



A Study of Green Banking Practices in Selected Commercial Banks of Maharashtra State a Special Reference to Nanded District.

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ABSTRACT: -

Green banking has emerged as a pivotal strategy for promoting environmental sustainability within the financial sector. This study focuses on the adoption and impact of green banking practices in selected public and private commercial banks in Maharashtra, with a specific emphasis on the Nanded district. The research aims to Awareness and Adoption of Green Banking Practices in Nanded District and Challenges and Barriers in Implementing Green Banking Practices in Nanded District. Additionally, it identifies challenges in implementing green banking practices in the region.

Adopting a descriptive and empirical approach, the study utilizes both primary and secondary data. Surveys were conducted among bank employees and customers in Nanded district, covering major public sector banks (State Bank of India, Punjab National Bank, Bank of Maharashtra, Canara Bank, and Bank of Baroda) and private sector banks (HDFC Bank, ICICI Bank, and Axis Bank). The findings reveal that while green banking practices are gaining traction, awareness levels remain inconsistent, and infrastructural and regulatory barriers hinder broader adoption.

The study concludes with actionable recommendations to improve the effectiveness of green banking practices in Nanded, including enhanced customer education, investments in digital infrastructure, and supportive policy measures. These insights aim to guide banks and policymakers in fostering a sustainable banking environment in the region.

Keywords: - Commercial Banks, Green Banking, Nanded District.

Introduction: -

The global banking sector has witnessed a paradigm shift towards environmentally conscious practices, driven by the urgency to address climate change and promote sustainable development. Green banking, as a concept, integrates eco-friendly initiatives with traditional banking services, focusing on reducing the sector's carbon footprint, promoting renewable energy, and fostering sustainable economic growth. It encompasses a range of practices, including paperless transactions, green loans, online banking, energy-efficient branch operations, and environmental risk management in lending.

India, as a rapidly developing economy, faces unique challenges and opportunities in adopting green banking. The Reserve Bank of India (RBI) and other regulatory bodies have emphasized the importance of green financing and sustainability in the banking sector. However, the level of implementation and awareness varies significantly across regions and institutions.

This study delves into the green banking practices of selected public and private commercial banks in Maharashtra, with a specific focus on the Nanded district. Nanded, a district characterized by its agrarian economy and growing urbanization, offers a microcosm to examine the intersection of green banking initiatives and regional economic dynamics. The study seeks to understand the level of awareness and adoption of green banking products among customers and bank employees, assess their satisfaction with these initiatives, and identify barriers to implementation.

By focusing on Nanded, this research sheds light on the regional challenges and opportunities in advancing green banking practices, offering insights that can inform policy-making and the strategic direction of banks. It also aims to contribute to the broader discourse on sustainable banking in India, emphasizing the need for localized approaches to foster environmental and economic resilience.

Defining Green Banking with Key characteristics

Green banks are financial institutions or entities that primarily focus on providing funding and financial services that support environmental sustainability and the transition to a low-carbon economy. These banks aim to promote green investments and facilitate the financing of environmentally friendly projects, such as renewable energy, energy efficiency, and other sustainable initiatives. Green banks leverage both public and private sector funding to promote the development and adoption of green technologies and environmentally responsible practices.

Key characteristics of green banking

Environmental Focus: Green banks prioritize investments and financial products that contribute to environmental protection, climate change mitigation, and the reduction of carbon footprints.

1. **Support for Green Projects:** Green banks provide financing for projects that promote renewable energy (solar, wind, etc.), energy efficiency, waste management, sustainable agriculture, and other environmentally friendly industries.
2. **Encouraging Sustainable Practices:** They aim to drive both businesses and individuals to adopt sustainable practices through tailored financial products, such as green loans, green bonds, and eco-friendly mortgages.
3. **Innovative Financing Models:** Green banks often use innovative financing mechanisms, such as blended finance (mixing public and private funds) and green bonds, to reduce the cost of capital for environmentally sustainable projects.
4. **Collaboration with Stakeholders:** Green banks collaborate with governments, private sector organizations, and international bodies to foster a sustainable financial ecosystem that supports green technologies and climate resilience.

In essence, green banks serve as intermediaries that channel financial resources towards projects that contribute to environmental sustainability, helping to address global challenges such as climate change, resource depletion, and pollution.

