



FLAT WHITE CAPITAL PRIVATE LIMITED

(A Non-Banking Financial Company – Investment and Credit Company (NBFC-ICC)

Registered with Reserve Bank of India)

INTEREST RATE POLICY

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APPROVAL MATRIX

Activity	Responsibility
Drafting	Compliance
Business Review	Business & Product Team
Legal Review	Legal Department
Operational Review	Operations Department
Approval	Board of Directors

1. PREAMBLE:

This Interest Rate Policy ("Policy") has been formulated by Flat White Capital Private Limited ("the Company"), a Non-Banking Financial Company – Investment and Credit Company (NBFC-ICC), to establish a transparent, objective and risk-based framework for determining the interest rates applicable to various loan products offered by the Company.

The Policy aims to ensure fairness, consistency and transparency in pricing while balancing the Company's cost of funds, operating expenses, business risks and regulatory obligations. The Company shall determine interest rates in a manner that is fair to borrowers and consistent with the principles laid down under the Fair Practices Code and the applicable directions issued by the Reserve Bank of India ("RBI").

2. OBJECTIVE:

The objective of this Policy is to:

- establish a transparent methodology for determining interest rates;
- ensure consistency in pricing across loan products;
- provide adequate disclosures to borrowers regarding interest rates, fees and charges;
- adopt a risk-based pricing framework; and
- comply with applicable RBI directions governing lending practices.

3. REGULATORY FRAMEWORK:

This Policy has been formulated in accordance with the Reserve Bank of India Act, 1934, the Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, the Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025 (as amended from time to time), the Company's Fair Practices Code and such other circulars, notifications and directions issued by the Reserve Bank of India governing lending practices, interest rates, penal charges and borrower disclosures.

4. APPLICABILITY:

This Policy shall apply to all lending products offered by the Company including Gold Loans and such other secured or unsecured credit facilities as may be introduced by the Company from time to time.

The Policy shall be applicable to all branches, employees and functions involved in credit appraisal, pricing, sanction, documentation and servicing of loans.

5. GUIDING PRINCIPLES:

The Company shall adopt a transparent and objective methodology for determining interest rates. The applicable rate shall be determined after considering commercial viability, cost of funds, operating expenses, credit risk, market conditions and regulatory requirements.

Borrowers having similar risk characteristics shall ordinarily be offered similar pricing. However, the Company may adopt differential pricing where justified by objective risk parameters.

6. INTEREST RATE DETERMINATION:

The rate of interest applicable to a loan shall be determined having regard to various factors including, but not limited to:

- Cost of Borrowings;
- Operating Expenses;
- Credit Risk Profile of the Borrower;
- Loan-to-Value (LTV);
- Nature of Security;
- Loan Amount;
- Loan Tenure;
- Market Conditions;
- Business Strategy;
- Regulatory Requirements.

The Company may periodically revise its interest rates based on changes in one or more of the above factors.

6A. PRINCIPLES FOR DETERMINATION OF INTEREST RATE:

The Company shall determine interest rates through a transparent, objective and risk-based methodology approved by the Board of Directors. The methodology shall ensure that borrowers are charged interest rates commensurate with the credit risk, cost of funds, operational costs, business strategy and other relevant commercial considerations. The Company shall ensure that similarly placed borrowers are ordinarily offered similar pricing unless objective risk-based factors justify differential pricing.

The Company shall ensure that the methodology adopted for determining interest rates is consistently applied across products and customer segments and is reviewed periodically having regard to changes in the Company's funding profile, market conditions, regulatory requirements and portfolio performance.

6B. DIFFERENTIAL PRICING:

The Company may adopt differential interest rates for different loan products, customer categories or individual borrowers based upon objective and documented parameters including, but not limited to, credit profile, repayment history, loan amount, tenure, security coverage, Loan-to-Value (LTV), geographical factors, portfolio behaviour, operating costs and prevailing market conditions. Differential pricing shall not be arbitrary or discriminatory and shall be supported by appropriate internal justification.

7. RISK-BASED PRICING:

The Company may adopt a risk-based pricing approach. The rate of interest applicable to a borrower may vary depending upon factors including repayment capacity, quality of security, loan amount, tenure, historical repayment behaviour and internal risk assessment.

