

Independent Assurance Report

Introduction

Neerg Energy Limited (“Neerg”), 11th Floor, Medine Mews, La Chaussee Street, Port Louis, Mauritius, 11328 (“Issuer”) has engaged Emergent Ventures India Pvt. Ltd. (“Verifier”) for carrying out the post-issuance verification of their bonds aggregating USD 475.00 million issued in 2017 (“Green Bonds”) in accordance with the post-issuance requirements of “Limited Assurance” under Climate Bonds Standard Version 2.1.

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 post-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

The verification process included interviews with key staff of Issuer and review of internal and public documents have 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

No site visit has been carried out of the nominated projects & assets funded by Green Bonds.

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 post-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. No 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. Verifier has applied internal procedures to confirm no conflicts of interest for this verification engagement. Verifier team has followed ISAE 3000 (Revised): *Assurance Engagements other than Audits or Reviews of Historical Financial Information* for carrying out the Limited Assurance.

Issuer's responsibility

The Issuer is responsible to check compliance of Green Bonds with Climate Bonds Standard Version 2.1 as per the scope of Verification Engagement.

Verifier's responsibility

The report is intended to inform the Issuer about the compliance of Green Bonds to the extent of verifying in accordance with Climate Bonds Standard Version 2.1 and as per the scope of Verification Engagement with documents and information provided by Issuer.

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

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ANNEX 1: LIST OF NOMINATED PROJECTS & ASSETS

The proceeds of Green Bond has been used for refinancing of solar and wind power projects of seven subsidiaries of Renew Power Ventures Private Limited for their existing long term debt through investment in masala bonds issued by these subsidiaries.

Subsidiary Name	Capacity (MW)	Project type	State
Renew Solar Energy (TN) Pvt. Ltd.	50.0	Solar	Madhya Pradesh
Renew Solar Energy (Karnataka) Pvt. Ltd.	60.0	Solar	Andhra Pradesh
ReNew Wind Energy (Karnataka) Pvt. Ltd.	50.4	Wind	Karnataka
ReNew Wind Energy (Karnataka) Pvt. Ltd.	40.0	Wind	Karnataka
ReNew Wind Energy (Karnataka) Pvt. Ltd.	12.0	Wind	Karnataka
Renew Wind Energy (MP Two) Pvt. Ltd.	36.0	Wind	Madhya Pradesh
ReNew Wind Energy (Rajkot) Pvt. Ltd.	25.2	Wind	Gujarat
ReNew Wind Energy (Rajkot) Pvt. Ltd.	45.0	Wind	Maharashtra
ReNew Wind Energy (Shivpur) Pvt. Ltd.	88.2	Wind	Andhra Pradesh
ReNew Wind Energy (Shivpur) Pvt. Ltd.	49.5	Wind	Maharashtra
ReNew Wind Energy (Shivpur) Pvt. Ltd.	31.5	Wind	Andhra Pradesh
ReNew Wind Energy (Welturi) Pvt. Ltd.	23.1	Wind	Maharashtra
Total	510.90		

ANNEX 2: TESTING PROCEDURES

S. No.	Post Issuance Requirement as per Climate Bonds Standards Version 2.1	Assurer's Assessment	Reference/Supporting Documents
1	Nominated Projects & Assets		
1.1	The Issuer shall maintain a decision-making process which it uses to determine the continuing eligibility of the Nominated Projects & Assets. This includes, without limitation:		
1.1.1	a statement on the environmental objectives of the bond	Issuer has following environmental objectives defined in its Green Bond Framework : - Provide financing for renewable energy projects that will generate and provide clean power in sustainable manner - Provide financing for clean energy solutions for sustaining the earth	Green Bond Framework
1.1.2	a process to determine whether the Nominated Projects & Assets meet the eligibility requirements specified in Part B of the Climate Bonds Standard;	Issuer has defined the eligibility criteria for Nominated Projects & Assets in "Selection and Evaluation of Eligible Green Projects" in the Green Bond Framework.	Green Bond Framework
1.2	All Nominated Projects & Assets funded by the bond's proceeds shall meet the bond's documented objectives as stated under Clause 1.1, and shall be in conformance with the requirements of Part B of the Climate Bonds Standard.	The proceeds of Green Bond has been used for investment in masala bonds issued by subsidiaries of Renew Power Ventures Private Limited (Annex 1) for refinancing of their existing long term debt pertaining to solar and wind power projects of installed capacity 510.90 MW in various states of India (Refer Annex 1). The Nominated Projects & Assets conform to the eligibility requirements set under Part B of the Climate Bonds Standard, version 2.1: • Clause 9: 'Wind & Solar' classification under 'Energy' head of Climate Bonds Taxonomy • Clause 10: Criteria for wind & solar energy under sector-specific standards.	Details of Nominated Projects & Assets.
1.3	Nominated Projects & Assets shall not be nominated to other Climate Bonds unless it is demonstrated by the Issuer that distinct portions of the Nominated Projects & Assets are being funded by different Climate Bonds or that the existing Climate Bond is being refinanced via another Climate Bond.	Issuer undertakes that Nominated Projects & Assets shall not be nominated to other Climate Bonds unless it is demonstrated by the Issuer that distinct portions of the Nominated Projects & Assets are being funded by different Climate Bonds or that the existing Climate Bond is being refinanced via another Climate Bond.	-
2	Use of Proceeds		
2.1	The Net Proceeds of the bond shall be allocated to the Nominated Projects & Assets.	The entire proceeds from Green Bonds amounting to USD 475 million (INR 3,180 Cr) ¹ have been utilized for refinancing of existing long term debt pertaining to solar and wind power projects.	-Bank statements of subsidiaries -CA Certificate
2.2	The Issuer shall allocate funds to Nominated Projects & Assets within 24 months of issuance of the bond. Funds may be reallocated to other Nominated Projects &	The entire proceeds from Green Bonds amounting to USD 475 million (INR 3,180 Cr) have been utilized for debt-financing of the Nominated Projects	-Bank statements of subsidiaries -CA Certificate

