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## Aligning Corporate Social Responsibilities activities of Indian Companies with healthcare : Challenges and Opportunities

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**Abstract:** Corporate Social responsibility is the constant dedication by the companies to integrate environmental and social concerns in their corporate operations. India became the foremost country to legislate the requirement to undertake CSR projects and mandatorily report CSR activities under Companies Act, 2013. Today the standard of healthcare organizations in India has become very alarming. With the annual spending of resources on the healthcare sector remains among the lowest worldwide, it's high time to channel the focus on the vulnerable condition of public health across the globe. Though the government has the accountability to provide healthcare assistance to the citizens yet it will be very unfair to hold it accountable completely. The companies can do much more with their initiatives to support health care as a part of their 2% obligatory spending

### Introduction

Corporate Social Responsibility activities are bringing evolution to all the industry sectors which includes the healthcare sector. On the other hand, its role in handling sustainability issues is important to the implementation of a sustainable health. The healthcare sector is gradually taking up the subject and is working on the implementation of certain initiatives around the 3 pillars – environmental, social of CSR and more widely of sustainable development. Indian corporates can initiate to support healthcare according to their 2% obligatory spending. The main challenge is that significant spending focusses on building hospitals, health camps and contributing to public hospitals for the maintenance of such services. Health camps have a temporary arrangement and are number motivated. The health institutions and working hospitals are often inadequately pointed out. Over a period of time, a large number of India's CSR funds were channeled towards education and there has been a steady shift in the rising frontier of healthcare technology. This trend rose with the eruption of the Covid - 19, which created havoc on our existing healthcare services and came as a shocking revelation for many. The pandemic led a lot of Indian companies shifting their CSR focus towards healthcare over other sectors.

Today if we look directly, Sustainable Development Goals have only one goal dedicated to health namely SDG goal 3 and even this is articulated in a elaborate sweep: "Promoting healthy lives and well-being at all ages for all". However, all the other 16 goals also have a bearing on health and some of them are proximate and direct social determinants of health as powerful in their influence as anything that the health sector contributes. These include goal 1 which is to end poverty in every form, goal 2 on to attain food security and better nutrition, goal 4 to guarantee quality education, goal 5 on gender equity and goal 6 on clean water and sanitation for everyone. All the other SDGs also have an effect on health indirectly and some like goal 7 on cities have components or targets under them with more direct influence on health outcomes.

The healthcare system in India is ailing today as the doctors are not making any real development. The government exhaustion on healthcare is estimated to be about 1.5% of the GDP which is significantly lower in comparison to the other countries. Although life longevity has rose substantially, it's still lower than many countries. Private hospitals provide exceptional care but are beyond the affordability of most of population. Government hospitals are economical but are overcrowded with less sanitation and slow response from the hospital staff.

With the rising number of cases and finite resources accessible to meet the rising needs , both the government organisations and companies prompted to acknowledge. Their reaction saw roughly 26% of India's complete CSR spending in correspondence to Rs 5720 crores channeled towards financing healthcare in FY 2020-21.<sup>1</sup>Few states, for example, Gujarat reflected an unprecedented dedication to funding healthcare, allocating 55% of their total CSR spending to

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<sup>1</sup> Sunil Thakur, CSR: The Emerging Frontier Driving Innovation in Healthcare , The Economic Times , Published on March 22 , 2022.

healthcare sector in FY21 in comparison to 33% the preceding year. However, while this shift depicts an optimistic picture for financial assistance availability towards boosting our healthcare system, the actuality is that the healthcare industry is in desperate requirement of more than just the monetary capital. What we lack is the capability to adequately allocate resources towards innovation in healthcare, making health care easily accessible, economical and effective. As we move into a post-pandemic recovery phase, CSR has taken on a new priority with companies striving to create a noticeable impact. While CSR projects reflect great promise, to channelize these funds efficiently we need to make strategic pivots and shift our path towards advanced Corporate Social Responsibility completely.

### **Literature Review:-**

Health Care sector is that industry which addresses one of the basic needs of living organism. The literature review depicts that the subjects of sustainability and sustainable development goals have been researched by academicians in a finite way but CSR has been researched quite comprehensively as CSR of corporate organizations since the last three decades.

