

A Case study of Earnings Management in selected top 100 BSE Listed companies in 2018-19 in India

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Abstract

The primary purpose of reporting financial statements is to deliver company's annual financial information to both external and internal stakeholders in a reliable and timely manner. A major element of the report is accounting earnings, the information of which is used to assist the users in developing corporate policies. Major decisions like capital raising, debt covenants, executive remuneration etc. are shaped based on the available information reported in annual reports. For external investors, they basically can make more informed investment decisions based on the information acquired in the reports. The reported earnings should reflect a company's underlying operating economics and simplify efficient resource allocation within the company. Companies use earnings management to smooth out fluctuations in earnings and present more consistent profits each month, quarter, or year. Large fluctuations in income and expenses may be a normal part of a company's operations, but the changes may alarm investors who prefer to see stability and growth. For the achievement of the research objective top 100 BSE listed companies will select, and M score will apply to calculate the earnings management.

Key words: - Earnings Management, M- Score

Introduction

The phrase "earnings management" refers to broad accounting choices that could impact the financial statement outcomes. Their responsibility is to present an accurate picture of the financial status and operating results of a specific company in a global setting. In actuality, however, there can be opportunities to manipulate accounting data using a range of strategies, and as a result, the financial statements lose their usefulness and inaccurately reflect the accounting data, leading to the manipulation of profits. The phenomena of earnings management, a current issue in the international financial system, deals with profit manipulation as well. Regardless of a company's location, line of business, or size, this is a very complicated and varied phenomenon that occurs in them. To monitor and detect earnings management, a variety of profit models are utilised, each with a different level of detection capacity.

According to the Financial Accounting Standards Board, Earnings management is "when managers use discretion in financial reporting and in structuring transactions to alter financial reports to either mislead some stakeholders about the company's underlying economic performance or to influence contractual outcomes that depend on

reported accounting numbers," Earnings management is a tactic used by a firm's management to consciously influence the earnings of the company so that the results meet a pre-established target. This procedure is used in order to smooth out income. As a result, businesses will attempt to maintain generally steady earnings by adding and subtracting profit from reserve accounts rather than experiencing years of unusually high or low earnings.

According to researchers, managers take income smoothing into account in order to offer a long-term view of the profitability process inside the adaptable framework of traditional accounting principles and practices.

Evidence suggests that the majority of creditors and stockholders favor investing in companies whose management can present a rosier picture of profitability. Such actions may be prompted by rewards like improved management welfare, improved stockholder welfare, and assistance with earning predictability. Using the acronym WISE is one of the greatest methods to respond to the question, "Why earnings management?" WISE stands for income smoothing, window dressing, internal targets, and external expectations.

Since becoming a well-liked location for overseas investors, India has seen a significant expansion in the study of earnings management. Given that SEBI has been more vigilant in uncovering profits manipulators, the study is of special significance. On whether earnings management represents appropriate or improved activity, perspectives vary.

Review of available literature

Some reviews of available literature on related subject areas are being presented below:

1. Haider (2019) analyzed the driving forces (firm size, profitability, financial leverage, and effective tax rate) behind the manipulation of earnings was conducted. They stated that this information might be used by shareholders and other investors who were interested in putting their money in various institutions to be aware of the fundamental causes of manipulations, misrepresentation, and misspecification. Then, based on t-statistics and the tax rate, he came to the conclusion that while business size was shown to be negligible in explaining the management of earnings, profitability and financial leverage had been proven to be relevant.
2. Santy, Tawaakkal and Pantoh (2019) aimed to present real information about how the adoption of IFRS has affected earnings management, as well as a comparison of the different levels of earnings management before and after the adoption of IFRS. The outcome showed that the implementation of IFRS did not cause a deterioration in the management of earnings. Also, they discovered that the level of earnings management between before and after the adoption of IFRS has little changed.
3. Ayedh, Fatima and Mohammad (2019) studied the scope and direction of Malaysia's earnings management behavior during the 2008 financial crisis and contrasted it with pre-crisis earnings management. The study's conclusions showed that, in contrast to the pre-crisis period (2005 and 2006), when the procedures were income-increasing, earnings management techniques in Malaysian enterprises were income-decreasing during the crisis period (2008 and 2009).

