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GREEN ACCOUNTING: THE NEXT STEP IN CORPORATE SUSTAINABILITY

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ABSTRACT
With the increasing focus on environmental sustainability and responsible business, the concept of Green Accounting, also known as Environmental Accounting has been in the news for quite some time now. Where businesses today are trying to focus on sustainable measures for more responsible business, accounting practices have also found their place in this melee. Going by the principle, 'you cannot manage, what you cannot measure', companies and nations the world over are trying to value natural resources for better management. Green accounting found prominence when the world realised the need to take into account environmental costs and benefits to enable sustainable growth. Over the years, GDP based indices are paving way for more comprehensive systems of accounting and reporting, although the pace is arguably slow. This paper seeks to understand the subject matter of Green Accounting, its relevance in current times, and how, it is superior to traditional methods used for accounting for the environment.

KEYWORDS
environmental accounting, gdp, green accounting, sustainability.

INTRODUCTION
There are various definitions of Green Accounting, important of which are presented as under:

- **According to UN Glossary of Environment Statistics**

"Environmental accounting refers to: - national accounting: physical and monetary accounts of environmental assets and the costs of their depletion and degradation"

- **Environmental Accounting can be defined as,**

"A branch of accounting that deals with (i) activities, methods and systems, (ii) recording, analysis and reporting, (iii) environmentally induced financial impacts and ecological impacts of a defined economic system" (Schaltegger and Burritt *2000*: 30)

- **Economists Pătru V. Ciuraru - Andrea C., Luca M. (2008) perceive green accounting as,**

"A process of identifying, calculating, monitoring, analyzing of the business-environment costs relationship reporting resulted from the prevention, confining and discharging the environmental green disasters, with a favorable impact on company and environment".

- Green Accounting entails the estimation of prices for all national assets, including natural and human capital assets, and their inclusion in the 'financial statement' of the nation. 'Green Accounting' is a methodology for capturing the so-called 'externalities' of 'mainstream' economics (which include most material and unaccounted changes in **natural capital**, human capital, and social capital) by estimating their stock or net asset values, and thus bringing them within a common framework of value accounting for the nation. (**GIST INDIA- Green India States Trust**)
- **AT&T** defines Green Accounting to mean "identifying and measuring AT&T's costs of environmental materials and activities, and using this information for environmental management decisions. The purpose is to recognize and seek to mitigate the negative environmental effects of activities and systems.

To sum up the above definitions, Environmental Accounting is defined as the identification, compilation, estimation and analysis of environmental cost information for better decision making within the firm.

GDP looks at only one part of economic performance – income – but says nothing about wealth and assets that underlie this income. For example, when a country exploits its minerals, it is actually depleting wealth. The same holds true for over exploiting fisheries or degrading water resources. These declining assets are invisible in GDP and so, are not measured.

Wealth accounting, including natural capital accounting, is needed to sustain growth. Long term development is a process of accumulation and sound management of a portfolio of assets—manufactured capital, natural capital, and human and social capital. As Nobel Laureate Joseph Stiglitz has noted, a private company is judged by both its income and balance sheet, but most countries only compile an income statement (GDP) and know very little about the national balance sheet.

A major limitation of GDP is the poor representation of natural capital. The full contribution of natural capital like forests, wetlands, and agricultural land does not show up. Forestry is an example timber resources are counted in national accounts but the other services of forests, like carbon sequestration and air filtration are ignored. So, GDP can give misleading signals about the economic performance and well being of a country.

The concept of accounting for natural capital or Green Accounting has been around for more than 30 years. To date, however, progress in moving beyond conceptual thinking towards practical implementation of natural capital valuation has been slow. Barriers to implementation include

(i) The lack of internationally agreed methodologies for ecosystem valuation,
(ii) A lack of uptake of natural capital accounting by policy makers, especially finance ministers
(iii) Capacity limitations in many developing countries
(iv) Lack of leadership in moving "beyond GDP".