**Singh and Sharma (2015)**<sup>2</sup> in their research “Corporate social responsibility practices in India: Analysis of Public companies” discuss the regulatory structure and Corporate Social Responsibility approach carried out by public sector units like Gas Authority of India Limited and Coal India Ltd. The drives include skill development, women empowerment activities, education, health & sanitation facilities, development of vulnerable sector of society and remote advancement. It also follows the directions of obligatory proviso of contribution of 2% of the average gain of last 3 immediate previous financial years towards Corporate Social Responsibility drives. The research paper disclosed that the facts that these corporates are remarkably operating for CSR and they aren't only including drives under Section 135 of Indian Companies Act, 2013 but are also reaching past that.

**Chatterjee and Mitra (2017)**<sup>3</sup> in the research “CSR should contribute to the national agenda in rising economies - the Chatterjee Model” discussed that India has its own difficulties and dilemmas i.e. large society, quality education on one side and burden of developing and disturbed population on the other side. They created another model of Corporate Social Responsibility i.e. “The Chatterjee Model” which lays focus on projectivisation of CSR projects by big corporate institutions which guarantees full clarity and responsibility. There is a bigger requirement in India than in the foreign countries, build such systems that serve the societal requirements for medical assistance, quality education for all etc. It encourages that Corporate Social Responsibility should contribute to the national plan of the nation helping it to elaborate its shift from developing to an advanced developed country.

### **CONTRIBUTION OF INDIAN COMPANIES IN HEALTHCARE**

CSR in Healthcare includes agendas to build up healthcare sector and guarantee access to healthcare in the corporate sector. The mandatory CSR in India has reflected substantial indulgence in the healthcare system after 2013 making it the 2 most favourable sector for involvement after education by the Indian corporates. The involvement of the Indian companies has welcome doors for a better technology, services, equipment and finances which in turn has helped the citizens, specially in the rural arenas. Few of the best Corporate Social Responsibility drive embraced by corporates in providing extensive healthcare facilities during the time of Covid are as provided:

#### **Mitra Biotech – evolving economical personalised cancer treatment and drugs**

Earlier initiated as an educational program between Harvard University and Massachusetts Institute of Technology. Mitra Biotech was incorporated in India in 2009 by Dr Pradip K. Majumdar and Dr Mallik Sunderram. This adequately funded startup utilizes exclusive technology to research and develop economical personalised cancer treatment and drugs. Their trademark product is CANScript™, a multidimensional portal allowing investigative processes within the patient's tumour with great precision.<sup>4</sup>

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<sup>2</sup> Dr. Ashok Kumar Gupta, Dr. (Mrs.) Meenu Maheshwari and Ms. Pragya Gaur, Journal of Modern Management & Entrepreneurship (JMME), Corporate Social Responsibility Practices In India: A Review of Literature, Volume 07, No. 04, pp. 148-152, Published on Oct 04, 2017.

<sup>3</sup> India CSR, The Genesis of the CSR Mandate in India: Demystifying the ‘Chatterjee Model, Published on Nov 04, 2016.

<sup>4</sup> Ms. Beulah Jasmine Rao, International Research Journal of Engineering and Technology, Health Care Apps Defining Health – India, Volume: 07 Issue: 07, Published on Jul 07, 2020.

**Practo – establishing a one-stop healthcare platform**

It was initiated in 2007 as a SaaS podium for the medical professionals has over the last 10 years developed into a one-stop destination for appointments and consultations, medical history, insurance and purchasing medications online.<sup>5</sup> With a team of more than 1,500 people, the Bangalore based health-technology company is currently actively working in 38 Indian cities and in Brazil, Philippines, Singapore and Indonesia. With more than 1,00,000 doctors aiding the large mode of operations, Practo presently serves 25 million patients annually.

**Dozee: Health Parameters in Seconds**

Gaurav Parchani and Mudit Dandwate , IIT graduates in July 2019 introduced a health monitoring device, Dozee, which are put under a bed to obtain the body's micro vibrations. Till now, this company was concentrating on marketing it to substantially at risk patients and retired people, but the Covid unfurled fresh corporate opportunities.<sup>6</sup>

Soon this startup started receiving queries from a number of medical centers as it was an ideal fit for monitoring patients. The vitals for every patient would be updated acting as an assistance aid for nurses every 30 seconds. The data is gathered in today's time and can be surveilled from control room and reducing communications between health care professionals and patients. Re – adjustment in readings send alerts instantly to medical professionals or their family. Because of the shortage of Intensive Care Units, the high – tech has played a significant role in aiding by turning hospital space into provisional Intensive Care Units.

