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GREEN ACCOUNTING: A PATH TOWARDS ACHIEVING SUSTAINABILITY

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ABSTRACT

Green Accounting has a short beginning in the late 1980s and is directly linked with environment sustainability. This paper is located within a broad body of literature concerned with environmental accounting and various green practices adopted by India in recent years. The main purpose of this paper is to analyze the available literature based on the Green Accounting (environmental accounting) and sustainability. Paper also focuses onhow companies and organizations incorporating the concept of green accounting in India. We have reviewed more than 50 papers relating to environmental accounting and it showed reduction in cost of production and appropriate decision-making leading to the preservation of environment. Moreover, study exhibits higher knowledge of environment leads to environmental concern which results in adoption of Green Accounting.

Keywords: *Green Accounting, Sustainable Development, Green Practices, Environmental Knowledge.*

Introduction

Dr. k kanaka defines green accounting as an accounting which takes into account all the environmental costs into financial results.it discusses to accounting which is being applied on ecological costs. It combines the information that is related to environment and financial values of the firm .the main aim of green accounting is to basically manage the use of environmental expenses and create good business choices by collecting the various information on the production price, inventory etc. the main focus and the best part about green accounting is that it always considers cost and benefits parallely by protecting the environment. all the emissions ,natural resources GDP is being considered by green accounting. The green accounting popularly combines the two-sub system that are known as environmental and ecological accounting. The main focus of green accounting is related to the costs of financial nature which protect the environment through ecological accounting we come to know how economic activities of a company and environmental management accounting is influenced by the environment.

After an analysis is being done on green accounting, it showed that green accounting is the best tool to check the environmental costs. Green accounting discovers that how important it is for an organisation to actualize green accounting so that it can be monitored what is being accepted and what is being coming back.The biggest advantage of green accounting is that it is able to create a lot of awareness about the environmental costs. Aronson has made the argument that the society has recommended the behaviour o the environment from both the government as well as the business concerns. Supply chain is considered as the important technique of green accounting. The waste disposal and liability costs are reported by this accounting. Issues, polices and improvement of green

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accounting are such items which are covered in this report. It is a link between the environment and the economy, which basically explains the cost, liabilities and performance of the environment.it has various elements those are environmental ecological accounting, management accounting etc. So it can be said that green accounting helps a lot in the performance of the environment, helps in controlling costs.

Review of Literature

According to ***Navaid, Bhatt, and Nayak, (2021),*** The environment has become one of the barriers to economic progress, with businesses projecting data on environmental difficulties while claiming not to project the subjective side. The adoption of the idea of green accounting by businesses and organizations in India is examined in this article. For better understanding how the environment affects the economy, green accounting is a crucial instrument. The cost of declining wealth and the significance of resources found in the natural environment to economic well-being are both highlighted in environmental accounts. According to a survey conducted online, the goal of An Understanding of Indian Practices' inquiry into corporate environmental reporting was to identify the scope of present environmental reporting and accounting techniques. All company decisions are heavily influenced by profitability as well as financial and commercial objectives.

Schmalleger &Möller, (2008) stated that, for corporate executives, it comes naturally to focus on maximizing social benefits and meeting stakeholder obligations. As a result, a successful corporate organization gains a stronger company identity and image. With a particular emphasis on environmental cost quantification methods for the creation of the nation's EMA policy and framework, this paper was created to explain certain principles and practices connected to environmental accounting increase. The management of the company may have miscalculated the frequency and magnitude of these charges as well. For managers to make wise decisions, they must use a combination of financial and non-financial measures.

According to the theory of ***Moser & Bamberg, (2007)***, those who care about the environment are more inclined to use renewable energy, green items, or organic goods. Emotional attitudes, values, and behaviours in business have a direct effect on the bottom line. This research claims that from a management standpoint, traditional costing as well as accounting for non-environmental expenditures are both hidden costs. Aspects taken into account in such actions include varied requirements, strategic goals, strategies, resources, skills, and auxiliary linkages between these domains. Putting Sustainability Accounting Tools into Practice Organizations can become more dependable and sustainable with the aid of Bent and Richardson's 2003 work.

