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IMPACT OF SOCIAL RESPONSIBILITY DISCLOSURE ON THE INTEGRATION OF GREEN ACCOUNTING AND CORPORATE GOVERNANCE ON HIGHLY POLLUTED INDUSTRIES IN INDIA

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ABSTRACT

Fulfilment of environmental and social obligations is required for sustainable development. Green accounting integrates all environmental consequences into corporate accounting accounts. Disclosure of Corporate social responsibility is a component of accounting performance tied to the social, economic, and environmental aspects of a company's programme that can be vital in cultivating stakeholders. The current research aims to investigate the effect of social responsibility disclosure on integrating green accounting and corporate governance of highly polluting industries in India. The study employed a descriptive study design and qualitative research methods in accordance with the interpretative research philosophy and collected the sample data from 52 highly polluted industries from Central Pollution Board in India. The study employs a structural model, descriptive statistics, and F-test analysis. The result reveals that green accounting and firm characteristics significantly enhance the selected firms' social responsibility disclosure. Furthermore, it was discovered that corporate governance and social responsibility disclosure impact the chosen firms' performance and value. However, it has been determined that green accounting does not affect the profitability or market value of the selected firms. Also, this work concludes that a good firm gives its surroundings and surrounding community enough consideration in addition to its pursuit of profit. As the research is based on 52 industries, the generalized result can not bed determined. The knowledge of the respondent also impacts the research.

INTRODUCTION

The primary goal of accounting development should be to ensure a company's continuity, but periodically companies in the short-term business category need to consider how their current operations may affect their company's capacity to survive in the long run (Branco & Rodrigues, 2006). Accounting develops and expands in tandem with society, and firms have discovered that traditional accounting systems need help to keep up with the rising complexity of the business. The state of the contemporary economy today has brought up several environmental concerns, including global warming, eco-efficiency, and other industrial operations that directly affect the environment (Nguyen et al., 2019; Rockness, 1985). Traditional accounting primarily considers the management and capital owners, while other sectors are often put aside.

The expectations on businesses are increasing, and businesses must see a new aspect, namely accountability to stakeholders, where the business is concerned not just with the interests of the management and capital owners but also those of the employees, customers, and society. Green accounting is essential in managing the interaction between businesses and the environment (Deegan & Rankin, 1996; Sutantoputra et al., 2012). Social responsibility and environmental responsibility are distinct obligations from an accounting perspective, particularly in terms of disclosure and reporting. Aside from community expectations, organized environmental management will have ramifications for the corporation in the future. The business has a social obligation to stakeholders besides the capital owners and management. Businesses occasionally need to pay more attention to this obligation because it does not help the business survive (Chotaliya, 2022). This is because there is no reciprocity in the interaction between the corporation and its surroundings; no reciprocal

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presentation results from their transaction. Taking an environmentally responsible stance has a variety of effects on business success. To go forward and retain its commercial continuity, a well-managed firm must not only pursue economic rewards but also consider sustainable development and the well-being of the local population (Arafat et al., 2012; Wu, 2006). These facts might be viewed as environmental issues that are mostly a result of development's unintended consequences.

Organizations that use natural resources for production run the risk of causing environmental harm. Companies must thus take on responsibility for stakeholders. Companies must be accountable to stakeholders when using environmental resources for corporate purposes (Tsalis et al., 2020). Corporations must be aware of their surroundings to ensure company continuity. Preventive measures can be taken to combat water pollution, such as refraining from disposing of industrial waste in rivers. It is necessary to remove the practice of throwing rubbish into rivers and other bodies of water by implementing the rules in each location. In the future, if the company has to continue operating or be sustainable, the trash generated by the company must stop creating issues because, if a forum for the issue is created and it is discussed widely, it would threaten the sustainability of the industry (Nguyen et al., 2019; Wallace & Naser, 1995).

A pristine and high-quality environment is necessary for businesses to prosper. Incidentally, this affects company owners because organizations depend on people to survive and grow over time. Where a healthy atmosphere is missing, business survival and operator success become uncertain, making it nearly hard to fulfil goals. Furthermore, due to the perceived high cost, many firms must remember to incorporate their activities' environmental effects in the financial accounts (Cuadrado-Ballesteros et al., 2014; Dura & Suharsono, 2022). These firms face grave dangers to their long-term viability from host community agitations and upheavals. Accounting and documentation are prioritized to safeguard the environment because they aid in recording and reporting an entity's financial status and performance. It keeps people up-to-date and knowledgeable about the business in which they have a stake or ownership. The information provided in corporate responsibility reports needs to be more consistent because it does not make obvious connections between economic forces, financial data, and company policies' social and environmental effects (Andrikopoulos & Kriklani, 2013).

Corporate disclosure of data on operations that affect the environment is increasing; however, there still needs to be more information on what information should be considered essential and published. The decision-maker's incapacity and lack of knowledge might bring on this restriction. More so, the requirement for a diversified board becomes critical given the complexity of today's corporate environment (Dutta et al., 2020; Made et al., 2020). To assess and determine whether the companies are financially, socially, and ecologically responsible, users of financial data require appropriate data. Since they impact how firms are run, corporate governance factors such as committee members, board characteristics, board size, non-executive directors, and corporate ownership structure are crucial to attaining goals (Campanella et al., 2021).