Growing pressures on the environment and increasing environmental awareness have generated the need to account for the manifold interactions between all sectors of the economy and the environment. Conventional national accounts focus on the measurement of economic performance and growth as reflected in market activity. For a more comprehensive assessment of the sustainability of growth and development, the scope and coverage of economic accounting need to be broadened to include the use of non-marketed natural assets and losses in income-generation resulting from the depletion and degradation of natural capital.

Further, the principles of Green Accounting are not restricted to Governments alone. In today's world Corporation is the most significant form of human organization today, in terms of global production and employment. It is essential for Sustainability that businesses evolve on a sustainable growth path. Thus they must gear up to measure and manage their "externalities", or their negative impacts on Nature (natural capital) and on Society (human capital and social capital). It is recognized that optimizing a Corporation's impacts on forms of capital other than its owned physical & financial capital, and doing so for stakeholders other than its own shareholders, is yet to get widespread attention and adoption. Going forward, all Corporations – both in public and private sectors have to embrace Green Accounting without exception.

Green Accounting involves putting a value on a country's natural resources, like forests, air, soil etc, in order to have a more complete "snapshot" of a country's economic performance. It is also commonly called "Environmental Accounting," as it ultimately aims to have integrated statistics showing the relationship between the environment and the economy.
Under green accounting, countries modify their System of National Accounts (SNA) to reflect the use and depletion of natural resources. Data from the SNA are the basis of major economic indicators, like GDP and gross national product (GNP). In having data that show the contribution of the environment to the economy, as well as the costs of pollution and environmental degradation, governments can come up with policies tackling natural resource management and sustainable development.

REVIEW OF LITERATURE

According to Dr. Mukesh Chauhan[1] in his research project titled "Concept of Environmental Accounting and its Practice in India" in 2005, provides insights into the concept of environmental accounting from an Indian perspective. While industrial licensing has been abolished for all practices, environmental clearances from various Government authorities have now taken a center-stage. All new projects are required to get environmental and anti-pollution clearances before setting up. There are various accounting procedures which the corporate is required to adhere to. Despite the various legislations, very few corporations give information regarding environmental issue. Some measures are suggested whereby companies are advised to make environmental accounting an integral part of accounting at the corporate level, briefly analyzing the various laws rules and regulations regarding environmental issues, understanding impact of working of the organization on the environment and preparing environmental policy, preparing short term and long term environmental budget, separate statement showing investments in various pollution control devices etc.
Pradhan and Bal[2] (Ibid pp313-320) collected primary data of a sample of 80 executives during 1997-98, with the help of a structured questionnaire containing 36 questions. The purpose of the study was to examine the perceptions of corporate managers on corporate environmental reporting. Majority of them agreed that a company should disclose information on its environmental policy, environmental audit report, quantifiable future goals and targets on environmental issues, disposal of toxic or hazardous substances and on environmental spending.
Kumar P[3] in his research project titled "Environmental Accounting; An Indian Panorama" examined the Indian Scenario towards environmental disclosures by taking a random sample of 6 giants of Indian corporate sector. As regards the accounting and reporting aspects of environmental protection, sample companies made policy statements in their annual reports. Such information was given in the Chairman's report or Director Report in the form of statements. Particulars on Conservation of energy were given by all the selected companies; but no information was given on the expenses incurred, targets set and achieved in respect of natural resources. The study concluded that the environmental reporting in India was limited to little more than a sentence or two each in the annual report.
Gautam and Bora[4] (Pramanik A.K, pp 320-333) studied 25 organizations from Assam and found that 13 of them did not have any concern for environmental information disclosure. 9 Companies disclosed descriptive type information, covering space from one fourth of a page to one page only. 2 Organizations presented this information pictorially along with description. Only one company gave some financial information on environment in social accounts attached to the annual report. It was concluded that environment al information disclosure by majority of the companies in Assam was confined only to the making of generalized statements with reference to protection of environment, pollution control, conservation of energy, and raw material. The felt that quality of disclosure was so poor that users could not use it in decision –making.
According to Dr. V K Gupta[5] in his research project titled "Environmental Accounting and Reporting-An Analysis of Indian Corporate Sector" in 2007, did an exploratory study to have an understanding of the nature and extent of environmental reporting and accounting practices followed by Indian Corporate and to determine the factors or attributes that drives the companies to adopt these practices.An attempt has been made to analyze the published annual reports of the selected companies in India to examine their disclosure practices regarding the environmental issues. It also examines the type, length and location of the disclosure in these reports. The study finds that a very few companies in India are voluntarily disclosing the environmental issues in their Annual reports. The reason behind the poor disclosure in environmental issues in India was found to be a lack of environmental legislations compelling the companies in disclosing the same in companies' annual reports.

