



Policy on Green Deposits and Framework for Green Financing by allocation of Green Deposits

February -2025



**Consumer Banking Department
Liabilities**



Policy on Green Deposits and Framework for Green Financing

As per the RBI framework, banks may offer Green deposits as cumulative/ non-cumulative deposits. On maturity, the green deposits would be renewed or withdrawn at the choice of the depositor. Proceeds from green deposits must be invested only in these green activities/ projects in line with **Table 1**.

(1) **Use of Proceeds:** The eligible green activities/projects that could be financed out of proceeds raised through the green deposits (please refer to **Table 1**).

(2) **Project Evaluation and Selection:** It includes climate-related or environmental objectives including identifying the projects fit for lending/investing within the eligible categories, monitoring and validating the sustainability information provided by the borrower.

(3) **Third Party Verification/Assurance and Impact Assessment:** The allocation of funds raised through Green Deposits by the Bank during a financial year shall be subject to an independent Third-Party verification/assurance which shall be done on an annual basis. The funds mobilized shall also be temporarily parked in any liquid instruments up to a maximum original tenure of one year pending allocation to eligible green activities/projects.

(4) **Reporting and Disclosures:** A review report shall be placed by the Bank before the Board of Directors within three months of the end of the financial year covering the details of green deposits mobilized, list of green activities/projects to which proceeds have been allocated, along with a brief description of the projects, amount allocated, copy of third party Verification/ Assurance report and impact assessment report.

Besides the above, Bank shall make appropriate disclosures in their Annual Financial Statements on the portfolio-level information regarding the use of the green deposit funds. Bank may adopt the formats provided by RBI in their cited Circular for Impact Assessment and Disclosure in Annual Financial Statement.

(5) **Governance and Oversight** : Board of Directors shall provide strategic directions and monitor the implementation of the Green Deposit Policy and financing framework. The selection of the eligible activities/projects within the list of green activities/projects cited by RBI in their circular/FAQ (pending finalization of green taxonomy) shall be considered by the respective sanctioning authority in the normal course of credit dispensation and temporary parking of funds in liquid instruments as envisaged in the Policy if required. Credit Administration Department, under CIG shall periodically (monthly) monitor the Green deposit/allocation, arrange for Third Party Verification/Assurance and Impact Assessment, Balance sheet disclosure and placing note to Board about Green Deposits and allocation.

Financial Framework of this Policy (covered in Part B) has been externally reviewed by CareEdge vide their letter dated 04.02.2025 in line with the RBI guidelines, vide their Circular No. DOR.SFG.REC. 10/30.01.021/2023-24 dated April 11, 2023. CareEdge has confirmed that the Financial Framework is complying to the regulatory guidelines and the report given by them is attached herewith.

Part A – Policy on Green Deposits.

I. Introduction:

The Reserve Bank of India (RBI) on April 11, 2023 issued a framework for acceptance of Green Deposits vide Circular No. DOR.SFG.REC.10/30.01.021/2023-24 dated April 11, 2023 and FAQ on 29th December 2023.

The RBI's framework is intended to encourage regulated entities (REs) to offer green deposits to customers, augment the flow of credit to green activities/projects, aid customers to achieve their sustainability agenda. Green deposits are sort of an Environment, Social, Governance (ESG) investment for those who wish to see their money being used by environmental-friendly activities/projects.

'Green Deposits' are the term deposits where the proceeds from Green Deposits will be used to finance and/or re-finance green activities/projects.

The Green Deposits Products were launched in our bank with effect from **28.02.2024.**

II. Objective:

The objective of the Green Deposit policy is to promote environmentally friendly initiatives by encouraging depositors to invest in green deposits and allocation towards green activities / projects that contribute to sustainable development. The policy aims to mobilize deposits and use the proceeds for funding projects and activities that promote environmental conservation, renewable energy, energy efficiency and other green initiatives.

