PUNJAB NATIONAL BANK

INDEPENDENT VERIFICATION / ASSURANCE REPORT ON UTILISATION OF GREEN DEPOSITS FOR FY 2025-26

18 JUNE 2026

Prepared By-

IFCI LIMITED

IFCI LIMITED
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(A Government of India Undertaking)

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EXECUTIVE SUMMARY

Punjab National Bank engaged IFCI Ltd. to conduct an independent third-party verification/assurance of the utilization of funds raised under its Green Deposits for the financial year 1st April 2025 to 31st March 2026.

The objective of this engagement was to provide limited assurance to stakeholders, including depositors, regulators, investors, and internal management, that the green deposit proceeds have been allocated and utilized in accordance with the RBI Master Directions on Climate Finance and Management of Climate Change Risks (November 2025) and Punjab National Bank's Financing Framework.

The verification covered the eligibility of funded projects against RBI's taxonomy of green activities, the accuracy and traceability of fund allocations, identification of any unallocated funds, the Bank's internal governance and reporting practices, and validation of sustainability information and disclosures provided by borrowers.

The Bank has tracked and allocated the green deposit proceeds of ₹609.96 crore to renewable energy and clean transportation portfolio. Allocations were supported by appropriate internal approvals and documentation. This report is the summary of the comprehensive assurance report prepared by IFCI and issued to Punjab National Bank.

Based on the procedures performed, nothing has come to our attention that causes us to believe that the green deposit proceeds raised under PNB PALAASH GREEN DEPOSIT have not been allocated and utilized in accordance with the RBI Master Directions, November 2025, and PNB's Financing Framework, in all material respects.

This report has been prepared on a "Best Judgement" basis, based on data, documents, and clarifications furnished by Punjab National Bank. IFCI Ltd., as an independent third party, has no financial interest or conflict of interest in the outcome of this assessment.

1. ABOUT THE ASSIGNMENT

Punjab National Bank vide their letter dated 20th September 2025, engaged IFCI Ltd., to conduct **independent third-party verification/ assurance** of the utilization of funds under its Green Deposits. "PNB PALAASH GREEN DEPOSIT" is PNB's dedicated scheme for raising green deposits.

This report has been prepared by IFCI Ltd. in alignment with the engagement with Punjab National Bank, covering the financial year starting from 1st April 2025 to 31st March 2026. The objective of this assessment is to provide limited assurance to stakeholders—including depositors, regulators, investors, and internal management—that the green deposits raised during this timeframe have been allocated and utilized in accordance with the Reserve Bank of India (Commercial Banks – Climate Finance and Management of Climate change Risks) Directions, dated 28th November 2025, hereafter referred as RBI Master Directions, November 2025 and Punjab National Bank's Financing Framework.

The scope of this verification includes:

a) Assessing the eligibility of funded projects in line with RBI's taxonomy of green activities.

b) Evaluating the accuracy and traceability of fund allocations.

c) Identifying any unallocated funds, if applicable.

d) Reviewing the bank's internal governance, controls, and reporting practices related to green deposit management.

e) Validation of the sustainability information provided by the borrower, along with its reporting and disclosures.

The verification does not constitute a comprehensive audit of the Bank's credit appraisal processes, detailed covenant compliance, exhaustive verification of sanction terms or disbursement conditions, or assessment of overall borrower/project performance, except for procedures considered necessary for verification of project eligibility, allocation and traceability of green deposit proceeds, and end-use of funds under the applicable frameworks.

As an independent third party, IFCI Ltd. has no financial interest or conflict of interest in the outcome of this review. This report presents an unbiased, evidence-based assessment of Punjab National Bank's green deposit activities and their alignment with regulatory and institutional policies. IFCI Ltd. separately provides PNB with Consulting services relating to ESG strategy and GHG accounting under a different engagement. These services are unrelated to the subject matter of this assurance review. Appropriate information barriers have been maintained between the two engagements to ensure segregation of teams and restrict access to information, such that the assurance process and conclusions herein remain independent and uninfluenced by IFCI's advisory relationship with PNB.

This Report has been prepared by IFCI Ltd., on a "Best Judgement" basis, based on data, documents, information and clarifications furnished by Punjab National Bank.

The assurance procedures were performed independently and objectively to provide a limited level of assurance.

