

# INDIA POLICIES



## **Furniture & Equipment Policy**

### **Version 2.4**

#### **Table of Contents**

1. Objective.....	2
2. Eligibility.....	2
3. Policy Overview .....	2
4. Taxation and Depreciation.....	4
5. Buyback.....	7
6. Reinstatement of F&E.....	8
7. Criterion followed for evaluating whether assets qualify for F&E: .....	8
8. List of Items & Import of items.....	9
9. The Process.....	11
10. Supporting Documents .....	12
11. Guarantee / Warranty Claims.....	12
12. Process at the time of Buyback.....	12
13. Employees on Onsite assignment: .....	13
14. FAQs: .....	14
15. Amendment History.....	14

## 1. Objective

- The Company recognizes that you need to entertain business contacts at home.
- This scheme assists you to furnish your residence with furniture & equipment of your choice.
- The assets provided under the F&E policy are for official as well as personal use.
- The Company will provide you with Furniture & Equipments as per your choice from the specified list up to the limits indicated in the policy.

[Top](#)

## 2. Eligibility

- This scheme is applicable to you if you are in Career Group C1 and above.
- You cannot raise an F&E claim once you have resigned and are serving your notice period.
- F&E program is on suspension for the period you are on Long Term Onsite Assignment and hence during this period you cannot put a new F&E claim.
- On promotion, your limit will be revised as applicable to the new Career Group, subject to any utilization in the earlier group being set off against the revised limit.

[Top](#)

## 3. Policy Overview

Through the F&E scheme you may purchase on behalf of the company, assets to furnish your residence, of the value up to 60 times the monthly F&E amount mentioned in your compensation letter.

- Assets purchased under any EMI scheme and/or are hypothecated to any external party cannot be claimed under F&E.
- The assets provided to you are company assets and are liable to depreciation.
- Furniture & Equipments which are covered under this scheme are as defined in the 'List of Items' section of this policy.
- The term 'Buyback' used in this policy means transfer of assets provided to you under this policy, from the company to you, on payment of specified sum.
- The assets depreciate in value (Book depreciation method) over a tenure mentioned in the 'Depreciation' section of this policy.
- You are required to buyback the asset from the company once the asset completes the required tenure applicable to the asset (i.e. it being depreciated to zero value as per Book depreciation method) at Re 1.
- On completion of the buyback, the original value of the asset will be restored into your F&E entitlement.

- F&E amount if not claimed will not be paid at the end of the year or at the end of the tenure.
- The assets purchased under F&E program are the assets of the company till it is bought back by the employee. Safe custody of the item is the responsibility of the employee till such time the item is bought back.
- When you submit your application for F&E utilization, you must ensure that the value of the Original Invoice should be either equal to the F&E reimbursement claimed or the F&E balance available to you (based on your applicable limit). Any application request with the invoice value more than your balance amount as per your applicable limit will be rejected.
- TDS (Tax Deduction at Source) will be considered for any item of the type where job work is carried out for furniture. For any job work, PAN of the vendor is a mandatorily required to be mentioned on the invoice. The supporting bill should have breakup of material and labor/job work part separately for each finished item made/claimed. The pan card number is required for deduction of TDS.
- Employees can buy-back the items before it completes the required tenure on account of reasons specified in the Buyback section of this policy.
- Once a year, Wividus Team will send a request to you to acknowledge that the assets purchased under F&E program which are not yet bought back are in your possession. In the first week of January as a Group Announcement. On receipt of such a request, you are requested to co-operate and confirm the same before March 31<sup>st</sup> as the module will be open from January 1<sup>st</sup> to March 31<sup>st</sup> every Year. This is an yearly activity and the items purchased under F&E program which are active as on that date needs to be re-confirmed from employee's end.
- You are required to confirm if the list of F&E assets are in your possession and are in good working condition once the group announcement on the same is released, failing which it would be assumed that these assets are in your possession and in good working condition.
- The tenure applicable to the assets is as below:

F&E Asset type description	Tenure of Asset
Computers, Printers, mobile phone, Bluetooth headset, tablet (if purchased in India)	36 months
Cycle (for adults), electronic goods, readymade furniture, furniture with job work, Non-electronic goods, others	60 months

[Top](#)

## 4. Taxation and Depreciation

### 4.1 Depreciation of F&E Assets

- The table below is used for computing the buy-back amount and the perquisite value on which tax is payable.

