

# **IMPACT OF CORPORATE SOCIAL RESPONSIBILITY ON FIRMS FINANCIAL PERFORMANCE IN AUTOMOBILE INDUSTRY OF PAKISTAN**

**BY**

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**Supervisor-Student Meeting Record**

No.	Date	Place of Meeting	Topic Discussed	Signature of Student
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## ABSTRACT

**Purpose:** This study is conducted with the aim of understanding the impact of CSR on CFP in Automobile industry of Pakistan. The study wants to identify and evaluate each variable of CSR and its implication with respect to selected industry. Furthermore, the research has been conducted to understand the significance of CSR that why companies involve this factor in their business operations.

**Research Methodology:** The nature of this research is exploratory since it is based on annual reports of the companies and some previous researches. The research includes three different companies of Automobile industry of Pakistan that are Indus motors, Atlas Honda, and Pak Suzuki. Previous annual reports are analysed to collect required data. Furthermore, in order to critically evaluate the empirical results, regression model is used. As this study contains single dependent and independent variable, regression model provides fair results.

**Findings of the Research:** In this research study linear regression technique is used to analyze the impact of each variable of CSR on the profitability of the selected companies using net income, return on assets and return on equity. The research aims to understand the impact of each CSR variable therefore, several hypotheses were created regarding each variable i.e. donations, WWF, and WPPF. However, the results varied from company to company. On the other hand, when the research identifies the impact of overall CSR on each company's profitability all alternate hypothesis regarding positive relationship between CSR and CFP (ROA, ROE, and NI) were accepted with significant value less than .05.

**Practical Implications:** Selected firms in Automobile sector of Pakistan comparatively use CSR approach to attain and realize higher profits i.e. high net income, ROA, EPS, and ROE. The high proportion of CSR can lead towards continuous financial benefits

**Keywords:** Donations, Workers welfare fund, Workers profit participation fund, return on Assets, Return on Equity, and Net Income.

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