4. Beuselinck et al. (2019) examined the location of earnings management within the firm. They found that headquarters' control on subsidiary earnings management increases with the degree of subsidiary incorporation and the extent of earnings management opportunities. They provided evidence that MNCs utilize regulatory arbitrage opportunities arising from cross-country differences in institutional quality.
5. Beyer, Nabar and Rapley (2019) found that the null hypothesis of zero reporting bias is rejected, that the variance of the noise introduced by the reporting process to the difference of earnings shocks is 45%, that the reporting noise plays a much less significant role in valuation, that the amount of ambiguity created for investors by reporting noise about firms' assets in place and about future earnings is similar, and that ignoring the possibility that reporting distortions were bias the estimates.
6. Degiannakis et al. (2019) discovered that firms adjust profits to prevent losses and maintain current levels of earnings. Discretionary accruals are the cause of the discrepancy between the scaled earnings distribution and earnings changes.
7. Ibrani, Faisal and Handayani (2019) investigated the elements that shed insight on the motivations behind the use of the fraud diamond theory to manage non-GAAP earnings (FDT). To explain the elements that lead to fraud in a corporation, the FDT is a hypothesis that is frequently applied in behavioral research. According to the findings of the logistic regression research, opportunity and aptitude were the main causes of non-GAAP earnings management.
8. Islami et al. (2019) studied the impact of the management of earnings-influencing elements in conventional Indonesian banks. The following factors were used as independent variables: credit risk, capital adequacy ratio (CAR), size, managerial ownership, and institutional ownership. The following factors were utilized as dependent variables: earnings management. They discovered that while management ownership variables had a negative and substantial impact on earnings management, factors such as banking size and capital adequacy ratio had a favorable and significant impact. Although institutional ownership factors have little impact on managing earnings.
9. Pompli and Tutino (2019) discovered a broad inverse relationship between earning quality and the degree of fair value accounting. The findings revealed a considerable negative correlation between FVA and earning quality. They investigated if, as a result of the discretion given to managers throughout the estimating process, there was a negative association between fair value accounting and earning quality. They discovered that fair value accounting has a detrimental effect on the standard of earnings. They discovered a lower earning quality connected to FVA.
10. Toumeh and Yahya (2019) stated that depending on how managers use those strategies, earnings management techniques can be assumed to be false practices.
11. Abdullah et al. (2018) studied how corporate governance policies and the introduction of IFRS affected Malaysia's financial reporting standards. The findings demonstrated a substantial correlation between the board of directors' qualities and the degree of earnings management in the years after Malaysia's adoption of IFRS.

According to their conclusions, Malaysian construction businesses' discretionary accruals are lessened by the adoption of IFRS on MFRS and corporate governance measures.

12. Beyer, Guttman and Marinovic (2018) discovered that companies with less cost-effective information environments and fewer incentives to satisfy short-term profits targets were the only ones with a favorable relationship between real earnings management and future profitability. Small firms employed actual earnings management to predict positive future performance, while large enterprises did not, they claimed, explaining the discrepancies in results to the difference in sample makeup.
13. Malofeeva (2018) said that IFRS-compliant financial reporting not only ensured the comparability of financial statements from businesses based in different countries, but also helped to raise the ability of the information contained in the accounts. The outcome demonstrated that, following the adoption of IFRS, earnings management has increased.
14. Mulyana, Zuraida and Saputra (2018) analysed the impact of profitability, liquidity, and leverage on managing earnings as well as the company's worth. They proposed that each component has an impact on earnings management and the value of the company both collectively and individually, and that earnings management mediates the impact of liquidity, profitability, and leverage on the organisation.
15. Supardi and Asmara (2018) examined how financial considerations affected the management of earnings by using corporate governance variable. The outcome demonstrated that the association between financial distress and earnings management is weakened when effective governance is put into place.

RESEARCH METHODOLOGY

Objective of the study: The objective of the study is to find out the extent of earnings management in top 100 BSE listed companies.

Sampling Technique: For the purpose of our study, top 100 BSE Companies were selected on the basis of Convenience Sampling method for the period ranging from 2018-19. The sample of the study represents the population as it is having a major share in the Indian market.