The increasing environmental disclosure and improving corporate governance has raised concerns for the long-term growth of Indian businesses. Environmental costs are incorporated into a company's financial results using green accounting. More prudent investment and financing choices significantly impact the sustainable development of highly polluting enterprises. By examining their social responsibility disclosure, the research investigates the relationship between the adoption of green accounting and sustainable development in highly polluting businesses. This research attempts to empirically analyse the application effect of green accounting in the sustainable growth of strongly polluting enterprises using empirical data from heavily polluting companies in India. Quantitative data was collected via a self-administered questionnaire survey. Descriptive statistics also discuss demographics and provide general conclusions regarding the data collected. The characteristics of the variables selected and the data acquired have determined the type of test to be used to validate our hypotheses. This research work contribution is as follows: (i) To investigate the cause of social responsibility disclosure in integrating green accounting and corporate governance of highly polluting industries in India. (ii) To perform structural model analysis and F-test analysis to analyse the relationship between the defined variables. This research work has three objectives: (i) To observe the relationship between *social responsibility disclosure* and *green accounting* on sustainable development of industries in India (ii) To analyse the impact of social responsibility disclosure, green accounting, and corporate governance on the financial performance and value of industries. (iii)To investigate the impacts of corporate characteristics- social responsibility disclosure and corporate characteristics such as firm size, firm leverage, firm expense, and firm profit on enhancing the financial performance of corporates and their value.Sustainable development is vital because the firm must commit to fulfilling its environmental and social duties. Environmental accounting incorporates all environmental expenses into the corporation's financial accounts. The company's success is evaluated according to its financial performance, environmental practices, and social responsibility performance, among other factors. Therefore, social responsibility significantly influences how well business companies operate. The crucial traits of the businesses are used to gauge the link between social responsibility disclosures. This study aims to show how necessary social responsibility disclosure and green accounting are to a company's reputation.

The remainder of this study is structured as follows: Section 2 outlines the literature underpinnings of corporate responsibility disclosure and green accounting; Section 3 summarises the theoretical framework of disclosure of corporate social responsibility with hypotheses of the connections between green accounting and corporate governance of high polluting industries, Section 4 presents the outcomes of the analysis of data, and Section 5 discusses the conclusions, limitations of this research and future works.

LITERATURE REVIEW

Riyadh et al.(2019) showed the effect of corporate responsibility disclosure and board characteristics on the effectiveness of the corporations. They used a quantitative approach and collected secondary data to determine the impact. They conducted structural equation modelling using the data they had gathered. The sample for their study comprises the top 250 international energy businesses for the years 2016, 2017, and 2018. Their research revealed that board independence and the influence of CSR disclosure on business performance are not very significant. As a result, gender diversity and board size significantly influence how well a company performs.

Nair et al. (2019) and Tanwar et al. (2018) examined how corporate responsibility disclosure affects financial openness in India. Their research included both the obligatory disclosure framework and different investment groups. They used statistical methods to analyse a sample of the top 100 non-financial, non-state-owned Indian businesses. Their results showed that, under a required disclosure framework, corporate social responsibility disclosure enhances financial transparency. They also discover that the relationship between corporate governance and financial transparency is strengthened by ownership by individual investors.

Ting (2020) revealed the value of corporate responsibility to big businesses. The researcher investigated how company size influences corporate responsibility report disclosure and the mediating effects of firm size on the link of corporate responsibility disclosure and the firm's financial performance using a population of Taiwanese listed businesses between 2010 and 2016. The findings indicated that company size had a favourable impact on companies' corporate responsibility disclosure. Additionally, corporate responsibility exposé favours a business's financial performance, and this benefit is larger for small businesses with fewer employees. CSR disclosure does enhance financial success for small businesses.

Nguyen et al. (2021) explored the social responsibility disclosures of the company. From the 2019 annual reports of the listed firms on the Vietnamese stock market, they gathered the necessary data. To evaluate research hypotheses, their study uses regression techniques and descriptive statistics. Their findings demonstrated a favourable correlation between corporate characteristics such as business size, liquidity, government ownership, and ecological industry sensitivity and a corporation's CSR. Disclosure level and company age have little impact on listed businesses' corporate social responsibility disclosure, which considerably impacts both returns on assets and equity.

Bolourian et al. (2021) showed how corporate governance affects corporate social responsibility. They gathered the necessary information from a random selection of 67 studies published between 1992 and 2020 in 18 prestigious scientific publications. Their investigation first reveals parallels and discrepancies regarding the impacts of different board traits and configurations on CSR performance. The results show that these characteristics do not function independently but rather interact with one another and the setting in which they are entrenched to shape corporate social responsibility performance.

Dhar et al. (2022) examined how green accounting affects business. They gathered the necessary data from the 212 businesses listed on the Dhaka Stock Exchange. Their study found that the practical application of green financial reporting has drastically enhanced the environmental sustainability capabilities of highly polluting companies. Additionally, there is a strong correlation between the extent of socially conscious information exchange and the ability of highly polluting firms to protect the environment.