SIGNIFICANCE OF THE STUDY

The measures like Gross Domestic Product (GDP) and Net Domestic Product (NDP) have been key indicators in the economic policy making since last 50 years. These measures are part of the national income accounts developed in each country, whose objective is to provide a database for macroeconomic analysis. Besides this, these indicators were for a long time used as a measure of the economic progress of a country and also as a measure of standard of living. These traditional measures of economic activity such as GDP and NDP are now recognized as inadequate. They cannot accurately measure the contribution of environment and the impact of economic activities on environment.
Over-reliance on GDP as a measure of economic health can be misleading. GDP measures the value of output produced within a country over a certain time period. However, any depreciation measurements used, will account only for manmade capital and not the negative impact of growth on valuable natural capital, such as water, land, forests, biodiversity and the resulting negative effects on human health and welfare. However, these traditional measures of economic activity failed to recognize the fact that economy cannot operate in a black box. As a result, the national accounts allow depreciation allowance for man-made assets, while the contribution of environmental assets to economy is not valued and hence no depreciation allowance is made for these assets. Thus the depletion and degradation of environment is treated as increases in income, while this depletion and degradation can in fact have negative consequences to the economy in the future.
Despite India having set in place a remarkable Protected Areas network (4.8 per cent of the total geographical area of the country), it continues to be challenged by the loss of natural habitats. Over the course of the last fifty years, India has lost over half its forests, 40 per cent of its mangroves and a significant part of its wetlands. At least 40 species of plants and animals have become extinct with several hundred more endangered. Livelihoods have been lost, poverty increased, food security threatened and health risks raised. Today, annual economic costs of air pollution, contaminated water, soil degradation, and deforestation are estimated to be close to 10 per cent of India's GDP.

RESEARCH PROBLEM

It is generally noted that, decades ago, the lack of understanding of the eventual environmental impacts of products and services together with the related liabilities caused companies to ignore the consideration of those impacts in their calculation of product costs. Traditional accounting is limited when it comes to measuring natural wealth. Accountants' measure assets, earnings one year behind the times. Accountants needed to develop new ways to account for natural resources.
Environmental accounting forms that part of accounting that deals with environmental concerns. Although it is indivisible from financial and managerial accounting, it addresses specifically the environmental costs related to information systems that permit data collection and analysis, performance follow up, decision making and accountability for the management environmental risk and costs.
This study is to understand the concept of Green Accounting, its need and relevance, how it differs from traditional accounting and finally the state of adoption of Green Accounting at both national and individual firms' level.

OBJECTIVES OF THE STUDY

1. To understand the concept of Green Accounting.
2. To understand the objectives and functions of Green Accounting.
3. To analyse various forms of Green Accounting.
4. To uncover the limitations and challenges of Green Accounting.

SCOPE OF THE STUDY

The scope of study is review of published literature on the subject sourced from internet research. Based on the objectives chosen for the study, extensive internet research was undertaken to source data and information which would aid in preparing a comprehensive report on the topic.

