

 <p>एनटीपीसी NTPC A Maharatna Company</p>	<p>NTPC Limited Corporate Human Resources Division HR Policy Manual NTPC Children Higher Education Loan Scheme</p>	<p>Section:0213 Issue No: III Rev.No.0 Issue Date: 25.03.2019 Updated as on: 05.08.2019 Page: 1 of 15</p>
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NTPC CHILDREN HIGHER EDUCATION LOAN SCHEME

1.0 Introduction:

The cost of higher education in India and abroad is very high. In order to assist our employees in meeting the expenditure towards higher education courses being pursued by their children, it has been decided to introduce the NTPC Children Higher Education Loan Scheme.

2.0 Eligibility:

- 2.1 All employees who on the date of application of this loan have rendered not less than 3 years of continuous service in the regular establishment of the company.
- 2.2 All eligible employees whose dependent children **irrespective of their age** (only two) have secured admission / are currently pursuing Graduation / Post Graduation / Professional courses from recognized / approved Universities / Institutions both in India and abroad.
- 2.3 On the date of application of the loan the employee should have at least 3 years of service left before superannuation.
- 2.4 Employees placed under suspension shall not be eligible to apply for this loan.
- 2.5 In case of both spouses working in NTPC, the Children Education Loan shall be sanctioned to any one of them subject to the overall ceiling limit as prescribed in these rules.

3.0 Scope:

The NTPC Children Higher Education Loan shall be granted for pursuing the following courses:

3.1 Higher Education Courses in India

Full Time Graduate / Post Graduate / Doctorate /Professional Degree or Professional PG Diploma /Diploma courses of recognized universities / institutions.

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3.2 Higher Education Abroad

Full Time Graduate / Post Graduate / Doctorate / Professional Degree / Professional PG Diploma/Diploma Courses of Recognized Foreign Universities / Institutions. The management shall reserve the right to determine the status of recognition of the institution from where the higher education course is being pursued.

3.3 NTPC Children Higher Education Loan may be sanctioned in case of change in Educational Institute subject to the condition that this change maybe allowed only once and only if the payment has not been released under the original sanction order issued for the first Educational Institute. Further the change is to be made within a period of 30 days only.

3.4 Payment to financial institution

Payment to financial institution for education loan availed by employee within the overall ceiling, provided employee is otherwise eligible to draw education loan for the course/ child from NTPC.

4.0 Amount of Loan

4.1 Amount of NTPC Children Higher Education Loan shall be decided based on the expenses involved in pursuing the course and repaying capacity of employees as under:

4.1.1 **For Studies in India:** The total ceiling on Children Education Loan shall be as under:

A. For Executives:

- (i) 50 months salary of employees, or
- (ii) 80% of total course fee amount, or
- (iii) Rs 30 lakhs, whichever is least

B. For Non-Executives:

- (i) 80% of total course fee amount, or
- (ii) Rs 20 lakhs, whichever is less

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4.1.2 **For Studies Abroad:** The total ceiling on Children Education Loan shall be as under:

A. For Executives:

- (i) 50 months salary of employees, or
- (ii) 80% of total course fee amount, or
- (iii) Rs 50 lakhs, whichever is least

B. For Non-Executives:

- (i) 80% of total course fee amount, or
- (ii) Rs 30 lakhs, whichever is lower

4.2 The total ceiling on Children Education Loan is applicable only in respect of two dependent children irrespective of their age. Employees may avail this loan for max. three times in respect of each of his/her two children within the overall prescribed ceiling as prescribed above at 4.1. For Example: if an employee has drawn Rs. 10 Lakhs for the first child, the balance loan amount limit shall be Rs. 20 Lakhs or Rs. 40 Lakhs for executives as the case may be, which can be availed by the employee for any subsequent loan/s for any of his two dependent children and so on.

