

PRACTICES OF GREEN BANKING IN INDIAN BANKS

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ABSTRACT

A destructive division of scientific justify clearly specifies that the change in climate is an important and mandatory case and it has also indicated that the climate of the Earth is changing and it is changing very fast, mainly due to the increase in climate Greenhouse gases Emissions which have been caused by human tasks and behavior. There are many evidence which indicate that the climate is changing rapidly, such as the increase in sea level, increase in average temperature at the globally, rainfall and extreme climate events. The United Nations Environment Program (UNEP, 2014), defines the green environment, "resulting in human welfare and social equality, while reducing environmental risks and ecological lack is very low". In other words, the green economy can be summarized in the form of resources efficient, low carbon and socially, environmentally, as economically inclusive. The development of environmentally friendly banking infrastructure (physical and IT) is not only a social incentive, but it also reduces the cost (IBDRT, 2013). Many investment banks and financial service providers around the world are considering environmental stability factors in their business operations, starting from 2013 by promoting them to fully carbon neutral. As the banks are becoming "climatic ambassador", Green IT is employed to the Green Data Center and Green Building Infrastructure will be very important. When the concept of green banking comes to any person's mind, then various questions are quite clear, such as what green therapy adopted by various banks in India or what is the intention level of banks to adopt green practices or adopt green color What is the relationship between banking practices and environmental stability or green practices How do problems with face? This current research work tries to determine what extent to accept the bank's banking practices in India and the extent to which it is being accepted by the Indian banks.

Keywords: Climate, Environment, Economical, Sustainability, Ecological, Green Economy, Efficient.

Introduction

India is a participant in both the frameworks i.e. (Kyoto Protocol and UNFCCC. CDM, i.e. clean development system has given India a remarkable possibility for lack of carbon emissions at comparatively low cost through energy efficiency projects and renewable energy projects. This opportunity will provide India's opportunity to make money by making carbon credits and marketing through their legitimate carbon exchange schemes. The CDM is allowing to investing in carbon deduction to advanced countries, where it is economical in the world. By the beginning of 2001 to 2016, CDM is estimated to produce a emissions reduction equivalent to 1.5 billion tons of carbon dioxide. India has established "National action plan" on Climate Change ", which determines a series of measures for India's development and climate change, mitigation and mitigation purposes as well as ways forward.

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One of the important divisions of "National action Plan" on climate change described in National Planning Missions is finance. The "National Energy Efficiency Improvement Mission", focusing on making mechanism to support financing of energy demand management programs, whose purpose is to achieve profit in terms of finance for energy saving in the future. "Partial Guarantee Fund" has been set up to support risk exposure to loans given by commercial banks for green projects. This fund is taking very low fees on all those projects that really want to guarantee the environmental risk.

Evolution of Green Banking

"Green" is becoming a representation of "ecological consciousness" around the world. According to the Indian Bank association (IBA, 2014), the Green Bank is like a normal bank, which considers all social and environmental / ecological factors in the environment for the protection of the environment and protection of natural resources ". Their purpose is to execute almost all banking activities keeping the care of natural environment, biodiversity and ecology. According to "Development and Research Institute of Banking Technology" (IDRBT, 2014), Green Banking is a comprehensive word that refer to those practices and guidelines which make banks durable in economic, environment and social dimensions. Its aim is the efficient and effective use of IT and physical infrastructure with zero or minimum impact on banking processes and environment. It is changing technical improvements, operating correction and customers' habits in the banking sector. This means to promote environmental friendly practices and reduce the carbon footprint from banking operations. It is a smart and active way to think with the vision of future stability. A traditional bank is converted into a permanent or green bank by controlling its fundamental functions related to the environment. Although banking activities are not sufficiently in relation to the environment, but peripheral effect of activities of their customers is important. After presenting the concept of Green Banking, the primary decision was taken, to reduce the use of paper in the day-to-day work of banking, because it is moving towards cutting trees, because it is working as raw materials for paper manufacturing functioning as Companies. This is the cause of lack of "green forests" and it is becoming the main cause of increase in carbon dioxide and reduction in oxygen levels worldwide. According to the researcher, there are two ways that Green banking can be practiced, "There is a green banking in a house and the second, practice in the business area by the bankers". The environment of the bank is more convenient way to reduce the clean pollution, reduce the sound pollution, reforestation, green building, use of webcam for video conferencing, instead of physical meetings, waste management, online banking, solar panel on the roof, and the use of high mileage vehicles, e-statement, email documents are also included in In-House Green Banking Practices. Genuine projects, such as solar / renewable energy plant, bio-gas plant, bio-fertilizer plant, waste treatment plant (ETP) etc. Work on special green or environmentally friendly projects, the voluntary ventures of banks are the main practices in their business areas by banking managers The concept of Green Banking advocates the efficient use of non-renewable, renewable, human and natural resources as well as safeguarding the environment and taking pre-emptive measures to deal with climate change challenges.

