

An Introduction to the Concept of Environmental Management: Indian Context

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Abstract: An industry uses finite environmental resources of various kinds in its production process. The rapid growth of population and unplanned industrialization leads to a number of environmental issues in India. Hence, environmental processes form the basis of resource management and economic development. Accountants act as basic custodians and light bearers of economic development. They cannot close their eyes to the effect of environmental issues on business management etc. Environment protection has become a very common subject of discussion all over the world. With the advent of liberalization, it has become essential to internalize the cost of environmental degradation in corporate accounts most successfully. Economic development without environmental considerations causes environmental crisis. As a consequence, it reduces the quality of life of present generation as well as future generation. As more corporate sectors in the global market especially in India are becoming anxious about environmental degradation, naturally more and more emphasis is being ascribed to environment-friendly outputs. Environmental degradation or pollution calls for diligent management of environment which in turn is indispensable for sustainable development. The global community thinks it indispensable to determine the best practice in accounting for environmental resources and calls for sound environmental management for environmental degradation or pollution. In the light of this situation, a modest attempt has been made in the paper to focus on the theoretical foundation of environmental management. This study also evidences reluctant attitude of many corporate sectors in India in spite of mandatory legislation evicted in our country. This paper also expresses that notwithstanding different irregularities, environmental management is developing an increasing important aspect within the corporate sectors in a developing country like India. Final part of this paper contains conclusion along with recommendation to overcome the situation.

Keywords: Environmental management, Environmental degradation, Environmental resources, Environmental crisis.

1. INTRODUCTION

Rapid movement of industrialization throughout the world has been seriously menacing mankind's ability to maintain an ecological balance. Industrialization is the prerequisite of economic growth of any country; but unplanned industrialization and release of waste by industries brings environmental pollution or degradation. Every developmental activity directly relates to natural and environmental resources. Economic development without environmental considerations causes to environmental crises. The ecological role played by corporate sectors responsible for their business activities on the environment is becoming particularly explicit in the global market, especially in India. Management of both environmental and natural resources in a country like India has become more urgent. Every industry feels the necessity of sustainable development management. In addition, global awareness and acceptance of the importance of environmental issues has motivated the development of a new area of management known as "Corporate Environmental Management". Environmental management system is a part of the overall management system. The destructive influence of man's economic activities on the environment in the name of sustainable global economy is not of recent origin.

In India, government has come forward to exercise control over the issue relating to degradation of environment. It is worth mentioning in this respect that the Indian constitution imposes as one of the fundamental duties of every citizen, the duty to protect and improve the natural environment including forests, lakes, rivers and wild life and to have compassion for living creatures.

2. ENVIRONMENTAL MANAGEMENT – CONCEPT

Environmental Management is entirely an emerging and dynamic concept. Environmental Management is concerned with the management for environment encompassing a business. It represents the organizational structure, responsibilities sequences, processes and preconditions for the implementation of an environmental corporate policy. Environment brings together all inanimate organism and forces functioning in nature including man. The basic functions of good environmental management are goal setting; information management; support of decision making; organizing and planning of environmental management; environmental management programs; piloting; implementation and control; communication; internal and external auditing, etc. The present state of economic development, including the environmental state, makes it necessary to broaden management's understanding of natural environment. The way of industrialization being emphasized for the development of economy, in coming year's environmental pollution will be the ecological nightmare. Hence, it has become imperative to take into account the ecological consequences while setting up an industrial unit. Technology is available today to reduce the environmental pollution and it must be used to correct the excesses of ecological brutality and to minimize the degree of environmental degradation. For all these, a proper accounting and reporting of environmental information is a must which can lead to sound "Environmental Management".

3. RESEARCH OBJECTIVE AND METHODOLOGY

This paper being basically based on concepts, the opinions expressed in this paper are the author's own opinion and the opinions of some reputed authors. This paper shows light on certain fundamental and theoretical aspects of the concept of "Environmental Management". The study also attempts to examine the importance of environmental management today. In the light of this, the motivation for this paper is not to seek new solution to the underlying problems facing environmental management research. This discussion is expected to provide insights and a basis from which management can test their current practices and seek to encourage them in terms of providing a better understanding of the interaction between corporate and the natural environment. Special importance is placed on environmental management and awareness since this is supposedly the crying need of the day.