Lopez et al. (2022) explored the administration and accountability axis effect on corporate social responsibility strategy. The scoring for 27 listed firms that are included in the Spanish MERCO Corporate Social Responsibility and Accountability Index and their share price on the Spanish public stock market for those companies from 2011 to 2019 are the two sets of variables utilized in this paper's approach. Their findings showed that while there is a direct correlation between CSR and share price, this relationship is no longer significant when the economic environment is considered. Furthermore, the significant advancements in CSR in terms of management, openness, measurement, environment, and governance translate into a significant contribution to the effectiveness and self-sustaining growth of the company.

Sun et al. (2022) identified the sources of creativity in reporting corporate responsibility. This study offers data on the levels of disclosure of social responsibility from an IR viewpoint and investigates their firm-level determinants using a cohort of Chinese-listed firms. Their findings showed that while independent directors, gender diversity, sessions, and committees did not affect these integration levels, board characteristics, chief executive officer, GRI adoption, and external assurance did.

Table 1. Analysis of related literature

Citation	Purpose	Outcomes
Riyadh et al. (2019)	▪ To show the effect of corporate responsibility disclosure and board characteristics on the effectiveness of the corporations	▪ Board independence and the influence of corporate responsibility disclosure on business performance are not very significant.
Nair et al. (2019)	▪ To examine how corporate responsibility disclosure affects financial openness in India	▪ Under a required disclosure framework, corporate social responsibility disclosure enhances financial transparency.
Ting (2020)	▪ To reveal the value of corporate responsibility to big businesses	▪ Company size had a favourable impact on companies' corporate responsibility disclosure
Nguyen et al. (2021)	▪ To explore how company social responsibility disclosures are affected by firm age, liquidity, industry sensitivity, and size	▪ Disclosure level and company age have little impact on listed businesses' corporate social responsibility disclosure.
Bolourian et al. (2021).	▪ To show how corporate governance affects corporate social responsibility	▪ The company characteristics do not function independently
Dhar et al. (2022)	▪ To examine how green accounting affects business	▪ There is a strong correlation between the extent of socially conscious information exchange.

Lopez et al. (2022)	▪ To explore the administration and accountability axis effect on corporate social responsibility strategy	▪ There is a direct correlation between corporate responsibility disclosure and share price.
Sun et al. (2022)	▪ To identify the sources of creativity in the reporting of corporate responsibility	▪ Independent directors, gender diversity, sessions, and committees did not affect the integration levels.

Table 1 offers a survey and evaluation of the papers in the literature collection. The mainstream of earlier research is focused on the effect of corporate responsibility disclosure and board characteristics on the effectiveness of the corporation (Riyadh et al., 2019), the impact of corporate responsibility disclosure on India's financial openness (Nair et al., 2019); the importance of corporate responsibility to large corporations (Ting, 2020); the impact of firm age, finances, terms of size, sector sensitivity, and social responsibility disclosures (Nguyen et al., 2021); a relationship between corporate governance and corporate social responsibility (Bolourian et al., 2021); the impact of green accounting on business (Dhar et al., 2022); the impact of the administration accountability pillar on the plan of action for corporate social responsibility (Lopez et al., 2022); and the sources of innovation in corporate responsibility accounting (Sun et al., 2022). There needs to be more information about the subsidiary operations of multinational firms because most of the corporate social responsibility research that is being done focuses on large enterprises operating in a few countries. This research explored the impact of social responsibility disclosure on green accounting and sustainable development in highly polluting businesses in India.

MATERIALS AND METHODS

Research Hypothesis

In the modern world, businesses behave as law-abiding citizens who benefit their surroundings. Companies' reputations are heavily influenced by how well they treat society, which may impact their market value. Reporting on corporate social responsibility has grown in importance as a part of a company's external information system in recent years (Riyadh et al., 2019). The company aims to track its social responsibility performance to present a picture that is kind to society. This indicates that companies should publicise social responsibility information to enhance their reputation. As a result, the following first hypothesis is developed:

***H*₁**- *The traits of a firm and its disclosure procedures for social responsibility are significantly correlated.*

Large corporations have adopted green accounting based on corporate social responsibility as a form of corporate accountability for the effects of their operations on the environment. The practice of "green accounting," which incorporates all environmental expenses into a company's financial accounts, is crucial to achieving sustainable development since it requires a firm commitment to fulfilling social besides environmental responsibilities. The firm's success is evaluated according to its financial performance and the ethical and conservational elements, with social responsibility performance being one of the indicators. Therefore, the following hypothesis is developed to analyse the green accounting implementation impact on social responsibility disclosure.

$\boldsymbol{H_2}$- *Implementing green accounting impacts how social responsibility is disclosed.*

Good governance tries to integrate the firm's social and financial goals and its employees' aspirations for themselves and their communities. Corporate responsibility concerns must be included in governance structures since effective CSR. Corporate social responsibility policies depend on high standards of corporate governance (Ezhilarasi & Kabra, 2017). Corporate governance and CSR are two facets of the same concept. Both emphasize how important it is for businesses to communicate their obligations and responsibilities to all parties involved. The corporate governance practices' effectiveness and the calibre of social responsibility disclosure are related. Corporate governance uses the system can be updated, including audit committee members, auditors, and executives, who are in charge of keeping an eye on and reining in managers' performance and making decisions that affect stakeholders, the environment, and society. Thus, the following hypothesis is developed to find the impact of corporate governance on a company's social responsibility disclosure.

