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EXPLORING THE RELATIONSHIP EXISTING BETWEEN CSR AND FINANCIAL REPORTING QUALITY THROUGH CORPORATE GOVERNANCE- A STUDY OF SELECT INDIAN MINING FIRMS

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Abstract: *Our findings contribute towards the understanding the impact of corporate social responsibility (CSR) on financial reporting quality (FRQ) in Indian mining industry. We have used two econometric models to assess the quality of financial reporting influenced by CSR of 241 mining companies operating in India during the period 2012-2015. Our results are consistent for the period under study which shows a positive relationship existing between CSR and FRQ, conforming to the fact that Indian mining companies have begun to adopt good governance practices.*

Our research has important implications for managers in order to know that adoption of good corporate governance (CG) practices contribute to the best of quality financial reporting and efficient investment in CSR. Secondly, the results are useful for any investor who needs to consider the quality of financial reporting as a good predictor for the best rate of return on investments. Moreover, our findings have implications on policy makers and regulatory authorities, which offer them a barometer for adopting the best corporate governance practices in mining companies.

Keywords: *CSR, financial reporting quality, corporate governance, earnings management, Indian mining firms.*

1. INTRODUCTION

This study explores the relationship between financial reporting quality (FRQ) and corporate social responsibility (CSR) for the mining firms India, aiming to investigate if CSR strategy is influenced by firm's financial information which is presented for its various stakeholders (Hong and Andersen, 2011). FRQ is the precision with which financial reporting conveys information about the firm's operations, mainly its expected

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cash flows to inform the stakeholders (Verali, 2006). Accounting earnings are one of the most cited performance statistics that are of major interest to stakeholders. Ideally, financial reporting helps us distinguish between the better-performing firms and poor-performing firms and facilitates the shareholders in making financial decision (Healy and Wahlen, 1999). Further, expected cash flows is a key input to determine firm's long term investments to attain sustainability and brand image.

One such strategic long term investment is corporate social responsibility (CSR). CSR is related to ethical and moral issues concerning corporate decision-making and behaviour and as such addresses issues like environmental protection, human resource management, health and safety at work, local community relations and relations with suppliers and customers (Castelo and Lima, 2006). Disclosure of social information may help building a positive image among stakeholders (Orlitzky et al., 2003) and improve corporate firm performance (Kapoor and Sandhu, 2010). Higher quality of information facilitates, greater transparency and a greater concern to issues relevant stakeholders, and this concern could promote the adoption of CSR practices (Ferrero et al., 2015). Since both the constructs (FRQ and CSR) are meant for the interests of stakeholders, we try to investigate further what mitigates this association and to what extent.

Financial reports provide the basis for policy decisions by the investing public and high quality financial reports can increase the value of the firm. Thus, whether a CSR investment influences the earnings manipulation of high-level corporate personnel has attracted considerable attention. Some previous studies suggest that good governance firms are more likely to release annual results and actively monitor managerial disclosures, improving firm transparency (Osma and Saorin, 2011).It also provides mounting evidence of the monitoring and disciplining role of governance mechanisms, and highlights the role of board of directors in ensuring that management acts in the interests of investors. Prior research studies confirm that efficient governance mechanisms limit earnings management practices (Dechow et al., 1996; Abbott et al., 2007), and increase voluntary disclosure in annual reports (Lim, Matolcsy and Chow, 2007; Peters and Romi, 2015).

However, there is limited research on whether the quality corporate governance (CG) practice minimises earnings management in developing country like India. There is an expanding debate whether financial reporting practices have increased attention to the role of CG procedures in the development of credible financial statements information after the emergence of Companies Act 2013 in India. Previous studies have indicated that board structure of corporate governance affects the quality of financial reports and CSR. For example, several studies document a significant relation between the characteristics of the board of directors and the integrity of information (Rahman and Ali, 2006; Hashim and Devi, 2009). In Asian context, there is evidence suggesting that the board independence improves the earnings informativeness (Firth et al. 2006; Lai et al. 2011).This standpoint has been employed to re-examine the relationship existing between CSR and the quality of financial reporting.Hence, we incorporated few governance indicators in our study to fulfil the research purpose.

