



# A COMPARATIVE STUDY OF CSR CONTRIBUTION FOR HEALTH & SANITATION

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## ABSTRACT

The Companies Act 2013 has mandatory for corporate to spend 2% of the average profits towards Corporate Social Responsibilities. The purpose of this study is to analyze the CSR contribution for health and sanitation. The study is to know corporate social responsibility contribution for health and sanitation of selected Maharatna and Navaratna CPSEs in India and in order to analyze the position of the individual companies are to be calculated and also analyze allocated CSR contribution for health and sanitation. The researcher has selected each five Maharatna and Navaratna CPSEs in India are examined. The result of this study is no significant difference between the ranks of each Maharatna and Navaratna CPSEs.

**Keywords:** Companies Act, Corporate Social Responsibility, Maharatna, Navaratna, CPSEs, Health and Sanitation,

## 1.1 INTRODUCTION

The general perception of the term, 'Corporate Social Responsibility', is that business has a commitment to society, which extends beyond its limited obligation to its owners or shareholders. On 20<sup>th</sup> century, Howard R. Bowen's book 'Social Responsibilities of Businessman' published in 1953, which was the origin of discussion on the subject. Since, the topic of corporate social responsibility has been explored broadly.

On April, 2014, India became the first country to lawfully mandate corporate social responsibility. The Section 135 of India's Companies Act, 2013 to make it mandatory for companies of a certain turnover and profitability to spend two percent of their average net profit for the past three years on CSR. The Companies Act, which specifies that CSR activities should be initiated only in "project" mode, gives detailed guidelines regarding what kinds of activities are eligible across various categories. The CSR activities includes eradicating hunger, promoting health care, improvement in education, improving gender equality, environmental sustainability, protection of national heritage, armed forces veterans, training to rural sports, contribution to PMCARES, contribution to research and development, contribution to public funded Universities, rural development projects, slum area development and disaster management.

The Companies Act, 2013 CSR Rules are applicable to all corporate, including CPSEs. Central Public Sector Enterprises (CPSEs) are placed under three main categories based on their financial liberty. These categories are Maharatna, Navaratna, and Miniratna. In this research paper focused on CSR contribution for health and sanitation by the selected Maharatna and Navaratna CPSEs in India.

## 1.2 REVIEW OF LITERATURE

**Kiruthika et al. (2021)**<sup>1</sup> study is to examine corporate spending patterns on CSR activities during the period of voluntary spending and, based on the findings, determine whether including such a provision in the act was necessary. The sample consists of companies listed on the BSE and NSE Sensex in 2020. The study is done on the basis of the number of companies that spend on CSR, the details of CSR expenditure, the amount of CSR spending as a percentage of sales and profits for each year, and an overall basis. During the voluntary spending phase, CSR spending was very low as a percentage of revenue and profits, according to the analysis. The researchers chosen by public and private companies are CSR investments in education. The majority of companies invested in CSR in education and other categories such as corona issues, environmental issues, and so on.

**Prabhakar (2020)**<sup>2</sup> his study carried out Corporate Social Responsibility of Selected Maharatna Companies in India. CSR Expenditure by Companies in FY 2019 During the study period, Hindustan Petroleum Corporation Ltd, Power Gird Corporation of India Ltd, NTPC Ltd, and Oil and Natural Gas Corporation Limited are very good performers for pay amount in CSR and better performance of CSR spent for different development sectors, whereas Bharat Heavy Electricals Ltd is very low performer for pay amount in CSR and decrease amount in CSR every year and not good performance of CSR spent for different development sectors.

## 1.3 OBJECTIVES OF THE STUDY

The following are the objectives of the study;

- To study the concept of CSR under the Companies Act, 2013
- To examine average Net Profit, prescribed CSR, actual CSR contribution and CSR contribution for health and sanitation by selected Maharatna and Navaratna CPSEs in India.
- To comparative study of CSR contribution for health and sanitation by Maharatna and Navaratna CPSEs in India.

