



## **POST ISSUANCE VERIFICATION REPORT**

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# **NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT LTD. (NABARD) POST ISSUANCE VERIFICATION OF SOCIAL BOND PROCEEDS**

**Prepared by: Bureau Veritas Industrial Services (India) Pvt. Ltd.**

**Location: Mumbai, India**

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### Disclaimer

Our assessment relies on the premise that the data and information provided by NABARD for their social bond proceeds to us as part of our review procedures have been provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. BUREAU VERITAS expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

### Statement of Competence and Independence

BUREAU VERITAS applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the BUREAU VERITAS Code of Conduct during the assessment and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. BUREAU VERITAS was not involved in the preparation of statements or data included in the Framework except for this Statement. BUREAU VERITAS maintains complete impartiality toward stakeholders interviewed during the assessment process.

# **NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT LTD. (NABARD)**

## **POST ISSUANCE VERIFICATION OF SOCIAL BOND PROCEEDS**

### **Scope and objectives**

BUREAU VERITAS INDUSTRIAL SERVICES (INDIA) PVT LTD. (henceforth referred to as "BUREAU VERITAS") has been commissioned by National Bank for Agriculture & Rural Development (NABARD) (henceforth referred to as "NABARD" or "or issuer") to provide a Post Issuance Verification of Social Bond Proceeds as per NABARD's Sustainable Bond Framework dated 07 July 2023 (the "Framework").

As India's apex development bank, NABARD has been a catalyst for sustainable and equitable agriculture and rural development since its establishment in 1982. This premier financial institution has dedicated over four decades to uplifting rural India, leveraging Agri-finance, supporting infrastructure, pioneering banking technology, and empowering rural entrepreneurs through Self-Help Groups (SHGs) and Joint Liability Groups (JLGs). NABARD continues to contribute to nation-building by fostering participative financial and non-financial interventions, embracing innovation, and strengthening institutions in rural areas.

NABARD officially came into being through Parliamentary Act 61 of 1981, following a key recommendation from a committee's interim report. This marked the creation of a distinctive development financial institution, which is singularly focused on rural credit and development. Its formation involved the transfer of crucial agricultural credit operations from the RBI and the refinancing duties from the Agricultural Refinance and Development Corporation (ARDC). Since its dedication to the nation by late Prime Minister Smt. Indira Gandhi on November 5, 1982, NABARD, fully owned by the Government of India, has been instrumental in writing countless success stories across rural India.

Our objective is to provide Post-issue verification of use of proceeds from the social bond issued on 27 September 2023 and Verification of the internal tracking and impact reporting, for the National Bank for Agriculture and Rural Development ("NABARD" or "issuer") against the Social Bond Principles ("SBP"), issued by the International Capital Market Association ("ICMA"), in June 2023. The scope of this BUREAU VERITAS post issuance verification is to provide a limited level verification statement determining the allocation of the use of proceeds to the social project categories as defined in NABARD's Sustainable bond framework dated 07 July 2023.

NABARD issued a social bond amounting to ₹1040.50 crore on 27 September 2023 for refinancing existing drinking water projects financed by NABARD under NABARD Infrastructure development assistance (NIDA). This issuance was conducted in accordance with the NABARD Sustainable Bond Framework, which has been independently assured for compliance with relevant standards and principles. The proceeds from this bond were allocated for the refinancing of pre-existing drinking water projects in Telangana, specifically those under the Mission Bhagiratha scheme that were originally financed by NABARD, in line with the defined project categories within the framework.

Bureau Veritas has performed post issuance verification based on Social Bond Principles ("SBP"), issued by the International Capital Market Association ("ICMA"), in June 2023 and the third-party assurance documents provided by NABARD and the allocation of the use of proceeds to the social project categories as defined in the Framework.

## **Responsibilities of the Management of NABARD and BUREAU VERITAS**

The management of NABARD has provided the information and data used by BUREAU VERITAS during the delivery of this verification. Our statement represents an independent opinion and is intended to inform NABARD management and other interested stakeholders as to whether the established criteria have been met, based on the information provided to us. In our work we have relied on the information and the facts presented to us by NABARD. BUREAU VERITAS is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, BUREAU VERITAS shall not be held liable if any of the information or data provided by NABARD's management and used as a basis for this assessment were not correct or complete.