2. INTRODUCTION

2.1. RESERVE BANK OF INDIA (COMMERCIAL BANKS- CLIMATE FINANCE AND MANAGEMENT OF CLIMATE CHANGE RISKS) DIRECTIONS, NOVEMBER 2025

The Reserve Bank of India (Commercial Banks – Climate Finance and Management of Climate Change Risks) Directions, RBI/DOR/2025-26/172 DOR.SFG.REC.No.91/30.01.021/2025-26 were introduced on 28th November 2025. The Direction came into force with immediate effect, repealing the earlier RBI Framework for Acceptance of Green Deposits dated April 11, 2023. The objective is to enable commercial banks to carry out comprehensive assessment of climate change risks, integrate climate change risk considerations into their extant risk management frameworks and structures and optimise flow of credit to green activities / projects overcoming greenwashing challenges, protecting interest of the depositors, and thereby aiding customers to achieve their sustainability agenda. Key highlights of the Direction include:

- **Policy Requirements:** Banks desirous to raise green deposits must formulate a Board-approved Green Deposit Policy and Financing Framework that outlines the principles for fund allocation, project eligibility, exclusions, and their reporting and disclosures.
- **Eligible Sectors:** Green deposits must be deployed in sectors such as renewable energy, energy efficiency, clean transportation, climate change adaptation, sustainable water and waste management, green buildings, pollution prevention and control, biodiversity conservation and sustainable management of living natural resources and land use.
- **Exclusions:** Prohibited uses include nuclear power generation, fossil fuel-related projects (e.g., coal, oil, natural gas), direct waste incineration, and any activity with a significant adverse impact on the environment.
- **Impact Assessment and Disclosure:** Banks are required to publish annual disclosures on green deposit utilisation and, if possible, the environmental impact of funded projects.
- **Third-Party Verification / Assurance:** Banks must obtain independent assurance on the utilization of green deposits to ensure compliance with sustainability objectives.

2.2. PUNJAB NATIONAL BANK'S POLICY ON GREEN DEPOSIT.

In April 2024, Punjab National Bank formulated a Board approved framework called "Financing Framework for Green, Social, and sustainability linked activities/projects" and the Policy on Green deposit was initially launched, circulated vide BA&RM(SB) Cir. No. 07/2024 dated 19.04.2024. The annual review of the policy was approved by the Board on 24th March 2025 and circulated vide Cir. No. 18/2025. Further, the Board in its meeting dated 25.02.2026 has approved the Annual Review of Policy on Green Deposits and circulated vide SMEAD Cir. No. 14/2026.

A. Key Highlights of Punjab National Bank's Green Deposit Scheme

The "PNB PALAASH GREEN DEPOSIT" is Punjab National Bank's brand initiative under the Green Deposit Policy. Salient features of the policy include:

- **Scheme Name:** PNB has a dedicated scheme namely PNB PALAASH GREEN DEPOSIT, containing the operational guidelines, based on the Policy on Green Deposit circulated vide BA&RM (SA) Cir. No. 17/2024 dated 25.06.2024.
- **Objective:** To promote environment friendly initiatives by encouraging depositors to invest in green projects and activities 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.
- **Eligibility:** Available to Individuals /Proprietorship firms/ Partnership firms / Private and Public Limited Companies / HUFs / Specified Associates / Societies / Trusts, Departments of Authority created by Government (Central or State), Limited Liability Partnership, etc
- **Deposit Features:**
    - The deposit scheme offers tenures of 303,506,1204 days and 1895 days. As informed by the bank, tenures of 506 and 1895 has been discontinued since January 2026
    - Competitive interest rates, with additional benefits for senior citizens.
    - Premature withdrawal allowed, subject to penalties.

B. Key Highlights of Punjab National Bank's Policy on Green Deposit

- **Allocation of Proceeds:**
    - Proceeds raised through green deposits are directed toward green projects based on Punjab National Bank's Financing Framework for Green, Social and Sustainability-linked activities/projects, which lists a set of green activities/ projects that comply with the list provided in RBI Master Directions, November 2025.

- The Treasury division carries out temporary allocation (which would only be in liquid instruments up to a maximum original tenure of one year) that shall be allowed from green deposits proceeds, pending their allocation to the eligible activities/ projects.
- The Allocation of proceeds raised through green deposits, Process of evaluation and selection of green activities/ projects, Third Party verification/ Assurance of fund allocation are guided by the Board approved policy on Financing Framework of Bank for Green Activities/Projects dated 20th April 2024 .

