

# GREENING THE FUTURE

Sandiip Bhammer's (Founder & Co-Managing Partner, Green Frontier Capital) Visionary Approach to Early-Stage Climate Investing

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y first meeting with Sandiip Bhammer occurred on an early November afternoon in Delhi, where India's capital was blanketed with toxic haze, registering an average Air Quality Index (AQI) of 468 that day. This context made our discussion on Climate Change all the more topical since we were all breathing the same polluted air.

Sandiip Bhammer, Founder & Co-Managing Partner of Green Frontier Capital, is based in New York City and GFC is among India's first, if not the first, venture-capital firms focused on investing in early-stage climate-tech companies delivering breakthrough innovation in green industries. As background, Sandiip spent the first 15 years of his professional career on Wall Street as an investment banker, where he played a pivotal role in developing Indian investment banking services, including strategy, research, sales, and trading of Indian companies to Western investors, more particularly in the United States. His journey began at Credit Lyonnais in

1995, followed by stints at HSBC, where he established their Asian desk, and then at Citigroup from 2003 to 2004. In 2004, he transitioned to the buy side, joining Amaranth Advisors, which was one of the world's largest hedge funds at the time, as their Asia Portfolio Manager. The involvement on the buy side lasted from 2004 to 2019, with Sandiip working across several firms (including Balyasny Asset Management and DA Capital) during this period.

Sandiip had become synonymous with Indian equity markets in the United States, as some of the most prominent Indian companies seeking to access US investors relied on the investment banks he was affiliated with, and later turned to the investment capital provided by the funds he worked for. Whether they sought insights into companies like Reliance, Wipro, or Cipla, institutional investors valued his guid-

ance when investing hundreds of millions of dollars in India. "I had the privilege of advising and collaborating closely with renowned figures in the public markets' investment realm. Consequently, I felt well-prepared to embark on my own buy-side journey when the opportunity eventually arose in 2004" shares Bhammer.

In 2020, when the COVID-19 pandemic hit, Sandiip decided to launch his own fund with some of his close associates. Reflecting on that decision, he states, "I had worked for others long enough and felt it was time to leverage my track record and leave a lasting legacy. As I explored potential areas for investment, my partners and I chose Climate Change because it was the need of the hour, one of the most critical challenges facing humanity today. I believed strongly that my partners and my own collective knowledge of India, a major greenhouse gas emitter, combined with my own personal experi-

ence of investing in early-stage green businesses globally, made it the perfect confluence to start an early-stage climate-focused fund in India. Since I am also an Adjunct Professor of Sustainable Finance at the Isenberg School of Business at UMass (Amherst), starting GFC reinforced my commitment to addressing Climate Change and sustainability through early-stage investing."

At that time, there were few investors with a significant India focus on climate, providing Green Frontier Capital with a unique opportunity to create an opportunity for investors to enter this unexplored territory. As a result, the business was launched from the United States, and, consequently, Green Frontier Capital became a prominent name in early-stage climate investing in India.

The Green Frontier Capital team is comprised of accomplished experts spanning various sectors and includes individuals such as Rudra

## GREEN FRONTIER CAPITAL ECOSYSTEM



**DR. PUNITA KUMAR-SINHA**  
(Founding Advisor, GFC)



**PROF. SOUMITRA DUTTA**  
(Founding Advisor, GFC)



**RUDRA DALMIA**  
(Co-Founder, GFC)

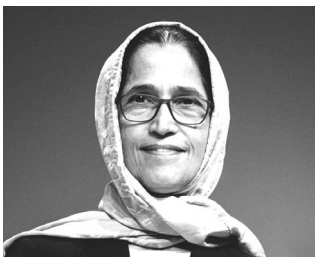


**MY PARTNERS AND MY OWN COLLECTIVE KNOWLEDGE OF INDIA, A MAJOR GREEN-HOUSE GAS EMITTER, COMBINED WITH MY OWN PERSONAL EXPERIENCE OF INVESTING IN EARLY-STAGE GREEN BUSINESSES GLOBALLY, PROVIDED THE PERFECT CONFLUENCE TO START AN EARLY-STAGE CLIMATE-FOCUSED FUND IN INDIA."**