Ambe, (2009)**,* underlined the desire for sustainable reporting. He also provided information on the legal procedures governing the creation and recording of energy output from materials as well as the internal corporate decisions made by businesses regarding the ensuing flows. The finished product had waste creation that was obvious. However, it was evident that businesses' expenses, advantages, and savings were related when the financial component of environmental accounting was examined. In terms of remediation, decommissioning, remediation, and production expenses, the mining and petrochemical sectors adhere to the regulatory requirements of ***Monetary Environmental Management Accounting (MEMA). Information on environmental management is given by the case studies examined in this respect. A paper titled "Improving Government's Role in Promoting Environmental Management," Accounting for Sustainable Development, was released by the ***United Nations Department for Sustainable Development*** (UNDSD) in 2001 (EMA). This paper has been made available to demonstrate specific environmental management accounting concepts and practices, with an emphasis on environmental cost quantification methods for the creation of the nation's EMA policy and framework.

According to ***Fekrat et al. (1996),*** After analysing data from 168 companies across 18 countries and 6 industries within each, we discovered that there is a considerable gap between environmental accounting disclosure procedures and environmental performance. It turns out there isn't a connection. Furthermore, ***Deegan et al. (1996)*** Reports findings regarding views of Australian accountants toward environmental accounting. We discovered that there is a glaring lack of agreement among Australian Chartered Accountants regarding a number of environmental issues, and they do not genuinely believe that they should be reflected in financial accounts.

Gamble et al. (1995) Identify the reporting techniques in the form of codes used by different organizations to reveal their environmental practices and come to the conclusion that environmental reporting practices by different organizations are expanding. Waste management and steel-related businesses make good environmental accounting and reporting procedures public.

Milne (1991) pointed out that some firms may not reveal their environmental accounting reporting procedures due to a lack of direction from authoritative bodies. The author also highlighted the necessity of addressing the problem of social costs and benefits incurred and applying them to environmental accounting analyses.

Research Objectives

- To traverse the concept of Green Accounting in India.
- To Inspect the various factors and strategies adopted by the companies towards achieving sustainability.
- To Study the reporting practices adopted by companies.

Research Methodology

This study represents the **"Green Accounting – A Path Towards Achieving Sustainability"** which aims to assess the Green Accounting status as well as various strategies adopted by the Companies in India. The study is purely based on the secondary data. The secondary data is collected from various research papers, magazines, reports published etc. It is suitable to apply this method as this research explains the relationships between different factors and draws conclusion from them.

Research Design

This study is descriptive in nature conducted with the help of secondary data sources which includes various reports of organization and previous work done by many researchers on this topic.

Analysis and Interpretation

Green accounting was first proposed by Maunders and Burritt in 1991. In contrast to Hens et al. asserted, Lee et al. (2017) acknowledged both positive and negative connections between economics and ecological. At the level of businesses both domestically and overseas, green accounting is aimed. Environmental protection on a broad scale is expressed by green accounting, especially in preventing pollution and deforestation (Switchegger& Burritt, 2017; Zandi& Lee, 2019). In order to avoid confusion, the term "green accounting," which has the same meaning as "environmental accounting," is used here (El Serafy, 1997). Green is a color that represents fidelity and harmony, according to Samaraweera et al. (2021), who propose include it in the definition. It is recognized as a sub-discipline that is closely related to accounting and is intended to measure the negative effects that a company has on the environment. Green accounting takes into account both internal and external factors while minimising to increase eco-efficiency. Environmental protection investments lead to investments by the corporate sector. Natural resources like minerals, water, and gas that are not renewable cause losses when they are exploited. In contrast to other industrial, commercial, and service sectors that have a negative impact on environmental quality, according to ***Nakasone (2015),*** a green accounting model is only a problem for mining, oil, and gas enterprises. Environmental harm cannot be precisely quantified in monetary terms. In addition, it is challenging to estimate the extent of environmental harm caused by a certain industry. Estimating environmental expenses and costs, capitalizing environmental costs, defining environmental accountability, and monitoring environmental responsibility are all part of green accounting. It reduces environmental harm from a domestic perspective. The basic objective of green accounting is to assist firms in identifying and taking advantage of synergies between conventional economic and environmental objectives. Norway, the Philippines, Namibia, Chile, the United States, and Japan are among the nations that practice green accounting. Although Indian businesses abide by environmental protection rules and regulations, no clear policy has been devised and developed at the international or even corporate level to guarantee compliance with environmental standards.