**Marut Dronetech: Drone-As-A-Service**

As the company was established in 2019, the team has been handling four main challenges: afforestation, agriculture, eradication of mosquito and medical delivery. It started operating since February on re-engineering current drones to aid fight the Covid-19. "The mosquito removal drone was twisted for spraying sanitisers for sanitisation, afforestation and diagnosis drones for surveillance and declaration and agriculture drones for thermal survey.

They partnered with rising high – tech wing of the Telangana government, Apollo medical centers and the World Economic Forum for medical deliveries. This company has observed its demand rising up by 300 percent after the pandemic. The Marut has of the 72 drones that close to 52 have been stationed for pandemic interventions. The company has currently planned to introduce more products in the agriculture drones for crop monitoring and a drone to aid afforestation.

**Landmark Judgements****In the case of Mangesh Salodkar vs. Monsanto Chemicals of India Ltd. (Writ Petition No. 2820 of 2003 )<sup>7</sup>**

There was a company which manufactured pesticides and because of the vulnerable working conditions a particular worker suffered from brain haemorrhage. Though he somehow survived but suffered this major illness of brain haemorrhage. He was compensated for Rs. 3 lakhs by the company for his medical bills but he filed a petition in the High court. The High Court appointed a Commission to scrutinize the working conditions of workers at the factory. During the pendency of the trial , the dispute between the workers and employer was resolved after the employer agreed to pay an additional Rs. 17. 80 lakhs to that employee and Rs. 7.40 lakhs to some of the others who were affected adversely. The Commission accordingly filed a report before the High Court. However, the court did intervene in some other aspects concerning the rights of employees to a safe work place, etc. The High Court held that the workers had a fundamental right to health at their work place.

**Consumer Education & Research Centre and Others Vs Union Of India and Others<sup>8</sup>**

A writ petition was filed under Article 32 of Constitution Of India by a Public Interest Litigation at the behest of the petitioner to fill in the gaps and remedial steps for the protection of the health of the workers engaged in mines and asbestos industries with adequate mechanism for timely diagnosis and control of the health hazard. The writ petition was allowed and the court directed : a ) All the industries were directed to maintain and keep the medical record of every worker upto a minimum

<sup>5</sup> Salvi Mittal , How Practo is leveraging ICT to transform healthcare , The Economic Times , Updated on Sep 05, 2021.

<sup>6</sup> Naini Thaker, 5 Indian companies addressing health care needs during Covid-19 , IndiaForbes ,Published on Jan 05, 2021.

<sup>7</sup> Writ Petition No. 2820 of 2003

<sup>8</sup> 1995 AIR 922

period of 40 years . b) All the factories whether covered by Employees State Insurance Act or Workmen's Compensation Act or otherwise are directed to compulsorily insure health coverage to each worker . c) If the workers are found to be suffering from occupational health hazards , every worker who is found positive is provided compensation by the factory or industry .

The Supreme Court held that the right to health and medical aid to protect the health and vigour to a worker while in service or post retirement is a fundamental right under Article 21 read with Article 39 ( e ) , 41 , 43 and 48( A) of Constitution Of India.

### CHALLENGES

The issues for the healthcare sector is to constantly evolve new routes to guarantee that the welfare of every patient remains the topmost priority and promote healthcare activities through CSR drives. There is a great need to actually follow CSR activities and ethical principles that would encourage equitable distribution of health care programs. There were CSR drives that would be attained by making the most critical health issues in a given society the major preference of health care companies.