$\boldsymbol{H_3}$- *Social responsibility disclosure is positively impacted by corporate governance.*

Investors will undoubtedly get a favourable opinion of a firm with a robust social responsibility disclosure. When evaluating investment choices and corporate social responsibility initiatives force investors to concentrate on the firm's earnings success. Many stakeholders want to invest money into the business to increase profitability (Gololo, 2019). Its high profitability demonstrates a company's capacity to generate large profits for shareholders. The capacity to pay dividends increases with increased earnings, which affects business value. Therefore, the following assertion is made:

$\boldsymbol{H_4}$- *Social responsibility disclosure improves business values and financial success.*

Over time, Green Accounting has become increasingly well-liked. It evaluates environmental accounting and resource management (Dhar et al., 2022). It tries to incorporate the company's environmental expenses into its financial statements. So, this hypothesis is developed to find the impact of green accounting on corporate performance and values.

$\boldsymbol{H_5}$- *Financial performance and corporate values benefit from green accounting.*

Corporate governance is only sometimes equally important. The degree of rivalry in a particular sector is crucial. The demand for managers to use resources effectively increases along with the amount of competition, making company-level governance structures less significant (Rodriguez-Fernandez, 2016). In conclusion, a wide body of evidence demonstrates that corporate governance benefits generally for business value, even while firm value declines significantly in situations of severe governance failures. Therefore, the following hypothesis is proposed to find the relationship between corporate governance, financial performance, and corporate value.

H_6*- *Financial performance and corporate values benefit from good corporate governance.

Proposed Hypothesis

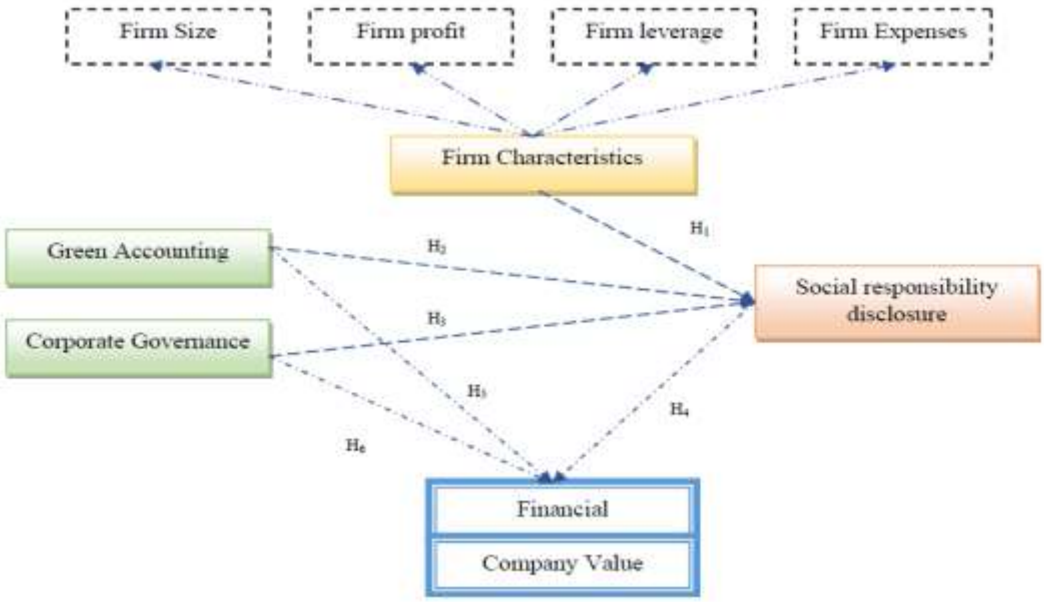

Figure 1. Shows the diagrammatic representation of the proposed hypothesis

Variables Definition

***Corporate governance*:** Corporate governance is influenced by several laws, rules, legal agreements, market mechanisms, best practices, and the efforts of all corporate governance organs, including corporate directors, officers, auditors, and legal and financial advisors. These organs work together to create a system of checks and balances that aims to create and enhance shareholder value while safeguarding other stakeholders' interests.

***Corporate social responsibility*:** Corporate social responsibility (CSR) is a company's commitment to using ethical business practices to improve the welfare of communities and to give back some of its resources.

Green Accounting: Green accounting is defined as a style of accounting that includes the indirect costs and advantages of economic activity, such as the impact on the environment and the medical consequences of business decisions and plans.

***Company Value*:** Values may contain guiding concepts like a dedication to the environment, treating workers fairly, participating in community service projects, or providing support for a particular industry or profession.

Data Collection

According to Central Pollution Control Board, in India, there are 54 red-category industries in India where the pollution Index score ranges between 41-59, 83 orange-category industries where the pollution Index score ranges between 21-40, 63 green-category industries where the pollution Index score ranges between 41-59 and 36 newly introduced white category industries where the pollution Index score ranges incl. & up to 20. In total, there are 236 industries causing pollution are there in India. 52 businesses were chosen for the sample group using the purposive sampling method. Using a self-administered questionnaire survey, quantitative data has been gathered. As a result, 280 replies were obtained to an electronic questionnaire emailed to 52 selected firms. The survey participants are employed in various departments, including operations, quality assurance, health and safety, technical, human resources, management, and accounting. Upon the rating scale, asked respondents to indicate how much they agreed with a particular statement for all variables (independent and dependent). Additionally, descriptive statistics are used to discuss demographics and offer broad conclusions about the information we gathered. The type of test chosen to validate our hypotheses has been decided by the nature of the variables chosen and the data gathered.

