

QUICK CASHFLOW CAPITAL PRIVATE LIMITED

INTEREST RATE & LOAN PRICING POLICY

REVIEW & APPROVING AUTHORITY

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Approved by	Board of Directors
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1. Preamble

This Interest Rate & Loan Pricing Policy (“Policy”) is issued under the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and aligns with RBI’s frameworks on Fair Practices, Penal Charges, Key Fact Statement (KFS), Digital Lending and Floating-Rate Resets. This Policy governs the pricing of all credit facilities offered by Quick Cashflow Capital Private Limited (‘QCF’ or ‘the Company’) and ensures fairness, transparency, customer protection and sustainability.

2. Objectives

- Price loans fairly and transparently with clear disclosure of APR, fees and charges.
- Align with RBI guidelines on Fair Practices, Penal Charges, KFS and Digital Lending.
- Apply risk-based, product-specific pricing that reflects cost of funds and expected losses.
- Provide borrowers with choices at floating-rate resets and ensure proactive communications.
- Publish indicative pricing ranges and penal charge norms on QCF’s website.

3. Scope & Applicability

Applies to all QCF credit products and channels, including:

- **Unsecured:** Personal/consumer loans, business loans to individuals/MSMEs, supply-chain/invoice finance, overdrafts.
- **Secured:** Loan Against Property (LAP), equipment loans, asset-backed, supply-chain/invoice finance, overdrafts.
- **Digital Lending:** Loans sourced via QCF’s own or partner digital lending apps (DLAs) and/or lending service providers (LSPs).
- **Partnerships:** Co-lending, DA/PTC and other risk-sharing structures (pricing governs borrower-facing terms).

4. Implementation

The Board may delegate certain operational aspects to the other relevant board / management committee as deemed fit by the Board of Directors in order to ensure effective implementation of the Policy on Interest Rate and Charges. Such a committee will determine the pricing range for different customer segments and products in accordance with this Policy on Interest Rate and Charges and recommend to the Board for its approval. The interest rates to be charged for different segments and customers will be decided by the business teams to be consistent with the range of rates approved by the Board. The business teams will take into account relevant factors, including the risk of the applicant defaulting on the loan, prevalent market conditions, competition and ability of the target customer base to service such interest while determining the rate to be charged within the range approved by the Board .

5. Pricing Methodology (APR Framework)

QCF adopts the Annualized Percentage Rate (APR) as the all-inclusive annual cost of credit to the borrower. APR includes interest, processing fees and other finance charges (and insurance, when bundled/mandated). Statutory taxes are excluded.

Pricing components

> Borrower Price (APR) = CoF + Tenor Premium + Operating Cost + Credit Risk Premium + Margin (+ Insurance, if applicable)

- **CoF:** Weighted average cost of borrowings.
- **Tenor Premium:** Long-tenor risk and reinvestment risk.
- **Operating Cost:** Origination, technology, servicing, collections.
- **Credit Risk Premium:** Probability of default, loss severity, cyclical/sectoral risk, bureau history, underwriting model outcomes.
- **Margin:** Target risk-adjusted return on capital, competitive positioning.
- **Insurance:** If credit-linked/mandated; optional covers are excluded from APR if unbundled, with borrower consent.

➤ APR computation

IRR on the **reducing balance** cash flows, incorporating all finance charges; computed at sanction and displayed in KFS and sanction letter.

Excluded from APR: contingent/penal charges (e.g., bounce fees), third-party statutory fees and truly optional services taken at borrower's choice.

APR illustrations and calculators shall be made available digitally and attached as **Annexure A**.

6. Interest-Rate Framework & Indicative Bands

Each client/ customer/ prospective borrower represents a diverse risk profiles based on their respective credit and default risk, CIBIL scores, repayment track record with lenders etc. A cost premium/discount is attached to overall interest rate on the loan for the customers based upon the gradation of risks.

QCF shall publish product-wise **indicative** bands on its website and update periodically. Final borrower pricing will depend on risk grade, tenor, collateral, relationship and market conditions.

Product	Fixed / Floating	Indicative Band*
Personal / Consumer Loans	Fixed	10% – 24% p.a.
MSME / Business Loans	Fixed / Floating (Repo/MCLR-linked)	Repo + 3% to Repo + 7% (\approx 12% – 24% p.a.)
Loan Against Property (LAP)	Fixed / Floating	7.5% – 23% p.a.

Product	Fixed / Floating	Indicative Band*
Supply-Chain / Invoice Finance / OD	Floating; utilization-linked	12% – 24% p.a.; over-utilization TOD/OD up to 18% p.a. on excess utilization
Microfinance (if applicable)	As per Board-approved MFI policy	As per RBI MFI framework; publish min/avg/max quarterly

*Illustrative bands; QCF may approve narrower product-program grids under ALCO.

7. Fees & Charges (Disclosure & Caps)

All fees shall be disclosed **upfront** in KFS and loan documents; charges are subject to GST/statutory levies.

