



GREEN ACCOUNTING IN INDIA-NEED OF THE HOUR

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Recently, the entire world is approaching towards rapid industrialization which has threatened the world to maintain ecological balance seriously. Unplanned industrialization and discharge of effluents by industries create environmental pollution. As environmental resources are invaluable natural resources of a country like India, there is an urgent need to maintain accounts of such resources. Economic development without environmental considerations brings about environmental crises and damages the quality of everyday life. The transition of corporate sectors from the traditional business of profit-making to their responsibilities as corporate citizens makes them now more conscious by contemplating social duties perfectly. Moreover, international acceptance and awareness of the importance of environmental issues has motivated the development of a distinctive branch of accounting called, "Green accounting". Implementing Green accounting can bring about a change among corporate sectors to pick-up new challenges and threats..

This paper seeks to provide discussion on the importance of Green accounting on the economy and society of India as a whole and also shows despite numerous anomalies, Green accounting is increasingly becoming an important aspect within the corporate sectors.

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INTRODUCTION

Prologue

Of late, the environmental crisis has become a global issue. The concept of sustainable development is more and more gaining popularity in many countries where the society realizes the prevailing role of ecological requirements in economical development. Accounting is no longer concerned with historical description of financial activities, rather, it is now being considered as a service of society. The ecological role of corporate sectors responsible for the widening impact of their activities on the environment is drawing keen attention globally. Not only are the finance and production results of business activities important, but also their environmental and social effects as well as environmental resources or natural resources are invaluable and hence there is a need to maintain accounts of such natural resources. The transition of corporate sectors from the traditional business of profit-making to their responsibilities as corporate citizens makes them now more conscious by contemplating social duties perfectly. Environmental protection movement throughout the world has forced the corporate sector to recognize the emerging concept of a new baby of accounting called "Green Accounting".

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LITERATURE REVIEW

Over the past decades, corporate have recognized the benefits of green accounting. As a result, there was dramatic increase in the number of corporate reporting in numerous ways.-Sen., 2013 argued the idea of sustainability as preserving the wealth of a nation for the present and future generation. The need of sustainability in industrial development and green practices is compulsory. Positive environmental influence is the real improvement which can create environment friendly production processes, products and services. Environment is comprehensively the whole ecosystem of living organisms and the non living components around us. Kordestani *et. al.* (2015) have summarized the area of research towards developing sustainability. Natural Capital Accounting (NCA) is the measurement and valuation of nature's benefits in terms of ecosystems, goods and services-like fresh water, flood control and forest products-to be incorporated into a general standard format consistent with conventional national accounts. McManners (2014) proposed sustainability economics as subservient to society. The concept of sustainability is important for all stakeholders who take and implement the concept of sustainability in different stakes. As per the new economic policy, 1991, the increased international competition has made eco auditing essentially related to green accounting. Chauhan, Mukesh (2005) explains the various forms of Green accounting, its scope, limitations and legal framework in Indian context. He came out with a suggested framework for

implementing green accounting practices in India and concluded that it is the call of the time that corporate prepare a firm environmental policy, take steps for pollution control, comply with the related rules and regulations, mention adequate details of environmental aspects in the annual statements. A well-defined environmental policy as well as proper follows up and proper accounting procedure is a must for sustainable development of country. Qureshi, NasirZameer (2012) in the research paper describes the environmental component of the business strategy producing the required performance reports and recognizing the multiple skills required to measure, compile and analyze the requisite data. Special emphasis of the research is on generation of reports and their standards for the range of business and regulatory purposes. He identified the major obstacles for green accounting and reporting and concluded that for sustainable development of a country, a well defined environmental policy as well as proper follow up and proper accounting procedure is a must. Unless common people of India are not aware of environmental damages and safety, development of accounting in this regard really becomes difficult. Malarvizhi, P. (2008) in a study tried to establish the approach and scope of green accounting and reporting as it exists today. The study was based on a sample of 24 documents comprising annual reports, environmental or sustainability reports and other relevant reports of manufacturing and non manufacturing sectors. The data collection and analysis sheet was framed to gather data on key environmental indicator areas as identified by the World Business Council for Sustainable Development and by the Global Reporting Initiative. The most relevant types of environmental information, as identified by them are: Environmental policy; Environmental impacts; Environmental management systems; Environmental targets and Environmental performance disclosure. Gundimeda, Haripriya *et.al* (2005) argue the case for Green Accounting for India (i.e. a framework of national accounts and state accounts showing genuine net additions to wealth) and present a preferred methodology and models to reflect natural capital and human capital externalities in India's national accounts, measuring as depreciation the depletion of natural resources and costs of pollution and rewarding education as an addition to human capital stock. The purpose of the study is to show that Green Accounting for India is desirable, feasible, realistic and practicable and that a start can be made with available primary data already being collected by various official sources of the Government of India. They pointed out that there is a dearth of focused sustainability analysis and information provided to policy makers at the National and State levels in India. High GDP growth usually accompanies investment in physical infrastructure which places mounting pressure on the country's environment and natural resources. Recognizing that GDP growth is too narrow a measure of economic growth and not a measure of national wealth, they propose a "Green Accounting" framework for India and its States and Union Territories.