## 1.4 METHODOLOGY

The study is completely based on secondary data. The data is collected from the selected Maharatna and Navaratna CPSEs annual reports, National CSR portal, research papers, articles, journals, magazines, etc.,

### 1.4.1 SAMPLE DESIGN OF THE STUDY

The sample of each five Maharatna and Navaratna CPSEs has been selected on the basis of availability of data for five years. The following selected Maharatna and Navaratna CPSEs have been selected for the study:

Sl.No	Maharatna CPSEs	Navaratna CPSEs
1	Bharat Heavy Electricals Limited (BHEL)	Bharat Electronics Limited (BEL)
2	Hindustan Petroleum Corporation Limited (HPCL)	National Aluminium Company Limited (NALCO)
3	Gas Authority of India Limited (GAIL)	National Buildings Construction Corporation Limited (NBCC)
4	Bharat Petroleum Corporation Limited (BPCL)	Container Corporation of India Limited (CONCOR)
5	Oil and Natural Gas Corporation (ONGC)	Hindustan Aeronautics Limited (HAL)

### 1.4.2 STATISTICAL TOOLS EMPLOYED

The researcher has used mean and standard deviation. The Mann-whitney U-test has been employed to find out the relationship between selected Maharatna and Navaratna CPSEs with respect to CSR contribution for health and sanitation.

### 1.4.3 PERIOD OF THE STUDY

The study period covered five years from 2016-17 to 2020 – 21. The collected information is related to this period only.

### 1.5 MAHARATNA COMPANIES:

**Table No. 1.5.1 CSR Contribution of Bharat Heavy Electricals Limited (BHEL)**

(Rs. in Crores)

Year	Average Profit	Prescribed CSR	Actual CSR	Health & Sanitation
2016-17	1,874.21	37.48	37.50	0.45
2017-18	517.58	10.35	10.40	0.22
2018-19	333.29	6.67	16.01	8.40
2019-20	1,439.99	28.80	35.12	1.41
2020-21	1009.00	20.18	14.42	1.60
<b>Mean</b>	<b>1034.81</b>	<b>20.70</b>	<b>22.69</b>	<b>2.42</b>
<b>SD</b>	<b>570.80</b>	<b>11.42</b>	<b>11.30</b>	<b>3.04</b>

Source: Compiled Data

From the above table shows that the mean value of average profit (1034.81), prescribed CSR (20.70), actual CSR (22.69) and health & sanitation (2.42). The standard deviation value of average net profit (570.80), prescribed CSR (11.42), actual CSR (11.30) and health & sanitation (3.04).

**Table No. 1.5.2 CSR Contribution of Hindustan Petroleum Corporation Limited (HPCL)**

(Rs. in Crores)

Year	Average Profit	Prescribed CSR	Actual CSR	Health & Sanitation
2016-17	4,145.04	82.90	107.90	11.76
2017-18	6,318.78	126.38	126.38	15.24
2018-19	7,942.93	158.86	158.86	44.52
2019-20	9,106.72	182.13	182.13	61.97
2020-21	6,498.59	129.97	129.97	27.37
<b>Mean</b>	<b>6802.41</b>	<b>136.05</b>	<b>141.05</b>	<b>32.17</b>
<b>SD</b>	<b>1673.23</b>	<b>33.46</b>	<b>26.24</b>	<b>18.80</b>

Source: Compiled Data

From the above table shows that the mean value of average profit (6802.41), prescribed CSR (136.05), actual CSR (141.05) and health & sanitation (32.17). The standard deviation value of average net profit (1673.23), prescribed CSR (33.46), actual CSR (26.24) and health & sanitation (18.80).

**Table No. 1.5.3 CSR Contribution of Gas Authority of India Limited (GAIL)**

(Rs. in Crores)

Year	Average Profit	Prescribed CSR	Actual CSR	Health & Sanitation
2016-17	4074.00	81.48	92.16	12.95
2017-18	3483.50	69.67	91.65	27.12
2018-19	4360.64	87.21	119.29	44.84
2019-20	6,239.37	124.79	125.30	43.81
2020-21	7095.48	141.91	147.67	23.27
<b>Mean</b>	<b>5050.60</b>	<b>101.01</b>	<b>115.21</b>	<b>30.40</b>
<b>SD</b>	<b>1376.98</b>	<b>27.54</b>	<b>21.25</b>	<b>12.28</b>

Source: Compiled Data

From the above table shows that the mean value of average profit (5050.60), prescribed CSR (101.01), actual CSR (115.21) and health & sanitation (30.40). The standard deviation value of average net profit (1376.98), prescribed CSR (27.54), actual CSR (21.25) and health & sanitation (12.28).

**Table No. 1.5.4 CSR Contribution of Bharat Petroleum Corporation Limited (BPCL)**

(Rs. in Crores)

Year	Average Profit	Prescribed CSR	Actual CSR	Health & Sanitation
2016-17	7957.09	159.14	218.21	95.24
2017-18	9,166.48	183.33	310.56	132.47
2018-19	10,165.92	203.32	350.19	187.52
2019-20	9,948.82	198.98	371.23	196.79
2020-21	6,812.60	136.25	144.9	21.78
<b>Mean</b>	<b>8810.18</b>	<b>176.20</b>	<b>279.02</b>	<b>126.76</b>
<b>SD</b>	<b>1332.88</b>	<b>25.27</b>	<b>85.15</b>	<b>64.25</b>

Source: Compiled Data

From the above table shows that the mean value of average profit (8810.18), prescribed CSR (176.20), actual CSR (279.02) and health & sanitation (126.76). The standard deviation value of average net profit (1332.88), prescribed CSR (25.27), actual CSR (85.15) and health & sanitation (64.25).

