Green Accounting as a Catalyst for Sustainable Development in Viksit Bharat

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ABSTRACT

India's vision of **Viksit Bharat 2047** seeks to transform the nation into a developed, inclusive, and environmentally sustainable economy. Achieving this vision requires integrating environmental sustainability into financial reporting, corporate governance, and public policy. Green accounting, also known as environmental accounting, incorporates environmental costs, natural resource depletion, and ecological impacts into traditional accounting systems, thereby promoting sustainable decision-making. This study examines the relevance of green accounting in achieving sustainable development in India by analysing its importance, current practices, and implementation challenges. The study adopts a descriptive research design using both primary and secondary data. Primary data were collected from 60 respondents through a structured questionnaire, while secondary data were obtained from peer-reviewed journals, government reports, sustainability reports, and policy documents. Descriptive statistics and reliability analysis were employed to analyse the data. The findings reveal that respondents perceive green accounting as an effective tool for promoting sustainable economic growth, improving resource management, and enhancing corporate transparency. However, the absence of standardized measurement methods and valuation difficulties remain significant implementation challenges. The study recommends strengthening regulatory frameworks, developing uniform accounting standards, promoting ESG reporting, and enhancing awareness among businesses. The findings contribute to the growing literature on environmental accounting and provide policy implications for achieving the objectives of Viksit Bharat 2047.

Keywords: Green Accounting, Environmental Accounting, Sustainable Development, Viksit Bharat 2047, Environmental Reporting.

INTRODUCTION

Economic development has traditionally been measured through indicators such as GDP, profit, and productivity. However, these measures often ignore the depletion of natural resources and environmental degradation. Green accounting addresses this limitation by incorporating environmental costs and benefits into financial and national accounting systems.

Green accounting integrates environmental considerations into conventional accounting frameworks and helps organizations measure the economic value of natural resources and environmental impacts.

India's vision of Viksit Bharat 2047 emphasizes inclusive growth, technological advancement, infrastructure development, and environmental sustainability. The integration of green accounting into financial reporting and policy decisions can play a crucial role in achieving this vision by promoting sustainable resource management.

Recent global concerns regarding climate change, biodiversity loss, carbon emissions, and sustainable resource utilization have significantly increased the importance of environmental accounting. International initiatives such as the **United Nations Sustainable Development Goals (SDGs)**, the **Paris Climate Agreement**, and the growing adoption of **Environmental, Social and Governance (ESG)** reporting have encouraged governments and corporations to integrate environmental performance into financial reporting. In India, the Securities and Exchange Board of India (SEBI) introduced the **Business Responsibility and Sustainability Reporting (BRSR)** framework, making sustainability disclosures mandatory for leading listed companies. Consequently, green accounting has emerged as an important instrument for achieving sustainable economic growth under the vision of Viksit Bharat 2047.

LITERATURE REVIEW

Recent studies indicate that green accounting has become an essential component of sustainable corporate governance and environmental management. **Trivedi (2021)** observed that environmental accounting enables organizations to quantify environmental costs and improve resource efficiency, thereby facilitating sustainable business practices. **Bebbington and Larrinaga (2014)** argued that environmental accounting enhances corporate accountability by integrating environmental information into financial reporting and strategic decision-making. **Schaltegger and Burritt (2018)** emphasized that environmental management accounting supports organizations in balancing economic performance with environmental protection through better resource allocation and cost management. **Sirimalla (2025)** reported that green accounting can significantly contribute to achieving the objectives of Viksit Bharat 2047 by promoting responsible corporate behaviour and supporting climate-resilient economic development. **Singh and Fauzia (2025)** found that Indian companies increasingly integrate ESG reporting and sustainability disclosures into annual reports, improving investor confidence and long-term organizational performance. According to the **Council on Energy, Environment and Water (2024)**, India's transition towards a green economy has the potential to create substantial employment opportunities while reducing environmental degradation through sustainable investments. Although considerable progress has been made, previous studies indicate challenges such as inconsistent measurement techniques, lack of standardized accounting frameworks, inadequate regulatory enforcement, and difficulties in valuing environmental resources. The present study attempts to address these issues by examining the role of green accounting in achieving sustainable development under the Viksit Bharat framework.

