

Independent Assurance Statement

Introduction

Azure Power Energy Limited, C/O, AAA Global Services Ltd, 1st floor, The Exchange, 18 Cybercity, Ebene, Mauritius (“Issuer”) has engaged Emergent Ventures India Pvt. Ltd. (“Verifier”) for carrying out the pre-issuance verification of bonds aggregating up to USD 500.00 million proposed to be issued in 2017 (“Green Bonds”) in accordance with the pre-issuance requirements of “Limited Assurance” under Climate Bonds Standard Version 2.1.

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 Bonds in accordance with pre-issuance criteria including General and Technical Eligibility requirements of Climate Bonds Standard Version 2.1. The following areas have been covered in the assessment:

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

Activities undertaken

A number of activities have been undertaken for this verification, maintaining the independence and objectivity of the verifier. Interviews with key staff and reviews of internal and public documents have been carried on the following aspects:

- a. 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. Environmental objectives of Green Bonds;
- e. 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. The list of Nominated Projects & Assets and their conformance with the eligibility requirements specified in Part B of the Climate Bonds Standard

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 Bonds is not in conformance with the Climate Bonds Standard's Pre-Issuance Requirements.

Limitations & exclusions

The verification does not:

- 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 Bonds 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 2.1.
- 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 Bonds. Verifier has applied internal procedures to confirm no conflicts of interest for this verification engagement.

Issuer's responsibility

The Issuer is responsible to ensure the compliance of Green Bonds with Climate Bonds Standard Version 2.1.

Verifier's responsibility

Verifier team is responsible only to the Issuer and to the extent of verifying the Green Bonds in accordance with Climate Bonds Standard Version 2.1 and as per the scope of work of Verification Engagement.

The report is intended to inform the Issuer about the compliance of Green Bonds in accordance with the pre-issuance criteria of Climate Bonds Standard Version 2.1.



Atul Sanghal

Business Head – Sustainability & Climate Change

Emergent Ventures India Pvt. Ltd. (Gurgaon, India)

10-July-2017



Sustainable
Solutions
for the
Planet

ANNEX 1: LIST OF NOMINATED PROJECTS & ASSETS

The proceeds of Green Bonds will be used for refinancing of solar power projects aggregating 621MW installed capacity of subsidiaries of Azure Power Energy Limited for their existing long term debt through investment in domestic bonds issued by these subsidiaries and financing of new solar power projects.