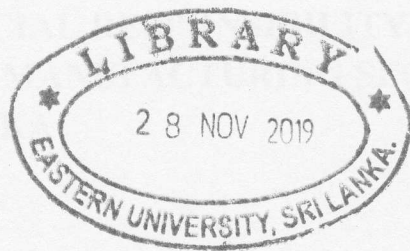


**THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY ON  
PROFITABILITY OF COMPANIES IN MANUFACTURING SECTOR  
IN SRI LANKA**

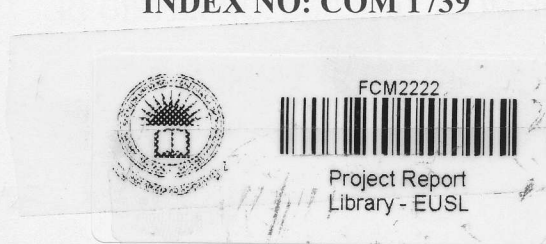


By

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**DEPARTMENT OF COMMERCE  
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## ABSTRACT

Corporate Social Responsibility (CSR) has been viewed by the companies as the continuing commitment by business to behave ethically and to contribute to economic development while improving the quality of life of the workforce and their families. Recent discussions have explored the ways Corporate Social responsibility (CSR) might work in the interest of business. Many articles have also mentioned the connection between positive social and environmental initiatives and profitability. Some of the most significant advantages of CSR are improved company image among their stakeholders and improving their reputation over other businesses.

The objective of the study was to examine the impact of CSR on profitability of manufacturing companies in Sri Lanka. For the study purpose secondary data were collected from 19 companies sector in Sri Lanka for five consecutive years (2014 to 2018). Data were collected from annual reports of the companies. GRI standard disclosure Social category indicators were used as the independent variables of the study. Return on Assets was used to measure the profitability as dependent variable. Researcher has run the correlation analysis and regression analysis to test the impact of CSR on the profitability. According to the results the relationship with ROA is insignificant. Based on the above finding it can be concluded that there is a significant impact of CSR on Profitability.

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