Federal Bank Boosts its Commercial Rooftop Solar Financing for MSMEs in association with Ecofy

~The partnership aims to tackle financing challenges and accelerate the sustainable energy transition for MSMEs~

New Delhi, 18 December 2024: Federal Bank, one of India's leading private sector Bank has announced a partnership with Ecofy, India's first green-only NBFC, backed by Eversource Capital, to offer innovative financing solutions for MSMEs investing in commercial rooftop solar installations. This collaboration marks one of the first comprehensive co-lending partnerships specifically designed to address the unique solar financing needs of the MSME sector.

The program targets financing 3,600 kW of rooftop solar installations annually, benefiting numerous MSMEs while cutting over 2,500 tons of CO2 emissions each year—accelerating decarbonisation and fostering sustainable growth. Most manufacturing MSMEs predominantly use electricity during daylight hours, making rooftop solar an ideal solution. However, financial constraints have traditionally hindered their transition to renewable energy, with many institutions either reluctant to lend or offering loans at prohibitively high interest rates.

Shalini Warrier, Executive Director at Federal Bank commented, "This collaboration with Ecofy represents our commitment to supporting sustainable business practices. By offering accessible financing for commercial rooftop solar equipment, we are empowering MSMEs to reduce electricity costs while at the same time contributing meaningfully to India's climate goals**"**

Commenting on this alliance, Rajashree Nambiar, Co-founder, Managing Director & CEO at Ecofy said, "The MSME sector represents a critical segment in India's economic landscape, yet there are significant challenges in adopting sustainable energy solutions. Our partnership with Federal Bank is strategically designed to unlock financing opportunities for solar installations in the 20-200 KW range, which has historically been a challenging lending whitespace for financial institutions."

The co-lending arrangement of Federal Bank with Ecofy for funding Rooftop solar installations is augmenting Bank's commitment to support the green initiatives by businesses/industries in line with the vision of the decarbonization that is resonating across the country and the globe.

Federal Bank through its various business verticals is providing finance to support the growing MSME sector of the country. MSME loans contribute more than 20% of the total loan book of the Bank. The Bank also has a specific green loan scheme to fund solar and other green initiatives for Business Banking customers.

Ecofy brings extensive expertise to this partnership, having made remarkable strides in solarizing residential and commercial rooftops over the past 24 months. Partnering with leading OEMs like Tata Power, Waaree, Luminous, and Mahindra Solarize, Ecofy currently works with over 1,000 EPC partners, driving impactful green energy solutions.

About Ecofy

Promoted by Eversource Capital, Ecofy's vision is to be a catalyst in accelerating the transition towards a net zero-carbon world. It partners with individuals and small businesses who want to reduce their carbon footprint and restore balance to the planet. Ecofy offers loans for Electric Vehicles (Two & Three wheelers), rooftop solar, and small-medium enterprises providing an E2E digital experience.

To know more, visit the official Ecofy website: https://www.ecofy.co.in/
LinkedIn: https://www.linkedin.com/company/ecofyfinance/

About Federal Bank

Federal Bank (NSE: FEDERALBNK) is the 6th largest private sector bank in India with a network of around 1546 banking outlets and 2052 ATMs/Recyclers spread across the country and the Bank's total business mix (deposits + advances) ₹ 4.99 Lakh Crore as on 30th September 2024. Capital Adequacy Ratio (CRAR) of the Bank, computed as per Basel III guidelines, stood at 15.20 % as on 30th September 2024. Federal Bank has Representative Offices in Dubai and Abu Dhabi that serve as a nerve centre for Non-Resident Indian customers in the UAE. The Bank also has an IFSC Banking Unit (IBU) in Gujarat International Finance Tec-City (GIFT City). Federal Bank is transforming itself, keeping its principles intact, into an organization that offers services beyond par. It has a well-defined vision for the future as a guidepost to its progress.

Media Contact for Ecofy:
Shraboni Fernandes; E-mail: sfernandes@ecofy.co.in

Media Contact for Federal Bank:

M V S Murthy
Chief Marketing Officer

Concept PR
Archana Parthasarathy; E-mail: archana@conceptpr.com