The policy will be subject to periodical review and regular updates with approval from the Bank's Board by keeping in line with regulatory guidelines, industry standards and market dynamics. Further, the policy shall be published in the website of the Bank upon its approval from the Board along with external review by 'CareEdge'

III. Policy on Green Deposits:

- A green deposit is an interest-bearing instrument received by bank for a fixed period, the proceeds of which are earmarked for green financing, such as funding of renewable energy projects and others.
- Green Deposits can be accepted from Individuals, Firms, Companies, Institutions and other entities including Trusts, HUFs, Charitable Organizations, and Government agencies etc. as in the case of any other deposits.
- Bank shall offer specialized green deposit accounts that are designated for green initiatives. These accounts may be in the form of Fixed Deposits for a fixed period.
- Deposits can be issued as Cumulative or non-cumulative deposits and shall be denominated in Indian Rupees only as per the RBI guidelines.
- Green deposits shall be further deployed for "green finance" which means lending to and/or investing in the activities/projects meeting the requirements of the green financing framework guidelines that contributes to climate risk mitigation, climate adaptation and resilience, and other climate-related or environmental objects including biodiversity management and nature-based solutions.
- The Product features like minimum amount, tenor, interest rate and other terms and conditions of the product shall be fixed/reviewed by CBDL/ALCO from time to time.
- Bank shall offer loan /overdraft facility to customers against Green Deposits.

- The green deposits raised under the Green Deposit policy are covered by DICGC in accordance with the Deposit Insurance and Credit Guarantee Corporation Act, 1961 and the regulations framed thereunder, as amended from time to time.
- Green Deposits are to be denominated only in Indian Rupees.
- As per the RBI framework, banks will offer the deposits as cumulative/ non-cumulative deposits. On maturity, the green deposits would be renewed or withdrawn at the choice of the depositor.
- Though, differential rates could not be offered on green deposits than other fixed deposit schemes, the allocation of the green deposits is different and solely for funding green activities/projects only as defined in **Table 1.**
- Banks must allocate the proceeds raised through green deposits towards green activities / projects which encourage energy efficiency in resource utilisation, reduce carbon emissions and greenhouse gases, promote climate resilience and/or adaptation and value and improve natural ecosystems and biodiversity. Framework for Green Financing is given in Part B to this note.
- Any unallocated proceeds will be temporarily parked in into liquid instruments which are Level 1 High Quality Liquid Assets as per the extant guidelines. This will be managed by Bank's Treasury Department

IV. Deposit Mobilization:

- Bank shall leverage its wide network of branches, business units and Digital Banking channels to mobilize Green Deposit from Individuals, Corporates, Institutions and other entities as is engaged for other term deposit mobilization. Green deposits are given a separate product code for identification and reckoning.

Part B - Framework for Green Financing.

Introduction: Recognizing that climate change is one of the most critical challenges in the present era, the Reserve Bank of India issued a Framework for acceptance of Green Deposits vide Cir. No. DOR.SFG.REC. 10/30.01.021/2023-24 dated April 11, 2023 and FAQ dt. December 29, 2023. In the said circular they have advised that the individual banks should put in place a Board-approved Financing Framework for effective allocation of Green Deposits. A copy of the Financing Framework shall be made available on the website of the Bank. The Bank shall also arrange to carry out an external review of their Financing Framework and the opinion from the external reviewer shall also be made available on its website before implementation of the Financing Framework.

This Policy document sets out the following for effective allocation of Green Deposits:

- (1) Use of Proceeds.
- (2) Project Evaluation and Selection.
- (3) Third Party Verification/Assurance and Impact Assessment.
- (4) Reporting and Disclosures.
- (5) Governance and Oversight.

Framework for Green Financing is as below.

1. Use of Proceeds:

It involves ensuring eligible green activities/projects are financed out of green deposits mobilized.

The allocation of proceeds raised from green deposits shall be based on the official Indian green taxonomy. Pending finalization of the taxonomy, as an interim measure, Bank is advised by RBI, to allocate the green deposits towards the following list of green activities/projects, (and exclusions) which encourage energy efficiency in resource utilization, reduce carbon emissions and greenhouse gases, promote climate resilience and/or adaptation & value and improve natural ecosystems and biodiversity. Provision has been enabled in LOS to mark the account as 'green finance' for easy identification and reckoning.

Further, the green activities/projects financed under the framework can be classified under priority sector if they meet the requirements laid down in Priority Sector Lending (PSL) guidelines of RBI/Our Circular.

