

TRISTAR INTERMEDIATES PVT. LTD.

Department	Top Management	Page No.	1 of 3
Documents No.	TIPL/HRD/P/039	Supersede	Nil
Master Copy	Salary Advance & Employee Loan Policy	Revision No.	NA
		Issue Date	01.04.2025
		Review Period	1 Year
		Review Date	01.04.2026

1. Objective

The objective of this policy is to support employees of TRISTAR INTERMEDIATES PVT.LTD during times of unforeseen financial difficulty by providing timely access to emergency financial assistance in the form of salary advances or short-term employee loans. This benefit is intended to help employees manage urgent personal expenses arising from emergencies or exigent circumstances. The policy also aims to maintain a fair, transparent, and consistent process for requesting and granting such financial support, promoting employee well-being while ensuring organizational accountability.

2. Scope

This policy is applicable to all on-roll, full-time, and permanent employees of TRISTAR INTERMEDIATES PVT.LTD .

Note: Probationary and Temporary employees are not eligible under this policy.

3. Types of Financial Assistance

- **Salary Advance**
A short-term advance against an employee's upcoming salary, typically to cover urgent or emergency-related expenses.
- **Employee Loan**
A short-term repayable loan granted for specific purposes such as education, medical treatment, marriage, home renovation, or travel.

4. Eligibility Criteria

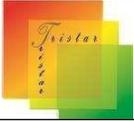
- Must be a confirmed, full-time employee of TRISTAR INTERMEDIATES PVT.LTD .
- Minimum service requirements:
 - 6 months for salary advance
 - 1 year for employee loan
- No pending or outstanding dues from previous advances or loans.

5. Terms and Conditions

a. Salary Advance

- Maximum Limit: Up to one month of the employee's net monthly salary.
- Repayment Period: The salary advance will be recovered in the following payroll cycle.
- Frequency: Not more than twice in a financial year. A second advance will not be sanctioned until the

previous one is fully repaid.

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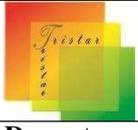
- First Repayment: Begins in the same month the advance is disbursed.
Example: If disbursed on November 10th, recovery starts in November payroll.
- Separation Clause: Any unpaid balance must be settled in full before or during the full- and- final settlement process in the event of resignation or separation.

b. Employee Loan

- Maximum Limit: Equivalent to one month of gross salary. The sanctioned amount may be rounded up to the nearest ₹1,000, up to a maximum rounding of ₹1,000.
Example: Gross salary ₹15,667 → Eligible loan: ₹16,000
- Taxes on Loans: The interest-free loans provided by employers to their employees is taxable as perquisites under the Income-tax Act,1961. The perquisites will be calculated based on the interest rate charged by the SBI on the April 1 of the year in which the loan was taken and the employer's interest rate. The payroll team will calculate the perquisite and include the same into your monthly earnings and the TDS will be deducted as per your tax slabs.
- Repayment Period: Up to 12 months, in equal monthly instalments, deducted through payroll.
- First Repayment: Begins in the following month after disbursement.
Example: Disbursed on November 10th → Recovery starts in December payroll.
- Frequency: A second loan will not be sanctioned until the first is fully repaid.
- Separation Clause: Any outstanding loan amount must be repaid in full at the time of separation.

6. Application Process

1. The employee must submit a written request along with:
 - A completed and signed Loan/Advance Application Form
 - A signed security cheque (in favour of the company)
2. The application must be approved by:
 - The Reporting Manager
 - The Business Head



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3. Once submitted to the **HR Department**, HR will:
 - Verify all documentation
 - Check for eligibility, tenure, previous dues, and salary limits
4. Upon verification, final approval will be provided by the Head – HR, any exceptions to this policy must be approved by the Head-HR.
5. The approved request will be processed for disbursement by the Accounts Department
6. Any Deviation to this policy has to be approved by CHRO or/ and by the Management.

7. Policy Review

This policy shall be reviewed periodically and updated as necessary.

8. Annexure

- Annexure A- Loan Application Form
- Annexure B- Salary Advance Form

Prepared By:

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Reviewed & Approved By:

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