Forms of Environmental Accounting/ Green Accounting:

1. Environmental Management Accounting (EMA): Management accounting with a particular focus on material and energy flow information and environmental cost information for both conventional and environmental decision making within an organization. For companies that have the goals of saving money, especially environmental costs, and reducing environmental impacts, EMA provides essential information for meeting those goals. This type of accounting can be further divided into the following subsystems:

- Segment Environmental Accounting: This is an internal environmental accounting tool to select an Investment activity, or project, related to environmental conservation from among all processes of operations, and to evaluate environmental effects for a certain period.
- Eco Balance Environmental Accounting: This is an internal environmental accounting tool to support PDCA for sustainable environmental management activities.
- Corporate Environmental Accounting: This is a tool to inform the public about relevant information compiled in accordance with green accounting.

2. Environmental Financial Accounting (EFA): Financial accounting with a particular focus on reporting environmental liability costs and other significant environment costs.
3. Environmental National Accounting (ENA): National level accounting with special focus on natural resources stocks and flows, environmental costs, externality costs etc.

The major functions of Environmental Accounting are:

1. Recognizing and seeking to mitigate the negative environmental effects of conventional accounting practices.
2. Separately identifying environmentally related costs and revenue within the conventional accounting systems.
3. Taking active steps to initiate incentives in order to ameliorate existing environmental effects of conventional accounting practice.
4. Devising new forms of financial and non-financial accounting system, information systems and control systems to encourage more environmentally benign decisions.
5. Developing new forms of performance measurement, reporting and appraisal for both internal and external purposes.
6. Identifying, examining and seeking to rectify areas in which conventional (financial) and environmental criteria are in conflict.
7. Experimenting with ways in which sustainability maybe incorporated into organizational orthodoxy.

OBJECTIVES OF GREEN ACCOUNTING/ ENVIRONMENTAL ACCOUNTING:

Environmental Accounting is required to fulfill a lot of demands from different stakeholders. However, for academic reason, the following objectives can be identified on a logical ground:

1. Environmental accounting would aid the discharge of the organization's accountability and increase its environmental transparency.
2. It helps in negotiation of the concept of environment and determines the company's relationship with the society in general and the environmental pressure group in particular.
3. Because of the ethical investment movement, ethical investors require the companies to be environmentally friendly. Therefore, by upholding the friendly image, companies may be successful in attracting funds from 'green' individuals and groups.
4. By making environmental disclosures companies may show their commitment towards introduction and change thus appear to be responsive towards new factors.
5. Companies engaged in environmentally unfriendly practices arose strong public emotion. There is strong environmental lobby against these industries. Green reporting maybe used to combat potentially negative public opinions.
6. By cultivating the enlighten approach of environmental accounting, companies can improve their image of being enlightened to the outside world and this can be regarded as enlightened companies.
7. Generating competitive advantages for companies producing "green products" and thus they can achieve a competitive advantage by making this public.
8. Separate recognition of environmental costs and conventional accounting systems revenues;
9. Developing new forms of performance measurement, reporting and evaluation, both for internal and external purposes;
10. Taking dynamic actions to improve the conventional accounting practices effects on the environment; conceiving of new financial accounting systems and non-financial forms, information and control systems to encourage management to make more environmentally friendly decisions.

TRADITIONAL GDP ACCOUNTING VERSUS GREEN ACCOUNTING

*The only yardsticks of growth or development that are available today -Gross Domestic Product (GDP) at the National level or Gross State Domestic Product (GSDP) at the State level - is unfortunately not designed to capture the significant gains/ losses to human capital and **natural capital** that happen year after year and affect the true or holistic wealth of the nation and its people*.