Table 1 - List of Green Activities/Projects (as contained in RBI circular and FAQ cited above)

Sl. No	Sector	Description
1	Renewable Energy	<ul style="list-style-type: none"> • Solar/wind/biomass/hydropower energy projects that integrate energy generation and storage. • Incentivizing adoption of renewable energy.
2	Energy Efficiency	<ul style="list-style-type: none"> • Design and construction of energy-efficient and energy-saving systems and installations in buildings and properties. • Supporting lighting improvements (e.g. replacement with LEDs). • Supporting construction of new low-carbon buildings as well as energy-efficiency retrofits to existing buildings. • Projects to reduce electricity grid losses.
3	Clean Transportation	<ul style="list-style-type: none"> • Projects promoting electrification of transportation. • Adoption of clean fuels like electric vehicles including building charging infrastructure.
4	Climate Change Adaptation	<ul style="list-style-type: none"> • Projects aimed at making infrastructure more resilient to impacts of climate change.
5	Sustainable Water and Waste Management	<ul style="list-style-type: none"> • Promoting water efficient irrigation systems. • Installation/upgradation of wastewater infrastructure including transport, treatment and disposal systems. • Water resources conservation. • Flood defence systems
6	Pollution Prevention and Control	<ul style="list-style-type: none"> • Projects targeting reduction of air emissions, greenhouse gas control, soil remediation, waste management, waste prevention, waste recycling, waste reduction and energy/emission-efficient waste-to-energy.

		Feedstock will primarily include: Sewage, manure, wastewater, bagasse, biomass, wood pellets, etc.
7	Green Buildings	<ul style="list-style-type: none"> • Projects related to buildings that meet regional, national or internationally recognized standards or certifications for environmental performance.
8	Sustainable Management of Living Natural Resources and Land Use	<ul style="list-style-type: none"> • Environmentally sustainable management of agriculture, animal husbandry, fishery and aquaculture. • Sustainable forestry management including afforestation/reforestation. • Support to certified organic farming. • Research on living resources and biodiversity protection.
9	Terrestrial and Aquatic Biodiversity Conservation	<ul style="list-style-type: none"> • Projects relating to coastal and marine environments. • Projects related to biodiversity preservation, including conservation of endangered species, habitats and ecosystems.
10	Investment in Sovereign Green Bonds (SGrBs) may also be reckoned as Green financing.	As the activities/ projects listed in the framework are the same as indicated in Sovereign Green Bonds (SGrBs) framework, investment by REs in SGrBs are covered under the framework.
	Exclusions: <ul style="list-style-type: none"> • Projects involving new or existing extraction, production and distribution of fossil fuels, including improvements and upgrades; or where the core energy source is fossil-fuel based. • Nuclear power generation. • Direct waste incineration. • Alcohol, weapons, tobacco, gaming, or palm oil industries. • Renewable energy projects generating energy from biomass using feedstock originating from protected areas. • Landfill projects. • Hydropower plants larger than 25 MW. 	

(2) Project evaluation/selection and Eligible financial products :

It includes climate-related or environmental objectives including identifying the projects fit for lending/investing within the eligible categories, monitoring and validating the sustainability information provided by the borrower.

Bank shall ensure that the funds raised through green deposits are allocated to the eligible green activities/projects.

The proceeds of Green Deposits will be used for financing new and expansion of eligible green projects/activities. The Green Financing includes both the Working Capital Limit and Term loans.

The existing systems and policy guidelines with respect to Margin, Repayment Period, Security Coverage, ROI, Counter party/ asset evaluation and other terms and conditions as applicable to other credit facilities shall stand applicable to credit facilities to be sanctioned under Green Financing. However, the Bank shall additionally ensure that the activities/projects funded are covered in the list of eligible green activities/projects given above, climate-related or environmental objectives, sustainability information and its validation and 'temporary allocation' of funds pending allocation towards eligible activities/projects, in liquid instruments more specifically in Level 1 High Quality Liquid Assets, (for a maximum original tenure of one year) as envisaged in the Policy.

Green asset screening and pre-selection.

The asset screening and pre-selection of assets to be financed are to be in accordance with the guidelines outlined under the column "Use of Proceeds" and shall be based on the official Indian green taxonomy as per finalization of the taxonomy.

On-going Monitoring Mechanism

CBG will co-ordinate with all credit verticals, Treasury department & CBD for monitoring the details of green deposits mobilized and the deployment under green finance avenues & investment.

The projects will be evaluated according to the following criteria:

1. Financial due diligence

2. Environmental and Governance evaluation

➤ Counterparty evaluation.

- The evaluation will take into account assessments made by selected ESG ratings agencies if appropriate and appropriate industry standards or certification such as the Equator Principles.
- If the counterparty's business is diversified and includes activities that are not Eligible Projects or Assets, consideration will be given to the counterparty's whole business and to whether the investment will achieve a substantial positive impact on the environment.
- Asset-level evaluation.
- The evaluation will take into account information about environmental impacts of individual projects or assets.