F&E Asset type Description	Tenure of the asset	Book depreciation % per annum - Straight Line Method (SLM)	CBDT depreciation % per annum	CBDT Depreciation Method
Computers, Printers, iPad (if purchased in India)	36 months	33.33%	50.00%	WDV (Written Down Value)
Cycle (for adults)	60 months	20.00%	10.00%	SLM
Electronic Goods	60 months	20.00%	50.00%	WDV
Readymade Furniture	60 months	20.00%	10.00%	SLM
Furniture with job work	60 months	20.00%	10.00%	SLM
Mobile phone handset	36 months	33.33%	50.00%	WDV
Non-Electronic Goods	60 months	20.00%	10.00%	SLM
Others	60 months	20.00%	10.00%	SLM

[Top](#)

### 4.2 Depreciation Methods

There are of 2 types of depreciation methods used to calculate the depreciation for different purposes under this policy:

- Book Depreciation Method:** This is the depreciation method on which the assets are depreciated for the purpose of this policy. This is used to calculate the buyback value if the asset has not completed the applicable tenure at the time of buyback. This is calculated on straight line method only. The book value of the asset is mentioned as current value in

[myWipro](#) → [Finance](#) → [My Benefits](#) → [Furniture & Equipments](#)

The depreciation under Straight Line method is calculated at the specified percentage (see table above) on the book value at the end of every year.

- **Depreciation as per CBDT guidelines:** This method of depreciation is used to calculate the depreciated value of an asset at the time of buy back as per CBDT guidelines. This is calculated based on straight line method (SLM) and written down value method (WDVM) depending on the type of asset (refer table above) i.e. Mobiles, electronic assets, computers depreciate on WDVM and Cycle, Furniture & Non-electronic assets on SLM.

The difference between the depreciated value of the asset as per CBDT rules and the buyback value as per the book depreciation determines the perquisite value which is taxed at applicable rates. For more information, please refer to section on taxation. As per written down value method of computing depreciation, depreciation is calculated at the specified rate on the value of the asset at the beginning of each year after adjusting the depreciation for earlier year.

[Top](#)

### **Example on Depreciation**

An employee purchases a mobile Phone under the company's F&E scheme on 1<sup>st</sup> December 2015. The perquisite value at the time of Buy back is computed as follows:

**Book value method:** Depreciated on a Straight Line method

**Depreciation as per CBDT method:** Because the asset is a mobile phone, depreciated as per written down value method.

	<b>Depreciated Value</b>	<b>Book value Method</b>	<b>CBDT Depreciated Value Method</b>
Asset Value purchased on 1-Dec-2011		6000	6000
Depreciated value as on 1-Dec-2012	1999.8	4000	3000
Depreciated value as on 1-Dec-2013	1999.8	2000	1500
Depreciated value as on 1-Dec-2014	1999.8	1	750
Buy back on completion of asset utilization period		1	
Buy back on 1-Dec-2014 as per CBDT guidelines		750	
		749	

Rs. 749 would be added to taxable income to compute tax at applicable rates.

[Top](#)

### 4.3 Taxation

As per the F&E program, employees have access to assets (owned by the company) for their personal use. This amounts to a perquisite and perquisite value shall therefore apply. Company deducts tax on the perquisite value at the applicable rate. F&E Assets depreciate over a period of time due to usage. The depreciated value of the asset and the buyback amount paid by the employee determines the perquisite tax at the time of buyback.

Two types of taxes are applicable to employees for each asset:

- Annual/Utilization Perquisite Tax
- Buy-back Perquisite Tax

The formula for the calculation of tax payable is as under :

**Tax Payable = Perquisite value \* applicable tax rate.**

**Annual perquisite value / Utilization perquisite value:** This is the value on which Annual/Utilization Tax is applicable for using company asset for personal use. Utilization perquisite value is calculated at 10% of the original value of the asset/s utilized under the F&E scheme for that financial year and added to your taxable income.

E.g. If value of asset is Rs.1000, 10% on Rs.1000 = Rs.100 would be treated as perquisite value per year.

Computer & Peripherals are exempt from Annual perquisite value.

