

October 25, 2018

Mr. Khushro A. Bulsara-  
Senior General Manager  
Listing Compliance & Legal Regulatory  
**BSE Limited**  
Corporate Relations Department  
P.J. Towers, Dalal Street  
Mumbai - 400 001  
Tel.: 2272 8013/8015/8058/8307  
**BSE Scrip Code: 532648**

Mr. Avinash Kharkar,  
AVP - Listing Department  
**National Stock Exchange of India Limited**  
Exchange Plaza  
Plot no. C/1, G Block,  
Bandra - Kurla Complex  
Bandra (E), Mumbai - 400 051.  
Tel.: 2659 8235 / 8236/8458  
**NSE Symbol: YESBANK**

Dear Sirs,

**Sub.: Disclosure made in pursuance of Circular No. CIR/IMD/DF/51/2017 dated May 30, 2017 pertaining to Green Infra Bonds issued by Securities Exchange Board of India ("SEBI Circular")**

This is continuation to our submission of the half yearly financial results. In terms of para 2.3(a) of the aforesaid SEBI Circular, an issuer who has listed its Green Debt Securities shall provide disclosure pertaining to utilisation of the proceeds of the issue and the allocation of funds towards the project(s) from the proceeds of Green Debt Securities; and the details of unutilized proceeds.

In this regard, please find enclosed herewith the disclosure on Green Debt Securities for the half year ended September 30, 2018.

You are requested to take note of the above.

Thanking you,

Yours faithfully,  
For **YES BANK LIMITED**

  
R Shivanand R Shettigar  
Company Secretary

*Encl: As above*

**DISCLOSURES UNDER GREEN INFRASTRUCTURE BONDS FOR THE HALF-YEAR  
ENDED SEPTEMBER 30, 2018**

Green bond issuances in India have steadily increased over the past few years since the first issuance by YES Bank in February 2015, making India among the top ten largest green bond markets globally, with extensive participation from many corporate and financial institutions. Post the successful first Green Bond of YES Bank which raised INR 10,000 million (equivalent to USD 160 million) in February 2015 and witnessed a strong demand from leading investors, YES Bank further strengthened the green bond market by subsequently raising two other green bonds. In August 2015, the Bank raised INR 3,150 million (equivalent to USD 50 million) through the issue of Green Bonds to International Finance Corporation ('IFC') on a private placement basis, the first investment by IFC in an Emerging Markets Green Bond issue in the world through the first offshore rupee dominated bond or "Green Masala Bond." Moving ahead with its conviction towards Climate Finance, YES Bank has raised INR 3,300 million (equivalent to USD 50 million) in December 2016, through an issue of a 7-year Green Infrastructure Bonds to FMO, the Dutch Development Bank, on a private placement basis. This is FMO's 1<sup>st</sup> investment in a Green Bond issued by a bank in India.

The amount raised through all of these issues, are used to finance Green Infrastructure Projects, in whole, or in part, as per 'Eligible Projects' outlined in the Bank's internal guidelines for adherence to Green Bond Principles. Eligible projects sanctioned post the closure of debenture subscription are considered for the allocation of the proceeds from Green Bonds. The proceeds are managed through MIS-based asset tagging which tracks green bonds investments on a quarterly basis. The unutilized proceeds are invested in G-Secs to ensure liquidity when required. KPMG, India has provided annual assurances for the FY 16-17 and FY 17-18 and half yearly assurance for FY 18-19, on the internal tracking mechanism and the allocation of green bond proceeds to eligible projects, helped calculate the emission reduction potential of these projects, and the investment of unallocated proceeds in liquid instruments (Government Securities).

List of projects against which green bonds proceeds have been allocated as on September 30, 2018 is provided below:

Sr. no	Project Location	Description	Total Fund Based Utilization, INR Crs (as on 30 Sep, 2018)	Estimated* positive E&S impacts - CO2 Emission Reduction (tCO2 / yr)	Known significant negative E&S Impacts
<b>Proceeds Utilization** Against Bond Issuance Size of INR 1,000 crore (February 2015)</b>					
1	Maharashtra	31.5 MW wind project	125.93	37387.05	None
2	Andhra Pradesh	10 MW solar project	18.96	18525.45	None
3	Madhya Pradesh	12 MW wind project	41.40	29132.77	None
4	Karnataka	50 MW solar project	96.64	94328.74	None
5	Telangana	15 MW solar project	9.39	21339.13	None
6	Telangana	143 MW solar project	190.51	295654.41	None
7	Telangana	15 MW solar project	9.39	11939.45	None
8	Telangana	42 MW solar project	99.48	85336.59	None
9	Rajasthan	155.4 MW wind project	235.45	260541.55	None
10	Karnataka	40 MW solar project	156.50	84958.12	None
11	Karnataka	21 MW wind project	56.57	49675.10	None
<b>Proceeds Utilization** Against Bond Issuance Size of INR 315 crore (August 2015)</b>					
1	Andhra Pradesh	100 MW wind project	145.28	288837.68	None
2	Telangana	30 MW solar project	8.39	53260.67	None
3	Telangana	5 MW solar project	6.526	8702.48	None
<b>Proceeds Utilization** Against Bond Issuance Size of INR 330 crore (December 2016)</b>					
1	Gujarat	30 MW wind project	138.10	69968.44	None
2	Telangana	50 MW solar project	8.27	80301.85	None
3	Karnataka	40 MW solar project	112.41	86817.30	None
4	Rajasthan	50 MW solar project	15.97	97067.72	None

\* The total CO<sub>2</sub> emission reduction for individual projects have been calculated based on methodology outlined in the document 'CO<sub>2</sub> Baseline Database for the Indian Power Sector User Guide Version 13.0 June 2018' along with other relevant factors such as project PLF/CUF estimates, installed project capacity, resultant annual unit generation etc.