4. KEY CONCEPTS OF THE STUDY

4.1 Importance of Environmental Management

Environment takes into consideration all conditions required for the survival of corporate sectors. Absence of environmental consideration causes serious ecological damage. Poverty, lack of resources, population pressure and global inequity of the resource use are generating unparalleled social and environmental problems at national and global levels. Sustainable development has a tendency to strike a balance between the demands of economic development and the need for management of environmental processes. Precise knowledge of various facets of sound environmental management is the sine qua non for sustainable development which meets not only the requirements of the present generation but also of the future generation. Environmental management is especially valuable for internal management initiatives with a specific environmental focus, such as cleaner production, supply chain management, "given" product or service design, environmentally preferable purchasing and environmental management systems. Environmental management type information is increasingly being used for external reporting purposes also. Environmental Management Accounting (EMA) is one of the environmental management tools. EMA provides a broad set of principles and approach required for the success of many other environmental management functions and since the range of decisions affected by environmental issues is gradually increasing, EMA is becoming more important not only for environmental management decisions, but for all types of managerial functions with special emphasis on eco-efficiency and strategic position.

As a result, environmental management helps corporate and other organizations boost their public trust and confidence and are related to receiving a fair assessment. The already degraded environment calls for its diligent management. Through environmental management, enterprises can enjoy the following benefits:

- i. Pollution control being burning subject of discussion, environmental management shows the extent to which pollution has been controlled by the corporate.
- ii. Environmental management draws attention in another sense, which offers an idea about industrial development, a nation's economic progress and social welfare and the fulfillment of responsibility towards society.
- iii. Environmental management is helpful in discharging organizational accountability and increasing environmental transparency. Sustainable development is possible with the help of environmental management as it helps include ecological ability of enterprise.
- iv. Negotiation between the management and society helps organizations seek to strategically manage a fresh and emerging issue with distinct users.
- v. Environmental management supports green reporting to combat effectively all negative public opinions in the global economy where existence of a strong environmental lobby against environmentally unfriendly industries is found.
- vi. Environmental management improves performance through better management of environmental cost and thus, benefits the natural and human environments.
- vii. Environmental management forces corporate sectors to fulfill their commitments towards introduction and change, and thus appears to be responsive to new factors. Countries giving importance to the ecological aspect of activities are becoming more and more popular, particularly in Western Countries.
- viii. Environmental management reflects unsound production and consumption patterns, misuse and scanty use of resources and assets like water.
- ix. Optimal allocation of scanty resources in the economy is possible with the help of environmental management.
- x. Environmental management is essential in measuring a nation's economic development, social welfare, industrial development, pollution control and in fulfilling the needs of government, still the system is in its infancy and not all countries have been able to develop such a system [1]. But with the passage of time, the system will gradually develop, research will be undertaken and it will fulfill the requirements for which it was originated.
- xi. Impressive decision taking through the application of environmental management reduces or eliminates many environmental problems.

In the light of evolutionary learning, it is considered essential to make an endeavor to incorporate the effects of environmental resources in the entire business functions of a business house. Environmental management through environmental accounting is an attempt to identify the resources consumed and the costs imposed on the environment by a corporate. Every corporate citizen should evaluate an environmental management system through environmental accounting to keep records of the benefits and costs rendered by the environment of a corporate and justifying these costs and benefits are large constituents of environmental accounting which in turn, nourishes a corporate development and operation for an all-round environmental management system [2]. Maintaining secrecy and widely following different accounting systems sometimes make the task very difficult. But still, environmental management is highly useful in planning, public resource management, pollution control and for policy analysis.