Methodology

To evaluate the suggested model, it was made into an online survey. The model and ensuing questionnaire were created based on the theoretical and empirical findings of earlier studies conducted with departments such as operations, technical, human resources, management, and accounting. On a 5-point Likert scale with the options "Strongly disagree" and "Strongly agree," each signal was evaluated. Utilising structural equation modelling (SEM), this correlation analysis was conducted. Because of its greater flexibility and ability to control measurement errors and examine and test complex relationships among various dependent, independent, exogenous, and endogenous constructs in behavioural sciences studies, SEM has gained popularity in recent years compared to older methods like multiple regression. To analyse the data, the study applied a structured model analysis technique using MATLAB, Reliability analysis, validity analysis, and descriptive statistics were performed using IBM SPSS statistics 26. Additionally, it used Matlab software to analyse discriminant validity. The measurement model was used to assess reliability and validity, and the structural model was applied to test the hypothesized relationship.

RESULTS

Data analysis was done to address the study questions, goals, and hypotheses. Editing, coding, entering, and maintaining the facts from the completed poll were done before data analysis. Descriptive statistics like mean and standard deviation were employed to offer data summaries of variables. Cronbach's $\propto$ was additionally utilized to assess the validity and reliability of the measurement scales. F-test analysis is performed to find the dependency between the variables, and correlation analysis is performed to show the causal relationship between the variables.

Percentage Analysis

Percentage Analysis of Firm's Characteristics

Table 2. Firm Characteristics Percentage Analysis

Constructs		Percentage
Firm Category	Red Category	62.9%
	Orange Category	35%
Number of Years of Operation	2-10 years	56.4%
	11-20 years	25.7%
	More than 20 years	17.9%
Turn Over	Less than 1 million	23%
	1 million – 5 million	28.2%
	> 5 million	48.8%

Table 2 shows the percentage analysis for the collected responses, where it was found that 62.9 percent of responses were collected from the firm under the red category, and 35 percent of responses were received from the orange category firms. Also, 56.4 percent of firms operated for 2-10 years, 25.7 percent for 11- 20 years, and the remaining 17.9 percent for more than 20 years. Furthermore, 23 percent of firms received a turnover of less than 1 million, 28.2 percent received a one to five million turnover, and 48.8 percent received more than 5 million turnover.

Table 3. Firms' liquidity and leverage percentage analysis

High-1; Medium- 2; Low- 3				
Constructs		**1**	**2**	**3**
Firm Leverage	Firm meeting its financial obligation	35%	32.5%	32.5%
	Increase the company's earnings per share	37.1%	36.8%	26.1%
	Addresses a level of financial risk exposure	43.9%	36.1%	20%
Firm Liquidity	Helps to overcome financial challenges.	41.8%	28.6%	29.7%
	It is important to maintain a strong liquidity ratio.	40.4%	35.7%	23.9%
	Able to pay off existing debts with existing assets.	46.4%	26.1%	27.5%

Table 3 shows the percentage analysis for the firm characteristics. By analysing the firm leverage, it was found that a maximum of 35 percent of firms meet their entire financial obligation, and 32.5 percent of firms meeting the financial obligation are low. 37.1% of firms have increased earnings per share, 36.8% have a medium amount per share, and 26.1% have low earnings per share. Furthermore, 43.9% of firms have addressed a high level of financial risk exposure and 20% of firms addressed a low level of risk exposure in finance. 41.8 percent of firms overcome their high level of financial challenges, 40.4 percent maintain a strong liquidity ratio, and 46.4 percent pay off their existing debts with their existing assets.

Table 4. Percentage Analysis of Social responsibility disclosure, Green Accounting, and Corporate Governance

Strongly agree- 1; Strongly disagree-2 (%)		
Social responsibility disclosure	**1**	**2**
Reveals information on the community-serving activities	63.9	36.1
Inform stakeholders of their social & environmental policies and procedure,	59.6	40.4
Give accurate information to all relevant corporate stakeholders.	66.4	33.6
Enables monitoring of the firm's performance by all stakeholders	69.3	30.7
Maintain and enhance your business's reputation.	68.2	31.8
Green Accounting		
Capture the economic performance's long-term viability.	72.3	21.7
Keeping good connections with the neighbourhood.	69.6	30.4
Obtain sustainable growth.	64.3	35.7
Engaging in efficient and successful environmental conservation efforts.	76.2	23.8
Aid in improving resource management by policymakers.	54.3	45.7
Evaluate the various environmental pressures.	82.1	17.6
Corporate Governance		
Maintain management of the company and have well-defined roles.	77.5	22.5
Supports the development of an ethical corporate culture	79.6	20.4
It establishes a set of regulations and procedures.	68.6	31.4
Fosters openness, which assures robust and balanced economic growth.	72.1	27.9
Improved access to financing, better and higher quality employment opportunities, and effective resource management	66.8	33.2