Much recent work on 'inclusive wealth' measurement (e.g. Arrow, Dasgupta & Maler, 2003) highlights the importance of holistic measures of wealth. National wealth should include not just a measure of manufactured assets and financial assets (physical capital), but also natural capital (oil, other minerals, forests, freshwater resources, cropland, fisheries, etc), human capital (knowledge and skills), and social capital (institutional and legal infrastructure, political maturity, social harmony, etc). Sustainable growth is then defined as that which increases per-capita national wealth, defined in this 'inclusive' or holistic manner. In the absence of any measure of sustainable growth, it is not surprising that India and its States often embark on unsustainable growth initiatives, at a very large future cost to the economy, to society, and to the natural ecosystems within which they survive.

The emphasis of SNA on "GDP" as the key measure of growth will probably be studied by future generations as the single most significant design defect in the economic history of mankind. An appropriate alternative, Green Accounting, entails the estimation of prices for all national assets, including natural and human capital assets, and their inclusion in the 'financial statement' of the nation.

'Green Accounting' is a methodology for capturing the so-called 'externalities' of 'mainstream' economics (which include most material and unaccounted changes in natural capital, human capital, and social capital) by estimating their stock or net asset values, and thus bringing them within a common framework of value accounting for the nation.

In practice, Green Accounting involves an array of quantitative estimations: modeling and valuing the non-marketed services of environmental assets such as forests, calculating the value of education as a generator of future incomes, present-valuing future liabilities in the form of pollution abatement costs and healthcare costs, etc. This appears quite daunting an exercise, however, as we describe below, there is a sufficient body of work and precedent which will enable India to implement holistic Green Accounts.

FIG. 1

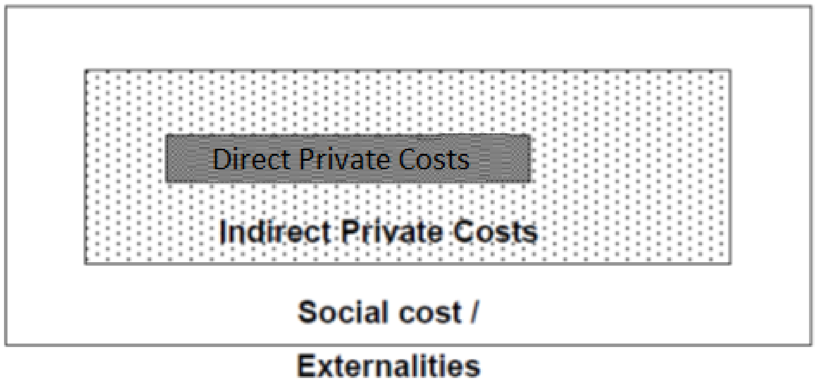

TABLE 1: GRAPHIC ILLUSTRATION - SCOPE OF GREEN ACCOUNTING VS TRADITIONAL ACCOUNTING

Typical accounting framework: dark shaded area shows direct private costs allocated to products or activities, light shaded area shows indirect private costs (including some environmental costs) allocated to overhead accounts. Unshaded area shows social costs resulting from corporate activities but not charged to the company.

Modified full cost accounting framework: All direct and Indirect costs private costs are allocated to products or activities. Social costs resulting from corporate activities are not charged to the company.

Green accounting framework: All direct, Indirect and Social cost are allocated to products or activities.

GREEN ACCOUNTING AS A PATHWAY FOR SUSTAINABILITY

Green accounting is a relatively new and dynamic area and is an attempt to identify and bring to light the exhaustible natural resources and the cost paid by companies. Green accounting aims to make the environmental costs more transparent through corporate accounting systems and reports, thus offering the best quantitative assessment (in both monetary terms and in physical units) of protecting the company costs and benefits from the environment activities, which it undertakes. This area involves identifying, assessing and allocating environmental costs, integration of these costs in the business plan, identifying environmental obligations, if any and, finally, communicating that information to the company shareholders as part of overall financial reports.

Environmental reporting can be considered an umbrella term that describes the various ways in which companies publish information on their environmental activities. In the traditional concept of economy and environment are two separate spheres, and improve one determines the cost incurred by the other. Unlike this in the nowadays economy, the economists, ecologists' researchers and managers, consider economy as a whole, comprising the all ecosystems in the world and most of environmental issues, including those not traded on markets, but that have economic value.