Research Objective and Methodology

This paper being based on concepts, the opinions expressed in this paper manifest basically the author's own perception, and also perceptions of some reputed authors. This paper throws light on certain fundamental and theoretical aspects of the concept of "Green Accounting" today. In the light of this, the motivation for this paper is not to seek new solutions to the

underlying problems facing green accounting, rather, it is expected that the discussion will highlight the theoretical development of green accounting research. The discussion will hopefully provide insights and a basis from which accountants can test their current practices and seek to improve them in terms of providing a better understanding of the interaction between corporate and the natural environment. More and more emphasis is ascribed to rationale of green accounting and awareness as this is supposedly the crying need of the day.

DISCUSSION

Green Accounting-Meaning

Green accounting is entirely an emerging and dynamic concept. The conventional accounting system is seen as failing to take fully into account the social interaction between the corporate entity and society under the social contract. Gradually, therefore, incorporating the effect of environmental resources in the entire corporate functions becomes essential within which it operates. Green accounting being a "Language of Societal Concerns" attempts to identify measure and communicate the resources consumed and costs imposed on the environment by the corporations especially for environmental preservation. It usually involves specifying monetary values to valuable environmental goods and services which are not traded in markets. Thus, Green Accounting refers to the measurement and communication of information on the environmental responsibility performance of an entity to interested parties. It is also popularly called green accounting or 'eco-accounting'. This special branch of accounting provides valuable information base in regard to environmental responsibility performance of corporate sectors to various interested parties for planning and laying policies for the integrated sustainable development, resourceful decisions and growth of the nation as a whole.

Drawbacks of Conventional Accounting

From the earliest days of modern accounting systems, economists have emphasized the limitations of using monetary transactions to measure total economic activity. Conventional economic accounting is practiced by most of the countries of the world since it supports economic policy in two important ways. Firstly, they provide a summary of measure of a nation's overall economic performance and also a designed picture of the flow of economic activities. Secondly, change in the environment and in natural resources have not been explicitly included in economic accounts principally because agreement has not yet been reached on ways to measure their changes monetarily and thus, it is still impossible to integrate them with other entries in the accounts. The conventional accounting system does not provide firms with their costs of their products and procedures. Identifying hidden or misallocated internal and external environmental costs and allocating them to particular products or processes are not done in this system. Thus more effective business decisions and sustained profitability are not possible under conventional accounting system.

Rationale of Green Accounting

Green accounting plays a vital role in backing up rational decision-making. Consequently, it helps corporate sectors and other sector boost their public trust and confidence and is

associated with receiving a fair assessment. The following important benefits can be derived from green accounting:-

