इंडियन बैंक Indian Bank

CareEdge
ANALYTICS & ADVISORY
A subsidiary of CARE Ratings Limited

Green Deposit third party verification and Impact Assessment Report (FY 2025-26)

MAY 2026

Contents

1 Introduction

Indian Bank (bank) has introduced a Green Deposit Policy in line with the Reserve Bank of India framework for green deposits. The policy states that funds mobilized through green deposits are earmarked exclusively for financing eligible green projects and environmentally sustainable activities. On 28 November 2025, the RBI issued Master Direction (MD) for providing guidelines as well as guidance related to Climate Finance and Management of Climate Change Risks vide notification no DOR.SFG.REC. No.91/ 30.01.021/2025-26 and has repealed the existing directions, instructions, guidelines relating to Framework for acceptance of Green Deposits, dated 11.04.2023. The revised guidelines are named as Reserve Bank of India (Commercial Banks-Climate Finance and Management of Climate Change Risks) Directions, 2025 dated 28.11.2025.

Based on the Reserve Bank of India's (RBI) Master Direction (MD) guidelines, bank has revised its Policy on Green Deposit and allocation of Green Deposit. The policy was approved by board. Bank has obtained a Second Party Opinion (SPO) on the updated framework, aligned with the RBI's Climate Finance and Management of Climate Change Risks guidelines vide notification no. DOR.SFG.REC. No.91/30.01.021/2025-26.

2 Scope of the engagement

Bank engaged with CARE Analytics and Advisory Private Limited (CAAPL) to prepare a Green Deposit Impact Analysis Report. The impact analysis report covers the period from 1 April 2025-31 March 2026.

Key Aspects of the RBI framework for accepting green deposits.

The RBI introduced the framework for acceptance of green deposits, effective from June 1, 2023, encourages banks to mobilize funds for green activities by earmarking deposits for such purposes, requiring board-approved policies, and mandating third-party verification and impact assessments.

Table 1: RBI framework for accepting green deposits.

Key Features	Description
Purpose	To mobilize financial resources towards green activities and projects, including renewable energy, green transport, and green buildings.
Effective Date	June 1, 2023.
Applicability	Scheduled Commercial Banks, including SFBs, but excluding Regional Rural Banks (RRBs).
Green Deposits	Interest-bearing deposits are earmarked for allocation towards green finance.

Mandatory Policies	Banks must have board-approved policies for accepting and utilizing green deposits
Third-Party Verification	The use of green deposit funds must be verified by a third party.
Exclusions	Activities involving fossil fuels, nuclear power, tobacco, etc., are excluded.
Reporting and Disclosures	Banks must maintain transparent and comprehensive reporting on green deposit mobilization, fund utilization, and impact assessment.

3 Indian Bank's Green Deposit Policy

The Bank has developed Policy on Green Deposit and allocation of Green Deposit. The key highlights of the policy are as follows:

1. Purpose: To draw a road map for the Issuance and allocation of green deposits, in accordance with the RBI green deposit framework.

2. Use of Proceeds: Proceeds of green deposits shall be used only to finance/ invest in eligible green activities/ projects. Eligible green activities/ projects include Renewable Energy, Waste Management, Clean Transportation, Energy Efficiency, Afforestation/ Reforestation as per RBI green deposit framework.

3. Temporary allocation of green deposit proceeds: Bank shall arrange temporary allocation (which would only be in liquid instruments up to a maximum original tenure of one year, as specified under the Financing Framework) of green deposit proceeds, pending their allocation to the eligible activities/projects. The bank shall provide details of the investment made in liquid instruments at yearly interval.

4. Project Evaluation: The green deposit proceeds shall be used only to finance/ or to invest in the projects that fall under the eligible green activities/ projects prescribed by RBI.

5. Sustainability Focus: Funds are allocated to projects in renewable energy, energy efficiency, and other eco-friendly sectors.

6. Transparency: Includes third-party verification, impact assessments, and regular reporting to ensure accountability.

4 Green Deposit Impact Assessment 2025-26

Bank has a board-approved Policy on Green Deposit and allocation of Green Deposit aligned with the RBI's green deposit framework. According to records provided by bank, all green deposits have been allocated to the Electric Vehicles (EV) Loan as of 31.03.2026, with no unutilized proceeds. According to the RBI Master Direction (MD) green car loan portfolio falls in the green eligible category, namely 'Clean Transportation.'

Table 2: Bank Green Deposit and EV Loan Portfolio as on 31.03.2026

Year	Principal Amount (Green Deposit). Rs Crore	Number of EV Loans	Amount Allocated -EV loans (Rs Crore).
FY 2025-26	493.46	3627	493.46
Total	493.46	3627	493.46

Source- Indian Bank

According to the International Council on Clean Transportation (ICCT), the life cycle GHG emissions of average gasoline cars correspond to 213 g CO2 eq./ km for hatchback, 228 g CO2 eq./km for sedan, and 272 g CO2 eq./km for SUV segment cars. The life cycle GHG emissions of Battery Electric Vehicles (BEV)s in India are at 131–162 g CO2 eq./km for the hatchback segment, 150–185 g CO2 eq./km for the sedan segment, and 140–169 g CO2 eq./km for the SUV segment.

