

LOAN POLICY

Types of Loans, eligibility and other conditions:

Loan Category / Term	Eligibility Criteria (Regular service requirement)	Amount Limit	Repayment
House Loan	3 years	120 months basic or Rs.40 Lakhs	120 months/till the age of retirement
Renovation of House	3 years	50 months basic or Rs.10 Lakhs	100 months/till the age of retirement
Purchase of Car	1 year	50 months basic or Rs.10 Lakhs	60 months/till the age of retirement
Purchase of Two wheeler	1 year	20 months basic or Rs.1.5 Lakhs	60 months/till the age of retirement
Education Loan	1 year	40 months basic or Rs.10 Lakhs	60 months/till the age of retirement
Computer / Laptop Loan	1 year	15 months basic or Rs.1,00,000	20 months/till the age of retirement
Consumer Durables Loan	2 years	15 months basic or Rs.5 Lakhs	28 months/till the age of retirement
Personal Loan	1 year	40 months basic or Rs.6 Lakhs	60 months/till the age of retirement

1. Rate of Interest

All the above-mentioned loans attract a 10% interest rate, while Education loan attract a 9% rate of interest

2. Procedure

Loan applications submitted with proper supporting documents and after due recommendation by the concerned Division Director and Program Director are considered by HR and forwarded to a committee constituted for the purpose for approval. Loan is considered based on the merit of the case and should be in the name of the employee or spouse (as per our records) in case of house / vehicle / consumer durable loan.

3. The following factors are considered by the committee for sanctioning the loan:

- Long-term employability of the candidate as per input provided by the Division Director.
- If the contract is fore-closed by either party, for any reasons, in such circumstances, outstanding loan amount will be recovered at the time of settlement of accounts as per documents submitted
- Merit of the case based on the need of the colleague
- Repayment capacity of the applicant
- The ability of the applicant to secure the loan
- The loan disbursement is strictly subject to availability of funds in TERI

4. **Securing the loan**

A surety / Guarantee document is to be submitted to initiate the loan process as a part of confirmation towards repayment of the loan amount to TERI by an external / internal person. This is applicable for House Loan, Renovation Loan, Consumer Durable Loan, Vehicle Loan & Personal loan. In case of Renovation loan, final quotation to be submitted prior to sanction.

5. In case of availing house loan, to purchase a property, the following documents are required to be submitted to TERI on completion of the registration formalities.

- Sale Deed
- Allotment / Possession Letter
- Receipts, if any, by the seller
- Property tax receipts, if applicable

The original registration documents must be submitted within 30 days from the date of registration / availing the loan amount.

6. **Key Requirement**

At no point of time shall an employee avail a loan(s) that will necessitate deduction of more than 50% of take-home pay/emoluments. Take home pay for this purpose will include total monthly earnings minus the statutory deductions.

7. **Salary Advance**

Employees are eligible to take a salary advance of a maximum of four months' salary to meet emergency requirements. This does not attract any interest and is required to be repaid normally in twelve equal installments unless otherwise approved. Application for the salary advance can be submitted to HR with due approval from the Division Director.

- ❖ Employees who wish to avail a salary advance may do so only after the full settlement of any previous salary advance.
- ❖ A minimum gap of **four (4) months** must be maintained from the date of settlement of the previous advance before applying for a new one.
- ❖ Employees whose previous salary advance was taken for a lesser amount than the permissible upper limit may avail an additional advance up to the maximum eligible limit. For such cases, no waiting period is required, and the request may be considered as a continuation.
- ❖ In exceptional circumstances requiring immediate financial assistance, employees may submit a request for early consideration. Such requests will be reviewed and evaluated by the Human Resources Department on a case-by-case basis, taking into account the urgency and merits of the situation.
- ❖ Salary advances granted under exceptional circumstances must be recovered within **six (6) months or less** from the date of availing, taking into account any prior loan/advance history of the employee