- Green accounting encourages the consumers to purchase the environmentally friendly products, i.e., green products. Corporate, thus producing green products are benefited by taking competitive marketing advantage.
- Corporate sectors can show their commitments towards introduction and change and thus seem to be responsive to new factors. An idea about industrial development, a nation's economic growth and social welfare and the fulfillment of corporate responsibility towards society can be collected through green accounting (Mohamedol, M.S. (1998).
- Environmental i.e. natural resources taking place in the production as inputs are revealed in this accounting system. Shadow prices of environmental resources are usually defined as the value added attributable to them in the activities. The value-added through the supply of private goods like water for household and industrial uses can be estimated through using market prices. The value-added through the supply of public goods, like civic amenities waste-disposal services etc. has to be estimated using prices obtained through valuation methods wring use artificially created markets.
- Pollution control being a burning topic of discussion, the green accounting must show the extent to which pollution has been controlled by the corporate sectors.
- Green accounting is of utmost importance in making query about certain matters like availability of natural resources in a country like India, incomes arising out of them, expenses incurred to protect the resources, importance from the view point of the nation, values to be shown in the nation's balance sheet etc.
- Green accounting is useful in another sense that it gives an idea about industrial development, nation's economic progress and social welfare and fulfillment of social responsibility.
- Current national accounting does not properly take into account the value of natural resources and as such it becomes a complicated issue to measure the inter-relationship between environment and development. But Green accounting considers the arguments relating to market, society, etc.
- Green accounting helps in discharging organizational accountability and increasing environmental transparency.
- Negotiation between environment and society helps an organization seeking to strategically manage a new and emerging issue with different categories of users.
- By upholding environmentally friendly green image, corporate sectors may be successful in attracting funds from green individuals and new groups.
- There is a strong environmental lobby against the environmentally unfriendly industries. Green reporting can be used to combat potentially negative public opinion.
- By taking the enlightenment approach of Green accounting, corporate sectors can increase their image of enlightenment to the outside world and thus can be regarded as enlightened corporate sectors.
- Green accounting minimizes risks stemming from management of product liabilities.
- Green accounting improves environmental performance through better management of environmental cost, thereby benefiting the natural and human environments.
- Green accounting takes the competitive advantage by minimizing environmental impacts through improved design of products, packages and processes.
- Green accounting identifies that part of the gross domestic product which exhibits the cost necessary to compensate for the negative impact of economic growth.
- Green accounting estimates the total expenditure on production or enhancement of environment.
- Green accounting fosters negotiation and establishes the company's relationship with society in general and environmental pressure groups in particular. This is useful to an organization seeking to strategically manage a new and emerging issue with its stakeholders. The Environmental Protection Agency (EPA) (Bhadra, B.,2002) also suggests that impressive decision taking, environmental costs and potential savings, more accuracy in costing and pricing of products, competitive advantage with customers, company's development and operation for an all-round environmental management system(Chong,H.G., 2008) etc. are possible with the help of green accounting.
- Green accounting helps Government use the data through the changes in financial budget and by other means achieve optimal allocation of scarce resources in the economy of a country.
- Multinational bodies like IMF, World Bank, UNO, etc. are looking for countries seeking their aid to meet their environmental requirements.
- Improving environmental performance through better management of environmental costs, Green accounting thus cultivates the natural and human environments.
- Green accounting makes it possible to distribute scarce resources in the economy rationally and thus, shows unsound production and consumption patterns, misuse and insufficient use of natural resources and assets like water, etc.
- Green accounting helps in discharging organizational accountability and increasing environmental transparency. Sustainable development is possible only with the help of Green accounting as it helps include ecological ability of enterprise.
- Corporate sectors being committed towards introduction and change appear to be responsive to new factors. Countries placing importance to the ecological aspect of activities are gaining more and more popularity, particularly in western countries.
- Globally, an existence of a strong environmental lobby against environmentally unfriendly industries is often observed; green reporting can be applied to contend all negative public opinions with efficacy.

In the light of the evolved learning, it is considered essential to make an endeavor to incorporate the effect of environmental resources in the entire corporate functions of a corporate house. Green accounting is an attempt to identify the resources exhausted and costs imposed on the environment by it.

Excepting the above, keeping books of accounts and interpreting the results thereof may provide a dubious picture of the business corporations. Hence, every corporate citizen should evaluate a system of accounting to record the benefits and costs rendered by environment of a corporation and justifying these costs and benefits are large constituents of green accounting.

Corporate activities affect environment every working day by consuming energy (sunlight, water, oxygen, carbon dioxide etc.) and other resources (raw material, human resources, rain, sand, clay etc) and create wastage that must be disposed of. These are done unwillingly to environmental degradation.