The conceptual version might include components from several fashions that have already been the subject of extensive examination by numerous authors. The environmental accounting rules, for instance, were examined by Heba Y M and Yousuf in 2010. In their study, the researchers looked at ways to expand the environmental reporting concept so that the government might use it and hold organizations more accountable for their externalities. It may be possible to measure the environmental impact using the methods they employed. The version published by Cullen in 2010 included green value allocation measures to produce higher measures of value accounting that, in the long term, may enable the control to grasp at options and provide higher disclosure. Some of those fashions served as the foundation for developing a correct version, which is supplied in the next section. Compared to a study conducted in 2002 with only 50% of reporting agencies, eighty percent of the companies publishing corporate responsibility reports in 2005 represent 21 different countries. This outcome supports the widespread understanding that more CR is posted through global corporations than through various domestic agencies. Prior research on completely online environmental disclosure has come to the conclusion that advanced state multinationals prefer virtual reporting to print media. After investigation, it was found that 20.6 percent of the environmental performance was defined by means of the various metrics of green accounting. Corporate sustainability became a more positive reaction as it got closer to the point where environmental performance was concerned, and it became accompanied by way of environmental costs and benefits, an environmental records system, an environmental policy, energy conservation, environmental assets and liabilities, environmental reporting indicators, sustainability reporting, and the protection of human health and the environment. Because it is not always possible to quantify environmental losses precisely in terms of currency value, this type of accounting is not always simple. In addition, it's difficult to estimate the environmental impact of tons lost due to a particular region. Estimating environmental expenditure/value capitalization, determining environmental legal responsibility, and measuring environmental legal responsibility are all part of the practice of "green accounting." used content analysis to examine the environmental disclosures made by 20 Australian companies that were the target of successful EPA prosecution between 1994 and 1998. The results showed that the disclosures made by the companies' model enterprises were largely favourable. found that, despite a company's specific environmental strategy, there is little concern with reporting environmental performance data to stakeholders. She came to the conclusion that Australian companies prefer to highlight their operations and individual projects over their R&D, capital expenditure, strategies, or outcomes.

According to UN-IASR guidelines, environmental expenditures do not meet the standards for asset recognition and include charges for future site restoration as well as environmental harm that is considered an asset. Inheriting environmental expenses, paying for environmental harm, and paying for long-term asset use all fall under the category of environmental liability. A number of liabilities are estimated using NPV (Net Present Value) approaches, and these must be stated in the financial statements. 2011 saw the release of a policy on corporate economic responsibility and social and environmental aspects in India by the Ministry of Enterprise, who served as a National Volunteer. As a matter of fact, businesses ought to disclose the proportion of materials used as inputs that were recycled. Total Energy Consumption, Energy Conservation Methods, Renewable Energy Consumption, Water Consumption, Report on Greenhouse Gas Emissions, Water and Wastewater Discharge, and Biodiversity Update. The creation and upkeep of green belts are explored. Waste management and management, efforts to minimize emissions as part of an environmental project, and biodiversity Water management includes reducing water use, recycling and reusing, preserving green space, reducing biodiversity, creating greenbelts, and reusing and recycling water. Companies in India issue green accounting reports at specific points in the report that discuss and analyze management-related topics.

Conclusion

Due to increased stakeholder awareness and other practices, environmental accounting in India is now not widely practiced, and there is likely no readability and transparency regarding policy body work for national, international, or even at organizational reporting levels. As a result, it is fair to say that this is a stage of financial reporting in India. An organization's or a country's financial impact on the environment can be used, measured, and communicated through environmental accounting. Environmental accounting concepts are used in many countries, including India. As a result, it is still in its early stages in India. The observation's chosen key phrases aren't all-inclusive; they might also be expanded to include a few more phrases that would better capture the firms' sustainability disclosures. The main goal of green accounting is to assist businesses in understanding and controlling the potential conflict between traditional financial objectives and environmental objectives. Norway, the Philippines, Namibia, Chile, the USA, and Japan are among the nations that practice green accounting. While Indian organizations adhere to environmental safety laws and rules, to date, no globally applicable, clear-cut regulations have been developed to ensure adherence to environmental standards at the commercial business level. The observation was made with a focus on the frequency with which mandatory weather reporting was cited in relation to environmental factors in Indian commercial practice. This paper's contribution, along with that of other academic works in green accounting, does not entirely reflect the opinions of the business world, but it also does not present radical viewpoints that cannot be used in any real-world situation. The research makes an effort to highlight the potential need for a high degree of sensitivity toward how novice accounting procedures are conducted and how their wishes are to be valid, as well as potentially crucial theoretical policy prescription. In order to identify the problems with current unseasoned accounting practices and develop a potential tool while keeping in mind all sensitivity concerns, the researcher believes that future studies must be presented in a way that academicians are extremely sensitive to processes associated with unseasoned accounting promoting and mobilizing risks. So, we can sum up by saying that untrained accounting is a step in the right approach toward sustainability.

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