

Green Bonds

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What are its benefits?

- Green bond enhances an issuer's reputation, as it helps in showcasing their commitment towards sustainable development. It also provides issuers access to specific set of global investors who invest only in green ventures.
- With an increasing focus of foreign investors towards green investments, it could also help in reducing the cost of capital.

Has SEBI mandated additional rules on such issues?

- For designating an issue of a corporate bond as green bond, an issue apart from complying with the issue and listing of debt securities regulations, would have to disclose additional information in the offer document such as use of proceeds.

What are the avenues where these funds can be invested?

- SEBI's indicative list includes renewable and sustainable energy such as wind and solar, clean transportation, sustainable water management, climate change adaptation, energy efficiency, sustainable waste management and land use and biodiversity conservation.