

## Independent Assurance Statement

### Introduction

Indian Renewable Energy Development Agency Limited (IREDA), 3<sup>rd</sup> Floor, August Kranti Bhawan, Bhikaji Kama Place, New Delhi - 110066 (“Issuer”) has engaged Emergent Ventures India Pvt. Ltd. (“Verifier”) for carrying out the pre-issuance verification of Green Bonds worth INR 2,000 Cr. proposed to be issued in Financial Year 2016-17 (“Green Bond”) in accordance with the pre-issuance requirements of “Limited Assurance” under Climate Bonds Standard Version 2.0.

### Assurance standard

Verifier team has followed ISAE 3000 (Revised): *Assurance Engagements other than Audits or Reviews of Historical Financial Information* for carrying out the Limited Assurance.

### Assurance scope and level of assurance

The scope of this assessment includes verification of information on the material aspects of the Green Bond in accordance with pre-issuance criteria including General and Technical Eligibility requirements of Climate Bonds Standard Version 2.0. Following areas have been covered in the assessment:

- 1) Selection of nominated projects and assets
- 2) Use of proceeds
- 3) Internal processes and controls
- 4) Reporting

### Activities undertaken

A number of activities are undertaken for the verification maintaining the independence and objectivity of the verifier. Interview with management and key staff responsible for the Green Bond & review of internal and public documents are carried out to:

- a. Understand the purpose of use of proceeds
- b. Process of selecting eligible projects
- c. Reporting requirements, other internal processes and controls including the processes to track and earmark the proceeds of green bonds
- d. The environmental objectives of Green Bond
- e. The existence of a process to determine whether the Nominated Projects & Assets meet the eligibility requirements specified in Part B of the Climate Bonds Standard
- f. Investment areas for bond proceeds and temporary investment instruments for the management of unallocated proceeds
- g. List of projects nominated for green bonds and their conformance with the eligibility requirements specified in Part B of the Climate Bonds Standard
- h. Green bond proceeds are less than or equal to the fair market value of the nominated projects and assets.

## Conclusions

Based on the limited assurance procedures conducted and evidence obtained, nothing has come to our attention that causes us to believe that, in all material respects the Issuer's Green Bond is not in conformance with the Climate Bonds Standard's Pre-Issuance Requirements.

## Limitations & exclusions

The verification excludes:

- 1) Suggest or assist in implementing in any recommendations of any sort.
- 2) Assess data and information beyond the defined reporting boundary and period.
- 3) Set any expectations of the proposed Green Bond issuance.
- 4) Verify the financial standing, economic performance and credit rating of the prospective issuer.
- 5) Verify statements by Issuer that describe opinions, beliefs, aspirations, expectations, aims or intentions.
- 6) Make any assessment of the environmental, social, or governance impact of the proposed projects/investments, except to the extent required for compliance with Climate Bonds Initiative Version 2.0.
- 7) Assess whether the proposed projects or investments comply with local regulations.

## Independence

The verification has been carried out by experts in finance, environment, social and governance due diligence, climate change and sustainability. Neither Verifier nor any member of the verifier team is involved in any way in the issuance or management of Green Bond. Verifier has applied internal procedures to confirm no conflicts of interest for this verification engagement.

## Issuer's responsibility

The issuer is responsible to ensure compliance of Green Bond with Climate Bonds Standard Version 2.0.

## Verifier's responsibility

Verifier team is responsible only to the extent of verifying the Green Bond in accordance with Climate Bonds Standard Version 2.0 and as per the scope of work of Verification Engagement.

The assurance statement is intended to inform the Issuer about the compliance of Green Bond in accordance with the pre-issuance criteria of Climate Bonds Standard Version 2.0.



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Business Head

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20-Sep-2016