Theoretical Framework

The present study is primarily supported by the Stakeholder Theory proposed by Freeman (1984) and the Triple Bottom Line (TBL) Theory developed by Elkington (1997). According to Stakeholder Theory, organizations are accountable not only to shareholders but also to employees, customers, governments, communities, and the environment. Green accounting enables organizations to disclose environmental performance, thereby enhancing stakeholder confidence and corporate transparency. The Triple Bottom Line framework emphasizes that sustainable organizational performance should be evaluated based on three dimensions:

- Economic Performance (Profit)
- Environmental Performance (Planet)
- Social Performance (People)

Green accounting facilitates the integration of these three dimensions by incorporating environmental costs into traditional accounting systems, thereby supporting sustainable development.

Concept of Green Accounting

Green accounting refers to an accounting system that records environmental costs, benefits, and resource depletion along with traditional financial information.

It includes:

Measurement of environmental costs

Accounting for natural resource depletion

Environmental performance reporting

Sustainable resource management

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Green accounting attempts to identify the costs incurred by business activities on the environment and incorporate them into corporate and national accounting systems.

This approach helps organizations assess their environmental impact and align economic growth with ecological sustainability.

Objectives of the Study

- To evaluate the relevance of green accounting in the context of Viksit Bharat 2047.
- To study the Green Accounting Practices in India
- To identify challenges in implementing green accounting practices in India.

RESEARCH METHODOLOGY

Sources of Data

Primary Data

Primary data were collected using a structured questionnaire comprising Likert-scale statements relating to the importance, practices, and challenges of green accounting.

Secondary Data

Secondary information was collected from peer-reviewed journals, government publications, SEBI reports, sustainability reports, books, and research articles published between **2019 and 2025**.

Sampling Procedure

A **convenience sampling** technique was adopted to collect responses from **60 respondents**, including accounting professionals, academicians, commerce students, and business practitioners who possess basic knowledge of environmental accounting.

Questionnaire Development

The questionnaire was prepared after reviewing existing literature on environmental accounting and ESG reporting. It consisted of three sections:

- Demographic information
- Importance of Green Accounting
- Challenges in implementation

Responses were measured using a five-point Likert Scale ranging from Strongly Agree (5) to Strongly Disagree (1).

Reliability and Validity

Content validity was established through expert review by faculty members specializing in accounting and sustainability studies. The internal consistency of the questionnaire was tested using **Cronbach's Alpha**, which yielded a value of **0.84**, indicating good reliability.

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Statistical Techniques

The study employed:

- Percentage analysis
- Mean score analysis
- Ranking analysis

Importance of Green Accounting in Viksit Bharat

Promoting Sustainable Economic Growth

Green accounting enables policymakers to measure environmental costs associated with economic activities. This ensures that economic growth does not occur at the expense of environmental degradation.

Efficient Resource Management

By accounting for natural resource depletion, green accounting encourages efficient use of resources such as water, forests, minerals, and energy.

Enhancing Corporate Transparency

Companies adopting environmental accounting disclose environmental costs and sustainability initiatives in their reports. This improves accountability and stakeholder confidence.

Supporting Policy Formulation

Environmental accounting provides valuable data for governments to design policies related to climate change, pollution control, and sustainable development.

Contribution to Green Economy

India’s transition to a green economy could create major economic opportunities, generating millions of jobs and attracting large-scale investments in renewable energy and sustainable industries.

Thus, green accounting can serve as a key tool in guiding India toward environmentally responsible growth.

Table 1 Table showing Importance of Green Accounting in Viksit Bharat

Statements		**HS**	**S**	**N**	**D**	**HD**	**Total**	**Mean**
	W	5	4	3	2	1		
Promoting Sustainable Economic Growth	**F**	**22**	**32**	**4**	**0**	**2**	**60**	4.20
	FX	110	128	12	0	2	252	
Efficient Resource Management	**F**	**9**	**37**	**12**	**1**	**1**	**60**	3.87
	FX	45	148	36	2	1	232	
Enhancing Corporate Transparency	**F**	**14**	**20**	**23**	**2**	**1**	**60**	3.73
	FX	70	80	69	4	1	224	

Supporting Policy Formulation	**F**	**16**	**21**	**13**	**7**	**3**	**60**	3.67
	FX	80	84	39	14	3	220	
Contribution to Green Economy	**F**	**9**	**27**	**15**	**5**	**4**	**60**	3.53
	FX	45	108	45	10	4	212	

The above table shows the importance of Green Accounting in Viksit Bharat. The respondents strongly agreed that green accounting promote sustainable economic growth with a mean score of 4.20, followed by efficient Resource Management with a mean score of 3.87. They also agreed that green accounting enhance corporate transparency with a mean score of 3.73, followed by supporting policy formulation with a mean score of 3.67. They had less level of agreement that green accounting contributes to green economy with a mean score of 3.53.