Objectives of The Study

1. To evaluate the awareness and adoption of green banking practices among customers and employees of selected public and private commercial banks in the Nanded district.
2. To identify the challenges and barriers faced by banks and customers in implementing green banking practices in the Nanded district.

Research Methodology: -

The study adopts a descriptive and empirical research design to investigate the green banking practices of selected commercial banks in the Nanded district.

Primary Data:

Primary data is collected through structured questionnaires and personal interviews. The questionnaires are designed to gather information from bank employees and customers regarding their awareness, adoption, and satisfaction with green banking practices.

Secondary Data:

Secondary data is sourced from bank reports, government publications, Reserve Bank of India (RBI) guidelines, research papers, journals, and relevant websites. This data supports the analysis of green banking policies and practices at a broader level.

Study Area

The research is conducted in the **Nanded district**, representing a mix of urban and rural regions. The selected banks include:

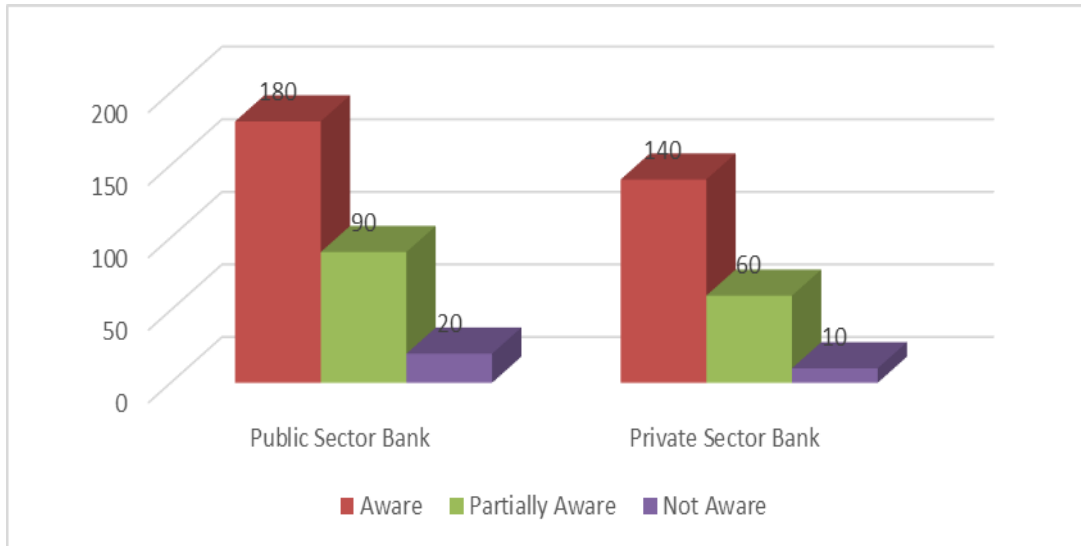
- **Public Sector Banks:** State Bank of India (SBI), Punjab National Bank (PNB), Bank of Maharashtra (BoM), Canara Bank, and Bank of Baroda (BoB).
- **Private Sector Banks:** ICICI Bank, HDFC Bank, and Axis Bank.

Table No.1.

Awareness and Adoption of Green Banking Practices in Nanded District

Category	Public Sector Bank	Private Sector Bank	Total
Customers			
Aware	180	140	320
Partially Aware	90	60	150
Not Aware	20	10	30
Total Customers	290	210	500

Source: Primary Data



Graph No. 1

Awareness and Adoption of Green Banking Practices in Nanded District

The table illustrates the level of awareness and adoption of green banking practices among 500 customers in the Nanded district. A significant 64% of customers (320) are aware of green banking, with public sector banks (180) having more aware customers than private sector banks (140). About 30% (150) are partially aware, indicating moderate knowledge but limited adoption. Only 6% (30) are not aware, showcasing the success of outreach efforts but highlighting the need for broader engagement.

Conclude Public sector banks serve a larger customer base (290) compared to private sector banks (210), reflecting their extensive regional reach.

