

Corporate Social Responsibility- a Study of Natco Pharma Ltd

M Suresh

M Sheerisha

Abstract

The concept of CSR is not new phenomenon in India, it has gained a great significance in business world over the decades. Corporate Social Responsibility is also termed as corporate conscience and corporate citizenship. The activities of CSR may vary from one organization to another depending on the availability of resources, nature and the environmental factors in which they are operating. Most of the businesses are integrating their business practices with social responsibilities for the sustainability and development in an empathetic way. The CSR practices benefits the environment, general public and even the company itself. Due to which CSR has become much significant in the business world. Therefore it has become immense an important part of every organization. CSR focused organizations would proactively safeguard and promote the public interest by encouraging the growth and development of the community. NATCO PHARMA LTD is fast growing pharmaceutical company. The commitment towards CSR activities covering social, economic and environmental aspects has led to sustainable growth of the company. This paper focuses on the CSR practices and programmes taken up by NATCO for promoting the public interest and society's well being.

Introduction

The concept of Corporate Social responsibility has become popular in the late 1960's and in the early 1970's with an objective of embracing responsibility for the company's actions and to generate a positive impact on the environment by its business activities. In the modern business scenario Corporate Social Responsibility has been given a prominent importance as a part of business activities which is known as corporate self regulation. CSR has become a new management strategy in the field of business for creating a positive impact on the business and the society. The concept of CSR integrates the companies' actions with social & environmental concerns into their business practices for the sustainability and development of the organization and society.

M Suresh, Academic Consultant, Dept of Commerce, Palamuru University.

M Sheerisha, Academic Consultant, Dept of Business Management, Palamuru University.

About NATCO

NATCO PHARMA LTD is one of the fast growing pharmaceutical companies. It was established in Hyderabad in the year 1981, with an investment of INR 3.3 millions. Its “mission is to manufacture and market affordable medicines that comply with global standards and to achieve market leadership in domestic as well as international markets”. NATCO today has five manufacturing facilities spread across India with dedicated modern research laboratories and capabilities in New Drug Development. NATCO family currently consisting of more than 2500 employees, they are consistently ranked among the fastest growing pharmaceutical companies in India. NATCO is well recognized for its innovations with Research and Development facilities in Pharmaceutical industry. They are able to utilize their collective professional experience for its transformation as a major player in the global pharma industry. NATCO is acclaimed by their customers for quality, performance and reliability. It is one of the few Indian Companies to venture into New Drug Discovery Research. Apart from these activities NATCO is giving a prime importance towards the social responsibilities and have initiated good number of programmes and activities for the well being of the society.

Need For the Study:

CSR is a self-regulating mechanism where business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. CSR encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere. CSR is becoming a ‘business necessity’ in the present scenario. So there is a need to study the concept of CSR. It has been proved that CSR focused business proactively promote public interest. NATCO Pharma limited is a leading Pharmaceutical company head quartered in Hyderabad which has a separate Corporate Social Responsibility division known as NATCO trust which clearly explains the importance of CSR activities in business. Hence the study has been carried out as a review of NATCO mainly concentrating on NATCO TRUST activities.

Objectives:

The objective of the paper is to study CSR practices adopted by NATCO PHARMA LTD.

Methodology:

The data was collected both from primary and secondary sources. The study has considered mainly in the areas of Mahaboobnagar, Rangareddy and Nalgonda districts where one can find major CSR activities of NATCO TRUST. Primary Data was collected from the NATCO Head office

located in Banjara hills, Hyderabad and also by interacting with some of the beneficiaries of NATCO CSR programmes. Secondary data has been collected from the sources like books, journals, research reports, magazines, manuals and news letter reports available.

Limitations of the study:

The present study is restricted to CSR activities at NATCO only and as such other aspects like material, finance, human resource, production, etc., fall outside the study. There are many organisations which are practicing CSR but the study is limited to NATCO. The data by the individuals during interaction will be based on the individual perceptions and may not be reliable.

NATCO CSR Programmes

NATCO TRUST is the corporate social responsibility division of NATCO Pharma Limited. It is based at Hyderabad, and deals with the issues of Health, Education, Sanitation, Water, Livelihoods, and Need Based Community Infrastructure. It works in and around Hyderabad, and in several areas of the Mahaboobnagar, Nalgonda, Warangal and Guntur Districts.

