



GREEN DEPOSITS AND FINANCE VERIFICATION AND IMPACT ASSESSMENT REPORT

Prepared by



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1 Introduction

On 11 April 2023, the Reserve Bank of India issued a Framework for Acceptance of Green Deposits. The framework is effective from 1 June 2023. South Indian Bank (SIB) green deposits policy was approved by the board on 18 January 2024. These deposits are governed under the framework prepared by SIB -Green Deposit & Financing Framework Policy, which is aligned with the Reserve Bank of India (RBI) framework for accepting green deposits, issued on April 11, 2023. The bank has undertaken a second-party opinion on the policy to ensure it follows the established guidelines and principles.

2. Scope of the engagement

SIB engaged with CARE Analytics and Advisory Private Limited (CAAPL) to prepare a Green Deposit Impact Analysis Report for green deposit allocation to the renewable energy and clean transportation sector as per RBI green deposit framework. The impact analysis report covers the period from April 1, 2024, to Mar 31, 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 and NBFCs to mobilise funds for green activities by earmarking deposits for such purposes, requiring board-approved policies, and mandating third-party verification and impact assessments.

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 and NBFCs 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 SIB's Green Deposit Policy

In January 2024, the South Indian Bank (SIB) developed a Green Deposit Policy under the RBI's green deposit framework

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 dated 11.04.2023.
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:** The SIB 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 a 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

The Green deposit proceeds have been allocated to the Renewable Energy and Clean Transportation sectors in accordance with the RBI's green deposit framework.

Green deposit allocated to Renewable Energy projects:

1. BVK Power Pvt Ltd (Rs 11.06 cr)
2. Green Infra Wind Energy Pvt Ltd (Rs 11.68 cr)
3. Armo Synthetics Pvt Ltd (Rs 5.99 cr)

Green deposit allocated to Clean Transportation

1. Electric Vehicle Loan Finance (Rs 21.83 Cr)

Below are the allocation details:

(Table 1- Part 1): Green Deposit Impact Assessment of Renewable Energy Project							
Sr No	Name of the project	Green deposit Amount allocated. in FY 24-25 (Rs Crore)	SIB's Share in Project Financing	Consolidated Nos. of Units Generated (million KWhr.)	Cumulative CO2 Emission Abated (MT CO2e / MWhr.)**	Water requirement for cleaning of Solar panel) (kL)	No of Employment created since DOS (Number)
1	BVK Power Private limited	11.06	85%	5.53	0.004022	360	6
2	Green Infra Wind Energy P Ltd	11.68	31%	35.76	0.025998	NA	NA
	TOTAL	22.74		41.29	0.030000	360	6

Armo Synthetics Pvt. Ltd. project has not been commissioned yet. Consequently, the impact assessment has been carried out based on assumptions. Due to the lack of actual power generation data, the estimated power output has been calculated using the plant's installed capacity.

Table 1- Part 2: Green Deposit Impact Assessment of Renewable Energy Project						
A	B	C	D	E	F	G
Name of the project	Green deposit Amount allocated in FY 24-25 (Rs crore)	MW Capacity	Units generated by 1 KW capacity/ year (kwh)*	Total units generated (kWh/year)	kwh to Million kwhr	Cumulative CO2 Emission Abated (MT CO2e / MWhr.)**
				(C*D*1000)***	(E/10^6)	(F*0.727/10^3)
Armo Synthetics Pvt Ltd	5.99	3	1565	46,95,000.00	4.70	0.0034

1) **To calculate abated emissions, we have referred to the weighted average emission factor (0.727 TCO2/MWh electricity) provided by the Central Electricity Authority. This factor is combined with the energy generation data from renewable sources to arrive the specific CO2-equivalent (CO2eq) for power generation in India.

2) * <https://pvwatts.nrel.gov/pvwatts.php> NREL PV Watts calculator was used for getting estimated generation for 1kW capacity plant at the Gujarat Location. The estimated values of the calculator are attached for reference. Please refer to Annexure 1 for more details. *** to convert MW TO KW, hence multiplied by 1000.

Green Deposit Impact assessment of Renewable Energy project



- Total of Cumulative CO2 Emission Abated of all 3 plants disclosed in the above tables.

4.1 Green Deposit Impact Assessment of Clean Transportation

SIB has a board-approved green deposit policy aligned with the RBI's green deposit framework. The bank developed its green deposit scheme in accordance with the Reserve Bank of India (RBI) framework. According to the RBI green deposits framework green car loan portfolio falls in the green eligible category, namely 'Clean Transportation'.