### **Basis of BUREAU VERITAS's Post issuance Verification**

We have adapted our Social Bond Principles (SBP) June 2023, verification protocol, to verify NABARD's specific Sustainable Bond framework Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin BUREAU VERITAS's post issuance verification.

The SBP mandates that information disclosed and reported by issuers to stakeholders, via core components and key recommendations, be transparent, accurate, and possess integrity. As per our Protocol, the criteria against which the Framework and the post issuance impacts have been reviewed are grouped under the following SBP Principles:

The four core components for alignment with the social bond principles are:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

The key recommendations for heightened transparency are:

- i. Social Bond Frameworks
- ii. External Reviews

### **Framework Review Work Undertaken**

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by NABARD in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. We have used BUREAU VERITAS's experts having experience in social impact Assessment and water sustainability projects. The work undertaken to form our verification included:

- Assessment of documentary evidence provided by NABARD on the Sustainable finance framework and supplemented by high-level desktop research. The checks refer to current assessment practices and standards methodology.
- Discussions with NABARD's management, and review of relevant documentation and evidence related to the criteria of the Protocol, including the Annual reports, External Verification of second party opinion and the management report (refer schedule II). These methods adhere to the latest assessment best practices and standards. We also engaged in detailed discussions with NABARD examined pertinent documents, and, where appropriate, verified specific sample beneficiaries and projects under NIDA program of NABARD. Additionally, we thoroughly evaluated NABARD's internal processes for data collection, compilation, and reporting, ensuring their efficiency and reliability.
- Discussions with NABARD's representatives from Corporate Finance team.
- Documentation of findings against each element of the criteria. Our opinion as detailed below is a summary of these findings.

## Findings and BUREAU VERITAS's Post Issuance Verification

BUREAU VERITAS conducted external review engagement in accordance the Social Bond for the National Bank for Agriculture and Rural Development ("NABARD" or "issuer") against the Social Bond Principles ("SBP"), issued by the International Capital Market Association ("ICMA"), in June 2023. The review included checking whether the provisions of SBP were consistently and appropriately applied and ii) the collection of evidence supporting the review. BUREAU VERITAS's findings are listed below:

### **Principle 1: Use of Proceeds-**

The Use of Proceeds criteria for social bonds play a crucial role in ensuring that the funds raised are used effectively to finance projects that deliver meaningful social benefits. By adhering to these criteria, issuers can contribute to addressing social issues and achieving positive social outcomes, thereby enhancing the impact of social bonds on society. This framework is designed to promote transparency, accountability, and the effective use of funds in social bond issuance. Issuers are encouraged to follow these guidelines to ensure the successful delivery of social projects.

#### **BV Verification Comments:**

NABARD has utilised the proceeds from its bond issuance to refinance social projects that advance the Sustainable Development Goals (SDGs). Five projects, specifically focusing on Clean Water and Sanitation (Drinking Water Supply Projects), were reviewed for this issuance.

Bureau Veritas confirms that NABARD's strong commitment to its Social Bond Framework and Concludes that the eligible project categories within this framework are fully aligned with the Social Bond Principles.

### **Principle 2: Process for Project Evaluation and Selection**

The Project Evaluation and Selection criteria are essential for ensuring that social bonds are used to finance projects that deliver meaningful social benefits. By following these criteria, issuers can ensure that their investments are aligned with the social objectives of the bond and contribute to positive social outcomes.

#### **BV Verification Comments:**

Bureau Veritas confirms NABARD's commitment to issuing this bond in accordance with its Social Bond Framework. This framework details the thorough process by which projects are evaluated and selected. The eligibility assessment, including criteria, is clearly articulated in NABARD's Sustainable Bond Framework and NIDA's SOP (Refer schedule II).

### **Principle 3: Management of Proceeds**

The Management of Proceeds criteria are crucial for ensuring that social bonds are effectively managed and that funds are used in accordance with the social objectives of the bond.

