



Green banking as a catalyst for sustainable development for Viksit Bharat 2047

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Abstract

Banking sector plays an important role in the growth of an economy. In this regard Green Banking is becoming a common word whose practices are being followed by maximum banks in their working operations. Green Banking refers to promoting sustainable and socially responsible banking practices for the overall banking operations. This exploration paper aims to explore the programs and practices used by different financial institution in relation to green banking to achieve the goal of Viksit Bharat 2047. This paper explores the programs, innovation and environmental & social impact, as well the suggestions for the challenges faced to strengthen eco-conscious financial practices.

Keywords: Banking sector, Economy, Viksit Bharat 2047

Introduction

The Viksit Bharat 2047 initiative is the most embracing idea of Government of India to make India a developed nation by the century of its independence. Embracing diverse facets of development such as economic prosperity, social advancement, environmental sustainability, and effective governance. This vision emphasizes at the critical situation at which India presently stands.

This vision can be completed by the fulfilment of certain ideas and productive activities in the economy. So, in this respect Banking sector is the most prominent and important sector in the Indian economy. In the relation of Banking system "Green Banking" is such an idea which can coordinate with the Viksit Bharat 2047 initiatives.

To fulfil the goals of Viksit Bharat scheme green banking practices can play a major role. In this regard Green Banking is becoming a well-known standard which is being followed for a socially and environmentally acceptable business operations. This banking method is preventing environmental degradation and making the earth more liveable for the human beings. In the last few times, green banking practices has become a common word in the area of sustainable banking. In reality, green banking is recognized as sustainable banking, which plays a vital role in protecting the world from environmental damage with the goal of guaranteeing long term economic prosperity.

So, to protect and make our environment greener by 2047, all the financial institutions should focus at the business level and apply greening efforts at the corporate level. As

Industrialisation have deteriorated the overall environment the most so most of the efforts must be done by this sector.

The aim of Viksit Bharat 2047 initiative is not only making India an advanced country by 2047 but achieving it through sustainable means to safeguard environment. Sustainability must be promoted while achieving the future goals by 2047. In a larger sense, Sustainable Development is defined as "long-term cultural, socioeconomic, and environmental wellness," with the focus on "long-term," "together with the necessity of integrating our social, economic, and environmental well-being." Many academics have given different definition and dimensions of Green Banking but the ultimate goal of it is economy growth in a long term without harming the environment.

All the banks in the Indian economy have the eventuality to increase economic growth while keeping sustainability and environment protection in their mind.

Literature review

Theoretical background

Most of the research and theories are about green banking practices and environmental protection but this research goes deep on the relation of Green Banking practices with the Viksit Bharat initiative 2047.

As every country wants to grow briskly and Viksit Bharat initiative is also associated with the idea of India being developed till 2047 but the SDG goals set up by the United Nations must be followed for the environmental protection.

Green Banking Practices (GBP) and Banks Environmental Performance (BEP)

Different prior research initiated by a lot of scholars has mentioned the use and importance relating to Green Banking practices on the firm performance (Environmental performance, social performance, and financial performance). Green banking means the adoption of green innovation methods that leads to energy-saving, pollution reduction, reducing organizational costs, increasing operational efficiency, improving the firm's image and making business more sustainable in the achieving competitive advantages. To understand this Vidyalaya carried out his study in Coimbatore city in India. She uses simple random sampling and the results were found out by correlation and regression analysis. It was the green banking practices adopted through employee training to follow, green policies, providing awareness regarding green products and procedures and general green efforts had a significant effect on Banking Environmental Performance. Content analysis was also done by them to get the desired results.

Importance of green banking

Green banking practices plays an important role for sustainable development. Green Banking is referred as a process which ensures sustainability in which business operations have no worse impact on the environmental conditions and also enhances productivity. Moreover, the environment management is more like risk management. It is extremely important for both banks and banks and the economy since it avoids different hazards in the banking sector. Banks play an important part in the economy because banks have the capability to contribute significantly to sustainable development. Green banking not only safeguards the greening of different sectors, but it also supports banks to improve their asset quality in the future times. Green banking improves the image of the bank by demonstrating and serving its environmental commitment, minimizes operational costs due to low utilization of office stationery, energy and water, improves employee productivity and efficiency through skilled and optimum use of technology; and reduces dangers by installing eco-friendly equipment's. It secures a lot of time and forestry by reducing paper usage; it also reduces greenhouse gas emissions by tele-conferencing and arranging a transportation pool for employees; it also helps in developing customers environmental consciousness by organizing awareness program; and reduces the extent of non-performing assets by investing in less risky projects.