Monetary values for natural resources are not determined by demand and supply law, but it can be ascertained on the basis of shadow pricing method, a method of ascertaining the value for natural resources from a sample group of persons by asking its importance to them and how much do they pay for them. Whatever they pronounce, the average of sample responses considers pricing for it. The identification of environmental expenses provides a comprehensive picture of the efforts undertaken by corporate and other sectors of the economy to protect the environment. Sometimes, owing to unrecorded environmental costs and the difficulty in extracting and separating environmental costs, the industry data is not usually reliable. Maintaining confidentiality and widely following different accounting systems also make the job very difficult. But still, green accounting helps much in planning, public resource management, pollution control and for policy analysis. Hence, every corporate citizen should make utmost efforts to maintain and evaluate a system of accounting to record the benefits and costs rendered by environment of a corporate and green accounting vindicates these costs and benefits.

Procedure of Green Accounting, Major Issues and Challenges

Procedures

Profit and Loss Account: All revenue expenditures incurred for the protection of the environment should be debited to this account.

Balance Sheet: All natural and environmental resources consumed should be regarded as environmental assets and it should be the liability of the corporate towards society to make use of such assets at maximum possible capacity and at minimum cost without adversely affecting society's interest. Any capital expenditure incurred by the corporate should be shown in the balance sheet.

Budgets: All corporate should prepare the environmental budget to determine the requisite amount for environmental activities and the responsible persons should check and verify the actual amount of expenditures incurred on various environmental activities.

Reporting: Every corporate sector should report for environmental activities, the cost imposed by the corporate on the environmental benefits served by the corporate sector, benefits received from the environment and the costs imposed by the environment. In brief, social responsibility of corporate will be discharged by the reporting system.

Major Issues and Challenges

- Identification of environmental costs;
- Capitalization of costs;
- Identification of environmental liabilities; and
- Measurement of liabilities.

Although different guidelines relating to these matters have been issued by many organizations occasionally, but these guidelines are almost advisory in nature.

Environment is polluted by corporate every working day by consuming energy (e.g. raw materials, human resources, rain, sand, clay, etc.) and by creating wastes or effluents (e.g. copper, zinc, lead, mercury, acids, pesticides, toxic, etc.) unwillingly. Monetary values for natural resources are not ascertained by the laws of demand and supply, but it can be ascertained on the basis of shadow pricing method i.e. a method of ascertaining the value of natural resources from a sample group of persons by using its importance to them and how much they are ready to pay for them. Whatever they say, the average of a sample of responses is considered its pricing. While valuing the cost of production, this shadow pricing is also to be considered.

Corporate Legal Framework

Of late, corporations are known as citizen of the country. Like good citizens of the country, they are also liable for polluting the environment and thus, the action or inaction of the corporations as corporate citizens are injurious to society. The prosperity of any corporation is largely dependent on profitability, quality and environmental responsibility. The Constitution of India imposes on every citizen to protect and improve the natural environment and to have compassion for living creatures as one of the fundamental duties. The corporate sector has to work under continually changing legal environment. The managerial attitudes have also to change from time to time. Further, the Supreme Court has also observed that "Sustainable Development" calls up everyone to see to the maintenance of balance between development and its sustenance in future. All these highlight the concept and acceptance of "Environmental Responsibility" of corporate citizen. Many laws have been passed for protection of environment. In addition, the Companies Act, 2013 also has laid down several provisions for the protection of the environment. The Supreme Court and the High Courts of several states have ordered the closure of many polluting industries. The different orders clearly evidence the intention of the courts with regard to awareness for better environment. Therefore, the corporations have to prepare accounts as well as audit reports for compliance of Laws and Acts.