Any working capital finance renewed during the financial year will be considered as fresh green finance during the year.

Addition/Deletion of list of green projects/activities may be revised based on updates from the Regulator and Market Standards if any.

- Equator Principles are a voluntary set of international standards adopted by financial institutions for determining, assessing and managing environmental and social risks in project-related transactions. (Latest version of EPs is EP4 which came into effect on October 1, 2020).

(3) Management of Proceeds:

The proceeds accepted through Green Deposits during the Financial Year will be utilized for financing to/investing in green activities/projects as described above. Pending the allocation of funds so mobilized to eligible activities/ projects, may temporarily be allocated in liquid instruments only, more specifically in Level 1 High Quality Liquid Assets, by CBG up to a maximum original tenure of one year, through FCD/Treasury Department.

(4) Third Party Verification/Assurance and Impact Assessment :

The allocation of funds raised through Green Deposits by the Bank during a financial year shall be subject to an independent Third-Party Verification/ Assurance which will be done on an annual basis. The third-party assessment would not absolve the Bank of its responsibility regarding the end-use of funds, for which the laid down procedures of internal checks and balances would have to be followed as in the case of other loans. The related terms and conditions to be additionally fulfilled by the borrowers to meet the requirements of the frameworks laid out and would be the additional check points while ascertaining the end-use of funds.

The Third Party Verification Report shall, at the minimum, cover the following aspects;

- Use of the proceeds to be in accordance with the eligible green activities/projects indicated under the Green Financing Framework for effective allocation of green deposits of the Bank. The Bank shall monitor the end-use of funds allocated against the deposits raised.
- Policies and internal controls including, inter-alia, project evaluation and selection, management of proceeds and validation of the sustainability information provided by the borrower to the Bank and Reporting and Disclosures.

Impact Assessment:

Our Bank, with the assistance of external firms, shall annually assess the impact associated with the funds lent for or invested in green finance activities/projects through an Impact Assessment Report. An illustrative list of impact indicators is given in **Annex 2**. In case Our Bank is unable to quantify the impact of their lending/investment, shall disclose, at the minimum, the reasons, the difficulties encountered, and the time-bound future plans to address the same. Considering the fact that impact assessment is an evolving area, it shall be undertaken on a voluntary basis for the financial year 2023-24. Banks shall have to mandatorily make an impact assessment from the financial year 2024-25 onwards. Banks shall place the report of the Third-Party Verification/Assurance and Impact Assessment Report in our Website.

(5) Reporting and Disclosures:

- Bank shall maintain transparent and comprehensive reporting on its green deposit mobilization, fund utilization and impact assessment.
- Bank shall comply with all applicable regulatory and statutory requirements related to Green Deposits and Green Financing.
- Bank shall submit reports as per the prescribed formats and time lines.
- A review report shall be placed by the CAD to the Board of Directors within three months of the end of the Financial Year which shall, inter-alia, cover the following details.

- (a) Amount raised under green deposits during the previous financial year.
- (b) List of green activities/projects to which proceeds have been allocated, along with a brief description of the projects.
- (c) The amounts allocated to the eligible green activities /projects.
- (d) A copy of the Third Party Verification/Assurance Report and
- (e) The Impact Assessment Report (voluntary basis for the financial year 2023-24 and mandatory thereafter).

Disclosure:

Bank shall make appropriate disclosures in their Annual Financial Report on the portfolio-level information regarding the use of the Green Deposit funds as per the format prescribed as per ANNEXURE 3.

(6) Governance and Oversight:

Board of Directors shall provide strategic directions and monitor the implementation of the Green Deposit Policy and financing framework. The selection of the eligible activities/projects within the list of green activities/projects cited by RBI in their circular/FAQ (pending finalization of green taxonomy) shall be considered by the respective sanctioning authority in the normal course of credit dispensation and temporary parking of funds in liquid instruments as envisaged in the Policy if required. CAD shall periodically (monthly) monitor the Green deposit/allocation, arrange for Third Party Verification/Assurance and Impact Assessment, Balance sheet disclosure and placing note to Board about Green Deposits and allocation.

