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**GREEN ACCOUNTING AS A FUNDAMENTAL ELEMENT IN SOCIALLY RESPONSIBLE
INDIAN COMPANIES**

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ABSTRACT

The profession of the accountant has many nuances and areas of opportunity where I could perform, the role played by the Accountant is one of the most important within a company, since it is a guide and instructor that helps achieve its objectives, in recent years companies have presented a special sensitivity regarding the issue of care of the natural environment; the economic entities concerned not only for obtaining profits and satisfy the needs of its target market, now one of its objectives is to become socially responsible companies, since they acquire the commitment that involves the consideration of the positive or negative impact of a decision; the previous results in the birth of UN concept which is closely related to the environmental problem which unfortunately has not been controlled, the goal is pursued with the implementation of this type of accounting is the recognition and reveal the effects negative to the environment through accounting practice. The companies with corporate social responsibility to develop this technique will increase the levels of satisfaction, retention, commitment and loyalty of its employees, customers and other people with the keep relationship.

Keywords: Green Accounting, Indian Companies, UN concept, Sustainable development

Introduction

In our days we are continually informed about models of good environmental behavior , in our homes, tasks such as promoting energy saving, reducing water consumption or selecting waste products for recycling are already usual tasks and rooted in our daily habits. If this happens in our most personal and close environment, it is not difficult to imagine that a good business performance has to comply with minimum standards that improve the treatment of the environment, a series of tips, or codes, on the so-called good practices for environment.

The economic impact of climate change will occur long before they board the temperatures or the level of the sea. The impending political response to this phenomenon will hit the business world in the short term. Both industry and other sectors of the economy have been influenced -and are influences of the middle atmosphere and of the changing climate since the time of the Industrial Revolution, with which you move from an economy based on the agriculture economy submerged in the exploitation of large industries that in addition to producing consumer goods, begin to pollute.

For this reason, the companies along with the decision-making have decided to take into account the impact that their activities can generate to the environment; There are companies in India that are socially responsible, protect and care for the environment although they do not precisely protect it using green accounting as a tool .

This paper will address the importance of a company currently having the social responsibility seal, in addition to framing the generalities, benefits, advantages and disadvantages of keeping green accounting.

Companies and the Liability Social Enterprise

Companies currently before being considered economic entities now are social beings, and that in addition to pursuing the collection of utilities must meet the needs of a niche market defined. At present, when belonging to a world with a high level of competence, entrepreneurs, administrators and managers must look for strategies so that they can position themselves in the market; one of them is listening to people.

Today, society demands companies that may be able to recognize the unfavourable impacts that they can generate on the environment, and this negative impact can cause in the obviously natural, economic and social aspect; for this reason, companies that seek to be successful, achieve market positioning and recognition seek to be socially responsible companies.

The concept of "corporate social responsibility" arises at the end of the nineties, since the first precursors of it were politicians, then economists to be followed by banks and thus the companies themselves.

According to Bull (2004) its roots are identified in different conceptions about business management that exist in the archives of the United States between the years 1950 and 1960, where the responsibility social was considered one obligation moral and personal responsibility of the employer.

Now not only the companies will have economic and social goal, but also pursue environmental goal, which is valued in various aspects such as quality of life lab oral, respect and protection to the resources environment, the benefit to the community, the commercialization and marketing responsible and ethical business.

"This concept of administration and management encompasses a set of voluntary business management practices and systems that, with the ultimate goal of sustainability, pursue the attention of the demands of the groups with which it relates, (interest groups - or stakeholders), generating a new balance between their economic, social and environmental differences, and within the concept of CSIR there are also practices related to the good governance of companies, such as the commitment to transparency that companies acquire with the society and that they make effective through accountability in the form, usually, of verifiable annual reports or reports by external organizations.

Taking into account the above, it can be observed that corporate social responsibility establishes that the company, oriented to the protection of the environment, analysing its internal and external activities that could damage it.