Data Type: For achieving the objective of this study and to conduct the investigation, data were collected from secondary sources. The Secondary data were collected through Annual reports of the selected companies. Further, researchers used various relevant Journals, Research papers, and case–studies related to Earnings Management.

Data analysis Tool: To check whether Companies follow the practice of Earnings Management, researchers have used The Beneish M-Score Model which is a Statistical tool to identify if it is likely that the reported earnings of the company have been manipulated. Furthermore, to test the significance of calculated values of M-Score, t-test have been applied.

Table:- Earnings Management for the year 2018-2019

S No	Company Name	DS RI	G MI	AQ I	SG I	DE PI	SG AI	LV GI	TAT A	M Score	Indication of Earnings Management
1	Reliance Industries	0.76	1.11	1.16	1.64	0.90	0.83	0.96	0.25	0.80	Manage
2	Tata Consultancy Service Ltd	0.95	0.98	1.07	1.19	0.99	1.06	1.15	0.88	-1.71	Manage
3	Infosys LTD.	0.97	1.07	0.97	1.21	0.93	0.75	1.31	0.69	-0.89	Manage
4	Hindustan Unilever Ltd	1.14	1.04	0.98	1.11	0.99	0.93	1.00	0.62	-0.66	Manage
5	Housing Development Finance Corp Ltd.	1.29	1.21	1.05	1.18	0.60	1.26	0.95	1.85	-6.66	Not Manage
6	Bajaj Finance Limited	0.61	1.14	0.17	1.86	0.82	0.66	0.93	0.00	2.27	Manage
7	Bharti Airtel Ltd.	0.96	-0.29	1.02	1.16	0.92	0.94	0.98	0.69	-0.19	Manage
8	Wipro Ltd.	0.92	1.18	0.82	1.34	0.91	0.95	1.12	0.34	0.66	Manage
9	Hcl Technologies Ltd.	1.33	1.08	0.97	1.14	1.04	0.96	1.00	0.77	-1.60	Manage
10	Asian Paints Ltd.	1.11	1.21	0.80	1.34	1.03	0.98	1.14	1.22	-3.64	Not Manage
11	Avenue Supermarts Ltd	1.20	1.02	0.94	1.28	0.76	0.88	1.08	0.91	-2.16	Manage
12	Itc Ltd.	0.82	1.05	1.13	1.20	0.96	0.95	1.09	0.64	-0.58	Manage
13	Larsen & Toubro Ltd.	0.96	1.06	0.93	1.14	1.02	0.70	0.98	0.43	0.32	Manage
14	Bajaj Finserv Ltd.	0.92	0.77	0.98	1.19	0.89	1.27	0.96	0.84	-1.36	Manage
15	Maruti Suzuki India Ltd.	1.29	1.15	1.12	1.23	1.10	0.95	1.01	0.59	-0.90	Manage
16	Adani Green Energy Ltd	0.97	0.82	1.42	1.55	0.58	0.86	0.78	0.04	1.73	Manage
17	Ultratech Cement Ltd.	1.02	1.04	1.25	1.17	1.00	1.08	0.77	0.52	-0.30	Manage
18	Titan Company Limited	1.16	0.99	1.09	1.33	0.98	0.66	1.06	0.98	-2.62	Not Manage
19	Adani Transmission Ltd	0.93	1.07	0.94	1.13	0.89	0.94	1.01	0.13	1.79	Manage
20	Sun Pharmaceutical Industries Ltd.	1.01	0.93	0.88	1.15	0.98	0.98	0.52	0.56	-0.36	Manage
21	Adani Enterprises Ltd.	0.65	1.02	0.98	1.75	0.28	1.04	1.06	0.67	-0.89	Manage
22	Oil And Natural Gas Corporation Ltd	0.82	0.86	1.00	1.46	0.94	0.48	0.58	0.75	-1.42	Manage

