

Examination of UNDP Goal Orientation of CSR Activities towards Sustainable Development by Corporates in Pharmacy Sector

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Abstract: In recent decade, the two words viz. “Corporate Governance” and “Corporate Social Responsibility (CSR)” have been seeking increasing attention stake holders. The ultimate result of them is assumed that they should turn into sustainable development of the country.

There are two dimensions to these concepts. The one dimension is of statutory compliance and another is non statutory initiatives. Thus, every company is spending on activity in some form which falls under the task of discharging the social responsibility.

However, it is interesting to look at these activities from the goals of the sustainable development. The indicators of sustainable development are the results of these activities. These goals are also reflected from the nature of activities undertaken by a corporate.

United Nations Development Program (UNDP) has given the list of 17 goals which are in recommendatory nature and it is expected that all countries should work towards the achievement of these goals.

The authors intend to study these goals and analyses these activities from the direction point of view towards the goal. There are in all 17 goals/results are considered for the purpose of analysis. The data is taken from the most authentic source i.e. annual reports of the companies from Pharmacy sector for the year 2018-19. The activities are classified based on their nature.

Further, they are examined in the light of these goals/objectives in which there are very high propensity to result into these goals. Comparison is made on the parameters that whether conducting the activities in a particular sector will lead to progressing towards achievement of these goals.

With reference to above said analysis and the literature regarding Corporate Responsibility and Corporate Governance have given their suggestions. These suggestions shall be useful in creation of objectivity for the Corporate towards the Sustainable Growth and discharge their responsibilities more meaningfully.

Keywords: Sustainable Development, CSR Initiatives, UNDP, Domain Sector, Direction Orientation towards Sustainable Development Goals (SDGs).

I. INTRODUCTION

In recent decade, the two words viz. “Corporate Governance” and “Corporate Social Responsibility” have been seeking increasing attention stake holders. The ultimate result of them is assumed that they should turn into sustainable development of the country.

There are two dimensions to these concepts. The one dimension is of statutory compliance and another is non-statutory initiatives. Thus, every company is spending on activity in some form which falls under the task of discharging social responsibility.

However, it is interesting to look at these activities from goals of the sustainable development. The indicators of sustainable development are the results of these activities.

Although they are indicators, the goals are different and being those goals are very-very wide to come into reality and subject to variations according to the time, place, region etc. Thus, one can look at the directions of the activities and their outcome whether conform to the goals which are formulated by UNDP.

After an achievement of different short-term goals, progressively results into the growth. Such accumulated results of the growth in different areas, like Health care, Education, Sanitation, Rural Development etc. gets leveraging effect and synergic effects leads to long term benefit like Stability of Income, rise in standard of living of those who are at the bottom of the pyramid, Financial and social inclusions of masses in different areas of the lives of the people of the country.

Thus, the paper attempts to discuss about the concept of sustainability, CSR and Sustainability goals which would like peeping into different dimensions of the same.

II. CONCEPT AND DEFINITIONS OF SUSTAINABILITY AND CSR

2.1 Dimensions of Sustainability

Look at these dimensions followed below which covers concept and definition and other related issues.

There is an increased concern over issues like climate and environment change, poverty, increased disparity between societies, increased materialistic approach towards life and imbalance between three independent systems like

- Natural Environment,
- Social and political system and
- Global Economy.

There are three distinct, but independent sub systems are governing today’s business. These are

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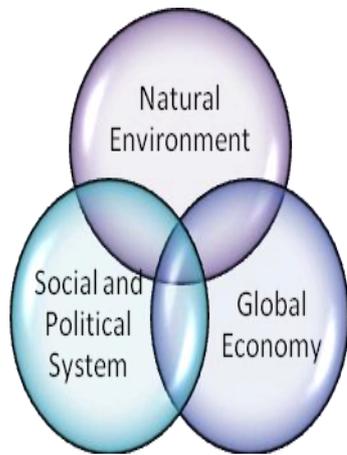


Figure 1 Three Interdependent System of Survival

Thus, the imbalance between the different systems and their subsystems has been creating risks to the country itself and to rest of the countries. The imbalance is increasing, United Nations Organization have taken the cognizance of these risks and appealed the different countries to take responsible steps, UNO has its own agenda and chalked out different plans and programs.

Thus, all the countries should try to reduce the imbalance and mitigate the risks. CSR activities should be in harmony with these dimensions.

The responsibility of showing concern about giving the future generation more beneficial living should be the prime focus area of Sustainability and Development.

2.2 Definitions of Sustainable Development, Sustainable Manufacturing and Sustainable Consumption

Sustainable Development

“Sustainable development as “Development that meets the needs of the present without compromising the ability of the future generation to meet their own needs.”

As per The Brundtland Commission report released in 1987 by United Nations World Commission on Environment and Development. (Hill P,2012). There are two aspects related to Manufacturing and consumption.

Sustainable manufacturing

“Sustainable Manufacturing refers to developing and practicing technologies to transform materials into finished products with reduction in each of; energy consumption, emission of greenhouse gases, generation of waste, use of non-renewable or toxic materials.”

Sustainable Consumption

“Sustainable Consumption and Production (SCP) is about the use of services and related products which respond to basic needs and bring a better quality of life while minimizing the use of natural resources, improving resource efficiency, increasing use of renewable energy resources, reducing release of toxic materials and emissions of waste and pollutants over the life cycle of the service or product so as not to jeopardize the needs of the future generations.”

