

UDIN: 24100052BKFAIU2030

The South Indian Bank Limited
Head Office
T.B Road, Mission Quarters,
Thrissur 680 001,
Kerala, India

Dear Sir/ Ma'am,

Independent Auditor's certificate on Assurance for Green Deposit and Green Finance Framework

1. We CNK & Associates, Chartered Accountants (Firm Registration number 101961W/W-100036), the joint statutory central auditors of The South Indian Bank Limited ("the Bank"), have been requested by the Management of the Bank email dated May 07, 2024, to certify the accompanying Statement setting out the details on Green deposits raised and allocation of funds raised through green deposits is in compliance with Reserve Bank Of India Master Circular RBI/2023-24/14 DOR.SFG.REC.10/30.01.021/2023-24 as on March 31, 2024.

Management's Responsibility

2. The preparation of the Statement is the responsibility of the Management of the Bank. This responsibility also includes maintenance of adequate accounting records/books of account and other relevant supporting documents; making judgement that are reasonable and design, implementation and maintenance of adequate effective internal control ensuring the end use of funds disbursed through green finance aligns with the RBI circular and framework laid down by the bank for green finance.

Auditor's Responsibility

3. Our responsibility is to provide a reasonable assurance and form a conclusion based on the below procedure as to whether the green deposits raised and use of the proceeds to be in accordance with the eligible green activities/projects laid in the RBI master circular and the banks Green deposits Policy and Framework on Green finance. The Statement is prepared in all material respects, in accordance with the requirements of the RBI circular.
4. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting criteria The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the Reporting Criteria.



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5. Pursuant to the requirements of the RBI circular, it is our responsibility to provide a reasonable assurance whether:
- (i) The proceeds were utilised in accordance with the eligible green activities/projects. In addition to this, the Bank shall monitor the end-use of funds allocated against the deposits raised as per the policy of the bank on Green Deposits.
 - (ii) To ensure adequate compliance of 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.
6. In respect of this certificate, the following documents/information have been provided by the Bank and relied upon by us:
- (i) Policy and Framework of Green deposits
 - (ii) Master data of Green Deposits raised on and after 1st June, 2023.
 - (iii) Details, sanction orders and credit appraisal notes of borrowers to whom Green Finance was disbursed on and after 1st June, 2023.
7. We have performed following procedures:
- (i) We have verified that the use of proceeds is in accordance with the eligible green activities/projects
 - (ii) We have verified that policies and procedures are in accordance with the guidelines mentioned in the circular.
 - (iii) We have checked the arithmetical accuracy;
 - (iv) We have conducted our examination of the Statement in accordance with the 'Guidance Note on reports or Certificates for Special Purposes' ("Guidance Note") issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI;
 - (v) We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by the ICAI.



Conclusion

8. Based on our examination as above, and the information, explanations, and representations provided to us by the Management of the Bank, and procedures performed to us, nothing has come to our attention that causes us to believe that the utilization of proceeds from raising green deposits is not in accordance with the eligible green activities/projects as mentioned in the RBI circular in the statement attached is arithmetically accurate.

Restriction on Use

9. This certificate is addressed to the Board of Directors of the Bank solely for the purpose of use by the management of the bank for regulatory reporting. This certificate should not be used by any other person or for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. CNK & Associates LLP shall not be liable to the Bank, RBI or to any other concerned for any claims, liabilities or expenses relating to this assignment, except to the extent of fees relating to this assignment. We have no responsibility to update this certificate for any event or circumstances occurring after the date of the certificate.

For CNK & Associates LLP

Chartered Accountants

Firm Registration No.: 101961W / W-100036



Hiren Shah

Partner

Membership No. 100052



Place: Mumbai

Date: May 07, 2024

UDIN: 24100052BKFAIU2030


Ref No.: REF/CERT/VLP/48/24-25

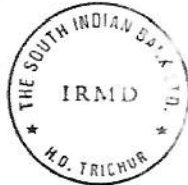
Statement of Portfolio-level information on the use of funds raised from green deposits as on 31.03.2024

(Amount in ₹ crore)			
Particulars	Current Financial Year	Previous Financial Year	Cumulative*
Total green deposits raised (A)	56.21	-	56.21
Use of green deposit funds**			
(1) Renewable Energy	51.03		51.03
• Solar Power Generation	37.98	-	37.98
• Wind Power Generation	13.05	-	13.05
(2) Energy Efficiency			
(3) Clean Transportation	0.50	-	0.50
• Projects promoting electrification of transportation	0.50	-	0.50
(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)	51.53	-	51.53
Amount of Green Deposit funds not allocated (C = A - B)	4.68	-	4.68
Details of the temporary allocation of green deposit proceeds pending their allocation to the eligible green activities/projects	The unallocated amount of Rs. 4.68 Crores is invested in Liquid Assets temporarily as on 31.03.2024	-	-

*As per RBI master direction RBI 2023-24 14 DOR.SFG.REC.10 30.01.021 2023-24 dated April 11, 2023, framework for acceptance of Green Deposits came into effect from June 1, 2023. The figures reported above correspond to the period from 01.06.2023 to 31.03.2024.

Yours Faithfully,


 Biju E Punnachalil
 GM & CRO



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