Green banking program mainly includes energy effectiveness, recycling, lift sharing and environmentally responsible lending. This makes green banking practices so much important for any frugality. So, due to many environmental regulations enforced by competent authorities throughout countries, industries would be required to observe definite standards in order to conduct business.

Research gap

- There are numerous studies on green banking practices but not on the enterprise of a marketable bank in India on sustainable development.

- There are lack of study suggesting the effectiveness of green banking on the overall banking practices.

Objectives of the study

- To understand the impact of green banking practices on the operations of banking sector.
- To understand the green banking initiatives used by different commercial bank.

Hypotheses of the study

H₀: Green banking practices does not support sustainable development.

H₁: Green banking practices have a positive impact on sustainable development.

H₂: Green banking practices have positive impact on growth of economy.

Green banking initiative by State Bank of India

1. Green building instruments

- As of FY 2024, SBI attained IGBC ratings for 45 of its buildings and achieved certifications across 13 buildings just in that year.

2. Solar power adoption

- Installed roughly 20 solar rooftop systems (20.09 MWp) on bank buildings and 3534 solar-rooftop ATMs (6.73 MWp) as of March 31,2024.

3. Waste reduction: PET bottle crushers & rainwater harvesting

- Deployed 20 PET bottle crushing machines and installed 538 rainwater harvesting systems across branches in FY2024.

4. Green power purchasing

- Shifted 18 buildings to green power purchasing, offsetting nearly 1.74 crore electrical units annually.

5. Tree plantation efforts

- Planted 1.8 million (18 lakh) trees on open land and within bank premises in FY 2024.

6. Large ESG loan instrument

- Raised a \$ 1 billion syndicated social loan with a \$ 500 million green shoe, the largest ESG loan by an Asia-Pacific commercial bank.

Green banking initiative by ICICI Bank

1. Green energy operation

- 30% of the bank's total electricity operation came from renewable sources as of FY 2024.
- Multiple ICICI services are IGBC Platinum-certified.

2. Net zero waste achievements

- BKC office certified as Net Zero Waste to Landfill.
- Introduced waste isolation, recycling and composting across services.

3. Paper reduction through digitalization

- Saved 27.5 million A4 sheets wastes in a time.
- 59% of paper used is eco-labelled or reclaimed.

4. Water conservation technologies

- Recycled 1180 km per day of water through on-site treatment systems.
- Installed Atmospheric Water Generators (AWG) that extract water from air (500L/day).

5. Sustainable finance portfolio

- Handed over Rs 19000 crore in green loans, half of which supported renewable energy systems.

6. Climate risk management framework

- Developed a frame aligned with global climate standards.
- ESG factors are now embedded in lending decisions for high-emission sectors.

Green banking initiative by Bank of Baroda (BOB)**1. \$1 Billion Syndicated Social Loan**

- Raised in 2023, including Asia-Pacific's largest ESG loan, to support green and social infrastructure.

2. Green deposit framework (2024)

- Launched new deposit schemes where the proceeds are simply used for green projects.

3. Digital banking push

- Reduced paper and energy usage through promotion of paperless banking, mobile apps, and e-statements.

4. Energy-efficient infrastructure

- Retrofitting old branches with LED lighting, smart HVAC, and energy-efficient equipment.

5. Staff sensitization programs

- Trained employees on green banking, energy savings, and carbon-conscious behaviour.

6. Rainwater harvesting and solar installations

Installed rainwater harvesting systems and solar panels at key branches and zonal offices.

Green banking initiative by HDFC Bank**1. Green banking score**

- Introduced a system to reward customers based on their digital banking usage, reducing paper and branch visits.

2. Carbon Disclosure Project (CDP) participant

- Regularly submits climate-related disclosures and ranks among the top Indian Private banks in climate reporting.

3. Electric Vehicle Loan Schemes

- Provides discounted loan rates for electric vehicles and solar installations.

4. Green branch certification

- Several branches have been made compliant with IGBC/LEED standards, using eco-friendly materials.

5. Digitization to reduce carbon footprint

- Transitioned many processes like onboarding, statements, KYC, and communication to completely digital.

6. Afforestation drives

- Conducts tree plantation campaigns across India, including partnerships with NGO's and schools.

Green banking initiative by Punjab National Bank (PNB)**1. PNB Palaash Campaign (2023)**

- An 8-month internal program aimed at reducing paper use, electricity, and waste.

2. Concessionary green loans

- Offers lower interest rates for renewable energy projects (solar rooftops, biogas, etc).

3. Paperless branch initiative

- Promoted e-statements, online account opening, and digital KYC.

