

# Business Standard

## GreenCell Mobility gets Rs 300 crore credit from SMBC for UP e-bus project

*Under the terms of the agreement, SMBC has extended a long-term project finance facility to GreenCell Mobility for its 350 electric buses project in Uttar Pradesh, the company said in a statement*

Nitin Kumar | **New Delhi**



Mumbai-headquartered GreenCell Mobility secured Rs 307 crore financing from Japanese financial institution Sumitomo Mitsui Banking Corporation (SMBC) for 350 electric buses in Uttar Pradesh.

Under the terms of the agreement, SMBC has extended a long-term project finance facility to GreenCell Mobility for its 350 electric buses project in Uttar Pradesh, the company said in a statement.

The project aims to reduce approximately 2.35 lakh tonnes of gross carbon dioxide (CO<sub>2</sub>) emissions over its contract lifespan by deploying 9-metre fully built pure air-conditioned (AC) electric buses across eight cities in Uttar Pradesh.

“The green financing is a significant milestone to step up our efforts towards transforming India’s electric transportation landscape,” said Devndra Chawla, managing director and chief executive officer, GreenCell Mobility.

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The project finance facility will facilitate the procurement, operation, and maintenance of electric buses under the Faster Adoption and Manufacturing of Electric Vehicles in India (FAME-II) Scheme, administered by the Uttar Pradesh Government's Directorate of Urban Transport. Operating under a 10-year concession agreement, the project ensures a fixed per-kilometre fee, mitigating traffic risk and ensuring a consistent revenue stream akin to an annuity.

The ministry of heavy industries has sanctioned 7,210 e-buses as part of its ambitious FAME-II initiative.

The financing will not only help the company meet its obligations but also contribute to the country's efforts to increase green vehicle penetration within the category. The bus segment faced challenges in 2023, with its penetration rate standing at 3.3 per cent, compared to 4.6 per cent in 2022.

“By leveraging our financial expertise and global network, we aim to help the transition towards cleaner transportation solutions, paving the way for a more sustainable future,” SMBC India country head Hiroyuki Mesaki said.

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