Green Accounting In Indian Context, Problems and Awareness

Problems

The upkeep of green accounting induces the corporate sectors to use the environmental resources in limits and shows the extent of pollution controlled by them. The greenhouse and other related problems are threatening the mankind world over. Responsibility, therefore, lies on the corporate to think and act accordingly for the sustainable development of the environment. At present, there is a greater degree of awareness and concern among the masses about the environmental degradation: still it suffers from certain problems like

uncertainty in values, changing social values, inapplicable assumptions, lack of reliable industry data, etc. In underdeveloped countries, pollution is not the distressing problem as it is in technologically developed countries of the world. The industrialization is mainly concerned with physical environmental pollution; but, unplanned urbanization, construction of projects and migration - everything helps to change the ecology. Today unfortunately, urban ecology is no more sound and is poised with health hazard and impairs human activity. Environmental pollution in India is a serious problem now and utmost efforts are being made to make the people conscious about its protection. Administrative step for pollution control has been gloomy due to lack of reliable information for violation and implementation of the regulations enacted in India. Very often, the worst polluting company seems to be the most successful and attracts further investment from the investing public (Mallik, A.K., (2001) Measuring the inter-relationship between environment and development has become a complicated issue mainly because the current national accounting practice does not duly consider the value of natural resources. Monetary values allotted to environmental goods and services under the shadow pricing process are not certain and inadequately quantified. Most of the available literature available in regard to environmental performance reporting has concentrated on developed countries and little attention has been given to the states of environmental reporting of developing countries like India. Now, environment protection and the potential involvement of accountants has become a common subject of discussion among accountants around the world. Accountants should, therefore, take proactive role in the environmental protection process. Although, accounting standard has been issued for accounting treatment of the aforesaid problems, but, this is not being used comprehensively in our country. Most of the guidelines relating to these problems issued by many organizations internationally are basically advisory in nature. Due to absence of extensive and reliable information of financial data on environmental performance of corporations, they, sometimes, have an inclination to pollute the environment and to appear more efficient economically than others incurring costs to protect the environment. Corporations engaged in unprincipled pursuit of profits are doing much social harm and as such the environment suffers. A meeting point between the corporate objective of profit maximization and the need for environmental management is burning requirement. Environmental information should be a part and parcel of audited financial statements and reports. Environmental aspects are so expressive in India that there is every possibility or risk for the frequent occurrence of misrepresentation or incomplete presentation of such information in the financial statements. Auditor also must pay due attention to the environmental aspects during the course of audit.

Corporate Legal Environment

Of late, corporations are known as citizen of the country. Like good citizens of the country, they are also liable for polluting the environment and thus, the action or inaction of the corporations as corporate citizens are injurious to society. The prosperity of any corporation is largely dependent on profitability, quality and environmental responsibility. The Constitution of India imposes on every citizen to protect and improve the natural environment and to have compassion for

living creatures as one of the fundamental duties. The corporate sector has to work under continually changing legal environment. The managerial attitudes have also to change from time to time. Further, the Supreme Court has also observed that "Sustainable Development" calls up everyone to see to the maintenance of balance between development and its sustenance in future. All these highlight the concept and acceptance of "Environmental Responsibility" of corporate citizen. Many laws have been passed for protection of environment. In addition, the Companies Act, 2013 also has laid down several provisions for the protection of the environment. The Supreme Court and the High Courts of several states have ordered the closure of many polluting industries. The different orders clearly evidence the intention of the courts with regard to awareness for better environment. Therefore, the corporations have to prepare accounts as well as audit reports for compliance of Laws and Acts.

Awareness

Environmental awareness among the Indians has grown amazingly with enactment of the laws for the protection of environment in India in 1970. Smt. Indira Gandhi, the then Prime Minister of India felt the necessity of clean environment conducive to health and expressed her energetic opinion in favor of environment at the United Nation's Conference on the human environment in Stockholm, 1972. Various rules and laws have been enacted from time to time and India has been facing sharp competition particularly after liberalization of the Indian economy in 1990. The Central Government first announced environmental related information publicly in 1991. Keeping of accounts and records relating to environment is beneficial to arrest exploitation of natural resources and prevent their pollution. The Environmental Reporting Practices of the corporate sectors in India are poor; a few of them have some mention about the environment in general terms. Most of the corporate entities have taken the task of reporting on environmental aspects under more statutory obligations and less social responsibility. A flexible approach and framework can be adopted after due modification according to national priority. Keeping the global environment in mind, a standard accounting policy for determining the Gross National Product (GNP) with environmental data like industrially developed and experienced countries may be followed by the Government of India. The Government has launched different programs to maintain ecological balance and healthy environment at Central and State levels through research and education, yet it suffers from due attention and special treatment for determination of GNP, a tool for development of economies of the country. Although Green accounting and reporting is voluntary exercise in India, the corporations preferring to disclose environmental issues in their statements enjoy various benefits such as improved image of the product or company.

