RAINBOW INVESTMENTS LIMITED

Interest Rate Policy

Introduction

1. Rainbow Investments Limited (“Rainbow” or “The Company”) is a Non-Deposit Taking Non-Banking Financial Company registered with the Reserve Bank of India.
2. The Company had adopted the Interest Rate Policy pursuant to comply with the Reserve Bank of India (“RBI”) vide Notification Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025 – as amended from time to time, and bearing reference number DOR.MCS.REC.No.281/01-01-039/2025-26. The Company also adheres to relevant Fair Practices Code (FPC) guidelines as issued and updated by RBI from time to time.
3. The Board of Directors, taking recommendation from the Asset Liability Committee (ALCO), reviews the Interest rate policy periodically, at least annually, and endeavors to stay updated with market terms of lending.
4. The Company is presently engaged only in unsecured lending to Corporates and at a Fixed Rate of Interest.

Interest Rate Model

The interest rate model takes into account relevant factors affecting the business space in which Company operates. This shall include cost of funds or risk free rate of return, margin and risk premium.

The rate of interest is also affected by the rate at which the funds necessary to provide loan facilities to customers are sourced.

Determination of rate of interest includes, but is not limited to the following:

Basis	**Description**	**%**
Cost of Funds or Risk free rate of return	The interest forgone or expensed to obtain money for lending to such Borrower or Risk free rate of return in market	xx
Expense Markup	For other unallocated costs / overheads of the Company, such as operating expenses	xx
Credit Risk Premium	A premium may be applied based on the risk delta of the borrower	xx
Others	Any other criteria reflecting the credit profile of the borrower, nature and size of transaction and other project / transaction specific criteria	xx
Total		**xx**

The rate of interest could differ for the different borrowers having same tenors or for same borrowers having different tenors, depending on the elements of credit risk, tenor and others mentioned above.

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Approach for gradation of risk

The decision to give a loan and the interest rate applicable to each loan account is assessed on case to case basis, considering multiple parameters such as the type of financing, borrower profile and repayment capacity, borrower's other financial commitments, past repayment track record, if any, tenure of the loan, geography (location) of the borrower, etc. Such information is collated based on borrower inputs and due review of the application and KYC by the Committee/Sanctioning authority for the loan.

Key Facts Statement for Loans & Advances

The Company shall provide Key Facts Statement (KFS) to all the prospective borrowers to help them take an informed view before executing the loan contract, as per the standardised format prescribed by RBI.

The rate of interest must be annualized rate so that the borrower is aware of the exact rates that would be charged to the account. Details of the default /penal charges and other fees and charges applicable to the loan along with any other terms and conditions should also be specified in the KFS.

In case deemed fit, the Company may consider necessary moratorium for interest payment and repayment of principal with proper built in pricing.

Minimum and Maximum Interest Rate

The rate of interest to be charged for unsecured lending to Corporate Borrowers shall range between 8.00% p.a. and 12% p.a.

Change of Rate of Interest of Existing Loans

Any increase or decrease in interest rate of an existing loan would be done at sole discretion of the Company's Board of Directors based on commercial reasons which shall be in adherence to extant regulatory guidelines and in line with the agreement with the Borrowers.

Any Interest changes would be prospective in effect and notice of change of interest or other charges would be communicated to customers, mentioning its effective date.

Guidelines For Pre-Payment Charges

In compliance with latest RBI guidelines/directions, the Company charges no pre-payment or foreclosure charges to any of its Borrowers.

Penalty Charges:

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In case of non-payment of loan within one month of due date, a penal interest of 1% shall be charged on late payment.

Disclosure of Policy

The rates of interest and the approach for gradation of risks shall also be made available on the website of the companies. The information published on the website or otherwise published shall be updated whenever there is a change in the rates of interest.