#### **BV Verification Comments:**

Bureau Veritas has reviewed NABARD's Social Bond Framework and evidence which states the use of proceeds of this bond issuance will be directed to financing and re-financing NABARD's social projects which contribute to the achievement of the Sustainable Development Goals (SDGs)

### **Principle 4: Reporting**

The Reporting criteria are designed to ensure that bond investors receive regular updates on the use of bond proceeds. Regular and transparent reporting on the use of proceeds is essential for maintaining the integrity and effectiveness of social bonds. By providing detailed and timely information, issuers can ensure that stakeholders are well-informed about the allocation and impact of the projects, thereby enhancing the credibility and success of the social bond initiative.

These criteria recommend at least annual reporting and the use of quantitative and/or qualitative performance indicators, where feasible.

**BV Verification Comments:**

Bureau Veritas confirms NABARD's commitment to annual reporting for this post-bond issuance. This reporting will detail the allocation of expenditures and any remaining balance until the proceeds are fully allocated to eligible projects or redeemed. This information, including project details, expected social impacts, and clear impact indicators with units of measurement, will be made available to stakeholders, aligning with the Social Bond Framework.

The scope of this BUREAU VERITAS post issuance to provide a limited level verification statement determining the allocation of the use of proceeds to the social project categories as defined in the NABARD Sustainable bond framework.

Based on the limited assurance procedures performed, the evidence obtained, and the scope of our post issuance assurance engagement as described above, nothing has come to our attention to suggest that the NABARD Sustainable Bond Framework, intended for allocation of proceeds of the Social Bond through refinancing of the drinking water projects, Telangana (TDWCL) in 2023, by the Issuer, is not, in all material respects, in alignment with the requirements of the Social Bond Principles, 2021 by ICMA.

Bureau Veritas has concluded that the bond meets the criteria established in the framework and is aligned with the stated definition of social bonds within the Social Bond Principles. NABARD follows the core principles and key recommendations of the Social Bond Principles. The organization demonstrates strong transparency by clearly outlining its reporting expectations, including the frequency, scope, and duration of reports, all of which are aligned with the best market practices. NABARD reported on the allocation of proceeds and confirmed they were used in line with its commitments, applying relevant output indicators to show the impact.

**For BUREAU VERITAS INDUSTRIAL SERVICES PVT. LTD.**

Date, 10<sup>th</sup> of July 2025



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**Dr. Apurva Srivastava**  
Lead Reviewer



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**Rupam BARUAH**  
Lead Reviewer



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**Anirban CHATTERJEE**  
Technical Reviewer

**About BUREAU VERITAS** Bureau Veritas is a world leader in laboratory testing, inspection and certification services. Created in 1828, the Group has more than 83,000 employees located in more than 1,600 offices and laboratories around the globe.



Bureau Veritas helps its clients improve their performance by offering services and innovative solutions to ensure that their assets, products, infrastructure and processes meet standards and regulations in terms of quality, health and safety, environmental protection and social responsibility.

## ALIGNMENT WITH COMMITMENTS SET FORTH IN THE SOCIAL FINANCE FRAMEWORK

### SCHEDULE 1: MAPPING WITH THE UN SUSTAINABLE GOALS- IMPACT INDICATORS

#### SUSTAINABLE DEVELOPMENT GOALS

NABARD's social bond impact indicators map to the following SDGs, according to ICMA's "A High-Level Mapping to the Sustainable Development Goals" and derived from the bond's financed and refinanced project categories.

Impact Indicators	Sustainable Development Goals
SBP Category- Affordable Basic infrastructure Number of people provided with safe and affordable drinking water	
SBP Category - Access to Essential Services Good health and well-health	