4.2 Corporate Agenda

The responsibilities of accountants in environmental management cannot be denied. An accountant should create environmental consciousness in the corporate sectors from top level to bottom level so that the environmental culture may be installed and their cooperation may be sought for in enforcing it. Every staff in the corporate sector must be made aware of the importance of environmental quality management. The management accountant has an important role in uttering this principle or mantra in every walk of corporate life. Corporate agenda should be prepared and the following may be incorporated there:

- i. Corporate commitment to environmental protection should be clearly stated;

- ii. Environmental protection is a genuine task and no stone will be left unturned in preserving and safeguarding ecological balances;
- iii. Environmental friendly code of conduct must be noticed at all levels and by all the people;
- iv. Employees failing to observe environmental friendly code of conduct must be reprimanded;
- v. Alteration in product design should be made as far as possible to incorporate eco-friendly materials and other inputs;
- vi. Renewable sources of energies like solar energy, wind energy, etc. must be used and so advocated;
- vii. Maintenance, replacement and repairs of machinery, tools, equipment, vehicles, etc. should be done properly and in time;
- viii. Arrangement for returning or collecting back non-biodegradable packing materials must be used to the best possible extent;
- ix. If the working of the corporate on any day or in any month is against environmental interest, staff doing this must seek apology;
- x. Installation of adequate waste and sewage plants before the industrial wastages are left into river, sea, etc. may be made;
- xi. Adequate number of PROs to communicate with the external world and to clear the corporate commitment to the world at large must be recruited;
- xii. Environmental engineers must be recruited for seeking their opinion on environmental related matters and for involvement in establishing a cleaner and efficient production system thereby minimizing wastage and ensuring optimum usage of all the raw materials;
- xiii. Corporate manager should be proactive rather than active. The adequate measures must be initiated to protect environment before the new technology is put to use or adopted;
- xiv. Participation in activities like social forestry, community forest efforts, environment cleaning works, etc. may be made;
- xv. R&D activities for identifying new processes or methods of production or inputs which are sustainable from environmental point of view should be encouraged.

The aforesaid corporate environmental agenda should be drafted by the management accountant and implemented in and outside the corporate with full support of the top management. The management accountant as far as environmental matters are concerned can be taken as the "spokesperson" who represents the environment. Regular environmental performance reports, environmental laws and changes in them, periodical environmental audit by independent agencies, etc. should be brought to the notice of all concerned in the corporate to ensure genuine environment to protect the environment.

4.3 Importance of Environmental Balance Sheet

Environmental balance sheet may be prepared and attached along with the annual financial statement. Environmental balance sheet summarizes a corporate environmental performance and its net environmental capital investment in the shape of environment-friendly assets, its environmental liabilities and its net environmental capital. It is always desirable from environmental protection point of view for a firm to possess positive contribution. Environmental balance sheet usually includes the following:

Environmental Assets: Water pollution treatment plants; Sewage treatment plants; Air pollution preventive systems; Investment in Social forestry; Human Training and Development cost; Capital work-in-progress; Renewable energy sources; Eco-friendly production machines; Packaging materials etc. The above assets are required to control environmental degradation.

Environmental Liabilities: Amount of compensation payable according to court rulings; NGOs' rulings; Pending Law suits against environmental hazards; Amount of damages yet to be assessed, etc. Environmental liabilities are actually the obligations payable or incurred in discharge of environmental responsibilities by a corporate. These liabilities can highly influence the corporate financial status. A positive financial net worth could be converted into negative one if the working of the corporate is at the cost of environmental protection. It is, therefore, essential to assess them properly in determining environmental capital. The objective of any corporate is to minimize its environmental liabilities by being friendly to its environment. Green capital takes place when environmental investments exceed the environmental liabilities.

It is desirable that environmental capital should be equal to environmental liabilities. Environmental balance sheet is an indispensable part of yearly financial accounts. Necessary legal provisions may be made to make it mandatory for the corporate. Further, Courts, NGOs, Consumer Forums, Environmental and Social workers and other environmental organizations should strive for necessary morale persuasion on the corporate management to prepare and publish the amount of Green Capital investment in environmental protection.

