




ESG Rating Report- Bank of Maharashtra

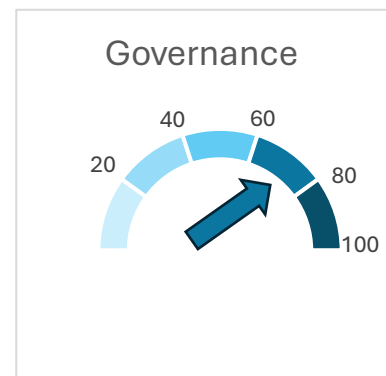
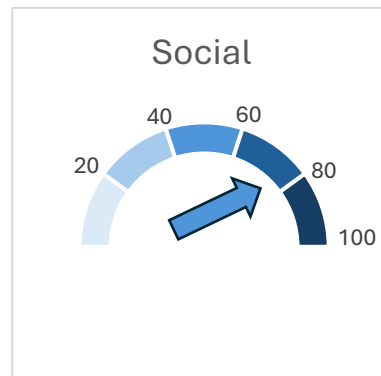
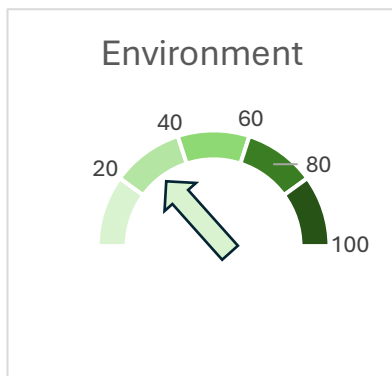
Company Overview

Bank of Maharashtra is a leading public sector bank in India, headquartered in Pune, Maharashtra. Established in 1935, the bank has grown to become one of the most trusted financial institutions in the country, offering a wide range of banking and financial services to individuals, businesses, and corporations.

ESG SCORE: 66.30		ESG RATING*: B		
A+	A	B	C	D

Company Name: Bank of Maharashtra
Report Release Date: 05/06/2025
Sector: Financial Services
Industry: Banking

ESG Score			
	Parameters	Weightage	Score
	Environmental	20%	32.70
	Social	40%	77.70
	Governance	40%	70.60
Final Score			66.30



***ESG rating** - This is the overall ESG rating assigned to a company taking into consideration all material indicators based on the sector to which it belongs, and the weights assigned to the indicators under the respective sector/industry.

The detailed ESG rating scale, including the score ranges corresponding to each grade, is provided in the [Annexure-A](#) at the end of this report

Rating Rationale:

The ESG rating assigned to **Bank of Maharashtra (BOM) stands at 66.30**, which corresponds to an **ESG Rating of B**. The rating reflects the bank's ongoing efforts in environmental, social, and governance practices while highlighting key areas requiring improvement. The bank has been actively disclosing BRSR reports for the past two years, demonstrating a commitment to transparency.

In environmental performance, initiatives such as investments in solar power, energy-efficient appliances, E-waste recycling programs and collaboration with conservation organizations to conserve wildlife and biodiversity through various initiatives contribute positively; however, challenges remain in defining energy efficiency targets, managing rising energy and water consumption, and addressing increased waste generation. The absence of Scope 3 emissions disclosures and limited carbon reduction strategies further constrain its environmental performance.

The bank demonstrates a strong commitment to social responsibility through structured grievance redressal mechanisms, diversity initiatives, and cybersecurity measures. Workforce diversity is improving, with 27.27% female representation and 2.50% differently-abled employees. Employee retention has strengthened, with a low turnover rate of 2.62% and extensive skill development programs. All employees receive gratuity benefits, and policies ensure equal opportunities. A robust grievance redressal system enhances customer satisfaction, with no complaints in advertising and trade practices. The bank also supports regional employment and maintains ISO 27001:2013 certification, ensuring strong cybersecurity and data protection. However, gaps in workplace safety training and service quality policies remain areas for improvement.

The bank's governance framework reflects both strengths and areas for improvement. Transparency is reinforced through quarterly investor call transcripts and a disclosed board skills matrix. Strong internal controls are evident, with no major frauds or financial defaults in the last three years. Board engagement is high, exceeding regulatory meeting requirements. However, board composition concerns persist due to the absence of an independent woman director and a non-independent chairperson, deviating from SEBI and RBI norms. Additionally, minor regulatory penalties, compliance lapses, and a lack of anti-corruption training impact the governance score. Addressing these gaps would further strengthen the governance framework.