¹ The net proceeds are received after deduction (~1.8% of gross receipts) towards discounts offered to investors.



	Assets at any time during the term of the bond.	& Assets within a month of issuance of the bond.	
2.3	Where a proportion of the Net Proceeds of the bond are used for refinancing, the Issuer shall provide an estimate of the share of the Net Proceeds used for financing and re-financing, and identify which Nominated Projects & Assets may be refinanced.	The entire proceeds from Green Bonds amounting to USD 475 million (INR 3,180 Cr) have been utilized for refinancing of the Nominated Projects & Assets.	-
2.4	The Net Proceeds of the bond shall be tracked by the Issuer following a formal internal process as disclosed to the Verifier by the Issuer under Clause 2.1.	The disbursement to Nominated Projects & Assets is tracked and records are kept.	-Bank statements of subsidiaries -CA Certificate
2.5	The Net Proceeds of the bond shall be no greater than the investment in the Nominated Projects & Assets or the Fair Market Value of the Nominated Projects & Assets at the time of issuance.	The total project cost of the nominated projects is INR 3,473.50 Cr while the Net Proceeds of the Bonds are INR 3,122.76 Cr.	-Details of Nominated Projects & Assets -CA Certificate
3	Non-Contamination of Proceeds		
3.1	The Net Proceeds of the bond shall be credited to a sub-account, moved to a sub-portfolio or otherwise identified by the Issuer in an appropriate manner, and documented.	The Issuer received Net Proceeds in a dedicated account and disbursed the same to the accounts of Nominated projects.	Bank statement of Issuer.
3.2	While the bond remains outstanding, the balance of the tracked proceeds shall be reduced by amounts matching eligible investments or loan disbursements made. Pending such investments or disbursements to Nominated Projects & Assets, the balance of unallocated proceeds shall be:	Not applicable.	-
3.2.1	Held in temporary investment instruments that are cash, or cash equivalent instruments, within a Treasury function; or	Not applicable.	-
3.2.2	Held in temporary investment instruments that do not include greenhouse gas intensive projects which are inconsistent with the delivery of a low carbon and climate resilient economy; or	Not applicable.	-
3.2.3	Applied to temporarily reduce indebtedness of a revolving nature before being redrawn for investments or disbursements to Nominated Projects & Assets.	Not applicable.	-
3.3	In the case of a Force Majeure, the Issuer may apply to the Climate Bonds Standard Board for an extension to the asset allocation period. During the extension period the balance of unallocated proceeds shall be deemed to be conforming with Clause 5.2.	Not applicable.	-
4	Confidentiality		
4.1	Information about the Nominated Projects & Assets shall be provided to the Verifier and to the Climate Bonds Standard Board to support the assessment of conformance with the Climate Bonds Standard.	The information about the Nominated Projects & Assets is provided to the Verifier and the Climate Bonds Standard Board.	Details of Nominated Projects & Assets