4.4 Necessity of Accounting Standard

Environmental management through environmental accounting is the crying need of the hour. Hence, with a view to measuring and reporting of environmental investment, an accounting standard is of utmost importance. Measurement of environmental hazards created by corporate is a very difficult task and also the amount of damage differs from concern to concern depending on the nature of industry, nature of management, its philosophy, methods of production and distribution, environmental pollution, motivation level of employees, reward and reprimand policies etc. But the standard to be introduced must dovetail the environmental hazards created by different industries and the cost incurred by the corporate and by the society to alleviate bad consequences. Such type of accounting standard setting at national and international levels must include environmental scientists, representatives of NGOs, Government agencies, Corporate, UN representatives and above all accountants. Standard practices of reporting must also be widely clear in the standard.

4.5 Benefits of Environmental Management Accounting

Environmental Management Accounting (EMA) has no single univocally accepted definition. EMA is the management of environmental and economic performance with the help of development and execution of appropriate environmentally related accounting system and practices. EMA typically includes reporting, auditing, life-cycle costing, full-cost accounting benefits assessment and strategic planning for environmental management. EMA identifies collects, analyses and uses of two types of information for internal decision making purpose viz. 1. Physical information on the use, flows and destinies of energy, water and materials (including wastes) and 2. Financial information on environment related costs, earnings and savings. Although EMA brings light basically on internal management decision making, physical accounting information also is often reported to external stakeholders.

5. ENVIRONMENTAL AWARENESS IN INDIA

5.1 Problems

Environmental management through environmental accounting shows the extent of pollution controlled by business entities. Man has been rapidly and deliberately exploiting the environmental resources with the aid of modern science and technology. Industrialization is genuine for life, but evils accompanying it are also no less in number. The most outstanding and patent danger that emerges from the industrial activities is pollution. In underdeveloped countries, pollution is not the serious problem as it is in technologically developed countries of the world. In well-developed nations and the greatest technologically advanced countries, the worst pollution happens. The industrialization is mainly concerned with physical environmental pollution (i.e. air, water and noise). Most of the Indian rivers and fresh water streams are seriously polluted by industrial wastes or elements of different industries causing waterborne diseases. Unplanned urbanization, construction of water projects, and migration of people – everything helps change the ecology and epidemiology of diseases. India is the third largest producer of tobacco in the world after the US and China. The Government of India has done little to control or reduce smoking because of conflicting loyalties, the need of the exchequer and the health of the people. Today unfortunately, urban ecology is no sounder and is poised with health hazards and impaired human activity, due to low per capita availability of land. Environment and animal are both polluting each other. Untreated hospital wastes in the garbage places are endangering the health of both animal and man. Drossy animals on the urban roads are exposed to serious chemical pollution from automobile exhausts that lours their health, productivity and also reproductive efficiency. Environmental pollution in India is a serious problem now and serious efforts are being made to orient the public in its protection.

The administration of pollution control has been gloomy due to want of reliable information on the violation and implementation of these regulations. In India, we are not better off. The worst polluting company appears to be the most successful and attracts additional investment from an investing public [3]. Measuring the inter-relationship between environment and development has become a complicated issue mainly because the current national accounting does not only consider the value of natural resources. The problem of environmental protection is becoming more and more acute and the necessity for considering the value of services of environmental resources is also gradually increasing day by day. Monetary values allotted to environmental goods and services under the shadow pricing process are not certain and inadequately quantified. Many conditions and assumptions lying under economic theory are not encountered. International firms and organizations had a tendency to disclose non-monetary information including environmental information; naturally, they have enhanced the expectations from Indian corporate to act responsively towards the environment and be accountable to society beyond the traditional role of providing financial accounts to shareholders. Usually, literature available as to environmental performance reporting has concentrated on developed countries and little attention has been given to the states of environmental reporting of developing countries. So far, no accounting standard has been issued extensively for accounting treatment of the aforesaid problems. Though some guidelines in regard to these problems have been issued by many organizations internationally, but these guidelines are mostly advisory in nature. A large number of countries impose requirements on corporate to report on their environmental performance, in India, corporate are required to prepare a so-called "Green Account". Absence of comprehensive and verifiable information and financial data on environmental performance of companies sometimes induce them to pollute the environment and yet appear more efficient economically than others which incur costs to protect the environment. The economics approach to environment issues as reflected in some countries opines that companies in unscrupulous pursuit of profits can do much social harm and the environment suffers. Environmental management is not effectively followed in India. Environmental aspects in India are so significant to a company that there is every possibility or risk for the occurrence of significant misrepresentation or inadequate or incomplete presentation of such information within financial statements.

