

IFC invests in first-of-its-kind Sustainability-Linked Bond issued by Tata Cleantech Capital, to foster renewable energy, drive climate targets

Mumbai, March 27, 2023: International Finance Corporation (IFC) invests 3,750 million (about \$50 million) in a sustainability-linked bond (SLB) issued by Tata Cleantech Capital. This new investment is set to spur India's renewable energy capacity and will help improve access to climate finance. This is the first such instrument issued by a private financial institution in India and will support the country's shift to a clean energy economy.

The SLB will help Tata Cleantech Capital Limited (TCCL), a joint venture between Tata Capital Limited and IFC, strengthen its position as a leading green financier by taking on ambitious climate and sustainability targets. The company will work towards scaling up on-lending towards renewable energy projects and diversifying into energy efficiency and e-mobility sectors over the next three years.

SLBs are a rapidly growing capital market instrument, alongside Green, Social, and Sustainable (GSS) bonds, to support global sustainable development. A financing tool of the future, SLBs focus on impact and measurable results, going beyond the "end-use" focused approach of GSS instruments, and helping organizations improve performance against tailor-made environment, social and governance (ESG) targets that also contribute to the United Nations Global Goals.

Moreover, with India's updated Nationally Determined Contributions aiming to reduce the carbon intensity by more than 45 percent by 2030 from its 2005 levels, IFC estimates the country will need around \$403 billion in renewable finance by 2030 to achieve its renewable targets.

Manish Chourasia, Managing Director, Tata Cleantech Capital says, "Aligning with our sustainability goals, IFC's innovative financing structure will enable us to be a pioneer issuer of a SLB in India and strengthen our green financing portfolio. Also, the financing will help diversify our borrowings' profile in the fight against climate change."

Joon Young Park, IFC's Portfolio Manager, Financial Institutions Group for South Asia said, "Increasing climate financing is key to supporting sustainable economic growth in India. IFC's partnership with a long-term equity investee company and leader in climate finance is timely and will help promote resilient infrastructure and financial markets by catalyzing the issuance of India's first sustainability-linked bond by a financial institution. In addition, the project will provide a much-needed boost deepening and broadening India's debt capital markets, key to achieving sustainable and inclusive growth."

About IFC: IFC is a member of the World Bank Group-is the largest global development institution focused on the private sector in emerging markets. We work in more than 100 countries, using our capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2022, IFC committed a record \$32.8 billion to private companies and financial institutions in developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity as economies grapple with the impacts of global compounding crises. For more information, visit www.ifc.org.

About Tata Cleantech Capital (TCCL): A Joint Venture between Tata Capital Limited and International Finance Corporation (IFC), TCCL is engaged in the business of providing finance and advisory services for projects in Renewable Energy, Energy Efficiency, Waste Management, Water Management and other cleantech sectors.

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