Table 3: The life cycle GHG emissions of cars in India

Internal Combustion Engine Vehicle		Battery Electric Vehicles (BEVs)s	
Car Segment	GHG emissions (g CO2 eq./km)	Car Segment	GHG emissions (g CO2 eq./km)
Hatchback	213	Hatchback	131–162
Sedan	228	Sedan	150–185
SUV segment	272	SUV segment	140–169
Highest Emissions	272		185

Source- ICCT Report: A GLOBAL COMPARISON OF THE LIFE-CYCLE GREENHOUSE EMISSIONS OF COMBUSTION ENGINE AND ELECTRIC PASSENGER CAR. A global comparison of the life-cycle greenhouse gas emissions of combustion engine and electric passenger cars

According to the data mentioned in Table 3, BEVs produce 87 g CO_2 eq./km fewer emissions than ICE vehicles, indicating the difference between GHG emissions by ICE vehicles and BEVs (272g CO2 eq./km - 185 g CO2 eq./km) avoided. By raising and deploying green deposits, the bank financed 3,627 electric vehicles in FY26, resulting in the avoidance of 3,786.58 tonnes of emissions.

Table 4- Green Deposit Assessment: (Co2e) Emissions Avoided

Indicators	FY 26 (Units)
Emissions avoided per BEV car (g/km) * (272-185)	87
A car running per year (km) in India *	12,000
Emission avoided (g/km) per car (Yearly)	10,44,000
Emission avoided (Tonnes) per car (yearly)	1.044
Total BEV cars (Units) Financed by Bank	3,627
Emission avoided for all units (tones) Annually	3,786.58

Source- ICCT Report: A GLOBAL COMPARISON OF THE LIFE-CYCLE GREENHOUSE EMISSIONS OF COMBUSTIONENGINE AND ELECTRIC PASSENGER CAR
***https://theicct.org/sites/default/files/publications/Global-LCA-passenger-cars-jul2021_0.pdf**

To perform green deposit impact analysis, CAAPL sought detailed information materials to obtain all the evidence, information, and explanations that it considered necessary to arrive at a meaningful conclusion. The following is the list of information checklists we referred to:

General requirements:

- Details on Use of proceeds
- List of nominated projects and activities
- Management and Reporting practices

Specific requirements on deployment of funds

- Evidence on the amount allocated
- Evidence of tracking and reporting of proceeds

Specific requirements for Deposit:

- Amount Deployed

5 Portfolio information

Particulars	Current Financial Year (2025-26) (Amount in ₹ Crore)	Financial Year (2024-25) (Amount in ₹ Crore)	Cumulative* (Amount in ₹ Crore)
Total green deposits raised (A)	493.46	9.25	502.71
Use of green deposit funds**			
(1) Renewable Energy	-	9.25	9.25
(2) Energy Efficiency	-	-	-
(3) Clean Transportation (EV car finance)	493.46	-	493.46
(4) Climate Change Adaptation	-	-	-
(5) Sustainable Water and Waste	-	-	-
Management	-	-	-
(6) Pollution Prevention and Control	-	-	-
(7) Green Buildings	-	-	-
(8) Sustainable Management of Living Natural Resources and Land Use	-	-	-
9) Terrestrial and Aquatic Biodiversity Conservation	-	-	-
Total Green Deposit funds allocated (B = Sum of 1 to 9)	493.46	9.25	502.71
Amount of Green Deposit funds not allocated (C = A – B)	NIL	NIL	NIL
Details of the temporary allocation of the green deposit proceeds pending them allocation to the eligible green activities/projects	NIL	NIL	NIL

***This shall contain the cumulative amount since the RE started offering green deposits. For example, if a bank has commenced raising green deposits from June 1, 2023, then the annual financial statement for the period ending March 31, 2025, would contain particulars of deposits raised and allocated from June 1, 2023, till March 31, 2025. **Under each category, REs may provide sub-categories based on the funds allocated to each sub-sector. For example, REs may provide sub-categories like solar energy, wind energy, etc. under "Renewable Energy." Format Source: https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12487&Mode=0 Data provided by the Indian Bank**

6 Unutilised Proceeds

There is no unused portion of the Green Deposit portfolio of the bank as on 31st March 2026.

