

GREEN ACCOUNTING: A WAY TO SUSTAINABLE DEVELOPMENT IN INDIA

Lalita Kumari*

ABSTRACT

This paper discloses concerning green accounting: how to sustainable development in Republic of India. The green Accounting term was 1st introduced into usual utilization by social scientist and academician Peter Wood within the 1980s. green accounting may be a term utilized in the sector of accounting that measures the environmental and natural resources accounting, that tends to include the natural and environmental assets of the firm and it's resources. Environmental accounting may be a combination of all environmental prices into the company's monetary statements and its necessary to hold out sustainable development as a result of it should plan to ending its social and environmental responsibilities. It makes an attempt to herald the environmental prices of the firm into the finances of the operations of the firm. green accounting may be a new system of accounting that records prices and edges rendered by the eco system to concern. green accounting is additionally called environmental accounting . green accounting or surroundings accounting may be a tool to specific the injury from the business activities and also the edges derived from the natural surroundings. therefore the gift would love to throw its light-weight on the idea of inexperienced accounting and its sustainability within the present situation. And additionally the study would try and explore additional and additional unknown things concerning green accounting or surroundings accounting to make awareness concerning it and thereby giving stress on conservation and protection of environment. the current reviewed some articles written on green method of accounting. The study additionally tries to indicate the importance of economic accounting, company social responsibility accounting and also the green accounting in balanced positive accomplishment of surroundings protection and economic development.

Keywords: *Green Accounting, Environmental Accounting, National Accounting, National Wealth, Social Responsibility Accounting, Sustainability, Natural Resources.*

Introduction

Green accounting may be a new system of accounting that records prices and edges rendered by the eco system to concern. green accounting is additionally called environmental accounting. green accounting additionally called natural resources accounting. it's a brand new system of sustainable accounting, it permits the computation of financial gain for a nation by taking into consideration the economic green and depletion within the natural resources base of an economy

Environmental accounting or green accounting may be a term wont to see the revision of the national method of accounting to incorporate the utilization or depletion of natural resources or environmental accounting for the management of environmental and operative prices of natural resources. it's a very important tool to assist. Environmental accounting will be utilized in response to economic indicators like gross domestic product, that area unit calculated while not considering however natural resources, ecosystems, air quality and then on have an effect on the surroundings. Environmental accounting, additionally called green accounting. In March 2021, the united nations

* PhD Research Scholar, Department of Commerce, Barkatulla University, Bhopal, M.P., India.

statistical commission launched a brand new accounting framework which will prompt nations to include sustainable development into policy choices and economic coming up with. that is in favor of adopting eco-economic method of accounting to modify environmental degradation by together with it in its domestic statistical framework. Keeping in sight the on top of facts, it becomes necessary to create it clear within the context of environmental accounting, progress, challenges and alternative connected problems.

Environmental accounting suggests that environmental accounting aims at achieving sustainable development, maintaining community adaptation and following effective and economical environmental protection activities. The initial method of environmental accounting started with European countries and also the ninth will be thought of the foremost outstanding among the countries that started it. a number of the characteristics of environmental accounting area unit as follows: this sort of accounting procedure is employed to spot the value of environmental protection to a corporation within the course of its business activities and to spot the profits derived from such activities and to live it quantitatively (in value or physical units). offer the most effective doable suggests that. Through environmental accounting, the determination of the utilization of resources, their activity and also the economic impact of any country and company on the surroundings will be assessed. Environmental accounting helps to spot, live and distribute 'Environmental info Costs'. at the same time, by integration surroundings prices into business choices it acts because the best interest of the corporate and also the environment.

Major Stages of Environmental Accounting

On the idea of varied studies, half dozen stages are known to determine the standard of any organization or organization with reference to the environment. mistreatment these, environmental accounting will be done swimmingly by any organization.