(<https://sustainabledevelopment.un.org/index.php?menu=204>)¹

Both the definitions reflect that the processes should be so that they would not disturb the ecological balance and shall result into giving “BETTER QUALITY OF LIFE” In nutshell, the concept of sustainability and its different issues rotate around offering Better Quality of Life like Material Quality, Aesthetic Quality, Ethical Quality, Spiritual Quality and such other components of the same, to the present generations and sustaining them for the future generation. Sustainability is such a vast concept and having many dimensions it cannot be caught in capsule form and therefore it becomes illusive for a common man. However, some fundamental features can describe it in indicative way.

2.3 Key Features of Sustainable Development

- The fundamental belief behind the philosophy of Sustainable Development is, we must consider factors beyond conspicuous consumption and material possessions. There are other important factors like conservation of natural resources and optimum use of available resources.
- In achieving sustainable development, we must try to strike the balance between ENVIRONMENT AND DEVELOPMENT.
- Sustainable Development is an approach that will permit continuing improvements in the quality of life with a lower intensity of resource use, thereby leaving behind for future generations an undiminished or even enhanced stock of natural resources and other assets
- Sustainable development means making sure that the things we do, the goods we buy and the lifestyle that we have today will not harm the environment for us, for the people in other places and for future generations
- Looking at the consumption and waste
- Thinking about careful use of Earth’s resources
- Realizing that we are responsible for our actions and what we do can have a huge effect on other places and people Thus, it seems from the above features that ultimately as an eternal outcome, it can be equated to creation of Peace, Prosperity, Happiness, and Avoidance of violence against nature. Sustainability can be seen from the point of view of growth in development of Indices of Happiness propounded by the king of Bhutan. King of Bhutan has devised an alternative indicator for GDP as a tool to measure progress or development. The levels of Gross National Happiness (GNH) for an individual and for Bhutan as a country are determined through measures in nine domains shown in below figure.



Figure 2The Nine Domains of GNH²

Source :Bergink Jasper,2016

The societies have undergone the changes. Initially, it had been oriented towards the ownership of stock of assets like land, cattle, animals and such other natural resources.

Then there was a shift after industrial revolution towards the ownership of Manufactured Goods and their processes to maximize the wealth.

With the beginning of 19th century, the entire orientation of human being shifted towards the consumption.

Hereafter, a man started desiring maximum goods and services for his consumption and fanatically derives the satisfaction from such consumption.

This consumption orientation started giving rise to imbalances in factors life, environment, water resources, ecology, and pollution of natural resources. The shortage of good resources started rising due to faulty practices in using them. Following are few reasons which have been affecting the sustainability adversely during the 21st century.

2.4 Root Cause of the challenges to Sustainable Development in 21st Century.

1. Rapid economic growth achieved after globalization by most of the developing countries, has imposed considerable social costs and has become a major threat to sustainable development.
2. Detachment of humankind from nature, increasing industrial and technological development had been taking place by the evolution of the prevailing scientific materialist philosophy. The notion of limitless economic growth had fitted well into the —unlimited growth myth of the profit-led Western world.
3. **Excess Consumption:** Earth takes now one year and four months to regenerate resources used in a single year. And if this continues apace, the equivalent of two Earths will be needed to support humanity’s resource requirement by mid-2030. Today the big question is, “How many people that earth can sustain and at what standard of living?”
4. **Increase in the Population:** In 1950 Earth was taking care of 200 Crores people, today same earth is taking care of 700 Crores peoples in 2016

2.5 Corporate Social Responsibility – Concept and issues.

The presence of multinational and multiproduct companies started during the 6th decade of 20th century as they started operating throughout the globe. This era commenced after the end of Second World War. This era gave a birth to the word Corporate and corporate world began to exist.

There was a good sense of businessmen for funding the social activities for benefit of members of society for a very long period in India.

However, the companies, having origin in one country and using resources of another country for their production made the issue complex. Such companies and the companies of the country were responsible for using the resources of the society and therefore, the different groups from the society started expecting in return from them.

This concept of responsibility of companies to meet these expectations should undertake certain activities for the member of the society emerged the concept of CSR.

Thus, the definition of CSR is subject to evolutionary processes as it depends on the needs of the society which are related to the welfare of the society and subject to change from time to time.

The principle behind CSR is that, businesses take from the society and have the responsibility to give back. In majority of the cases, there were practices prevailing in the past to spend and work for the society. Tatas were discharging CSR even when the word CSR was not in existence.

In 1953, Howard Bowen’s Social Responsibilities of the Businessman defined the social responsibility of businessmen as “the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society”

During the 1960s, definitions of Corporate Social Responsibility (CSR) began to spread:

Davis (1960), for example, argued that CSR refers to “businessmen’s decisions and actions taken for reasons at least partially beyond the firm’s direct economic or technical interest” Frederick (1960) has given the different dimensions to the concept of social responsibility. He has given the importance to public interest as compare to private interest. He advocated that all economic and human resources should be used to in the broader interest of society and public at large instead of protecting the interest of private institution and private persons. In 1984, another dimension of “Stakeholder Theory” was given by Freeman. The concept of “Corporate Citizenship” is added in the scope of Social Responsibility by Andriof and McIntosh in 2001

According to World Business Council

Sr. No	Name of the Company	Company code No	Number in top 15
1	AurobindoPharma Limited	1	2
2	Cipla Limited	2	4
3	Dabar India Ltd.	3	6
4	Dr.Reddy’s Laboratories	4	5
5	Emami Ltd.	5	13



6	GlenmarkPharma Limited	6	8
7	Lupin Limited	7	3
8	Piramal Enterprises Limited	8	12
9	Sun Pharmaceutical Industries Limited	9	1
10	Torrent Pharmaceuticals Limited	10	9

“CSR is the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life”³

As per World Business Council for Sustainable Development, WBCSD)

In recent past, during the 2013, CSR became the part and parcel of mandate in India. This provided the legal framework for the regulation of CSR in terms of section 135 of Companies Act 2013. This divided CSR into statutory and non-statutory.

