

CICAGO COMMODITIES PRIVATE LIMITED

CIN: U51109WB1994PTC062076 · RBI CoR: B-05.03699 · Non-deposit taking NBFC
Registered Office: Office No. 214, 2nd Floor, Siddha Weston, 9 Weston Street, Kolkata - 700013

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INTEREST RATE POLICY

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1. Preamble

The Reserve Bank of India, through its guidelines on regulation of excessive interest charged by NBFCs and the Fair Practices Code provisions of the Scale Based Regulation Directions, requires every NBFC to adopt a Board-approved policy laying down internal principles and procedures for determining interest rates, processing fees and other charges, and to publish the rates of interest and the approach for gradation of risk on its website. This Policy discharges that requirement for Cicago Commodities Private Limited ("the Company").



2. Regulatory Framework

This Policy is framed with reference to: (a) the Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended; (b) RBI Notification DNBS.204/CGM(ASR)-2009 dated 2 January 2009 on regulation of excessive interest; (c) the RBI circular on Fair Lending Practice – Penal Charges in Loan Accounts; and (d) the Company's Fair Practices Code.

3. Objectives

This Policy aims to: lay down the components of the lending rate and the method of their application; set out the approach for gradation of risk and the rationale for charging different rates to different categories of borrowers; establish the approval framework for pricing and deviations; and prescribe the manner of disclosure of rates and charges to borrowers and on the website.

4. Scope

This Policy applies to all fund-based credit facilities originated by the Company, whether term loans, demand loans or structured facilities, and to all fees and charges levied in connection with them.

5. Business Context

The Company is a secured and unsecured lender to enterprises across India. Exposures are underwritten individually through due diligence, direct borrower interaction and local market knowledge. This underwriting model assessment in person on a selective book held to maturity carries higher per-exposure origination and monitoring costs than volume-led lending, and the pricing framework in this Policy reflects that operating reality while remaining fair and transparent to the borrower.

6. Interest Rate Model

The rate charged for a facility is built from the following components:

6.1 Cost of funds. The weighted average cost of the Company's borrowings from banks, financial institutions and other lenders together with the cost of maintaining prudential liquidity, forms the base of the lending rate. Movements in the Company's borrowing costs feed into pricing of new facilities.

6.2 Operating cost. Manpower, on-ground due diligence, credit administration, monitoring and other administrative costs attributable to origination and servicing. Given the Company's in-person underwriting model, these costs are material and are recovered over the life of the facility.

6.3 Credit risk premium. A premium reflecting the assessed risk of the borrower and the facility, determined per the gradation framework in Section 7.



11. Approval Authority and Deviations

Pricing within the approved band for the applicable risk grade is approved as part of the credit sanction by the sanctioning authority under the Board-approved delegation of powers. Any deviation pricing below the floor, above the ceiling, or outside the band for the assigned grade requires approval of the Board, with the rationale recorded. Deviations are reported to the Board on timely basis.

12. Communication to the Borrower

The loan amount, annualised rate of interest, method of application, processing fees, penal charges, other charges, tenure and repayment schedule are communicated to the borrower at the outset of the engagement and recorded in the sanction letter, and explained on request in a language understood by the borrower. Any revision in rates or charges is communicated in the manner set out in the loan documents and takes effect prospectively only.

13. Disclosure on the Website

The rate range, the approach for gradation of risk, and the details of penal and other charges are published on the Company's website and updated whenever revised, so that a prospective borrower can form a view of the applicable pricing before applying.

14. Review of the Policy

This Policy, the approved rate range and the schedule of charges are reviewed by the Board annually, and additionally whenever a material change in the cost of funds, the regulatory framework or market conditions warrants. The website disclosure is updated within a reasonable period of every revision.



A handwritten signature in blue ink is positioned to the left of a circular purple stamp. The stamp contains the text "Chicago Commodities Pvt. Ltd." around its perimeter, with a small star symbol at the top.