CONCLUDING OBSERVATION AND RECOMMENDATION

Environment, an essential part of everybody's living can be said to be true even for corporate. Corporate as a good citizen should not demolish environment balance sheet, rather, it should contribute for sustainable development of a country. Lack of cohesion in the expectations and desired outcomes for the introduction of green accounting has been created for the existence of a number of paradigms from which environmental research is emerged. In addition, lack of cohesion seeking

explanation about the object behind corporate green accounting has added fuel to this. Social values of environmental goods and services are changing so rapidly that estimates are likely to be obsolete before they are available for use. An estimate of environmentally adjusted GNP is prerequisite for planning for sustainable development. Despite the theoretical irregularities, the slogan for green accounting has gained eternal benefit. Moreover, international awareness and acceptance of the importance of natural and environmental resources has laid to the development of green accounting. Incorporation of environmental data into the national and corporate levels and disclosure practices of environmental issues have become mandatory in many countries; but such mandatory is not everywhere. Taking steps globally and particularly to formulate the accounting and valuation techniques regarding environmental issues is now an urgent need. Mandatory guidelines can be issued in each and every country to incorporate these in the company's annual report including environment related legislations, as in developed countries (Eresi, Dr.K., 1996)". Green accounting will certainly occupy a more stable and efficacious position in the near future, as it could much improve the value of economics as a decision making tool, particularly in determining national policy. Despite difficulties associated with Green accounting, there is much evidence to show that a large number of countries around the world have justly attempted to pick-up the new challenges and threats. The key to sustainable growth is, therefore, not to provide less but to provide competently with the help of Green accounting system. With a view to developing harmonization following accounting policy, a comprehensive plan in connection with applying green accounting may be initiated for all types of companies. It may create an environmentally conscious new atmosphere in corporate sectors and prepare and publish environment balance sheets which would pave the way for the increased earnestness among corporate. Every company should focus and set aside a part of their funds for environmental and ecological balance. Unless comprehensive record for the use of natural resources and environment and their services is maintained, reliable and sustainable development is difficult to achieve. Current disclosure practices by most of the companies in India do not fully reflect the environmental impact of corporate operations. There is a need and challenge for companies to become greener when we are marching towards industrialization and globalization. Only an environmentally acceptable company has a secure future. Profit seeking companies must consider an ecological aspect in its business strategy, planning and policy. The sooner precautions are taken to protect them, the better it would be. The Government of India is spending a lot of money for removing water pollution, air pollution, noise pollution, etc. and has made constitutional provisions for environmental management. But mere legislations can never be sufficient if it is not executed with sternness. Our environmentalists should keep uninterrupted vigilance over the enforcement of the anti-pollution laws so that profit-minded industrialists are compelled to install modern scientific technique to minimize pollution. "Back to Nature" should be the slogan in the minds of people for protecting and survival of mankind and its health. Scientific and ethical disposal of industrial and domestic wastes has to be given due weight. The NGOs are expected to play a pivotal role in the all-round development of environment to benefit all sections of society and help generate a quality environment. Environmental friendly product is

basically based on the non-exploitative use of natural resources. It becomes essential to develop suitable program for creating environmental awareness among various sections of the society and orient them for adopting environmental friendly production and consumption practices in daily life. GREEN INDIA- 2017 project is a major bold step in taking knowledge in the right direction. Social and environmental audits are not yet very popular in India. Recently, the demand for social audit and environmental audit is increasing. The courts are taking a pro-activist stand in the cases of environmentally pollution related issues. However, the administration of pollution control has been dreary due to lack of reliable information on the transgression and implementation of these regulations. Industry has increasingly come forward to feel that strongly sound environmental management can be equated only with good management. Several industries have started adopting cleaner technologies that beget less waste and make production more profitable. Industry can, therefore, clearly benefit from a crucial self-examination of the processes and technologies it employ to see in which areas there is opportunity for improvement and foresee the potential problem areas, specially for pollution and human health. Green accounting as a part of social and management accounting not only supplies information to all but, it also creates a sound environmental atmosphere in corporate consciously and prepare and publish environment balance sheets. An independent accounting standard on recording and reporting practices of Green accounting may make it possible for the increased seriousness among corporate. Further, annual energy audit is to be made mandatory for all industries to preserve the precious resources of our nation. A few more recommendations are:-