The mandate expects to report separately in CSR format (refer schedule VII to act) about the details of the activities conducted in different sectors as prescribed and the outlay of spending on different projects.

This CSR report becomes the part and parcel of Annual Report of the company for the respective year and the information made available to different stakeholders.

This has facilitated various studies regarding CSR by providing authentic data as a secondary source of literature.

III. OBJECTIVES:

CSR report is mandatory to include in the annual report of the company. This fact has been facilitating the provision of availability of secondary data to the researchers and other stakeholders. This data in the form of a report is the most authentic one

With reference to CSR report, the objectives of the paper are as under.

1. From Pharmacy Sector, select the top 10 companies.
2. To read the report critically and creatively, in order to understand the broad areas in which the companies are conducting their CSR activity.
3. To enumerate the activities which fall under the broad area, which would facilitate indicatively, the domain of broad areas.
4. To analyze the presence of these companies according to the activities with reference to true spirit and connotations.
5. To establish the linkage between these goals and the nature of activities conducted by the companies and identify the gap between CSR activities and expectations of SDG. The attempt is made from the direction point of view and certainly may not be seen with the sense of magnitude of the implications.

Thus, this objective of looking at the linkage with the direction is a kind of birds review and at very primary gross level. *(Refer table No 02, and 03 for details of goals and connotations)*

IV. RESEARCH FRAME:

4.1 Research type – Descriptive

This research is of descriptive type as it unfolds the different facts about the activities conducted under the broader domain of CSR.

4.2 Sector – Pharmaceutical

The pharma sector is taken because those companies are engaged in more sustainable products like Medicines and product related to health care. Rather, health care itself has the prevention value which is an integral part of human kingdom as well as animal kingdom. Their products are resulting in the lifespan of all human beings, for different age groups. Their products are consumed right from the inception and prenatal stages of a human being.

4.3 Population

If one considers the entities engaged in pharma business, then it is having unlimited scope. Including multi-nationals, it covers the individuals who sell Jadibutties by raising the tents on road as well as those who visit your house like Vaidus, who offer the solutions by recommending you the forest grown Vanaspities.

Considering the context of sustainability and corporate domain, the population is definite but very large because it may include all those producers right from tiny level to multi-nationals and multi-product companies in India.

4.4 Sample frame

Top 10 companies were considered for the purpose of this context.

V. UNDP AND SDG GOALS AN OVERVIEW

Sustainability and growth as well as related issues are the concern of different countries of the globe. With an increase in population, the problem like climate change, flood and such other disasters are taking place all over the world. They are so disastrous that they completely shatter the lives of human being and even to measure the loss in full terms is not possible in many cases.

As a result, i.e. the major threat to the sustainability in all areas and the world has become very vulnerable in protecting the sustainability. Therefore, United Nations Organization (UNO) has been making all out efforts with the partnership of different countries under the domain of UNDP. This program has its valuable objectives, spelt out in terms of SDGs.

Table 02 and Table 03 gave below gives the details of SDG and their connotation along with results expected and present status.

5.1 Sustainability Goals as Defined by UNDP as

Table 02: UNDP SDG Goals⁴

1. No Poverty	10. Reduced Inequalities
2. Zero Hunger	11. Sustainable Cities and Communities
3. Good Health and Well Being	12. Responsible Consumption and Production
4. Quality Education.	13. Climate Action
5. Gender Equality	14. Life Below Water
6. Clean Water and Sanitation	15. Life on Land
7. Affordable and Clean Energy	16. Peace, Justice and Strong Institution.
8. Decent Work and Economic Growth	17. Partnership For Goals.
9. Industry Innovation and Infrastructure	

Table 03: UNDP SDG Goals: Result Expected and Present Situation⁵

Sr.No	SDG Goal	Result Expected	Problem and Present Situation
1	No Poverty	End extreme poverty in all forms by 2030	More than 800 million people around the world still live on income less than Rs. 100 per day
2	Zero Hunger	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	Imagine a world where everyone has access to sufficient and nutritious food all year round. Together, we can make that a reality by 2030.
3	Good Health and Well Being	Ensure healthy lives and promote well being for all at all ages.	We all know how important it is to be in good health. Our health affects everything from how much we enjoy life to what work we can perform.
4	Quality Education	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	First, the bad news on education. Poverty, armed conflict and other emergencies keep many, many kids around the world out of school. In fact, kids from the poorest households are four times more likely to be out of school than those of the richest households
5	Gender Equality	Achieve gender equality and empower all women and girls	The Sustainable Development Goals aim to ensure that there is an end to discrimination against women and girls everywhere.
6	Clean Water and Sanitation	Ensure availability and sustainable management of water and sanitation for all	Everyone on earth should have access to safe and affordable drinking water. That's the goal for 2030
7	Affordable Clean Energy	Ensure access to affordable, reliable, sustainable and modern energy for all	Between 1990 and 2010, the number of people with access to electricity increased by 1.7 billion. That's progress to be proud of. And yet as the world's population continues to rise, still more people will need cheap energy to light their homes and streets, use phones and computers, and do their everyday business. How we get that energy is at issue; fossil fuels and greenhouse gas emissions are making drastic changes in the climate, leading to big problems on every continent
8	Decent work and Economic Growth	Promote sustained inclusive and sustainable economic growth, full and productive employment and decent work for all	An important part of economic growth is that people have jobs that pay enough to support themselves and their families
9	Industry Innovation and Infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	And yet four billion people have no way of getting online, the vast majority of them in developing countries.
10	Reduced Inequalities	Reduce inequality within and among countries	Income inequality is a global problem that requires global solutions.



