

**EFFECT OF CSR ON FINANCIAL PERFORMANCE OF SELECTED
MANUFACTURING INDUSTRIES IN INDIA**

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Abstract

This study investigated the Effect of CSR on Financial Performance of Select Manufacturing Industries in India. The population comprised of 52 manufacturing companies in India stratified into four industries. Stratified random sampling techniques were used to select the sample of 52 companies from the four different industries of the manufacturing sector. A sample of companies has been selected on the basis of availability of data for 10 years and the necessary data have been obtained from CMIE data base. This study examines how Effect of CSR on Financial Performance is managed at select industries in India and Statistical techniques like Paired 't' test and Regression analysis have been employed in order to examine the Effect of CSR on Financial Performance. It is a starting-point for further research in Corporate Social Responsibility Initiatives. The paper is of value to the researcher and practitioners of corporate social responsibility. The study would help others companies who yet to start CSR and to actualize their CSR interventions.

KEYWORDS: Net worth, CSR, Effect, Financial Performance.

EFFECT OF CSR ON FINANCIAL PERFORMANCE OF SELECT MANUFACTURING INDUSTRIES IN INDIA

INTRODUCTION

Corporate Social Responsibility (CSR) can take many forms, including philanthropy, community engagement, sustainable business practices, and ethical behavior. It encourages companies to be more responsible and accountable to society and the environment, and to use their resources and influence to create positive change in the world.

CSR can make a huge difference in underrepresented sectors and geographical locations. While different companies bring different sets of expertise to the table – when resources are combined, much more can be done. Leveraging technology to improve outcomes is becoming more a norm than an exception. Even among small and midsize CSR players. Technology can help organizations track impact data, and use it to drive better outcomes.

India has diverse needs. While the government focuses on large issues, and rightly so, many smaller communities and needs do not get adequate attention in the process. This is where CSR can be of value - it has the ability to plug gaps. The pandemic is a classic example. While the government did the heavy lifting of developing and manufacturing the Covid vaccination, CSR initiatives drove last-mile connectivity via NGOs.

CSR can be instrumental in funding innovations & pilots and breaking away from tried & tested interventions. If the innovation delivers results, governments can fund the scaling of these initiatives.

We know that government spending in the social sector, especially healthcare and education, went up during the pandemic. The sector continues to experience growth, even after the peak pandemic years. The Economic Survey 2023 indicated that social sector spending more than doubled to ₹21.3 lakh crore in seven years.

Review of Literature

Sudepta Pradhan (2016)⁵³ in the study depicted the impact of CSR intensity on corporate reputation and financial performance of Indian firms. The result shows that if there is a significant increase in Corporate Reputation (CR), that can show changes in firm's performance. If there is a good CR, it can lead to competitive advantage and moreover, good reputation can result in sustainable profits during the long run of the company. However, there exists no significant relationship identified between CR and performance of firm throughout the study.

Pravin D. Sawant and Dr. M.R. Patil (2017)⁵⁶ in their study “the Corporate Social Responsibility Performance of Select Manufacturing Companies in India: An Empirical Study” attempted to assess the performance of Manufacturing Companies towards CSR and to know whether companies are spending towards CSR as per the Standard Requirements of the Companies Act 2013. Industries such as cement, iron and steel and mining have been relatively close to 2.0% CSR expenditure after the year 2010-11 compared to the other industries. The study revealed that the testing of hypothesis data also revealed that the industries such as Pharma, Auto, Oil and Gas, FMCG and Chemical have been far away from the 2.0% CSR expenditure throughout the study from 2004-05 to 2014-15 compared to the other industries.

Punam Singh and Shulgna Sarkar (2018)⁶¹ conducted a study on “The Revolutionising Corporate Social Responsibility in India: Is It Truly Revolutionised?”. This study made an analysis of the CSR vision and mission statements, expenditure, areas of interventions and initiatives, CSR policy framework and reporting among public and private companies in India. This analysis reflects on the thrust areas of CSR interventions of leading companies, education being the most prominent area where all the companies are working, initiatives in the area of environment and water need more emphasis and the study highlights the need for innovative, sustainable and scalable projects.

