



ANALYZING THE OPPORTUNITIES AND CHALLENGES OF GREEN FINANCE OF GREEN COMPANIES IN INDIA

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ABSTRACT

The new business world is an arena of stake holders. The business is at the receiving end from the environment and is obliged to give in return. Green finance focuses in this pattern of business to protect and preserve environment. Green finance is considered as the financial backbone of green progressiveness which monitors air pollution in the environment. This monitor makes the earth better place for survival. This promotes green investments in renewable resources which in turn helps in attaining economic welfare and sustainable development. Green Finance focuses on ecological balance and emphasis on industries to preserve and protect nature. The green building program are the root to enhance our ecological balance.

Key Words: Green finance, green investments, green building programs.

INTRODUCTION

The Indian economy has undergone varied changes from agriculture sector to the business sector. Finance is the major factor for such changes in the economy. To keep the economy alive protection and preservation of environment is necessary without which development is insignificant. This concern of environment has shaken the world economies to watch, preserve and prevent environment. The fact of green finance is global issue to be addressed.

Green Finance includes investments in proposals which focuses on environmental sustainability. The objective of this is to have direct influence on the country's economic progress and upliftment by the way of reducing greenhouse gas emission, governing industrial pollution, water contamination, waste management.

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Thus the main aim in green finance is to enhance the level of flow of finance from sectors of business to sustainable development. The main is to accomplish environmental and social risk, to enable prospects that bring both return on investment and protect environment to enhance wider responsibility.

Green financing is applicable to an economy by the way it is structured. The pooling from different sector and investment in eco-friendly technologies and funding for stabilized growth is the way to build smart economy.

GREEN FINANCE IN INDIA

Prevention and protection of environment is the concern of the world economy which will be addressed by investment in eco-friendly proposals employing renewable resources. Hence banks and financial institutions will put forth to the emerging segment. This will be increase in demand for green bonds and green funds.as a result the mobilizer of funds would get the advantage of investment in different opportunities of funds.

A growing and insistent requirement to minimize carbon emissions has led to increase in funding for green projects in India

A waste water treatment plant in Chennai, has funded effectively to treat toxic water is one of the examples of green finance. Over the years there are more than 145 crores investment related to climate changes investment by 2030 by International Finance Corporations.

With the plans and policies Asian Pacific region has the highest climate smart investment in green building opportunity. In this regard India has secured second in the global ranking policy towards renewables and increasing investments in clean energy sector.

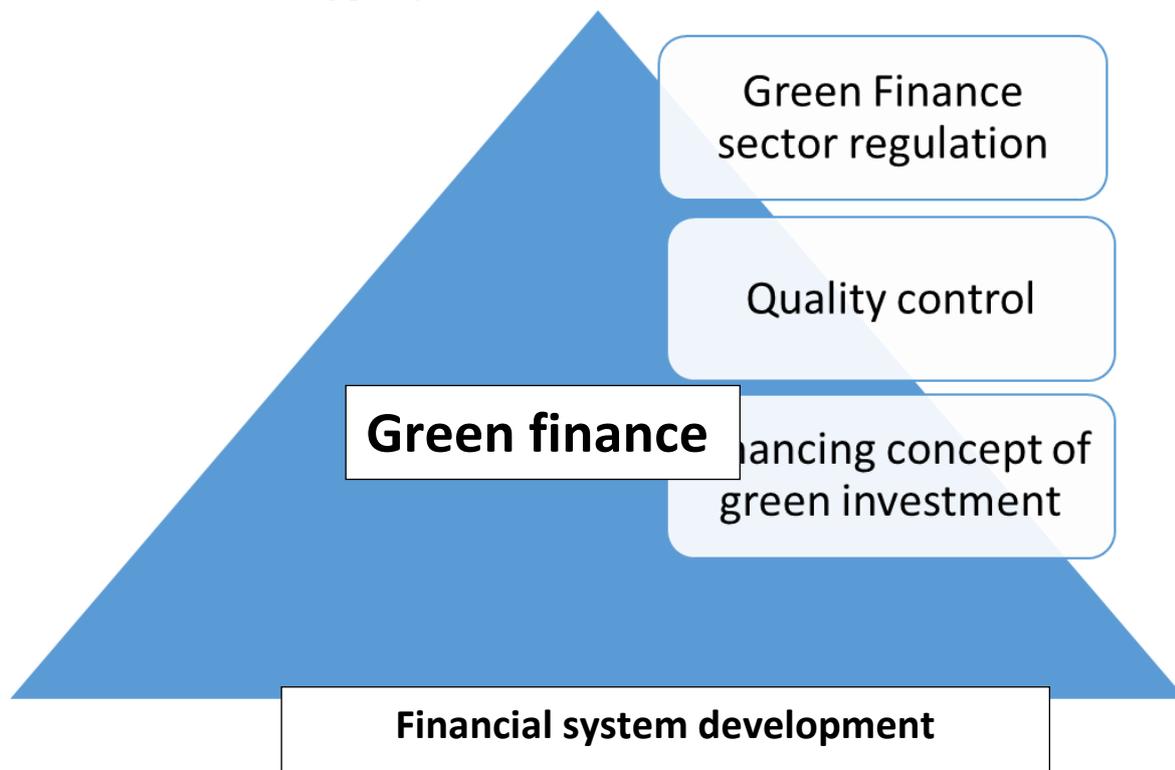
The need for funding through technological seeding and innovation more difficult in government and private sectors. Over the years there is enough evidence to prove that the overall climate finance increase will continue.

