

**INTEREST RATE POLICY  
OF  
FLAT WHITE CAPITAL PRIVATE LIMITED**

**SUMMARY OF POLICY:**

Policy Name	INTEREST RATE POLICY
Date of Approval of First Version	17-12-2025
Periodicity of Review	Annual
Prepared By	Prakhar Khandelwal
Approver	Board of Directors

Date of Review	Date of Next Review	Comments/Remarks/Changes
17-12-2025	On or before Dec-2026	Policy Approved

# INTEREST RATE POLICY

## 1. PURPOSE & REGULATORY FRAMEWORK

Flat White Capital Private Limited (FWCPL), a Non-Banking Financial Company (NBFC), has adopted this Interest Rate Policy ("Policy") to establish a transparent, consistent, and risk-aligned framework for pricing its lending products, including gold loans and other secured and unsecured credit facilities.

This Policy is framed in compliance with the following regulatory guidelines issued by the Reserve Bank of India (RBI):

- RBI Master Direction – NBFC – Scale Based Regulation (SBR) Directions, 2023
  - RBI Circular DOR.CRE.REC.66/21.07.001/2022-23 dated September 2, 2022 on Digital Lending Guidelines
  - Applicable provisions of the RBI Fair Practices Code
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## 2. OBJECTIVES OF THE POLICY

The objectives of this Policy are to:

- Ensure fair, transparent, and non-discriminatory pricing of loans
  - Align interest rates with the FWCPL's cost structure and risk appetite
  - Implement a structured reference rate and risk-based pricing framework
  - Enable clear disclosure and customer understanding of interest computation
  - Protect customer interests while ensuring sustainability and profitability
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## 3. INTEREST RATE DETERMINATION METHODOLOGY

### 3.1 Key Components Considered

The interest rate charged on any loan product is determined after considering the following factors:

- **Cost of Funds:** Borrowing cost, liquidity position, and average maturity profile
- **Operating Costs:** Administrative, servicing, technology, and compliance expenses
- **Credit Risk Premium:** Borrower risk profile, repayment capacity, credit bureau history
- **Product Characteristics:** Secured/unsecured nature, tenure, ticket size, scheme type
- **Collateral & Security:** Value, liquidity, purity, and Loan-to-Value (LTV), particularly for gold loans
- **Market Conditions:** Competitive pricing trends and peer benchmarking

- **Scheme-Based Factors:** Promotional offers, or partner arrangements.
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### 3.2 Pricing Framework

- Interest rates may vary for borrowers availing the same product based on individual risk parameters.
  - Rates may be fixed, as specified in the sanction terms.
  - Any change in interest rates or charges shall be prospective only.
  - Applicable interest rate shall be communicated to the borrower at the time of sanction.
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### 3.3 Interest Charging & Communication Norms

- All interest rates shall be quoted on an annualized basis.
  - Applicable statutory levies such as GST, stamp duty, or cess shall be charged as per law.
  - Interest rates, fees, and charges shall be disclosed on the FWCPL's website and/or LSP platforms.
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### 3.4 Key Fact Statement (KFS)

For all digital lending products, the FWCPL shall issue a Key Fact Statement (KFS) prior to loan execution, clearly disclosing:

- Annualized Percentage Rate (APR)
  - All fees and charges (no hidden charges)
  - Penal charges (non-compounding)
  - Cooling-off / Fore-Closure period, wherever applicable
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## 4. RISK-BASED PRICING & GRADATION

Interest rates shall be risk-based and determined after evaluating:

- Credit score and bureau profile
- Repayment history and customer vintage
- Customer segment and income profile
- Tenure and exposure size
- Collateral quality and coverage ratio
- LTV levels (for secured loans)
- Market and portfolio concentration risks

The final rate is approved as per the internal credit and underwriting framework.

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## 5. PRICING OF GOLD LOANS

### 5.1 Interest Rate Structure

- Gold loan pricing is primarily linked to the Loan-to-Value (LTV) ratio.
  - Higher LTV reflects higher risk and therefore attracts a higher interest rate.
  - Interest rate is fixed at the time of sanction and is not impacted by future gold price movements.
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### 5.2 Rebate & Incentive Schemes

- The FWCPL may introduce rebate-based or incentive schemes from time to time.
  - Rebates, if any, shall be conditional and clearly disclosed upfront.
  - Such schemes may vary by customer, product, or channel.
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### 5.3 Interest Servicing Options

Interest may be serviced:

- Monthly / Quarterly / Half-Yearly, or
- At loan maturity / closure, as per sanctioned terms

Interest shall be charged from the date of disbursement till the date of full repayment or closure.

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## 6. PRICING OF UNSECURED / PERSONAL LOANS (IF APPLICABLE)

- Pricing is based on borrower creditworthiness, income stability, and repayment capacity.
  - Risk-based gradation applies across customer segments.
  - Rebate or promotional schemes may be offered subject to internal approval.
  - Interest servicing shall be as per sanctioned repayment schedule.
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## 7. INDICATIVE INTEREST RATE RANGE

Product Type	Indicative Annualized Interest Rate Range
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Gold Loans	12% – 24.0%
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Unsecured / Personal Loans	18.0% – 36.0%
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*Actual interest rates may vary based on scheme, customer profile, and underwriting parameters.*

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## 8. DISCLOSURE REQUIREMENTS

### 8.1 New Loans

- Interest rates, fees, and penal charges shall be disclosed in the Loan Agreement and KFS.
- Penal charges shall be reasonable, non-compounding, and not linked to interest rate.

### **8.2 Existing Loans**

- Any regulatory or policy-driven changes shall be communicated through appropriate channels.

### **8.3 Ongoing Communication**

- Penal charges shall be clearly communicated in all payment reminders and customer notices.

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## **9. GENERAL PROVISIONS**

### **9.1 Appropriation of Payments**

#### **Gold Loans:**

1. Interest
2. Penal charges
3. Principal
4. Auction / insurance / other applicable charges

#### **Unsecured / Personal Loans:**

1. Overdue interest
2. Overdue principal
3. Penal charges
4. Current dues

Advance payments shall be appropriated first towards accrued interest and then principal.

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### **9.2 Differential Pricing**

Interest rates for the same product may vary across customers based on credit risk, LTV, tenure, and other underwriting factors. Such differential pricing shall not be discriminatory.

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### **9.3 Customer Intimation at Sanction**

At the time of sanction, the borrower shall be informed of:

- Loan amount
- Annualized interest rate / APR
- Interest application frequency
- Loan tenure

- Installment amount or repayment structure
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## **10. POLICY GOVERNANCE & REVIEW**

- The Board of Directors shall have the authority to interpret, review, and amend this Policy.
- Any modification shall be approved by the Board and disclosed on the FWCPL's website.
- This Policy shall be reviewed at least annually or earlier if required by regulatory changes.