On the other hand, we have identified firms representing mining sector for the following reasons. Mining is the capital intensive sector, which witnesses huge preliminary expenses. So, when actual mining starts, the firm needs to recover all these expenses through sales revenue. And, since mining projects are associated with long gestation period, they require attracting good investors and need to produce good quality financial reports to retain those investors. Shares of mining companies dominate in many stock exchanges. Significant upfront investments, uncertainty over prospects or mineral resources and long project lives create difficulties and require discretion and judgement by the company's management. Considering the above observations, some questions emerge which require immediate attention, viz. (i) does dual role of managers affect CSR disclosure; (ii) are managers playing dual roles involved in earnings manipulation; and(iii) is mining sector firms uniquely affected by the corporate governance structure? The present research has been undertaken to find suitable answers to these questions by exploring the role of corporate governance indicators in the relationship of CSR and the quality of financial reporting for Indian mining firms.

In section 2, we propose the required hypotheses to be tested in the study. Section 3 deals with the methodological aspects, such as the sample, variables and models used for the analysis. Section 4 shows the analysis of results, as well as some complementary discussions. Finally, we conclude our paper with the main conclusions, practical implications with proposals for future research.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

2.1. CSR vis-à-vis FRQ

According to the environmentalists, mining companies may be construed to only produce negative impacts that contribute to the destruction of nature and environment, but in reality, these firms also produce positive impacts to the economy by generating employment and contributing revenue to national exchequer(Kwesi and Kwasi, 2006).Thus, we further our research with an assumption that Indian mining companies engaged in good level of CSR and are expected to produce quality reports.

Prior literatures have asserted that higher quality of information facilitates greater transparency and greater concern to issue relevant financial information to stakeholders, and this concern could promote the adoption of CSR practices (Ferrero et al. 2015). Few studies such as Kolstad, (2007); Reinhardt et al., (2008) also reveal that corporations often develop CSR practices even if such practices reduce the benefits of the stakeholders. These managers are influenced by self-actualization and morals, often electing to do things that benefit the company and avoiding poor social behaviour; even if doing so reduces the short-term benefits to different stakeholders. Thus, managers are not affected by self-interests when they promote corporate policies. According to this theoretical perspective, managers avoid behaviours that harm the company, demonstrating of self-restraint and not using CSR practices to conceal earnings manipulations. This reduces the degree of earnings management by managers, resulting in high-quality financial reports.

A firm's financial reporting quality is considered as an important variable that affects various stakeholders including managers and employees whose dividends are based on it (Kang and Kim, 2012). So, managers may have a greater tendency to disclose high-quality financial information because it is more informative, transparent and minimize negative impacts of EM action (Sun et al. 2010). Hope et al.(2012) report a positive association existing between the quality of accounting results and socially business practices. Choi and Pae (2013) find high quality financial information play a decisive role in setting business strategy in the CSR commitment. Ferrero and Sanchez (2013) investigated from a Tobit method for panel data which show that with a high level of accruals quality and/or those that carry out EM practices to a lesser extent, report high quality financial information and moreover, high quality CSR information. Ferriera et al.(2014) find that CSR information implied by financial reports have a significant association with firm's financial performance. A sample study of 100 Best Corporate Citizens done in Taiwan reveal that companies practicing CSR effectively reduces the level of earnings management, providing quality financial reports (Chiang et al. 2015).

Based on above observations, Hypothesis 1 has been developed to verify the correlation between CSR and the quality of financial reports for the mining firm as follow:

H1: There is a positive association between CSR practices and FRQ.

2.2. Mediating effects of CG on the relationship of FRQ and CSR practices

When mining activities are implanted through distinctive regulations of its organization, their reporting is believed to be credible in nature. However, integrity of financial reporting is being questioned due to the failure of the board to prevent high profile corporate collapses in recent times.The progression of theories or models of corporate governance is one of the new dimensions taken in a very crux of social ethics that is minimal and profit making is utmost requirement (Yusoff and Alhaji, 2012). In this competitive world, companies are trying to inculcate the wisdom of good governance into their corporate organization. A highly independent board can increase the supervision and control over managers. Combining the chairman of the board and the CEO positions and increasing independent directors can allow the manager to function in favour of producing high quality financial reports. From a corporate governance perspective, the board is responsible for hiring and dismissing corporate managers, setting a reward system, and supervising the performance levels of corporate policies. Therefore, the board structure provides a critical internal control mechanism for corporate governance.Prior studies (Peters and Romi, 2014; Habib, 2015) were undertaken to study the association of CG with FRQ. Most of the previous works have been done in the context of developed countries. For example in the US context, empirical findings show that percentage of outside and independent directors reduces earnings manipulation and so it is associated with higher FRQ (Klai and Omri, 2011; Chiang, 2015). A U.K based study reveal that higher proportion of board members is more likely to recognize bad news in earnings on a timely basis (Beekeset al.2004).