23	Tech Mahindra Ltd.	0.86	0.99	0.98	1.07	0.93	0.98	0.93	1.67	-5.28	Not Manage
24	Jsw Steel Ltd.	0.98	1.01	0.51	1.69	0.65	0.90	0.90	0.49	-0.21	Manage
25	Tata Motors Ltd.	0.88	0.93	0.91	1.12	0.98	1.03	1.00	0.80	-1.17	Manage
26	Adani Ports and Special Economic Zone Ltd.	0.81	1.43	1.15	1.01	0.90	1.22	1.08	0.01	2.37	Manage
27	Power Grid Corporation of India Ltd.	2.46	0.98	0.77	1.05	0.96	1.06	0.96	0.06	0.91	Manage
28	Tata Steel Ltd.	0.83	0.86	1.04	1.56	1.03	0.96	0.85	0.70	-1.13	Manage
29	Ntpc Ltd.	1.32	1.00	0.90	1.17	0.90	0.88	0.98	0.67	-1.09	Manage
30	Vedanta Limited	0.96	1.08	0.89	1.48	0.96	0.99	1.04	0.25	0.93	Manage
31	Pidilite Industries Ltd.	0.80	1.65	-0.02	1.35	1.14	0.90	0.02	0.94	-2.35	Not Manage
32	Divi's Laboratories Ltd.	1.12	0.97	0.63	1.29	0.85	0.94	0.87	0.70	-1.04	Manage
33	Indian Oil Corporation Ltd.	0.96	1.22	1.08	1.41	0.97	0.86	0.99	0.73	-1.44	Manage
34	Mahindra & Mahindra Ltd.	0.82	1.15	0.96	1.30	0.83	0.86	1.01	0.29	0.97	Manage
35	Coal India Ltd.	0.48	0.95	1.02	1.21	0.88	0.97	1.00	0.38	1.01	Manage
36	Grasim Industries Ltd.	0.74	1.13	1.05	1.69	0.93	0.99	1.02	0.06	1.73	Manage
37	Hindalco Industries Ltd.	1.10	0.93	0.80	1.47	0.93	0.95	1.02	0.80	-1.65	Manage
38	Adani Power Ltd.	0.45	1.69	1.41	1.84	0.99	0.51	0.87	0.01	1.54	Manage
39	Bajaj Auto Ltd.	0.47	0.99	1.23	1.19	0.90	0.97	0.80	0.82	-1.21	Manage
40	Dabur India Ltd.	1.01	1.07	1.25	1.14	0.93	0.87	1.07	0.74	-1.24	Manage
41	Shree Cement Ltd.	1.03	1.08	1.02	1.11	0.89	1.08	1.08	0.52	-0.08	Manage
42	Dlf Ltd.	0.94	0.81	1.05	1.03	1.00	1.02	0.70	1.50	-4.53	Not Manage
43	Havells India Ltd.	1.03	1.17	0.95	1.32	0.92	0.87	1.04	1.15	-3.31	Not Manage
44	Siemens Ltd.	0.90	1.06	0.76	1.14	0.76	1.01	1.00	1.07	-2.47	Not Manage
45	Bharat Petroleum Corporation Ltd.	0.87	1.65	0.83	1.42	0.78	0.87	1.14	2.20	-1.22	Manage
46	Tata Power Co.Ltd.	0.91	0.98	0.99	1.32	0.90	1.09	1.03	0.32	0.84	Manage

