

इंडियन बैंक



Indian Bank

CareEdge
ANALYTICS & ADVISORY

A subsidiary of CARE Ratings Limited

Green Deposit third party verification and Impact Assessment Report - FY2024-25

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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 No.91/ 30.01.021/2025-26 and has repealed the existing directions, instructions, guidelines relating to Framework for acceptance of Green Deposits, dated 11.04.2023.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 2024-31 March 2025.

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- 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 (FY 2024-25)

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, the green deposit proceeds have been allocated to the Renewable Energy sector in accordance with the RBI’s green deposit framework.

Green deposit allocated to Renewable Energy projects:

- 1. Shree Phulhoji Green Energy Private Limited - (Plant No. 1, Ranisar) & (Plant No. 2, Karnipura)- Indian Bank has allocated the entire Rs 9.25 crore of green deposits towards financing this project dated 29.03.2025. The estimated emissions have been calculated based on the plant’s full operational capacity. As the plant was not fully operational at the time of funding, the estimates represent the expected emissions upon full commissioning.

Table 2: Green Deposits Impact Assessment					
Sr No	Name of the project	Green deposit Amount allocated in FY 24-25(Rs Crore)	MW Capacity	KW generates per year (kwh)	Cumulative CO2 Emission Abated (Metric Ton CO2e) #
1	Shree Phulhoji Green Energy Private Limited (Plant No. 1, Ranisar)	9.25	2	32,32,318.00	2294.95
2	Shree Phulhoji Green Energy Private Limited (Plant No. 2, Karnipura)		4	64,60,595.00	4587.02
	TOTAL	9.25	6	96,92,913.00	6881.97

#To calculate abated emissions, we referred to the weighted average emission factor of 0.710 tCO₂/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. <https://pvwatts.nrel.gov/pvwatts.p>

Methodology

The estimation of emissions abated from the solar power plant was carried out using the PVWatts® Calculator, a solar energy generation estimation tool developed and maintained by the National Renewable Energy Laboratory (NREL), a U.S. Department of Energy-funded national laboratory. The tool estimates annual electricity generation based on project-specific inputs, including the geographical location of the plant and its installed capacity.

The plant location (Tehsil-Phalodi) and installed capacity were entered into the PVWatts® Calculator to estimate the annual electricity generation (kWh) from the solar photovoltaic (PV) system. The estimated annual electricity generation was then multiplied by the applicable grid emission factor (0.710 tCO₂/MWh) provided by Central Electricity Authority of India to determine the quantity of greenhouse gas (GHG) emissions avoided as a result of renewable energy generation. The underlying assumption is that each unit of solar electricity generated displaces an equivalent amount of electricity that would otherwise have been sourced from the grid. The resulting value represents the annual emissions abated, expressed in tonnes of carbon dioxide equivalent (tCO₂e).

List of information

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	Financial Year (2024-25) (Amount in ₹ Crore)	Cumulative* (Amount in ₹ Crore)
Total green deposits raised (A)	9.25	9.25
Use of green deposit funds**		
(1) Renewable Energy	9.25	9.25
(2) Energy Efficiency	-	-
(3) Clean Transportation (EV car finance)	-	-
(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)	9.25	9.25
Amount of Green Deposit funds not allocated (C = A – B)	NIL	NIL
Details of the temporary allocation of the green deposit proceeds pending their allocation to the eligible green activities/projects	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 2025.

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 2024 to March 2025 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

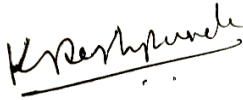
CAAPL green deposit impact analysis report is subject to the following limitations, as we have not been engaged to:

- 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.

A handwritten signature in black ink, appearing to read 'K Deshpande', with a horizontal line drawn underneath it.

Kedar Deshpande

Director -ESG Advisory
CARE Analytics and Advisory Private Limited