Previous studies also inculcated dual position of directors to measurethe correlation between corporate governance and the quality of financial reports. Duality is a governance variable which is quite an unexplored term in financial research, particularly for Indian mining firms. Studies reveal that when a chairman of the board serves as the CEO, the dual managerial position reduce the supervisory function of the board (Chiang et al. 2015). This increases the incentive for the manager to adopt earnings management practices, thereby, producing inferior quality financial reports (Core et al., 1999; Shivdasani and Yermack, 1999; Anderson et al., 2004). However, the duality variable can be interpreted in a different way which may provide altogether a different connotation. The present study aims at exploring in which way this duality variable of CG impacts the mining firms operating in India.The dual position problem posed by combined chairman of the board and CEOs, managers become comparatively more concerned about their commitment toward the organization (Boyd, 1995) and consequently less likely to engage in earnings management practices.

Kruger (2009) reveals that companies with higher fraction of insiders on the board should show higher incidence of positive events because managers use CSR as an entrenchment strategy like building strong relationships with communities and non-governmental organizations. Companies with higher insider representation have higher incidence of positive social responsibility (Vafeas, 2003). CSR reporting is a part of governance practice to achieve high visibility and respond to the continuous monitoring of their stakeholders and society (Campopiano and DeMassis, 2015).

Previous studies have also indicated that the corporate governance mechanism of board structure can influence CSR investment. Johnson and Greening (1999) explore the correlation between internal corporate governance mechanisms and CSR performance levels by examining the proportion of outside directors and the ratios of shares held by managers and investors, subsequently evaluating the effectiveness of those mechanisms. The results show that efficient internal governance mechanisms yield a strong social responsibility performance level. However, certain scholars have maintained that independent directors are committed to charitable activities; thus, when a high proportion of inside directors is present, a corporation is expected to perform relatively frequent charitable activities (Wang and Coffey, 1992). It is observed that when the chairman of the board acts as the CEO, he or she is expected to combine self- and corporate interests. The behavior of the CEO is influenced by social perceptions; thus, he or she is expected to heavily invest into CSR (Davis et al., 1997).

Previous studies have reported that the corporate governance mechanism of board structure influences CSR investments and the quality of financial reports.Fernandez (2015) asserts that boards should feel emboldened to adopt governance policies as they feedback into increased profitability and boost overall corporate visibility. However, CSR may be critical to influencing the quality of financial reports; thus, its role in corporate governance and the quality of financial reports is notable. In other words, a mediating effect may exist between corporate governance and the quality of financial reports.

Considering the above arguments, hypothesis 2 has been formulated to test whether CG can beconsidered as mediating variable between CSR and the quality of financial reports which is as follow:

Hypothesis 2: Corporate Governance mediates the association of CSR on FRQ.

3. METHODOLOGY AND DATA

Financial data of 241 Indian mining companies have been obtainedfor the study covering to the period 2012-2015 from Prowess Database maintained by the Centre for Monitoring Indian Economy (CMIE). Data pertaining to dual position and board size have been considered ascorporate governance variables. Companies are analysed according to their reporting procedures, policies and guidelines and management systems. The required information is extracted from financial accounts, company documentation like annual reports and corporate governance reports. There is no such index developed for measuring CSR performance in India. Hence, we gathered CSR data while observing various CSR indicators such as donation expense, social and community expenses; and environmental and pollution control related expenses and have scored those firms accordingly from 0 (worst) to 100 (best).

