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A STUDY OF GREEN ACCOUNTING PRACTICES IN MAHARASHTRA

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Abstract-

Green accounting is one of the crucial areas in today's corporate social responsibility. Companies are incorporating the concept of environmental element in their business operations. Green accounting will help the organizations to identify the resource utilization and the incurred cost. This method records cost and benefits rendered by the ecosystem to a business concern. The present research paper concentrates on understanding the concept of green accounting.50 companies were selected for the study from Pune, Nashik and A. Nagar. Fifteen aspects related to green accounting were considered in scale for data collection. The results disclosed that there is significant difference between manufacturing and non- manufacturing companies in terms of green accounting practices.

Keywords: Green accounting, corporate social responsibility, Environmental element, Business Concern.

1.Introduction-

Green accounting is considered to be an important tool for understanding the influential aspects of natural environment with respect to the economy. The data and information provided by environmental accounts are determined to be in relation to the involvement of natural resources in economic development and costs occurred due to pollution or resource degradation. The advantage of corporate environmental accounting initiative is identified as the ability to determine and create awareness regarding costs related to environment, which in turn helps in identifying the techniques for reducing and avoiding costs of such type. Due to this advantageous feature, the performance of the environment has also been improved. The environmental costs that occur due to the financial outcomes of the firm's operation can be determined by means of a green accounting tool. Green accounting is using management tools to conduct in various purposes for example, improving environment performance, controlling costs, investing in cleaner technologies, developing greener processes, and performing related to product mix, product retention and product pricing.

2. Literature Review-

Roome, 1992; Parker, 1997 recognized that environmental disclosure is more of a governance and strategic issue than a simple reporting tool.

Hecht, Joy, E (1997) described environmental accounting as an important tool for understanding the role played by the natural environment in the economy. Environmental accounts provide data which highlight both the contribution of natural resources to economic well-being and the cost imposed by pollution or resource degradation.

Mukesh Chauhan (2005) explained the scope limitations and legal framework of green accounting. He emphasized on the environmental policy, compliance with the rules and regulation and hard steps for pollution control.

Malarvizhi P (2008) worked on the approach of environmental accounting and reporting. Nasir Zameer Qureshi et al. (2012) pointed that environmental accounting and reporting is an essential component of business strategy.

3. Objective of the Study-

The aim of the study is to find out the opinions for green accounting and reporting practices of selected companies.

4. Hypothesis of the Study-

H0: There is no significant difference between manufacturing companies and non-manufacturing companies for green practices.

H1: There is significant difference between manufacturing companies and non-manufacturing companies for green practices.

5. Research Methodology-

50 companies (27 manufacturing and 23 non- manufacturing companies) were considered for study. The sample was taken from Pune, Nashik and A. Nagar. Convenient sampling technique was used to collect the data. A structured questionnaire was given to the top-level managers. Fifteen aspects were considered in the questionnaire. Each statement has two

options ‘yes’ or ‘no’. ‘ Environmental Policy’, ‘Health Safety and Environment’, ‘ Energy conservation’, ‘Corporate Sustainability /Environmental Initiatives’, ‘Sustainability Reporting’ ‘Water Management’, ‘Waste Management’, ‘Renewable Energy sources’, ‘Environmental information system’ ‘Environmental disclosure practices’, ‘Environmental targets’, ‘Environmental reporting indicators’ ‘Environmental costs and benefits’, ‘Environmental liabilities’ and ‘Environmental assets’ were the considered factors for green accounting and reporting practices.

6. Data Analysis and Interpretations-

Table 1: Mean and SD of companies for green accounting and practices adopted

Companies	N	Mean	S. D.	‘t’ value
Manufacturing Companies	27	49.0	8.35	5.44
Non-manufacturing Companies	23	41.1	11.40	

Manufacturing companies have high value for mean in comparison of non-manufacturing companies. Also, the ‘t’ value between these two is 5.44 which is more than the table value. So, we can say that there is significant difference between both types of companies in relation to green practices adopted. Our null hypothesis that there is no significant difference between manufacturing companies and non-manufacturing companies for green practices is rejected and alternate hypothesis is accepted.

7. Conclusion-

Environmental accounting and reporting practices are in the bourgeoning stage. There should be strict rules for ensuring the level of compliance to environmental norms. This study was planned to find out the major environmental parameters reported by Indian Corporates as part of their Environmental reporting practice. Unless common people of India are not made aware towards environment safety, development of accounting in this regard is a little bit doubtful.

8. Limitations of the Study-

The sample selected for the study suffers from many constraints. Sample was selected at micro level. The selection of respondents was based on their willingness to participate. Present study chooses only fifteen factors for considering green accounting; however, future researchers can consider the other dimensions. They can opt for more appropriate sampling techniques.

9. References-

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