A clear example of socially responsible companies in India are the group Wal - Mart India, to name a few. As regards the Bimbo Group, one of its commitments is to minimize the environmental impacts generated by its processes and services. That is why they have taken serious measures of recycling waste and reducing energy and water consumption. Within this area, Group has focused its efforts on five key areas:

- Saving energy
- Reducing emissions
- Water saving
- Comprehensive solid waste management
- Corporate social responsibility related to environmental issues, through our civil association in India

While for Walmart India, sustainability is an essential part of its commitment and its business strategy. They recognize the serious problem facing the planet. Global warming, natural disasters, shortage of drinking

water, deforestation, soil erosion, excessive waste generation; they are just some of the challenges we face. They are convinced that they must be part of the solution. Therefore, ambitious objectives have been set: 100% renewable energy, zero waste, zero discharges of polluting water and offering products at low prices that reduce the ecological footprint and benefit the communities.

In relation to the care of the middle atmosphere in India there are rules official in India, and it is necessary to regulate the discharge of water waste in the industry, and also in other sectors, in order to achieve a conscious protection of the environment in which we live, the rules Officers are:

- Indian Official Standard ISI, which is tables the maximum permissible limits of contaminants in the wastewater discharges into receiving bodies, from the power plants conventional, from the industry producing sugar cane, establishes the maximum permissible limits of contaminants in the wastewater discharges into receiving bodies, coming from the industry of refining of petroleum and petrochemicals, Outlet for Drinking Water Supply, Cold Drinking Water Meters etc.,

Monitoring compliance with the Official Standard Indian corresponds to the Ministry of the Environment, Resources Natural and Fisheries, by conduit of the Commission of Water, and the department of environment and pollution control board in the scope of their respective powers, whose staff perform work inspection and surveillance that are necessary. The violations will be penalized in the terms of the National Water Law and its Regulations, General Law of Balance Ecological and Environmental Protection, Law on Metrology and Standardization and other legal systems applicable.

With the above it can be seen that there is a Standard for each type of industry, however this does not eliminate the problem in its entirety, which is the fact that there is wastewater from the industries, but there is also a solution, and that There are methods to make this water recycled, thus obtaining reusable water.

In various industries, in a very special way in mining, the concentration of heavy metals in some of the effluents represents one problem significant due to the costs and difficulties involved in their removal when needed to meet discharge standards, either for their use as irrigation water or evacuated to water body, surface or underground.

Waste, oils, solids and metal processes can be treated and disposed of in an industrial wastewater treatment plant making conventional processes more efficient. Wastewater can be further polished using advanced treatment processes to remove residual organic matter and the remaining dissolved solids (salts). The purity of treated and recycled wastewater approximates that of distilled water for sale in supermarkets.

Green Accounting as Innovative Element

The Public Accounting profession covers different areas of study and analysis on issues that are inherent in the development of the profession as such, which are part of the professional's training. In India, there is news that the MNCs kept track of their transactions, demonstrating proper order and control even of taxes, as referenced by the Indian Codex. Currently in India in NIF A-1 (Financial Information Standard), in its third paragraph defines as Financial Accounting:

“Accounting is a technique that is used to record operations that affect an entity economically and that systematically and structurally produces financial information. Operations that affect an entity economically include transactions, internal transformations and other events. ”

The following elements can be collected from the previous definition:

- It is a Technique
- It is used for the registration of operations economic.
- It produces financial information in a systematic and structured way.

It is then conceptualizes that accounting in a first context, at least in the case of India, which is a technique, since it complies with the application of a series of steps that aims to get some result; This series of steps or stages is the Accounting Process, and the result you get is the Financial Information .

However, in particular, it can be said that given the growth, evolution and complexity of the operations financial that the accounting is concerned, coupled with the increasing needs for information, to the time that the environment of the entities that use this discipline; are as variants and in some special, forces Accounting cases that go in constant search and improved through the implementation of a rigorous scientific method.

Now, when it is said that what produces Accounting is Financial Information, it should be understood that the finished product of it is the Financial Statements, therefore, I can affirm that the Accounting that does not land in the Financial Statements, it's as much as if you don't take Accounting.

That Financial Information, which the Accounting produces, must be obtained in a systematic and structured manner, however, this means that every entity that makes use of the Accounting must necessarily have an accounting system in accordance with what is established by the Accounting Process; that is, they must comply with a series of approved national and international rules and regulations, with the intention of unifying criteria for obtaining and presenting Financial Information.

Definitely, the reason of Financial Accounting, is the making decisions, this implies that there are various users of the accounting and that for each one of them, you should be satisfied with the financial information produced by the accounting itself, for that in every opportunity they make the best financial decision. The different users of accounting that mentions the preceding paragraph are:

- Internal users: understanding that they are those who are immersed in the entity itself, such as Shareholders, Managers, Department Heads, employees.
- External Users: understanding that they are those that are in the environment of the entity itself, such as future shareholders, Financial Institutions.