- 1) **Lack of Clarity and Information:** Most of the corporates don't make sufficient attempts to divulge relevant information. This becomes an obstacle in trust building among companies. Transparency is pivotal for the success of any CSR drives. The Standing Committee on Finance has reflected that the information regarding CSR spending by corporates is inadequate and hard to access.
- 2) One of the main issues faced by the companies who wanted to exhaust their CSR funds is their incapacity to find competent. Non -government organizations for implementation and implementing NGOs who aren't able to find the suitable type of funder for their projects. Not all the companies continue with the same NGO to be on the reliable side.
- 3) Private healthcare can be expensive and may vary in quality and expenses of services in India. The public healthcare though much cheaper is not trustworthy enough. A balance between affordable healthcare and suitable standard is required. Technology can play a big role here.<sup>9</sup>
- 4) **Accessibility** - Healthcare is lacking particularly in rural areas. State discrepancies as in the case for most of the SDGs is also of note.
- 5) **Awareness** - Preventive care from diet to lifestyle are often underrated. In this way, education can play a crucial role in improving health results and reducing the pressure on healthcare facilities. Bansal et al. (2020) and Smilianov et al. (2020) state that in the context of post pandemic recovery there is a huge influence of Covid-19 for the consumer's buying behavior, health and economic growth. In such conditions the concept of SDGs should be considered in terms of global threats (Stukalo et al., 2021) because SDGs could be an effective tool for strategic planning and further development (Petrushenko et al., 2020; Brin & Nehme, 2021). In order to enhance the ability to manage the efficient management decisions there is a need for implementation of innovative financing approaches for sustainability of entities' performance (Lehenchuk et al., 2020; Chigrin et al., 2014). During 2016–2020, five forums on Financing for Development at the UN level were conducted. The last was focused on the significant and systematic lack of investment to achieve the SDGs. Summits in Addis Ababa (United Nations, 2015b) and New York (United Nations, 2015a), the Conference of the Parties (COP21) of the UN Framework Convention on Climate Change in 2015 (United Nations, 2015c) also discussed the issues of sustainable development financing, including new investment technologies and financial products, to bridge the existing gaps. There are more than 300 instruments of responsible investment, including both individual financial products and technologies (green and energy bonds) as well as the comprehensive restructuring of the FM on a responsible basis (capital market union agenda, circular economy finance support platform, and 2030 climate and energy framework) Bansal et al. (2020) and Smilianov et al. (2020) state that in the context of post pandemic recovery there is a huge influence of Covid-19 for the consumer's buying behavior, health and economic growth. In such conditions the concept of SDGs should be considered in terms of global

<sup>9</sup> Raghuram Bommaraju Ratna Geetika And DVR Seshadri , Private equity in healthcare a blessing or bane? , Published on Jul 30, 2021.

threats (Stukalo et al., 2021) because SDGs could be an effective tool for strategic planning and further development (Petrushenko et al., 2020; Brin & Nehme, 2021). In order to enhance the ability to manage the efficient management decisions there is a need for implementation of innovative financing approaches for sustainability of entities' performance (Lehenchuk et al., 2020; Chigrin et al., 2014). During 2016–2020, five forums on Financing for Development at the UN level were conducted. The last was focused on the significant and systematic lack of investment to achieve the SDGs. Summits in Addis Ababa (United Nations, 2015b) and New York (United Nations, 2015a), the Conference of the Parties (COP21) of the UN Framework Convention on Climate Change in 2015 (United Nations, 2015c) also discussed the issues of sustainable development financing, including new investment technologies and financial products, to bridge the existing gaps. There are more than 300 instruments of responsible investment, including both individual financial products and technologies (green and energy bonds) as well as the comprehensive restructuring of the FM on a responsible basis (capital market union agenda, circular economy finance support platform, and 2030 climate and energy framework)

As we come closer to 2030, it's getting noticeable that countries would really need to put more time, energy and towards their SDG goals provided that they are already lacking behind in some of their 2020 agendas. At this situation where there was already shortfall in financing the SDGs, the Covid-19 will cost an additional US\$ 3 trillion.<sup>10</sup> There is an opportunity cost attributed to a postponement in SDG investments as the cost starts to grow up further given a lesser time to realise the worth. Further the current ongoing postponement continues to cause social, economical and environmental concerns compounding the effect and pushing the agendas to move away further.

The Sustainable Development Goals are interconnected and need a global route by all the countries which reflects that we can't only pick a few to act. Our fragile health care systems that deals with the ongoing crisis not only raises issues in attaining worldwide health targets but also threatens to put about 11 million people into poverty as per World Bank's Report causing a delay in other SDGs thereby creating a vicious cycle.

