

Project Summary for Public Disclosure
(after approval of NDB financing)

Project Name	Shriram Finance Sustainable Transport Project
Country	The Republic of India
Type	Non-Sovereign
Area of Operation	Transport Infrastructure
Concept Approval Date	15 August 2024
Financing Approval Date	29 December 2024
Total Project Cost	USD 500 million
Initial Limit of NDB Financing	USD 125 million
Current 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, CO2 emissions from road transportation could double by 2050. The commercial vehicles fleet is going to expand steadily and therefore it is necessary to invest in and promote clean transport solutions. The Project's goal is to finance low emitting commercial vehicles thus creating sustainable transport infrastructure and reducing pollution.
Project Description	Shriram Finance Limited (SFL) is one of the largest non-bank finance companies in India registered with Reserve Bank of India (RBI) and holds top 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 low emitting and energy efficient sustainable vehicles for individual driver turned owners, first time borrowers, micro, small and medium-sized enterprises (MSMEs) including small road transport operators (SRTOs) having 4-5 vehicles engaged in transport and logistics in India.
Project Objective	The Project will contribute to creating sustainable transport infrastructure, pollution reduction and decrease of greenhouse gas ("GHG") emissions in the country by increasing financing available for low carbon commercial vehicles.
Implementation Arrangements	NDB funds will be used to finance commercial vehicles based on agreed eligibility criteria in terms of composition of vehicles based on fuel such as CNG/LNG/EV/BS-VI. The eligibility criteria also include state specific utilization for greater impact in low-income states and

	industrialised states based on need to create sustainable transport infrastructure and reduce pollution. The project will be implemented over a period of 18 months.	
Environmental and Social Information	The Project has been categorized as Category FI-C in line with the NDB Environment and Social Framework (ESF). SFL will use the proceeds of the NDB Loan to extend loans to individuals, (MSMEs), SRTOs, to acquire commercial vehicles that will align with the eligibility criteria set forth for using cleaner fuel and efficient engine technology vehicles. An Environmental and Social Impact Management Plan has been developed to ensure compliance with the provisions of the country systems and the NDB ESF.	
Financing	Source of Fund	Amount (USD)
	NDB	USD 125 million
	Other Sources	USD 375 million
Contacts	NDB	Borrower and Project Entity
	Indian Regional Office Garvit Sah	Mr. Vedansh Chandak Vedansh@shriramfinance.in