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Sr.No	SDG Goal	Result Expected	Problem and Present Situation
11	Sustainable Cities and Communities	Make cities and human settlements inclusive, safe resilient and sustainable	If you're like most people, you live in a city. More than half the world's population now lives in cities, and that figure will go to about two-thirds of humanity by the year 2050. Cities are getting bigger. In 1990 there were ten "mega-cities" with 10 million inhabitants or more. In 2014, there were 28 mega-cities, home to 453 million people.
12	Responsible Consumption and Pattern	Ensure sustainable consumption and production pattern.	Some people use a lot of stuff, and some people use very little—in fact, a big share of the world population is consuming too little to meet even their basic needs. Instead, we can have a world where everybody gets what they need to survive and thrive. And we can consume in a way that preserves our natural resources so that our children can enjoy them, and their children and their children after that.
13	Climate Action	Take urgent action to combat climate change and its impacts.	Every country in the world is seeing the drastic effects of climate change, some more than others. On average, the annual losses just from earthquakes, tsunamis, tropical cyclones and flooding count in the hundreds of billions of dollars
14	Life below Water	Conserve and sustainably use the Oceans, Seas and Marine Resources for sustainable Development.	The oceans make human life possible. Their temperature, their chemistry, their currents, their life forms. For one thing, more than 3 billion people depend on marine and coastal diversity for their livelihoods. But today we are seeing nearly a third of the world's fish stocks overexploited. That's not a sustainable way of life. Even people who live nowhere near the ocean can't live without it. Oceans absorb about 30 percent of the carbon dioxide that humans produce; but we're producing more carbon dioxide than ever before and that makes the oceans more acidic—26% more, since the start of the industrial revolution. Our trash doesn't help either—13,000 pieces of plastic litter on every square kilometer of ocean.
15	Life on Land	Protect, Restore and Promote sustainable use of terrestrial ecosystem sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.	Humans and other animals rely on other forms of life on land for food, clean air, clean water, and as a means of combating climate change. Plant life makes up 80% of the human diet. Forests, which cover 30% of the Earth's surface, help keep the air and water clean and the Earth's climate in balance. That's not to mention they're home to millions of animal species. But the land and life on it are in trouble. Arable land is disappearing 30 to 35 times faster than it has historically. Deserts are spreading. Animal breeds are going extinct
16	Peace, Justice and Strong Institutions	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institution at all levels.	How can a country develop—how can people eat and teach and learn and work and raise families—without peace? And how can a country have peace without justice, without human rights, without government based on the rule of law? Some parts of the world enjoy relative peace and justice, and may come to take it for granted. Other parts seem to be plagued by armed conflict, crime, torture and exploitation, all of which hinders their development
17	Partnership for Goals	Strengthen the means of implementation and revitalize the global partnership for sustainable development.	The Sustainable Development Goals are pretty big to-do list, don't you think? In fact, it's so big, you may just want to throw your hands up in the air. "Forget it! Can't be done! Why even try!" But we've got a lot going for us. The world is more interconnected today than ever before, thanks to the internet, travel and global institutions. There's a growing consensus about the need to work together to stop climate change. And the Sustainable Development Goals are no small matter either

5.2 UNDP in India⁶

(Source:

<https://www.in.undp.org/content/india/en/home/about-us.html>)

UNDP has worked in India since 1951 in almost all areas of human development, from systems and institutional strengthening to inclusive growth and sustainable livelihoods, as well as sustainable energy, environment and resilience. UNDP's programs continue to fully integrate a global vision for catalytic change with India's national priorities.

With over 30 projects on the ground in almost every state, today UNDP India works towards Sustainable Development Goals by transforming traditional models to do development differently. In a rapidly changing global environment, the work of UNDP and the broader UN family aligns with the Government of India's new national development vision, India 2030, and builds upon the Sustainable Development Goals. UNDP India's country program for 2018-2022 has three major focus areas:

- ✓ Inclusive growth
- ✓ Environment and energy
- ✓ Strengthening systems and institutions

These are supported by a framework of renewed partnerships and blended finance solutions, a pool of financial and technical resources for greater impact and scale, and South-South expertise.

The features of the efforts so far put in by India and UNDP partnership have rendered the following:

74%	Adulthood Literacy Rate
2%	Share of women in Parliament
125 Rank	Rank on Gender Inequality Index
21.54%	Proportion of land area covered by forest
1.73MT	CO ₂ emissions per capita (metric tons)
79%	Enrolment in undergraduate education
0.624	Human Development Index (2016)
1.3	billion population
1861.50	per capita (in current Prices, USD)

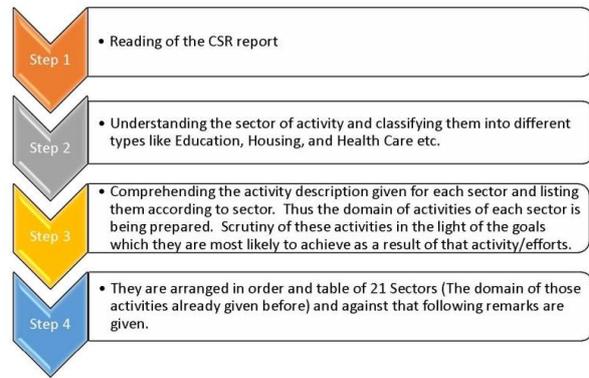
In nutshell, SDGs are given due attention by Indian policy makers and the government with rational gravity.

