

Synapses launches \$125 Million fund focused on climate, health tech startups



Synapses founders Ruchira Shukla and Karthik Chandrasekar.

Ruchira Shukla and Karthik Chandrasekar, former executives at the International Finance Corporation (IFC) and TVS Capital, have launched a \$125 million venture capital firm called Synapses.

The fund aims to invest in early-stage climate tech and health tech startups, with a focus on backing STEM (Science, Technology, Engineering, and Mathematics) innovations that can have a global impact.

Synapses plans to support 20-25 startups, providing small initial investments and then increasing commitments to successful companies. The firm is targeting a first close of the fund by September-October 2024 and is in discussions with domestic high-net-worth individuals, development finance institutions, and university endowments. According to the co-founders, Synapses will focus on backing startups that go beyond digitization-based business models and build STEM solutions with strong global market potential. The fund will invest in areas such as climate change mitigation and adaptation, agriculture, and resilient healthcare solutions.

Ruchira Shukla, the co-founder and managing partner, emphasized the importance of supporting "audacious, path-breaking innovators" and helping them build leading global technology businesses. The firm will also operate an incubation program for startups.

Synapses aims to leverage India's strong STEM talent and academic innovation ecosystems to find and support the best global innovators, regardless of their location. The fund will primarily focus on investments in India and Southeast Asia.

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ESG Association of India*

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BIG Capital and Zerodha's Rainmatter Invest \$2.5 Million in LogicLadder

In a significant move within the climate tech sector, LogicLadder, a provider of enterprise sustainability management and climate action software, has successfully raised \$2.5 million in its latest funding round. This round was led by BIG Capital from Singapore and Vietnam, along with notable contributions from Zerodha's Rainmatter.



LogicLadder founders (L-R) Mayank Chauhan and Atindra Chandel

Founded by Mayank Chauhan and Atindra Chandel, LogicLadder's flagship platform, The Sustainability Cloud, helps enterprises manage ESG responsibilities, track carbon emissions, and generate sustainability reports in compliance with global standards. This new capital infusion will enable the company to expand its global footprint, particularly in South Asia and North America.

Mayank Chauhan, Co-Founder and CEO of LogicLadder, expressed enthusiasm about the funding, stating that it will allow the company to enhance its product offerings and increase capacity to meet the growing demand for climate action solutions. Atindra Chandel, Co-Founder and SVP of Products & Marketing, highlighted that the funding will accelerate their global expansion and product innovation.

The company's new investors join a roster of existing backers, including ONGC, Shell, and IIM Lucknow EIC, further solidifying LogicLadder's position as a leader in the climate tech space in India. The funds will support the company's mission to provide advanced tools and resources to enterprises worldwide, helping them navigate the complex landscape of environmental compliance and sustainability goals.

This investment comes at a pivotal time when climate tech is gaining significant momentum, reflecting the urgent need for innovative solutions to address climate change and drive sustainable growth

UBS NEXT INVESTS IN GIST IMPACT



PAVAN SUKHDEV
(CEO OF GIST ADVISORY)



Zurich, 20 June 2024 – Today GIST Impact, the leading provider of impact data and analytics, announced an investment from UBS Next, the leading universal Swiss bank’s venture and innovation unit.

GIST Impact delivers actionable impact intelligence to companies and investors, helping them easily measure their environmental and social impacts. The firm’s data and software are founded on a science-based, location-specific and standards-aligned approach, drawing on over 16 years of experience measuring and valuing impact. Its clients include some of the world’s largest banks, sovereign wealth funds, and technology firms.

New regulations and standards have also set a higher bar for measuring impact across value chains – whether through assessing impact materiality as part of the Corporate Sustainability Reporting Directive (CSRD) or evaluating natural capital impact as part of the Taskforce on Nature-related Financial Disclosures (TNFD).

The investment from UBS Next will support the further expansion of GIST Impact’s product integrations with partners and development of proprietary impact data and software solutions, including preparations for CSRD and TNFD requirements where clients require most support.

Andre Hoffmann, Co-Founder of GIST Impact said:

“This partnership with UBS marks a pivotal moment for GIST Impact as we set new standards for how companies and investors can integrate environmental and social considerations into their core business strategies. Our collaboration is more than an investment; it’s a shared commitment to foster a more sustainable future where financial success is inextricably linked to positive impact on the planet and society.”

Sergio Ermotti, Group CEO of UBS said:

“We believe that actionable impact intelligence and data will help investors manage their portfolios in a targeted manner and match opportunities and environmental and social impact. This is a prerequisite to create long-term sustainable outcomes.”

Pavan Sukhdev, Co-Founder and CEO of GIST Impact said:

“We’re proud to partner with UBS to accelerate this next stage in our growth. Our world-leading impact data and intelligence algorithms empower investors to manage their portfolios towards better social and environmental outcomes and impacts. Furthermore, our impact valuation platforms help companies evaluate their impacts, dependencies, risks and opportunities, helping create long-term sustainable value.”

DEUTSCHE BANK LAUNCHES €500M SOCIAL BOND TO BOOST SUSTAINABLE FINANCE



ACHIM KUHN
HEAD OF PRODUCT MANAGEMENT
DEUTSCHE BANK

Deutsche Bank announced the issuance of its inaugural €500 million social bond, marking a significant step in its commitment to sustainable finance. The proceeds will support the bank's sustainable asset pool, funding areas such as affordable housing and essential services for the elderly and vulnerable populations.

In a statement, Deutsche Bank highlighted the bond's role in expanding its ESG issuance program, which began in 2020 with its first green bond. The bank noted:

“With this milestone, we expand our ESG issuance program, which began in 2020 with our first green bond issuance. With the issuance of green and now social financing instruments, we aim to contribute to the further advancement of the sustainable finance market and raise funds that match those we lend to our clients to achieve their goals in transforming their business in a climate-friendly and socially sustainable manner.”

