

Loan Product Suite

Segment	Minimum and Maximum Rate of Interest	Minimum Monthly Salary Eligibility (Rs.)	Maximum Loan Eligibility (Rs.)	1st Time Processing Charges	Processing Fee for Repeat Loans
EV 2-Wheeler	5.99% - 12.99%** 12% - 26%***	15,000	5,00,000	Up to 2%	NA
EV 3-Wheeler	10.5% - 14%** 19.5% - 28%***	15,000	7,50,000	Up to 2%	NA
Rooftop Solar	7.99% - 9.99%** 16% - 21%***	25,000	30,00,000*	Up to 2%	NA
SME	13.5% - 18%***	NA	1,00,00,000	Up to 2% (Repeat Loans up to 1%)	NA

*** Residential rooftop solar – Rs.7,50,000**

****Flat rates per annum**

*****Reducing rate**

Understanding Interest Rates in Your Loan Documentation

Ecofy, India's green-only NBFC stands out as a transparent lender in the Indian market. While we adopt the industry practice of quoting fixed interest rates on retail loans, we go a step further by clearly explaining how these rates translate into the Reducing Balance method. This ensures clients understand their borrowing costs without any hidden charges. Here's a simplified example:

Fixed Rate of Interest

If your,

Loan amount = Rs. 100

Fixed Interest Rate = 8%

Loan Tenor = 2 years

Then, Interest in the first year Y1 = Rs. 8

Interest in the second year Y2 = Rs. 8

The total cost of borrowing for a loan tenor of 2 years = Rs. 16

Reducing Balance Method (EMI calculation)

In the Reducing Balance method, to prevent payment shocks, the customer's cash flow is kept consistent throughout the loan tenure. While the total borrowing cost remains at ₹16, the EMI (Equal Monthly Instalment) structure initially has a higher interest component and a lower principal component. Over time, the interest portion decreases, and the principal repayment increases, resulting in the following breakdown:

If your,

Loan amount = Rs. 100

Reducing balance Interest Rate = ~ 14 %

Loan Tenor = 2 years

Then, Interest in the first year Y1 = Rs. 12

Interest in the second year Y2 = Rs. 4

The total cost of borrowing for a loan tenor of 2 years = Rs. 16

Say,

if monthly EMI = X

Principal amt in Y1 = A

Principal amt in Y2 = B

Then

$A + 12 = X$

$B + 4 = X$

Annual Percentage Rate

The Reserve Bank of India has mandated all NBFCs to disclose the Annual Percentage Rates (APR). It is calculated on the total earnings of the lender (including interest, processing fees, advance EMI, etc.) during the loan tenor calculated on the disbursed amount. Usually, this number is slightly higher than the interest rate calculated on the Reducing Balance method because it takes into consideration the other income of the lender.

Ecofy ensures complete transparency in communicating interest rates and charges to its customers. For any additional clarity or information, please reach out to us on 18602662059 or write to us at support@ecofy.co.in