Researchers Gray, Bebbington and Walter (1993) have defined ecology accounting in the following terms: "can be understood as covering all aspects of accounting that may be affected by the company response to environmental issues, including new areas of ecological accounting".

Economists Pătru V. Ciuraru - Andrea C., Luca M. (2008) perceive green accounting as "a process of identifying, calculating, monitoring, analyzing of the business-environment costs relationship reporting resulted from the prevention, confining and discharging the environmental green disasters, with a favorable impact on company and environment".

The link between accounting and ecology is obvious at three levels:

- The national accounting level (for example, calculation of gross domestic product and applying Generally Accepted Accounting Principles - GAAP)
- The financial accounting of enterprises (for example, reports used by lenders and Investors)
- The managerial accounting (decisions management).
- Traditional accounting methods do not take into account environmental costs and activities affecting the environment, while ecological methods include calculating environmental costs, as follows:
- Identification of environmental costs (expenses);
- Conventional calculation of environmental costs, with the objectives targeted to environmental costs reporting and harmful factors costs affecting the environment;
- Calculation of costs of losses, including: costs of prevention, protection costs, costs of material losses, costs of generating losses flow;

Identification and Assessment of Ecological Obligations - cash flow reporting, which identifies and analyzes the total cost of both materials used and the flow generated by the loss of those, generated loss, material and energy use, efficiency in order to get a minimum loss level.

Environmental indicators and green accounting try to examine interactions between economy and environment. Environmental indicators and "green" accounting purposes are meant to reveal the path to sustainable development and to help understand the impact of policies, attitudes or simply contemporary lifestyles (Dachin)

The methodology of administration costs generated by relation between company and environment, facilitated by green accounting, covers two phases (Patru et al, 2008):

1. The first stage involves identifying, collecting, and controlling the costs generated by company-environment relationship and issuing of some development financial reports related to environment (reporting);
2. The second stage involves analyzing and interpreting data from financial reports related to environment. Based on these reports it will be made decisions on correction measures to be introduced, so that in future at least will be possible to reduce the costs of removing the economic damage, by guiding from the principle that "is easier to prevent than to treat".

LIMITATIONS OF GREEN ACCOUNTING

1. There is no standard accounting method
2. Comparison between two firms or countries is not possible if method of accounting is different.
3. Input for EA is not easily available because costs and benefits relevant to the environment are not easily measurable.
4. It mainly considers the cost internal to the company and excludes cost to society.
5. The cost for its tools and application initially is high.

FINDINGS AND SUGGESTIONS

Green accounting is a relatively new and dynamic area and is an attempt to identify and bring to light the exhaustible natural resources and the cost paid by companies. Green accounting aims to make the environmental costs more transparent through corporate accounting systems and reports, thus offering the best quantitative assessment (in both monetary terms and in physical units) of protecting the company costs and benefits from the environment activities, which it undertakes. This area involves identifying, assessing and allocating environmental costs, integration of these costs in the business plan, identifying environmental obligations, if any and, finally, communicating that information to the company shareholders as part of overall financial reports.

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Specifically, this project suggests/recommends policy makers to re-calibrate the existing annual GSDP accounts to incorporate changes in each state's stock of natural capital (minerals, arable land, forests & freshwater) and its investment in human capital (education, health, and pollution control). The main objectives of this paper are to 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 to 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 the future costs of pollution, and rewarding education as an addition to human capital stock. Our over-riding purpose 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.

There is a dearth of focused sustainability analysis and information provided to policy makers at the National and State levels in India. As a result, the processes of public debate, government planning, budgetary allocation, and the measurement of economic results are in effect being conducted without a sustainability framework. High GDP growth usually accompanies investment in physical infrastructure, which places mounting pressure on the country's environment and natural resources. However, there is an asymmetry between man-made and natural capital in that depreciation in the former reflects in GDP accounts but the latter (natural capital) does not. Recognizing that GDP growth is too narrow a measure of economic growth and not a measure of national wealth, we propose a "Green Accounting" framework for India and its States and Union Territories.