By analysing the social responsibility disclosure responses received from the respondents (as shown in Table 4), it was found that a maximum of 63.9 percent of participants strongly agreed that social responsibility disclosure reveals information on the community-serving activities that the businesses have undertaken, and nearly 66 percent of respondents disagreed the statement. Also, more participants have responded that monitoring firm performance is very easy with the help of disclosure statements and social responsibility disclosure to maintain and enhance the business's reputation. Furthermore, by analysing the responses received for the information about green accounting, it was found that a maximum of 76.2 percent of respondents strongly agreed that green accounting helps to engage in efficient and successful environmental conservation efforts, and 72.3 percent of respondents strongly agreed that green accounting captures the economic performance's long-term viability. Also, analysing the responses received for the information about corporate governance revealed that corporate governance helps maintain the company's management and has well-defined roles that support the development of an ethical corporate culture (79.2%).

Table 5. Percentage Analysis of Financial Performance and Corporate Value

Much better than competitors-1; Much worse than competitors- 2(%)		
Financial Performance and Corporate Value	**1**	**2**
Our increase in sales	71.1	28.9
Gained market share for us.	54.3	45.7
The asset returns after taxes.	56.8	43.2
After-tax net income.	72.9	27.1
Our available cash flow.	67.1	32.9
The public image of us.	57.3	42.6
Compliances from our clients.	66.8	33.2
The loyalty of our customers.	63.6	36.4

By analysing the financial performance and corporate value of the firm, it was found that a maximum of 71.1% have responded that their firms have increased in sales, 54.3 percent of respondents' firms gained more market shares, and 56.8 percent of respondents' firms gave asset return much better than their competitors, and more firms have gained loyalty from their customers. Table 5 shows the percentage analysis of financial performance and corporate value.

Internal Consistency Analysis

Internal consistency, or how closely connected a group of things is to one another, is measured by Cronbach's∝. It is regarded as an indicator of scale dependability. By contrasting the proportion of shared variation, or covariance, between the components that make up a tool to the level of substantial percentage, Cronbach's∝is method for evaluating consistency. According to the theory, there should be a high degree of correlation among the items in relation to the variation if the instrument is reliable. The metric may not be one-dimensional even if alpha has a "good" ratio. The numerical score of Cronbach's∝, which ranges from 0 to 1, denotes the survey's reliability or inquiry. Cronbach's∝ reliability coefficient was 0.692 among all research model factors, which is acceptable.

Before testing the hypotheses in this study, confirmatory factor analysis (CFA) was used to determine the statistics for convergent validity, discriminant validity, and goodness of fit for the measurement scales. Examining the Average Variance Extracted (AVE) measurements of the research variables individually helps establish convergent validity. If the value AVE is greater than 0.500 (AVE > 0.5000), then the validity of convergence is satisfied. In this research work, the AVE value of constructs is greater than the threshold value. Therefore, the obtained data is valid for performing the hypothesis test. Table 6 shows the convergence validity of the constructs.

Table 6. Convergence Validity

Constructs	AVE
Firm Characteristics	1.000
Social Responsibility Disclosure	1.000
Green Accounting	1.000
Financial Performance/ Corporate Value	1.000
Corporate Governance	1.000

Table 7. Ratio of Heterotrait-Monotrait correlation

Firm Characteristics-FC; Social Responsibility Disclosure- SRC; Green Accounting- GA; Financial Performance/ Corporate Value-FPCV; Corporate Governance- CG					
	FC	**SRC**	**GA**	**FPCV**	**CG**
FC	0	0	0	0	0
SRC	0.2856	0	0	0	0
GA	0.2451	0.3408	0	0	0
FPCV	0.1953	0.1522	0.3329	0	0
CG	0.1781	0.1059	0.082	0.113	0

Measurements of dimensions that conceptually should not be substantially linked with one another are observed not to be significantly correlated, proving discriminant validity. A construct is discriminately valid if it can be demonstrated empirically to be different from other constructs. Examining discriminant validity is a necessary step before examining correlations between latent variables. To determine the connection between the constructs, the HTMT and the FLC has been utilized. The relationship between the two constructs should range from 0 to 1 (Ab Hamid et al., 2017). From table 7, it was found that the value of all the construct relationships is lesser than the cut-off range. Therefore, the value of discriminant validity is satisfied for all the variable constructs.

Table 8. Fornell-Larcker criterion

Firm Characteristics-FC; Social Responsibility Disclosure- SRC; Green Accounting- GA; Financial Performance/ Corporate Value-FPCV; Corporate Governance- CG							
	FC	**SRC**	**GA**	**FPCV**	**CG**	**AVE**	**FLC**
FC	0	0.0815	0.0601	0.0381	0.0317	1	'Satisfied'
SRC	0	0	0.1161	0.0232	0.0112	1	'Satisfied'
GA	0	0	0	0.1109	0.0067	1	'Satisfied'
FPCV	0	0	0	0	0.0128	1	'Satisfied'
CG	0	0	0	0	0	1	'Satisfied'

The variable's discriminant validity is represented by the criterion of Fornell-Larcker (Henseler et al., 2015). This causes each measure to load maximum on its related measure. A determination technique characterized as the FL criterion evaluates the average extracted variance to the scaled construction relations. The common factor model and the FL criterion are inextricably linked. Table 8 presents the criterion and fulfilling construct where the FLC is satisfied for all the constructs.