7 Work undertaken

To reach our conclusion we:

- Referred to the RBI framework for accepting green deposits.
- Reviewed the Bank's Policy on Green Deposit and allocation of Green Deposit.
- Held conversations with management and key personnel involved in the Green Deposit deployment to assess the implementation of processes, systems, and controls outlined in the Green Deposit Policy and RBI framework for accepting green deposits.
- We have referred to a list of accounts provided by bank to which green deposits proceeds have been allocated. The performance of the projects has been assessed in line with the criteria defined in the RBI framework for accepting green deposits.
- Confirmed the amount of deposit proceeds allocated to nominated projects and assets through examination of bank's internal system for tracking the same. The data has been provided by Bank.
- We have referred to detailed record of green deposit of Indian Bank. The Bank has separate product codes for green deposit & proper MIS is available for generating the report on daily basis.
- We have checked internal MIS of Indian Bank. The Bank is having specific product codes for green finance products like Solar roof top, IND- Surya Shakti, Electric Vehicle etc. The reports are available on a daily basis.

8 Conclusion

The following conclusion is based on the work performed and evidence obtained, and the scope of our engagement described above. CareEdge Advisory is of the opinion that the green deposits raised during April 2025 to March 2026 are in alignment with the Bank's Green Deposit Policy and allocation framework, as well as the Reserve Bank of India's Commercial Banks – Climate Finance and Management of Climate Change Risks Directions, 2025.

9 Bank's Management's responsibilities

The management of the Bank is responsible for ensuring that the deployment of green deposits is aligned with the Bank's Green Deposit Policy and allocation framework, as well as the Reserve Bank of India's Commercial Banks – Climate Finance and Management of Climate Change Risks Directions, 2025.

10 Specific limitation and exclusion

CAAPL green deposit impact analysis report is subject to the following limitations, as we have not been engaged to:

•Bank's financial statements and economic performance

•Verify the Bank's statements that describe the expression of opinion, belief, aspiration, expectation, aim or future intention or global socio-economic and environmental aspects provided by the Bank.

11 CAAPL's responsibilities

CAAPL's responsibility is limited to the extent of providing impact analysis for the Deposit allocation basis bank's Policy on Green Deposit and allocation of Green Deposit and RBI green deposit framework in relation to the procedures performed and the evidence obtained. We conducted our engagement with a multidisciplinary team which included professionals with suitable skills and experience in understanding environment, social and governance practices.

This green deposit impact analysis report is made solely to the Indian Bank (Bank) by the team of our engagement, which includes an agreed arrangement for disclosure. Any party other than the Bank who obtains access to our impact assessment report or a copy thereof and chooses to rely on our impact assessment report will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the issuer for our work, for this Green Deposit Impact Assessment Report or for the conclusions we have reached.

12 (Annexure) Green Deposit Impact Assessment -2024-25

The Bank had raised and allocated Rs 9.25 crore through Green Deposits to renewable energy projects during FY 2024–25, and the corresponding Green Deposit Impact Assessment Report has already been published on the Bank's website. The renewable energy projects financed under this allocation continue to remain operational during FY 2025–26. Accordingly, the impact assessment for the current reporting period has been based on the electricity generated by these projects during FY 2025–26. Based on the electricity generated by these renewable energy projects during FY 2025–26, the estimated greenhouse gas emissions avoided are 5,653.39 tCO_2e.

Green Deposits Impact Assessment (2024-25)					
Sr No	Name of the project	Green deposit Amount allocated in FY 24-25(Rs Crore)	MW Capacity	KW generates IN FY 25-26 (kwh)	Cumulative CO2 Emission Abated (Metric Ton CO2e) #
1	Shree Phulhoji Green Energy Private Limited (TL1-4MW)	9.25	4	49,15,200	3,489.79
2	Shree Phulhoji Green Energy Private Limited (TL2- 2MW)		2	30,47,320	2,163.60
	TOTAL	9.25	6	79,62,520	5,653.39

#To calculate abated emissions, we referred to the weighted average emission factor of 0.710 tCO_2/MWh applicable to power plants with a capacity below 15 MW, as prescribed by the Central Electricity Authority. Source-https://cea.nic.in/wp-content/uploads/baseline/2025/12/User_Guide_V_21.0.pdf. data source- Indian bank.

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About Us:

CareEdge is a knowledge-based analytical group offering services in Credit Ratings, Analytics, Consulting and Sustainability. Established in 1993, the parent company CARE Ratings Ltd (CareEdge Ratings) is India's second-largest rating agency, with a credible track record of rating companies across diverse sectors and holding leadership positions in high-growth sectors such as BFSI and Infra. The wholly-owned subsidiaries of CareEdge Ratings are (I) CARE Analytics & Advisory Private Ltd., (II) CARE ESG Ratings Ltd., and (III) CareEdge Global IFSC Ltd. CareEdge Ratings' other international subsidiary entities include CARE Ratings (Africa) Private Ltd. in Mauritius, CARE Ratings South Africa (Pty) Ltd., and CARE Ratings Nepal Ltd. For more information: www.careedge.in.

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