Sandiip Bhammer, Founder & Co-Managing Partner,  
Green Frontier Capital

Dalmia (Co-Managing Partner and former Executive Director and CFO of Paytm E-Commerce Pvt Ltd), Prof. Soumitra Dutta (Dean of the Saïd Business School at the University of Oxford), Dr. Punita Kumar-Sinha (Chief Investment Officer for Pacific Paradigm Advisors and ex-Head of Blackstone Group's public equity business in India), Prof. Tarun Khanna (Jorge Paulo Lemann Professor at Harvard Business School), Nishith Desai (Founder and Partner, Nishith Desai Associates), Dr. Hessa Bint Sultan Al-Jaber (Chairperson, Qatar Satellite Company), Chuan Poh Lim (Chairman of Singapore Food Agency), David Belt (Co-Founder/Executive Chairman, The Newlab Group, LLC) and others, all of whom are part of the distinguished ensemble.

As of now, GFC's portfolio includes approximately 11 companies, with plans to expand to three more, reaching a total of 14 companies by the end of December 2023.



**DR. HESSA BINT AL JABAR** (Chairman - Qatar Satellite Company)



**NISHITH DESAI** (Founder - ND and Associates)



**PROF. TARUN KHANNA** (Professor of Business Strategy, HBS)



**CHUAN POH LIM** (Chairman - Singapore Food Agency)

## ON THE LOOKOUT FOR CLIMATE CHANGE WARRIORS

In an exclusive conversation, **Sandiip Bhammer**, Founder & Co-Managing Partner, Green Frontier Capital, spills the beans on what makes money cling in the climate sector.

**You had been investing in the green space, as an early-stage investor. Was it prior to GFC as an angel investor?**

● That's correct. I was actively investing in the green space in my personal capacity as an early-stage investor but primarily focusing on international (meaning non-India) ventures. My investments extended to companies in the UAE, the United States, and Europe. Through these endeavors, I earned the moniker of a 'global super angel', meaning that the most promising deals from around the world would be introduced to me due to my consistent involvement and experience. Having already built a substantial portfolio of investments in green industries internationally, I was able to bring this wealth of experience to the Indian market. Many of these industries were just beginning to take shape in India, even though they had already established themselves on the global stage. Consequently, my background in investing in these international companies equipped me with a keen understanding of what to look for in an Indian company and what strategies were likely to succeed



or fail. And I am pleased to share that at GFC, we have successfully nurtured several category leaders within the green industries we have invested in. This journey has allowed us to leverage the experience gained from international investments to make a meaningful impact in India's burgeoning green sector.

**Since the idea came to you around COVID at that time, you must have reached out to LPs when you wanted to do it in a bigger space as in a fund. So how did that play out for you?**

● The transition actually played out quite well as my strong track record in the public market space facilitated ongoing conversations with our LPs. While working in the public markets investing busi-

ness, I would constantly engage with and share with my then-LPs what I was also personally doing in the private market space, and early-stage space. I consistently shared updates about my activities in the private market, particularly in the early-stage sector. As a result, when I initiated discussions about launching Green Frontier Capital with a dedicated emphasis on early-stage climate-focused investments in India, the credibility I had cultivated within the public market, combined with the esteemed reputation of my team members and our distinguished Board of Advisors, bolstered their trust and commitment of capital. This transition flowed seamlessly, underscoring the robust groundwork we had established.

**What is the current fund size?**

● We are currently in the process of launching a Category-2 Alternative Investment Fund in India with a targeted fund size ranging from USD 100 to 150 million. However, our current investment approach involves an average ticket size of around \$2 million per company. While we have the capacity to invest up to \$10 million per company over several rounds, our initial investments typically range from \$500,000 to \$2 million. By the end of December, we anticipate having deployed approximately \$28 to \$30 million of capital across the 14 investments in our portfolio. It's important to note that these investment values represent only our first cheque written. Over time, several of our investee companies have

gone on to raise subsequent rounds and have witnessed appreciation in their valuations. As a result, the mark-to-market value of our portfolio is expected to be significantly higher, potentially two to three times its original value.

**And BluSmart is one of your investee companies; at what stage did you invest in them?**

● Actually, we were not a Seed investor in BluSmart Mobility. Our investment was made in the Series A round. We invested around 2022 March, when they closed their Series A round led by BP Ventures.