VI. METHODOLOGY

For the purpose of data, the paper completely relies on secondary data in terms CSR reports, contained in Annual Reports of top 10 companies for the accounting year 2018-2019.

The data is absolute in its nature as regards authenticity of the data as these reports are a public document and they are submitted to different top government authorities. They are meant for rendering true and correct information to all kind of stakeholders.

From these annual reports, a report of each company is scrutinized critically and following steps were followed.



It is presented in tabular form and the description of the table is as under:

Column 1: Indicates serial number in Roman

Column 2: Contains the heading of the domain

Column 3 to 20 indicates the heading of the goals.

If it has a direction towards the achievement of any of the goals even in slightest indirect way, then it is marked with "YES". If it is not so then, against that it is **Kept Blank**. Inferences are presented by keeping the table details at a glance.

(In order to make the entire table, available at a glance, the goals are given in abbreviation form. The readers are requested to refer goals in full form given at the beginning of the table.)

VII. DATA ANALYSIS

The data related to expenditure on CSR is seen from the view point of the turnover, % of CSR spending and Budgeted to Actual Spending.

7.1 Sales Turnover and CSR Expenditure

The following table represents the turnover % to spending on CSR activities in respect of accounting year 2018-19.

**Table 3: Turnover and Expenditure on CSR Activities (2018-19)
(Rs. In Millions)**

Sr. No	Name of the Company	Turnover	CSR Expenditure	% to Turnover
01	AurobindoPharma Limited	164,990	467.73	0.28
02	Cipla Limited	155,770	334.24	0.21
03	Dabar India Ltd.	87,343	263.50	0.30
04	Dr. Reddy's Laboratories	144,360	261.54	0.18
05	Emami Ltd.	26,930	79.65	0.30
06	GlenmarkPharma Limited	91,860	311.49	0.34
07	Lupin Limited	159,550	379.50	0.24
08	Piramal Enterprises Limited	43,220	311.80	0.72
09	Sun Pharmaceutical Industries Limited	277,280	39.34	0.01
10	Torrent Pharmaceuticals Limited	63,010	264.50	0.42
	Total	1210,313	2713.39	0.22

INFERENCES

1. The highest % is of Piramal Enterprises Limited.
2. Despite having the highest turnover amongst above 10 companies, Sun Pharmaceutical Industries Limited, the spending on CSR activities is the lowest. It is 0.01%.
3. The range of spending is excepting Sun Pharmaceutical Industries Limited, the range is between 0.18% to 0.72%

CONCLUSION

1. As CSR Expenditure is linked to profits (2% of last three years average profit), when compared to turnover, the% is extremely marginal.
2. Sun Pharmaceutical Industries Limited is incurring losses for last 3 years. Despite these losses, the company is spending on CSR activities and showing the real spirit behind CSR concept.

7.2 Comparison of CSR Expenditure: Budget Vs Actual

**Table No 04: Composition of Spending on CSR
(Rs. In Millions)**

Sr. No	Name of the Company	Turnover	CSR Expenditure			
			Actual	Budget	Unspent	Overspent
01	AurobindoPharma Limited	164,990	467.73	467.73	0.00	0.00
02	Cipla Limited	155,770	334.24	889.70	555.46	0.00
03	Dabar India Ltd.	87,343	263.50	260.00	0.00	3.50
04	Dr. Reddy's Laboratories	144,360	261.54	271.68	10.04	0.00
05	Emami Ltd.	26,930	79.65	79.10	0.00	0.55
06	GlenmarkPharma Limited	91,860	311.49	311.49	0.00	0.00
07	Lupin Limited	159,550	379.50	322.30	0.00	57.20
08	Piramal Enterprises Limited	43,220	311.80	385.90	74.10	0.00
09	Sun Pharmaceutical Industries Limited	277,280	39.34	51.56	12.22	0.00
10	Torrent Pharmaceuticals Limited	63,010	264.50	273.50	9.00	0.00
	Total	1210,313	2713.39	3312.96	660.82	61.25

Inferences

1. There are three Companies like Sr. No 03, 05 and 07, have shown that they have spent more than their budget. Overspent amount is very marginal i.e. 1.84%
2. It should be appreciated that Lupin Limited has spent 17.75% above the budget.
3. There are five companies (Sr.No. 02,04,08,09 and 10), have shown that they have spent less than their budget.
4. The amount of total unspent value is nearly 20%. Amongst these Companies Cipla Limited have not spent to the tune of 62.43 % which is very high percentage.