## SCHEDULE 2: SOCIAL BOND PRINCIPLES- POST ISSUANCE ASSESSMENT PROTOCOL

Social Bond Principles	Ref-Criteria	Requirement	Assessment of Project Information	Documents Reviewed	Alignment with Commitment-Bureau Veritas Findings
Use of Proceeds	1a. Type of bond	<p>The bond must be classified under one of the following categories, as defined by the Social Bond Principles:</p> <ul style="list-style-type: none"> <li>• Standard Social Use of Proceeds Bond</li> <li>• Social Revenue Bond</li> <li>• Social Project Bond</li> <li>• Social Securitized and Covered Bond</li> </ul>	<p>1. The Government of Telangana has initiated the Telangana Drinking Water Project with the objective of providing safe drinking water to every household in all habitations through tap connections. To achieve this goal, the project aims to:</p> <ol style="list-style-type: none"> <li>a. Upgrade existing facilities</li> <li>b. Provide additional transmission lines and infrastructure to enhance the supply rate to 100 liters per capita per day (lpcd) in rural areas, up from the current 40 to 55 lpcd.</li> </ol> <p>2. The Telangana Drinking Water Project (TDWSP) encompasses a total of 26 segments, covering the entire Telangana State. One of the primary segments of this project is the Akkampally Balancing Reservoir (AKBR)</p> <p>3. The Government of Telangana has launched Mission</p>	<p>i. NABARD'S Sustainable Bond Framework dated 07 July 2023.</p> <p>ii. Baseline Report- Mission Bhagiratha</p> <p>iii. Memorandum of Sanction (MoS) for Telangana Drinking water Supply Project.</p> <p>Discussion with Corporate Finance team and NABARD's management.</p>	<p>"NABARD confirms that the proceeds from its sustainable bonds are utilized exactly as described in its sustainable Bond Framework, specifically under the Social Project criteria.</p> <p>This disclosure report demonstrates adherence to their initial commitment to finance the eligible Social Projects.</p>



			<p>Bhagiratha to ensure safe, adequate, sustainable, and treated drinking water for all rural and urban areas within the state. The National Bank for Agriculture and Rural Development (NABARD) has approved five projects totalling ₹5416.675 crore under the National Infrastructure Development Account (NIDA) for this initiative. These projects encompass grid works in the former districts of Medak, Medchal, Nizamabad, Khammam, and Nalgonda, as well as intra-village works in the former districts of Nalgonda, Adilabad, and Karimnagar.</p>		
	1b. Identification of the social projects	<p>The project documentation related to Social Bond must appropriately describe the utilization of its proceeds, which is the defining characteristic of such a bond.</p>	<p>NABARD has announced the issuance of a Social Bond worth INR 3,000 crore (comprising a base issue of INR 1,000 crore and a green shoe option of INR 2,000 crore). The bond aims to refinance sanctions extended under the NABARD Infrastructure Development Assistance (NIDA-Master circular – Circular No. 13/ BID -01/2022, which refers to Circular No. -161/ BID -04/2020) for the Drinking Water Sector in the state of Telangana. Following the bidding process on the BSE, NABARD has decided to proceed</p>	<ul style="list-style-type: none"> <li>i. NABARD's Social Bond Term Sheet- NABARD 2028 Bonds Series 24-SB1</li> <li>ii. NIDA's Master Circular 2022</li> <li>iii. NABARD'S eligibility criteria for Social Bond projects.</li> </ul>	<p>The documentation we reviewed confirms that the use of proceeds is clearly described and that there's a commitment to the Social Bond Principles.</p>

			with the issuance for a revised amount of INR 1,040.50 crore.		
	1c. Social Benefits	All designated Social Project categories must deliver clear social sustainable benefits. Where feasible, the issuer will quantify or assess these benefits.	Projects that primarily benefit rural areas or populations, with more than 50% of the benefits accruing to them, are eligible for NIDA funding. These projects included in the harmonized list of infrastructure sub-sectors issued by the Department of Economic Affairs, Ministry of Finance, Government of India. As per details mentioned in NIDA SOP, activities under the Rurban Mission and infrastructure projects (RIDF) which may positively impact towards achieving Sustainable Development Goals (SDGs) are also considered eligible for NIDA funding. Eligible project sectors: agriculture, transport Energy, Drinking water and sanitation, Social as well as commercial Infrastructure sectors.	i. Functionality Assessment Report of Household Tap Connection under National Jal Jeevan Mission – 2022 ii. Detailed Project DPR- Segment 3-AKBR, 6-HMWSSB, 8-Singur-Naryankhed, 9- Singur Sangareddy, 10A-Singur-Narasapur, 10B, 13- Singur jukkal, 25-Palair, 26- Wyra	Verified and in conformance with the SBP Principles requirement
Process for Project Evaluation and Selection	2a. Investment decision process	To ensure transparency, Social Bond issuers must detail their project eligibility determination process. This includes explaining how projects align with the Social Bond Principles' eligible categories, defining specific eligibility criteria for using bond proceeds, and outlining	NABARD operates in accordance with the project evaluation and selection methodology set forth in its Sustainable Bond Framework and intended for allocation of proceeds of the Social Bond through refinancing of the drinking water projects, Telangana (TDWCL) in 2023. The report corresponds to the initial commitments stipulated in the	i. Scrutiny report- Drawal 1& 2) D/2020/81/1260-pre-disbursement monitoring-The aim was to ensure that the projects are progressing as planned and to identify any potential issues before the final disbursement of funds. ii. Scrutiny of Drawal application under NIDA -D2019/81/1423 iii. CLMAS (CBS) Disbursement Report funding to TDWSP Projects	NABARD ensures the selected projects are coherently defined, structured, and adhering to the framework's eligibility criteria for social financing.