5.0 Elements of Course Fee

The NTPC Children Higher Education Loan may be sanctioned to meet the following expenses while the children of employees are pursuing these courses:

- i) Admission Fee and Tuition Fee
- ii) Hostel / Mess Charges
- iii) Examination / Library / Laboratory fee
- iv) Building Fund / any non refundable deposit
- v) Cost of Books / Journals / Equipment / Instruments required for the course.
- vi) Any other expenses / fees against which college / institution issues receipt.

6.0 Determining the Repaying Capacity of employees

6.1 The actual amount of loan to be sanctioned to an employee will be determined by the monthly paying capacity of the employee which shall be taken as follows:

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Length of Remaining Service	Repaying Capacity
- Employees retiring / superannuating after 12 years	50% of wages / salary
- Employees retiring / superannuating after 8 years, but not later than 12 years	60% of wages / salary
- Employees retiring / superannuating within 8 years	66-2/3% of wages / salary

6.2 No loan shall be granted to those employees in whose case the total deduction from the salary amounts to more than 75% of gross pay.

6.3 In case an employee under suspension has been already sanctioned the loan previously, and also had drawn the same in part, makes a request for release of balance advance / subsequent instalments during the period of his suspension, the same shall be allowed in terms of the provisions of the extant Rules.

6.3.1 Where an employee having been sanctioned the loan is subsequently placed under suspension and has not drawn any amount / installment of the loan earlier sanctioned, Children Higher Education Loan should not be released till such time his suspension order is revoked and he/she resumes his/her duties.

7.0 **Interest Rate**

The rate of interest on NTPC Children Higher Education Loan shall be 7.5% per annum. The advance shall carry simple interest from date of payment of advance, the amount of interest being calculated on the balance outstanding on the beginning of each month.

8.0 **Procedure for sanction of NTPC Children Higher Education Loan**

8.1 Application for grant of loan shall be submitted in ESS as per the workflow designed in SAP.

8.2 The following documents (Soft copies only) should be submitted along with the application:

- i) Proof of Admission in the course of study in India / abroad
- ii) Copy of the prospectus of the University / Institution from where the course is being pursued.

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- iii) Fee structure of the course under different heads and its payment schedule.
 - iv) Details for payment options (Online/D/D/Cheque)
 - v) Institute/college affiliation/accreditation details
 - vi) Proof of already paid amount (payment receipt etc)
 - vii) Loan balance outstanding with Financial Institutions (in case of repayment of education loan) with detail of child, course etc.
- 8.3 The dealing officer shall scrutinize the application format along with the documents submitted with reference to the conditions of eligibility and other requirements for obtaining sanction of Competent Authority for grant of loan to the employee concerned. The Competent Authority shall be an HR executive not below the level of Dy. General Manager (E7).
- 8.4 On release of sanction order of the NTPC Children Higher Education Loan, the employee shall submit the following:
- i) Agreement Bond ([Annexure-I](#)) on non-judicial stamp paper of appropriate value
 - ii) Surety Bond ([Annexure-II](#)) from two NTPC Employees
- 8.5 The employee shall be required to utilize the loan amount within one month from the date of drawl of loan, failing which the employee shall be called upon to refund to the Company forthwith the entire loan drawn by him together with accrued interest at penal rate of interest. The penal interest to be levied shall be 2% over and above the Lending Rate of State Bank of India. Relevant fee receipts giving proof of the payments made to the University / Institution shall also be submitted **to HR** within one month of utilization of the loan amount.
- 9.0 **Disbursement of NTPC Children Higher Education Loan**
- 9.1 The sanctioned loan shall be released in instalments at the request of the employee in ESS and as per the fee payment schedule of the college / university / institution directly to the Educational/Financial Institution where the fees has to be paid or loan is to be repaid. The charges on account of conversion to foreign exchange in case of payment to a foreign university shall be borne by the employee. If an employee has paid any part of