\*\* For the Green bonds which have been fully utilized, the lending to the projects which received the proceeds may exceed the issuance size.

The assurance statement issued by KPMG India is attached herewith.

For YES BANK Limited



Rana Kapoor  
Managing Director & CEO



**KPMG (Registered)**  
Building No.10, 4th Floor, Tower-C  
DLF Cyber City, Phase - II  
Gurugram - 122 002 (India)

Telephone: + 91 124 336 9000  
Fax: + 91 124 336 9001  
Internet: [www.kpmg.com/in](http://www.kpmg.com/in)

## **Independent Assurance Statement**

To the management of Yes Bank Limited, Nehru Centre, 9th floor, Discovery of India, Dr. A.B. Road, Worli, Mumbai – 400 018, Maharashtra, India.

### **Introduction**

We were engaged by Yes Bank Limited ('Issuer') to undertake an independent review of the following green bonds:

- Green bonds for INR 1,000 crores issued on 24 February 2015
- Green bonds for INR 315 crores issued on 05 August 2015
- Green bonds for INR 330 crores issued on 29 December 2016

Our responsibility was to provide "limited assurance" on conformance of the aforementioned green bonds and the accompanying report "Disclosures under Green Infra Bonds" with the Green Bond Principles, 2018 for the period 1<sup>st</sup> April, 2018- 30<sup>th</sup> September, 2018.

### **Assurance Standards**

We conducted our engagement in accordance with requirements of 'Limited Assurance' as per International Federation of Accountants' (IFAC) International Standard on Assurance Engagements [ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information].

### **Assurance scope and level of assurance**

Our scope of assurance included information on material aspects of the green bond during 1<sup>st</sup> April, 2018-30<sup>th</sup> September, 2018 based on the requirements of the Green Bond Principles, 2018 as listed below:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting

### **Specific limitations and exclusions**

Our assurance process was subject to the following limitations as we have not been engaged to:

- Determine which, if any, recommendations should be implemented
- Provide assurance on information outside the defined reporting boundary and period
- Verify the Issuer's financial statements & economic performance
- Verify the Issuer's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention and national or global socio-economic and environmental aspects provided by the Issuer

## **Work undertaken**

We planned and performed our work to obtain all the evidence, information and explanations that we considered necessary to obtain a meaningful level of assurance in relation to the above scope. The procedures we performed, which are set out in detail below, were based on our professional judgment and included, as appropriate, inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies and agreement or reconciliation with underlying records. We believe that the procedures we have performed and the evidence we have obtained are sufficient and appropriate to provide a basis for our limited assurance conclusion.

To reach our conclusion we:

- Checked the Issuer's Green Bond Framework that includes processes, systems and controls in place for management of bond proceeds; investment areas for green bond proceeds and intended types of temporary investment instruments for the management of unallocated proceeds;
- Read sections of the bond disclosure documentation that also support the objects of the green bond issue, investment areas for proceeds and intended types of temporary investment instruments for the management of unallocated proceeds;
- Conducted interviews with management and key staff responsible for the green bond to understand how the processes, systems and controls defined in the Green Bond Framework have been implemented in the financial year;
- Checked the list of projects to which bond proceeds have been allocated in the financial year and their conformance with the criteria defined in the Green Bond Framework;
- Confirmed the amount of bond proceeds allocated to projects at the end of each quarter in the financial year through examination of a sample set of statements of accounts;
- Confirmed the allocation of unallocated bond proceeds to government securities at the end of each quarter in the financial year through examination of statements from Financial Management team of the Issuer; and
- Recalculated estimated carbon dioxide emission reductions from projects using information collected by the Issuer.

## **Conclusions**

The following conclusion is based on the work performed and evidence obtained and the scope of our assurance engagement described above.

Nothing has come to our attention to suggest that the green bonds issued in February 2015, August 2015 and December 2016 by the Issuer and the accompanying report "Disclosures under Green Infra Bonds" are not, in all material respects, conforming to the requirements of the Green Bond Principles, 2018, during the period 1<sup>st</sup> April, 2018- 30<sup>th</sup> September, 2018.

## **Independence**

The assurance was conducted by a multidisciplinary team including professionals with suitable skills and experience in auditing environmental, social and economic information in line with the requirements of ISAE 3000 standard. Our work was performed in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, in relation to the scope of this assurance engagement. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due





care, confidentiality and professional behaviour. We have systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence. We apply ISQC 1 and comply with the applicable independence and other ethical requirements of the IESBA code.

### **Management's responsibility**

The Management of the Issuer is responsible for ensuring that the Issuer and their green bond complies with the requirements of the Green Bond Principles, 2018. This responsibility includes designing, implementing and maintaining systems and processes relevant for the management of green bond proceeds.

The Management of the Issuer is also responsible for preventing and detecting fraud and for identifying and ensuring that Issuer complies with laws and regulations applicable to its activities.

### **Our responsibility**

Our responsibility is to report in the form of an independent limited assurance conclusion in relation to the above scope based on the procedures performed and the evidence obtained. We conducted our engagement with a multidisciplinary team which included professionals with suitable skills and experience in auditing environmental, social and economic information in line with the requirements of ISAE 3000 standard.

This assurance report is made solely to Issuer in accordance with the terms of our engagement, which include agreed arrangements for disclosure. Our work has been undertaken so that we might state to Issuer those matters we have been engaged to state in this assurance report and for no other purpose. Our assurance report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Issuer for any purpose or in any context. Any party other than Issuer who obtains access to our assurance report or a copy thereof and chooses to rely on our assurance report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Issuer for our work, for this independent limited assurance report, or for the conclusions we have reached.

**Manpreet Singh**

Director

KPMG India

10 October 2018