1. Environmental

Overall Environmental Weightage: 20% | Overall Environmental Score: 32.70

The bank has made notable strides in environmental management. In energy consumption, it has implemented solar installations and automated energy-saving systems, reduced energy intensity and these have positively impacted ESG ratings. However, challenges persist due to undefined energy efficiency targets and limited emissions transparency. In water management, the bank actively monitors water usage but faces increased withdrawal & consumption and lacks wastewater treatment strategies. In waste management, the bank has reduced construction waste and partnered with E-waste recyclers, yet total waste generation has increased significantly. The bank actively monitors and reports its Scope 1 and 2 greenhouse gas (GHG) emissions. Notably, it has achieved a reduction in Scope 1 emissions and implemented solar panels to enhance sustainability. However, despite these efforts, Scope 2 emissions have experienced an increase. In biodiversity and ecology, the bank complies with environmental standards and offers green finance initiatives but lacks biodiversity impact assessments. The bank has also collaborated with conservation organizations towards conserving biodiversity and wildlife through various initiatives. Overall, while the bank demonstrates a commitment to environmental responsibility, it faces significant challenges across these areas that require more comprehensive strategies for improvement. The bank needs to address these gaps by implementing robust wastewater treatment strategies and enhancing transparency in emissions reporting. Additionally, aligning with 17 UN Sustainable Development Goals (UNSDGs) could further enhance its sustainability efforts.

1.1 Energy Consumption & Management

The bank has made significant strides in enhancing its energy efficiency and sustainability efforts. Firstly, through the implementation of solar installations at its regional and zonal offices, the bank has successfully reduced its dependency on grid electricity, although specific capacity data remains unavailable. Additionally, the bank has adopted an automated energy-saving system by installing timers that facilitate the shutdown of air conditioning in branches and offices, contributing to overall energy conservation. Furthermore, the introduction of star-rated electrical appliances is expected to lead to a substantial reduction in electricity consumption. The bank is also focused on optimizing hardware resource utilization and employing virtualization strategies to improve operational efficiency.

In terms of energy intensity, the bank reported a notable decrease for FY-2024, with an energy intensity of 7.06 GJ per crore rupees of revenue, down from 8.53 GJ per crore rupees in FY-2023. This improvement reflects positively on the bank's ESG rating. To ensure ongoing progress, the bank conducts periodic energy audits to monitor and analyse its energy consumption patterns. Moreover, there is a significant opportunity for the bank to enhance transparency by establishing specific, measurable targets for energy efficiency improvements and providing clear timelines for renewable energy integration. This initiative would clarify bank's sustainability goals.

Despite these advancements, the bank observed a slight decrease in renewable energy consumption, with figures showing 996.5 GJ in FY 2024 compared to 1044.7 GJ in FY 2023. Developing strategies to maintain or increase this consumption will be crucial for supporting long-term sustainability objectives. Additionally, total energy consumption rose to 165762.3 GJ in FY 2024 from 155145.6 GJ in FY 2023.

Identifying opportunities to optimize energy use will be essential in mitigating this upward trend and aligning with broader sustainability goals.

1.2 Water Consumption & Management

The bank demonstrates a strong commitment to active water stewardship by diligently measuring and monitoring its water withdrawal and consumption from various sources. In addition, it maintains a rigorous approach to discharge diligence, actively tracking the quantity of water discharged and providing annual reports on this data. Efficiency gains are evident as the bank has improved its water intensity, with water consumption per rupee of turnover decreasing from 7.43 KL/Revenue (in Rs. CR.) in FY 2023 to 7.39 KL/Revenue (in Rs. CR.) in FY 2024. However, the bank also noted an increase in total water withdrawal and consumption, rising to 173,732.1 KL in FY 2024 from 135,160.7 KL in FY 2023. This increase can be attributed in part to the expansion in the number of branches and offices. This trend highlights the need for strategies aimed at reducing overall consumption, which could enhance the bank's water management practices and support its environmental stewardship efforts. To further improve its water management, the bank may explore opportunities for wastewater treatment processes or consider forming strategic alliances that focus on community water stewardship. Such initiatives could have a positive impact on their ESG rating in the water management category.

1.3 Waste Management & Circularity

The bank has made commendable progress in its waste management efforts, particularly in reducing construction and demolition waste, which decreased from 3 MT in FY-2023 to 2 MT in FY-2024. Additionally, the bank has established a memorandum of understanding with a reputable agency for eco-friendly E-waste management. This partnership ensures that the agency collects E-waste from the bank's premises and disposes of it responsibly, with recycling efforts implemented wherever feasible. The bank actively measures and monitors its E-waste generation while maintaining a disposal system, and is transitioning to cloud computing to further minimize hardware resources and reduce E-waste.

