

Rate of Interest Policy

Lok Suvidha Finance Limited applies a fixed interest rate for all its loan products. The annualized interest rates (IRR) for the various products are outlined below:

Product	Interest Rate (IRR)
Two-Wheeler Loans	12% to 28% P.A.
E-Rickshaw Loans	12% to 28% P.A.
Loyalty Personal Loans	20% to 36% P.A.
Personal Loans	20% to 36% P.A.
SME Loans	18% to 28% P.A.

Factors Influencing Interest Rates:

The interest rate for each loan is determined on a case-by-case basis, taking into account several factors, including:

- **Type of Asset Financed:** The nature of the asset for which the loan is taken.
- **Borrower Profile:** This includes the borrower's financial commitments, repayment capacity, and creditworthiness as indicated by their Bureau score and repayment history.
- **Loan-to-Value Ratio:** The proportion of the loan relative to the asset value.
- **Payment Mode and Tenure:** The repayment schedule and mode of payment.
- **Geographic Location:** The borrower's location and its associated risk factors.

This information is gathered through borrower disclosures, various sources and verified via field inspections conducted by company officials.

Determination of Interest Rate:

The final interest rate is calculated by considering the following components:

1. **Weighted Average Cost of Funds:** The cost incurred by the company to source funds.
2. **Administrative Costs:** Expenses related to processing and managing loans.
3. **Risk Premium:** Compensation for the potential risk of default.
4. **Profit Margin:** The company's desired return on the loan.

For, Lok Suvidha Finance Limited
Sd/-
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Director