KVB Green Deposits Scheme

Product	KVB Green Deposits Scheme	
Deposit amount	Amount (In Rs)	
	Minimum	Maximum
	1,00,000	2,99,99,999
Tenure of Deposit	2345 Days	
Eligibility	Individuals Individuals jointly with other Individuals Minors HUF Sole Proprietary concerns Trusts, Associations, Clubs & Societies Partnership Firms Joint stock companies Any other entity not prohibited by RBI	
Rate Of Interest	General Public & NRIs - As per card rate Senior Citizens - As per card rate (Additional ROI over and above the card rates for regular term deposits as applicable to Senior Citizens and Staff deposits will be applicable for Green deposits also)	
Interest Payment	Interest pay-out and Cumulative Options available. Interest paid on monthly, quarterly and half yearly basis will be simple rate of interest.	
Deposit Loan	Loan against these Green fixed deposits can be availed.	
Auto Renewal option	No auto renewal. On maturity deposit amount will be credited to the linked account.	
Nomination	Nomination facility available.	
TDS	TDS will be deducted as per guidelines.	
Pre-Mature Withdrawal	Allowed. However, the status of such deposits will cease to be Green Fixed Deposits and will convert to a regular Fixed deposit. Interest will be paid for the run period at applicable rate and penalty if any.	
Penalty on Pre-closure	1% Pre closure penalty will apply, that is, interest will be paid at 1.00% less than the applicable rate (as on the date of opening of deposit) for the period for which the deposit has actually remained with the Bank.	
Terms and Conditions	Other terms and conditions are as applicable to the Regular Term Deposits.	

Annex 2

Illustrative list of impact indicators – (As per RBI Circular No. DOR.SFG.REC. 10/30.01.021/2023-24 dated April 11, 2023)

Eligible Project Category	Impact Indicators - Examples
Renewable Energy	Total renewable capacity (in MWh)
	Energy generated per year (MWh)
	GHG emissions avoided per year (measured in tonnes CO2 equivalent, tCO2e).
Waste Management	Waste diverted from landfill per year (tonnes).
Clean Transportation	GHG emissions avoided per year (tCO2e).
	New clean transportation infrastructure built (km)
	Number of electric or low emission vehicles produced.
Energy Efficiency	Energy savings per year (MWh).
	GHG emissions avoided per year (tCO2e).
Afforestation/ Reforestation	GHG emissions reduced/Carbon Sequestration achieved (measured in tCO2e).

Portfolio-level information on the use of funds raised from green deposits - (As per RBI Circular No. DOR.SFG.REC. 10/30.01.021/2023-24 dated April 11, 2023) (Amount in ₹ crore)

Particulars	Current Financial Year	Previous Financial Year	Cumulative*
Total green deposits raised (A)			
Use of green deposit funds**			
(1) Renewable Energy			
(2) Energy Efficiency			
(3) Clean Transportation			
(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)			
Amount of Green Deposit funds not allocated (C = A – B)			
Details of the temporary allocation of green deposit proceeds pending their allocation to the eligible green activities/projects			

* 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 subsector. For example, REs may provide sub-categories like solar energy, wind energy, etc. under "Renewable Energy".

Date: 25 February 2025

To,
Mr. Ramanjaneya Kumar R V S,
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Karur Vysya Bank (KVB),
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Sub: Independent Vetting of Karur Vysya Bank's Policy on Green Deposits and Framework for Green Financing by Allocation of Green Deposits (PGDFGFGD)

[A] Introduction:

CARE Analytics and Advisory Pvt. Ltd. (hereinafter mentioned as 'CareEdge Advisory') has undertaken to perform an independent vetting of the 'Policy on Green Deposits and Framework for Green Financing by allocation of Green Deposits (PGDFGFGD) of the Karur Vysya Bank (hereinafter referred to as the 'Bank' or 'KVB).

The Bank has prepared PGDFGFGD in accordance with the requirement of C (6) of RBI/2023-24/14 DOR.SFG.REC. 10/30.01.021/2023-24 'Framework for acceptance of Green Deposits' issued on 11 April 2023 by the Reserve Bank of India (hereinafter referred to as the 'RBI Circular') and Frequently Asked Questions (FAQs) on Framework for acceptance of Green Deposits dated 29 December 2023 issued by RBI (hereinafter referred to as 'RBI FAQ').

[B] CareEdge Advisory's Scope of Work:

CareEdge Advisory's Scope of Work is defined above and enumerated in Purchase Order No. ESG/02/2024 – 2025 Dt. 10/12/24, issued by the Bank.