5.2 Awareness

Laws for the preservation of environment were passed in India in 1970. Since then, environmental awareness among the public in India has grown tremendously. Smt. Indira Gandhi, the then Prime Minister of India felt the necessity of healthy and clean environment and expressed her energetic opinion in favor of the environment at the United Nation's Conference on the human environment in Stockholm, 1972. Diverse rules, laws, etc. have been enacted from time to time and India has been facing strong competition particularly after the opening of the Indian economy in 1990. The first public announcement in regard to environmentally related information from business on a periodic basis was made by the Central Government in 1991. Environmental management through keeping of accounts and records with the help of environmental accounting would be beneficial to hinder exploitation of natural resources and prevent their depletion. The Environmental Reporting Practices of the corporate sectors in India are not satisfactory; very few corporate entities have some mention about the environment in general terms. Most of the corporate entities have taken reporting on environmental aspects under more statutory obligations and less social responsibility. The statutory provisions about reporting on environment protection are not adequate to submit true and fair information about the consequences of corporate operation on environment. Although environmental management through environmental accounting and reporting is voluntary exercise in India, the organizations preferring to exhibit environmental issues in their statements enjoy several benefits such as improved image of the product or corporate.

6. CONCLUSION AND SUGGESTION

Environment being an essential part of every body's living is said to be true even for legal entities i.e. corporate. The corporate living should not destroy environment balance sheet rather it should largely contribute for sustainable development of a country.

The social values placed on environmental goods and services are changing so rapidly that estimates are likely to be obsolete before they are available for use. Planning for sustainable development requires an estimate of environmentally adjusted GNP. However, despite the theoretical irregularities, the slogan for environmental management and environmental accounting has won perpetual benefit inherent in it. In addition, growing awareness and acceptance of the importance of natural and environmental resources globally and nationally has laid to the development of environmental management. Valuation of environmental goods and services and incorporation of environmental data into the national and corporate levels suggest different techniques. In many countries, the disclosure practices in regard to environmental issues have become mandatory. But in some countries, such mandate is not everywhere. Taking step internationally and particularly to formulate valuation techniques regarding environmental issues is now an urgent need. Mandatory guidelines can be issued in each and every country to incorporate these in the company's annual report including environmental related legislation as in developed countries [4]. The dedication with which work for the development of environmental management is going on will surely lead to environmental management occupying a more stable and efficacious position in the coming future, as it could greatly improve the value of economics as a decision-making tool, especially in determining national policy. The implementation of environmental management is expected to bring about a change in the managerial attitudes and thinking. Despite difficulties associated with environmental management, there is much evidence to show that a large number of countries around the world have sincerely attempted to pick-up the new challenges and threats. Economic activity should not be guided by 'profit motive' alone, but should also include "quality of life" and "ecological balance". The key to sustainable growth, therefore, is not to provide less but to provide efficiently with the help of environmental management system.

For developing harmonization following accounting policy, a comprehensive plan in connection with environmental management may be initiated for all types of companies. It creates an environmentally conscious new atmosphere in corporate sectors and prepares and publishes environmental balance sheets which would pave the way for the increased earnestness among corporate. Traditionally many internal environmental costs are not recognized, allocated or assigned to the activities. It is suggested that through environmental management, companies should fully recognize and control all environmental costs, including the aforesaid costs. A business should internalize these costs by anticipating and managing them. Environmental expenditures must be separated to improve decision making and accountability for environmental responsibilities. Every company should focus and set aside a part of their funds for meeting environmental and ecological balance. Unless comprehensive records for the use of natural resources and environment and their services is maintained, reliable and sustainable development cannot be expected. Therefore, it is considered essential to make an endeavor to incorporate the effect of environmental resources in the entire business function of a business corporation. The technology is available today to reduce environmental pollution and it must be used to correct the excess ecological brutality and minimize the degree of environmental pollution. Current disclosure practices by most of the corporate sectors in India do not entirely reflect the environmental impact of corporate performances. There is a need and challenge for companies to become greener when we are matching towards industrialization and globalization. Only an environmentally acceptable company has a secure future. Companies seeking for long-term profits should consider an ecological aspect in its business strategy and policy. The sooner precautions are taken to protect them, the better it would be. The already polluted environment calls for its persevering management. A large number of international agreements on environment have been negotiated having sustainable trade effects. In addition, some countries including India are taking unilateral steps directed towards environmental protection which also have trade implications for the partner countries. Undoubtedly, Indian industry has to go for higher level of environmental standards in future both because the country's environmental protection needs such standards as well as the demand of the important trade partners. The Government of India is spending a lot of money for removing water pollution, air pollution, noise pollution, etc. Central Board for the Prevention and Control of Water Pollution is making efforts for reducing and checking the water pollution throughout the country.