Health: NATCO Trust is committed to ensuring good health and the well being of the target communities. It attempts to improve the health seeking behavior of the communities regarding nutritious food, mother and child health, communicable diseases, preventive mechanisms through community based health services, and health education.

Nutrition centers: at Yerra cheruvu thanda, Nayakuni thanda, Thimmaiah palyam and Peddamunigala in Nalgonda Dist., Andhra Pradesh. The center provides nutritional supplementary food. Apart from the nutritious food, health education on breast-feeding, personal hygiene, institutional deliveries, family planning etc., are also provided.

School health checkups (General and dental): Periodic school health checkups have been conducted at Hyderabad and a cluster of villages at Nagarjuna Sagar, Nalgonda Dist., A.P. Free medical health checkups with free medicines have been provided to 2188 students at Nagarjuna Sagar and at Hyderabad 38 students identified with specific problems/ailments like cardio, hair, skin, eye etc., have been referred to government hospital at Nagarjuna Sagar and Gandhi hospital at Hyderabad, where our patient counselors facilitate their treatment and follow ups.

Community health and eye camps: specialized community health and eye camps have been conducted on a need basis at Peddamunigala, Kambalapally Gram panchayats of Chandhampet mandal and at Panagal and gudimalakapuram villages, Nalgonda Dist.

Natco Mobile Health Clinic (NMHC):

The Natco Mobile Health Clinic (NMHC) serves more than 5000 households with a population of more than 32000 in 17villages of Peddavura and Chandampet Mandals in Nalgonda Dist., A.P. on a rotation basis with a weekly schedule. It has all the basic equipment and free medicines are provided by it. Age wise people attended NMHC is given below.

Age-Wise:

Months	0-5yrs	6-10yrs	11-15yrs	16-35yrs	36-50yrs	51+yrs	Total
Apr	207	183	72	560	393	334	1749
May	230	246	135	829	522	497	2459
June	298	212	164	934	659	575	2842
July	411	294	211	1120	742	610	3388
Aug	425	375	264	1043	596	591	3294
Sep	346	333	138	731	353	524	2425
Oct	466	458	456	1619	1031	653	4683
Nov	214	243	209	596	363	298	1923
Dec	353	247	175	777	479	455	2483
Jan	319	348	215	763	624	523	2792
Feb	232	175	327	608	481	356	2179
Mar	237	171	479	592	388	414	2281
Total	3738	3285	2845	10172	6628	5830	32498

From the table it can be depicted that the total of 32,498 people have attended Natco mobile health clinic. In the month of October highest number (4683) of have attended the clinic and in the month of July 3388.

Responding to natural disastrous: The NMHC has responded very quickly and provided timely medical services to the flood victims at Mahaboobnagar and Kurnool districts, in which 2749 patients got benefitted in 11 villages of these Districts. Apart from the medical health services it has provided counseling to the flood affected families. An amount of Rs 20 lakhs was donated to the Chief Minister's relief fund, and the employees of Natco Pharma generously contributed one days' salary towards the relief fund.

Water: Most of the villages in Nalgonda districts are fluorosis affected (both dental and skeletal). This has a considerable impact on the quality of their life, hampering their everyday activities. Natco Trust has provided RO purified drinking water plants in 4 grama panchayats, namely Haliya (4000 LPH), Peddavura (2000 LPH), Peddamunigal (3000 LPH) and at Kambalapally 1000 LPH). 1268 households with a population of 8643 are catered to.

Education: We are committed to create enabling environment for children through education initiatives, and emphasis is laid on access, equity and quality of education by extending the need based support for appropriate infrastructure, skilled teachers, innovative teaching methodology and curriculum. We provide basic teaching learning materials for improving the learning competence of the children, in addition to these adapted innovative methods to make learning more interactive and participatory.

Natco School - Kothur Mahaboobnagar District

NATCO HIGH SCHOOL was established in 1995 with an objective of providing education to the children of the Natco employees in Kothur and as well as children of a few tribal villages/thandas around Kothur Today the School features activity oriented education with a holistic view mainly focused on imparting best education, which is a boon for the children of NATCO Employees as well as other people. The school strength soared up to 1167 and the number of staff has steadily been increased to 52 from 33 during the academic year.2009 - 10. Students have won first prize in Volleyball at the regional level and 2nd prize in Shot ball at the state level, in addition to other achievements

Support to Government schools:

Natco Government High School at Borabanda, Hyderabad

The Trust has entered a public private partnership with the district administration of Hyderabad to partner in the construction of a government primary and high school at Borabanda slum of Hyderabad Dist.