Table No.2

Awareness and Adoption of Green Banking Practices in Nanded District

Category Employees	Public Sector Bank	Private Sector Bank	Total
Aware	70	50	120
Partially Aware	10	5	15
Not Aware	00	00	00
Total Customers	80	55	135

Source: Primary Data

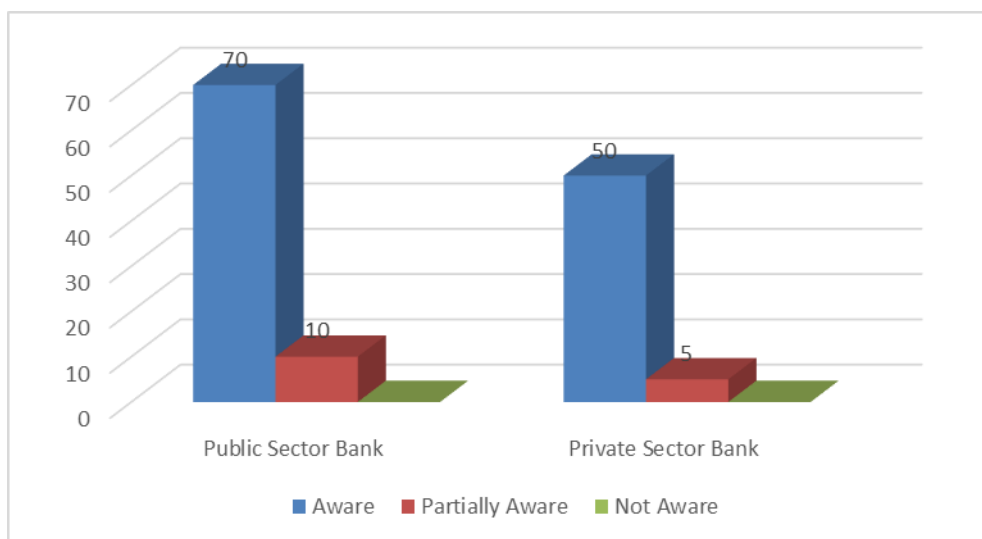


Table No.2

Awareness and Adoption of Green Banking Practices in Nanded District

The table presents the awareness and adoption levels of green banking practices among 135 employees of public and private sector banks in the Nanded district. A total of 89% of employees (120 out of 135) are fully aware of green banking practices, with public sector banks having a higher number of aware employees (70) compared to private sector banks (50). Only a small percentage, 11% (15 employees), are partially aware, indicating a need for additional training or resources to deepen their understanding. Notably, no employees are categorized as unaware, reflecting effective internal communication and training efforts. Public sector banks (80 employees) have a larger workforce compared to private sector banks (55 employees), emphasizing their dominant presence in the region.

Table No. 3

Challenges and Barriers in Implementing Green Banking Practices in Nanded District

Category	Public Sector Banks (No. of Respondents)	Private Sector Banks (No. of Respondents)	Total Respondents	Percentage (%)
Lack of Customer Awareness	80	60	140	28
Technological Limitations	50	30	80	16
High Implementation Cost	40	35	75	15
Lack of Training for Staff	30	25	55	11
Resistance to Changes	25	20	45	9
Limited Infrastructure	40	30	70	14
Regulatory and Policy Issues	20	15	35	7
	285	215	500	100

Source: - Primary Data

Table No. 3 presents the challenges and barriers to implementing green banking practices in Nanded District, based on a survey of 500 respondents from both public and private sector banks. The most significant challenge identified is lack of customer awareness (28%), with technological limitations (16%) and high implementation cost (15%) also being major barriers. Other notable challenges include the lack of staff training (11%), resistance to changes (9%), limited infrastructure (14%), and regulatory and policy issues (7%). Public sector banks (285 respondents) generally report higher levels of concern compared to private sector banks (215 respondents). These findings reflect key areas that need to be addressed to enhance green banking practices.

Conclusion:-

This study on green banking practices in commercial banks of Maharashtra, specifically in Nanded District, reveals that while there is growing awareness of environmental sustainability, significant barriers remain. Lack of customer awareness and technological limitations are the primary challenges, with both public and private sector banks facing issues in implementation. High costs, insufficient staff training, and resistance to change further hinder progress. To foster the adoption of green banking, targeted awareness campaigns, improved technological infrastructure, and training programs for staff are essential. Additionally, overcoming regulatory and policy barriers will be crucial for ensuring the widespread adoption of green banking practices.

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