Research Issue

The Economic Survey 2023 indicated that social sector spending more than doubled to ₹21.3 lakh crore in seven years. The expenditure in this sector does not just flow from the government but from CSR and philanthropists too. CSR became a large contributor to this sector - the India Philanthropy Report 2023 - suggests CSR spending, which contributes 30% of private giving, has seen an annual growth rate of 13% over the last five years, reaching INR 27,000 crore in FY 2022.

The largest challenge facing the sector is the scarcity of top talent. Attracting talent from diverse sectors will bring a multi-dimensional approach to scaling the highly fragmented non-profit ecosystem. Building strong and resilient foundations for grassroots NGOs will enable them to serve communities better, but for that to happen, non-profits need the backing of institutional funding, with CSR leading the way. The positive influence that corporates can have on the communities they operate in is tremendous, and one that should not be overlooked. So, that the study is taken to establish a relevance to the current day problem. Based on the above issues the researcher has investigated the following;

- What is impact of CSR on Financial performance of Select Manufacturing industries in India?

Objective of the study

- ❖ To analyze the Effect of CSR on financial performance of select manufacturing industries in India

Research Methodology

Sources of data

Secondary data is used for the study. The required data for the study is collected and compiled from “proress” database of Centre for Monitoring Indian Economy (CMIE) for the period from 2009 - 2010 to 2018-2019, which is a reliable and empowered corporate database. Also, needs collected from the business world, business India, books, journals, library and various newspapers.

Period of the study

The study is sequential and covers a period of ten years from the financial year 2009 - 2010 to 2018-2019.

Sampling Design

For the present study “Effect of CSR on financial performance of select manufacturing Sector in India”. The stratified sample is selected at two stages, at first stage Four industries are selected and on Second stage companies are selected randomly from selected industries. The present study to select a sample (52) from the 4 industries.

A sample of companies has been selected on the basis of availability of data for 10 years. An empirical study was conducted on the manufacturing industries in India belonging to

- ✓ Construction Material (14)
- ✓ Consumer Goods (8)
- ✓ Food and Agro Products (12)
- ✓ Machinery manufacturing industry (18)

Techniques of analysis

For the purpose of this analysis accounting and statistical techniques have been used. To analyze the financial position of the study, the statistically techniques used are

1. The Paired ‘t’ test has been applied to analyze the performance of before–CSR Mandate period and after-CSR Mandate period of select manufacturing companies.

2. Simple regression was employed to assess the factors influencing the profitability of select manufacturing companies.

CONSTRUCTION MATERIAL INDUSTRY

Table - 1

t-Test: Paired Two Sample for Means

Ratios	Net profit margin ratio		Return on net worth ratio		Return on capital employed ratio	
	Before	After	Before		Before	After
Mean	7.464	6.970	18.599	13.886	12.922	11.363
Variance	6.688	9.132	91.777	61.363	96.314	73.259
Observations	14	14	14	14	14	14
Pearson Correlation	0.366		0.857		0.850	
Hypothesized Mean Difference	0		0		0	
DF	13		13		13	
t Stat	0.582		3.559		1.128	
P(T<=t) one-tail	0.285		0.002		0.140	
t Critical one-tail	1.771		1.771		1.771	
P(T<=t) two-tail	0.571		0.003		0.280	
t Critical two-tail	2.160		2.160		2.160	

Sources: Compiled and calculated from the data published in CMIE

Net Profit Ratio

It is observed from Table-1 that the select construction material companies calculated value of 't' is 0.582 and the p-value of 0.571, which is greater than the 5 per cent significant level and has accepted the null hypothesis. This conclusion displays that Net Profit Ratio of firm is having insignificant relationship on before-CSR Mandate periods and after-CSR Mandate periods.

Return on Net Worth Ratio

It is exhibited in Table-1 that the construction material companies calculated value of 't' is 3.559 and the p-value of 0.003, which is less than the 5 per cent significant level and rejected the null hypothesis. Furthermore, this outcome determines that return on net worth ratio of companies has a significant impact between before and after CSR activities.

