THINK INDIA JOURNAL

ISSN:0971-1260

Vol-22-Issue-43-December-2019

Green Banking: An Overview of Enhancing Business with Sustainable Growth

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ABSTRACT
The concept of green baking is getting popularity throughout the world in recent era. The aim of this research paper is to introduce green banking business models for sustainable growth.

Keywords: Green banking, Environmental protection

INTRODUCTION

The word green refers to showing responsible attitude towards everything that has to do with the preservation of environment. Green banking avoids paperwork to minimal level and focuses on E-transactions like use of A.T.M., mobile banking, on line banking, etc.

Humanity not to destroy with its own actions. Business and industry are progressing at the cost of environment and nature. Banks are not the polluters but they have a relationship with companies who are damaging the nature and environment Thus the banks must focus on promoting the environment consciousness and eco-friendly concepts to its customers. Green banking is a pro-active way of energy conservation and environment protection. The main function of the bank is lending the finance to the industry and business. Banks are playing vital role in providing the liquidity. So its role is very much important in sustainable growth.

Thus banks can have restrictions and rules and regulations on the industry and commerce to become more eco friendly. This is very complex activity and it has multitude implications but the researcher and the policy makers should go hand in hand to boost develop and inculcate the green banking business models. Thus the banks have to be active in this respect to communicate the benefits of green banking to its clients. They should have to make business people aware about environment and social responsibility enabling them to do an environmental friendly business practice.

DEFINITION OF GREEN BANKING

According to R.BI (IDRBT) green banking is to make internal bank processes, physical infrastructure and information technology effective towards environment by reducing its negative impact on the environment to the minimum level.

Institute for development and research in banking technology defines green banking as green banking is an umbrella term referring to practices and guidelines that make banks sustainable in economic environmental and social dimensions. It aims to make banking processes and the use of IT and physical infrastructure as efficient and effective as possible with zero or minimal impact on the environment.

OBJECTIVES

1) To study the concept of green banking.

2) To study the business models in Green Banking.

The globe has developed but whether this development will deprive all our future generations from reaping the fruits of today's success. If we are developing at the cost of environment and climate do really have we developed?

So the development should take place but it should not hamper people, profit and planet. This three "p's" are very important. Thus we have to develop with sustainability.

How the Banking i.e. ethical banking can be helpful in sustainable growth

GREEN LOANS

Banking provides finance. So they can restrict all industries providing harm to the ecological balance the industries such as oil industries process industries, extractive industries are creating harm to the environment. So they can employ some operating practices to control this industries even banking and

ISSN:0971-1260

Vol-22-Issue-43-December-2019

policy makers have to think about this industries and the big challenge is it should not create harm to planet as well as people and profit. It is very difficult to manage it but ethical banking can definitely reduce the harm to the planet by exercising various measures through their policies.

GREEN DEPOSIT

Ethical Banking can offer more rate of interest and can charge high rate of interest to industries who are not eco-friendly. Investors will invest in Green Bankers as they will get good interest by depositing in Green bankers.

Thus practice will curb all ill practices damaging environment.

SUPPORT TO STARTUPS

Startups who are eco-friendly and supporting eco-friendly activities can be have the priority of funding with less rate of interest and even without the collaterals.

ONLINE BANKING

Green Banks promotes and develops online banking. It means customers need not go to banks for their day to day operations. They can operate through Net. They can transfer , make the payments through internet.

GREEN CREDIT CARDS

Green credit cards can be issued by bankers and cardholders can earn rewards or points which can be redeemed for eco-friendly activities. Cards can have excellent incentive for users.

GREEN INSURANCE

Banks can have their own product of insurance i.e. Green insurance. Thereby the customers can have privileges over the other insurances it will help certainly the Green bankers to boom in the market.

GREEN INVESTMENT FUND / MUTUAL FUND

Green Banks can create Green Investment Fund which will be utilised for eco-friendly activities and development of environmental projects.

CONCLUSION

Indian economy is emerging economy so there is a large scope for Green banking. There is a need of an approach towards paradigm shift by setting up the business model which would consider all the three aspects of triple bottom line approach i.e. the people, the planet and the profit. Banks can act like a guideline and create a base for eco-friendly environment and contribute towards creation of low carbon economy. Banks could profit from the Green business model and this is something that the future would prove.

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