

Environment Governance through Green Banking By Selected Commercial Banks in Karnataka

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Abstract:

The problem of maintaining the ecological life balance and sustainability of environment is a major issue throughout the world. For the survival of human beings protecting the environment is a very important element. Consumers as well as organizations noticed this importance; being part of it banking sector has taken few news steps towards the concept of green banking which plays a very good role in the environment sustainability as well as growth of a country. Green banking is an ne emerging concept which deals with the banking without using paper, it reduces the usage of paper and power. The aim of the paper is to trace out the role of banks in environment sustainability through green banking by commercial banks in Karnataka. SWOC tool has used in research therefore; possible suggestions can be made to take initiatives and promote green banking in Karnataka.

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I. Introduction:

Indian green banking at present in the underlying stage. Banks are using green banking to pick up favorable position in their market through making distinction in present system process. Likewise, it should be progressively dynamic towards imparting the green financial idea with related advantage to customers. In this way, banks need to concentrate more on advancing awareness and advantages of green banking to their employees and workers who were direct in touch with clients. It's a master dynamic method for vitality preservation and condition insurance.

This improves the notoriety of the bank as well as encourages them face the ecological guidelines in fruitful manner and subsequently prompting better legitimate hazard the executives by the bank people. Banks regularly award advance customers with low pace of premium. It advances an ever increasing number of business people to begin with condition agreeable tasks and consequently

prompts increasingly more mindfulness on nature security exercises in the economy all in all. It is along these lines a success win to win approach of the banks as it is going to benefit nature as well as the banks and its clients overall.

II. GREEN BANKING:

Banking with green operations means guaranteeing condition inviting different methods of banking segments and the way of lessening both inside and outside carbon impressions. Banking in general is not going considered as contaminating industries, in any case, it will impact nature regarding expanding vitality utilization (lighting, cooling), paper utilization.

A more extensive perspective on this is banking industry is connected to the outer condition as it gives assets to other people and consequently funds their exercises. Banks are a wellspring of assets. So they can add to condition by guaranteeing ecologically dependable venture and a

painstakingly assessed loaning.

Green Banking in this way covers two viewpoints. The first being prudent utilization of everything being equal, vitality and lessening carbon impressions and second being empowering and financing just condition agreeable speculation.

So Green Banking isn't just about utilizing assets yet in addition about condition cordial agreement of credit. An appropriate investigation of all undertakings that are financed as far as condition is another real component of Green Banking.

III. Methods of Green Banking

- I. **Online Banking:** Online banking is one of the developing concepts; which is going to help in conservation different resources. It is about the saving of paper, energy and cutting off the expenditure on different resources. It is also going to help the customers to save their money by avoiding the late payment and also their time.
- II. **Through ATM:** Customers can find out their account details by using the ATM. There are many services available it also includes online payment through debit card and checking statement online.
- III. **Credit Card Usage:** Few banks are going with the green credit card process; after using it the green credit cards banks will donate fund to different environment friendly NGO's.
- IV. **Paper Avoiding:** In paper avoiding process many of the banks are purchasing recycle papers. This paper is going to use to provide statements, receipt at ATM, annual report, and envelopes etc.
- V. **Mobile Banking:** Transferring of funds, paying bills and finding account balance can be done by using the mobile banking which is acting as an encouragement to green banking and it also helping the customers to save their time and energy.
- VI. **Direct Deposits:** Most of the organizations are paying their paycheck through electronically it

also saving the time energy and paper. Which acting as one of the essential component of green banking.

Measures Taken by Reserve Bank of India for Green Banking

Starting late The Institute for Development & Research in Banking Technology 2013 has put forward about the introduction of green banking recitation among Indian Banks and initiated "Green Coin Rating". Banks' rudimentary business is not to recall biological and social related undertaking. As a green coin rating they are in a manner that the portion of compensation and profess that they are paying for turning association into green.

Some List of the banks implemented green banking upto 2013

Started Year	Name of the banks in Bangalore
1996	Union Bank of India
2003	ING Vyasa, Citi Group, INC, HSBC, Standard Chartered Bank, Syndicate Bank,
2005	Corporation Bank , Yes Bank
2007	SBI, ICICI
2008	Industrial Bank, Bank of Baroda, Dena Bank, Karnataka Bank
2009	HDFC, Indian Overseas, Indusland Bank, Andhra Bank
2010	South Indian Bank, Axis Bank, Kotak Mahindra
2011	IDBI, Canara Bank
2013	IDFC

IV. REVIEW OF LITERATURE

Jha-2013 in the paper entitled "A Study of Green Banking Trends in India", examined green monetary related activities placed in open division banks. The method for become earth neighborly to the green banking. Standard target is to realize green cash related division and which is to insight

the workers, accessories along with people all things considered about the green money related idea. Further the appraisal prescribed that enthusiasm on improvement ought to be less for green task at that point average pace of intrigue and affiliations can develop their gainfulness by reusing the waste made. They are worried upon home credit advance, charge card and other electronic green banking systems.