Return on Capital Employed Ratio

Table-1 reveals that the construction material companies calculated value of ‘t’ is 1.128 and the p-value of 0.280, which is greater than the 5 per cent significant level and has accepted the null hypothesis. This conclusion shows that Return on Capital employed Ratio of firm has insignificant relationship on before–CSR Mandate periods and after-CSR Mandate periods.

CONSUMER GOODS INDUSTRY

Table – 2

t-Test: Paired Two Sample for Means

Ratios	Net profit margin ratio		Return on net worth ratio		Return on capital employed ratio	
	Before	After	Before		Before	After
Mean	8.743	10.264	44.295	34.192	42.090	32.208
Variance	21.098	17.701	1552.089	567.115	1560.992	624.377
Observations	8	8	8	8	8	8
Pearson Correlation	0.907		0.877		0.883	
Hypothesized Mean Difference	0		0		0	
DF	7		7		7	
t Stat	-2.218		1.313		1.330	
P(T<=t) one-tail	0.031		0.115		0.113	
t Critical one-tail	1.895		1.895		1.895	
P(T<=t) two-tail	0.062		0.231		0.225	
t Critical two-tail	2.365		2.365		2.365	

Sources: Compiled and calculated from the data published in CMIE

Net Profit Margin Ratio

The analysis in above table- 2 that the select consumer goods companies calculated value of ‘t’ is -2.218 and the p-value of Return on Net Profit margin ratio is 0.062, which is very close to 5 per cent significant level. Since current study is restricted to the paired t-test and cannot confirm whether such a close result can result in the conclusion that Net Profit margin ratio was not affected by CSR activities.

Return on Net Worth Ratio

It is exhibited in Table- table- 2 that the select consumer goods companies calculated value of 't' is 1.313 and the p-value of 0.231, which is greater than the 5 per cent significant level and accepted the null hypothesis. This conclusion displays that Return on Net Worth ratio of firm is having insignificant relationship on before-CSR Mandate periods and after-CSR Mandate periods.

Return on Capital Employed Ratio

It is observed from table- 2 that the select consumer goods companies calculated value of 't' is 1.330 and the p-value of 0.225, which is greater than the 5 per cent significant level and accepted the null hypothesis. This conclusion shows that Return on Capital employed ratio of firm has insignificant relationship on before-CSR Mandate periods and after-CSR Mandate periods.

FOOD AND AGRO PRODUCTS INDUSTRY

Table -3

t-Test: Paired Two Sample for Means

Ratios	Net profit margin ratio		Return on net worth ratio		Return on capital employed ratio	
	Before	After	Before		Before	After
Mean	8.529	9.165	24.483	18.664	19.037	16.832
Variance	32.305	48.103	112.523	84.126	128.513	98.772
Observations	13	13	13	13	13	13
Pearson Correlation	0.912		0.759		0.711	
Hypothesized Mean Difference	0		0		0	
DF	12		12		12	
t Stat	-0.785		2.998		0.970	
P(T<=t) one-tail	0.224		0.006		0.176	
t Critical one-tail	1.782		1.782		1.782	
P(T<=t) two-tail	0.448		0.011		0.351	
t Critical two-tail	2.179		2.179		2.179	

Sources: Compiled and calculated from the data published in CMIE

Net Profit Margin Ratio

Table- 3 shows that the Select Food and Agro products companies calculated value of ‘t’ is -0.785 and the p-value of 0.448, which is greater than the 5 per cent significant level and accepted the null hypothesis. This conclusion displays that Net profit ratio of firm has insignificant relationship on before–CSR Mandate periods and after-CSR Mandate periods.

Return on Net Worth Ratio

It is exhibited in Table- 3 that the Select Food and Agro products companies calculated value of ‘t’ is 2.998 and the p-value of 0.011, which is less than the 5 per cent significant level and rejected the null hypothesis. Moreover, this outcome determines that return on net worth ratio of companies has a significant impact between before and after CSR activities.

Return on Capital Employed Ratio

The analysis in Table- 3 that the Select Food and Agro products companies calculated value of ‘t’ is 0.970 and the p-value of 0.351, which is greater than the 5 per cent significant level and accepted the null hypothesis. This conclusion shows that Return on Capital employed ratio of firm has significant relationship on before–CSR Mandate periods and after-CSR Mandate periods.