47	Godrej Consumer Products Ltd.	1.00	1.05	0.94	1.11	0.95	0.90	1.00	0.37	0.63	Manage
48	Britannia Industries Ltd.	1.21	1.13	1.07	1.07	1.03	1.00	1.19	0.71	-1.13	Manage
49	Cipla Ltd.	0.88	1.01	0.97	1.13	0.98	1.06	0.85	0.68	-0.74	Manage
50	Tata Consumer Products Ltd	1.02	0.95	0.99	1.07	0.80	1.08	0.97	0.52	0.03	Manage
51	Ambuja Cements Ltd.	0.82	1.06	1.00	1.21	1.00	1.02	0.98	0.25	1.23	Manage
52	Srf Ltd.	0.95	0.92	1.42	1.48	0.84	1.03	0.92	0.65	-1.10	Manage
53	Interglobe Aviation Ltd	0.89	1.83	1.21	1.70	0.89	0.76	1.09	1.01	-3.30	Not Manage
54	Hindustan Aeronautics Ltd	2.00	0.94	0.71	1.10	0.75	0.91	0.87	0.98	-3.00	Not Manage
55	Dr.Reddy's Laboratories Ltd.	1.18	1.02	0.86	1.14	0.98	1.01	1.02	0.94	-2.15	Manage
56	Bharat Electronics Ltd.	0.85	1.07	1.10	1.10	0.99	0.82	1.01	0.91	-1.83	Manage
57	Marico Ltd.	1.43	1.08	1.00	1.18	0.97	0.94	1.02	1.18	-3.65	Not Manage
58	Berger Paints India Ltd.	0.80	1.13	1.55	1.28	0.92	0.89	1.06	1.14	-3.19	Not Manage
59	Cholamandalam Investment And Finance Company Ltd	1.54	0.74	0.96	1.06	0.91	1.38	1.00	1.05	-2.75	Not Manage
60	Apollo Hospitals Enterprise Ltd.	0.96	0.71	1.10	1.39	0.88	1.05	0.86	0.88	-1.85	Manage
61	Upl Limited	0.82	1.09	0.89	1.49	0.89	0.90	1.20	0.17	1.47	Manage
62	Samvardhana Motherson International Ltd	1.04	1.00	1.44	1.11	0.96	0.99	0.96	0.85	-1.82	Manage
63	Gail (India) Ltd.	1.32	1.00	1.02	1.61	0.92	0.75	0.97	0.86	-2.44	Not Manage
64	United Spirits Ltd.	0.96	0.72	0.97	1.13	1.01	1.07	0.85	0.76	-1.03	Manage
65	Indus Towers Ltd	0.93	1.13	1.03	1.98	0.93	0.65	1.05	0.89	-2.61	Not Manage
66	Jsw Energy Ltd	0.42	0.82	1.35	1.22	1.05	1.26	0.97	0.17	2.01	Manage
67	Torrent Pharmaceuticals Ltd.	0.99	1.11	0.97	1.08	1.05	1.01	0.90	0.51	-0.06	Manage
68	Bosch Ltd.	0.92	0.84	1.17	1.19	1.03	0.89	0.92	1.47	-4.53	Not Manage
69	Pi Industries Ltd	1.08	0.97	0.91	1.15	0.87	1.14	0.71	1.12	-2.97	Not Manage
70	Info Edge India Ltd.	3.39	1.93	1.68	1.39	1.02	1.12	0.50	0.41	-2.89	Not Manage
71	Mphasis Limited	1.95	1.02	1.05	1.23	0.88	1.00	1.19	1.53	-5.71	Not Manage

72	Hero Motocorp Limited	0.99	1.06	1.09	0.96	1.03	1.06	0.87	1.22	-3.30	Not Manage
73	Gland Pharma Limited	1.39	1.06	0.97	1.29	0.65	0.96	0.93	1.61	-5.68	Not Manage
74	Tata Elxsi Ltd	1.02	0.92	1.01	1.35	0.64	1.12	1.23	1.64	-5.35	Not Manage
75	Muthoot Finance Limited	0.68	0.99	1.06	1.05	0.95	0.98	1.05	1.60	-4.77	Not Manage
76	Page Industries Ltd.	0.88	0.93	1.23	1.37	0.96	1.02	1.06	0.89	-1.93	Manage
77	Piramal Enterprises Limited	0.94	1.21	1.03	1.12	0.85	1.11	1.16	0.05	2.16	Manage
78	Procter & Gamble Hygiene & Health Care Ltd.	1.13	0.92	1.00	1.19	0.89	1.01	1.00	1.25	-3.60	Not Manage
79	Jindal Steel & Power Ltd	0.31	1.17	0.44	1.46	1.11	1.03	0.95	0.46	0.66	Manage
80	Hdfc Asset Management Company Limited	0.87	1.03	0.75	1.11	1.09	1.15	0.82	0.15	1.87	Manage
81	L&T Technology Services Limited	1.15	0.85	0.99	1.20	0.99	1.15	1.05	1.13	-2.99	Not Manage
82	Colgate-Palmolive (India) Ltd.,	1.82	1.00	1.00	1.05	1.09	1.00	0.67	0.72	-1.81	Manage
83	Biocon Ltd.	1.49	1.08	1.06	1.14	0.95	0.99	1.18	1.44	-4.83	Not Manage
84	Balkrishna Industries Ltd.,	0.99	1.03	0.99	1.47	0.85	1.10	19.36	2.28	-2.57	Not Manage
85	Trent Ltd [Lakme Ltd]	0.51	0.73	0.74	1.67	0.66	1.07	1.13	0.57	-0.02	Manage
86	Nmdc Ltd	0.82	1.16	2.17	1.69	0.80	0.87	0.84	0.69	-1.79	Manage
87	M.R.F. Ltd.,	0.86	1.21	1.18	1.20	0.99	1.07	0.94	0.86	-1.80	Manage
88	Shriram Transport Finance Co. Ltd.	3.05	1.03	1.26	1.11	1.04	0.95	0.94	0.20	-0.57	Manage
89	Bharat Forge Ltd	0.91	0.88	1.09	1.69	0.97	0.82	0.73	0.83	-2.03	Manage
90	CG Power And Industrial Solutions Limited	0.88	2.19	0.91	1.82	1.08	0.64	0.74	1.20	-4.51	Not Manage
91	Honeywell Automation India Ltd.	0.73	1.13	1.08	0.97	1.14	1.07	0.86	0.94	-1.79	Manage
92	Gujarat Gas Limited	0.71	1.55	1.20	1.67	0.90	0.74	0.86	0.58	-1.01	Manage
93	Cummins India Ltd.,	0.85	1.04	0.87	1.37	1.01	0.81	1.32	1.41	-4.20	Not Manage
94	Oberoi Realty Limited	0.74	0.94	1.04	1.32	1.04	0.64	4.44	1.36	-2.86	Not Manage
95	Voltas Ltd.	1.12	0.99	1.14	1.05	0.87	0.96	1.17	1.16	-3.09	Not Manage

