



College of Pharmacy, Dehradun, Dehradun

Rev	Implementation Date	Approved By
01	Effective from July 2022 Ver-01	Principal

Policy: Employee Interest-Free Loan Against Salary

The Employee Loan Policy is for all employees of College of Pharmacy, Dehradun, effective from **July 2022**.

Objective:

The purpose of the Employee Loan Policy is to provide funding from the institution to meet urgent financial needs or unexpected expenses of its employees due to an unavoidable event.

This policy details the highlights, applicability, and guidelines for the loan process and its repayment.

Highlights:

- Interest-free loan facility to the employees.
- Loan for your Personal and Medical Emergencies.
- The loan amount is equivalent to the gross monthly salary.
- Easy repayment option (Monthly deduction in equal installments).
- Sanctioning & dispersal of Loans at any time in the year.

Applicability:

- All regular/full-time employees who have completed their probation period with the confirmation letter are eligible for the loan.
- An employee who has a loan already shall not be allowed for a second Loan until full repayment of the first loan and no objection from the account section, which means the employee requesting the second loan should not have any previous dues with the institution. However, the Second loan shall only be issued after two years of the First loan.
- A Security Deposit equivalent to one month's salary shall be a mandatory condition for the issuing of the loan.

Guidelines

Submission of Application Form

- To apply for a loan, an employee shall submit a Loan Application Form at the HR Office along with the details of the type of loan and the reason for the same, with the necessary documents.

Loan Approval

- HR shall recommend & forward the request to the Principal after verifying the eligibility/ any previous dues/ availability of funds.
- The Principal may approve/ reject the application at its discretion.
- The approved application shall be submitted to the HR department for further processing.

Loan Sanction

- HR shall issue a Sanction Letter or Loan Agreement mentioning the approval amount, instalment amount & start period of repayment. · A copy of the Sanction Letter shall be shared with the concerned employee for acknowledgment and kept for HR Records.
- The loan shall be disbursed in the form of a cheque/ bank transfer.

Repayment of Loan

- The repayment of the loan shall begin from the subsequent month by deducting **equal monthly** installments from the salary every month for twelve months or on agreed terms.
- If an employee chooses to repay the loan amount in a single instalment or within twelve months, he/ she can do so by written intimation to HR and Accounts.
- **Any kind of tax liability applicable to the loan amount will be borne by the employee.**
- If an Employee leaves the organization before the repayment of the full loan amount, the employee is liable to pay the balance of the loan amount before being relieved.
- The approval of loans shall be subject to the availability of the funds. The management reserves the right to refuse a loan application either in full or in part thereof in case of any non-compliance with the above-mentioned guidelines.

Approved By
Principal

College of Pharmacy, Dehradun, Dehradun
Shiniwala, P.O. Sherpur, Shimla Road, Dehradun (UK) – 248197

APPLICATION FOR INTEREST-FREE LOAN AGAINST SALARY

1. Employee ID: _____
2. Name of Employee: _____
3. Designation: _____
4. Department: _____
5. Date of Joining: _____
6. Whether Probation Period Completed (1 Year of Service): YES/ NO _____
7. Present Salary (After Deduction & Advance): _____
8. Loan Type (Personal/ Medical): _____
9. Any Previous Loan Taken (Yes/No): _____

Purpose /Reason for the Loan (Document as attachment, if any):

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Amount requested:

Repayment Conditions: As per policy, the loan amount shall be deducted from the monthly Salary in twelve equal amounts every month for the next twelve months.

Or Specific conditions, if any:.....

Employee Signature with Date

OFFICE OF HR

Applicant satisfies the eligibility criteria for an interest-free loan. Hence, the Loan request is being recommended and forwarded for kind approval as per norms.

Recommended Amount:.....

HR

Forwarded to the Principal's Office for kind approval

Approved / Not Approved

Principal