Need for Promoting Green Banking in India

Like any other business in India, the banks are directly contacted with internal and external environments as users of natural resources. In terms of use of paper, electricity accessory, lighting etc., the banks are also contributing heavily in carbon emissions during their day-to-day activities. Although the emissions are not high, when compared to other industries, which are carbon sensitive, such as oil and gas industry, steel industry etc., it is due to development and advancement in the banking sector, which is increasing directly with the external environment. The banks are indirectly affected by those finances, which have a direct impact on the external environment. The banks are working as a major source of finance for many industries such as fertilizers, steel, cement, gas and oil, paper etc., which are highly polluted to the economy and environment. The Indian Banking area plays a very important role in promoting socially responsible investment (SRI) products, which ensure environmental stability in the economy. Being a major source of the bank, the money provider, play an important role in ensuring overall stability. Therefore, to meet social responsibility towards environmental pollution, they should try to reduce carbon footprint activities due to their direct operation and their indirect activities, and should play a vigorous role in preserving the overall continuous development in the economy. In addition, if the decision in the regard of the borrowing is not made carefully in the environmental criteria, it can be directed to the bank for various types of risks such as legal risks, reputation risks and credit risks. To avoid these risks involved in their operations, advertisement should be in the interest of the banking sector to follow the green banking practices. After presenting Green Banking and its various concepts, the next chapter includes the literature that the review has been to get the intense knowledge related issues related to researchers.

History of Green Banking in India

According to the definition of RBI, "Green Banking" means "making internal bank processes, physical infrastructure and IT infrastructure as effective as effective and efficient, with zero or minimal effect on the environment. They had started" Green Rating Standards for Indian banks. , Which is called Green Coin Rating ". According to this rating system, banks are also dependent on the internationally as well as carbon emissions from their external functions, and the renewal of the material in their building development, re-use and recycling of the materials and In the form of the principle of the use of the projects, the printers, the server, the network etc. The number of green projects launched by the banks also counts the rating system. To notice the CSR activities of most banks, a notice was circulated, the RBI, the titled "role of corporate social responsibility, sustainable development and non-financial reporting-role of banks". RBI also issued a letter to all "Non-Banking Financial Corporations i.e. NBFCs", on October 28, 2011, titled, "Implementation of Green Initiative of the Government". Therefore, banks have to take care with regard to better utilization of their resources and improvement in service delivery system. This increase in use of electronic mode of payment funding can be achieved by abolishing the system of post-dated checks and by slowly and gradually phasing in checks in day-to-day transactions.

Green Initiatives by Banks in India

Many promotions have been made by Indian banks to promote stability. He not only included green practices in his actions, but also included in its financial and investment decisions. India's largest bank, "Indian State Bank (SBI)" had started "GCC (Green Channel Counter)", which relates to the facility of various branches of banks in relation to promoting paperless transactions or banking (SBI, 2014). Many banks also cooperate with the "Suzlon Energy for generation of wind power" by establishing of wind mills in Maharashtra, Tamil Nadu and Gujarat (Business Standard, 2014). They are also members of the Carbon Disclosure Project (CDP) through which they do various activities to promote environmental stability (WWF-India, 2014). To develop a solar power generation plant in India, SBI entered into an agreement with Exim Bank, to provide loan of up to 14 years to Spain based company "Aston Field Renewable Resources and Grupo T – Solar Global SA".

Punjab National Bank (PNB) started several greatest initiatives to reduce energy consumption, such as the power audit of their branches and corporate offices, organized several plantation campaigns for their employees etc. The bank also emphasized making the Green Office by LED Lighting. Switch sensor for system, good cross ventilation, lights and fans, using water prevention, recycled material etc. He also took a green pledge with "MNRE (Ministry of new and renewable energy)" to develop Butterfly Park in the Guruvayur Temple, Where more than 18 medicinal plants are grown. As part of its green financial strategy, he kept some conditions before accepting the loan, such as receiving NOC from the pollution control board, the rehabilitation and rehabilitation of people affected by the pollution and the employees in the development of project, etc. (PNB, 2011). He has also invested Rs 185 Crore in the production of wind energy production projects. In the first national workshop on the Road Top Solar Power in Vigyan Bhavan, the National Award was received by the MNRE of the top performers under the category of "Banks / Financial Institutions". He had approved the loan facility to M / s. Radha Swami Satsang Beas Educational and Environmental Society established 18.50 MW of Roof Top Solar Power Systems, which is the world's largest single campus roof solar power unit in Amritsar, Punjab.