Year	Number of EV Financed (Units)	Amount of EV loans (Rs Crore).
FY 24-25	140	21.83

Source SIB data

According to the International Council on Clean Transportation (ICCT), the life cycle GHG emissions of Petrol cars correspond to 213 g CO2 eq./ km ,for hatchback 228 g CO2 eq./km and for sedan 272 g CO2 eq./km. 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 2: The life cycle GHG emissions of cars in India

Internal Combustion Engine Vehicle		Battery Electric Vehicles (BEVs)s	
Car Segment	GHG emissions (g CO ₂ eq./km)	Car Segment	GHG emissions (g CO ₂ eq./km)
Gasoline cars	213	Hatchback	131-162
Hatchback	228	Sedan	150-185*
Sedan	272*	SUV segment	140-169

Source- ICCT Report: A GLOBAL COMPARISON OF THE LIFE-CYCLE GREENHOUSE EMISSIONS OF COMBUSTION ENGINE AND ELECTRIC PASSENGER CAR

* The highest emissions for ICE and BEV vehicles are used to calculate avoided emissions

[A global comparison of the life-cycle greenhouse gas emissions of combustion engine and electric passenger cars](#)

According to the data mentioned in Table 2, BEVs produce 87 g CO₂ eq./km fewer emissions than ICE vehicles. By raising and deploying green deposits, the SIB financed 1 electric vehicle in FY24 and 140 in FY25, helping avoid 1.044 tonnes and 146.16 tonnes, emissions, respectively.

Table 3- Green Deposit Assessment: (Co2e) Emissions Avoided

Indicators	FY 24 (Units)	FY 25 (Units)
Emissions avoided per BEV car (g/km) *	87	87
Average annual distance covered by a car in India*	12,000	12,000
Emission avoided (g/km) per car (Yearly)	1,044,000	1,044,000
Emission avoided (Tonnes) per car (yearly)	1.044	1.044
Total BEV cars (Units) Financed by SIB	1	140
Emission avoided for all units (tonnes) Annually	1.044	146.16

Source- ICCT Report: A GLOBAL COMPARISON OF THE LIFE-CYCLE GREENHOUSE EMISSIONS OF COMBUSTION ENGINE 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 the deployment of green deposits:

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

Specific requirements for Deposit:

- Amount Deployed

5 Portfolio information

Particulars	Current Financial Year (2024-25) (Amount in ₹ Crore)	Previous Financial Year (2023-24) (Amount in ₹ Crore)	Cumulative* (Amount in ₹ Crore)
Total green deposits raised (A)	104.50	56.21	160.71
Use of green deposit funds**			
(1) Renewable Energy	28.73*	51.03	79.76*
(2) Energy Efficiency	-	-	-
(3) Clean Transportation (EV car finance)	21.83	0.50	22.33
(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)	50.56*	51.53	102.09*
Amount of Green Deposit funds not allocated (C = A - B)	58.62*	4.68	58.62
Details of the temporary allocation of the green deposit proceeds pending their allocation to the eligible green activities/projects	The unallocated amount of Rs.58.62 Crores is invested in High Quality Liquid Assets temporarily as on 31.03.2025.	The unallocated amount of Rs. 4.68 Crores is invested in Liquid Assets temporarily as on 31.03.2024	The unallocated amount of Rs. 58.62 Crores is invested in High Quality Liquid Assets temporarily as on 31.03.2025

*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 South Indian Bank.

* Includes green finance allocation of Rs.4.68 crores pertaining to FY 2024

Unutilised Proceeds

The Unutilised amount of the green deposit is Rs.58.62 cr as on 31st March 2025, which has been invested in High Quality Liquid Asset.

6 Work undertaken

To reach our conclusion we:

- Referred RBI framework for accepting green deposits
- Reviewed the SIB's Green Deposit Policy
- 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 SIB to which green deposit 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.
- We have referred to a detailed record of all green deposit transactions within its banking software, guided by a clearly defined product specification known as the Green Deposit.
- Confirmed the amount of deposit proceeds allocated to nominated projects and assets through examination of SIB's internal system for tracking the same. The data has been provided by SIB.

7 Conclusion

The following conclusion is based on the work performed and evidence obtained, and the scope of our engagement described above.

CareEdge Advisory believes that the green deposits raised during Financial Year 24-25 is aligned with the SIB green deposit policy and the Reserve Bank of India (RBI) framework for accepting green deposits, issued on April 11, 2023.

8 SIB's Management's responsibilities

The management of the SIB is responsible for ensuring the deployment of green deposits is align with the SIB Green deposit policy and Reserve Bank of India (RBI) framework for accepting green deposits, issued on April 11, 2023.


9 Specific limitations and exclusions

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

- SIB's financial statements and economic performance
- Verify the SIB'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 SIB.

10 CAAPL's responsibilities

CAAPL's responsibility is limited to the extent of providing impact analysis for the Deposit allocation basis SIB green deposit policy 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 SIB by the team of our engagement, which includes an agreed arrangement for disclosure. Any party other than the SIB 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.

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About us

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