MACHINERY INDUSTRY

Table - 4

t-Test: Paired Two Sample for Means

Ratios	Net profit margin ratio		Return on net worth ratio		Return on capital employed ratio	
	Before	After	Before		Before	After
Mean	6.714	6.369	16.740	13.151	15.209	14.118
Variance	11.411	21.064	31.673	43.375	39.674	95.729
Observations	18	18	18	18	18	18
Pearson Correlation	0.538		0.268		0.532	
Hypothesized Mean Difference	0		0		0	
DF	17		17		17	
t Stat	0.368		2.051		0.554	

P(T<=t) one-tail	0.359	0.028	0.293
t Critical one-tail	1.740	1.740	1.740
P(T<=t) two-tail	0.717	0.056	0.587
t Critical two-tail	2.110	2.110	2.110

Sources: Compiled and calculated from the data published in CMIE

Net Profit Margin Ratio

Table-4 depicts that the select machinery companies calculated value of 't' is 0.368 and the p-value of 0.717, which is greater than the 5 per cent significant level and accepted the null hypothesis. This conclusion displays that Net profit ratio of firm has insignificant relationship on before-CSR Mandate periods and after-CSR Mandate periods.

Return on Net Worth Ratio

It is observed from Table-4 that the select machinery companies calculated value of 't' is 2.051 and the p-value of 0.056, which is less than the 5 per cent significant level and rejected the null hypothesis. Furthermore, this outcome determines that return on net worth ratio of companies has a significant impact between before and after CSR activities.

Return on Capital Employed Ratio

Table-4 presents that the select machinery companies calculated value of 't' is 0.554 and the p-value of 0.587, which is greater than the scale of 5 per cent significant level and accepted the null hypothesis. This conclusion shows that Return on Capital employed ratio of firm has insignificant relationship on before-CSR Mandate periods and after-CSR Mandate periods.

CONSTRUCTION MATERIAL INDUSTRY

H₀₂: “There is no significant impact of CSR Expenditure on Net Profit of Select Construction Material companies in India”

Table - 5

Summary Regression Model on the Impact of CSR Expenditure on Net Profit of Select Construction Material companies in India

		Coefficients	Standard Error	t Stat	P-value	R Square
Akzo Nobel India Ltd.	Intercept	2.165	0.745	2.907	0.101	0.051
	CSR	0.363	1.112	0.327	0.775	
Asian Paints Ltd.	Intercept	3.434	1.299	2.644	0.118	0.011
	CSR	-0.118	0.786	-0.151	0.894	
Berger Paints India Ltd.	Intercept	2.532	0.284	8.904	0.012	0.001
	CSR	-0.016	0.302	-0.054	0.962	
Birla Corporation Ltd.	Intercept	2.539	0.902	2.816	0.106	0.055
	CSR	-0.513	1.506	-0.341	0.766	
Greenply Industries Ltd.	Intercept	2.524	0.397	6.355	0.024	0.498
	CSR	-1.114	0.791	-1.409	0.294	
India Cements Ltd.	Intercept	0.618	0.451	1.372	0.304	0.830
	CSR	1.675	0.536	3.124	0.089	
J K Cement Ltd.	Intercept	1.885	0.823	2.290	0.149	0.146
	CSR	0.708	1.210	0.585	0.618	
J K Lakshmi Cement Ltd.	Intercept	2.562	0.259	9.905	0.010	0.935
	CSR	-5.141	0.957	-5.372	0.033	

	Coefficients	Standard Error	t Stat	P-value	R Square	
Kajaria Ceramics Ltd.	Intercept	2.606	0.132	19.802	0.003	0.614
	CSR	-0.394	0.221	-1.783	0.217	
Kansai Nerolac Paints Ltd.	Intercept	3.548	0.381	9.308	0.011	0.728
	CSR	-0.938	0.405	-2.315	0.147	
Ramco Cements Ltd.	Intercept	2.893	0.133	21.785	0.002	0.353
	CSR	-0.138	0.132	-1.045	0.406	
Sanghi Industries Ltd.	Intercept	2.056	0.020	102.673	0.000	0.992
	CSR	-1.455	0.090	-16.173	0.004	
Shree Cement Ltd.	Intercept	3.256	0.478	6.814	0.021	0.072
	CSR	-0.139	0.353	-0.394	0.732	
Ultratech Cement Ltd.	Intercept	3.677	0.633	5.808	0.028	0.101
	CSR	-0.169	0.357	-0.473	0.683	