- **Processing Fee:** 0% – 3% of loan amount (program-wise waivers allowed for eligible MSMEs/government schemes).
- **Documentation/Verification/Valuation:** As per schedule.
- **Repayment Instrument/Mode Swap:** As per schedule.
- **Bounce/Return Charges:** Per instance, as per schedule.
- **Statement/NOC/SoA/Amortization:** As per schedule (digital copies free, physical copies nominal).
- **Foreclosure/Prepayment:** Up to program cap; **no foreclosure charges** on floating-rate **individual** loans for non-business purposes, as per RBI.
- **OD/Limit Over-utilization:** Up to **18% p.a.** on the **excess** amount (where applicable).
- **Cooling-off exit (digital loans):** Only nominal non-refundable processing fee (if disclosed in KFS); no penalty.

A **product-wise fee grid** will be maintained by business teams and reviewed by ALCO (**Annexure B**).

8. Penal Charges

- Penal charges (not interest) may be levied **only** for delays/defaults or material covenant breaches.
- Applied **only on the overdue portion, not** on the entire outstanding; **no capitalization**.
- Structure: up to **2% per month** (or program-specific equivalent) on overdue amount; and **per-instance** fees (e.g., bounce/mandate failure).
- For digital loans, an **annualized equivalent** may be displayed in KFS for transparency.
- Penal charges must be **reasonable, non-discriminatory** and separately shown from interest in all communications.

9. Risk Gradation & Differential Pricing

Pricing differentiates by borrower and program, considering:

- Bureau score, internal scorecards, cash-flows and bank statements, due diligence.
- Tenor and ticket size; fixed vs. floating.
- Collateral quality/LTV; guarantees/credit enhancements.

- Sector/geography; vulnerability to cycles.
- Relationship vintage and cross-sell.

Program grids shall define minimum/maximum APR by **risk grade**; exceptions require delegated approvals.

10. Floating-Rate Resets – Borrower Options & Disclosures

Permit **foreclosure/part-prepayment** per policy; applicable charges (if any) to be disclosed upfront.

10. Digital Lending (DLAs/LSPs) – Compliance

- For loans sourced/serviced digitally:
- **Fund Flows:** Disbursals and repayments occur **only between** the borrower's bank account and QCF's account; no third-party/LSP pass-through, except co-lending inter-RE flows or specific end-use credits directly to end-beneficiary.
- **LSP Fees:** Payable **by QCF to LSPs**; LSPs shall **not** charge borrowers directly.
- **KFS:** Display APR, total charges, recovery mechanism, grievance officer, **cooling-off** details **before** borrower acceptance; deliver digitally signed copies post-execution.
- **Cooling-off Period:** Board-approved cooling-off (minimum **1 day**) during which borrower may exit by repaying principal and proportionate APR costs; no penalty (reasonable one-time processing fee may be retained if disclosed in KFS).
- **Data/Privacy:** Collect only need-based data with explicit consent; display DLA permissions and revoke options; maintain audit logs.
- **Recovery:** LSP recovery agents must be disclosed in KFS; QCF remains responsible for grievance resolution.

11. Co-lending / DA / PTC – Borrower Pricing & Disclosures

- Borrower shall receive a **single set** of documents showing **single APR** and unified charges; back-end share of interest/fees between partners shall not affect borrower pricing
- Disbursal/remittance between partners shall follow RBI co-lending instructions; no third-party control over fund flows.
- Any DLG/FLDG or credit enhancement shall comply with extant RBI directions; pricing shall reflect true risk transfer.

12. Communication & Borrower Disclosures

- **Sanction Letter + KFS:** Provide APR, effective ROI, fees/charges, amortization schedule, reset frequency/benchmark, penal charges and borrower options at reset.
- **Prospective changes only:** advance written/electronic notice for any pricing change.

- Publish indicative rate bands, penal charge norms and fee schedules on QCF's website; maintain updated **FAQs** and calculators.
- Any change in any of the terms and conditions, including annualized rate of interest or any charges, shall be communicated to the customer through electronic media or any other form of communication prior to implementation

13. Governance, Delegation & Review

- **ALCO** reviews product grids, benchmark spreads, fees and penal charge ranges **quarterly**; recommends changes to the Board.
- **Delegations:** Business/Credit may approve within program grids; exceptions require **Credit Committee/Board** per DoA.
- **Independent Review:** Internal Audit to test compliance (APR accuracy, KFS issuance, reset communications, digital lending flows).
- **Annual Board Review** of this Policy or earlier upon regulatory change.

14. Exceptions & Portfolio Caps

- Deviations above program ceilings require **ex-ante** approval; document justification (risk/return/customer need).
- Aggregate exceptions shall **not exceed 10%** of retail portfolio by AUM without Board approval

15. Effective Date & Versioning

- For **existing** loans, migrate to updated penal-charges framework and reset-options **at the next review/reset** as per RBI timelines.

16. Policy Severable

This policy read with RBI Master Direction constitutes the entire document in relation to its subject matter. In the event that any term, condition or provision of this policy being held to be a violation of any applicable law, statute or regulation, the same shall be severable from the rest of this policy and shall be of no force and effect, and this policy shall remain in full force and effect as if such term, condition or provision had not originally been contained in this Policy. Further, the regulatory guidelines as prescribed shall prevail in the event of any amendments or requirements not incorporated in the policy.