		<p>the intended social sustainability objectives.</p> <ul style="list-style-type: none"> <li>• The issuer of a Social Bond is required to delineate the decision-making process for project eligibility. This encompasses: <ul style="list-style-type: none"> <li>- Confirming projects fit within the Social Bond Principles' designated categories.</li> <li>- Specifying the criteria for projects to utilize Social Bond proceeds.</li> <li>- * Defining the social sustainability objectives of the projects.</li> </ul> </li> </ul>	<p>framework's project evaluation and selection process. It has been verified that projects are designed to directly address or mitigate social issues and generate positive social outcomes.</p>		
	2b. Issuer's Environmental and social and governance framework	<p>Social Bond investors may assess not only the issuer's disclosed bond-specific information (process, criteria, assurances) but also their broader social sustainability framework and performance.</p>		<p>i. NABARD'S Sustainable Bond Framework dated 07 July 2023.  ii. Baseline Report- Mission Bhagiratha  iii. Memorandum of Sanction for Telangana Drinking water Supply Project.</p>	<p>NABARD's Sustainability Efforts Align with Bond Objectives Based on the information we've reviewed and publicly available data, NABARD's environmental and social sustainability approach, as well as its various initiatives, are</p>

					consistent with the Bond's objectives.
Management of Proceeds	3a Tracking procedure	Issuers must ensure the net proceeds of Social Bonds are clearly traceable, either through a dedicated sub-account, sub-portfolio, or other suitable method. A formal internal process is required to attest to this tracking, linking directly to the issuer's Social Project lending and investment activities.	Product code 2102-NIDA CONTRACT BASED LOAN has been verified for 11680000000.00 sanctioned loan and 10518610000.00 for disbursed amount. An established internal tracking method ensures the proper allocation of social Bond proceeds.	Quarterly Progress Report dated 31.12.2022, under NIDA Project (Reference of the Sanction letter issued by the for: i. Telangana Drinking Water Supply Project (Mission Bhagiratha): Segment 8, 9, 10A & 10B, Reference of the Sanction letter issued by the RO- NB. TSRO/BID/NIDA-TDWSCL/3469/2015-16 dated 23.09.2015 ii. Telangana Drinking Water Supply (Mission Bhagiratha): Segments 6 (Medchal) & 13 (Nizamabad), Reference of the Sanction letter issued by the RO- NB. TS RO(Hyd)/BID/NIDA-TDWSCL/1484/2016-17 dated 01.08.2016 iii. Telangana Drinking Water Supply Project (Mission Bhagiratha): Segments 25 (Palair) & 26 (Wyra) (Khammam), Reference of the Sanction letter issued by the RO - NB. TSRO/BID/NIDA-TDWSCL/Khammam/1231/2017-18 dated 10.07.2017 iv. Telangana Drinking Water Supply Project (Mission Bhagiratha): Segments 3: AKBR Grid, Balance Intra Village Works of AKBR Segment (20 Mandals), Intra Village Works of Augmentation Segment (23 Mandals) & Balance Intra Village Works of Tailpond Segment (4 Mandals) in erstwhile Nalgonda district. -	NABARD confirms its strict adherence to the Sustainable Bond Framework's guidelines for managing bond proceeds and aligned with their credit appraisal process. The report demonstrates that funds equivalent to the bond's net proceeds are being directed towards eligible social projects,