96	Container Corporation of India	0.96	0.99	1.13	1.18	0.94	0.93	1.17	1.33	-3.86	Not Manage
97	Steel Authority Of India Ltd.	0.45	0.90	0.84	1.49	0.92	0.97	0.68	1.00	-2.13	Manage
98	Astral Limited	0.70	1.12	1.16	1.38	0.81	0.90	1.25	0.68	-0.81	Manage
99	United Breweries Ltd.	0.70	0.89	1.10	1.28	0.85	0.98	0.16	1.44	-4.48	Not Manage
100	Bharat Dynamics	0.88	0.93	1.23	1.37	0.96	1.02	1.06	0.89	-1.93	Manage

Table presents information on those companies that were doing earnings management for the year 2022 and information on those companies that were not doing earnings management in 2022. The result of the M score shows that 67.00% of companies were doing earnings management and 33.00% of companies were not doing earnings management. The result of the analysis is presented as follows:

Reliance Industries M score (0.8), Tata Consultancy Service Ltd M score (-1.71), Infosys LTD M score (-0.89), Hindustan Unilever Ltd M score (-0.66), Bajaj Finance Limited M score (2.27), Bharti Airtel Ltd M score (-0.19), Wipro Ltd. M score (0.66), Hcl Technologies Ltd M score (-1.6), Avenue Supermarts Ltd M score (-2.16), ITC Ltd M score (-0.58), Larsen & Toubro Ltd M score (0.32), Bajaj Finserv Ltd M score (-1.36), Maruti Suzuki India Ltd M score (-0.9), Adani Green Energy Ltd M score (1.73), Ultratech Cement Ltd M score (-0.3), Adani Transmission Ltd M score (1.79), Sun Pharmaceutical Industries Ltd M score (-0.36), Adani Enterprises Ltd M score (-0.89), Oil And Natural Gas Corporation Ltd M score (-1.42), Jsw Steel Ltd M score (-0.21), Tata Motors Ltd M score (-1.17), Adani Ports and Special Economic Zone Ltd M score (2.37), Power Grid Corporation Of India Ltd M score (0.91), Tata Steel Ltd M score (-1.13), Ntpc Ltd M score (-1.09), Vedanta Limited M score (0.93), Divi's Laboratories Ltd M score (-1.04), Indian Oil Corporation Ltd M score (-1.44), Mahindra & Mahindra Ltd M score (0.97), Coal India Ltd M score (1.01), Grasim Industries Ltd M score (1.73), Hindalco Industries Ltd M score (-1.65), Adani Power Ltd M score (1.54), Bajaj Auto Ltd M score (-1.21), Dabur India Ltd M score (-1.24), Shree Cement Ltd M score (-0.08), Bharat Petroleum Corporation Ltd M score (-1.22), Tata Power Co. Ltd M score (0.84), Godrej Consumer Products Ltd. M score (0.63), Britannia Industries Ltd M score (-1.13), Cipla Ltd M score (-0.74), Tata Consumer Products Ltd M score (0.03), Ambuja Cements Ltd M score (1.23), Srf Ltd. M score (-1.1), Dr.Reddy's Laboratories Ltd M score (-2.15), Bharat Electronics Ltd M score (-1.83), Apollo Hospitals Enterprise Ltd M score (-1.85), Upl Limited M score (1.47), Samvardhana Motherson International Ltd M score (-1.82), United Spirits Ltd M score (-1.03), Jsw Energy Ltd M score (2.01), Torrent Pharmaceuticals Ltd M score (-0.06), Page Industries Ltd M score (-1.93), Piramal Enterprises Limited M score (2.16), Jindal Steel & Power Ltd M score (0.66), Hdfc Asset Management Company Limited M score (1.87), Colgate-Palmolive (India) Ltd M score (-1.81), Trent Ltd [Lakme Ltd] M score (-0.02), Nmdc Ltd M score (-1.79), M.R.F. Ltd M score (-1.8), Shriram Transport Finance Co. Ltd M score (-0.57), Bharat Forge Ltd M score (-2.03), Honeywell Automation India Ltd M score (-1.79), Gujarat Gas Limited M score (-1.01), Steel Authority Of India Ltd M score (-2.13), Astral Limited M score (-0.81) and Bharat Dynamics M score (-1.93) shows that they were doing Earning Management.