Thanks to our Government for establishing Central Ganga Authority (CGA) meant for cleansing of Ganga Water but proper utilization of funds is essential and this scheme should be extended to other rivers. In India air pollution control legislation envisages the formation of air pollution boards at the Central and State levels. Of late, many nations have enacted laws to penalize noise pollution by the vehicles or any type of industry. Government of India (State) has made constitutional provisions for environmental management. The Government of India will look after the environment not only on the instances of the courts and the specific provisions of the Indian Constitution, because mere legislation can never be sufficient if it is not enforced strictly. Our environmentalists should keep guard the enforcement of the anti-pollution laws so that profit-minded industrialists are compelled to adopt modern scientific techniques to minimize the pollution and noise pollution. "Back to nature" should be the slogan in the minds of people for protecting and survival of mankind and its health. The environmental management plan should have sufficient measures for minimizing the environmental damage, revival of mine areas and for planting of trees in accordance with the prescribed norms. Attempts should also be made to convert old mining sites into forests and other forms of land use. Recently, Government has set up labor Institutes across the country to deal with the problems of chemical safety. Love and kindness towards dumb animals is the inherent character of ancient Indian culture and they are considered sacred. The study and practices of bioethics should be made a part of veterinary profession and even in the primary education itself. Scientific and ethical disposal of industrial and domestic wastes has to be given due weight. Appropriate steps to isolate the sick and to maintain new animals under sufficient quarantine have to be followed to safeguard the cattle and human health. Educating everyone concerned directly and indirectly with the animals and their products and services needs special attention. It should be kept in mind that health education is a continuous process requiring intermittent re-orientation and follow up. Man should manifest positive attitudes towards animals and the animals will not be afraid of man, and there should be better social bound between man and animal, thus fulfilling the universal motto "Health and Wealth for All". Through several activities, NGOs definitely can subscribe to the overall development of villages which are the backbone of the country's economic progress. With clean aims and objectives, the NGOs are expected to play a vital role in the overall development of environment to benefit all sections of society and help generate a quality environment and nourish it for future generations. Environment friendly product is built on the non-exploitative treatment of natural resources. It is based on Gandhiji's advice, "Nature provides for everybody's needs but not everyone's greed". It is the spread of a greed revolution that causes harm to our life support systems. An ever-green evolution based on harnessing solar energy through green plants and adopting environment friendly agriculture practices can alone ensure opportunities for a productive and healthy life for all. It is hoped that the GRREN INDIA-2017 project would be a bold step in acquiring knowledge on these subjects in the right direction. It becomes necessary to develop a suitable program for creating environmental awareness among various sections of society and orient them for adopting environmental friendly production and consumption practices in day to day life. There is further scope for involvement of environmental education through well designed training courses, publications and documentary films to orient the children, educated people, industrial workers, farmers and others for 21st century. The pollution will not only pay for the damage done but also for restoration of the ecology destroyed by him/her in an area. Sadly, the official legal aid machinery has yet to wake up to the need of legally assisting million of the poor in slums and villages denied both the dignity and a healthy environment. Social and environmental audits are not yet very popular in India, however, they are in use for a long time in developed countries. The reason for their adoption lies in very serious public interest groups and social activists. In India, the demand for social audit and environmental audit is gradually increasing. The importance of audit and role of auditors is constantly increasing and this audit is now being adopted by many companies. The government has set up Central and State Pollution Control Boards and Laboratories and no industry can be set up without taking prior environmental clearance. Although developed countries have inadequate monitoring and regulating agencies. Of late, the courts are also taking a pro activist stand in cases related to environmental pollution. India is considered to be one of the few countries in the developing world which have comprehensive regulations belonging to the environment. However, the administration of pollution control has been dreary due to want of reliable information on the violation and implementation of these regulations. In India, we, are not better off. We should not adopt Western complacency.