[C] Management's Responsibilities

The Bank's Management is responsible for: (i) the development of the PGDFGFGD in line with RBI Framework dt. 11 April 2023 and FAQ dt. 29 December 2023, (ii) engagement with stakeholders and creating awareness, (iii) ensuring utilization of proceeds of green deposit as per RBI guidelines/criteria mentioned in the framework, (iv) monitor the impact of the projects financed on a periodic basis, (v) facilitate third-party verification of PGDFGFGD, (vi) ensure periodic reporting to Bank's Board, and; (vii) ensure subsequently reporting to RBI on annual basis.

This duty entails creating, putting into practice, and maintaining internal controls pertinent to the creation of the PGDFGFGD in compliance with the aforementioned RBI Circular's recommendations and requirements, which are devoid of any significant misstatement resulting from fraud or error.

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[D] CareEdge Advisory's Responsibility

CareEdge Advisory's responsibility is to provide a Second-party opinion on the Bank's PGDFGFGD based on the procedure described below.

[E] Procedures:

CareEdge Advisory has performed the procedures listed below:

Modality of providing Second-party Opinion: (i) review of PGDFGFGD and associated General Guidelines prepared by the Bank, (ii) a discussion with key stakeholders from Consumer Banking Group to understand their near and mid-term plan(s) and perspective(s), (iii) benchmarked the PGDFGFGD against RBI Framework/FAQ and other documents, and (iv) analysed as per industry best practice(s).

The procedure has encompassed the review of the following aspects included in the Framework:

- Review of overall alignment of the PGDFGFGD and associated General Guidelines with the RBI's framework and/or FAQ
- Processes for selection of eligible projects that may be financed through green deposit proceeds in line with RBI circular and exclusions within the eligible categories
- Process of management of proceeds obtained from Green Deposits incl. identification and management of asset liability mismatches;
- Process of temporary allocation of unutilised funds (to be parked in Level 1 High-Quality Liquid Assets, by CBG up to a maximum original tenure of one year, through the Treasury Department);
- Process of third-party verification/assurance of the allocation proceeds, policies and internal controls;
- Process of reporting impacts to the Bank's Board and subsequently to RBI;
- Process of capacity enhancement of pertinent stakeholders.

[F] Exclusions:

The Second-party Opinion on the Bank's Framework (**February 2025**) should be construed as a point-in-time opinion expressed basis of the information made available by the Bank and not surveyed from time to time.

The scope of vetting the Framework excluded the following and therefore CareEdge Advisory does not express a conclusion on the same:

- Testing the operationalization of the Framework at the project level and providing an opinion on the same;
- Review of financial data of the Bank including its operations, financial performance, usage, and allocation of the funds and end-use of funds by the borrower;
- Credit rating or testament of the underlying credit quality of either Bank or its Borrower(s);
- Identification of eligible sub-sectors and development of sector-specific KPIs (if any),
- Preparation of Impact Assessment framework and defining timelines for same,
- Review/provide opinion on KVB's Environmental & Social Policies & related issues;
- Aspects not included in CareEdge Advisory's scope of engagement;
- The statements (if any) in the PGDFGFGF that describe the expression of opinion, belief, aspiration, expectation, aim or future intentions provided by the Bank, any forward assertion/; and/or data.

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[G] Conclusion:

The Second-Party Opinion was carried out by a group of professionals with multiple years of experience in areas like ESG, Banking and Finance.

CareEdge Advisory believes it has received sufficient information in the form of: (i) the PGDFGFGD and associated guidelines, and (ii) Clarification against queries raised from key Stakeholder(s) to provide a basis for its conclusion.

Based on the Procedures performed, and the evidence obtained, nothing has come to CareEdge Advisory's attention that causes it to believe that the Bank's PGDFGFGD is not aligned, in all material respects, with RBI's Green Deposit Policy and RBI FAQ.

The said Framework is attached herewith as **Annexure**.

[H] Restriction of Use

CareEdge Advisory's report including the conclusion has been prepared and addressed to the Bank's Management at the request of the Bank solely to assist the Bank in reviewing its Framework.

Accordingly, CareEdge Advisory accepts no liability to anyone, other than the Bank. CareEdge Advisory's report(s) should not be used for any other purpose, other than those specified in the CareEdge Advisory's scope of work defined by the Bank.

CareEdge Advisory neither accepts nor assumes any duty of care or liability arising from any form of damage(s) arising from any third party.

Regards.

For **CARE Analytics and Advisory Pvt. Ltd.**



Kedar Deshpande
Director, ESG – Advisory

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