- Careful attention is inevitable so that efforts at the national and corporate levels of various bodies do not run counter to each other;
- Annexure is to be included compulsorily in the company's Director's Report with requisite amendment in the Company's Act for development of pollution standards for industries or products vs. actual pollution generation position of the company;
- Establishment of the framework of green accounting nationally and globally is of utmost importance for determining the environmental policy at the state level and national level where the revenues and costs of natural resources are to be recorded in books of accounts. In India, the level of environmental related disclosures in corporate annual reports is not encouraging (Jain, T.K.2000). Environmental awareness provides a dynamic for business reporting its environmental performance. On the whole, the picture is not satisfactory. Lack of awareness or commitment, poor environmental performance, poor enforcement of the environment protection acts, etc. might be responsible to some extent for making companies free from obligation to disclosures of such information. Green accounting is a strong management tool and should be used by industry for having recourse to transparent environmental auditing which ought to be subjected to monitoring and public close investigation. It is heartening to note that industry is responding to the governmental guidelines on environment and any neglect of the corporate could precipitate public action

since there is an increasing awareness among the public to have a clean environment. Hence, absence of standardized green accounting as a part of environmental management practices, both at national and international levels and their legal enforcement is of urgent and pressing need to take steps globally to express the techniques and practices with regard to environmental issues in clear terms.

CONCLUSION

The existence for a number of paradigms from which green accounting research has been developed results in a lack of cohesion in the expectations and desired outcomes of green accounting. Further, lack of cohesion seeking explanation about the motivation behind corporate green accounting adds fuels. Even if the environmental goods and services can be quantified in monetary terms, and the green accounting norms, doctrines and conventions, then also the question arises as to how far the society will be benefited from the effects of green accounting? The social values placed on environmental goods and services are changing so fast that estimates are likely to be obsolete before they are available for use. Planning for sustainable development requires an estimate of environmentally adjusted gross national product (GNP). The choice between preservation and developmental use of environmentally resources can be made so that environmentally corrected GNP is maximized. Mostly, applications of green accounting require shadow pricing because we cannot ascertain market values, since the economic goods and services concerned are never traded or because we do not want them to be traded, but we want to know what they worth. However, despite their theoretical anomalies, the slogan for green accounting has won perpetual benefit inherent in it. The international awareness and acceptance of the importance of natural and environmental resources has led to the development of green accounting. Different techniques for valuation of environmental goods and services and incorporation of environmental data into national level and corporate level are suggesting different techniques. There is a high degree of confusion among the accountants' duty about how to fit environmental data into financial statements and the techniques available for valuation are not also free from uncertainty. In different countries, the accounting and disclosure practices in respect of environmental issue have become mandatory. But in many countries, no such mandates have been issued. Now, it is urgent need to take steps globally and particularly to formulate the accounting and valuation technique regarding environmental issues.

Conclusion Comment

Mandatory guidelines may be issued to each and every corporate of India to incorporate these in the corporate annual report. The dedication with which work for the development of green accounting is going on in our country will surely lead green accounting to occupy more stable and effective position in near future as it could greatly improve the value of economics as a decision making tool, particularly in determining national policy.

Research Opportunities

Green accounting is a long term process, hence it is difficult to draw conclusion. It may be great theoretically but very poor practically as far as environmental reporting is concerned.

The implementation of green accounting also becomes complicated. No attempt has been made to make a comparative study of factors among the green accounting in corporate, national and international levels. The scope of the study as yet is subject to certain limitations. There are no generally accepted Accounting Standards, Regulations, Rules, etc., against which the performance of organizations can be compared and evaluated. Further still now, comparison of two firms or countries is difficult as the method of accounting differs. Even the very quantification process is diverse among companies and countries. Inputs for green accounting are not easily available as costs and benefits relevant to the environment are not easily measurable. Still, the researcher will make honest endeavor to do future research work.

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