**Buy-back Perquisite Value:** This is in addition to the annual perquisite value. This is calculated as below:

Depreciated value as per CBDT rules –(minus) Buyback value as per Book depreciation

In the above formula, Buyback value is determined as below:

- Buyback at the end of the tenure of the asset = Re. 1.
- Buyback during the tenure of the asset = Book Value of the asset i.e. amount as visible in

[myWipro](#) → [Finance](#) → [My Benefits](#) → [Furniture & Equipments](#)

### **Example of Perquisite Value calculation of an asset that has completed required tenure:**

An example for furniture which has completed 5 yrs

Original Asset Value of the asset = Rs. 100

Buy-Back Value as per Book Depreciation = Re. 1

Depreciated value as per CBDT rules = Rs. 50 (because furniture depreciates at 10% for 5 year on SLM)

Perquisite value = Rs. 50 – Re. 1 = Rs. 49.

[Top](#)

## **5 Buyback**

Employees can buyback the items provided under F&E program under the following circumstances:

- Items are damaged beyond repair
- Stolen/Lost items (such as mobiles)
- Separation
- Death / PTD.
- Asset has completed the tenure applicable for that type of asset.

[Top](#)

### **Buyback value in each of the above situation is computed as below:**

- Incase Asset has completed the tenure applicable on that asset: Buyback value is Re 1.
- For all other situations/ reasons for Buyback: Buyback value is the value of the asset (calculated as per Book Depreciation method) as on date through straight line Method. This amount is mentioned as current value in the utilization report in the Lifestyle module in myWipro. Path is

*[myWipro](#) → [Finance](#) → [My Benefits](#) → [Furniture & Equipments](#)*

[Top](#)

## 6 Reinstatement of F&E

- Your F&E limit is 60 times the monthly component in your salary stack.
- Your F&E limit may get redefined at the time of progression or compensation review, in which case, your eligibility is defined on the basis of total current entitlement less (minus) amount already utilized. In other words the Total Eligibility is redefined at 60 times the new F&E monthly component, the utilization before the progression remains same and the balance changes based on the change in the new F&E monthly component.
- You can re-instate a value equivalent to original purchase amount for the F&E limits when you buyback the asset on its completing the applicable tenure. In other words on account of F&E item buyback, the F&E utilization comes down and balance gets reinstated to the extent of original price of the item.

[Top](#)

- **Example**

- Your limit is Rs.1,00,000/-
- You have utilized Rs.50,000/- on an F&E item
- You still have un-utilized F&E balance of Rs.50,000/-
- You get promoted to higher Career Group
- Your revised limit in the new Career Group is Rs. 1,50,000/-
- Your current F&E balance eligibility will be Rs.1,00,000/- only as you had utilized Rs. 50,000/-
- At the end of 5 Years, the asset will get transferred to you (Buyback), on payment of Re 1
- On completion of the transfer as above, your limit will be reinstated to Rs. 1,50,000/-

[Top](#)

## 7 Criterion followed for evaluating whether assets qualify for F&E:

- Items are of durable nature. In case of furniture, electronic should have a normal life of minimum 5 years.
- Items should be of depreciating nature year on year. For e.g. kitchen items, Items made of precious metal like silver/gold are not allowed (as they do not depreciate & are appreciating assets)
- Cost of any individual item procured under the F & E policy should be a minimum of Rs. 500/-.
- All the items should be for the purpose of furnishing /utility. E.g. Items of unique /special interest like musical instruments like piano, tabla etc. are not allowed but music system is allowed.
- Fragile items not allowed under this program.
- Kid's cycle or any cycle with some form of motor attached to it is not allowed.



- Items purchased outside India not allowed under this program.

[Top](#)

## 8. List of Items & Import of items

### Accessories Vs Stand-Alone Devices

Any equipment that cannot function on its own, is termed as an accessory. Accessories are to be claimed along with the base item only. Accessories alone do not qualify as a separate asset under F&E program.