(Dependent Variable – Net Profit)

(Significant at the 0.05 level)

Table- 5 presents the P-value of select companies J K Lakshmi Cement Ltd (0.010) and Sanghi Industries Ltd (0.000) is less than the 5per cent significant level. So, the Null hypothesis is rejected. Hence, Corporate social responsibility has a significant influence on net profit of select Construction Material companies in India.

The results also reveal that the other select Construction Material Companies P- value is higher than 5 per cent significance level. So, the Null hypothesis is accepted. Therefore, the Corporate social responsibility does not have the significant impact for select Construction Material companies in India.

CONSUMER GOODS INDUSTRY

H₀₃: “There is no significant impact of CSR Expenditure on Net Profit of Select Consumer Goods companies in India”

Table -6

Summary Regression Model on the Impact of CSR Expenditure on Net Profit of Select Consumer Goods Companies in India

	Coefficients	Standard Error	t Stat	P-value	R Square	
Colgate-Palmolive (India) Ltd.	Intercept	0.997	0.540	1.845	0.206	0.850
	CSR	1.503	0.447	3.363	0.078	
Dabur India Ltd.	Intercept	2.096	0.383	5.479	0.032	0.743
	CSR	0.688	0.286	2.407	0.138	
Gillette India Ltd.	Intercept	2.098	0.128	16.428	0.004	0.657
	CSR	0.351	0.179	1.957	0.190	
Hindustan Unilever Ltd.	Intercept	1.458	0.312	4.669	0.043	0.963
	CSR	1.099	0.153	7.175	0.019	
Jyothy Labs Ltd.	Intercept	1.873	0.282	6.641	0.022	0.370
	CSR	0.581	0.536	1.084	0.392	
Philips India Ltd.	Intercept	2.141	0.228	9.382	0.011	0.252
	CSR	0.308	0.376	0.821	0.498	
Titan Company Ltd.	Intercept	2.053	1.725	1.190	0.356	0.057
	CSR	0.442	1.271	0.348	0.761	
Voltas Ltd.	Intercept	4.443	4.207	1.056	0.402	0.093
	CSR	-1.969	4.340	-0.454	0.694	

(Dependent Variable – Net Profit)

(Significant at the 0.05 level)

It is observed from Table- 6 that the P-value of select Consumer Goods Companies Hindustan Unilever Ltd (0.043) is less than the 5 per cent significant level. So the Null hypothesis is rejected. Hence, Corporate social responsibility has a significant influence on net profit of select Consumer Goods Companies in India.

The results also reveal that the other select Consumer Goods Companies P- value is higher than 5 per cent significance level. So, the Null hypothesis is accepted. Therefore, the Corporate social responsibility does not have the significant impact for select Consumer Goods Companies in India.

FOOD AND AGRO PRODUCTS INDUSTRY

H₀₄: “There is no significant impact of CSR Expenditure on Net Profit of Select Food and Agro Products companies in India”

Table -7

Summary Regression Model on the Impact of CSR Expenditure on Net Profit of Select Food and Agro Products companies in India