- **Governance & Reporting:**
    - The bank maintains transparency through periodic reporting on green deposits mobilization and fund utilization through Sustainability and Resilience Committee (SARC) meetings which convenes quarterly.
    - Bank is required to submit an Annual Review Report (ARR) to its board which should include amount raised under green deposits, list of projects/activities financed, amount allocated to each activity, Third-party verification / assurance and Impact assessment report.

3. METHODOLOGY ADOPTED

The engagement was to provide an independent verification on whether the allocation of the green deposits raised, are in accordance with RBI Master Directions, November 2025. The objective was to verify that funds raised under the green deposit scheme were allocated to eligible green activities and projects.

Verifications by IFCI were conducted using a structured risk-based approach to assess the conformity of PNB's utilisation of green deposit proceeds with the RBI Master Directions and PNB's Green Deposit Policy.

The methodology included the following components:

a) Review of Policies and Internal Frameworks

- Examined the alignment of Bank's Financing Framework and Green Deposit Policy with RBI Master Directions, November 2025.
- Reviewed policy coverage on eligible sectors, project selection, fund allocation, and exclusion criteria.
- Reviewed bank's product schemes' circulars under which green deposits raised have been disbursed.

b) Data and Document Verification

- Collected and analysed green deposit mobilisation data for the period from 1st April 2025 to 31st March 2026.

- For each green loan allocation, the following documents were reviewed to verify eligibility and end use of funds:
- Process Notes
- Loan sanction letters
- Disbursement notes
- Bank statement reflecting disbursements.
- Site visit reports
- Invoices/ CA certificate on end use utilisation wherever available, vehicle registration certificate for EV loans confirming EV purchase and hypothecation in favour of the bank, for Solar plants commissioning certificates wherever applicable etc.
- IFCI reviewed the Bank's internal transaction and account records to verify that disbursements were made directly to the suppliers or vendors associated with the financed green projects, wherever applicable. For loan accounts where multiple disbursements were made during the review period, IFCI's verification was limited to one disbursement per loan account.

c) Project Evaluation

- Evaluated the eligibility of project against RBI’s prescribed taxonomy (e.g., renewable energy, energy efficiency, water management, etc.).
- Reviewed project documentation including feasibility reports, sanction letters, etc.
- IFCI has not carried out due diligence/review of the project financials and the underlying assumptions. The assurance procedures were designed to assess whether the identified projects qualified as eligible green assets/projects and whether the corresponding allocations were appropriately authorised, traceable and supported by underlying documentation. The procedures were not intended to express an opinion on the credit quality, financial viability, or prudential compliance of the underlying borrower exposures.

d) Reporting and Disclosure Verification

- Reviewed PNB's Green Deposit Impact Report for the period to confirm that use-of-proceeds data and environmental KPIs were disclosed to investors in accordance with RBI Master Directions
- Reviewed portfolio disclosure in the annual Report
- Reviewed minutes of relevant Committee meetings where green deposit mobilisation and utilisation were recorded and noted.

The scope of our work did not include a comprehensive audit or re-performance of the Bank’s overall credit appraisal, underwriting, monitoring or loan administration processes under the Credit Policy.

Accordingly, we have not independently verified compliance with all loan covenants, detailed disbursement conditions, post-disbursement monitoring requirements, security documentation forming part of the Bank's broader credit risk management framework, except to the extent considered relevant for the purpose of this assurance engagement.

4. DEPOSIT MOBILISATION AND UTILISATION

4.1. GREEN DEPOSIT MOBILISATION

Details of Green Deposits mobilised during the period under review, i.e. from 1st April 2025 to 31st March 2026, are as follows:

- Total green deposits mobilised during the review period: **Rs.609.96 crore**
- Number of deposit accounts under "PNB PALAASH GREEN DEPOSIT": 17195 (unique accounts)

4.2. GREEN DEPOSIT UTILISATION

Details of Green Deposits utilised during the period under review, i.e. from 1st April 2025 to 31st March 2026, are as under:

- Total proceeds allocated to eligible green projects: **Rs.609.96 crore (100% of mobilisation)**
- Funds remaining unallocated as of 31st March 2026: **Nil**

4.3. PROJECT CATEGORY FUNDED

PNB identifies eligible projects for financing under its Financing Framework for Green, Social and Sustainability Linked Activities/Projects**,** which aligns with the RBI Master Directions, November 2025. The selection process ensures that proceeds from green deposits are deployed only toward activities categorized as environmentally sustainable.

