96	298.4
11	Goa	5.34	4.74	6	21.57	9.01	16.87	22.02
12	Gujarat	101.83	187.63	273.24	356.36	316.8	390.06	692.31
13	Haryana	59.43	64.34	55.61	107.31	112.14	147.55	226.94
14	Himachal Pradesh	3.77	11.9	6.09	18.54	25.88	24.66	37.69
15	Jammu And Kashmir	27.11	73.9	8.24	8.75	15.07	14.25	13.07
16	Jharkhand	40.51	69.74	21.15	49.22	50.25	90.48	124.2
17	Karnataka	79.95	196.38	190.82	175.79	246.49	375.33	420.98
18	Kerala	34.99	54.15	64.12	93.63	160.67	154.74	136.53
19	Lakshadweep	0	0.03	0	1.84	0.39	0	0
20	Madhya Pradesh	17.29	41.24	43.49	53.12	79.3	88.3	128.81
21	Maharashtra	845.09	797.45	901.5	876.32	1041.32	1285.35	1340.84
22	Manipur	0.13	0.69	0.68	0.48	0.77	6.07	2.88
23	Meghalaya	0.67	0.4	1.84	1.67	1.86	4.9	5.65
24	Mizoram	0.16	0.43	0	0.14	0	0	0.41
25	Nagaland	0.25	0.22	0.37	1.75	0.4	0.88	1.52
26	Odisha	52.48	300.92	50.92	69.68	163.33	130.58	99.29
27	Punjab	13.16	35.41	18.92	27.42	44.96	91.48	66.05
28	Rajasthan	93	124.12	100.2	112.82	133.05	185.04	249.03
29	Sikkim	0.57	0.52	1.39	0.44	2.26	2.74	6.68
30	Tamil Nadu	111.44	213.27	159.2	193.17	233.96	290.92	418.28
31	Telangana	36.41	76.66	81.5	110.13	88.94	131.63	226.33
32	Tripura	0.18	0.8	0.4	0.47	20.99	7.86	1.52
33	Uttar Pradesh	30.63	76.19	82.35	110.69	139.02	136.36	432.32
34	Uttarakhand	23.81	10.79	16.4	11.57	87.92	44.85	61.31
35	West Bengal	98.79	278.58	97.13	115.25	110.62	163.55	194.93
	TOTAL	1948.15	3457.64	2707.65	2978.85	3698.52	4671.58	5793.59

The above table shows CSR spendings of different states from 2014 to 2021. The total amount of CSR spent in the above-mentioned states of six to seven years was Rs. 25255.98 Crores. It includes the areas like Health, Malnutrition, Safe Drinking water, and Sanitation. The data was secondary in nature and it is was taken from National CSR Portal. Out of all 35 states and UT's, the highest amount of CSR was spent in Maharashtra (Rs. 7087.87 Crores) and the least amount was spent in Mizoram (Rs. 1.14 Crores).

Top three Foundations by Pharma Companies Impacting lives through CSR

Glenmark Foundation:

Glenmark covers thirty-two locations among sixteen countries. The ideology of Glenmark is "Healthier children, Healthier world". This pharmaceutical company is constantly working for the better child health and reduce child

mortality. In past few years the company gave positive impact on 6,18,617 lives by initiating many health projects through CSR. The company run many CSR projects, out of which Project “Kavach” aims at providing highly good health among the pregnant women and infant child mothers. By the end of financial year 2022-23, the foundation with its CSR initiatives positively impacted 14,30,000 people lives in the states of Madhya Pradesh, Rajasthan, Maharashtra, Himachal Pradesh, Sikkim and Gujarat.

Piramal Foundation:

Piramal foundation is popular for its commitment towards the transformation of Maternal health, child health and non-communicable diseases. The foundation run a flagship CSR project titled “Piramal Swasthya”. It works with the collaboration of many companies. The company work in 14 states and it impacted many people by its healthcare projects. It consists of 10.6 crore number of beneficiaries. The company has more than 2 lakh specialist consultations and 30,000 calls every day providing 24*7 basic medical facilities with authentic advices. The Piramal foundation also have 580 plus doctors and more than 400 medical vans.

Sun Pharma Foundation:

The Sun Pharma Foundation focus on rewarding back to the society and addressing the needs of the community. The company relies on the theory which says that the welfare of the society goes hand-in-hand with the growth and rise of the company. The foundation therefore concentrates on the society wellbeing. In 2022-23, the Sun Pharma Company, has spent more than Rs. 27 crores on Corporate Social Responsibility (CSR) projects. The foundation has Mobile Healthcare Units (MHUs) which delivers primary healthcare facilities to more than 565,000 people belong to rural areas surrounded by the Sun Pharma Plants. The proposed CSR projects for Sun Pharma for 2023-2024 are to provide Support towards setting-up of Cancer Sanatorium Institute in Mumbai, Elimination of Malnutrition through Action-Research on Moderately and Acute Malnourished Children, Three Mobile Healthcare Unit, four Healthcare Infrastructure plus Awareness Creation and five Medicines for Health Activities.

Conclusion:-

The Indian pharmaceutical industry ranks third globally in terms of volume and it is fourth largest procedure pharmaceuticals. India has 15 of 20 biggest companies in the world. The pharmaceutical sector of India is assumed to do right in every possible way. Additionally, the top pharmaceutical companies have very strong Pan India presence. The companies can use their CSR funds on the development of rural India, health and medical infrastructure. The industry is expected to invest heavily in research & development, this sector is in constant paradox, where the balance between selling and curing is always prevailed. In this scenario the role of CSR is very precious. Corporate Social Responsibility is essential in India as more than 65 percent of population is living in rural areas. CSR is a wonderful tool in the development of current scenario of India and many CSR initiatives of Pharma companies are executed by companies in the local communities. Therefore, it is concluded that for the fruitful CSR strategy there is need of the alignment of company’s business with the social welfare.

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