**Can you share some of the metrics you use before in-**

vesting in a company? ● Our initial inquiry during our investment process revolves around the company's founders and their backgrounds. Additionally, we evaluate whether these companies are targeting expansive consumer markets, where their technology holds the potential for disruption and seamless adoption. We assess whether they are effectively addressing tangible problems that can be resolved through improvements in price, performance, or a combination of both.

trepreneur or possesses prior experience in the field. We delve into their educational background and professional journey, particularly focusing on any prior ventures they may have launched in a relevant space. Furthermore, we scrutinize the company itself to determine whether it genuinely addresses climate-related challenges. When considering investments in companies that identify as climate-focused, we employ various metrics to gauge their impact on the environment. For instance, in the case of an electric vehicle company, we analyze factors such as the number of zero-emission kilometers achieved and delivered,

approach. If we invest in a company fulfilling a specific market need, we refrain from investing in another company offering identical services. For instance, we've backed BluSmart Mobility as a ride-hailing platform that operates exclusively with electric vehicles. If we encounter another ride-hailing company with a similar focus, we avoid investing in it because it competes directly with BluSmart Mobility. Instead, we diversify our investments across various facets of the EV industry. This includes financing solutions (RevFin), OEMs for three-wheelers (Euler), and businesses involved in electric charging infrastructure (ElectricPe). In essence, we have strategically covered the entire value chain within the EV space, ensuring that no two companies in our portfolio offer redundant services catering to the same market demand.

**You've also invested in companies like RAS, how do you see whether they have the right fitment for your portfolio?**

● One of our guiding principles is recognizing that in India, there exists the potential to infuse a climate-conscious perspective into almost every facet of our lives. This extends to how we travel, our dietary choices, agricultural practices, and even the products we choose to use. The realm of climate is vast and encompasses numerous aspects. Consumers have the power to make incremental changes in their consumption patterns, thus reducing their individual carbon footprint. Furthermore, we've identified specific products in the Indian market with significant market potential. By favoring these products over others within the same category, consumers can actively contribute to achieving

a net-zero or even a net-positive impact on the climate. In RAS, a woman-founded company operating in the consumer and beauty sector, their direct-to-consumer "farm to face" brand presents an intriguing opportunity in this context as sustainability is a huge focus area for the company - their packaging waste is recyclable, there is no usage of pesticides in raw materials, and there is zero use of microplastics in their products.

**How do you expect the best returns to come out of all the investments?**

● When examining the landscape of climate venture capital, it's remarkable to see its growth trajectory, which stands in contrast to trends in other sectors of venture capital. India is a part of this evolving climate venture capital landscape, albeit still at a relatively small scale, and is poised to reap the benefits of the increasing investment flows into the climate-focused VC segment. The global challenge of addressing climate issues necessitates a colossal investment estimated at around \$50 trillion to achieve a meaningful impact on a global scale.

**And going forward for 2024? What's your outlook? What are the new areas you want to invest in?**

● It's important to recognize that climate venture capital represents a long-term opportunity spanning over two decades. India alone is a \$100 billion per year opportunity for at least the next decade. At GFC, we are looking to invest in areas such as plastic circularity, recycling, and waste management since we have no current company exposure in these areas. We're also looking at biodiversity as an investment opportunity.

## BIG BETS: ElectricPe, BluSmart Mobility, EMotorad, Battery Smart, RevFin, Chupps, Zero Cow Factory and RAS

**vesting in a company?**

the amount of fuel saved, and the volume of carbon dioxide emissions reduced through the promotion of electric mobility. Beyond this, we extend our evaluation to encompass areas like hydroponic farming (Nutri-fresh), sustainable lifestyles (Chupps and RAS Beauty), precision fermentation (Zero Cow Factory), etc., seeking to quantify the positive contributions made by each investment to our climate-focused objectives.

**If you have invested for once in a sector, would you again, look at its different segments?**

● As an example, when it comes to the electric vehicle (EV) sector, our investments span the entire ecosystem. However, within this ecosystem, we adhere to a strategic

**Any anecdotes you wish to share in terms of how you judge the founders?**

● At GFC, we thoroughly assess several key aspects during our evaluation process. Firstly, we examine whether the founder is a first-time en-