Goodness of Fit Indices

Table 9. Analysis of SRMR Model

	Value of SRMR
Model of Baseline	0.1985
Model of Composite	0.006
Model of Factor	0.000

The square root of the difference or standardized root mean represents the intercepts of the standardized residuals and the hypothesized covariance models. Because the levels of each parameter determine the variety of the RMR, the SRMR is significantly more useful when questions of varied levels are included in the questionnaire. For instance, SRMR is preferable for the study when there are simultaneously 5 and 7-score Likert-type questions. Whenever the inquiry contains items with varied degrees of difficulty, RMR becomes challenging to understand. The SRMR has scored from 0 and 1, with well-fitting models yielding values of less than.05, while levels as strong as 0.08 are considered appropriate. A Residual of 0 implies a perfect fit, but it should be remembered that this value will be smaller in models with many factors and with large samples. The standardized roots mean score for the composite and factor models are also below the threshold value, at 0.006 and 0.000, respectively. The factor model and the composite model had the best average fit out of the three models. In light of this, it is a suitable fit model for analysing the impact of social responsibility, green accounting, and corporate governance in selected companies. Table 9 determines the SRMR outcome.

Table 10. Analysis of TLI & NFI

	TLI	NFI
Composite	1.2381	1.0000
Factor	1.2381	1.0000

A concept may be disproven using actual fit, yet a study may still assert that a certain model outperforms the conventional model approach. In other words, analysts argue that their model is far more accurate than a model generated, often the independence model, in this situation. A model that does well in relation to other models while not fitting the data well may be significant. For instance, the overall fit of the chosen model is compared to the extreme fit of the special characteristics using the Tucker-Lewis Index (TLI) and Comparative Fit Index (CFI). The term "incremental fit indices" refers to a class of indicators that contrast the chi-square score to a reference model rather than using the chi-square in its original form. The Tucker and Lewis Index (TLI) is a non-normalised fitness measure. This calculates an eccentric reduction that is proportionate to the degree of freedom. The value of TLI and NFI should be greater than or equal to 0.95 (TLI, NFI>=0.95). The model is, therefore, a suitable fit for examining the impact of corporate governance, green accounting, and social responsibility disclosure in severely polluted enterprises.

Descriptive Statistics

Table 11. Analysis of Descriptive Statistics

Descriptive Statistics					
	N	**Min**	**Max**	**Mean**	**Std. Deviation**
Firm Characteristics	280	1.13	2.75	1.858	.34121
Social Responsibility disclosure	280	1.00	1.83	1.340	.19283
Green accounting	280	1.00	2.00	1.320	.23642
Firm performance and value	280	1.00	2.00	1.354	.20244
Corporate governance	280	1.00	1.80	1.303	.21282

The value of minimum response, maximum responses, means, total number of responses, and standard deviation are listed in table 11. The minimum value found in this work ranges from 1-3, and the minimum value of all the variables ranges between -1 to 1. As indicated in Table 11, we found that the mean value for the firm's characteristic is higher (1.858), and the standard deviation is 0.34121. The second maximum response is obtained for the firm performance where the mean value obtained for the variable is 1.354, and its standard deviation is 0.20244. From table 11, it was found that more respondents strongly agree that the traits of a firm and its disclosure procedures for social responsibility are significantly correlated and that social responsibility disclosure improves business values and financial success.

Test of Hypothesis

Table 12. Testing of Hypothesis (Linear regression)

Hypothesis	Beta Coefficient	P-value	Result
H_1	0.321	0.000	Supported
H_2	0.308	0.000	supported
H_3	0.098	1.000	Not Supported
H_4	0.145	0.015	Supported
H_5	0.361	0.000	Supported
H_6	0.113	0.059	Supported

The proposed model indicates that social responsibility disclosure, green accounting, and corporate governance significantly impact highly polluted companies. Structured Linear Regression was used to test this hypothesized model. The results (Table 12) show that the P-value obtained for the proposed first hypothesis is less than the threshold value ($p<0.05$). So, it is revealed that the traits of a firm and its disclosure procedures for social responsibility are significantly correlated. Furthermore, the p-value obtained for H_2, H_4, H_5, and H_6 is less than the threshold value. Therefore, the proposed hypothesis is accepted and concluded that implementing green accounting has an impact on how social responsibility is disclosed (B-value= 0.308, H_2=0.000), social responsibility disclosure improves business values and financial success (B- value= 0.308, H_2=0.000), financial performance and corporate values benefit from green accounting (B- value= 0.308, H_2=0.000), and financial performance and corporate values benefit from good corporate governance (B- value= 0.308, H_2=0.000). But the p-value of H_3 is greater than the threshold value. So, it is revealed that financial performance and corporate values benefit from good corporate governance (Lopez et al., 2022).