- **Identification:** the primary step within the environmental accounting method is to spot the environmental coverage criteria. every organization defines environmental norms in step with its desires. These will be classified as environmental policy, health and environmental protection, energy conservation, environmental sustainability programs, sustainability monitoring, etc.
- **Describe:** whereas process environmental coverage parameters, the second step of the environmental accounting method needs organizations to obviously state the operational that means of every of the parts they outline. This step helps them to live long-run environmental performance.
- **Specification:** subsequent step is to spot environmental targets. along side the short goals, the long-term environmental goals ought to even be set by the organization.
- **Development:** making indicators that replicate the environment is a very important step in environmental accounting. It includes the structure of environmental policy, health and safety standards to be adopted, energy conservation methods to be enforced, waste and water management policies to be designed.
- **Measurement:** along side the normal indicators showing the surroundings, it's important to live the particular environmental performance. This activity is also qualitative or quantitative in nature.
- **Report Generation:** the ultimate stage of environmental accounting is that the preparation of a document of environmental performance results.

Objectives of the Study

The objective of the present study is to re-examine the following:

- To know the idea of green accounting.
- To help businesses to know environmental goals area unit as vital as monetary goals.
- To know the target, benefits, limitations and Major Stages of green Accounting for sustainable development in india.
- To know the challenges round-faced by green Accounting.

Scope of the Study

The current study is specializing in the idea of green accounting: some way to property development in India. The legal framework for observe of green accounting by Indian company sector

Research Methodology

The current study is only supported secondary knowledge. several literatures are reviewed that area unit revealed by the authors who area unit engaged on it. Some info collected from numerous books, journals, articles and revealed knowledge and reports etc.

Benefits and Limitations of Green Accounting

- **Benefits of Green Accounting**

Green Accounting would modify governments to judge decisions higher while not a bias against future generations, or a bias in favour of artificial assets as against natural assets. it would present in a different and holistic economic light-weight decisions like protective precious ecosystems instead of surrendering them at throwaway costs.

Green Accounting is to regulate ancient measures of growth and to re-cast them as measures of sustainable growth. There it may be truthful and true live of the national wealth.

It'd facilitate in up environmental performance, dominant prices and promote sustainability.

It would encourage the govt. also because the company to finance in cleaner and economical technologies.

It'd facilitate forming privy selections associated with their business activities.

It'd facilitate in developing greener processes and merchandise.

- **Limitations of Green Accounting**

There isn't any commonplace accounting technique as lot of study is needed.

Comparison between two companies and two countries isn't potential thanks to modification within the technique of accounting.

It's impractical to worth each element of natural capital associated human capital in an correct manner.

For valuation of natural resources consumed like decreasing forest cowl, carbon gases emitted within the air, unbiased and true knowledge would be needed. typically official statistics could also be rosy and will not replicate true image.

It's impractical draw conclusion in a simple means because it could be a long run method.

Lack of ordinary accounting technique.

It cannot work severally. It ought to be integrated with the monetary accounting, that isn't straightforward.

There's no reliable industry data.

- **Legal Laws Related to Green Accounting**

Environmental protection water (Prevention and control pollution) Act, 1974

The Air (Prevention and control pollution) Act, 1981

The environment (Protection) Act, 1986

The Forest Conservation Act, 1980

Hazardous Waste (Management and Handling) Rules, 1986.

- **Challenges in Front of Environmental / Green Accounting**

The importance of environmental protection along with economic development said that environmental writing is very important. Through this, the extent of environmental work and its tolerance can be estimated to achieve the required level of economic development. Therefore, it is necessary to develop a suitable environment for the environment, which can provide uniform guidelines on the issue of inflammation.

Based on the reporting of corporate houses and various organizations, it appears that the managers do not provide complete information to their subordinates and general public in the reports published in a time bound manner.

It is also clear that most of such environmental information reported by companies is recorded as non-financial. Such information is merely a description of the efforts made by the company and cannot be used in environmental accounting. In many cases, information about the amount spent for such an initiative and its material impact on financial results is completely missing

There is wide variation in the accounting style and content of the companies selected for doing accounting. The problem of lack of comparative study and verification can be seen in almost all accounting procedures. It is, therefore, felt that such information should be integrated with the financial accounting process for a reliable accounting procedure.

A major problem is also seen in the context of integration of internal and external costs. While internal costs include investments made by the corporate sector at various stages, external costs include aspects such as soil erosion, loss of biodiversity, air pollution, water pollution, noise pollution and solid waste problems goes. The integration of the above would require a specific monetary estimation process.

In addition, it is also extremely difficult to determine how much damage has been caused to the environment due to the establishment of a specific business unit. This challenge is an obstacle to the current structural development of environmental accounting. Conclusion Explain the role played by the natural environment within an economic system.