- 6) **India's rank is 121<sup>st</sup> in SDG Index 2022**<sup>11</sup> and it's very alarming to notice that our rank is extremely low among the South Asian countries. We have made a lot of advancement under the SDG Goals. However, it's a revelation to observe that even with this advancement, we are still lacking behind. For example, we still have the burden of Tuberculosis in the world hindering our overall health agendas. Expecting women remain at the exposure of passing away between the 3 trimester and the first week after delivery. Hemorrhage is the major reason of maternal mortality and it can be prevented by guaranteeing timely access to obstetric healthcare facilities. The issue in capturing maternal deaths owe to factors such as misclassification of reasons of maternal deaths, low reporting of maternal deaths, , lack of huge samples to produce current estimates.<sup>12</sup>

## Conclusion

Given the magnitude of the corporate organizations in India, a more effective engagement with private health care providers is the need of the hour today. While the healthcare system in India is distinguished by huge disparities in quality standard across remote and urban arenas, corporates play a significant part in balancing the gap and guaranteeing fair and affordable availability to the healthcare services.<sup>13</sup> Corporate Social Responsibility agendas today are not only *philanthropy* but a conscious attempt by the corporates to bring a real change to the society. In future the mentioned CSR directions that would eventually build up the Indian healthcare system in more than one approach .

<sup>10</sup> United Nations, Financing for Sustainable Development Report 2022 , Department of Economic and Social Affairs , Published on Apr 2022.

<sup>11</sup> Kiran Pandey, India's SDG preparedness ranking continues to decline: Report, Published on Jun 06, 2022.

<sup>12</sup> Sustainable Development Report 2022, From Crisis to Sustainable Development, the SDGs as Roadmap to 2030 and Beyond , Published on Jun 02, 2022.

<sup>13</sup> World Health Organization , India health system review , Published on Mar 30, 2022.

Going forward, we can anticipate healthcare Corporate Social Responsibility agendas to be revolving around development in healthcare technologies. Easy availability and economical healthcare still remains a challenge and technology can bridge this difference specially in remote and semi urban arenas. The Government of India today is focussing on expanding technology as part of the digital India agendas and this could boost corporates to marshal funding towards machine learning and AI to boost the development of technology in healthcare. Telemedicine is another area that might witness substantial improvements with the contribution of the corporate sector. Remote determination and treatment of patients and providing affordable medical electronics and generic medicines could take centre stage for CSR agendas.

Achieving Sustainable development goals need investment contributions from public and private sectors. However, an annual financial gap persists in SDG corresponding sectors and in sectors like education and health care, the potential for rising corporate sector participation is difficult because these are public services accountability which are sensitive to corporate sector's goals. <sup>14</sup>For India to achieve the Sustainable Development Goal 3, it will firstly have to attain Health Index comprising of health standard of population, quality of healthcare organizations and monetary instruments for access to healthcare of 0.9. India will require roughly 55 lakh crores rupees till 2030 to attain this value of health Index. A financial gap of around 19 lakh crores rupees is projected for public health expenditures.

India is looking forward towards attainment of SDGS, a change in the strategy paradigm which includes more attention on implementation along with constant monitoring and evaluation of current programmes is important and further policy paradigm involves a shift to interventions which guarantees horizontal and vertical equality in health care. The government must give more attention upon the marked groups and ensure that they get access to not only an effective healthcare system but also to basic education and nutrition and these factors in turn would guarantee greater efficacy of the National Health Mission as a strategy and would aid India to reach and attain its healthcare goals. While the direction and equipments on integrating and reporting on the Sustainable Development Goals continue to grow, the corporate case for corporates is very accurate. Corporates that are not structuring their programmes with SDGs are likely to experience rising stakeholder scrutiny and risk failing accessibility to capital and new market chances, driven by investors' directions to allocate capital to renewable business. From providing vaccination tools for employees and their families to spreading consciousness about hygiene and cleanliness, the companies have collaborated with government organizations to improve the deficiencies in the system. As we gradually move towards the post Covid recovery stage, the companies are geared towards strengthening Indian healthcare to prepare the country for forthcoming crises.