3.1. Measures of Financial Reporting Quality (FRQ)

In this study, FRQ is measured by discretionary accruals (DA) using Modified Jones model (Dechow et al., 1995) and Extended Modified Jones model (Islam et al., 2010). A brief description of both the models is given below:

- The Extended Modified Jones Model is expressed as follows:

$$TA_t = \beta_0 + \beta_1 (REV_i - REC_i)/ REV_i + \beta_2 (\Delta EXP_i - \Delta PAY_i) / REV_i + \beta_3 (DEP_i + RET_i) / REV_i + €_i \quad (1)$$

  And

- Modified Jones model can be produced as:

$$DA_i = TA_t [\Delta REV - \Delta REC + PPE_i]/A_{i, t-1} \quad (2)$$

Where

TA_t the total accruals in the year t; REV_i is net sales revenue of the firm 'i'; REC_i is receivables of the firm 'i'; EXP is the sum of cost of goods sold and selling and general administrative expenses excluding non-cash expenses; PAY is payables; DEP is depreciation expenses; RET is retirement benefit expenses; DA_i is discretionary accruals for the firm 'i'; PPE_i is plant, property and equipment for the firm 'i'; $A_{i,\,t-1}$ is the total assets of the firm 'i' in the previous year't-1'; Ä the change operator; and $€_I$ the residual, which represents firm- specific discretionary portion of total accruals.

3.2. Measures of CSR

Parameters considered for measuring CSR performance are:

a. *Donation expense*: Donation expenditure can be considered as the most direct measure of managers' willingness to conduct CSR activities (Pyo and Lee, 2013). Donation is significantly related to firm size and return on assets (ROA) (Amato and Amato, 2007). Hence, we have considered donation as an important indicator to measure CSR performance. We include donation as because firms with increased donation and voluntary CSR filings are expected to choose more/less conservative accounting methods and lower/ higher earnings management.

b. *Social and community expenses*: Disclosure of social and community expense in annual report is compulsory as per new amendment in Companies Act 2013. It ensures whether firms are investingright amount, that is, at least 2 per cent of net profitearned by the firm.

c. *Environmental and pollution control related expenses*: Since environmental protection has become a global issue, managers have to focus their attention on creating biodegradable products that can be recycled. Also they need to have more control over air pollution, to reduce as much as possible the energy consumption, and exploit natural resources in a wise way (Baba, 2012). Managers have to take into consideration costs and damage for not respecting the law concerning the environment. Therefore, they ask for information from finance and accounting department, information about revenues and expenses, etc.

3.3. Empirical model

We test our hypotheses making use of two basic specifications- one explains FRQ and the other explains the mediating effect of CG on CSR and FRQ. The two main independent variables are DUAL and Board in both the cases. In both specifications, we have considered the same set of control variables in explaining FRQ as well as CSR. For hypothesis 1, multiple regression analysis technique has been employed to examine how CSR affects the quality of financial reports. Estimations are conducted by employing Ordinary Least Square (OLS).

$$\begin{aligned} FRQ(DA) &= \alpha_0 + \alpha_1 CSR + \alpha_2 CFO + \alpha_3 LEV_{t-1} \\ &+ \alpha_4 BETA_{t-1} + \alpha_5 ROA_{t-1} + \alpha_6 SALES_{t-1} + \varepsilon \end{aligned} \tag{3}$$

To reflect the debt effect, we have included the LEV variable, which measures the risk of debt or default and is calculated as the ratio of debt to equity (Clarkson et al., 2008; Ghosh and Moon, 2010). BETA represents the systematic risks to the corporate assets, and a value greater than 1 represents that the risk is higher than market volatility. Following Laksmana and Yang (2009) and Francis et al. (2003), we have added sales variability as a determinant of FRQ, because this variability reduces the quality of accruals (Lev, 1983). Hypothesis 1 is supported when DA valueis negative and significant. We have added DA (discretionary accruals) as a proxy measure of FRQ in order to test the marginal effect of earnings management on CSR. According to our theoretical framework, we would expect a negative sign for the coefficient of such a variable.

The second specification is aimed at explaining the mediating effect of CG indicators, duality and board size. BOARD represents number of dependent and independent directors. DUAL represents the dual positions of managers and is equal to 1 when the chairman of the board is acting as CEO. CSR is scored from 10 to 100 based on investment done in CSR with regards to profit made by the respective company. BOARD represents the number of independent directors in acompany. DUAL represents the dual positions of managers and is equal to 1 when the chairman of the board is acting in the role of CEO. The equation is as follows:

$$CSR = \alpha_0 + \alpha_1 BOARD_t + \alpha_2 DUAL_{t-1} + \varepsilon \tag{4}$$

