

## Profectus Capital secures \$25 million investment from IFC to accelerate India's climate goals



**K V SRINIVASAN**  
CEO, PROPECTUS CAPITAL

Profectus Capital Private Limited, a non-banking financial institution concentrating on micro, small, and medium enterprises (MSMEs), secured \$25 million (around Rs 205 crore) by issuing non-convertible debentures (NCDs) to the International Finance Corporation (IFC), which is part of the World Bank Group.

This marks IFC's inaugural investment aimed at funding energy-efficient (EE) equipment for MSMEs in India, representing a specialized asset category within the financial services industry. Given that the funds will be allocated to support environmentally friendly assets, the NCDs are categorized as green bonds. Additionally, Profectus Capital has established a Green Bond Framework that complies with the Green Bond Principles set forth by the International Capital Market Association.

K V Srinivasan, Founder & CEO of Profectus Capital said in a statement, "This partnership is of immense significance and value to us given that this is the first investment by IFC in India to finance purchase of energy efficient equipment by MSMEs. With IFC's investment in our green bonds, we look forward to further consolidate our position in the MSME market."

The anticipated energy usage by MSMEs in the nation is forecasted to more than double by 2030, reaching 72 metric tons of carbon dioxide (tCO<sub>2</sub>) equivalent, up from 30 metric tCO<sub>2</sub> in 2017. This presents a considerable chance for energy efficiency improvements by substituting outdated equipment with modern energy-efficient machines and retrofits.

## Index

Profectus  
Capital

Alt Mobility

Bajaj Finance

Green Frontier  
Capital

COP29

# Alt Mobility bags \$10M in Series A led by European VC Eurazeo

ALT Mobility, a company specializing in leasing and managing commercial electric vehicles (EVs), has raised \$10 million in a Series A funding round led by the European venture capital firm Eurazeo.

This funding round also saw involvement from its current investors, including Shell Ventures, Twynam Earth Fund, and EV2 Ventures.



**DEV ARORA**  
**CO-FOUNDER & CEO**  
**ALT MOBILITY**

The funds will be directed towards enhancing its digital asset management system, standardizing battery technology, increasing its fleet size to 30,000 vehicles by March 2026, and overseeing Rs 800 crore (\$96.3Mn) in assets under management (AUM) over the upcoming 18 months, as stated by ALT Mobility in a press release.

Commenting on the funding, Dev Arora, Co-founder and CEO of Alt Mobility, said, “We are positioned for the next phase of growth and aim to expand into new markets, products, and deeper ecosystem integrations with our partners to drive down the total cost of ownership of EVs.”

ALT Mobility asserts that it manages a fleet of 10,000 vehicles spread across 20 cities in India, which are leased to fleet operators and drivers. The organization provides an all-inclusive solution that encompasses leasing, maintenance, charging, real-time fleet monitoring, and data-driven insights aimed at minimizing total ownership costs and maximizing fleet availability.

Alt Mobility’s comprehensive strategy for leasing and asset management, backed by strong data analytics, showcases a dedication to promoting sustainable transportation options. The anticipated growth highlights the company’s objective to establish a significant and economically sustainable EV ecosystem in India.

# IFC Invests \$400Mn To Support Bajaj Finance Climate Fundraising



**SANDEEP JAIN**  
**CFO & COO**  
**BAJAJ FINANCE**

IIFC has collaborated with Bajaj Finance Limited (BFL) to invest \$400 million as part of BFL's \$1 billion fundraising initiative. In order to enhance and broaden access to climate financing for electric vehicles (EVs) and energy-efficient consumer goods (EECG), while also supporting women-owned microenterprises and female micro-borrowers in India

The funding aims to increase competitiveness in the climate finance market, support the country's climate goals, and promote financial inclusion.

IFC's loan will allow BFL to enhance financial accessibility for customers purchasing electric vehicles, such as two-wheelers, three-wheelers, and four-wheelers, while also reinforcing its position in the EECG sector. This collaboration will further enhance BFL's capacity to finance and assist a greater number of women-owned microenterprises and women micro-borrowers.

Sandeep Jain, Chief Financial Officer & Chief Operating Officer, Bajaj Finance Ltd., said, "Responsible business practices, driven by our ESG principles, are foundational to how we do business. IFC's funding of \$400 million serves as a catalyst for diversifying our financing sources. With this, our volume of outstanding climate loans stands to increase 4x to \$600 million in 2027 from over \$150 million in 2024.

Imad N. Fakhoury, Regional Director for South Asia, IFC, said, "Accelerating climate financing is crucial for India to meet its net-zero goals. IFC's investment in Bajaj Finance will boost market competition, inspiring other NBFCs and investors to expand their financing for energy-efficient solutions, e-mobility, and microfinance.

As India swiftly advances its energy sector, a significant number of households are anticipated to acquire new appliances, air conditioning units, and vehicles. In this context, EECG plays a crucial role in facilitating India's low-carbon growth trajectory, particularly since households contribute to 26 percent of total energy usage and 25 percent of electricity consumption.