				<p>Reference of the Sanction letter issued by the RO- NB.TS RO(Hyd)/BID-NIDA/TDWSCL-Seg. 3/ Vol. II/2861/2017-18 dated 22.11.2017.</p> <p>v. Telangana Drinking Water Supply Project (Mission Bhagiratha): Intra Village Works in erstwhile Adilabad (27 Mandals) &amp; Karimnagar (33 Mandals), Reference of the Sanction letter issued by the RO- NB.TSRO.HYD/ 07/BID/NIDA-TDWSCL- Loan V/2020-21 dated 22.04.2020.</p> <p>vi. NIDA's Monitoring Plan 2023-24.</p>	
	3b Effectiveness of tracking process	As long as Social Bonds remain outstanding, the balance of their tracked proceeds should be periodically reduced. This reduction will correspond to the amounts of eligible social investments or loan disbursements made during each period.	There's a well-defined process for tracking the balance after disbursements.	<p>i. NABARD's - Term Sheet- NABARD 2028 Bonds Series 24-SB1</p> <p>ii. NIDA's Master Circular 2022</p> <p>iii. NABARD'S sustainable bond framework,</p> <p>Discussion with Corporate Finance team and NABARDs management</p>	We find that the balance is clearly tracked, with disbursements properly accounted for. There's a well-defined process for tracking the balance after disbursements.
	3c Temporary holdings	Prior to the investment or disbursement of proceeds into eligible Social Projects, the issuer shall make transparent to investors the intended temporary investment instruments	NABARD has no unallocated proceeds; all funds have been used to refinance eligible projects.	Discussion with Corporate Finance team and NABARDs management.	NABARD has No unallocated proceeds.

		for any unallocated balance			
Reporting	4a Periodical reporting	To ensure transparency, issuers should disclose in an annual report detailing both the use of Social Bond proceeds and the temporary investment of any unallocated funds. This report should also contain a list of projects that have received funding, offering a brief description of the disbursed amounts, and their expected social sustainability impact, all subjects to confidentiality and competitive considerations.	<p>NABARD's latest report fulfills its commitment to transparency by providing both an allocation and an impact report for its social bonds/loans. Specifically, the "allocation reporting" section within the 2022 Household Tap Connection functionality assessment report (National Jal Jeevan Mission) has been verified. This verification confirms the direct social impacts achieved, such as reaching 2.72 crore beneficiaries (from the Bhagirathi report), enhancing access to essential services, and generating employment opportunities.</p> <p>The report is available online at <a href="https://missionbhagiratha.telangana.gov.in/">https://missionbhagiratha.telangana.gov.in/</a></p>	Discussion with Corporate Finance team of NABARD.	<p>i. BUREAU VERITAS concludes that the required information, as required by SBP, will be published in a timely manner and kept publicly available.</p> <p>ii. Verification certificates will be published on ISSUER's website.</p> <p>iii. Relevant information for investors will be communicated annually through website.</p>



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Verification	External Verification		Bureau Veritas has provided a third-party verification of post issuance of social bond proceeds.	Discussion with Corporate Finance and ESG teams of NABARDs management	BUREAU VERITAS confirms that NABARDs has committed to their Sustainable finance framework to obtain external and independent verification of Post issuance of its social proceeds.
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## RECOMMENDATIONS:

NABARD is committed to robust management and oversight of its Social Bond proceeds. For the bond tenure it is recommended to improve the overall process by adopting the following:

- **Improvement in the Standard Operating Procedures (SOP's):** NABARD should develop an internal SOP specifically designed for each of the debt instrument/transaction as per sustainable bond finance framework. E.g. SOP for tracking the proceeds of its Social Bonds, ensuring a systematic and consistent approach to fund management.
- **Establish Stakeholder Engagement for Projects:** A clear procedure needs to be set up to involve relevant stakeholders (including project beneficiaries) in the selection and evaluation of projects. This fosters transparency and ensures projects align with social impact goals.
- **Formalization of Social Impact Assessment:** An independent social impact assessment to be conducted for social bond, use of proceeds projects. This adds an extra layer of assurance and credibility.