



HARISH TEXTILE ENGINEERS LIMITED

POLICY ON GRANT OF LOANS & ADVANCES TO EMPLOYEES INCLUDING KEY MANAGERIAL PERSONNEL (KMPS)

Harish Textile Engineers Limited

CIN: L29119MH2010PLC201521

Registered Office: 2nd Floor, 19, Parsi Panchayat Road, Andheri East, Mumbai-400069, Maharashtra, India.

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1. INTRODUCTION

This policy shall be called as "Policy on Grant of Loans & Advances to Employees including KMPs" (hereinafter referred to as "Loan Policy").

The policy will come into effect from 1st Day of April 2024.

2. PURPOSE

The purpose of this policy is to outline the framework for granting loans and advances to employees, including Key Managerial Personnel (KMPs), to support their financial needs while ensuring compliance with applicable laws and maintaining organizational integrity.

This Policy covers guidelines/regulatory restrictions to be followed by the Company while granting Loans and Advances to aforementioned persons.

3. SCOPE

This Policy is applicable to all Key Managerial Personnel, Senior Officers, and other employees of Harish Textile Engineers Limited.

4. DEFINITIONS

- a) "**Act**" means the Companies Act, 2013 and rules made there under, as amended from time to time;
- b) "**Audit Committee or Committee**" shall mean Committee of Board of Directors of the Company constituted in accordance with provisions of the Listing Regulations and the Companies Act, 2013;
- c) "**Arm's Length Transaction**" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest;
- d) "**Ordinary course of business**" means the usual transactions undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per Memorandum & Articles of Association;

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- e) **"Board of Directors"** or **"Board"** shall mean the Board of Directors of Harish Textile Engineers Limited, as constituted from time to time;
- f) **"Company"** shall mean "Harish Textile Engineers Limited";
- g) **"Employee"** means employee of the Company whether employed in India or outside India including employees in the Senior Management Team of the Company;
- h) **"Senior Management/Members"** means officers/personnel of the Company who are members of its Core Management Team excluding Board of Directors and normally this shall comprise of all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) including the functional heads and shall specifically include company secretary and chief financial officer;
- i) **"Key Managerial Personnel"**, (KMP) refers to key managerial personnel as defined under the Companies Act, 2013 (the Act) which includes:
 - i. The Chief Executive Officer or the Managing Director or the Manager;
 - ii. The Company Secretary;
 - iii. The Whole-Time Director;
 - iv. The Chief Financial Officer; and
 - v. Such other Officer as may be prescribed;
- j) **"Nomination Remuneration Committee"** shall mean Committee of Board of Directors of the Company constituted in accordance with provisions of the Listing Regulations and the Companies Act, 2013;
- k) **"Regulations"** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification or re-enactment thereof.
- l) **"Related Party"** shall have the same meaning as defined in Section 2(76) of Companies Act, 2013 and Regulation 2(1)(zb) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015;

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- m) **"Relative"** shall have the same meaning as defined in Section 2(77) of Companies Act, 2013 and Regulation 2(1) (zd) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- n) **"Related Party Transaction"** means a transaction between the Company and a Related Party which transaction is of the nature specified in sub-clause (a) to (g) of section 188(1) of the Companies Act, 2013, or is a related party transaction as understood under Regulation 2(zc) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- o) **"Material Related Party Transaction"** means a transaction to be entered into with the Related Party individually or taken together with previous transactions during a financial year, exceeds 10% (ten percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company;

5. OBJECTIVE

This Policy aims to:

Financial Assistance: To provide employees with financial support for personal needs, emergencies, or major expenses.

Employee Retention: To enhance job satisfaction and loyalty by offering financial benefits, thus helping retain valuable staff.

Promote Loyalty: To encourage long-term commitment to the organization by providing financial support that aligns with the company's values.

Structured Repayment: To establish a clear framework for repayment, ensuring that the loan process is fair and manageable for both the employee and the employer.

6. ELIGIBILITY

All full-time employees who have completed a minimum of two years of service are eligible to apply for loans and advances.

KMPs may be subject to additional scrutiny and conditions as determined by the management.

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7. TYPES OF LOANS AND ADVANCES

Personal Loans: For personal expenses such as medical emergencies, education, or other urgent needs.

Housing Loans: For purchasing or renovating residential properties.

Educational Loans: For funding education-related expenses for the employee or their dependents.

Advances: Short-term financial assistance for unforeseen expenses.

8. GUIDELINES

The Company may grant loans and advances to Employees, KMPs, Relatives of KMPs and any related party only if all the following conditions are satisfied:

- Prior approval of the Board of the Directors of the Company is taken;
- Prior approval of the Nomination Committee and Audit Committee is taken;
- The maximum eligible amount is 50% of the amount of annual salary;
- Interest, if any on such loan shall not exceed 2% above Prime Lending rate from time to time;
- The Tenure of the loan will be maximum for 2 years;
- The KMPs or Employees to whom the loan is given, should be employed with the Company for at least 2 years before the loan is granted and should not leave the Company so long as the loan is outstanding;
- There will be a loan agreement executed between the Company and the party to whom the said loan is granted.

9. CONFLICT WITH THE PROVISION OF COMPANIES ACT AND LODR

If at any point a conflict of interpretation / information between the policy and any regulations, rules, guidelines, notification, clarifications, circulars, master circulars/

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directions issued by relevant authorities ("Regulatory Provisions") arises, then interpretation of the Regulatory Provisions shall prevail.

In case of any amendment(s) and/or clarification(s) to the Regulatory Provisions, the policy shall stand amended accordingly from the effective date specified as per the Regulatory Provisions.

10. LOANS TO DIRECTORS

The Company will not give any loan or advance, directly or indirectly to any Director including the independent director or to any firm in which such Director is a partner or any entity owned or controlled by such director, except in case of Incorporate Loans after satisfying the conditions under the Companies Act.

11. REVIEW OF THE POLICY

This policy will be review by the Board from time to time and shall be amended as and when required.

12. REGISTER OF LOANS

The Company shall maintain Register of loans granted.

13. VIOLATION OF THIS POLICY

The Company may take appropriate action against any Director or an employee who had entered into such a loan arrangement in contravention of the provisions of this Policy for recovery of any loss sustained by it as a result of such contract or arrangement

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