The definition of items that get covered in F&E are as under:

- **Cycle:** Cycles for the usage of adults and that are non-motorized
- **Furniture:** Movable objects which may be used for seating, storage or hold objects.
- **Electrical Items:** Any Non-electronic household utility device running on electricity.
- **Computer:** This refers to a Personal Computer / Laptop and associated peripherals. All internal peripherals should be claimed only along with the base computer.
- **Mobile phone:** A hand-held radio-telephone device that may be used primarily to receive and/or make telephone calls. Land line phones that have wireless handsets would not fall under this category.
- **Electronic Items:** Electronic gadgets means – data storage and handling devices like They do not include household appliances (i.e. White goods).
- **Furniture with Job Work:** Items under "Furniture" that require additional work to be done on them (manual / machine) before they may be used.
- **Kitchen Items:** Kitchen Furniture and Electrical Kitchen Items such as Kitchen Cabinets, Modular kitchen, Refrigerator, Toaster, Microwave, Electric Kettle etc. are covered. Please note: Utensils (e.g. spoon, stainless steel plates) and fragile items such as crockery are not covered.
- **Others:** Items that do not fall under any of the other specified categories. These may include, Carpet, Fire extinguisher, Aerobic Exercise Cycle, & Solar heating system.

**Note:** In case the required item is not shown in the list then please contact HR and check with your concerned HR.

**Note:** Medical devices such as blood pressure monitor, sugar monitor etc are not allowed under F&E.

### **Furniture & Furnishing:**

Furniture: Sofa/ Table/ Drawers/Cupboard/ Wardrobe/ Wall Unit/Bed
Kitchen Framework & Cabinets, Puja furniture Items/ Door/
Furnishing: Venetian Blinds/ Mattresses/ Pelmet/ Carpets
Second Hand Furniture + Refinishing charges (Polishing / upholstery)

[Top](#)

**Job Work:** Custom made furniture work / second hand wooden furniture purchased along with refurbishing is also covered under the F&E scheme if the type of furniture falls within the policy conditions of F&E scheme. Please note that only refurbishing expenses alone would not be covered.

**Electrical:** Please find below the examples of Electrical items.

Fans/ Air Conditioner/ Air Cooler/ Room Heater/ Geyser
Blender/mixer/ Toaster/ Cooking Range/ Oven / Microwave Oven
Dishwasher/ Washing Machine/ Refrigerator
Water Heater with accessories/ Water Purifier/ Vacuum Cleaner/ Solar Heating

Lamps with fittings/ Lighting System/ Iron/ Sewing Machine
Generator / UPS with batteries/ Stabilizer

[Top](#)

**Electronic:** Please find below the examples of Electronic items.

VCR/ VCP/ VCD/ DVD/ MP3
Television/ Music System/ Set Top Box
Digital Wall Clock
Telephone/ FAX/ Answering Machine/ Cell phone hand set/ Tablet/ Digital Diaries
Video Camera
Car stereo / CAR AC / GPS
Personal Computer/Laptop/ Peripherals (To be claimed along with computer)

**Others:** Please find below the examples of other items.

Decorative & Paintings of durable nature
Fire Extinguisher
Aerobic Exercise Cycle/ Golfing Kit/ Non-motorized cycles for adult usage
Soft/Hard wheeled luggage or trolley

**Please note: Purchase of imported items in India from a shop**

In the case of an imported item purchased from a shop in India, the said purchase has to be supported by an invoice which must have a legitimate sales tax registration number and an address with telephone number. It may be useful for one to exercise due diligence to ascertain the authenticity of the seller.

[Top](#)

**Purchase by an employee during his travel overseas on a personal visit or while on Business Travel:**

Though the baggage rules of Customs allow purchase of allowed items under F&E up to certain amounts, the items under F&E are assets which are owned by the company and used by the employees. As a company, the baggage rules are not applicable. Any import by the company should be through the prescribed import channels including the submission of Bill of Entry. So no items brought under personal baggage by an individual can be covered by the F&E policy.