Rather, we should initiate an inter-disciplinary approach with the audit profession acting as the monitors and reporters by verifying, attesting and reporting on environmental disclosures to make an item a more reliable input for rewarding performers and penalizing polluters. Sound environmental management can only be equated with good management. Moreover, better environmental management ensures resource saving and helps cut down production cost. Recycle and reuse of wastes have led to cost saving in many chemical process industries. Several industries have adopted cleaner technologies that generate less waste and make production more profitable. Industry can therefore, clearly benefit from a critical self-examination of the processes and technologies it employ to see in which areas there is scope for improvement and foresee the potential problem areas, particularly pollution and human health. Environmental accounting as a part of social and management accounting not only provides information to all, it also creates an environmental consciousness atmosphere in corporate and prepare and publish environmental balance sheets. An independent accounting standard on recording and reporting practices of environmental accounting would pave the way for the increased seriousness among corporate. The energy audit is key to a methodical approach for decision making and planning in the energy management program. Energy audit is an effective energy conservation tool to define and pursue a comprehensive energy management program in an industry. It is urgent need for all industries to introduce energy audit without fail and Government of India by regulations should also insist upon the same as compulsory for all industries. Further, annual energy audit has to be made mandatory for all industries to conserve the precious and non-re-perishable resources of our nation. A few other suggestions are:-

- I. A regular and periodic review and appraisal regarding the prevailing conditions and the improvements effected vis-à-vis the investments made and planned for.
- II. Implementation of the plants with an eye to not only economic development of funds but also to selectivity of the contents and features of each of them.
- III. Careful attention is necessary so that efforts at the national and corporate level of various bodies do not run counter to each other.
- IV. Creation of national parks for preservation of flora and fauna is an effort to protection of the environment from any kind of degradation.
- V. Development of the accounting formats for keeping records of all the efforts along with measurable and national advantages and disadvantages.
- VI. Annexure may be included in the Director's Report with necessary amendment in the Company's Act for development of pollution standards for industries or products vs. actual pollution generation position of the company.
- VII. Establishment of the framework of environmental management system nationally and globally in determining the environmental policy at the state and national levels is of utmost importance where the revenues and costs of natural resources, their estimates, dedication, values and assets must be recorded in books of accounts. With growing social awareness on the environment, accounting fills an expectation role to measure environmental performance. Environmental awareness supplies a dynamic for business reporting its environmental performance. In India, the level of environmental related disclosures in corporate annual reports is not encouraging [5]. Rather, it can be termed as poor. Lack of awareness or commitment, poor environmental performance, poor execution of the environment protection acts, etc. may be accountable to some extent for making corporate sectors free from obligation to disclosures of such information.

The theme of conservation penetrates into Indian Culture, art and all its religion. The Ministry of Environment and Forests has been entrusted with the responsibility to harmonize environmental protection with development. A number of initiatives have been taken in the direction of environmental protection over the last few years. The last few decades have also seen the rise of public involvement in concern for the environment in India. Efforts will have to be made to create greater awareness in this regard. Environmental auditing is yet to take shape in India. Environmental accounting is a strong management tool and should be used by industry to take shelter to transparent environmental auditing which ought to be subjected to monitoring and public scrutiny. The neglect of the responsibility of Industry could precipitate public action as there is an increasing awareness among the public to have a clean environment.

It is heartening to note that industry is responding to the governmental guidelines on environment. However, the key findings of the study show that the absence of standardized environmental accounting as a part of environmental management practices, both at national and international levels, and their legal enforcement is of urgent and pressing needs to take steps nationally and globally to formulate the techniques and practices in regard to environmental issues.

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