Global warming is cautious issue to be addressed with a greater urgency than we are witnessing now. However green business especially technology based startups will play a significant role in this arena to enhance sustainable world.

In 2020 the aim is to reach out more number of startups based on the early stage climate program to prevent ecology. India with its unique developmental challenges has emerged as

an active player in the climate action space by evident national targets set for aggressive plans to scale critical sectors like renewable energy and e-mobility.

The bigger challenge in front of the government is development and implementation of financial architecture and structuring financial standards and measures to attract investors and including risk mitigation factors. Existing financial products particularly green bonds, sustainability bonds and social bonds are increasingly growing as viable capital to meet environmental and social financial gaps. These could be further leveraged to accelerate climate growth. The green bond market in particular has seen higher growth served as demonstration of enabling policy frameworks as sustainable finance innovations.



OPPORTUNITIES AND CHALLENGES

- The policies to support the development of green finance need to deal with ecological environment protection and green finance.
- The initial contradiction is the liquidity of funds that green finance raises for environmental protection. Hence to deal effectively the contradictions between green finance and ecological protection.



- In consideration the policies need to find funds that match with the term structure of projects.
- The relevant subjects can issue financial derivatives such as asset securitization products, to change the term structure of the project.
- The policies should improve green finance market activity through developing ecological finance, constructing climate derivatives market and other secondary financial markets related to ecological protection therefore directly improving the liquidity of related investment.
- Green finance is an important means to promote the sustainable development of society, economy and ecology. Green finance is defined as comprising all forms of investment or lending that consider environmental effect and enhance environmental sustainability.
- Sustainable investment and lending are significant aspects of green finance considering sustainable standards and environmental and climate risks.
- To align financial system and policies with sustainable goals are also crucial for achieving a green transformation.
- With the rising awareness of challenges such as global climate change and resources shortage with the development of the economy the financial resources reasonably, effectively improve financial efficiency
- To realize the effective operation and steady development of economy and finance in the long run.
- The green finance tries to carry out a mission to identify explore and promote the development and adoption of best environment friendly and sustainable products and services at all levels of financial institution operations.
- The green finance feels responsible to promote Research and Development and innovation finance
- It is crucial to have better understanding the emerging drivers and barriers for research shedding new lights on many unresolved issues as well.

CONCLUSION



Green finance is an innovative financial pattern aimed at the environmental protection and the accomplishment of sustainable utilization of resources. If the market mechanism of green finance is rational, green finance can guide the flow of funds and achieve effective management of environmental risk and optimal allocation of environmental resources and social resources. The effective regulation of policies will avoid the information and solve moral hazard.

The construction of environmental protection should consider setting up the mechanism of efficient green finance system coordinating the relationship between ecology and finance. We can promote the use of renewable energy to achieve environmental protection through active financial tools.

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