The Public Private Partnership (PPP) model in India has seen success in other areas such as infrastructure, energy, education, urban development, tourism, and more. It can be the panacea to India's healthcare challenges as well. PPP in healthcare has the potential to resolve the issues and ensure healthcare inclusion for the Indian masses. Starting with smaller projects and driving success for the same can help build credibility and get buy-in from all stakeholders.

The adoption of technology has massively transformed the healthcare space in India in the past few decades, with the pandemic further accelerating the trend. What will the space look like in 2047, when India completes 100 years of independence? While it is difficult to accurately predict where the space will be, it is possible to spot a few trends that have emerged post-Covid-19. For instance, people have become conscious of leading a healthy lifestyle and are ready to spend more on preventive health. Covid-19 also stretched healthcare infrastructure and service delivery to their limits, setting the stage for more investments and the inclusion of advanced technology to combat future pandemics and existing life-threatening diseases.

## Recommendations

Corporate Social Responsibility has got a new definition post Covid as corporates work towards creating a longer tenure of impact. There are a some healthcare Corporate Social Responsibility trends that will shift the country's healthcare landscape which are<sup>15</sup>:

- 1) Moving forth, the instant focus on the country should be the ability to stop spreading of pandemic which will have very positive outcome on the economy. There is a requirement to raise costs on public health to maintain sufficient supplies to handle the pandemic issues,

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<sup>14</sup> United Nations, Transforming our world: the 2030 Agenda for Sustainable Development, Department of Economic and Social Affairs, <https://sdgs.un.org/2030agenda>.

<sup>15</sup> Sidharth Choudhary, Vasundhara Singh & Anusha Bhagat, The changing landscape of CSR in India during COVID-19. Last Updated on Sep 03, 2020.

medications, medical supplies for the medical professionals, more health centers and more hospitals.

- 2) **Bringing down doctors to rural arenas:** Provided that the corporates are already operating medical centers near their plants and have their accessibility to better assets than the government, they should give extra perks to medical professionals for working in rural areas assisting the healthcare sector wherein it is intensely required.
- 3) **Rise in the quantity of qualified doctors:** India has a noticeable scarcity of medical professionals and more significantly well qualified medical professionals. Corporates could subsidize medical education for promising young students. They can also jointly partner with current medical universities for growth of facilities, upgradation of teaching methodologies and providing availability to medical information.<sup>16</sup>
- 4) **Providing paramedics professionals with elementary medical training :** The notion of barefoot doctors i.e. medical assistants with basic medical training have been successful in China. The agriculturists are given elementary medical and para-medical training and function within the society. They additionally supplement the public health sector. Corporates can get engaged in training paramedics worker and also hired them to work in remote arenas.
- 5) **Reducing the treatment expenses :** Corporates can extend a substantial amount of support to the society with the help of medical insurance. Due to the steepness of expenses of health care treatment specially for the underprivileged, corporates could promote medical insurance in a brand agnostic approach. Corporates get engaged with pharmaceutical companies to provide a circulation of relatively economical medication. The expenses can be driven down further if corporates come jointly together to purchase medicines.<sup>17</sup>
- 6) **To advertise conventional medicines:** The conventional medicinal structure under the leadership of Ministry of AYUSH requires advertisement which will be a great supplementary to the healthcare sector. Corporates are a support system to these supplementary medicational sectors.
- 7) **Follow up on health check ups:** Corporates invest largely in medical treatment centers. The requirement is to track if the results of medical centers making people to take a follow up on their medical results .
- 8) **To aid mental health problems along with the physical health problems :** The government and corporates jointly give attention to only physical health problems. There is a higher requirement to focus more on any kind of mental health issues, autism and such kind of medical conditions.<sup>18</sup>

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<sup>16</sup> N. Rana & U. Majmudar, How CSR can help improve healthcare , The Economic Times, Updated on Mar 17, 2017.

<sup>17</sup> Sneha Kulkarni, List of Indian Pharma Companies Producing Covid-19 , Last updated on May 3, 2021. Vaccines<https://www.goodreturns.in/personal-finance/planning/list-of-indian-pharma-companies-producing-covid-19-vaccines-1209229.html>

<sup>18</sup> Sidharth Choudhary , Vasundhara Singh & Anusha Bhagat, The changing landscape of CSR in India during COVID-19, Strategic Investment Research Unit , Published on Sep 03, 2020.