

## PRESS RELEASE

### **ADB invests US\$25 million in Vivriti Capital's first climate bond to boost renewable energy and EV infrastructure**

- *The climate bond, equivalent in INR, will come with a 4-year tenor*
- *30% of the fund has been allocated to finance EV infrastructure and on-lending to retail borrowers for purchase of new EVs*

**Mumbai, September 30, 2024:** Vivriti Capital Limited (VCL), a prominent mid-market NBFC, has received financial assistance from the Asian Development Bank (ADB) consisting of a senior secured debt facility amounting to \$25 million. The debt facility, equivalent in Indian rupees and having a 4-year tenor, will be issued by the diversified NBFC for its sustainable finance project – Vivriti Capital Climate Finance Project.

This marks ADB's first climate bond investment in India and the first certified climate bond issuance by a private-sector NBFC in India, representing a significant milestone in VCL's efforts to grow its green finance portfolio. The transaction plays a crucial role in supporting business segments vital to India's decarbonisation goals, and also aims to offer loans to enterprises led or owned by women.

The proceeds from the debt facility will be used to support enterprise and retail borrowers across renewable energy segments, including solar and wind energy generation, the electric vehicle (EV) ecosystem, and waste management. A substantial portion, at least 30% of the funds, will be allocated to financing the EV ecosystem, including charging stations and battery swapping infrastructure, and onlending to retail borrowers for the purchase of new EVs. This aligns with India's push to reduce its reliance on fossil fuels and transition to cleaner energy alternatives.

On this transaction, **Parth Sanghani, Chief Treasury Officer, Vivriti Capital**, said: "This significant investment from the Asian Development Bank highlights our steadfast commitment to driving sustainability. As India embarks on its ambitious journey to reduce carbon emissions by one billion tons by 2030 and achieve net zero by 2070, substantial financial resources are essential. The support from the Asian Development Bank will enable us to further contribute to this national objective. By directing these funds into strategic loans for electric vehicles and renewable energy projects, we aim to catalyze sustainable economic growth, creating a multiplier effect in the economy."

The Asian Development Bank will fully subscribe to VCL's climate bond by Q3 2024, with VCL beginning to disburse loans to borrowers during the same period.

"Climate bonds can bridge the large market gap for climate finance in India while supporting development of the capital market," said **ADB Director General for Private Sector Operations Suzanne Gaboury**. "This partnership with Vivriti Capital Limited allows ADB to support scalable and commercially viable renewable energy projects and promote decarbonization of road transport, which accounts for up to 30% of urban air pollution in India."

The funding from ADB offers VCL a valuable opportunity to effectively direct climate financing toward scalable and commercially viable renewable energy projects. With its diverse client base and sectors of operation, VCL is well-positioned to provide financing to underserved enterprises, including micro,

small, and medium-sized enterprises (MSMEs), mid-market corporates, and retail clients. VCL's expertise in cash flow-based underwriting, quick turnaround time, and streamlined processes enables it to meet the unique needs of these enterprises. With a green finance framework already in place, the ADB's support will help VCL strengthen and expand its climate finance portfolio.

#### **About Vivriti Capital:**

Vivriti Capital is a fintech NBFC that aims to bring necessary debt finance to hundreds of mid-market enterprises across India. Over 7 years since inception, Vivriti Capital has built a highly successful franchise, with more than INR 7,800 crores of portfolio, as well as 400+ clients across 45+ sectors and 20+ states.

Vivriti's combined portfolio has witnessed stellar metrics, with industry-leading asset quality and return metrics. The Group has raised INR 1,400 crores of equity since inception.

For more information, visit: [www.vivriticapital.com](http://www.vivriticapital.com)

#### **About ADB:**

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. Established in 1966, it is owned by 68 members—49 from the region.

For more information, visit: <https://www.adb.org/>