The most important conclusion and recommendations of the study are as follows:

1. The existing financial accounting framework is not comprehensive enough to deal with specific environmental problems. There is need for a separate standard and /or conceptual framework on the issue.
2. Environmental statements prepared by a company should be verified by an auditor to increase credibility of information provided by them. An audit also helps the company in complying with environment. There is a need for appointment of a team mainly comprising of external environmental auditors to do this work.
3. In the present situation, it is necessary for public and private companies to practice environmental accounting to comply with the international trend, although implementation of environmental accounting will face many problems such as lack of available environmental performance related information, lack of experts etc. However, a beginning has to be made.
4. The Public & private sector companies both treat the expenditure incurred towards the improvement of environmental performance as operating expenditure. They should classify the expenditure into capital and operating clearly.
5. Environmental bodies of public and private companies should develop a standard to guide the valuation practices.
6. A separate account should be opened for environmental expenditures. It will enable measurement and reporting of environmental expenditures and environmental performance of each company as well as the whole sector
7. Public and private companies should show data on environmental expenditure, environmental costs charged to income in the notes to the accounts in their annual reports.
8. Companies should show fines and penalties, environmental liabilities, environmental provisions, and environmental Costs capitalized in their annual reports.
9. The Indian companies should disclose both the positive and negative impact of their activities on environment. Company which is more responsible for environmental degradation should be more environmental friendly.
10. The company should take a proper environmental policy and set aside a part of their funds for environmental promotion. It should abide by various laws and regulation to prevent and control the pollution of environment.
11. The Environmental statements prepared by a company should be verified by an auditor to 'increase credibility of information provided' in them.
12. SEBI may require listed companies to disclose information on some important items like compliance with environmental laws, pending judicial proceedings arising under environmental laws and significance environmental liabilities, on prescribed form. For this purpose, a clause in the listing agreement may be inserted for strict compliance.
13. The main reasons for poor disclosure of environmental information may be its voluntary in nature. Secondly, it may be due to the lack of awareness and commitment on the part of the company management about the social responsibility of the company. Thirdly, the poor environmental performance of the company may also bound them to non- disclosure or less disclosure. And finally, the poor enforcement of the environment protection acts is also partly responsible for freeing the companies from disclosure of such information. There is a need of enough legal compulsion with adequate fairness.

In India too, embracing Green Accounting is in its early stages. Companies are slowly transitioning from CSR to more broad based responsibility of sustainability. The concept of "Triple Bottom Line" is increasingly getting into the Indian companies reporting. Companies such as ITC have adopted Triple Bottom Line reporting. NTPC, ONGC, BPCL, RIL, Yes Bank has also started sustainability reporting.

CONCLUSION

Professional accounting bodies like ICAI, ICWA etc need to evolve uniform guidelines and also accounting methodologies for Green Accounting. Coupled with this, the Ministry of Corporate Affairs and SEBI which are associated with Indian companies should enact laws for making Green Accounting mandatory. While it is recognized that the concept of green accounting and methods are still evolving even in the developed world, it would certainly take some time before the same becomes widespread in India. Thankfully, Government of India has seized with the importance of green accounting which is evident from the constitution of Prof.Dasgupta committee and also the Prime Minister's message to implement the committee's report for adoption of green accounting of India's national accounts. It is expected that Indian companies will also follow suit in adopting green accounting.

SCOPE FOR FURTHER RESEARCH

Since Green Accounting is a relatively new term, there is much scope for further academic research in this area. Prominent companies following Green Accounting practices can be analysed as case studies. Traditional techniques followed for environmental sustainability by other countries can also be taken up for research purpose.

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