

**Proposed Project Summary for Public Disclosure**  
**(concept review stage)**

Project Name	Shriram Finance Sustainable Transport Project
Country	The Republic of India
Type	Non-Sovereign
Area of Operation	Transport Infrastructure
Concept Approval Date	August 15, 2024
Total Project Cost	USD 500 million
Proposed Limit of NDB Financing	USD 125 million
Borrower	Shriram Finance Limited
Project Entity	Shriram Finance Limited
Project Context	India's road transport presently accounts for 12% of India's energy-related CO2 emissions and is a key contributor to urban air pollution. As India seeks to meet the increasing demand for the transport of goods, energy use and CO2 emissions from road transport could double by 2050. The steadily expanding truck fleet is going to increase and therefore it is necessary to invest and promote clean transport infrastructure <sup>1</sup> . The Project's goal is to finance sustainable commercial vehicles thus creating sustainable transport infrastructure.
Project Description	Shriram Finance Limited is one of the largest non-bank finance companies in India registered with Reserve Bank of India (RBI). SFL has well-diversified business segments comprising financing of commercial vehicles, construction equipment, agriculture vehicles, micro, small and medium-sized enterprises (MSME) loans etc. It holds prominent position in commercial vehicle financing segment in India. NDB's loan will provide longer-term funding to SFL to support and expand SFL's lending for acquisition of energy efficient sustainable vehicles for individual driver turned owners, first time borrowers, micro, small and medium-sized enterprises (MSMEs) including small road fleet operators having 4-5 vehicles engaged in transport and logistics in India.
Project Objective	The Project objective is to increase the penetration of low carbon transportation vehicles in India by financing sustainable commercial vehicles.

<sup>1</sup> <https://www.iea.org/reports/transitioning-indias-road-transport-sector/executive-summary>