

**CHARTERED FINANCE & LEASING
LTD. (CFL)**

(“NBFC/ B-13.02480”)

**PERSONAL LOAN POLICY –
EMPLOYEES**

SUMMARY OF POLICY

Particular	Details
Policy Name	Personal Loan Policy – Employees
Version	V2
Latest Approval/Review Date	07 th April,2026
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
II	07 th April,2026	2026	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.
- Credit facilities to 'Specified employees', being employees positioned up to two levels below the Board and any employee designated as such, and their relatives, shall be subject to the provisions of CFL's policy on lending to related parties; the sanctioning official shall recuse where the loan involves himself / herself or a related party; and such facilities shall be reported to the Board annually.

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
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

A Key Facts Statement shall be provided to the employee-borrower before execution of the loan contract, and penal charges, if any, shall be levied only in accordance with CFL's Interest Rate Policy.

5. Documentation Requirements

- **KYC:** Employee ID.

- **KYC shall be completed by obtaining the proof of possession of Aadhaar number or any OVD (or the Aadhaar number only where so permitted), and the PAN or equivalent e-document or Form No. 60.**
- **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.
- Overdue employee loans shall be classified as SMA and NPA in accordance with the Resolution of Stressed Assets Directions and the IRACP Directions.
- Annual internal audit review of loan portfolio.
- Credit information of employee-borrowers shall be reported to all Credit Information Companies as on the 9th, 16th, 23rd and last day of each month, the full file as on the last day of the month being submitted by the 5th day of the following month and the incremental accounts as on the 9th, 16th and 23rd day being submitted within four calendar days of those dates.