In the formation of an Auditor Accountant there are many areas of study and analysis, especially on accounting aspects. Accounting is a technique for if evolutionary known and analyses a number of areas or branches that complement, i.e. forms and specifics treatment are given to certain operations which require uniformity given the particular characteristics they have, example: Forest Accounting, Agricultural Accounting, etc. Many authors explain that accounting is classified in three types that are explained below:

- Financial Accounting: Information System which reports to facilitate decision-making of the users external.
- Accounting Administrative: Information System which reports to meet the needs of the internal users (management) by facilitating administrative functions (planning, control, decision-making).
- Tax Accounting: Information system designed to comply with tax obligations regarding a specific user: the treasury.

In modern companies, accounting is related to environmental aspects because its objective is to measure those economic events that affect the entity to provide relevant, reliable, reliable, timely, understandable, objective and complete information. According to how the company has developed and its needs, it is necessary to create another type of accounting called green accounting.

A clear example is an international company, which has several branches in the world, the branch in India established a partnership with local company, a supplier of plastic bottles, in order to create the "Indian Recycling Industry", a PET recycling plant located in Pune. This plant began operations in 2005 and has a recycling capacity of approximately 25,000 metric tons per year, of which 15,000 tons can be reused for food grade PET bottles. In addition, this company contributes with financial contributions to a company responsible for the recycling of PET nationwide called Ecology and Business Commitment. In addition, the company's plants located in other African and Asian countries have received the "Clean Industry Certificate". As part of their environmental protection and sustainability strategies, some of the subsidiaries have concluded a wind power supply contract government for 20 years to receive electric power at our company's production and distribution facilities in all of India, as well as in an important number of stores. The wind farms will be located in the state of Karnataka and Odisha are expected to have a capacity of 396 megawatts. It is intended that Wind Farm operations operating in 2013.

With reference to the readings, the focus and dimension representing green accounting, it can be defined as the set of focused systems to measure and identify the impact and the costs that the activities of an entity can get to generate in the average environment.

Types of Environmental Accounting according to the USEPA (United States Environmental Protection Agency)

- **National Accounting:** It is a macroeconomic measure. The term Environmental Accounting refers to the National Economy. For example: you can use them in physical or monetary units according to the consumption of Natural Resources - renewable or non-renewable - of the nation. In this context the Accounting Environmental has been called "Resource Accounting Natural".

- **Financial Accounting:** Related to the preparation of the financial statements according to the Financial Accounting Standards Board (FASB) and the Generally Accepted Accounting Principles (GAAP). Environmental accounting in this context refers to the estimate and information of environmental responsibilities and the costs from the point of view financial.
- **Management Accounting:** It is the process of identification, collection and analysis of information, mainly for internal purposes. It is aimed at the Administration n of the costs, especially to take into account the administrative decisions in the field of production and others.

Companies must allocate part of the investments to the improvement and protection of the environment, bearing a series of costs that will be easy to identify and record separately from other business costs. The importance of environmental accounting is that accounting-environmental information is a priority for environmental management, since it is not possible to act without guidance or reliable and timely measurements, among its objectives are:

- Study and analyze the processes of valuation, measurement and control of environmental processes from an accounting perspective .
- Improve the accounting policies and management accounting.
- Improve the contribution accounting to the practices of management of the business environment in companies.

Among the advantages and benefits of applying green accounting, some are listed below:

Environmental costs can be compensated by generating income through the sale of waste or by-products.

- Environmental costs are easily overlooked if they are included in general expenses or dispersed in multiple items.
- Better management of the environmental costs may lead to improved environmental performance and significant health benefits human.
- Registration cost and environmental performance is an indispensable support for the development and operation of an environmental management system that has quickly become a strategic necessity for the companies.
- Higher sales per image improved environmentally by company or product.
- Better access to the financial market .
- Heritage more attractive to investors.
- Easier and faster approval of expansion or change projects due to greater trust from local authorities and communities .

As there are advantages, there are also disadvantages, among which we can mention the following :

- In the not be known or generally handled can be difficult to apply in some economic entities.