Funds were allocated across the following eligible green sectors as per RBI's permitted taxonomy:

Eligible Sector	**Number of Projects**	**Total Funds Allocated (INR in crore)**	**Compliance with Eligibility**
Renewable Energy	25	608.61	Compliant
Energy Efficiency	Nil	Nil	N.A.
Sustainable Water and Waste Management	Nil	Nil	N.A.
Clean Transportation	3	1.35	Compliant
Pollution Prevention and Control	Nil	Nil	N.A.
Climate Change Adaptation	Nil	Nil	N.A.
Green Buildings	Nil	Nil	N.A.
Biodiversity & Conservation	Nil	Nil	N.A.
Sustainable Management of Natural Resource Land Use	Nil	Nil	N.A.
Total	28	609.96	

- The reviewed projects aligned with RBI's permitted list as per RBI Master Directions, November 2025.
- These figures were also reported in the Impact Assessment Report prepared by CARE Analytics and Advisory Private Limited (CAAPL).

Key observations noted during the review of loan accounts are:

- In one of the sanctioned loans, the Sanction terms stipulated that reimbursements must be for expenses incurred within the last 6 months, supported by a CA certificate. Three disbursements in the months of January, February and March of 2026, aggregating to ₹11.49 crore, were processed for reimbursement of expenses. For these disbursements, the CA certificate certifying expenses for the last 6 months was not held on record.

- In select accounts aggregating to disbursements of ₹43.65 crore under this review, end-use certificates from CA/CE were pending as of the date of review, with the bank confirming that these would be made available upon project completion. However, to the extent applicable, IFCI has relied on available disbursement records and alternate evidence of fund utilisation, like payments made to suppliers directly, verified through bank system records.

4.4. USE-OF-PROCEEDS TRACKING

As per the Bank's Board-approved Green Deposit Policy and the Financing Framework for Green, Social and Sustainability-linked Activities/Projects (IRMD/24-2024) deposit mobilisation, allocation principles, and periodic oversight are to be undertaken by designated functions. The Framework describes roles of Business Acquisition and Relationship Management Division (BARM), Credit Review and Monitoring Division (CRMD), Treasury, Strategic Management and Economic Advisory Division (SMEAD), and the Sustainability and Resilience Committee (SARC) in monitoring deposit mobilisation and utilisation. Quarterly SARC meeting minutes and executive summaries shared by the Bank indicate periodic internal oversight of deposit mobilisation and disbursement activity

The reporting flow and frequency are as follows:

<table>
<tr><th>Sl. No</th><th>Report</th><th>Frequency</th><th>Accepting Committee</th><th>Nodal Division</th></tr>
<tr><td>1</td><td>Funds Raised</td><td></td><td></td><td></td></tr>
<tr><td></td><td>i. Green Deposits</td><td>Quarterly</td><td>SARC</td><td>SMEAD</td></tr>
<tr><td>2</td><td>Funds Deployed-</td><td></td><td></td><td></td></tr>
<tr><td rowspan="2"></td><td>i. Green Loans/Green Investments Sourced from Green Deposits</td><td rowspan="2">Quarterly</td><td rowspan="2">SARC</td><td>CRMD</td></tr>
<tr><td>ii. Short term securities to meet shortfall in deployment of Green deposits</td><td>Treasury</td></tr>
<tr><td>3</td><td>Portfolio Level Disclosures</td><td></td><td></td><td></td></tr>
<tr><td rowspan="4"></td><td>i. Third-Party Verification/ Assurance Report by External Agency.</td><td rowspan="4">Annually</td><td rowspan="4">SARC
Risk Management Committee (RMC)
Board</td><td rowspan="2">CRMD (through Annual Review Report placed by HO: Strategic Management and Economic Advisory Division</td></tr>
<tr><td>ii. Impact Assessment Report</td></tr>
<tr><td>i. Relevant disclosures in Annual Report</td><td rowspan="2">SMEAD</td></tr>
<tr><td>ii. Sustainability Report</td></tr>
</table>