To ensure compliance with regulatory standards, the bank conducts regular waste audits and has 1,114 recyclers operational across its branches. The implementation of 1,050 digital passbook kiosks has also contributed to a significant reduction in paper consumption. However, the bank experienced a notable increase in total waste generation, rising to 110.4 MT in FY 2024 compared to just 3 MT in FY 2023. This trend underscores the need for exploring strategies to manage waste more effectively and support sustainability goals. Furthermore, waste intensity per revenue increased from 0.0002 MT Waste/Revenue in FY 2023 to 0.0047 MT Waste/Revenue in FY 2024, indicating a need for optimizing waste management practices to enhance operational efficiency.

While the bank engages in basic recycling practices, there is significant potential to expand its circular economy strategies by implementing advanced practices such as upcycling and material recovery. To improve transparency in waste management, the bank could disclose its waste generation and reduction ratios and set specific targets for reducing plastic use within its operations. This would provide clearer insights into its sustainability progress. Additionally, collecting and reporting detailed data on hazardous and non-hazardous waste generation would offer a more comprehensive understanding of the bank's environmental impact and support informed decision-making in waste management.

1.4 GHG & Air Emissions

The bank is committed to sustainability through regular monitoring and reporting of its emissions, providing updates on both direct (Scope 1) and indirect (Scope 2) emissions quarterly on its company website. To further reduce greenhouse gas (GHG) emissions, the bank has installed solar panels at its head office and other bank-owned premises. Additionally, the bank has engaged in multiple tree plantation drives, successfully planting approximately 10,500 trees across the country to enhance environmental benefits.

In terms of emission reductions, the bank has successfully decreased its Scope 1 emissions from 377 MTCO₂e in FY 2023 to 374 MTCO₂e in FY 2024. However, Scope 2 emissions increased to 31,700 MTCO₂e in FY 2024, up from 29,570 MTCO₂e in FY 2023, partly due to the expansion in the number of branches and offices. Tackling this rise through targeted energy efficiency measures and renewable energy adoption will be essential for the bank to advance its long-term sustainability objectives. Furthermore, the bank's emission intensity per revenue also increased from 0.61 MTCO₂e/Revenue in FY 2023 to 0.73 MTCO₂e/Revenue in FY 2024. Identifying opportunities to optimize energy use and reduce emissions could help mitigate this trend and enhance operational efficiency.

To strengthen its sustainability reporting, the bank may consider disclosing its Scope 3 emissions and establishing science-based decarbonization targets. This approach would align with industry best practices and support a more robust environmental strategy. Additionally, while the bank has made strides in sustainability, there is significant potential to expand its adoption of carbon offset mechanisms and invest in green infrastructure. Such initiatives could enhance the bank's environmental stewardship and contribute to a more sustainable future.

1.5 Biodiversity & Ecology

The bank is dedicated to minimizing ecological disruption by maintaining operational compliance with environmental standards at its branch locations. To promote ecological conservation, it conducts employee awareness programs that cover fundamental principles of environmental stewardship. Notably, the bank has no operations or offices situated in or around ecologically sensitive areas, ensuring that its activities do not adversely affect these regions. Additionally, the bank has introduced green finance initiatives, such as "Mahabank Green Financing," aimed at promoting lending to environmentally friendly sectors.

To enhance climate risk awareness, the bank organized a training program for its board of directors, key managerial personnel, focused on "Climate change Risk and Digital Transformation." Bank has also organized training on ESG for all of its staff members.

The bank has actively supported biodiversity conservation and wildlife protection efforts by collaborating with wildlife protection groups, notably through sponsoring the "Rajasthan Tiger Conservation Foundation" for an Animal Ambulance with medical equipment to Ranthambore National Park and sponsoring the Adoption of a tiger at Sanjay Gandhi National Park for one year. Additionally, enhancing sustainability reporting by explicitly aligning initiatives with the 17 United Nations Sustainable Development Goals (UNSDGs) would clarify how the bank's efforts contribute to global sustainability objectives.

2. Social

Overall Social Weightage: 40% | Overall Social Score: 77.70

The bank has demonstrated strong social performance across three key pillars: Workforce Diversity & Well-being, Product and Customer Responsibility, and Stakeholder & Community Engagement. It has made commendable strides in fostering a diverse and inclusive work environment, supporting employee skill development, and ensuring effective grievance redressal mechanisms. Additionally, the bank has implemented robust cybersecurity measures to safeguard customer and stakeholder interests. These efforts highlight the bank's commitment to ethical business practices and social responsibility. While these achievements are significant, further enhancements in health and safety training, maternity and paternity benefits, and transparency in workplace injury reporting can further strengthen its social impact.