As mentioned before, we employ the same control variables as in hypothesis 2. Finally, in order to identify whether DUAL and board size moderate the connection between CSR and FRQ, we have established another equation:

$$FRQ\ (DA) = \alpha_0 + \alpha_1 CSR + \alpha_2 BOARD_t + \alpha_3 DUAL_t + \alpha_4 CFO_{t-1} + \alpha_5 LEV_{t-1} + \alpha_6 BETA_{t-1} + \alpha 7\ ROAt\text{-}1 + \varepsilon \tag{5}$$

3.4. Results and Analysis

Descriptive statistics as represented in Table 1, deals with the sample firms engaged in CSR activities during the period 2012-2015 as identified from Prowess database. Concerning independent variables, the experimental group has demonstrated BOARD mean value as 6.81and DUAL as .5 compared with the controls as Size, ROA, LEV and Sales as 398.74, 77.7, 24.74 and 437.47, respectively.

Pearson correlation coefficient has been employed to analyse whether significant correlations exist among the variables prior to conducting the regression analysis. Table 2 shows the results of the correlation coefficient analysis where coefficients of all variables exist between -.4 and .4. Thus, our model has no collinearity problem. DA is negatively correlated with CSR with (-0.176) at 1% level. DUAL (.149) is positively correlated with CSR at 1% level. Board has no impact on CSR with (.137>.05).

3.5. CSR and Financial Reporting Quality (FRQ)

Table 3 shows the empirical results of Hypothesis 1. It shows the proxy variable of FRQ, that is, discretionary accruals (DA) has been employed to examine the regression

Table 1
Descriptive Statistics

	N	*Minimum*	*Maximum*	*Mean*	*Std. Deviation*
BOARD	241	3	13	6.81	3.956
DUAL	241	0	1	.5	.52
BETA	241	4	8	4.68	1.097
SIZE	241	.00	1630559.50	39874.4652	200039.00596
ROA	241	.00	136489.90	7704.4195	23360.52005
LEV	241	.00	123624.70	2474.1133	14886.10101
SALES	241	-1422.00	880997.10	43747.2133	124609.06017
DA	241	-11623.50	306831.80	18597.0661	50766.76170
CFO	241	.00	133268.90	6291.78	76736.129
CSR	241	10	85	39.26	21.501
Valid N (listwise)	241				

Table 2
Pearson Correlationamong all the variables

	BOARD	*DUAL*	*BETA*	*SIZE*	*ROA*	*LEV*	*CFO*	*DA*	*CSR*
BOARD	1								
DUAL	.163**	1							
BETA	.089	.068	1						
SIZE	.306**	-.034	-.088	1					
ROA	-.360**	-.018	.034	-.621**	1				
LEV	-.137**	-.029	.259**	-.596**	.618**	1			
CFO	.040	.149**	.098	.141**	.272**	.112	1		
DA	-.055	-.035*	-.120*	-.085	.086	.041	.130	1	
CSR	.137	.149***	-.162**	.101	.039	-.084	-.002	-.176***	1

*** Correlation is significant at the level of .10, ** correlation is significant at the level of .01 and * correlation is significant at the level of .05.

Table 3
Full sample Regression Results (DA)

Variables	*DA*
CSR	-0.112**(-2.326)
CFO	.122***(3.209)
LEV	-.004(-.0133)
BETA	-0.072(-1.033)
SALES	-0.73(.571)
ROA	-.035(.148)
BOARD	-1.86(.396)
DUAL	-1.85(.104)
Constant	461.7(.001)**
R2F-value	2.14%.052

analysis of CSR and financial reporting quality. Regarding earnings management, CSR and the proxy variable DA (-0.1112**) exhibit a significant and negative correlation (p<.05). Thus, hypothesis 1 is accepted. This indicates that a mining firm demonstrates a good CSR performance level that can reduce its manipulation of discretionary accruals, subsequently improving the quality of financial reports. Same output is posited by various other studies, viz. Fuertes & Garcia, (2013).

Table 4 shows the analysis of the mediating effect of CG. When the quality of financial reports is evaluated using DA, a partial mediating effect is evidenced, in which CGis served as the mediating variable with BOARDas (p increased from -1.86 to .121). A complete mediating effect exists, negating the effects of DUAL on financial reporting quality (p increased from -1.85 to .000) but with no significant value.But it does impact on CSR in model with (.144) at 5% level. Hence, hypothesis 2 is also accepted. The mediating effect of CG reduces or eliminates the effects of CSR on financial reporting quality.