The environmental information to be disclosed by the financial statements could cover the following concepts:

- Investments made either in fixed assets or research and development expenses related to the environment.
- Obligations contracted for the protection of the environment.
- Costs incurred by the company, either way requires tory or voluntary, and have a character environment.
- Risks and contingencies in which the company is involved, derived from the incidence of its activity in the environment.
- Any other information derived from the interaction company or medium environment, either be quantitative, qualitative or financial.

Developing countries such as Germany, Spain, England, Argentina and the United States have fully identified with the environmental problem and have opened the doors in the financial information to record as environmental costs, of the government and organizations, the environmental damages that are caused, which resulted in the use of terms that are identified with environmental accounting such as, Environmental Management Accounting, Ecological Accounting and Environmental Accounting, among others.

The European Union approved the so-called Agenda 21, global agenda for sustainable development, at the United Nations Conference on Environment and Development in Rio de Janeiro, which was held in 1992.

From this moment the European Union has dedicated political efforts to achieve a high degree of sustainable development.

Sustainable development means "Development that covers current needs without compromising the possibilities of future generations to meet their own needs." Report of the World Commission on Environment and Development "Brundtland Report".

Other documents such as Agenda 21 or the Environment and Sustainable Development Policy and Action Program have been developing this concept and offering guidelines for its progress. The six elements of the actions for the sustainable development of the European Union:

Integration of the aspects environmental in the other areas of activity.

1. Shared cooperation of responsibilities between the EU, the Member States, the business world and the public.
2. Expansion of the range of environmental policy instruments to include, for example, taxes and subsidies, voluntary agreements.
3. Change of the patterns of consumption and production.
4. Application and compliance with legislation.
5. International cooperation within the framework of Agenda 21 and the V Environment Action Program.

Quoting textually the White Paper on Environmental Education of the Ministry of Environment: "Responsibilities must be assumed from all social spheres. It is necessary to face the challenge of building a new model of sustainable society in environmental and equitable social matters. Sustainable development ... assumes the existence of physical limits that suggest that endless growth is impossible, emphasizes the need to improve the quality of life, in the face of well-being based on material goods, and is inspired by solidarity between the different generations and among the individuals of each generation."

The Environmental Forum Foundation 1999, in a document published on Environmental Accounting, starts by determining the purpose that the reliability of any of the environmental accounting can pursue

Why, for what and for whom does the company's management want to have reliable and clear environmental accounting? And point out the reasons:

Why?

- Reasons for internal management: You mean, related to the setting in motion of an active environmental management and its control and monitoring newspapers.
- Legal requirements. The growing legal and regulatory requirements, may force the managers to more precisely control their environmental risks, the threat of fines, penalties process administrative and criminal.
- Demands of the "participants". The company is increasingly subject to internal or external pressures. The demands may come from workers, shareholders, neighbours, Public Administrations, customers, suppliers, investors, banks, insurers or environmental organizations.

What is it for? What does it give us?

Specifically, it is convenient that the company's management knows what it wants to have an environmental accounting system for. In other words, what results do you expect to achieve in particular with it. It is important to know clearly what our objective is.

The following may be considered:

Know whether or not the company complies with current environmental legislation .

1. To assist managers in their decision-making and in setting a policy and a management targets environmental.
2. Check the evolution of the environmental performance of the company through to the time and identify the trends observed.
3. Identify the business areas that need special attention (areas critical) and the environmental aspects significant.
4. In the case of companies with an environmental policy already established, Know if the environmental objectives set by the company have been met .
5. Identify opportunities for better management of the aspects environmental.

6. Identify strategic opportunities: How the company can obtain competitive advantages thanks to concrete improvements in environmental management. What are the improvements that add value to the company.
7. Obtain specific information to deal with requests from specific participants .

Who?

The participants can be very diverse: they are all those human groups that, in one way or another, affect the life of the company. It is important to detect who they are and what type of specific interest they have regarding the company's environmental performance. A list of possible participants is as follows:

Managers.

- Workers.
- Shareholders.
- Neighbors and local community .
- Public Administrations .
- Customers.
- Suppliers.
- Investors.
- Banks and financial institutions.
- Companies Insurance
- Ecological organizations
- Universities and research centers

The management of the company must take into account that the participants may have different interests and motivations in relation to the environmental performance of the company, which does not always have to coincide with those of the company's own management.