		Coefficients	Standard Error	t Stat	P-value	R Square
Britannia Industries Ltd.	Intercept	2.454	0.132	18.552	0.003	0.876
	CSR	0.398	0.106	3.755	0.064	
Glaxo smith k line Consumer Healthcare Ltd. [Merged]		Coefficients	Standard Error	t Stat	P-value	R Square
	Intercept	2.601	0.393	6.624	0.022	0.192
	CSR	0.218	0.315	0.690	0.561	
Godfrey Phillips India Ltd.		Coefficients	Standard Error	t Stat	P-value	R Square
	Intercept	2.954	1.189	2.486	0.131	0.115
	CSR	-0.867	1.703	-0.509	0.661	
Godrej Agrovet Ltd.		Coefficients	Standard Error	t Stat	P-value	R Square
	Intercept	2.004	0.202	9.931	0.010	0.386
	CSR	0.388	0.346	1.121	0.379	
I T C Ltd.		Coefficients	Standard Error	t Stat	P-value	R Square
	Intercept	0.420	0.614	0.684	0.565	0.946
	CSR	1.481	0.251	5.904	0.028	
Jubilant Foodworks Ltd.		Coefficients	Standard Error	t Stat	P-value	R Square
	Intercept	1.192	0.805	1.481	0.277	0.432
	CSR	2.107	1.709	1.232	0.343	
Kaveri Seed Co. Ltd.		Coefficients	Standard Error	t Stat	P-value	R Square
	Intercept	2.455	0.303	8.093	0.015	0.356
	CSR	-0.500	0.476	-1.051	0.404	
Marico Ltd.		Coefficients	Standard Error	t Stat	P-value	R Square
	Intercept	2.827	0.917	3.083	0.091	0.001
	CSR	0.036	0.792	0.045	0.968	

		Coefficients	Standard Error	t Stat	P-value	R Square
Radico Khaitan Ltd.	Intercept	1.857	0.324	5.725	0.029	0.035
	CSR	0.246	0.920	0.268	0.814	
		Coefficients	Standard Error	t Stat	P-value	R Square
Suguna Foods Pvt. Ltd.	Intercept	2.077	0.149	13.969	0.005	0.099
	CSR	0.234	0.501	0.468	0.686	
		Coefficients	Standard Error	t Stat	P-value	R Square
Tata Coffee Ltd.	Intercept	1.887	0.847	2.228	0.156	0.000
	CSR	0.057	2.462	0.023	0.984	
		Coefficients	Standard Error	t Stat	P-value	R Square
Tata Global Beverages Ltd.	Intercept	1.880	1.250	1.504	0.271	0.120
	CSR	0.777	1.485	0.523	0.653	
		Coefficients	Standard Error	t Stat	P-value	R Square
United Breweries Ltd.	Intercept	1.397	0.556	2.514	0.128	0.652
	CSR	1.181	0.610	1.937	0.192	

(Dependent Variable – Net Profit)

(Significant at the 0.05 level)

It is exhibited in Table- 7 that the P-value of select companies Britannia Industries Ltd (0.003) and ITC Ltd (0.028) is less than the 5 per cent significant level. So, the Null hypothesis is rejected. Hence, Corporate social responsibility has a significant influence on net profit of select Food and Agro Products companies in India.

The results also reveal that the other select Food and Agro Products Companies P- value is higher than 5 per cent significance level. So, the Null hypothesis is accepted. Therefore, the Corporate social responsibility does not have the significant impact for select Food and Agro Products companies in India.

MACHINERY INDUSTRY

H₀₅: “There is no significant impact of CSR Expenditure on Net Profit of Select Machinery companies in India”

Table - 8

Summary Regression Model on the Impact of CSR Expenditure on Net Profit of Select Machinery companies in India

		Coefficients	Standard Error	t Stat	P-value	R Square
Apar Industries Ltd.	Intercept	2.637	0.660	3.995	0.057	0.368
	CSR	-1.328	1.230	-1.080	0.393	
Bharat Electronics Ltd.	Intercept	2.569	0.269	9.542	0.011	0.704
	CSR	0.515	0.236	2.180	0.161	
Bharat Heavy Electricals Ltd.	Intercept	6.187	2.399	2.579	0.123	0.604
	CSR	-2.859	1.636	-1.747	0.223	
Blue Star Ltd.	Intercept	1.390	1.392	0.999	0.423	0.009
	CSR	0.597	4.337	0.138	0.903	
Cummins India Ltd.	Intercept	2.894	0.016	186.071	0.000	0.676
	CSR	-0.099	0.048	-2.041	0.178	
Elgi Equipment's Ltd.	Intercept	1.149	2.190	0.525	0.652	0.032
	CSR	0.937	3.660	0.256	0.822	
Escorts Ltd.	Intercept	1.729	0.253	6.841	0.021	0.685
	CSR	0.991	0.475	2.085	0.172	
Finolex Cables Ltd.	Intercept	2.285	0.089	25.583	0.002	0.521
	CSR	0.205	0.139	1.475	0.278	
Havells India Ltd.	Intercept	3.076	0.956	3.218	0.085	0.077
	CSR	-0.339	0.829	-0.409	0.722	
Honeywell Automation India Ltd.	Intercept	1.572	0.018	89.064	0.000	0.999
	CSR	1.239	0.028	44.202	0.001	
Ingersoll-Rand (India) Ltd.	Intercept	2.105	0.572	3.676	0.067	0.075
	CSR	-0.743	1.847	-0.402	0.726	
Lakshmi Machine Works Ltd.	Intercept	2.365	0.433	5.467	0.032	0.011
	CSR	-0.085	0.563	-0.151	0.894	
Otis Elevator Co. (India) Ltd.		Coefficients	Standard Error	t Stat	P-value	R Square
	Intercept	1.237	0.248	4.992	0.038	0.880