Bank of Baroda (BOB, 2013) adopted many green practices in his operations, policies and practices. In commercial finance, the bank was prioritizing the environment-friendly projects, which can earn carbon credits for them, such as solar energy, biomass, windmills etc. they made it compulsory for the borrowing industries from the state or the central pollution board to get the NOC, and they were not using any loans to the industries, using the hazardous substances, which are towards ozone depletion, such as foam products, Aerosol Products and Solvents. They were giving internet banking and mobile banking to reduce the use of paper to their customers. He also plated ATMs in many open areas so that customers did not need to go from one place to another place. The bank had started using Green Server, Backup Consolidation and Desktop Virtualization to improve the operational efficiency of the data centers.

As a part of the green initiative, **Canara Bank** (Canara Bank, 2013) had started environmentally friendly behavior, such as, Internet banking, mobile banking, solar biometric system etc. in operation. For high-tech banking facilities, they had set up the lounge for cash acceptor, pass book printing, online trading, ATM and check acceptor. He also applied e-governance in the Human Resource Development Minister and other administrative works to reduce paper transactions. As part of your lending policies, they are offering priority and importance to such projects that help to get carbon credits, and, they were

restricting those industries, which ozone depletion substances such as Aerosol Products, Carbon Tetrachloride produces Chlorofluorocarbons. Like other public sector banks, they have also stressed to establish the water purification plant from their borrowers, if they are producing or producing poisonous substances.

The **HDFC Bank** adopted many measures to protect the environment and reduce carbon footprint in the field of energy efficiency, paperless transactions and waste management (HDFC Bank, 2013). They were helping their employees to reduce the waste and greenhouse gas emissions of resources. They were promoting paperless transactions by providing annual reports to e-transaction advice, electronic communications, such as electronic communications, such as e-statement and emails with corporate customers. For energy conservation, they were changing the traditional lighting from CFL, after night at 11 p.m., all the lights were shot at ATM, branches and head office. , And install the data center with green technologies. They had established 20 solar ATMs across the country in order to promote renewable energy (the first solar ATM was established in Bihar) and they changed the ATM's battery to lithium-ion once. They were contracting with their vendors for recycling of waste materials. The bank was only buying the same products, which are rated by the stars and are consistent with the central pollution control board criteria.

Axis Bank was told about a unique project to collect all the dry waste from its branches and head office in Mumbai and recycling it in envelopes, notebooks and notepad. In one year, they were collected about 1,00,000 kg. Use of paper and changed it in envelopes, notebooks and notepad, which were used in their branches and corporate offices (Axis Bank, 2013). According to Platinum LEED Certification, he was also built in the Mumbai Group Corporate Office Building. The employees of the bank were asked to come in the car pool to reduce pollution. The bank was promoting electronic transactions and communications with the customers and employees to reduce the consumption of paper. They started sending annual reports through email to their customers. In Coimbatore, the independent ATM deployment model was started by the bank, in which 10 solar ATMs have been set up in the city circle.

Conclusion

Given the optimistic response of the banking sector in adopting the green practices towards adopting the green practices, research work suggests the implications for marketers and policy makers for effective implementation of green programs in the future, which helps them to receive subsidy from the government. It also guides the banks to use modern plants and machinery which produce low carbon dioxide emissions, save energy and ensure the protection of water for better environmental performance. This study also concludes that the main requirement is the active management and commitment of the top management and owners. They should be convinced about the benefits of green banking practices and should demonstrate their enthusiasm and support for successful implementation of green programs. The Indian banking sector should adopt green practices in its operation and policies will promote environmental stability because there is a large possibility in clean technologies and renewable energy, low carbon transport and low emissions, which can be gradually achieved, if the management supports the support of all the areas of the economy and the bank, which is an important part of our economy, should handle the front. After this research, it became clear that the activism of commercial banks in a direction of accepting various initiatives in Green Banking is very dull and it has become the need for time to adopt such practices, which is leading to permanent and moral banking. Optimistic results, environmentally, even economically and socially. If Indian Bank wants to enter deep markets, then banks have to understand their duties and responsibilities as a global corporate citizen. In this regard, RBI plays a very important role in banking a positive direction in this direction. Better and innovative service channels, more environmentally friendly banking products, customer education, paperless banking should be promoted so that the maximum benefit can be achieved and reduced the damage to the environment. Finally, the employees of customers, lenders, investors and banks need to be accepted to reduce the negative effects of traditional methods of banking operations in terms of greater banks, as well as in the developing countries and development of negative infrastructure in the development of genuine banks. This study ends with a call to the environmental friendly initiative to promote long-term development in the economy, even the areas of the banking sector.

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