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- the fee in advance before applying for loan or after sanction, the same shall not be reimbursed.
- 9.2 The second or subsequent Children Higher Education loan within the prescribed ceiling so availed shall be treated as a fresh loan for the purposes of repayment.
- 9.3 Ongoing cases where employee has already availed Education loan facility for his 1st/2nd child can avail the balance amount of Education loan within the revised prescribed ceiling for his/her children.
- 10.0 **SURETY**
- 10.1 An employee of NTPC shall be eligible to stand a surety if;
- i) He / she has satisfactorily completed the period of probation if any;
 - ii) His / her salary / wages is not less than two-third of that of applicant
 - iii) He / she is not likely to superannuate within three years of executing the surety bond
 - iv) He / she has not stood surety in more than two cases of NTPC Children Higher Education Loan / House Building Advance
 - v) The applicant for NTPC Children Higher Education loan has not already stood as the surety for him while he applied for HBA / Children Higher Education Loan
 - vi) He / she is working preferably in the same division / office where the applicant is working
- 10.2 When a surety employee is likely to leave the employment of the Company or ceases to be in the employment of the Company on account of resignation, retirement, death or for any other reason before the borrowing employee has executed the deed of agreement or has repaid the advance in full (including interest thereon), the latter shall arrange to get executed a surety bond from another substitute surety, within one month of the communication to this effect from the HR Department.
- 10.3 The liability of the surety will extend till the advance in full (including interest thereon) is repaid to the Company.

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11.0 REPAYMENT

11.1 The loan granted to an employee under these rules, together with the interest thereon, shall be repaid in full before superannuation / separation from service of the employee by way of monthly installments within a maximum period of 15 years; repayment of principal amount in 10 years (120 installments) and the amount of interest in 5 years (60 installments). In case of death of an employee who has drawn this loan, the entire outstanding loan along with accrued interest shall be waived off.

11.2 The amount of loan and interest thereon, to be recovered from the employee, shall be fixed in whole, except in the case of last installment where the remaining balance, including any fraction of rupee shall be recovered.

12.0 Commencement of Recovery

12.1 This loan shall be recovered from the pay of the month following that in which loan is drawn.

13.0 GENERAL

13.1 Notwithstanding anything contained herein, the employee shall be bound to comply with any supplementary rules / orders which may be made subsequently in this regard from time to time with a view to safeguard the company's interest as well as to ensure proper and faithful observance of the provisions of these rules. Furnishing of false certificates or breach of any of the terms and conditions stipulated in these rules and / or any other supplementary rules / orders will render the employee concerned liable to appropriate disciplinary action apart from his being called upon to refund to the Company forthwith the entire loan drawn by him together with accrued interest at penal rate of interest. The penal interest to be levied shall be 2% over and above the Prime Lending Rate of State Bank of India.

13.2 In the event of transfer of an employee from one unit / plant to another, the responsibility of processing the Children Higher Education Loan in respect of the concerned employee shall be of the unit / plant to which the employee concerned has been transferred.

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- 13.3 The power to interpret, modify and administer the rules shall vest with the Director (HR) of the Company whose decision shall be final and binding.
- 13.4 The Company reserves the right to modify, cancel, add or amend any of these rules.



Annexure I

AGREEMENT

This agreement made on this _____ day of _____ two thousand _____ between Sh. / Ms. _____ S/o / D/o / W/o of Sh. _____ (hereinafter called the "Borrower" which expression shall, unless excluded by or repugnant to the context, be deemed to include his/her executors, heirs and administrators) and Mr./Ms. _____ S/o / D/o _____ R/o _____ (hereinafter called the student/beneficiary) of the one part and the N.T.P.C. Ltd., NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi – 110003 (hereinafter called the Company which expression shall include its successors and assignees) of the other part.

Whereas the Borrower has under the provisions of the Rules framed for the purpose by the Company (hereinafter called the Rules and which expression shall include any amendment thereof and additions for the time being in force) applied to the Company for a loan of Rs. _____/- (Rupees _____ only) for the purpose of Children Education of his/her son/daughter **OR** for repayment of outstanding loan to the Financial Institution i.e. M/s. _____ towards Education Loan of his/her son/daughter for _____ (Name of Course) being conducted by _____ (Name of Institute / University) in India / Abroad _____ (Name of Country) and the company has agreed to lend the said amount to the Borrower on the terms and conditions hereinafter contained.