Housing Development Finance Corp Ltd M score (-6.66), Asian Paints Ltd M score (-3.64), Titan Company Limited M score (-2.62), Tech Mahindra Ltd M score (-5.28), Pidilite Industries Ltd M score (-2.35), Dlf Ltd M score (-4.53), Havells India Ltd M score (-3.31), Siemens Ltd M score (-2.47), Interglobe Aviation Ltd M score (-3.3), Hindustan Aeronautics Ltd M score (-3.00), Marico Ltd M score (-3.65), Berger Paints India Ltd M score (-3.19), Cholamandalam Investment and Finance Company Ltd M score (-2.75), Gail (India) Ltd M score (-2.44), Indus Towers Ltd M score (-2.61), Bosch Ltd M score (-4.53), Pi Industries Ltd M score (-2.97), Info Edge India Ltd M score (-2.89), Mphasis Limited M score (-5.71), Hero Motocorp Limited M score (-3.3), Gland Pharma Limited M score (-5.68), Tata Elxsi Ltd M score (-5.35), Muthoot Finance Limited M score (-4.77), Procter & Gamble Hygiene & Health Care Ltd M score (-3.6), L&T Technology Services Limited M score (-2.99), Biocon Ltd M score (-4.83), Balkrishna Industries Ltd M score (-2.57), CG Power And Industrial Solutions Limited M score (-4.51), Cummins India Ltd M score (-4.2), Oberoi Realty Limited M score (-2.86), Voltas Ltd M score (-3.09), Container Corporation Of India M score (-3.86) and United Breweries Ltd M score (-4.48) shows that they were not doing Earning Management.

To check the significance level of calculated values of M-Score, t-test have been applied and the results are as follows:

One-Sample Statistics						
	N	Mean	Std. Deviation	Std. Error Mean		
M-Score	100	-1.4989	2.02993	.20299		
	Test Value = -1.78					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
M-Score	1.385	99	.169	.28110	-.1217	.6839

To achieve the objective of the study, t-test have been applied at 5% level of significance.

The result of t-test shows that there is no significant relationship among the practices of Earnings Management in top selected 100 BSE Companies.

Conclusion

To conclude the research objective of the research, M score has been calculated of top 100 BSE listed companies for the year of 2018-19. This research presents information on those companies that are doing earnings management and those companies that are not doing earnings management in 2018-19. The result of the M score shows that 67.00% of companies were doing earnings management and 33.00% of companies were not doing earnings management.

On the basis of M-Score Model, the results shows that most of the selected BSE companies are following the practice of Earnings Management, but the results of the t- test shows that there is no significant relationship among the practices of Earnings Management.

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