[Top](#)

## 9. The Process

### Prior to Claim:

- You are required to purchase the asset and then raise a claim in the Furniture & Equipments (Lifestyle) section (myWipro > My Financials > Furniture & Equipments (Lifestyle)). Attach the original invoice along with the print out of the claim and send it to Wividus. The F&E claim payment is only to employee's reimbursement account (ERA) based on claim supported by original invoice.
- Job work type of assets are the assets that are made to order for the employee like home furniture made by carpenter, etc. If the asset is in the nature of 'Job work' type of asset, the payment will be made only to the Vendor and not to the employee. Tax at applicable rates will be deducted at source for such jobs. Also, the PAN number of the vendor must be mentioned on the invoice. You are required to collect the invoice and submit the same to Wividus after applying on Furniture & Equipments (Lifestyle) module.
- You are requested to retain a copy of the Original Invoice(s) of your claim(s) prior to submitting the same to wividus for future references; Company may not be in a position to give you a copy of your claims/invoices later.
- The Original Invoice should be in the name of the respective registered legal entity e.g. Wipro Limited, Mpower India Limited, cMango India Limited, WMNetServ India Limited, 3D Networks India Limited, etc c/o of Employee name and the present residence address. The employees of Wipro Technologies, Biomed, Health Care IT, Corporate, Wividus, WBPO, Quantech India Ltd, mPact India Limited which are the Business units of the Legal entity of Wipro Limited, the Invoices of F&E of these Business units are to be in the name 'Wipro Limited'. The Invoices for all the subsidiaries of Wipro Limited like Mpower India Limited, cMango India Limited, WMNetServ India Limited, 3D Networks India Limited, Citi Technology Services should be in the name of respective subsidiaries.
- You may procure the asset on company's behalf using your credit card, you are even allowed to issue a post-dated cheque to the vendor.
- The bill should not only indicate a total sum, but also the break-up of all expenses should be clearly indicated. The bill cannot be for an amount over and above your eligibility at that point of time. The claim amount and invoice amount must match.

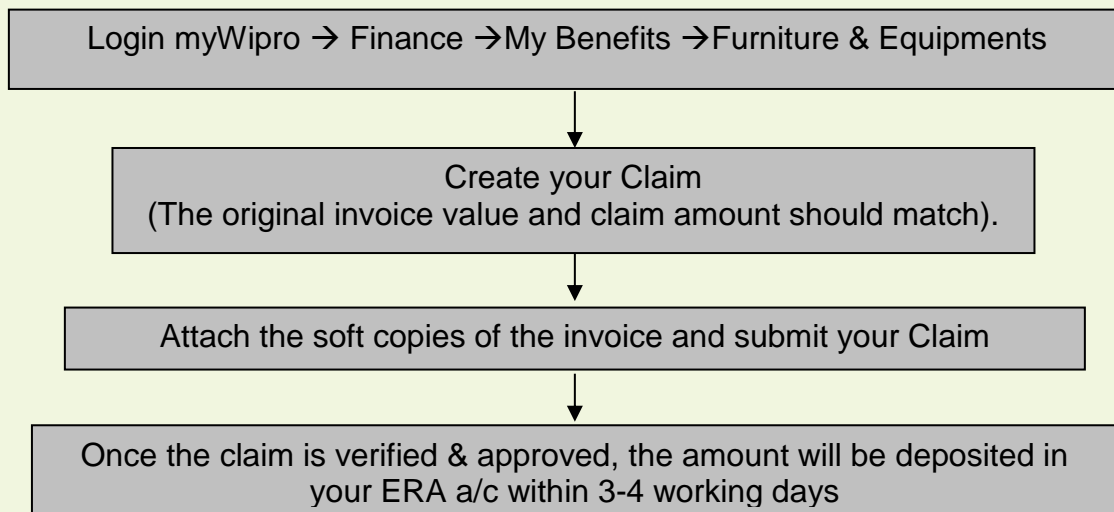
[Top](#)

### 9.1 F&E Claim & Reimbursement Process

#### Making a Claim:

- F & E claims have to be submitted in the myWipro via the path as follows:  
*myWipro → Finance → My Benefits → Furniture & Equipments*
- Your F&E claim(s) should be submitted & sent for processing within 30 days from the date of item(s) purchase.

- The steps to claim F&E are as below:



[Top](#)

[Top](#)

### **10. Supporting Documents**

The supporting should be original invoice and should be in Wipro's Legal entity name c/o of employee name. These documents should reach Wividus along with the Claim within 30 days of purchase of the F&E asset.