# Green Frontier Capital launches ₹1,500 cr (\$200Mn) fund for climate tech start-ups



**SANDIIP BHAMMER**  
**FOUNDER**  
**GREEN FRONTIER CAPITAL.**

Green Frontier Capital, a prominent player in early-stage investments in climate technology in India, has revealed the establishment of its inaugural SEBI-approved Category II Alternative Investment Fund (AIF), named the Green Frontier Capital India Climate Opportunities Fund, which aims for a target corpus of Rs 1,500 crore (\$200Mn).

The fund aims to speed up India's shift toward a low-carbon economy by investing in groundbreaking climate technologies that primarily concentrate on innovative companies based in India, ranging from Seed to Series A stages. The emphasis will be on solutions related to decarbonisation, digitisation, and disruptive technologies.

“India is at the heart of the global climate action narrative. As the only large economy in the globe which is expected to quadruple its GDP over the next two decades, the choices India makes today will have global implications,” said Sandiip Bhammer, Founder and Managing Partner of Green Frontier Capital.

The AIF aims to empower investors based in India to back domestic climate-tech startups, aiding in the achievement of the nation's sustainable development objectives. This fund mainly focuses on pioneering, India-centered businesses at Seed and Series A stages, emphasizing solutions related to decarbonisation, digitisation, and groundbreaking technologies.

It will also promote innovative approaches in biological intelligence and other areas that transform sustainability, agricultural systems, and life sciences. Additionally, a significant emphasis of this fund will be on decarbonization and developing technologies that minimize emissions in key industries.

# COP29 Key Takeaways



COP29 in Baku, Azerbaijan, wrapped up following rigorous discussions. Although the summit achieved significant accords, clear divisions and frustrations highlighted the difficulties in tackling the global climate emergency. Here's an in-depth overview of the most important insights and their implications for the way ahead.

## 1. A Climate Finance Agreement

One of the key accomplishments of the summit was an agreement from developed countries to allocate \$300 billion each year by 2035 to assist developing nations in addressing climate change. The agreement focuses on two primary areas:

**Adaptation:** Creating resilient infrastructure, promoting sustainable agriculture, and establishing protections against severe weather events.

**Energy Transition:** Expanding renewable energy initiatives and decreasing dependence on fossil fuels.

The real difficulty lies in the execution. The deal depends on financial contributions from a blend of public and private entities, including international financial institutions, governments, and private sector investors. Experts caution that without effective payment systems, the commitment could go unfulfilled.

## 2. Carbon Markets: A Milestone Achieved After a Decade of Efforts

Following extensive negotiations, COP29 has established rules for global carbon markets in accordance with Article 6 of the Paris Agreement. The agreement introduces two mechanisms:

**Article 6.2:** Facilitates bilateral carbon credit trading between nations.

**Article 6.4:** Establishes a worldwide crediting system for projects aimed at reducing emissions.

Carbon credits are acquired through initiatives like reforestation or renewable energy projects, enabling countries or companies to balance out their emissions. The effectiveness of the new regulations will hinge on their implementation and their actual contribution to reducing emissions.

# COP29 Key Takeaways

## 3. A Pivotal Year Ahead for National Climate Strategies

The path to 2030 depends on nations presenting revised Nationally Determined Contributions (NDCs) by February 2025. These proposals will detail each country's approach to cutting emissions and adapting to climate change effects.

Many nations, such as the UK, Brazil, and the UAE, were commended at COP29 for their ambitious NDC submissions. These proposals prioritize the reduction of fossil fuel use and the expansion of renewable energy sources.

The updated NDCs will serve as a crucial indicator of the global dedication to achieving net-zero objectives. For developing countries, fulfilling these goals will necessitate the complete realization of the \$300 billion financing commitment.

## 4. Opportunities for Host Countries

Situated at the intersection of Europe and Asia, Azerbaijan offers a distinct geopolitical and economic stance in the global climate dialogue. As a significant exporter of oil and gas, Azerbaijan's dependence on hydrocarbons has historically been a key aspect of its economy. By hosting COP29, the nation was able to showcase the difficulties it encounters in reconciling its economic realities with its climate commitments.

From a strategic viewpoint, selecting Azerbaijan drew attention to the obstacles faced by fossil fuel-dependent countries, which play a vital role in global climate initiatives. It also highlighted the necessity of involving all stakeholders, particularly those who are confronting the challenging transition away from fossil fuels, in the worldwide climate discourse.

## 5. COP30 in Brazil: The Upcoming Major Event

COP30, scheduled to occur in Belem, Brazil, is being referred to as the "COP of COPs." Brazil's Minister of Environment and Climate Change, Marina Silva, stressed the importance of the upcoming summit: "We can't afford to waste any more time. Our aim will be to take the necessary actions to maintain the possibility of limiting warming to 1.5°C."

Nevertheless, Brazil's intentions to increase fossil fuel output casts doubt on its role as host. Critics contend that reconciling climate objectives with fossil fuel expansion will pose a considerable challenge for the nation.

## Final Insights

COP29 demonstrated significant strides in promoting climate finance and carbon market strategies, reflecting the worldwide commitment to tackling climate change. Although issues like financial shortfalls and geopolitical tensions emphasize the intricacies of global discussions, they also reveal chances for partnerships and creativity.