Khedekar (2014) in her examination entitled Banking with Technology-Green Banking considered the particular headway utilized by the cash related sets out to make the earth green. As indicated by study bank should give real premium web banking thing, for example, opening budgetary leveling, Demat holding, standing course, hypothesis, and so forth. This Study prescribes that bank should lead course and amassing to empower the open with respect to the employments of web banking comparatively as security issue. She proposes "Virtual Banking" where client can't bargain in certified money to those branches which are a long way from the rule branch.

Sreesha(2014) 'Green Banking' as beneficial business. Green banking at whatever point executed really will go about as a reasonable ex hazard hindrance for the dirtying undertakings that give a pass by to the following institutional authoritative frameworks.

Ragupathi. M and Sujatha .S (2015)It is found from the disclosures and suggestions that green budgetary practices would go about as an impulse to banks and cash related associations to further recognize their undertakings at diminishing imperativeness usage and there by contribute their best to the nonstop overall undertakings on ensuring supportable improvement.

V. NEED OF THESTUDY

As ecological maintainability plays a significant role in green banking. Thus, contemplate the

financial activities as green activitiesintimating the financial segments the importance of doing survey in the elements existed in the green banking with supportable conditions.

VI. SCOPE OF THESTUDY

The study was has done and confined to Bangalore with selected banks and based on the data provided mangers of different banks in Karnataka.

VII. OBJECTIVES OF THESTUDY

- i. To recognize the different activity taken toward green banking and condition maintainability by open segment banks in India.
- ii. To direct SWOC investigation of green financial practices of the open segment banks in India.

VIII. METHODOLOGY

The examination overwhelmingly fuses composing review of the data. Discretionary join reports, data sources and other relative information is appropriated from the specific banks and other web areas and direct a SWOC assessment about the budgetary section with respect to green money related activities.

The examination in like manner fuses the fundamental data assembling through all around gatherings of the branch directors.

Green Banking activities by SBI

Green Banking and Sustainability in State Bank of India (SBI) has left mainly on bankmaintainability venture with a target to make a positive effect on the earth. Green Banking and Sustainability have for quite some time been regions of need and in an early depiction of this methodology, SBI had articulated its Green Banking Policy 10 years back.

The green activities took off by the Bank are:

- Installation of windmills for hostage control utilization – A first in the Indian Banking Industry.

- Concessional loan fees for sustainable power source ventures
- Separate gradual introduction limit for the sustainable power source division.
- Agreements with Multilateral/Bilateral Agencies for credit extensions for propelling Rooftop Solar and different activities in the sustainable power source space.
- SBI has offered promise to Govt. of India to fund practical sustainable power source ventures worth Rs 81,600 crore over the multiyear time span (2015-2020).

HDFC

Green Banking activities:

- Banking has considered different asses to diminish the carbon impressions in the territory of its waste administration, and vitality efficacy according to Bank.
- Bank urging with their workers to exclude any inefficient utilization of the normal assets and outflow nursery.
- Diminishing utilization of paper and encouraging usage of e-exchange to the corporate clients, conveying it by using the media to their stake holders.
- It is additionally advancing vitality protection by supplanting customary lighting with CFL.
- The association is investigating sustainable power source by setting up to 20 ATMs which is going to work with solar system.

Green Banking activities by Axis Bank Ltd

From 2011 August, the bank have started a new way towards gathering the waste produced in all their 34 branches in and around Bangalore to reuse them as note pads, envelopes and scratch pads. Up to date more than 1 lakh kg. of paper reused as 12,000 note pads, envelopes and scratch pads at different branches of the bank.

The corporate office situated in Mumbai, is ready to build as 'Green Building' and to reduce the carbon impressions, bank started carpooling. They were promising the clients to use more

electronic correspondences and reduce using the paper utilization. Financial reports of the bank will send through the messages.

Green Banking activities by ICICI Bank Ltd

ICICI bank had embraced 'Make strides toward environmental friendliness' activity, which includes exercises, for example, Green items/contributions, Green commitment and green correspondence with clients.

(i) InstaBIZ: - The administration offering anywhere and anytime banking to their clients by using their web banking, portable banking, IVR banking, and other paperless banking options. It is reducing carbon impression as it is not require to travel to bank offices.

(ii) Green promise through mark battles: Bank on June 5th, which is a World Environment Day performed Mark battles green exercises like green promises, manor, sapling dissemination and so forth. Additionally in March by observing earth hour they switched off lights at their branches, and ATM's center's from 8:30 pm to 9:30pm.

The financial additionally using on the web "Online classes" for shorter gatherings that include individuals who may somehow need to travel a long separation and helped the organization to build up ecofriendly forced air system option in contrast to customary climate control system.