- Daily matching of green deposits and green finance is performed manually using the Enterprise Data Warehouse reports. The daily movement of assets and liabilities is compared with the previous day's position to identify any shortfall or surplus.
- As prescribed in the Financing Framework (IRMD 24/2024), any temporary excess of green liabilities over green assets is to be directed by Treasury into short-term liquid instruments (tenure ≤ 1 year).
- SARC, in its meeting dated 4th May 2026, reviewed and noted the green deposit mobilisation for the period and the corresponding deployment in renewable energy projects and clean transportation. The list of schemes and scheme codes identified for green finance reporting forms part of the SARC meeting record. This demonstrates that the Bank has an institutional mechanism at the Committee level for recording and monitoring the allocation and mobilisation of green deposit proceeds, consistent with the management of proceeds requirements under RBI Master Directions.

4.5. EXCLUSION AND PROHIBITED ACTIVITIES

No proceeds were used for prohibited or excluded sectors such as:

- ✓ 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.

As part of the eligibility assessment, IFCI reviewed the compliance of financed projects with the exclusion criteria relating to Protected Areas as defined under applicable environmental and biodiversity frameworks. Protected Areas, for the purpose of this assessment, refer to geographically defined areas designated and managed to achieve specific conservation objectives, including Wildlife Sanctuaries, National Parks, Tiger Reserves, Biosphere Reserves, Ramsar Wetlands, and Ecologically Sensitive Zones as notified under the Wildlife Protection Act, 1972, the Forest Conservation Act, 1980, and related notifications issued by the Ministry of Environment, Forest and Climate Change (MoEFCC), Government of India.

In the context of the Compressed Biogas projects reviewed, the feedstock sourced for these projects does not originate from such Protected Areas based on the documentation reviewed and project site information provided by the Bank. The financed CBG projects rely on agricultural residue – Napier grass and cow dung sourced from nearby farms and other non-protected zones, consistent with RBI's exclusion criteria.

5. FRAMEWORK COMPLIANCE STATUS

5.1. COMPLIANCE WITH THE RBI GUIDELINES

(As per the RBI Master Direction, November 2025)

S. No.	Descriptions	Compliance Status	Remarks
	REs shall issue green deposits as cumulative/non-cumulative deposits. On maturity, the green deposits would be renewed or withdrawn at the option of the depositor.	Complied with	Launched in 2024, the "PNB PALAASH GREEN DEPOSIT" is Punjab National Bank's brand initiative under the RBI's green deposit framework.
	REs shall put in place a comprehensive Board-approved policy on green deposits laying down therein, all aspects in detail for the issuance and allocation of green deposits. A copy of the above policy on 'Green Deposits' shall be made available on the website of the RE.	Complied with	PNB has a Board approved framework called "Policy on Green Deposit" and a copy of the same is also available on their website.
	REs shall put in place a Board-approved Financing Framework (FF) for the effective allocation of green deposits	Complied with	PNB has a Board approved framework called "Financing Framework for Green, Social, and

S. No.	Descriptions	Compliance Status	Remarks
			sustainability linked activities/projects", externally reviewed as per RBI requirements by CAAPL.
	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, REs shall be required to allocate the proceeds raised through green deposits towards the 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	Complied with	The proceeds have been utilised for financing of renewable projects and electric four-wheeler vehicles.
	The Third-Party Verification/Assurance Report	Complied with	This report by IFCI is to comply with this requirement.
	REs, 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.	Complied with	PNB had engaged with Care Analytics and Advisory Private Limited (CAAPL) to prepare an Impact Report w.r.t. loans extended.
	A review report shall be placed by the RE before its Board of Directors within three months of the end of the financial year	To be complied	To be complied by the bank in the next Board meeting.

5.2. AT DEPARTMENTAL LEVEL

This review assessed whether the designated roles were being fulfilled based on document review, interactions, and confirmation of functional activities.

