Diverse financing options key to drive electric vehicle adoption in India, says Ecofy's Shah

Asserts India is on the cusp of a major shift away from fossil fuels towards alternative energy sources when it comes to the future of mobility

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Sumeru Shah, Business Head - Electric Vehicles, Ecofy

In the rapidly evolving landscape of electric mobility, financing plays a crucial role in bridging the gap between affordability and adoption. Sumeru Shah, Business Head - Electric Vehicles at Ecofy, sheds light on how innovative financing solutions are accelerating EV adoption in India. In this exclusive interview with *Bizz Buzz*, Shah discusses Ecofy's pioneering initiatives like Battery-as-a-Service (BaaS), strategic industry partnerships, and the company's vision for driving sustainable transportation. With a deep commitment to fostering a green ecosystem, Ecofy is making electric mobility more accessible, affordable, and sustainable for all.

HOW the upcoming festive season will lead to a rise in EV financing?

As we approach the festive season, we are particularly excited about the potential surge in electric vehicle (EV) sales and financing. Traditionally, this period sees a significant uptick in vehicle purchases across India, and we are anticipating a similar trend in the EV sector. Our role in this ecosystem is crucial - EV financing acts as a catalyst, making these technologically advanced vehicles more affordable and accessible to a wider range of consumers.

As a supplementary product, EV financing is a vital enabler of primary EV sales. Many potential buyers are attracted to the long-term benefits of EVs but are deterred by the higher upfront costs. This is where our financing solutions come into play. By offering attractive financing options, we're effectively lowering the entry barrier for EV ownership.

What is the role played by industry partnerships in boosting EV adoption and sustainability?

The importance of our partnerships with OEMs (original equipment manufacturers) and dealers in driving EV adoption cannot be overstated. These collaborations are the backbone of our operations, enabling seamless financing experiences right at the point of sale. When a customer walks into a dealership, they get a complete ownership solution.

Actively engaging with charging infrastructure providers and battery-swapping companies helps build a comprehensive EV ecosystem. This holistic approach is crucial because EV adoption is more than just about vehicles. It is also about creating an environment where owning and operating an EV is as convenient as, if not more than, a conventional vehicle.

Through our innovative financing solutions, strategic partnerships, and unwavering commitment to sustainability, we are working tirelessly to make electric mobility the new normal. The journey ahead is exciting, and we can't wait for everyone to join us in this green revolution

What is the future of financing sustainable transportation and Ecofy's innovative solutions to finance electric vehicles?

We pride ourselves on being at the forefront of financial innovation in the EV sector. We have recognized that traditional financing models may not always be the best fit for EV ownership, given the unique characteristics of these vehicles. That's why we have introduced two groundbreaking initiatives that we are particularly excited about.

The first one is our leasing programme, which offers significantly lower monthly rentals compared to traditional EMIs. This approach addresses one of the main concerns potential EV buyers have - the higher upfront cost. By spreading the cost over the lease period and taking into account the higher residual value of EVs, we are able to offer very attractive monthly payments.

The second is battery as a service (BaaS). This is a game-changing concept that we have introduced to the Indian market. By separating the battery cost from the vehicle cost, we are addressing one of the most significant components of an EV's price. Under this model, customers can subscribe to battery services, paying only for the battery's usage. These financial innovations significantly lower the total cost of EV ownership, driving adoption and fostering a more sustainable ecosystem.

Tell us about the future of mobility and how EV Financing is fueling the growth of e-bikes and e-buses?

As we look towards the future of mobility, it is clear that we are on the cusp of a major shift away from fossil fuels towards alternative energy sources. EVs are at the forefront of this transition, but it is important to recognize that this is a journey that will unfold over time. Other technologies like hydrogen fuel cells are also in various stages of development, and the mobility landscape of the future is likely to be diverse.

In this context, the role of innovative financing solutions becomes even more critical. Our approaches, particularly BaaS and vehicle leasing, are key enablers of this transition. By significantly reducing the total cost of ownership, we are

making EVs a viable and attractive option for a broader segment of consumers.

Moreover, our financing solutions are designed to be flexible and adaptable.

As battery technology improves and costs decrease, the BaaS model can easily incorporate these changes, passing on the benefits to consumers. Similarly, the leasing options allow consumers to easily upgrade to newer, more efficient models as they become available. Through this holistic approach, we aim to accelerate the overall shift towards electric mobility.

Elaborate on the innovative loan options driving EV Financing 2.0 and empowering green mobility shift?

EV Financing 2.0 represents the next evolution in our approach to financing sustainable transportation. It goes far beyond traditional vehicle financing, incorporating a range of innovative financial structures and technologies. At the heart of it are our BaaS and vehicle leasing options. These options represent a fundamental shift in how we think about vehicle ownership and usage. They align the financial model more closely with the unique characteristics of EVs, such as lower operating costs and evolving technology.

We see ourselves as more than just a financing company. We are catalysts for change, driving the transition to a more sustainable future of transportation. Through our innovative financing solutions, strategic partnerships, and unwavering commitment to sustainability, we are working tirelessly to make electric mobility the new normal. The journey ahead is exciting, and we can't wait for everyone to join us in this green revolution.

How do you see the future and growth prospects of the EV industry in India and the upcoming trends that can be witnessed in the sector across various vehicle segments?

The electric vehicle (EV) industry in India is inching towards remarkable growth. This growth is fueled by supportive government policies, rising consumer awareness, and advancements in EV technology. Key trends include advancements in battery technology that will alleviate range anxiety and the expansion of charging infrastructure, which will require millions of public charging units.

Innovative financing solutions like our BaaS model will enhance affordability and accessibility. With continued government support through initiatives like PM E-Drive, the future of India's EV industry is bright, paving the way for sustainable mobility. At Ecofy, we are excited to be part of this transformative journey.

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Highlight Ecofy's strategy to finance green assets like EV and the brand's progress in the sector (how many companies/vehicles financed)?

At Ecofy, we have made it our mission to revolutionize the financing landscape for green assets, with a particular focus on electric vehicles (EVs). We have established robust partnerships with all major OEMs in the industry, including the top 6 players who collectively contribute to approximately 95 per cent of the monthly two-wheeler EV sales. This extensive network allows us to offer our financing solutions at the very point where customers are making their purchase decisions.

Over the past 18 months, we have achieved a significant milestone by providing financing to over 30,000 customers. Each of these customers stands as a testament to our unwavering commitment to providing sustainable, climate-positive financing solutions.