Green Banking activities by Bank of Baroda

While financing a business venture, BOB is offering inclination to ecologically neighborly green undertakings. Association rolled out the significant improvements in their loaning arrangement, like, it is not necessary to acquire NOC from the Pollution Board and furthermore for stretching out account as ecological unsafe.

Bank has come forward with a few mechanical activities, for example, e-business consistence, utilizing web resources for banking, versatile banking systems to advance bank with paperless banking system and furthermore expanding the establishment of ATM's. Majority revealed zones diminish the oil utilization voyaging to keep up a perfect domain.

Additionally bank advanced few measures towards ecological protection. On 18th February 2014 bank received 'Worldwide Excellence and Leadership Award' from world Corporate Social Responsible Congress in the class of '50 most capable CSR Professionals of India'

SWOC ANALYSIS - GREEN BANKING: An examination of strength, opportunities and challenges facing by the banks towards green banking:

Strengths:

- Green banking practice spare time of client just as bank too.
- It lessens the expense of bank activity and cost to the client as well.
- Transition should be possible any time and at wherever.
- By financing in sunlight based vitality and wind vitality program the bank is decreasing carbon impression from nature.
- Quality client practice phrase in green financial practice require significant investment.
- Lack of information among the worker has been taken note.
- Problem of security is consistently with green financial practices.

Opportunities:

- People are ending up more educated so it's simple to begin green financial practice and grape the client toward the exercises.
- Most of the client are utilizing ATM card as it were. So it is an opportunity to begin every

one of the activities for green financial practices.

- Mobile banking and web banking is expanding step by step it is an opportunity to spread the financial green practice.

Challenges:

- It's another idea and client will set aside effort to receive this.
- Green banking requires an innovation which will profoundly exorbitant.
- It requires inexhaustible and reusing method which is exorbitant.
- Data security is one more test for appropriation of green banking system.
- Providing training to workers.

Real Benefits of Green Banking Identified from In-Depth Interviews of the Bank Employees, Significant green banking advantages distinguished in chiefs are as following:

1. Transaction Cost reduction: Green banking evades administrative to pursue work using the different media like electronic for different exchanges through web based operations. Accordingly, it diminishes the exchanging cost as banking done through paperless.
2. Competitive advantages: Through advancement in the administrative activities banks can focus on competitive advantages as they are so forward then their competitors.
- 3 Better Risk Management: It gives the advantage of better hazard the board to the banks. Better chance administration helps in structure great picture of the banks and by in this manner lessening the reputational chance.
4. Credit Risk Reduction: Simple recuperation of advance finance is going to decreases the credit risk of banks.

5 Process of Cost Consciousness: As most of the banking is going to done through different green banking techniques like internet banking, ATM

and mobile banking it reduces the cost to both client and bank for taking place of exchanges.

6 Comfortable Procedure: It accommodates the banking system and furthermore to their clients a comfortable environment of banking. Because of different green financial activities like ATM, web based banking, portable banking and so forth; the fall of client lessens in a bigger degree at different parts prompts diminished expense and exertion in the administration of the banks movement. These financial exercises likewise give comfort to the shoppers as far as time the board to each exchange.

Suggestions:

India today has the chance to develop in a way those conservatives the expenses of ecological corruption, and this, thusly, presents a tremendous scope of chances for India's money related division. Banks not just need to make direct interests in reasonable advancement; they additionally need to use their circuitous power over venture and the executive's choices.

- Bank should change their every day schedule work through the paper less banking, internet banking, versatile banking, mass-transportation framework and so on.
- Concept of LEED confirmed green structures ought to be embraced by banking segment.
- The bank should begin interest in low carbon delivering innovation and should grow new feasible advancement projects to decrease the carbon impression from the earth.
- Banks must compose preparing program on condition feasible improvement program to their workers.
- Bank representative must be given direction on assessment of green fund ventures like sustainable power source ventures, clean water supply, bio-gas plants and so forth.
- Green banks ought to advance ecological awareness, social obligation and great administration without anyone else. They ought to guarantee effectiveness in utilizing space,

water, vitality, paper, and so forth, in its workplaces and branches.

IX. Green Banking Future:

The economy of India considered as a developing economy and it is a gigantic capability for development of banks in India by selecting different creative methodology in working with system process. In India as heaps of green items and administrations are normal later on. Green greatness grants and acknowledgments, Green rating organizations, Green venture reserves, Green protection and Green bookkeeping and exposure are a portion of the things that would be heard and found in activity sooner rather than later. Banks is going to act like a rule of monetary change which makes a stage that will make numerous open doors for finance speculation arrangement and can contribute for the formation of a low carbon economy.

X. Conclusion:

Most of the time Green banking characterized for advancing the ecological amicable practices and decreasing the carbon impression from banking exercises. It concentrates on utilization of web based banking, different counters of green channel, e-articulation, credits green, sunlight based Automatic Teller Machines. Consequently, in this research it was found out, there is a greater amount of necessity to make mindfulness towards green financial items selection between senior ages bunches people and youthful age individuals.

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