Limitations of the Study

The study is not based on primary data, the present study focuses on the Green Accounting: A way of sustainable development in India. The present study has not come across with the primary data.

Conclusion

Environmental accounting is an important measure to understand the role played by the natural environment within an economic system. It provides data that includes the contribution of natural resources to achieving economic benefits, as well as the costs incurred on environmental pollution and resource degradation. Looking at the developments so far, it can be said that the environmental accounting and reporting practices are at an early stage in India. In some cases, Indian corporate houses follow the laid down rules and regulations regarding environmental protection, but till now there is no clear policy formulation at the national, state and corporate level to ensure the level of compliance with environmental norms. could be done. In order to improve the process of environmental accounting in India, the government and business houses should formulate a clear and sound environmental accounting policy will be along with taking adequate steps to control the pollution arising during the economic process, it is very important to account for them and publish them in a time bound manner. Economic development, development and environmental protection are the demands of the present times, so there is a need for proper implementation and a clear accounting process for their measurement.

References

1. Kannan. V. Unnithan and Dr. M. Somasundaram (2019).A Study On The Concept And Importance Of Green Accounting in India, Compliance Engineering Journal,Vol-10 (No10).
2. Alomari, M., &Ibraheem, A. (2019). Environmental performance measurement review of indicators and obstacles. International Journal of Financial Management, 9(3), 1-8.
3. Das, Joy and Bhattacharjee, Animesh, Environmental Reporting – An Evaluation of the Sustainability Performance of BHEL (June 24, 2019). Journal of Commerce & Accounting Research, 9 (1) 2020, 06-12, Available at SSRN: <https://ssrn.com/abstract=3544637>
4. Agarwal Dr. Varsha, L Kalpaja (2018). A study on the importance of green accounting. International Journal of Advance Research, Ideas and Innovations in Technology, (Volume 4, Issue 5).
5. Alka Solanki, "A Study about Green Accounting: Its importance and concept" Abhinav National Monthly Referred Journal of Research in Commerce and Management, Online ISSN-2272-1166, Vol. 5, Issue 06 (June 2016).
6. Shavita Deshwal, "Green Accounting and Practices", International Journal of Applied Research, ISSN print-2394-7500 and ISSN online: 2394-5869, Impact factor 5.2.
7. Ligi Jolly "Green Accounting- A Way to Sustainable Development. Sai Om Journal of Commerce and Management (A Peer reviewed National Journal) Online ISSN-2347-7563, Volume 01, Issue 5 (May, 2014).
8. N Anil Kumar et.al, "A Study on Green Accounting and its Practices in India", Journal of Business and Management, e-ISSN:2278-487X, p-ISSN: 2319-7668, pp 30-34.
9. Bettina Hodi Hernadi, "Green Accounting for Corporate Sustainability", Club of Economics in Miskolc' TMP Vol. 8, Nr.2, pp.23-30-2012. 8. Dr. Minimol M.C. and Dr. Makesh K.G. "Green Accounting and Reporting Practices Among Indian Corporates", Asian Paci • c Journal of Research, ISSN:2320-5504, E-ISSN-2347-4793, Vol: 1 Issue XIV, February 2014.

10. Dr. Rajashree R AND SravaniVangara, "Need of Green Accounting", Journal of Business and Management, e-ISSN: 2278-487X, p-ISSN:2319-7668, pp 3943.
11. Robert Ombati et.al "Environmental Accounting in India: A Conceptual Framework", MERC Global's International Journal of Social Sciences and Management, ISSN 2348-5620 (Print), Volume 2, Issue 1, pp. 01-11, January2015.
12. Mohamed A. Raouf A hamid (2002), Theoretical Framework for Environmental Accounting-Application on the Egyptian Petroleum Sector, Ninth Annual Conference of the Economic Research Forum ,26-28 October
13. Nasir Zameer Qureshi et.al., (2012). Environmental Accounting and Reporting: An Essential Component of Business Strategy, Asian Journal of Research in Banking and Finance, Vol.2 Issue 4, April
14. Sherine Farouk, Jacob Cherian & Jolly Jacob, Green Accounting and Management for Sustainable Manufacturing in Developing Countries, International Journal of Business and Management; Vol. 7, No. 20; 2012.