The Trust contributed 37% of the cost of construction and facilitated to get all necessary infrastructures like electricity, water, bore well, benches, desks, fans, lighting facility etc., as an outcome the school has become home for 1230 students starting from primary (450 students) to high school in Telugu and English mediums (780 students). In this academic year the School name has changed as Natco Government high school as per the GO No. Ms. 162, and the Trust has entered another agreement to support 10 more additional class rooms with a contribution of 20% of the total construction cost to meet the increasing demand for admissions

Libraries -Science and social labs: The Trust supported science lab equipments, social sciences and library materials to primary school at Nayanavani kunta thanda and government high school at Malakpet. It has been useful for more than 400 students, wherein the students were exposed to practical experience that facilitates them to understand and remember the subject thoroughly.

Environment: Community Kitchen Gardens (non pesticide management) :- The Trust has facilitated and supported 4 community kitchen gardens in 3 villages (Chenchuvani thanda, Nayakuni thanda and Thimmaiah palyam) to supplement the nutritious food to the beneficiaries of the nutrition center; it has been maintained by the beneficiaries. The community kitchen garden started yielding the crops, they have cultivated Brinjals and Snake guard, greens etc., they have earned an amount of Rs. 3000/- by selling the vegetables and used it for procuring the inputs

Sanitation: The pride of women has been enhanced and women started enjoying the privacy, the trust has taken up sanitation issue as a priority core area and motivated the community to construct the individual sanitation latrines (ISL), with the active participation of the community, 21 families constructed and using the ISL, the trust as a back end support extended Rs. 5000/- to each family and the rest has been contributed by the respective families

Youth Group: The Trust recognizes the significant role that youth have in achieving desirable social changes. Any community development programmes may be implemented effectively if the local youth are provided an opportunity to actively participate in various phases of programme management. The important prerequisite to ensure youth participation is that the youth are organized. Today there are three youth clubs, on an average, each club has around 20 members. With the supervision and motivation of the Trust, youth clubs not only organize various community activities like cleanliness drives, plantation drives etc., but also assist in planning and organizing various events and celebrations for the community members. Efforts made by these groups have also resulted in increased participation of adult community members in various Trust programmes.

Vocational training centers: The Trust has started 4 channels of vocational training centers at Hyderabad and Nagarjuna Sagar that is on Fashion designing (one at Hyderabad and the other one at Nagarjuna Sagar), Beauty parlor and computer course. 304 women got trained in different courses (Fashion designing 138, Beauty parlor 92, Computer course 73 and Driving course 1). Most of them are self employed and facilitated for 45 candidates to get wage employment in different organizations the average salary is Rs. 3500 per month. 7 beautician trainees are started their own beauty parlors in different locations and earning Rs. 5000 to 7000/- per month.

Outsourcing: The Trust has sponsored to 26 candidates (25 male and 1 female) to undergo driving course, all the candidates succeeded in getting the 4 wheeler driving licenses and 6 candidates are working as drivers in the cabs

Institutional and individual support: The Trust extends medicine support to different government hospitals, NGOs, Schools and need-based infrastructure to government hospitals. It also extended support to poorest of the poor individuals on life saving medical health services.

Findings: some of the important findings of the study are listed below

1. It has been identified that CSR encourages community growth and development.
2. 32,498 got benefited from the different activities of NATCO trust.
3. It has been found that CSR is becoming a 'business necessity 'in the present scenario.
4. CSR activities of business promote public interest.
5. CSR creates trustworthiness in society.
6. The total no. of benefited people by CSR activities are more in OCT-2009 because of the reason that many areas where flood affected and NATCO quickly responded to disaster.

Conclusion:

CSR has become one of the important managerial tools in promoting the business. CSR has become necessity on the part of every business organization and they need to focus on. As CSR-focused businesses would proactively promote the public interest (PI) by encouraging community growth and development, and voluntarily eliminating practices that harm the public sphere. The programmes and activities taken up by the Natco trust have benefited many of the people and proved efficient in promoting the public interest. Natco has served and serving at their best with a greater concern towards the development of the society and organization in turn. CSR has become one of the important managerial tools in promoting the business.

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