**Table No. 1.5.5 CSR Contribution of Oil and Natural Gas Corporation (ONGC)**

(Rs. in Crores)

Year	Average Profit	Prescribed CSR	Actual CSR	Health & Sanitation
2016-17	26,783.46	535.67	526.00	91.99
2017-18	2,435.20	48.70	50.34	20.00
2018-19	24,010.39	480.21	61.46	10.05
2019-20	28,590.70	571.81	571.81	98.75
2020-21	26,938.61	538.77	553.07	305.42
<b>Mean</b>	<b>21751.67</b>	<b>435.03</b>	<b>352.52</b>	<b>105.24</b>
<b>SD</b>	<b>9769.58</b>	<b>195.39</b>	<b>242.65</b>	<b>106.41</b>

Source: Compiled Data

From the above table shows that the mean value of average profit (21751.67), prescribed CSR (435.03), actual CSR (352.52) and health & sanitation (105.24). The standard deviation value of average net profit (9769.58), prescribed CSR (195.39), actual CSR (242.65) and health & sanitation (106.41).

## 1.6 NAVARATNA COMPANIES:

Table No. 1.6.1 CSR Contribution of Bharat Electronics Limited (BEL)

(Rs. in Crores)

Year	Average Profit	Prescribed CSR	Actual CSR	Health & Sanitation
2016-17	1,485.96	29.72	11.64	0.54
2017-18	1,737.69	34.75	14.39	0.05
2018-19	1,771.37	35.43	24.16	0.54
2019-20	2,155.18	43.10	31.17	10.30
2020-21	2,323.91	46.48	22.79	2.43
<b>Mean</b>	<b>1894.82</b>	<b>37.90</b>	<b>20.83</b>	<b>2.77</b>
<b>SD</b>	<b>338.75</b>	<b>6.77</b>	<b>7.87</b>	<b>4.30</b>

Source: Compiled Data

From the above table shows that the mean value of average profit (1894.82), prescribed CSR (37.90), actual CSR (20.83) and health & sanitation (2.77). The standard deviation value of average net profit (338.75), prescribed CSR (6.77), actual CSR (7.87) and health & sanitation (4.30).

Table No. 1.6.2 CSR Contribution of National Aluminium Company Limited (NALCO)

(Rs. in Crores)

Year	Average Profit	Prescribed CSR	Actual CSR	Health & Sanitation
2016-17	1,378.10	27.56	30.01	3.34
2017-18	1,393.78	27.88	29.01	18.32
2018-19	1,369.16	27.38	30.35	5.90
2019-20	1,917.31	38.35	39.71	10.89
2020-21	1,670.77	33.42	35.00	4.59
<b>Mean</b>	<b>1545.82</b>	<b>30.92</b>	<b>32.82</b>	<b>8.61</b>
<b>SD</b>	<b>242.94</b>	<b>4.86</b>	<b>4.49</b>	<b>6.14</b>

Source: Compiled Data

From the above table shows that the mean value of average profit (1545.82), prescribed CSR (30.92), actual CSR (32.82) and health & sanitation (8.61). The standard deviation value of average net profit (242.94), prescribed CSR (4.86), actual CSR (4.49) and health & sanitation (6.14).

Table No. 1.6.3 CSR Contribution of National Buildings Construction Corporation Limited (NBCC)

(Rs. in Crores)

Year	Average Profit	Prescribed CSR	Actual CSR	Health & Sanitation
2016-17	386.83	7.74	7.74	4.70
2017-18	438.21	8.76	8.96	2.89
2018-19	475.48	9.51	9.79	3.14
2019-20	516.18	10.32	5.75	3.51
2020-21	385.27	7.71	4.12	0.90
<b>Mean</b>	<b>440.39</b>	<b>8.81</b>	<b>7.27</b>	<b>3.03</b>
<b>SD</b>	<b>56.76</b>	<b>1.14</b>	<b>2.33</b>	<b>1.38</b>

Source: Compiled Data

From the above table shows that the mean value of average profit (1034.81), prescribed CSR (20.70), actual CSR (22.69) and health & sanitation (2.42). The standard deviation value of average net profit (570.80), prescribed CSR (11.42), actual CSR (11.30) and health & sanitation (3.04).

