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**A STUDY ON SCOPE, IMPORTANCE AND GROWING
IMPORTANCE OF GREEN ACCOUNTING IN INDIA**

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Abstract:

Green Accounting has gain the popularity over the period of time. It measures environmental and natural resources accounting. It attempts to bring in the environmental costs of the firm into the financial statement of the organisations. Its focused on the resource management and impact on the environment. It helps the organisations to identify the resources utilization and incurred costs. Green Accounting is in the developing stage at the corporate and at the national level. The objective of this study is to understand the scope , importance and to analyse the growing importance of Green Accounting in India. Secondary data are used for the study. Which are collected from published journals, Articles and website. Descriptive Research Design is used for the study. During the study it is found that the scope of the Green accounting is wider from the internal and external perspective. It has a number of importance. And the importance of Green Accounting is growing rapidly in India.

Introduction:

Green Accounting is known as Environmental Accounting and Natural Resources Accounting. It is not only system of accounting but also the system of sustainable accounting which records costs and benefits rendered by the environment to the organisations. Green Accounting will give a messages regarding the global warming. Corporates are exploiting the environment which is resulting in the degradation of environment , due to which natural calamities are occurring frequently all over the world. Therefore , not only government but also corporate have the responsibility to protect the environment.

Green Accounting introduced by a professor and an economist Peter Wood in 1980. Green Accounting is also known as Environmental Accounting. It is a one of the type of accounting with the objective of accounting for environment and its well being. It measures social , economic and environmental impact of business. It consider the environmental costs and environmental and environmental benefits. It is concerned with undertaking social cost

benefit analysis of several activities and projects. An important role is played by Green Accounting in Corporate Social responsibility.

First time the Green Accounts were constructed in some European countries. Norway Was the first country which adopted Green Accounting. Netherland was the header in the development and adoption of Green Accounting. Japan , USA m Chile and Philippines are early Green Accounts adopted countries. India's former Environment minister Jairam Ramesh emphasized on the importance and need to adopt the Green Accounting practices.

Review of Literature:

1. Alka Solanki (2016), They focused to study and analyse the available literature based on the green accounting and to understand how it has been studied and evaluated by different authors who are working on it.
2. ShavitaDeshwal (2015), She thrown light on opinions for green accounting and reporting pr actices of selected companies. For opinion on Green Accounting they selected 27 manufacturing and 23 non-manufacturing companies and framed questionnaire on 15 key issues such as environmental policy, health safety and environment, energy conservation, corporate sustainability, environmental initiative, sustainability reporting, water management, waste management, renewable energy sources, environmental information system, environmental disclosure practices , environmental targets, environmental reporting indicator, environmental costs and benefits, environmental liabilities and environmental assets were considered factors for Green accounting with yes or no options. They found from the “F” test that, there is a significant difference between manufacturing and non-manufacturing companies in relation to green practices adopted.
3. Dr.Preeti Malik and Dr. Alka Mittal (2015), They concentrated on stages to be followed by the corporate for green accounting in India, such as identification of environmental reporting parameters, de ning the environmental reporting parameters, specify the environmental reporting targets to be achieved, developing the environmental performance indicators, report the environmental performance results. They also touched the legal framework for environmental accounting in India. At the end of their study, they found that environmental accounting is in preliminary stage in India.
4. Hajnalka Van, He aimed to explore the roots and the tendencies of the development of environmental accounting. In addition, environmental accounting will also be discussed in terms of its relevance to supplementing the traditional accounting system. One of the primary aims in the study was to explore the tendencies of the development of the environment accounting.
5. Robert Ombati at. el (2015), They approached the area of environment and its pollution phases. Along with that, they also focused on the issue of role of environmental accounting in balancing between environment protection and economic development. They also gave a depth theoretical foundation of environmental accounting with distinguish reference to India.
6. G.Tarun and MuruganRamu (2018) in his study on ‘ A study on Green Accounting: A way to Sustainable Development’ focused on the Green Accounting is a way of sustainable development.
7. N Anil Kumar , T Sai Pranitha , N Kiran Kumar in their study on “ A study on Green Accounting and Its practices in India” focused on it as a expanding field focus on resource management and environmental impact and also focused on Green Accounting and reporting in India.

8. Mr. Shashidhara D and Dr. Chandramma M. (2019) in their study on “ A study on Green Accounting : Concept and its Importance” focused on the conceptual framework and importance of Green Accounting.