	CSR	1.617	0.423	3.823	0.062	
		Coefficients	Standard Error	t Stat	P-value	R Square
S K F India Ltd.	Intercept	1.905	0.164	11.618	0.007	0.819
	CSR	0.650	0.216	3.005	0.095	
		Coefficients	Standard Error	t Stat	P-value	R Square
Siemens Ltd.	Intercept	4.360	0.214	20.361	0.002	0.945
	CSR	-1.081	0.184	-5.880	0.028	
		Coefficients	Standard Error	t Stat	P-value	R Square
Sterlite Technologies Ltd.	Intercept	1.502	0.743	2.021	0.181	0.354
	CSR	1.412	1.348	1.047	0.405	
		Coefficients	Standard Error	t Stat	P-value	R Square
Tata Cummins Pvt. Ltd.	Intercept	1.835	0.122	15.038	0.004	0.762
	CSR	1.047	0.414	2.533	0.127	
		Coefficients	Standard Error	t Stat	P-value	R Square
Thermax Ltd.	Intercept	5.522	0.684	8.071	0.015	0.915
	CSR	-3.241	0.698	-4.642	0.043	

(Dependent Variable – Net Profit)

(Significant at the 0.05 level)

It is observed from Table- 8 that the P-value of select companies Honeywell Automation India Ltd (0.001), Siemens Ltd (0.002) and Thermax Ltd (0.015) is less than the 5 per cent significant level. So, the Null hypothesis is rejected. Hence, Corporate social responsibility has a significant influence on net profit of select Machinery companies in India.

The results also reveal that the other select Machinery Companies P- value is higher than 0.05 per cent significance level. So, the Null hypothesis is accepted. Therefore, the Corporate social responsibility does not have the significant impact for select Machinery companies in India.

SUGGESTIONS

- All manufacturing industries to focus on Net profit and sales and to improve the profitability position. The Four manufacturing industries have to increase the sales or to reduce the cost.
- Consumer goods industry, Food and Agro products industry and Machinery industry companies should improve the efficiency position by maintaining the cost and Net

worth. Both the industries can improve their profitability to satisfy their shareholders and stand in good position in the market.

- Policy makers, investors, managers and other bodies should be encouraged in promoting the concept of CSR.
- Companies agreed to have a responsibility towards society should have a written policy for performance measurement.

CONCLUSION

The Progress and economic strength play a important role in the success of a company. The analysis practically reveals Net worth have substantial effect on the Financial position of Four manufacturing industries in India during the study period. However, the CSR effect on financial performance of manufacturing industry in India during the study period is reasonable. The study will assistance investors to identify the nature of Four manufacturing industries Companies in India and will help to take decision regarding investment. Companies face challenges and limitations as they implement CSR. These usually relate either to political issues or to organizational-level concerns and are often embedded in culture. The complexity of operating in a global society places new demands on organizations and their leadership. This study concludes that profitable organizations in India do not invest much in corporate social responsibilities and this has tendency to threaten their long run existence. Definitely participation by the corporate sector in the government's efforts to improve the living conditions of the lower strata of the society has helped in faster implementation of government's plans.

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