Table 4
Test results for mediating effects

	Model (2)CSR	*Model (3)DA*
CSR		-0.083*
BOARD	-.369***	.121**
DUAL	.144**	.000
CFO		.130***
LEV		.009
BETA		-.039
SALES		-.065**
Adj R2	.078	.075

4. DISCUSSION

This study analyses the association between CSR practices and FRQ in the Indian mining sector firms, and more concretely, the impact of duality and board size on this association. According to previous theoretical perspective (Kolstad, 2007; Reinhardt et al.,2008), managers avoid behaviours that harm the company, proving self-restraint and not using CSR to conceal earnings manipulations. Therefore, it can be expected that the relationship between CSR practices and FRQ can be positive. Our empirical analysis is based on a sample of 241 Indian mining firms during 2012-2015. First, for hypothesis 1, using DA as a proxy of FRQ, our findings support a positive association between CSR practices and the level of quality of financial information. Similar resultswere also found by Salewski and Zulch (2014) andFernandez et al. (2015) in their respective studies.Further, it is also evidenced that the Indian mining companies investing more on CSR is producing good quality financial reports. From this observation, we can infer that high quality financial reporting leads to greater social benefits. And hence, hypothesis 1 is accepted.

For hypothesis 2, previous results (Chiang et al, 2015) find that DUALpositively affects the relationship of CSR and FRQ. It is observed that those mining companies having dual managers are actively engaged in CSR practices providing good quality financial reports.Studies of Wang and Coffey (1992) and Jhonson and Greening (1999) reveal the same output. Peters and Romi (2015) distinctly finds that board of directors along with a Chief Sustainability Officer (CSO) is positively associated with CSR reporting assuring higher quality accounting information. While, DUAL does not seem to put a much significant impact on this relationship of CSR-FRQ, but our study results as duality is positively correlated with CSR (equation 2).

The present study finds that board size has a positive impact on the operations of CSR and less of manipulating earnings.Board of directors is very important regarding CG practices of any corporation (Hussain and Mallin, 2003). Board size is positively affecting the relationship of CSR and FRQ.Majeed et al. (2015) also find that there is positive and significant impact of board size on CSR reporting providing better firm performance.Similar results were found in studies done byZulkiflee (2012),Jizi et al. (2014) and Ferrero et al.(2015).Hence, our hypothesis 2 is also accepted and we infer that large board size means higher CSR disclosure, thereby disclosing better financial reporting.

5. CONCLUSIONS

In recent years, particularly after the emergence of Companies Act 2013, (section 135 for and Schedule VII for CSR policy), there has been increased focus on CSR activities of mining firms operating in India because mining sector being a backbone of country's economic development willingly engage in CSR activities to improve the living conditions of local communities and/or to reduce the negative impacts of mining projects. There has been much theoretical debate on whether managers who are willing to invest in social responsibility are involved in earnings management practices or not yet very few studies have been undertaken on this nexus in Indian context particularly in mining sector. Financial reporting of the mining industryis useful for management, stockholders, creditors and other users. In a way, a good governed firm calls for the accountant to present all kind of scenarios, be it good or bad in the financial statements. In most cases, shareholders depend on the ability of a board and its committee to monitor the independence of the management (Kaur and Narang, 2010). Therefore, the responsibility of financial reporting quality lies on the effectiveness of board and its committee. Given the above arguments, we view this study as an important contribution to the debate. Overall, our result suggests that dual managers and board size play a significant role in regular investment in CSR practices by Indian mining firms, improving quality of financial reports.

6. MANAGERIAL IMPLICATIONS

The implications for managers are quite straightforward given the zero or less impact of DUAL on the nexus of CSR-FRQ. Our findings definitely encourage stakeholders to invest in mining firms, because we find the positive impact of board on CSR. Also, mining firms seem to produce quality financial statements as there is negative relationship between CSR and DA. The expenditure that organizations spending on

CSR activities prompts the need for a better understanding of the motivations behind socially responsible behaviour as well as its implication on financial performance. Investors seek information for investment in firms that appear profitable or perform financially well. Regulatory bodies demand for the timely and legally complied accounting figures to get published in annual reports. This study highlights the actual operating activities undertaken by mining firms and encourages researchers to do a rigorous investigation on the newly amended corporate laws and its implementation.

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