

# SBI, EIB to invest up to €100 mn in Indian SMEs focused on climate change

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The European Investment Bank and the country's largest lender SBI recently entered into a pact to jointly pump Euro 100 million in equity financing into Indian small businesses focused on climate change and sustainability.

An agreement got signed on the margins of the European Union-India leaders meeting in Portugal, where both the financial institutions agreed to back the initiative, as per a statement.

## **Key Highlights**

- SBI already invests in a vehicle called Neev Funds for its impact investing objectives, and the two entities have created 'Neev Fund II' for taking ahead this partnership. This is one of the EIB's first private equity investments in India.
- Neev Fund II will provide equity to SMEs focusing on mitigating climate risks, promoting social development, job creation, and gender equality at scale, SBI chairman Dinesh Khara said.

- He added that the cooperation with EIB, one of the world's largest providers of climate finance, will further strengthen and deepen the bond between India and the European Union.
- The EIB and SBI will together support the new Neev Fund II investment fund that will unlock climate action and sustainability investment by businesses across India through new equity financing.
- Under the management of SBICap Ventures, an SBI group company, Neev Fund II will invest up to Euro 100 million in Indian small and medium-sized enterprises (SMEs) and provide growth and expansion capital to companies offering solutions for clean energy, electric vehicles, efficient use of raw materials, and water and circular economy projects in the country, the statement said.

**SOURCE:** *The Hindu, Economic Times*