7.3 Composition of Spending on Domain Sector

**Table No 05: Composition of spending on sector domain.
Rs. in Million**

Composition of Spending on Sector Domain			
Sr.No	Sector	Actual Expenditure	Expenditure in %
I	Promoting Education, Vocational Training and Vocational Skill Development	636.32	23.45%
II	Promoting Preventive healthcare and sanitation,	1,021.93	37.66%
III	Making available safe drinking water	9.00	0.33%
IV	Eradicating Hunger, Poverty, malnutrition	254.90	9.39%
V	Promote rural sports, Nationally recognized sports	67.30	2.48%
VI	Rural Development, Environmental Sustainability, Ecological Balance	238.41	8.79%
VII	Setting up of Old Age Homes	2.00	0.07%
VIII	Environmental Sustainability and Ecological Balance	33.42	1.23%
IX	Animal Welfare	5.10	0.19%
X	Infrastructure Support	1.70	0.06%
XI	Reduction in inequality	0.32	0.01%
XII	Social and Economic Development	223.10	8.22%
XIII	Livelihood Enhancement Projects	136.41	5.03%
XIV	Capacity Building	2.76	0.10%
XV	Promoting Art, Culture and Dance form	11.78	0.43%
XVI	Disaster Management	4.53	0.17%
XVII	Women Empowerment	1.10	0.04%
XVIII	Administrative Overheads	63.31	2.33%
	Total:	2,713.39	100.00%

Conclusion

By virtue of format prescribed by the statute, the reliable disclosures regarding CSR figures is being available to different stakeholders.

Inferences:

1. The sectors like Education and Health Care have maximum number of activities. It seems that the companies have given the preference to these sectors as their core business is related to healthcare.
2. The spending composition shows that nearly 62% is made on Education and Healthcare.
3. Other sectors i.e. eradicating poverty and hunger as well as Rural Development projects constitute nearly 10% each.
4. Remaining 7 sectors have very negligible spending.
5. The administrative expenses for the project implementation for all companies is 2.43 % where as it is in the range of 1 % to 5 %,

Conclusion

The companies are more interested to work for promotion of Education and Healthcare including preventive one.

VIII. DOMAIN SECTOR ACTIVITY DETAILS

There are in all 17 domain sectors in which the companies conduct various CSR activities and administrative overheads

are reported separately. According to analysis of the 10 Companies, the activities conducted under each sector are brought at one place. This is an indicative list of activities. The activities represent an aggregate view of 10 Companies.

It is essential to understand that for a particular sector which kind of activities are being conducted by the different pharma companies, are brought at one place in order to develop the perspective about the sphere of the reader. (This exercise would useful for those who desire to conduct some activities in some sector, and then they would understand the different activities with their nature which they can adopt according to their priority and ability to spend.)

Examination of UNDP Goal Orientation of CSR Activities towards Sustainable Development by Corporates in Pharmacy Sector

Sr.No.	Domain Sector/ Activity Details
I	Healthcare
1	Promoting Preventive healthcare and sanitation
2	Cipla Palliative Care and Training Centre
3	Healthcare services to community including hospitals,
Sr.No.	Domain Sector/ Activity Details
4	Building Sanitation Blocks
5	Help through ICDS center
6	Dil Se Dua' program to fight malnutrition among children and also involved general public
7	Immune India awareness program among school going children.
8	Wellness Centre to treat people
9	Programs for addressing Health care needs of poor and needy
10	Oral hygiene awareness Camps in Schools
11	Programmers for Safe & Nutritious Drive with FSSIA
12	Ayurvedic Health OPDs for Rag Picker
13	Programmers for Diabetes Prevention and Management
14	Psychological health support
15	Health Intervention program
16	Distribution of medicine to needy children
21	Rehabilitation & Care of those with chemical Dependency and HIVAIDS, including relevant Statistical Research
22	Building and implementing integrated Electronic Medical Records Platform Software
23	REACH - pediatric Healthcare program
II	Education
1	Promoting Education (Details of Activities not given)
2	Mobile Service Van, Scholarships, E learning, Infrastructural Support,
3	Vocational training, Skill Development, Meritorious Awards,
4	Promoting Education in Government Schools,
5	Education awareness program
6	Training and skill enhancement
7	Programs for promoting education through NFES, Remedial Classes
8	School Support programs like renovation, sanitary blocks, benches, chairs etc
9	Vocational Training to Women and Villagers
10	Programs for Adult Literacy Centers and Support to Self Help Groups
11	DRF education programs
12	Supporting and subsidizing quality education in low

	income groups.
13	Quality education program in Government Schools
14	Quality education in science
15	Chair in Chemical Science
Sr.No.	Domain Sector/ Activity Details
16	Scholarship/ Assistance to Students and Education support program
17	Rural Education program
18	Establishment of educational Training Centre
19	Establishment of educational Training Centre
III	Making available safe drinking water
1	Making available of Safe Drinking Water
2	Drinking water project
IV	Eradicating Hunger, Poverty, malnutrition and promoting Preventing health care
1	Eradicating Hunger, Poverty, malnutrition and promoting Preventing health care
2	Disaster Relief (Medical Relief, Basic Assistance, Material, Medical Camps, Child Friendly Spaces
3	Sanitation Drive to provide easy access to and Sanitation facilities in Rural Hospitals
4	Programs to meet nutrition needs of poor and needy
5	Support to Independent NGOs for Nutrition initiative
V	Training to promote rural sports, nationally recognized sports
1	Promotion of Rural Sports
2	Sports Training Center
3	Transform the Ecosystem of Swimming in India
VI	Rural Development Projects, Environmental Sustainability, Ecological Balance
1	Rural development and infrastructure around units
2	Infrastructure around unit's cold storage for better crop,
3	Development and Maintenance of Public Parks
4	Pond deepening Program
5	Environment Conservation program
6	Protect rare herbs and plants which are on the way to vanish on the earth.
7	Developing & Supplying seed and seedlings to local farmers
8	Tree plantation Drive
9	Promotion of Solar Energy