Now it is hereby agreed between the parties hereto that-

- (1) In consideration of the sum of Rs. _____/- (Rupees _____ only – insert the amount of first installment) paid by the Company to the Borrower after execution of this agreement for payment of fee and other expenses to the college / institution **OR** for repayment of outstanding loan to the Financial Institution towards Education Loan of his/her son/daughter and the sum of Rs. _____ (Rupees _____ only – insert balance amount to be paid) to be paid by the Company in accordance with the payment Schedule of the educational institute / financial institution or as provided in the said Scheme sanctioned with interest calculated according to the said Rules, the said amount shall be repaid by way of monthly deduction from the salary of the Borrower commencing from the month following that in which the first installment is drawn / balance amount is paid by the Company to the Financial Institution.

The Borrower hereby agrees with the Company

- (a) To repay the said amount of Rs. _____/- (Rupees _____ only) i.e. the amount of loan taken by the Borrower from the Company or repaid by the Company to the Financial Institution, plus interest accrued thereon.
- (b) To utilize the loan amount for its purpose within one month from date of receipt of each installment.
- (bb) The student hereby agrees that he/she will complete the course for which education loan has been granted to the employee/Borrower and also immediately on joining service, inform the company of particulars of his or her salary and the employer with the address in detail.



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- (c) And it is hereby lastly agreed that if Borrower fails to utilize the loan for fulfillment of its purpose or if the Borrower becomes insolvent, the entire loan amount sanctioned along with accrued interest thereon calculated at penal rate of interest shall immediately become due and payable to the Company.
- (2) If the actual amount paid by Borrower for payment of fee and other admissible expenses to the college / institution **OR** for repayment of outstanding loan to the Financial Institution towards Education Loan of his/her son/daughter is less than the amount received under these presents by the Borrower, he / she shall repay the difference to the Company forthwith.
- (3) In case of separation from service due to any reason (other than death), the Borrower shall deposit the outstanding principal amount of NTPC Children Higher Education Loan along with interest accrued thereon in a lump sum before the date of separation failing which it will be recovered from payable terminal dues and / or from the student after he/she takes up a gainful employment after the completion of the course at the discretion of the Company.
- (4) In addition to the right of the company as enumerated at para (3) above, the company has a right to recover the outstanding amount (inclusive of interest as accrued and payable as per extant rules of the Company) by initiating legal proceedings against the borrower in the Court of Law.
- (5) This agreement shall remain in full force even if and during the tenure of the deputation/ posting of the Borrower on Secondment basis.

IN WITNESS whereof the parties have hereunto set their hands this day and year first before written.

Signature of the Borrower
Name
Designation
Emp. No.

Signature of the student
Name and address

Signed in the presence of

WITNESSES:

- | | |
|---------------|---------------|
| 1. Signature: | 2. Signature: |
| Name: | Name: |
| Address: | Address: |
| Occupation | Occupation: |

Signed by _____ for and on behalf of N.T.P.C. Ltd. in the presence of:

Signature & Designation of the officer for and on behalf of NTPC Ltd.

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WITNESSES:

- | | |
|---------------|---------------|
| 1. Signature: | 2. Signature: |
| Name: | Name: |
| Address: | Address: |
| Occupation | Occupation: |

This agreement is required to be signed on a non judicial stamp paper of appropriate value applicable in the state where this agreement is signed.



Annexure II

SURETY BOND

KNOW ALL MEN OF THESE PRESENTS that I _____ S/o, D/o, W/o Shri _____, R/o _____ presently employed as regular permanent employee as _____ in NTPC Ltd., Dept. _____ (hereinafter called "the surety" which expression shall include my legal heirs, representative, executors) am held and firmly bound unto the NTPC Limited, NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodi Road, New Delhi – 110003 (hereinafter called "the Company" which expression shall include its successors and assigns) in the sum of Rs. _____/- (Rupees _____ only) together with accrued interest to be paid to the Company FOR WHICH PAYMENT TO BE well and truly made as set in below; I hereby bind myself, my heirs, executors, administrators and representatives firmly by these presents and witness my hand this _____ day of _____ two thousand _____.