The Company shall ensure that such differential pricing is based on objective and documented criteria.

8. APPROVAL OF PRODUCT PRICING:

The actual rate of interest applicable to each loan product shall be determined by the Company from time to time in accordance with the methodology prescribed under this Policy and shall be approved by the competent authority in accordance with the Company's internal Delegation of Authority or such approval framework as may be approved by the Board of Directors.

The Company may prescribe product-wise indicative interest rate ranges from time to time through internal pricing circulars, product programmes or such other documents approved by the competent authority in accordance with the Company's Delegation of Authority. Such pricing documents may be revised periodically based on market conditions, cost of funds, credit risk, business strategy and regulatory requirements without requiring amendment to this Policy, provided the methodology prescribed herein continues to be followed.

9. GOLD LOAN PRICING:

For Gold Loans, the applicable interest rate may additionally consider:

- prevailing market conditions;
- purity and value of pledged gold;
- applicable LTV ratio;
- tenure of the facility;
- operational costs; and
- portfolio risk.

The Company may introduce different Gold Loan schemes carrying different interest rates based on commercial considerations, subject to applicable regulatory requirements.

10. FEES AND CHARGES:

The Company may levy such processing fees, documentation charges, valuation charges, renewal charges and other fees as may be approved from time to time.

All applicable fees and charges shall be transparently disclosed to the borrower through the Key Fact Statement (KFS), Loan Agreement and such other documents as may be prescribed.

The Company shall not levy any undisclosed charge.

11. DISCLOSURE OF ANNUALISED RATE OF INTEREST:

The Company shall disclose to every borrower, prior to execution of the Loan Agreement, the annualised rate of interest applicable to the loan together with all applicable fees, charges and other financial obligations through the Key Fact Statement (KFS), sanction communication and Loan Agreement, wherever applicable.

12. PENAL CHARGES:

Penal Charges shall be levied only for non-compliance with the material terms and conditions of the Loan Agreement and shall not be used as a mechanism for enhancing the yield on a loan facility. Penal Charges shall be reasonable, proportionate and non-discriminatory and shall be disclosed to the borrower in advance through the Loan Agreement, Key Fact Statement and other relevant documents. The Company shall review Penal Charges periodically to ensure continued compliance with applicable RBI Directions.

13. RESET OF INTEREST RATE:

Where any loan product carries a variable or resettable interest rate, the Company shall communicate any change in the applicable rate of interest to the borrower through an appropriate communication channel before such revised rate becomes effective. The revised repayment obligation, where applicable, shall also be appropriately communicated.

14. COMMUNICATION TO BORROWERS:

The Company shall communicate to every borrower, prior to disbursement of the loan, the applicable rate of interest, annualised interest rate, processing fee, valuation charges, documentation charges, penal charges and all other applicable financial obligations in a transparent manner. Any subsequent revision in the applicable rate of interest affecting existing borrowers shall be communicated through SMS, e-mail, written communication, digital application, website or any other legally permissible mode.

15. WEBSITE DISCLOSURE:

The Company shall publish this Policy, or an appropriate summary thereof, together with the methodology adopted for determination of interest rates, range of annualised interest rates applicable to different loan products, Penal Charges framework and such other disclosures as may be prescribed under applicable RBI Directions on its official website.

16. REVIEW OF INTEREST RATE FRAMEWORK:

The Company shall periodically review its interest rate framework taking into consideration changes in cost of funds, liquidity position, portfolio performance, competitive landscape, regulatory expectations and overall business strategy. Any material revision in the pricing methodology shall be approved by the Board of Directors or such authority as may be authorised by the Board.

17. REVIEW OF POLICY:

This Policy shall be reviewed at least annually or earlier if required due to changes in law, RBI directions or business requirements.

18. FAIR AND RESPONSIBLE PRICING:

The Company shall ensure that the interest rates charged to borrowers are fair, transparent and based upon objective criteria. The Company shall not adopt unfair, excessive or discriminatory pricing practices and shall maintain adequate documentation supporting the rationale for determination of interest rates applicable to various loan products.

19. APPROVAL:

This Policy shall become effective upon approval by the Board of Directors of Flat White Capital Private Limited.