4. Use of renewable energy

- Installed solar panels in several rural branches and ATMs.

5. Green building construction

- Builds and retrofits branches with eco-friendly materials, smart lighting, and rainwater harvesting.

6. Staff awareness campaigns

- Organized training sessions, webinars and competitions to raise awareness on sustainability among employees.

Table 1: Commercial Banks initiative in relation to Viksit Bharat 2047

SBI Green Banking Initiative	Link to Viksit Bharat 2047 Vision
IGBC- certified green buildings	Promotes energy efficiency in infrastructure, supporting sustainable urbanization.
20.09 MWp rooftop solar systems & 3,534 solar Atm's	Reduces fossil fuel dependency, enabling a clean energy economy.
Green Power Purchase for 18 building	Accelerates adoption of renewable energy sources nationwide.
18 lakh tree plantations	Contributes to carbon sink creation for net-zero goals.
PET bottle crushers & 538 rainwater harvesting units	Encourages circular economy and water security.
Largest \$1B ESG-linked loan	Channels large-scale capital towards green infrastructure and renewable projects.

Table 2

ICICI Bank Green Initiative	Link to Viksit Bharat 2047 Vision
30% renewable energy usage in operations	Aligns with India's renewable energy capacity targets.
IGBC Platinum-certified offices	Supports sustainable construction norms and energy-efficient workspaces.
27.5 M A4 sheets saved	Cuts deforestation and promotes digital governance.
1180 Kl/ day water recycling & AWG systems	Enhances water resource management for climate-resilient India.
19000+ crore green finance portfolio	Mobilizes private capital for clean energy and green projects.
Climate Risk Management Framework	Prepares banking sector for climate-resilient financing decisions.

Table 3

Bank of Baroda Green Initiative	Link to Viksit Bharat 2047 Vision
\$1 Billion ESG loan	Funds for renewable, clean transport, and sustainable urban projects.
Green Deposit framework	Channels citizens savings directly to green projects.
Digital banking adoption	Reduces carbon footprints and supports Digital India mission.
LED lighting & energy-efficient retrofits	Enhances energy efficiency in financial infrastructure.
Employee Sustainability training	Builds a green workforce ready for the 2047 economy.

Table 4

HDFC Bank Green Initiative	Link to Viksit Bharat 2047 Vision
Green Banking Score for customers	Incentivizes public participation in eco-friendly banking.
EV Loan schemes	Accelerates adoption of electric mobility for net-zero transport.
Green-certified branches	Encourages low-carbon infrastructure
Digital onboarding & paperless services	Supports e-governance and paperless economy goals.
Tree plantation drives	Aids afforestation targets under national climate action plans.
Climate disclosures (CDP)	Enhances corporate transparency for sustainable growth.

Table 5

PNB Green initiative	Link to Viksit Bharat 2047 Vision
PNB Palaash Campaign	Drives internal resource efficiency, supporting sustainable governance.
Concessional green loans	Expands renewable energy access for households and MSMEs.
Paperless branch operations	Reduces environmental impact and promotes digital literacy.
Solar-powered rural branches	Improves rural clean energy access.
Eco-friendly building construction	Advances green building standards in Tier-2 and Tier-3 cities.
Employee sustainability awareness programs	Spreads climate-conscious behaviour across India's workforce.

Limitations of the study

1. The study does not include all the commercial banks of India, it only includes the major banks in the banking industry.
2. Time constraint was the major issue in this research.
3. Demographic constraint was faced during this research.
4. Lack previous studies on the research topic.

Conclusion

Viksit Bharat 2047 is a dream initiative and project of Government of India. To fulfil this dream all the sectors of the economy will have to come together. Perhaps, Banking sector is the most prominent sector which will have the biggest role towards this development. Banking sector is mainly assumed as the backbone of the overall economy so it will have a greatest part in the overall growth and development of the economy, but driving towards the path of growth and development should not come at the cost of the environment. All the organisms in the environment should be safeguarded for the overall protection of this Mother Earth.

In this regard Green Banking Practices applied by many commercial banks is a good initiative. Green Banking Practices of many banks have reduced waste, made banking activities

less harmful for the environment, and is trying to make the whole environment clean. Towards the Green Banking Practices many commercial bank have provided loans which works for environmental projects.

All the commercial banks are promoting and utilizing digitalization in their working operations to avoid paper waste, hence reducing environmental impact and promoting digitalisation. Many banks are also planting trees fulfilling the afforestation targets which also benefitting the environment.

So all of the efforts from the commercial banks are commendable, but more efforts should be done in the coming future to fulfil the goal of Viksit Bharat 2047.

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