EMPLOYEE & DIRECTOR LOAN POLICY

Policy Category: Compensation & Benefits

Version	1.0	**Date of Incorporation**	22 April 2011
Applicability	Head Office	**Notification**	Restricted – Internal
Effective Date	01 January 2014	**Reviewed By**	HR Head

1. POLICY OVERVIEW

This Policy governs the provision of interest-free financial assistance (“Loan”) by the Company to its eligible Directors and Employees on payroll of the Company. The Loan is intended to address specific financial exigencies that an employee including directors may encounter during the course of employment, and is extended with the unequivocal understanding that it shall be repaid in full within the stipulated repayment schedule.

This Policy shall be read in conjunction with the Company's broader Compensation & Benefits Policy framework and shall be administered by the Human Resources Department (“HR Department”) in coordination with the Finance Department.

2. ELIGIBILITY CRITERIA

The following conditions must be fulfilled for an employee or Director to be eligible to apply for a Loan under this Policy:

- The Policy shall be applicable with effect from 01 January 2014.
- An employee must have completed a minimum of one (1) year of continuous and uninterrupted service with the organisation prior to applying for a Loan.
- Loans shall be interest-free; however, eligibility is contingent upon the employee maintaining a satisfactory employment and conduct record as determined by the management.
- The purpose for which the Loan is sought must be genuine, verifiable, and supported by adequate documentary evidence.
- The grant of any Loan shall be entirely at the discretion of the Management/HR Head, based on the merits of each application.

3. LOAN ENTITLEMENT

The maximum Loan amount for which an employee or Director is eligible shall be determined in accordance with their designation and grade, as set forth in Table 1.1 below. The availability of the Loan is further subject to the tenure of employment, the stated purpose, and approval by the competent authority. Requests exceeding the prescribed limits shall require specific written approval from the Head – Human Resources.

Table 1.1 – Loan Entitlement Schedule

Sr. No.	Grade (HO)	Maximum Loan Limit	Repayment Term
1.	Director	5 times CTC	5 Years
2.	General Manager	5 times CTC	5 Years
3.	Senior Manager	5 times CTC	5 Years
4.	Assistant – Assistant Manager	5 times CTC	5 Years
5.	Below Assistant Manager	5 times CTC	5 Years
6.	Drivers & Office Support Staff	5 times CTC	5 Years

***Note:** CTC = Cost to Company (annual). The entitlement amounts are indicative maximums subject to management discretion.*

4. PERMISSIBLE PURPOSE & RESTRICTIONS

Loans shall be granted only for genuine personal financial requirements. The following purposes are expressly excluded from the scope of this Policy, and no Loan shall be sanctioned for:

- ∉ Purchase or acquisition of land or immovable property except House Property, subject to eligible person does not own more than one house.
- ∉ Any purpose that is prohibited, restricted, or unlawful under applicable statutes, laws, or regulations.

> **Important:** Adequate proof and supporting documentation must be submitted by the applicant prior to the sanction of any Loan. Failure to provide requisite documentation will result in automatic rejection of the application.

5. LOAN APPLICATION PROCESS

The procedure for applying and processing a Loan request shall be as follows:

Step 1	The applicant shall complete the prescribed Loan Application Form (Annexure A), clearly specifying the amount required (in accordance with Table 1.1) and attaching all necessary supporting documents to verify the stated purpose.
Step 2	The duly completed application shall be submitted to the Head of Department (HOD), who shall review and formally sanction or reject the application before forwarding it to the Human Resources Department.
Step 3	The HR Department shall verify the applicant's eligibility, examine the supporting documentation, and assess the stated purpose of the Loan in accordance with this Policy.
Step 4	Upon satisfactory completion of verification, the HR Department shall recommend approval to the Division Head and the Head – Human Resources, whose joint authorisation is required for final sanction.
Step 5	Following receipt of requisite approvals, the HR Department shall advise the Finance Department to process and disburse the Loan amount to the employee.

- ∉ Any tax liability or implication arising from the grant of the Loan shall be borne solely by the employee concerned.

- The approval of any Loan application and the interpretation of this Policy in any specific case shall remain at the absolute discretion of the Management.

6. REPAYMENT SCHEDULE & TERMS

The following terms shall govern the repayment of all Loans sanctioned under this Policy:

- ~~The repayment schedule, including the number and quantum of monthly instalments, shall be determined in accordance with the sanctioned Loan amount and the employee's applicable salary structure.~~
- Prior to the disbursement of the Loan, the employee shall be required to furnish post-dated cheques (PDCs) covering the full repayment period and equating to all stipulated instalments.
- The employee or director may repay the loan through post-dated cheques submitted to the Company or by transferring the amount through internet banking.
- In the event that any post-dated cheque is dishonoured or returned unpaid, the Company reserves the right to initiate appropriate legal proceedings against the employee under the applicable provisions of law.
- Should an employee wish to repay the entire outstanding Loan balance prior to the completion of the scheduled repayment period, he or she shall notify the HR Department in writing of such intent. The HR Department shall facilitate the early repayment, and the mode of payment shall be exclusively by cheque.

Separation from Service: In the event that an employee resigns, is terminated, or otherwise ceases to be in the employment of the Company prior to the full repayment of the Loan, such employee shall be liable to repay the entire outstanding Loan balance in full before being formally relieved of his or her duties. The Company reserves the right to recover any outstanding amount through all lawful means available.

7. ANNEXURES

Sr. No.	Annexure Title	Annexure No.
1.	Loan Application Form	Annexure A

LOAN APPLICATION FORM — **ANNEXURE A**
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Section I – Applicant Details

Full Name		**Date of Application**	
Division / Department		**Employee Code**	
Designation		**Headquarters**	
Date of Joining		**Date of Confirmation**	

Section II – Loan Sanction Details

Loan Amount Applied For (₹)	
Reason / Purpose for Loan	
Loan Eligible Amount (₹)	
HOD Decision	☐ Sanctioned ☐ Rejected
Name of Head of Department	
Signature of HOD	

Section III – HR Approval

Amount Sanctioned by HR (₹)	
Name of Head – Human Resources	
Signature of Head – Human Resources	

Section IV – Employee Declaration

I, Mr./Ms. ____, Employee Code ______________, hereby solemnly declare and confirm that I have availed a Loan of ₹ ______________________ (Rupees ____), repayable in ______ **monthly** instalments through Post-Dated Cheques (PDCs).

Cheque Details: Cheque Nos. ________________ to ________________, which have been duly submitted to the Head Office.

I hereby agree to abide by the terms and conditions of the Company's Loan Policy and acknowledge my obligation to repay the full outstanding Loan amount prior to separation from the services of the Company, failing which the Company may initiate appropriate legal or administrative action against me.

Employee Signature: _____________________________ Date: ____________________

Section V – Finance Department (For Official Use Only)

Date of Disbursement		**Amount Disbursed (₹)**	
No. of Instalments		**PDCs Received**	☐ Yes ☐ No
Head of Finance		**Signature**	

Authorised Signatory – HR Department	Authorised Signatory – Finance Department