Objective of the study:

1. To Understand the Scope of Green Accounting
2. To Understand the Importance of Green Accounting
3. To analyse the growing importance of Green Accounting in india.

Research Methodology:

Data Source: Secondary data are used in this study

Research Design: Descriptive Design is used for study.

1. To understand the Scope of Green Accounting:

The scope of green Accounting is very wide , which includes Corporate level , national level and international level. We will study The scope of Green Accounting from Internal perspective and external perspective.

- (1) Internal perspective : From internal perspective investments are made by the corporate to minimize the losses to environment. Corporates make investment into the devices or equipment which save the environment.
- (2) External perspective : All types of losses happened to the environment because of business activities are secondary. It consists :
 1. Depletion of non -renewable natural resources (i.e.excessive exploitation of non -renewable resources due to which loss occurred such as gas , water etc.)
 2. Accounting of uses of Land and Deforestation is not easy because environmental losses cannot be calculated accurately in terms of money.
 3. Destruction and degradation such as water pollution , air pollution , noises pollution , marine & river pollution , soil erosion etc.

2. To understand the importance of Green Accounting:

1. It helps in controlling the Pollution.
2. It improves the behaviour of environment and thus , reduce the cost.
3. It also helps in the development of green products
4. Green Accounting make sustainable Development possible , so that the present needs can be met without harming the needs of future generation.
5. It encourages the corporate sectors and also to the governments to invest in effective , efficient and cleanest technologies.
6. It helps government to make effective and efficient environment rules , regulation and policies.
7. It make the corporates responsible and accountable to the environment as a Stakeholder.
8. It helps in planning the long – term strategies to deal with environment related issues.

9. It helps the corporates to make them understand that they should reduce the harm that they do to the environment.
10. It helps the corporates to make them understand that environment is very important and develop the sense to protect the environment.
11. It helps in economic development and growth of the country.

3. To Analyse the growing importance of Green Accounting in India:

Though India very protective about its environment. Therefore, various legislations are enacted in India to protect its valuable treasure like environment by passing the very first legislation Water (Prevention and Control of Pollution) Act, 1974.

Green Accounting is gaining popularity across the world. In India, first time the former environment minister, Mr. Jairam Ramesh advocated greening India's national accounts by 2015. He also encouraged the policy makers to recognise the trade-off between high economic growth against the impact on India's natural capital.

One organisation led the way in 2003, Green Indian States Trust (GIST) unleashed a series of environmentally adjusted accounts under the Green Accounting for the projects of Indian States and the result showed that the loss of forest ecological services due to declining forest cover was estimated at 1.1% of GDP over the period of three years (2001-2003).

In 2011, SEBI made it mandatory for the listed companies for reporting on environmental and social initiatives, which are undertaken by listed companies. As per the companies Act, 2013, now it is mandatory for them to spend money on the social welfare and companies are required to give report regarding companies conservation of environment.

Environment Ministry of India also issued guidelines, that existing and the new projects have to obtain environmental and anti-pollution clearances before the commencement of the business and have to provide a statement in relation to the activities which affect the environment however, a very few organisations are following the instructions.

Despite the awareness of Green Accounting companies provide inadequate information in the annual reports. Green Accounting is not socially accepted and the companies feel that it is a burden on the profits of the firm rather than beneficial to the companies.

Findings:

1. During the study I found that Scope of Green Accounting is wider from the internal and external perspective.
2. During the study I found that Green accounting has a number of importance.
3. During the study I found that importance of green accounting in India is growing rapidly before the enactment of companies Act, 2013.

Conclusion:

The Scope of green Accounting is wider and it is very important. In India, the awareness and importance of Green Accounting is growing rapidly but still it is not in promising stage of development. Now many organisations have started understanding the importance of Green Accounting. But still many organisations believe that it is not beneficial to the organisations. Environment ministry issued guidelines but still many organisations do not following the guidelines regarding the Green Accounting. So, as the Government of India has to enact the legal framework to make the Green Accounting mandatory for the organisations. Government

should also organised some programmes to educate the corporate sectors about the Green Accounting also encourage the corporate sectors to adopt the green Accounting. A tax concession should be given to the organisations , which are following the Green Accounting A Separate Audit Committee Should be formed to check and examine Green Accounting and whether the organisations are implementing or not.

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