Pearson Correlation Analysis

Table 13. Analysis of Pearson correlation

Correlations					
Firm Characteristics-FC; Social Responsibility Disclosure- SRD; Green Accounting- GA; Financial Performance/ Corporate Value-FPCV; Corporate Governance- CG					
	FC	**SRD**	**GA**	**FPCV**	**CG**

FC	Pearson Correlation	1				
	Sig					
	N	280				
SRD	Pearson Correlation	.321**	1			
	Sig	.000				
	N	280	280			
GA	Pearson Correlation	.249**	.308**	1		
	Sig	.000	.000			
	N	280	280	280		
FPCV	Pearson Correlation	.169**	.145*	.361**	1	
	Sig	.004	.015	.000		
	N	280	280	280	280	
CG	Pearson Correlation	.191**	.098	.109	.113	1
	Sig	.001	.100	.069	.059	
	N	280	280	280	280	280

The probability value used to identify the relation or statistical link between two subsequent factors is known as Pearson's correlation coefficient. Table 13 displays correlation analysis with collected samples, and it was found that there is no negative relationship between the variables. The 2-tailed significance value of firm characteristics and social responsibility disclosure is 0.000, which indicates a somewhat positive relationship between the variances. Also, for the other variables anticipated green accounting, financial performance and corporate value, and corporate governance, the significant 2-tailed value is greater and equivalent to the cut-off score. Therefore, there is a positive correlation exists among the factors.

DISCUSSIONS

Corporate governance and its effects on environmental strategy decisions, particularly disclosing environmental information to stakeholders, is very important in the business world. Therefore, this study reveals the relationship between social responsibility disclosure and green accounting on the sustainable development of industries in India. In the percentage analysis of the replies gathered the company that falls into the red category has a high percentage. The reliability coefficient result is satisfactory. As a result, all the variable constructs satisfy the value of discriminant validity. Considering this, it is a good fit for studying the effects of social responsibility, green accounting, and corporate governance in organizations. By analysing the financial performance and corporate value of the firm, it was found that a maximum of 71.1% have responded that their firms have increased in sales, 54.3 percent of respondents' firms gained more market shares, 56.8 percent of respondents' firms gave asset returns much better than their competitors, and more firms have gained loyalty from their customers which is consistent with the results of Lopez et al. (2022) who revealed that there is a direct correlation between corporate responsibility disclosure and share price. It was found that most of the respondents strongly agree that the traits of a firm and its disclosure procedures for social responsibility are significantly correlated, and social responsibility disclosure improves business values and financial success, which are consistent with the findings of Nair et al. (2019); Ting (2020) and Dhar et al. (2022). As a result, the factors are positively correlated. Implementing green accounting has an impact on how social responsibility is disclosed. Social responsibility disclosure improves business values and financial success. In their study, it is revealed that financial performance and corporate values benefit from good corporate governance, as revealed by Lopez et al. (2022). Firm characteristics and social responsibility disclosure have a positive relationship. This study finds a positive relationship between green accounting, financial performance, corporate value, and corporate governance, as suggested by Ting (2020) and Bolourian et al. (2021) in their research. It is discovered that the p-values for H2, H4, H5, and H6 are below the threshold value. As a result, the suggested hypothesis is accepted. H3 remains higher than the threshold value, rejecting the hypothesis.

CONCLUSIONS

Disclosure of corporate social responsibility is a component of accounting performance tied to the social, economic, and environmental aspects of a company's programme and may be extremely important in fostering stakeholder confidence and the company's reputation. Such viewpoints are controversial, nevertheless, due to the lack of consensus over the fundamental goal of corporate social responsibility. The current research investigated the effect of social responsibility disclosure, green accounting, and corporate governance of selected 'A' and 'B' companies in India. The study employed a descriptive study design and qualitative research methods in accordance with the interpretative research philosophy and collected data from 52 highly polluted industries in India. The study employed a structural model, descriptive statistics, and F-test analysis. The result reveals that Firm characteristics and green accounting significantly positively impact the social responsibility disclosure of the selected companies Dhar et al. (2022). Furthermore, it was found social responsibility of businesses and democracy disclaimers impact the performance and value of the selected companies (Andrikopoulos & Kriklani, 2013). Whereas it is concluded that green accounting does not impact the performance and value of the selected companies (Arafat et al., 2012; Wu, 2006). This study concludes that a good firm, in addition to pursuing profit, pays good thought to its surroundings and the community in which it operates (Orlitzky et al., 2003). The sustainability of the organisation and its operations is impacted by the local environment.

There were certain restrictions. Because of the minimum number of populations, it could not depict the entire situation of social responsibility disclosure in India and human knowledge limitations may impact the computation. Although many other variables (organizational sustainability, corporate image and identity, green innovation, etc.) are presumed to have some impact on firm value, the variables examined in this study were only limited to corporate governance and green accounting of the company. As a result, future research will likely increase or expand the variables that are presumed to have some impact on firm value, either as a mediator or directly. Researchers should undertake thorough cross-sectional assessments to comprehend better the many characteristics or circumstances that could influence a company's CSR policies.

Production-based businesses should provide more information about their CSR practices, including evidence, in both monetary and non-monetary or declaratory terms. Although they should also encompass other areas, the industries with the most significant percentage of social responsibility disclosure tend to focus more on human resources and community development. Production-based businesses significantly influence environmental pollution more than service-based businesses, yet seldom do production-based businesses budget for pollution reduction. The business must pay greater attention to environmental issues. Government attention should be given to corporate social responsibility for the practice to become more widespread and popular.

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