Name of Department	Roles and Responsibilities	Remarks
Business Acquisition and Relationship Management Division (BARM)	• Monitoring the amount raised under green deposits.	The BARM report for monitoring the green deposits was reviewed.
Credit Review and Monitoring Division (CRMD)	• Monitoring the end-use of funds allocated against the deposits raised. • Ensure that the funds raised through green deposits are allocated to the eligible green activities/projects. • Monitoring and validating the sustainability information provided by the borrower. • Annually engage in creating an impact assessment report and obtaining third party verification on fund allocation.	Appraisal and disbursal have been carried out as per extant Bank's guidelines. As informed by the Bank, end-use certificates are made available only upon project completion. Accordingly, for loans under the renewable energy category where projects are currently under construction or not yet commissioned, end-use certificates in the form of CA certificates or invoices confirming utilisation of funds were not made available for review at the time of this engagement. To the extent applicable, IFCI has relied on available disbursement records and alternate evidence of fund utilisation, like payments made to suppliers directly, verified through bank system records.
Inspection & Audit division	• Checking of end use of funds in financing to green activities/ projects	As informed by the bank, all loan is under review during different audits as well as also inspected/reviewed by external/internal auditors as per

Name of Department	Roles and Responsibilities	Remarks
		the audit framework of the Inspection and Audit Division. Though no separate exercise for ensuring end use of funds is being carried out by IAD, the ongoing audits at branch level verifies the end use of funds and hence this requirement gets complied through these audits.
Integrated Risk Management Division (IRMD)	• Formulation 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. • Undertake an external review of the Financing Framework and the opinion from the external reviewer • To convene Sustainability and Resilience Committee Meetings.	PNB has a Financing framework (IRMD CIRCULAR NO. 24/ 2024). External review of the financing framework has been carried out by CAAPL. Four SARC meetings have been convened during the FY 2025-2026. The minutes of the fourth quarterly meetings were reviewed where total deposits mobilised and portfolio level allocation were recorded.
Information Technology Division (ITD)	• Creation of identifiers for Green Loans	Scheme-specific codes (e.g., TLEVL, TLSOL, TLKSM etc) are operational and used in EDW reports for SARC review.
Strategic Management & Economic Advisory Division (SMEAD)	• Formulation of Green Deposit policy/ guidelines for the issuance of Green Deposits. • Making necessary documents available on the bank's website as per RBI guidelines. • Compile the Annual Review Report (ARR) for submission	The Green Deposit policy accepted by the Board circulated vide SMEAD Cir. No. 14/2026 was obtained and reviewed. The Bank is yet to submit to the Board the ARR

Name of Department	Roles and Responsibilities	Remarks
	to the Board within three months of FY-end	
Treasury	• Manage Asset-Liability matching for green deposits; in case of temporary mismatch, invest unallocated balances in eligible short-term liquid instruments (≤ 1 year); and report positions to SARC.	The entire amount raised was invested as on 31st March 2026 and hence temporary investments have not taken place during the FY.

Based on departmental interactions and document reviews, it is observed that core functions related to green deposit management are well-defined and operational.

5.3. REPORTING AND DISCLOSURES PARAMETERS

S. No.	Requirements	Compliance Status
1	Prepare and place before the Board of Directors within three months of financial year-end, a consolidated review report.	To be complied. The Review Report is proposed to be put up in the next Board Meeting along with this third-party verification report. .
2	Review the Green Deposit Policy at least once a year (or earlier if warranted by regulatory changes)	Complied As per the Green Deposit Policy, the policy shall be subject to annual review. Board in its meeting dated 24.03.2025 had approved the Annual Review of Policy on Green Deposits and circulated vide BA&RM(SB) Cir. No. 18/2025 dated 17.04.2025. Further, an annual review of the policy was accepted by the Board and circulated vide SMEAD Cir. No. 14/2026**.**
3	Disclose portfolio-level use of proceeds information in the annual financial statements.	Complied. Portfolio-level disclosures are made in the Annual Report for FY'26.

6 CONCLUSION

Based on the independent verification conducted by IFCI, we conclude that Punjab National Bank has complied with the requirements set out in the RBI Master Directions, November 2025.

Our assessment indicated that:

- Eligibility: Green Project financed using the proceeds from green deposits during the review period is consistent with RBI's defined list of eligible sectors. There were no deviations or fund allocations to prohibited categories.
- Fund Allocation: The bank has tracked and allocated the utilisation of green deposit proceeds. Allocations were supported by appropriate internal approvals and documentation.
- Internal Governance and Controls: PNB has implemented an internal framework for evaluating, approving, and monitoring green projects. The existence of a Board-approved Financing Framework, a Green Deposit policy, and oversight mechanisms, including periodic review by SARC, demonstrate operational discipline.
- Transparency and Disclosure Readiness: Annual disclosure of the bank appears to be satisfactory to meet the obligations laid out by RBI. The bank is adequately positioned to provide detailed use-of-proceeds and project impact disclosures to stakeholders.