Green Accounting Practices in India

In India, several initiatives have been introduced to encourage environmental reporting and sustainability practices:

Business Responsibility and Sustainability Reporting (BRSR) framework by SEBI

Corporate Social Responsibility (CSR) spending on environmental protection

Adoption of ESG (Environmental, Social, Governance) reporting

Carbon disclosure and sustainability reporting by major companies

Many leading companies such as Tata Group, Infosys, and ITC have incorporated environmental accounting practices in their sustainability strategies.

Table 2 Challenges in Implementing Green Accounting

Factors	**W**	**5**	**4**	**3**	**2**	**1**	**Total**	**Mean**	**Rank**
Lack of standardized measurement methods	**F**	**33**	**9**	**7**	**5**	**6**	**60**	3.97	**1**
	FX	165	36	21	10	6	238		
Difficulty in valuing environmental resources	**F**	**7**	**26**	**15**	**6**	**6**	**60**	3.37	**2**
	FX	35	104	45	12	6	202		
High implementation costs for organizations	**F**	**8**	**9**	**28**	**10**	**5**	**60**	3.08	**3**
	FX	40	36	84	20	5	185		
Absence of strict regulatory enforcement	**F**	**6**	**10**	**6**	**33**	**5**	**60**	2.65	**4**
	FX	30	40	18	66	5	159		
Limited awareness among businesses	**F**	**6**	**6**	**4**	**6**	**38**	**60**	1.93	**5**
	FX	30	24	12	12	38	116		

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From the above table it can be seen that the major challenge in implementing green accounting is lack of standardized measurement methods. The second challenge is difficulty in valuing environmental resources. The third challenge is high implementation costs for organizations. The fourth challenge is absence of strict regulatory enforcement and the least challenge is limited awareness among businesses.

DISCUSSION OF THE FINDINGS

The findings indicate that respondents strongly perceive green accounting as an important contributor to sustainable economic growth and efficient resource management. These results are consistent with Trivedi (2021), who observed that environmental accounting improves resource utilization and organizational sustainability. The finding that standardized environmental measurement methods remain the most significant implementation challenge supports the observations of Schaltegger and Burritt (2018), who emphasized the need for internationally accepted environmental accounting standards. Similarly, the increasing adoption of ESG reporting by Indian companies aligns with the findings of Singh and Fauzia (2025), who reported growing corporate commitment towards sustainability reporting following regulatory initiatives such as BRSR. Overall, the results suggest that green accounting can significantly contribute to achieving the objectives of Viksit Bharat 2047 by improving transparency, supporting evidence-based policymaking, and encouraging environmentally responsible corporate behaviour.

Suggestions

To strengthen green accounting practices in India, the following measures are recommended:

Development of standardized environmental accounting guidelines Integration of environmental accounting in national income accounting Training and awareness programs for accountants and businesses Government incentives for environmentally responsible companies Mandatory environmental disclosure requirements

CONCLUSION

Green accounting has emerged as a vital instrument for balancing economic development with environmental sustainability. The study demonstrates that incorporating environmental costs into financial decision-making enhances corporate transparency, promotes efficient resource utilization, and supports evidence-based policy formulation. Although India has made significant progress through initiatives such as ESG reporting and the Business Responsibility and Sustainability Reporting (BRSR) framework, challenges related to standardized measurement, valuation of environmental resources, and implementation costs continue to hinder widespread adoption. Addressing these challenges through stronger regulatory frameworks, uniform accounting standards, capacity building, and technological innovations will facilitate the effective implementation of green accounting. Consequently, green accounting can serve as a strategic catalyst in achieving the objectives of **Viksit Bharat 2047** by fostering inclusive, resilient, and environmentally sustainable economic growth.

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