Environmental Management refers to all aspects of the management function that plan, develop, implement and maintain environmental policy. The Environmental Management system includes the organizational structure, as well as the responsibilities, practices and procedures, and the resources necessary to implement environmental management. This system is limited to the ISO 14001 series.

Standard 14001 requires each organization to develop its own policy and have objectives that study legal requirements and information regarding significant environmental impacts. The rule applies to environmental effects that can be controlled by the organization and over which it is expected to exert an influence. It covers the entire environmental management system and provides specifications and guides for use (14004), including central elements of the System that will be used for Certification.

Companies must create a department whose activities will be in the field of Planning, Responsibilities, Procedures, Processes and Resources that allow it to develop, achieve, review and implement the Environmental Policy.

In the present, environmental accounting has been demanding from researchers, professionals and standardizing bodies the contribution of common terms with identical meanings in order to establish methodological foundations on which to build a conceptual framework.

Despite the absence of criteria, standards or statements related to the environmental issue within the Standards International Accounting should limit the contribution that has made the International Accounting Standards Boards IASBen , to I publish the IAS 36 affects to the measurement the responsibilities environmental and to the depreciation of the environmental assets, IAS 37 affecting the recognition of the environmental liabilities and the NIC 38 which addresses the immobilized material.

"The IASC has published several international accounting standards in which the provisions and relevant accounting principles are established when addressing environmental issues. However not many the direct rice's directly related to these issues and no there is no standard international of accounting that is focused solely on environmental issues" CUE 2001.

In 1998, the International Accounting Standards Committee, IASC, published by the International Accounting Standard, IAS 37, "Provisions, Contingent Assets and Liabilities", the attempts to link environmental issues accounting standards and the provisions on how to equity and results.

The importance of this standard is that it becomes a tool that gives theoretical support to the pronouncements of the ISI, and at the same time allows a retrospective analysis of the existing Standards and serves as a basis for the support of subsequent NGOs.

Proposal

It would be convenient for both the companies, society and the environment, the Indian organizations interested in achieving recognition, positioning and leadership

In the market, use environmental accounting as an aid technique to measure and control the negative impact that your activities may have against the environment.

According to the type and nature of business, to establish registration process, which could contribute to the attainment of the savings and benefits of the accounting environment, it is necessary to consider the following:

- To constitute a system of indicators (simple, flexible and reproducible) that show the causes and effects of the company's activities, as well as, the significant trends that help the company's decision-making.
- An analysis of the environmental risk activities producing the same and their financial impact, if they handle raw materials the cost that leads to their use and the cost of their recovery, another indicator would be the costs for fines related to the negative consequences to the environment and society, another financial impact would be reflected in the reuse or sale of some material.

Conclusions

Taking into account the aforementioned, it must be taken into account that the use of natural resources is essential for the subsistence of the human being and that these are scarce and limited, we cannot leave their care and preservation adrift. In order to achieve this, the different groups of society intervene, made up of the government itself, the company and the consumer. You have to make the entrepreneur aware of the ecological impact caused by the activities of his industry.

The environmental problems derived from the relationship between the company and the environment are increasingly frequent and of greater dimensions. This, together with the increasing demand of the users of the accounting information, about social and environmental aspects related to the company and the environment, will mean the need for it to inform third parties about the impact that its activity causes on it and on the attitude adopted by the company to avoid, reduce or in your case to repair the damage caused.

Environmental accounting serves not only to measure and evaluate, but also to communicate those aspects of the environmental activity that is appropriate, both inside and outside the company.

It is extremely important to promote initiatives to prevent, abate or remedy the deterioration of the environment, or to ensure the conservation of the renewable and non-renewable sources, these initiatives can be laws, regulations, and clauses in the contracts or measures voluntary.

As we could see, the implementation of a green or environmental accounting, will reduce the risks on human beings and the environment, which generates a huge saving in health matters, attending to social security, a very high cost for companies; eliminate as far as possible the use of toxic raw materials, which results in cost savings to dispose of these materials; It will reduce the toxicity of waste emissions and improve the operational efficiency of the plant.

I conclude that it is important to take into account the true accounting technique as an element that will contribute to the company, with a positioning and recognition in the market through the "socially responsible company" badge, such as society, which can be enjoyed for a long time than natural resources are scarce.

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