However, bank should comply with the following in the future:

- Ensure that CA certificates and other documentation stipulated in the sanction terms and conditions, is placed on record at the time of each disbursement.
- End-use certificates from CA/CE, pending as of the date of review of this report to be obtained in a timely manner and maintained on record.
- The Annual Review report is presented to the board along with this third-party verification and impact assessment report.

Based on the procedures performed, Punjab National Bank's utilisation of green deposit proceeds for the period from 1st April 2025 to 31st March 2026 is in compliance with RBI Master Directions, November 2025.

7 ANNEXURES

7.1 Portfolio level information on the use of funds raised from green deposits

(Amount in ₹ crore)			
Particulars	**Current FY (FY'26)**	**Previous FY (FY'25)**	**Cumulative***
Total green deposits raised (A)	609.96	394.31	1004.27
Use of green deposit funds			
(1) Renewable Energy	608.61	123.07	731.68
(2) Energy Efficiency	Nil	Nil	Nil
(3) Clean Transportation	1.35	271.24	272.59
(4) Climate Change Adaptation	Nil	Nil	Nil
(5) Sustainable Water and Waste Management	Nil	Nil	Nil
(6) Pollution Prevention and Control	Nil	Nil	Nil
(7) Green Buildings	Nil	Nil	Nil
(8) Sustainable Management of Living Natural Resources and Land Use	Nil	Nil	Nil
(9) Terrestrial and Aquatic Biodiversity Conservation	Nil	Nil	Nil
Total Green Deposit funds allocated (B = Sum of 1 to 9)	609.96	394.31	1004.27
*Amount of Green Deposit funds not allocated (C = A – B)	Nil	Nil	Nil
Details of the temporary allocation of green deposit proceeds pending their allocation to the eligible green activities/projects	Nil	Nil	Nil

7.2 Details of Project funded

The entire deposit mobilized during the period under review was allocated towards the following accounts:

Customer ID	Amount Disbursed	Product Codes	Use of Green deposits	Sub category
O12705514	2,60,05,623	TLSOL	Renewable Energy	Solar
O60763040	69,00,000	TLEVL	Clean Transportation	EV
O10782929	3,70,00,000	TLSOL	Renewable Energy	Solar
C02476113	90,00,000	TLKS1	Renewable Energy	Solar
C01811591	2,28,00,000	TLBGS	Renewable Energy	Biomass
C00003768	6,23,29,460	TLSOL	Renewable Energy	Solar
C02109497	2,00,00,000	TLBGS	Renewable Energy	Biomass
R62429019	1,35,00,000	TLKS1	Renewable Energy	Solar
O10409218	11,49,00,000	TLIOT	Renewable Energy	Solar
C01997024	4,19,06,43,168	TLIOT	Renewable Energy	Solar
C02526932	50,00,000	TLEVL	Clean Transportation	EV
FIS004962	2,00,00,000	TLKS1	Renewable Energy	Solar
C02317444	26,32,86,485	TLAFP	Renewable Energy	Biomass
C01828091	85,36,62,330	TLIOT	Renewable Energy	Solar and wind
C00005700	8,50,00,000	TLSOL	Renewable Energy	Solar
C02406046	2,29,21,000	TLKS1	Renewable Energy	Solar
101350081	1,91,94,763	TLSOL	Renewable Energy	Solar
C02205988	89,00,000	TLBGS	Renewable Energy	Biomass
C02592738	13,60,00,000	TLKS2	Renewable Energy	Solar
R63599020	1,00,00,000	TLKS1	Renewable Energy	Solar
R61861647	2,00,00,000	TLKS1	Renewable Energy	Solar
R62409921	2,90,00,000	TLKS1	Renewable Energy	Solar
C02543600	3,70,00,000	TLKS1	Renewable Energy	Solar
C02543349	4,00,00,000	TLKS2	Renewable Energy	Solar
R65901682	15,84,000	DGEVL	Clean Transportation	EV
C02541852	1,50,00,000	TLKSM	Renewable Energy	Solar
R62904173	2,00,00,000	TLKS1	Renewable Energy	Solar
C02231959	1,00,00,000	TLSOL	Renewable Energy	Solar
Grand Total	**6,09,96,26,829**			