**Table No. 1.6.4 CSR Contribution of Container Corporation of India Limited (CONCOR)**  
(Rs. in Crores)

Year	Average Profit	Prescribed CSR	Actual CSR	Health & Sanitation
2016-17	1213.22	24.26	24.45	5.15
2017-18	1,261.00	25.22	26.75	5.09
2018-19	1,293.74	25.87	16.22	5.77
2019-20	1,406.74	28.13	22.89	10.21
2020-21	1,493.37	29.87	45.82	3.90
<b>Mean</b>	<b>1333.61</b>	<b>26.67</b>	<b>26.68</b>	<b>6.02</b>
<b>SD</b>	<b>114.27</b>	<b>2.29</b>	<b>11.82</b>	<b>2.44</b>

Source: Compiled Data

From the above table shows that the mean value of average profit (1333.61), prescribed CSR (26.67), actual CSR (26.68) and health & sanitation (6.02). The standard deviation value of average net profit (114.27), prescribed CSR (2.29), actual CSR (11.82) and health & sanitation (2.44).

**Table No. 1.6.5 CSR Contribution of Hindustan Aeronautics Limited (HAL)**  
(Rs. in Crores)

Year	Average Profit	Prescribed CSR	Actual CSR	Health & Sanitation
2016-17	3346.22	66.92	67.96	3.48
2017-18	3,320.69	66.41	73.78	4.81
2018-19	3371.00	67.42	72.46	2.16
2019-20	3,483.00	69.66	78.34	1.63
2020-21	3595.48	71.91	90.52	3.81
<b>Mean</b>	<b>3423.28</b>	<b>68.47</b>	<b>76.61</b>	<b>3.18</b>
<b>SD</b>	<b>114.47</b>	<b>2.29</b>	<b>8.61</b>	<b>1.28</b>

Source: Compiled Data

From the above table shows that the mean value of average profit (3423.28), prescribed CSR (68.47), actual CSR (76.61) and health & sanitation (3.18). The standard deviation value of average net profit (114.47), prescribed CSR (2.29), actual CSR (8.61) and health & sanitation (1.28).

## 1.7 COMPARATIVE STUDY OF SELECTED MAHARATNA AND NAVARATNA CPSEs IN INDIA

### Hypothesis

Ho = There is no significant difference between the ranks of each Maharatna and Navaratna CPSEs.

H1 = There is a significant difference between the ranks of each Maharatna and Navaratna CPSEs.

**Table No. 1.7.1 Mann-Whitney U-test**

MAHARATNA CPSEs			NAVARATNA CPSEs		
Company	Mean Value of	Rank	Company	Mean Value of	Rank
	Health & Sanitation			Health & Sanitation	
BHEL	2.42	10	BEL	2.77	9
HPCL	32.17	2	NALCO	8.61	4
GAIL	30.4	3	NBCC	3.03	8
BPCL	126.76	1	CONCOR	6.02	5
ONGC	5.27	6	HAL	3.18	7
		<b>22</b>			<b>33</b>

Source: Computed Data

**Mann-Whitney-U-test Computation:**

$$U_1 = R_1 - \frac{n_1(n_1 + 1)}{2}$$

or

$$U_2 = R_2 - \frac{n_2(n_2 + 1)}{2}$$

$$= 5*5 + 5(5+1) / 2 - 22$$

$$= 25+15-22$$

U stat = 18

Mean =  $n_1+n_2 / 2$

$$\mu = 5+5/2 = 5$$

$$\text{Variance } \sigma_u = n_1 n_2 (n_1+n_2+1) / 13$$

$$= 5*5 (5+5+1) / 13$$

$$= 21.15$$

$$= U - \mu / \sigma_u$$

$$= 18 - 5 / 21.15$$

**p = 0.615**

The p value (0.615) of the variables of selected Maharatna and Navaratna CPSEs are more than 0.05, at the 5% level of significance. Hence, null hypothesis is accepted. There is no significant difference between the ranks of each Maharatna and Navaratna CPSEs.

**1.8 CONCLUSION**

This paper to study on A Comparative Study of CSR Contribution for Health & Sanitation of Selected Maharatna and Navaratna CPSEs in India. An importance of sanitation in the world that is fight to break the rapid spread of COVID-19 cannot be stressed enough. Sanitary practices directly affect the health of every individual. Sanitary creates a crucial role for India. Sanitation is not just about social development and also economic development. Bharat Petroleum Corporation Limited is more contribution for health and sanitation between other selected companies.

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