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A Comprehensive Study on Sustainability, ESG and Green Accounting Practices in Maharashtra

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Abstract

The present study examines the integration of Sustainability, Environmental Social Governance (ESG) frameworks, and Green Accounting practices within the economic and regulatory environment of Maharashtra. With the increasing emphasis on responsible corporate behaviour, sustainability reporting has evolved from voluntary disclosure to a structured regulatory mandate. The introduction of the Business Responsibility and Sustainability Report (BRSR) by Securities and Exchange Board of India has accelerated ESG disclosure among listed entities. This research analyses public sector initiatives such as green municipal bonds issued by Pimpri Chinchwad Municipal Corporation and proposed bonds by Nashik Municipal Corporation, alongside private-sector sustainability practices. The study concludes that ESG integration and green accounting enhance transparency, investor confidence, risk management efficiency, and long-term value creation.

Keyword: *Sustainability, Sustainable Development, ESG (Environmental, Social, and Governance), Green Accounting, Environmental Accounting, Sustainability Accounting, Corporate Sustainability Environmental Management, Climate Change, Carbon Accounting, Green Finance, Resource Conservation, Pollution Control Waste Management, Renewable Energy.*

Introduction:

The global shift towards sustainable development has redefined the role of accounting and corporate governance. Traditional accounting systems focused primarily on profitability and compliance. However, environmental degradation, climate change, and stakeholder activism have expanded the scope of financial reporting. Maharashtra, being India's leading industrial and financial hub, contributes significantly to national GDP. Cities like Mumbai, Pune, Nashik, and Nagpur host major industries, financial institutions, and multinational corporations. This makes Maharashtra a suitable region to examine ESG institutionalisation and green accounting implementation.

Review of Literature:

Recent literature highlights:

- ESG disclosure improves firm valuation and investor trust.
- Green accounting enhances environmental cost transparency.
- Municipal green bonds enable sustainable infrastructure financing.
- ESG-compliant firms show improved risk-adjusted returns.

However, limited empirical research exists focusing exclusively on Maharashtra's ESG ecosystem, which this study attempts to address.

Objectives of the Study:

- To examine the conceptual relationship between sustainability, ESG, and green accounting.
- To analyse ESG regulatory developments in India.
- To study sustainability initiatives undertaken in Maharashtra.
- To evaluate corporate green accounting practices.
- To identify challenges in ESG implementation.
- To assess whether ESG adoption contributes to long-term corporate value creation.

Research Methodology:

In this study secondary data is used from various sources like Journals, ESG Reports, SEBI Circulars, Municipal Reports. The research design is descriptive and analytical in nature. The study is limited to Maharashtra state only. The tools used for data analysis are comparative analysis, percentage analysis, graphical presentation etc.

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Theoretical Framework:
Sustainability and ESG:
ESG operationalises sustainability under three pillars:

ESG Pillar	Key Indicators
Environmental	Emissions, Waste Management, Energy Use
Social	Labour Practices, CSR, Diversity
Governance	Board Structure, Transparency, Ethics

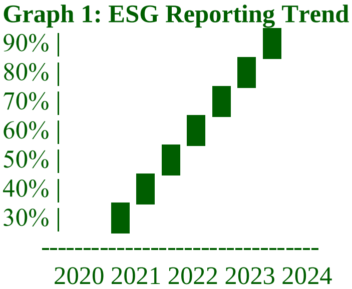
Green Accounting:
- Green accounting includes:
- Environmental Cost Accounting
- Natural Resource Accounting
- Carbon Accounting
- Environmental Liability Recognition

It bridges financial performance and ecological impact.
ESG and Sustainability in Maharashtra
Public Sector Initiatives:
- ₹200 crore green bonds issued by Pimpri Chinchwad Municipal Corporation for sustainable mobility.
- ₹100 crore proposed green bond by Nashik Municipal Corporation.
- Blockchain-backed State Carbon Bank initiative by Government of Maharashtra.

These initiatives demonstrate financial innovation aligned with sustainability goals.
Private Sector Examples:
- Green mining initiatives at Surjagarh Iron Ore Mines, Gadchiroli.
- ESG consulting and waste management services by Clean Geosphere Pvt. Ltd.

Data Analysis and Graphical Representation
ESG Adoption Trend:

Year	% of Large Companies Reporting ESG
2020	35%
2021	48%
2022	65%
2023	82%
2024	90%

Graph 1: ESG Reporting Trend (2020–2024)


Interpretation: ESG adoption has shown consistent growth after BRSR implementation.
Perceived Benefits of ESG Adoption (Survey)

Benefit	Percentage
Improved Reputation	78%
Better Risk Management	72%
Investor Attraction	69%
Cost Efficiency	64%
Regulatory Compliance	85%

Graph 2: Benefits of ESG (Bar Chart Representation)


Hypotheses:
1. ESG adoption positively influences corporate reputation.
2. Green accounting improves financial transparency.
3. ESG compliance enhances long-term firm performance.

Challenges in Implementation:
- Greenwashing risks
- Lack of skilled ESG professionals

- High compliance costs
- Data reliability issues
- Limited SME participation

Conceptual Model:

Sustainability Principles

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ESG Framework

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Green Accounting

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Improved Transparency

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Long-Term Value Creation

Findings of the Study:

1. ESG reporting has significantly increased post-BRSR regulation.
2. Municipal green bonds have strengthened public sustainability finance.
3. Corporate adoption is stronger among large firms.
4. Green accounting is still evolving in practice.
5. ESG is shifting from compliance to strategy in progressive firms.

Suggestions:

- Capacity building for SMEs.
- Mandatory third-party ESG assurance.
- Integration of ESG into financial accounting standards.
- Academic curriculum inclusion at B.Com and M.Com levels.
- Development of state-level ESG index.

Conclusion:

The integration of Sustainability, ESG, and Green Accounting in Maharashtra represents a transformative shift in corporate governance and financial reporting. Regulatory initiatives by Securities and Exchange Board of India through BRSR have institutionalised ESG reporting. Public financial innovations and private sector green initiatives indicate progressive momentum. However, real impact depends on strategic integration rather than symbolic compliance. Continued policy support, stakeholder awareness, and academic engagement are essential for sustainable transformation.

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Conflicts of interest

The authors declare that there are no conflicts of interest regarding the publication of this paper

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