2.1. Workforce Diversity & Well-being

The bank is making significant strides in promoting diversity and inclusion within its workforce. Currently, women represent 27.27% of the total workforce, with their participation increasing across all geographies and hierarchical levels, reflecting a positive trend in gender diversity. Additionally, the bank employs 2.50% differently abled individuals, marking an increase in their representation compared to the previous year and demonstrating a commitment to inclusivity. A remarkable 98.24% of employees have undergone skill development training, ensuring continuous learning and professional growth. The employee turnover rate has also improved, standing at 2.62%, which has been steadily declining over the past two years, indicating enhanced employee retention and satisfaction. Furthermore, 100% of employees receive gratuity benefits, reinforcing the bank's dedication to long-term employee welfare.

The bank fosters a workplace culture that emphasizes diversity, equity, and inclusion (DEI), empowering employees to contribute their unique perspectives while ensuring equal access to opportunities and resources. It has formally adopted an Equal Opportunity Policy for Persons with Disabilities (PWDs), which ensures workplace accessibility and inclusivity. The organization has achieved 100% adoption of the Provident Fund for its employees, ensuring comprehensive long-term financial security and retirement benefits. Further, maternity and paternity benefits have been extended to all eligible employees, reflecting the organization's commitment to fostering a supportive and inclusive work environment.

To further enhance workplace safety, the bank should focus on increasing health and safety training participation, as only 13.49% of employees have received this training thus far. Additionally, human rights training has seen a decline in participation, with only 10.60% of employees trained; increasing this number would help maintain awareness of ethical workplace practices. Continued focus on preventive measures and employee sensitization programs remains important to fostering a safe, respectful, and inclusive workplace culture.

While the bank has implemented a health and safety management system, disclosing relevant certifications could enhance transparency regarding the effectiveness of these measures. Additionally, improving transparency regarding workplace injuries by disclosing detailed information such as the Lost Time Injury Frequency Rate (LTIFR) would provide a clearer picture of safety performance and highlight areas for improvement.

2.2. Product and Customer Responsibility

The bank has implemented a Standardized Public Grievance Redressal System (SPGRS) to effectively track and resolve customer complaints, ensuring transparency and prompt resolution of issues. Notably, the bank did not receive any complaints related to advertising, restrictive trade practices, or unfair trade practices, which reflects its commitment to fair business conduct and ethical marketing principles. To further enhance transparency regarding product responsibility, the bank could benefit from disclosing more detailed information about the turnover of its products and services, including metrics related to their environmental and social impacts. This would provide stakeholders with a clearer understanding of the bank's responsibilities in this area.

However, the bank experienced an increase in complaints related to product delivery, with a total of 6,439 complaints reported. This indicates an opportunity to improve service efficiency and customer satisfaction; implementing strategies to address these delivery issues could significantly enhance the overall customer experience. While the bank likely aims for excellence in its products and services, providing information about its quality management systems would offer clarity and assurance to stakeholders regarding its commitment to maintaining high standards.

2.3 Stakeholder & Community Engagement

The bank has established a dedicated community grievance redressal system through a structured grievance portal, which efficiently addresses community-related concerns and reflects its proactive engagement with stakeholders. Additionally, the bank has disclosed the job opportunities created in smaller towns, thereby supporting regional employment growth and contributing to socio-economic development. In terms of data security, the bank reported no data breaches during the year, underscoring its robust cybersecurity measures and commitment to protecting sensitive information. Furthermore, the bank is certified under ISO 27001:2013, which demonstrates its dedication to securing critical banking information and ensuring compliance with international cybersecurity standards.

3. Governance

Overall Governance Weightage: 40% | Overall Governance Score: 70.60

The bank's governance framework exhibits both strengths and areas for improvement. The board actively engages through frequent meetings and transparent disclosures, showcasing a commitment to accountability. However, gaps remain in regulatory compliance, particularly in board composition and committee functioning. Strengthening these aspects will be essential for enhancing governance effectiveness and ensuring full regulatory alignment.