WHEREAS Shri _____ S/o Shri _____ resident of _____ at present employed as permanent employee in the Company (hereinafter called "the Borrower") and due to retire on _____ has applied to the Company for an advance of Rs. _____ (Rupees _____ only) for purposes of Children Education of his / her son / daughter **OR** for repayment of outstanding loan to the Financial Institution i.e. M/s. _____ towards Education Loan of his/her son/daughter for pursuing the course _____ from _____ Institute / University in India / Abroad (Name of Country) _____.

AND WHEREAS The Company has sanctioned an advance of Rs. _____ (Rupees _____ only) vide its sanction letter No. _____ dt. _____ under the Rules framed by the Company to regulate the grant of advance to Company's employees for the purposes of Children Education of his / her son / daughter **OR** for repayment of outstanding loan to the Financial Institution i.e. M/s. _____ towards Education Loan of his/her son/daughter for pursuing the course _____ from _____ Institute / University in India / Abroad (name of country) _____ (hereinafter referred to as the "said Rules").

AND WHEREAS the Borrower has undertaken to repay the said amount in _____ equal monthly installments of Rs. _____ (Rupees _____ only).

AND WHEREAS in consideration of the Company having agreed to grant the aforesaid advance to the borrower, the Surety has agreed to execute the above bond with such conditions as are hereunder written.



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NOW THE CONDITION OF THE OBLIGATION is that if the said Borrower shall while employed in the said Company or any other Company / Office regularly pays or cause to be paid to the Company the amount of the aforesaid advance owing to the Company by installments until the said sum of Rs. _____ (Rupees _____ only) together with interest as accrued and payable as per rules as amended from time to time shall be duly paid then this bond shall be void, otherwise the same shall remain in full force and virtue. BUT SO NEVERTHELESS, that if the Borrower shall become insolvent or at any time ceases to be in service of the Company, the whole or so much of the said principal sum of Rs. _____ (Rupees _____ only) together with interest thereon as shall then remain unpaid shall immediately become due and payable to the Company and recoverable from the Surety in lump sum by virtue of this bond. It shall not be necessary for the Company to proceed against the Borrower before proceeding against the surety to recover the amount due under this bond.

The obligation undertaken by the Surety under this bond shall not be discharged or in any way effected by any extension of time being granted to the Borrower or by reason of any other act or forbearance or other acts of omission or commission or the part of the Company or by any other matter or thing, whatsoever which under the law, would, but for the provisions, have the effect of relieving the Surety.

It is agreed and undertaken by the Surety that the liability of the Surety under this bond is joint and several.

This agreement shall remain in full force even if and during the tenure of the deputation/ posting of the Surety on Secondment basis.

Signed and delivered by the said _____ on the _____ day of _____ 20__ first above written.

(Signature of the Surety)

Designation

Emp. No.

WITNESSES:

1. Signature:

Name:

Address:

Occupation

2. Signature:

Name:

Address:

Occupation:

Signed by Shri _____ in the NTPC Ltd. for and on behalf of NTPC.

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WITNESSES:

1. Signature:

Name:

Address:

Occupation

2. Signature:

Name:

Address:

Occupation:

This bond to be signed on a non judicial stamp paper of appropriate value in the state, where, this surety bond is to be executed.

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RECORD OF REVISIONS

Section-Clause No.	Revision No.	Revision Date	Amendment Details
0213-Record of Revisions	0	15.03.2019	HR Policy Manual Updation
0213-Record of Revisions	0	05.08.2019	Provisions Modified

PREPARED BY	REVIEWED BY	APPROVED BY
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