

## CDC announces US \$30 million directed green lending facility to Tata Cleantech Capital Limited

- Facility will help provide loans in the resource efficiency sector across India
- Bolsters e-mobility solutions, energy and water efficiency, and avoids greenhouse gas emissions and freshwater consumption
- Forms CDC's first directed green lending facility

**Mumbai, 28 January 2021:** CDC Group, the UK's development finance institution and impact investor, today announced a US \$30 million facility to Tata Cleantech Capital Limited (TCCL), through CDC's directed green lending facility. This first of its kind facility will enable TCCL to offer loans to businesses across India that focus on e-mobility solutions as well as water and energy efficiency, to help mitigate the effects of climate change.

India is the world's fourth-largest emitter of greenhouse gas emissions and is amongst the top ten water consuming countries in the world ([World Resource Institute, 2017](#)). CDC's facility will enhance efforts to avoid greenhouse gas emissions by increasing the deployment of energy efficiency and e-mobility solution. Additionally, this will also facilitate the reduction of freshwater consumption by funding water efficiency and wastewater treatment projects to reduce water stress. The objective is to support climate change mitigation in India.

While India's resource efficiency sector is in its nascent stage, the demand for resource efficiency services and products is increasing exponentially. CDC's facility aims to address the financing barrier by directing lending to specific sub-sectors, incentivising the rapid deployment of capital at scale. The facility will further demonstrate the bankability of resource efficiency solutions to customers and investors alike, helping catalyse the growth of the market.

CDC's facility to TCCL contributes to the achievement of UN Sustainable Development Goals 6 (Clean Water and Sanitation), 7 (Affordable and Clean Energy), 12 (Responsible Consumption and Production) and 13 (Climate Action).

**Manish Chourasia, Managing Director, Tata Cleantech Capital Limited, said:** "We are delighted to have CDC Group partner with TCCL in its journey to mobilise climate finance in India. TCCL will help develop the nascent cleantech sectors viz E-mobility, Energy Efficiency and Water Efficiency in India through CDC's directed green lending facility. We look forward to deploying the CDC facility in order to fill in the market gap in the above sectors, while pursuing a developmental agenda with sustainability at its core"



**Srini Nagarajan, Managing Director and Head of Asia at CDC, said:** “This pioneering facility is the first of its kind for CDC and helps address some of the most important climate and resource challenges India is experiencing. Our partnership with TCCL will enhance resource availability and efficiency for people across the country, helping to boost CDC’s long-term objective of supporting climate resilient communities and businesses. Looking forward, we are keen to invest more of our long-term capital in target green sectors that will drive India’s transition to a net-zero carbon future.”

**Geoffrey Manley, Director and Head of Energy Access and Efficiency at CDC, noted:** “We are pleased that our facility to TCCL can provide flexible and long-term capital that will play an essential role in funding climate change adaptation and mitigation initiatives in India. We are excited that CDC’s innovative directed green lending facility will enable TCCL to provide funds quickly and at scale, to local green businesses that are doing their part in helping India take active steps to combat climate change.”

#### **About Tata Cleantech Capital Limited (TCCL):**

TCCL, a joint venture between Tata Capital Limited (Tata Group) and IFC (World Bank) is a first of its kind Private Sector Green Investment Bank with focus on climate finance and advisory services. Since its inception, TCCL has played an instrumental role in mainstreaming finance for new and nascent sectors. In 2019, it secured US\$ 100 mn line from Green Climate Fund to develop Roof-top solar market in India. Internationally recognized by its induction in the coveted Green Bank Network, TCCL is the premier Indian entity and first Private Sector Climate Finance Institution to be part of this network.

TCCL, having financed more than 220 projects has contributed to the development of ~7.7 GW renewable energy which has averted annual carbon emissions of 12.5 MT. TCCL has built a robust loan portfolio value of ~US\$ 850 mn and has been able to consistently create value for its shareholders while maintaining best in class asset quality. TCCL enjoys domestic credit rating of AAA from CRISIL (an S&P Global Company), driven by strong parentage & a high quality asset portfolio.

#### **About CDC Group:**

CDC Group is the UK’s first impact investor with over 70 years of experience of successfully supporting the sustainable, long-term growth of businesses in South Asia and Africa. CDC is a leading player in the fight against climate change and a UK champion of the UN’s Sustainable Development Goals – the global blueprint to achieve a better and more sustainable future for us all. The company has investments in over 1,200 businesses in emerging economies and a total portfolio value of \$6.2bn. This year CDC will invest over \$1.5bn in companies in Africa and Asia with a focus on fighting climate change, empowering women and creating new jobs and opportunities for millions of people. CDC is



funded by the UK government and all proceeds from its investments are reinvested to improve the lives of millions of people in Africa and South Asia.

CDC's expertise makes it the perfect partner for private investors looking to devote capital to making a measurable environmental and social impact in countries most in need of investment.

**For further information, please contact:**

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