

CHARTERED FINANCE & LEASING
LTD. (CFL)

(“NBFC/ B-13.02480”)

SUMMARY OF POLICY

Particular	Details
Policy Name	Personal Loan Policy – Employees
Version	V1
Latest Approval/Review Date	20 th May, 2025
Review Cycle	Annually
Approver	Board of Directors of Chartered Finance & Leasing Ltd

VERSION HISTORY

Version	Approval	Version Description	Regulatory Reference
I	20 th May, 2025	2025	RBI Regulation

Personal Loan Policy – Employees

1. Objective

To provide short-term credit facilities to employees for personal requirements (medical, education, family functions, or emergencies) while ensuring financial prudence and repayment safeguards.

2. Scope

This policy applies to:

- All confirmed employees.
- Loans strictly for non-business, non-speculative use.
- Finance departments for loan sanction and monitoring.

3. Eligibility Criteria

Criteria	Condition	Remarks
Employment Status	Confirmed employees only	Probation/Contract staff ineligible
Minimum Service	At least 1 year	Verified through Management records/ Management have discretion.
Salary Criteria	Regular monthly salary credit	Salary slips/bank statement required
Loan Frequency	1 active personal loan at a time	New loan after closure of earlier one
Conduct Record	No major disciplinary action (2 yrs)	Management certification required

4. Loan Terms & Conditions

Parameter	Standard Norms	Remarks
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Loan Amount	Up to 6 months' gross salary	Based on repayment capacity
Tenure	Max 60 months	May vary with loan size
Interest Rate	Staff rate 7% to 12%	fixed or floating
Processing Fee	Nil / ₹500–₹1,000 nominal	Non-refundable
Repayment	Salary deduction (EMI) or as per terms of agreement	Mandatory clause
Prepayment	Allowed without penalty	Requires prior intimation
Default Handling	Recovery from salary/F&F dues	Settlement clause mandatory

5. Documentation Requirements

- **KYC:** Aadhaar, PAN, Employee ID.
- **Income Proof:** Salary slips (3 months), Bank statement (6 months), Form 16.
- **Management Confirmation:** Service certificate, employment confirmation.
- **Undertakings:**
 - Salary deduction authorization or payment of EMI as per terms of agreement
 - Recovery consent from F&F settlement upon exit.

6. Risk Control Measures

Risk Type	Control Measure
Credit Risk	Loan restricted to salary-linked limits
Employment Risk	Exit triggers recovery from F&F dues
Operational Risk	Accounts-Finance joint verification
Liquidity Risk	Cap on overall staff loan exposure
Compliance Risk	RBI law adherence

7. Monitoring & Review

- Monthly reconciliation of employee loan accounts.
- Accounts team to alert Finance on resignations/terminations.
- Any overdue EMI flagged within 7 days.
- Annual internal audit review of loan portfolio.