

Governance and its Impact on the Association between CSR and Earnings Quality: Evidence from Indian Private Mining Firms

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ABSTRACT

Both positive and negative relationships have been identified between CSR and earnings management practices in prior country specific studies. Based on this notion, the present study reinvestigates the same in Indian context, considering mining firms belonging to private sector. A sample of 75 private mining firms representing minerals and metals category was selected for the study. Extended Modified Jones model and CSR score were used to identify the impact of governance on CSR and EM practices. We find that weak governance imposes a positive relationship between CSR and level of EM practices, which is used as an overall proxy for financial reporting.

Key words: Corporate Social Responsibility, Earnings Management, Corporate Governance, Financial Reporting Quality.

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