Deutsche Bank and the European Investment Bank Group, consisting of the European Investment Bank and the European Investment Fund, have signed an agreement to promote climate-friendly new builds and energy-efficient home modernisation in Germany. The aim is to support private individuals in Germany by granting them low-interest loans when building new, climate-friendly houses or when modernising their houses to make them more climate-friendly with a focus on energy efficiency.

The European Investment Bank (EIB) Group is making the more favourable conditions possible through a synthetic securitisation of consumer loans. The transaction frees up regulatory capital for Deutsche Bank who passes on the associated advantages with the transaction to clients in the form of discounted mortgages.

The securitisation falls under the framework for simple, transparent and standardised securitisations (STS) of the European Securitisation Regulation. Deutsche Bank will grant the discounted loans in its Private Bank through Deutsche Bank, DSL Bank and, expected from the beginning of June, BHW Bausparkasse. The interest rate advantage currently amounts to 0.2 percentage points p.a. compared to the standard condition for the entire first fixed interest rate term, provided this is at least five years.

“Achim Kuhn, Head of Product Management at Deutsche Bank, added: “The important cooperation with the EIB Group enables us to expand our mortgage financing business and offer clients additional financing options. By offering favourable conditions for mortgages, we can specifically help individuals who want to invest in energy-efficient housing. As a reliable partner to our clients, we are taking a big step forward together in reducing energy consumption and CO2 emissions and protecting the environment.”

SOCIAL BOND PRINCIPLES OF THE INTERNATIONAL CAPITAL MARKETS ASSOCIATION (ICMA)



Social Bonds are any type of bond instrument where the proceeds, or an equivalent amount, will be exclusively applied to finance or re-finance in part or in full new and/or existing eligible Social Projects and which are aligned with the four core components of the SBP.

The Social Bond Principles (SBP) are voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the Social Bond market by clarifying the approach for issuance of a Social Bond. The SBP are intended for broad use by the market: they provide issuers with guidance on the key components involved in launching a credible Social Bond; they aid investors by promoting availability of information necessary to evaluate the positive impact of their Social Bond investments; and they assist underwriters offering vital steps that will facilitate transactions and preserve integrity of the market.

The four core components for alignment with the Social Bond Principles are:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

The key recommendations for heightened transparency are:

- (i) Social Bond Frameworks
- (ii) External Reviews

2023 VERSION OF THE SOCIAL BOND PRINCIPLES

The 2023 edition of the Social Bond Principles (SBP) includes references to "just transition" considerations, and clarifies the requirements around target population(s) intended to benefit from the eligible Social Projects. Furthermore, it provides guidance on issuer processes to identify mitigants to known material risks of negative social and/or environmental impacts. It also contains additional clarifications and updates relating to recommended market practice.

The SBP are voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the Social Bond market by clarifying the approach for issuance of a Social Bond. The SBP are intended for broad use by the market: they provide issuers with guidance on the key components involved in launching a credible Social Bond; they aid investors by promoting availability of information necessary to evaluate the positive impact of their Social Bond investments; and they assist underwriters offering vital steps that will facilitate transactions and preserve integrity of the market.

The SBP recommend a clear process and disclosure for issuers, which investors, banks, underwriters, arrangers, placement agents and others may use to understand the characteristics of any given Social Bond. The SBP emphasise the required transparency, accuracy and integrity of the information that will be disclosed and reported by issuers to stakeholders through core components and key recommendations.

Issuers should explain the alignment of their Social Bond or Social Bond program with the four core components of the SBP (i.e. Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds and Reporting) in a Social Bond Framework or in their legal documentation. Such Social Bond Framework and/or legal documentation should be available in a readily accessible format to investors.

It is recommended that issuers summarise in their Social Bond Framework relevant information within the context of the issuer's overarching sustainability strategy.

EvolutionX Cap Provides \$50 Million in Debt Financing to Ola Electric



Bhavish Aggarwal
Ola CEO

Ola Electric has raised ₹410 crore (approximately \$50 million) through non-convertible debentures (NCDs) from EvolutionX. According to regulatory filings sourced from the Registrar of Companies (RoC), the board at Ola Electric approved a resolution to issue 41,000 NCDs at an issue price of ₹100,000 each to raise the funds. This marks the second instance of debt financing for Ola Electric in the past six months. In October 2023, the company secured \$385 million in a mixed funding round of equity and debt from marquee investors led by Temasek and the State Bank of India (SBI).

Startup data intelligence platform The Kredible reports that Ola Electric has raised more than \$1 billion through a combination of equity and debt, with a valuation of \$5.4 billion during the last round. This latest development was first reported by ET.

Ola Electric is advancing its lithium-ion cell manufacturing facility, initially aiming for a capacity of 5 gigawatt hours in phase I, with plans to scale up to 100 gigawatt hours at full capacity. In addition to electric scooters, the company has also announced its motorcycle line-up, set to launch by the end of this year.

In December 2023, Ola Electric filed its draft red herring prospectus (DRHP) with the Securities and Exchange Board of India (SEBI) for an initial public offering (IPO) to raise ₹5,500 crore (\$660 million). The company plans to use the primary proceeds for expanding the capacity of its cell manufacturing plant, repaying or pre-paying indebtedness, investing in research and product development, and general corporate purposes.

Ola Electric is the second IPO-bound company to raise debt financing recently. Temasek-backed EvolutionX has previously invested in notable companies like Udaan, Mensa Brands, PharmEasy, and LendingKart.

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