4.2	The Issuer should disclose information about the bond and the Nominated Projects & Assets to the market.	The Issuer has disclosed information about Green Bonds and the type of Nominated Projects & Assets through the Offering Circular.	Offering Circular
5	Reporting		
5.1	The Issuer shall provide to bond holders and to the Climate Bonds Standard Secretariat at least annually a report containing the list of Nominated Projects & Assets to which proceeds of the bond have been allocated (or re-allocated). The report shall include a brief description of the projects and the amounts disbursed, as well as the expected environmental objectives of the Nominated Projects & Assets.		
5.1.1	The Issuer shall use qualitative performance indicators and, where feasible, quantitative performance measures of the environmental objectives of the Nominated Projects & Assets;	The details of Nominated Projects & Assets for their project type, capacity and location shall be disclosed on Issuer's website annually. Issuer will report GHG emission reductions effected by the renewable energy generation by the Nominated projects each year. To be verified/reported in subsequent disclosures.	-
5.1.2	The Issuer shall disclose the methods and the key underlying assumptions used in preparation of the performance indicators and metrics;	The details of Nominated Projects & Assets for their project type, capacity and location shall be disclosed on Issuer's website annually. Issuer will report GHG emission reductions effected by the renewable energy generation by the Nominated projects each year. To be verified/reported in subsequent disclosures.	-
5.1.3	Where confidentiality agreements, competitive considerations or a large number of underlying assets limit the amount of detail that can be made available about specific Nominated Projects & Assets, information shall be presented on the investment areas which the Nominated Projects & Assets fall into, as provided in Clause 9.1	Issuer has disclosed the type of Nominated Projects & Assets in Offering Circular. Net Proceeds have been allocated to Solar PV and Wind Power projects.	-Offering Circular -Details of Nominated Projects & Assets
Part B	Eligible projects & Assets		
	This Part of the Climate Bonds Standard sets out a two-step process to determine the eligibility of specific projects and physical assets that, for the purposes of this Climate Bonds Standard, will be regarded as contributing to the delivery of a low carbon and climate resilient economy.		
6	Climate Bond Taxonomy		
6.1	Nominated Projects & Assets, as identified by the Issuer under Clauses 1.3 and 4.2, shall fall into one or more of the investment areas contained in the latest version of the Climate Bonds Taxonomy.	The Nominated Projects & Assets conform to the eligibility requirements set under Part B of the Climate Bonds Standard, version 2.1: • Clause 9: 'Wind & Solar' classification under 'Energy' head of Climate Bonds Taxonomy • Clause 10: Criteria for wind & solar energy under sector-specific standards.	Details of Nominated Projects & Assets
7	Technical Criteria		



7.1	Nominated Projects & Assets shall meet the specific eligibility criteria provided in the latest version of the relevant Sector-Specific Standard	The Nominated Projects & Assets conform to the eligibility requirements set under Part B of the Climate Bonds Standard, version 2.1: • Clause 9: 'Wind & Solar' classification under 'Energy' head of Climate Bonds Taxonomy • Clause 10: Criteria for wind & solar energy under sector-specific standards.	Details of Nominated Projects & Assets
7.2	Where the proceeds of a bond are allocated to Nominated Projects & Assets that are covered by more than one Sector-Specific Standards (e.g. solar and wind investments in a portfolio), then each of the Nominated Projects & Assets shall meet the specific eligibility criteria provided in the Sector-Specific Standard relevant to that Nominated Project & Asset	The bonds proceeds have been allocated to Solar PV and Wind Power projects.	Details of Nominated Projects & Assets
Part C	Requirements for Specific Bond Types		
	Type of Bond: Use of proceeds Bond/Use of proceeds revenue Bond/Project Bond/Securitize Bond	This is a Use of Proceeds Bond.	-
8	Project Holding		
8.1	The Issuer of the bond shall continue to hold Nominated Projects & Assets which have Fair Market Value at least equal to the original principal amount of the bond at the time of issuance.	To be verified/reported in subsequent disclosures.	-
8.1.1	Additional Nominated Project & Assets may be added to, or used to substitute or replenish, the portfolio of Nominated Project & Assets as long as the additional Nominated Project & Assets are eligible under Part B of the Climate Bonds Standard and the bond's environmental objective as set out in Clause 1.1.	To be verified/reported in subsequent disclosures.	-
9	Settlement Period		-
9.1	Issuers shall demonstrate that the Net Proceeds of the bond have been distributed to the Nominated Projects & Assets within 24 months of the issuance of the bond.	The entire proceeds from Green Bonds amounting to USD 475 million (INR 3,180 Cr) have been utilized for debt-financing of the Nominated Projects & Assets within a month of issuance of the bond.	-
9.2	Where full distribution of the Net Proceeds is not achieved within 24 months of the issuance of the bond, the Issuer shall demonstrate that:	Not applicable	-
9.2.1	The surplus or undistributed funds have been invested in Eligible Projects & Assets not otherwise nominated for a specific Climate Bond.	Not applicable	-
9.2.2	The Issuer has made temporary investments of surplus or undistributed funds in conformance with the provisions of Clause 6.	Not applicable	-
10	Earmarking		



10.1	The Issuer of the bond shall maintain the earmarking process to manage and account for funding to the Nominated Projects & Assets as disclosed under Clauses 2.1 and 2.1.3.	To be verified/reported in subsequent disclosures.	-
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