3.1 Board Composition, Committee Composition & Functioning

The bank demonstrates strong governance practices, with transparent disclosures and a structured board framework, fostering accountability and oversight. A key strength is the board's commitment to engagement, reflected in regular meetings and active participation in governance processes. All board members have demonstrated appropriate time commitment, ensuring they can focus on their fiduciary duties without excessive external engagements. The bank has also disclosed a board skills matrix, enhancing transparency regarding the expertise and competencies of its members. Additionally, the board exceeds regulatory requirements by holding 16 meetings annually, significantly above the required four, ensuring proactive decision-making and effective oversight. The bank's governance framework promotes active board engagement, which strengthens decision-making processes and enhances strategic direction.

However, areas for improvement remain, particularly in board independence and regulatory compliance. Independent directors constitute less than 50% of the board, falling short of SEBI regulations. Increasing their proportion would enhance unbiased decision-making and strengthen management oversight. Furthermore, while the current Chairperson of the Board holds an executive position, the appointment of an independent Chairperson—as envisaged under clauses 5 and 12(6) of the Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970—by the Government of India would be a step toward further strengthening governance practices in line with RBI's recommendations. Another critical gap is the bank's failure to conduct the mandatory annual Nomination and Remuneration Committee (NRC) meeting. Addressing these governance gaps by enhancing board independence, holding required committee meetings, and ensuring regulatory compliance will further strengthen governance effectiveness.

3.2 Statutory Audit & Financial Reporting

The bank has established a robust statutory audit and financial reporting framework, ensuring investor confidence and regulatory compliance. A major strength is its financial transparency, demonstrated through the disclosure of key financial ratios and a strong record of compliance. Notably, no major frauds have been reported in the past three years, reflecting the effectiveness of its internal controls and risk management practices. Additionally, the bank has maintained financial stability by avoiding defaults on payments related to dividends, interest, or statutory dues, further reinforcing prudent fund management. Regulatory compliance is evident in the bank's disclosure of all required financial ratios, ensuring transparency for stakeholders and investors.

However, a minor regulatory non-compliance issue arose due to a delay in filing the disclosure of Related Party Transactions for the quarter and half-year ending September 30, 2023. As a result, on December 14, 2023, the bank received a notice from BSE Ltd. and the National Stock Exchange of India

(NSE), imposing a fine of Rs. 5,000 (excluding GST) for non-compliance with Regulation 23(9) of SEBI (LODR) Regulations, 2015.

3.3 Management Practices, Disclosures & Transparency

The bank has demonstrated strong governance practices by maintaining transparency in investor relations, financial disclosures, and risk management strategies. A key positive aspect is the bank's commitment to financial integrity, as no major frauds have been reported in the last three years, reflecting robust internal controls. Additionally, the bank has maintained a clean record of financial obligations, ensuring timely payments of dividends, interest, and statutory dues, which showcases its financial stability. The bank has also complied with regulatory requirements by disclosing essential financial ratios, fostering transparency for stakeholders. Furthermore, the publication of quarterly investor call transcripts on its website has enhanced market confidence by keeping investors informed about financial performance and strategic developments. The bank has proactively obtained a Directors and Officers (D&O) insurance policy, demonstrating its commitment to protecting its leadership against potential liabilities and ensuring robust governance practices.

The Reserve Bank of India (RBI) has imposed penalties on the bank over the past three years for issues related to currency chests. Additionally, the bank received a penalty for delayed disclosure of related party transactions, but it promptly made the payment and is expected to enhance its regulatory practices to prevent future occurrences. Further, with the growing shareholder base, there has been a corresponding increase in shareholder communications, highlighting the importance of further enhancing grievance redressal mechanisms to maintain effective engagement and responsiveness. Additionally, the bank has not yet disclosed subsidiary financials, which are required under SEBI (LODR) Regulations, and improving transparency in this regard would enhance financial oversight. Anti-corruption policies and training remain another area where the bank can strengthen its governance framework, as regular training for employees is currently lacking.

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Our ESG ratings assess how well companies perform across environmental, social, and governance dimensions, providing a standardized measure of sustainability. These ratings help investors make informed decisions by identifying companies with strong ESG practices and highlighting areas for improvement. By offering a reliable, consistent ESG rating system, we aim to drive accountability and support companies in their journey toward responsible and sustainable growth.

Annexure A:

Overall ESG Grade:

The ESG (Environmental, Social, and Governance) scoring system rates companies on a scale from 0 to 100 as also converted to “Alpha Grades”, showing their overall sustainability and associated risks.

Score Range	Risk Level	Performance Band	Grade
85+	Minimal Risk	Leadership	A+
75-84	Low Risk	Good	A
60-74	Moderate Risk	Average	B
45-59	Elevated Risk	Fair	C
<45	High Risk	Improvement Needed	D