

Car Lease Policy - FAQs

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Frequently Asked Questions (FAQs)

- Q. What is Car Lease?
- A. This is an arrangement wherein the company enters into an agreement with the car lease financing company for providing car on lease to employees.
- Q. Who is the Car Lease Vendor?
- A. We have signed an agreement with Lease Plan India Pvt. Ltd. (LPIN)
- Q. Who are eligible for Car Lease Benefit?
- A. Employees in grades G/S7 & above are eligible for the car lease benefit.
- Q. What is the tenure for the Car Lease?
- A. The employee has the option to opt car lease tenure for 36 months or 48 months.
- Q. How is the Car Lease charges adjusted against salary?
- A. Employees who opt for car lease will be provided with a restructured salary letter with a component called "Car Lease Charges" with the lease charges amount.
- Q. What is the benefit of opting for car lease?
- A. On opting for car lease, the employee gets the tax benefit on Car Lease Rent EMI, reimbursements like fuel charges, driver salary, insurance and maintenance cost based on grade eligibility.
- Q. How will an employee know the eligibility?
- A. The grade wise eligibility amount towards the car lease is available in the Car Lease Policy.
- Q. What is the procedure for availing the car lease?
- A. LPIN will provide access to their online portal - SalaryPlan, wherein the employee will be provided with a login id and password. The employee will have the access to choose, compare the features, receive quotations, select the dealer and also book the car.
- Q. What will be the rate of interest?
- A. The rate of interest will depend upon the market conditions and the tenure of the lease.
- Q. What will be the residual value of the car?
- A. The residual value will depend on the model of the car and tenure of the lease.

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- Q. What is a bank guarantee?
- A. Employees who opt for car lease need to submit a bank guarantee amount equivalent to 10% of the on road cost of the car to Hexaware for the tenure of the lease. The same will be returned on completion of the tenure period.
- Q. Is there any agreement between Hexaware and the employee?
- A. The employee has to sign a back to back agreement with Hexaware.
- Q. What will happen in case I resign or travel onsite?
- A. In case of resignation/ onsite transfer, the employee has to foreclose the car lease and return the car to the leasing company.
- Q. Will there be any foreclosure charges?
- A. In case of foreclosure, the employee's liability will be shortfall between the market sale value and outstanding book value + foreclosure charges @2% of the outstanding book value.
- Q. I have already opted for car lease earlier; will I get the revised reimbursement benefit?
- A. Yes, you will be able to enjoy the revised reimbursement benefit.
- Q. What is the type of insurance that I need to cover?
- A. Employee should ensure that he purchases Comprehensive Insurance Coverage including the third party liability to safe guard against unforeseen circumstance of huge liability arriving on account of accident of vehicle and injury / death of third party.
- Q. What happens in case of any claims?
- A. The employee has to do all the formalities himself for claiming the amount from the Insurance Company. Hexaware or LPIN will not play any role in this regards.
- Q. Who will take care of renewal of insurance year on year?
- A. The employee has the right to renew the insurance of his own choice through the LPIN Online Portal - SalaryPlan. There will be reminders sent with respect to insurance due to the employee by LPIN. In case the employee fails to do the needful, LPIN will renew the insurance and the amount has to be borne by the employee.