10	Water Conservation Project in Rajasthan + Water ATM
11	Consumer Waste initiative for Multi-Layer Plastic (MLP) waste disposal
VII	Social and Economic Development
1	Rural Support Program (Details not given)
Sr.No.	Domain Sector/ Activity Details
2	Learn and Earn Program
VIII	Livelihood Enhancement Projects
1	Livelihood Program for Youth and People with Disability (PWD) program
2	MITRA - Agricultural program
3	Employment enhancing vocation skills and Livelihood enhancement program
4	Farmer field school project
IX	Animal Welfare
1	Animal welfare and Environment program
X	Infrastructure Support
1	Development and support infrastructure like furniture, buildings, boards etc
2	Health Care Infrastructure Development
XI	Reduction in inequality
1	Support for child victim rescue vehicle
XII	Social and Economical Development
1	Rural Support Program
2	Learn and Earn Program
XIII	Livelihood Enhancement Projects
1	Livelihood programs for youth and Livelihood programs for youth and people with disability

2	MITRA - Agricultural program
3	Farmer field school project
XIV	Capacity Building
1	Expenses incurred on capacity building including overheads.
XV	Promoting Art, Culture and Dance.
1	Promoting Art and Culture by supporting Art, Dance form training and supporting Social infrastructure.
XVI	Disaster Management
1	Disaster Management Program and Support during natural calamities.
XVII	Women Empowerment
1	Operating a Rural BPO & providing livelihood to Women

IX. LINKAGE OF CSR ACTIVITIES IN DIRECTIONAL SENSE TO SDGS

The activities of CSR lead to different benefits to different sections of the society. The context is related to sustainability and growth.

The premise behind the achievement of sustainability goals is that, because of accomplishment in holistic way shall be conducive in generation of the growth in different sectors as an output. Thus, their achievement is surging engine for the GROWTH.

With reference to UNDP goals, a comparison is made on the parameters that whether conducting the activities in a particular sector will lead to progressing towards the achievement of above goals.

For the purpose a table is presented below and under each goal, if it is positive towards furtherance of accomplishment of those goals, then it is marked with “YES” remark. If it is not so, then it is **Kept Blank**.

This exercise is made to understand the direction of outcome of CSR activities collectively of the 10 companies.

Please, read the table with reference to following full forms.

Sr. No	AB R	Full Form
01	NP	No Poverty
02	ZH	Zero Hunger
03	CH GB	Good Health and Well Being
04	QE	Quality Education
05	GE	Gender Equality
06	CW S	Clean Water and Sanitation

Sr. No	AB R	Full Form
07	ACE	Affordable Clean Energy
08	DW EG	Decent Work and Economic Growth
09	I II	Industry Innovation and Infrastru.
10	RI	Reduced Inequalities
11	SCC	Sustainable Cities and Communities
12	RCP	Resp. Cons. And Production

Sr. No	A BR	Full Form
13	C A	Climate Action
14	L BW	Life Below Water
15	LL	Life on Land
16	PJ SI	Peace, Justice & Strong Instituti.
17	P G	Partnership for Growth

Composition of area wise aggregate activities leading to resulting in the accomplishment of Sustainability Goals

Sr.No	Sector/Goals	np	zh	gh wb	qe	ge	cws	ace	dw EG	i ii	ri	SCC	RCP	CA	LBW	LL	PJ SI	PG
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
I	Education, VT and SD			Y		Y			Y	Y			Y				Y	
II	Preventive Healthcare			Y			Y		Y			Y	Y					
III	Safe Drinking water			Y			Y		Y									
IV	Eradicating Poverty **	Y	Y	Y			Y		Y		Y						Y	
V	Rural Sports Promotion				Y							Y						
VI	Rural Develop Projects	Y	Y	Y			Y	Y	Y	Y		Y	Y					
VII	Old Age Homes											Y						
VIII	Environment Balance			Y			Y	Y	Y			Y	Y	Y	Y	Y		
IX	Animal Welfare						Y						Y		Y	Y		
X	Infrastructure Support			Y	Y		Y	Y	Y	Y		Y	Y	Y				
XI	Inequality Reduction	Y	Y	Y	Y							Y					Y	
XII	Social Development				Y	Y			Y	Y		Y	Y	Y	Y	Y	Y	
XIII	Livelihood Enhancement	Y	Y									Y						
XIV	Capacity Building							Y	Y	Y			Y					
XV	Promotion of Art and Culture											Y						
XVI	Disaster Management											Y	Y					
XVII	Women Empowerment	Y		Y	Y	Y			Y			Y						

(VT = Vocational Training, SD = Skill Development, **: Includes reduction in Hunger

and Malnutrition)

Inferences

1. As the Companies prefer to Education and Health Care, out of 17 goals, only 6 goals are directed by the CSR activities.
2. Other CSR activities are in direction of general upliftment of the Poor and Unprivileged sections of the society, but do not have any connection with addressing gender and such inequalities.
3. The Companies spend on separately for making the technology safe, mitigating the risk etc. which are included in a separate report giving detail about Conservation of Energy. The authors have not taken it into consideration because they had not intended to do so which is clear from the objective part of the paper.
4. However, this point is mentioned here because the activities under that domain also have direction towards the achievement of SDGs. Those efforts are also much roundabout and not so specific with explicit connection to any SDG.

X. RECOMMENDATIONS

1 Linkage to Turnover

Table No 07: CSR spending linked to Turnover and differed liability
Rs in Crores

Accounting Year	Turnover	1% of Turnover	Expected CSR Spending	Actual Spent	Balance	Total Due
2018-19	200.00	2.00	2.00	1.50	0.50	0.50
2019-20	250.00	2.50	2.50	2.75	0.25	0.25

The suggestion is made with reference to the following grounds

- i. The companies form the trust and handover the funds to the trust.
- ii. The Trust embarks on long term projects and they run for quiet longer period than expected.
- iii. They remain incomplete because of shortage of funds which entirely depends on the profits of the company.
- iv. Such work in progress stage for a long period takes out the essence of the benefit for the beneficiaries.
- v. As suggested, when it is linked to turnover and committed as the obligation, in some way, the funds shall be assured to the project which would help the company to discharge their responsibility in more effective and efficient manner.

However, this suggestion of linking the turnover may induce the companies to come heavily on government. Thus, the authors are aware of this fact and further suggest that, there should be certain deliberations on % to Turnover and other related issues between the ministry of Company Affairs, Company Law Board and Federation of Indian Chamber of Commerce and Industries and other Associations.

In nutshell, the suggestion is with the spirit of commitment of funds for the rapid completion of the projects, in the best interest of the beneficiaries because CSR is not a static one but having its perpetuality until the

From the table 03, it is seen that CSR spending is not even 1% of turnover. It is suggested that it should be linked to turnover instead of profits. The Government may limit the volume of expenditure on CSR activities in differed manner.

2 Illustration:

XYZ Ltd has the turnover of Rs. 200 Crores, during the accounting year 2018-19. Then it should spend 1% i.e. Rs. 2.00 Crores if linked to turnover. In case, due to insufficient profits, if the company is in a position to spend only Rs. 1.5 Crores, then there should be a balance Rs. of 0.50 Crores kept unspent as liability to be discharged in the next year. This balance is to be bridged up in the future years when the profits would be enough.

Suppose for the next year, the turnover of the company is Rs. 250 Crores, then they need to spend Rs. 2.5 Crores of that year as well as Rs.0.50 Crores of the last year. In this year it spends Rs. 2.75 Crores, then the balance would be of Rs. 0.25 Crores. The company should set off, spending on CSR against such balance first and carry forward the balance which is to be covered along with the next year’s amount arrived at 1% of the next year’s turnover. The example is shown in the following table.

company is in existence. Finally, it should come after evolving the right consensus.

2 Evaluation by Investors

From table 04 it is seen that from the sample 50% Companies have spent less than budgeted volume. It is suggested that while evaluating the company, the investors should also look at the CSR Report with more gravity as it reveals the ethical stance of the company.

3 Preference to Public Health Research

It is suggested that these companies should spend on Public Health Research and Education much more as it would enhance the sustainable benefits and growth of the society.

4 CSR Activities and SDGs

a) Reference to SDGs in CSR report

The company should refer to the direction towards these goals which would make their information more meaningful.

b) Selection of sector and SDGs

While, selecting the sector of activities, the company can choose the sector which is not covered by other companies and can work for the same.

c) Exclusive approach

The Company can develop a strategy to work on single area or sector where they can focus and derive the benefits of concentrated efforts and specialization.

d) Consortium Approach

Instead of working alone, the companies can have a strategy of alliance (which they do for



Marketing and Technology), which would enable them to take bigger projects. Similarly, they can create synergic effect to the complete the projects before the deadlines.

This would result in enlarging the number of beneficiaries as well the different sections of the society.

e) Role of Chambers and Associations

In order to facilitate the alliance, Chambers and Associations can play a cartelistic role to generate a common platform which can be considered as CSR activity of such organizations.

In brief, if the suggestions are implemented with suitable alterations and modifications, then the companies would conduct the activities in more effective manner and in most pragmatic way

f) Details of activities.

The companies have mentioned main sector but they have not given any details of activities. The examples of such sector are Animal Welfare, Women Empowerment, Disaster Management, Livelihood Enhancement, Inequality Reduction etc.

It is suggested for clear comprehension of different stakeholders, the company should describe in detail the nature of activities against each sector to the best extent.

g) Legal to legacy approach

The government has prescribed the activities to be considered for CSR which are given under schedule VII to Companies Act 2013. From the matter given in the schedule it is noted that there is no reference to UNDP Sustainability Development Goals.

It is suggested both the government as well as the companies should take CSR activities not purely as legal compliance but moreover in the true spirit of legacy.

5 Health care and blood banks

From the list of activities under sector II given before do not include any spending on Blood Bank Activities. Considering the demand for the blood, the company should consider them with higher priority.

XI. CONCLUSION

Although mandatory, the companies are spending through the vehicle of CSR, which is worth of appreciation, need to build strategy of CSR (with reference to SDGs) and they should be more integrated approach and ways. This shall result into enlarging the benefits of poor and unprivileged sections of the society. The authors have attempted to look at CSR Strategy and building Philosophy

The same should be well spelt out the beginning of the report, to clear understanding of all the stakeholders.

LIMITATIONS

- 1 The number of companies can be increased which are limited to 10. However the paper is of conceptual nature and the number has not affected the scope of perspective view.
- 2 The data taken is only for one accounting year i.e. 2018-19

FURTHER SCOPE OF RESEARCH

1. The study can be conducted for other sectors, particularly service sectors
2. It can pertain to a block of 5 years and analysis can be made with more quantitative aspects regarding spending for CSR.
3. Comparative study can be conducted for different sectors like Manufacturing against Service Sector.
4. Post evaluation study for impact can be conducted for each sector domain according to spending of the company.

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