### **11. Guarantee / Warranty Claims**

- Items bought under the F&E program are on the books of Wipro; hence the original invoice needs to be with Wipro. You may keep the warranty card/ user manual etc., with yourself. The warranty card has details like asset serial no., date of purchase, validity of the warranty, etc. which should be a sufficient document for the purpose of any service from the vendor.
- However, if any vendor insists on invoice, photocopy of the invoice would be sufficient as a superficial supporting.
- These two documents would establish relationship of genuineness and would enable you to get the service from the vendor.

[Top](#)

### **12. Process at the time of Buyback**

Following are the various reasons for Buyback & the respective process to follow:

- Stolen/Lost items (such as mobiles) – A copy of FIR lodged for the stolen/lost items, along with the utilization report highlighting the item needs to be submitted along with cheque to Wividus

helpdesk. The value of the cheque must be as mentioned in the utilization report. The utilization report is accessible at

[myWipro → Finance → My Benefits → Furniture & Equipments](#)

- Items are damaged beyond repair – A written statement from vendor clarifying that the asset is beyond repair, along with the utilization report highlighting the item needs to be submitted along with cheque to Wividus helpdesk. The value of the cheque must be as mentioned in the utilization report. The utilization report is accessible at

[myWipro → Finance → My Benefits → Furniture & Equipments](#)

- When an asset qualifies for buyback due to completion of stipulated period: The employees can buy back the asset in the following path by selecting the items listed and submitting the request.

[myWipro → Finance → My Benefits → Furniture & Equipments](#)

The buyback amount will get deducted through payroll. Automatic buyback will happen for the qualified items the subsequent month.

- Separation/ Death / Disablement: The buy back value can either be settled through a cheque made to the company for the value mentioned in the utilization report/ settled in the Final settlement as per instructions of the employee/ family. The value of the cheque must be as mentioned in the utilization report. The utilization report is accessible at

[myWipro → Finance → My Benefits → Furniture & Equipments](#)

[Top](#)

### **13. Employees on Onsite assignment:**

- F&E amount is not payable to an onsite assignee even if the employee is on India salary. Employee is required to be working at offshore to be eligible to claim for F&E.
- Employees who go on short term onsite assignment:  
There is no change in policy for employees who go onsite on short term assignments. However items purchased outside India are not covered under this program.
- Employees who go on Long term onsite assignment:
  - i) Employees who opt out of India salary: Employees who opt out of India salary are required to buyback the asset by paying the depreciated book value amount by cheque to Wividus. The utilization report highlighting the item, mentioning the FTR # along with cheque favoring Company must be submitted to Wividus helpdesk.
  - ii) Employees who do not opt out of India salary: The employee need not buyback the asset, however, no fresh purchases/ new claims would be allowed.

[Top](#)

#### 14. FAQs:

a) What is the treatment to employees on Long term / Short Term?

Ans: If an employee is on Short term Onsite assignment, the eligibility continues. If the Employee is on Long-term Onsite assignment and has opted out of India salary then buyback of the item happens.

b) Under what circumstances employee can buyback?

Ans: The buyback will happen on Tenure Completion. The other reasons are: Death/Permanent Total Disablement/ Separation.

c) Are items purchased outside India covered under F&E?

Ans: No. F&E assets are in Company's name and any import from any company should be through prescribed import channels. Hence can't be covered under F&E.

d) If I get a discount on an item as a part of a scheme (For e.g. an exchange scheme), what amount will get reimbursed?

Ans: The net invoice value, net of discount/ Exchange value will be reimbursed in such a case.

e) Can I use F&E to buy a smartwatch?

Ans: Smartwatch is an accessory, as it cannot function standalone. Accessories do not qualify as a separate asset under F&E program. However, a smartwatch, if purchased along with the mobile phone it is compatible with, will fall under F&E policy.

#### 15. Amendment History

Amendment Date	Policy Version	Author	Approved By	Nature of Changes
May 1, 2011	Version 1.6	Nupur Shekhar	C&B and Taxation team	<b>Printer</b> (bought without computer) falls under category of products depreciating in 3 years of tenure.
September 1, 2011	Version 1.7	Ritu	C&B and Taxation team	<b>iPAD</b> ( if purchased in India) falls under category of products depreciating in 3 years of tenure.
January 1, 2012	Version 1.8	Balajiseshasai Ragavachar	C&B and Taxation team	<b>Update on time period to declare F&amp;E Assets</b> (to confirm possession and working condition)

February 1, 2013	Version 1.9	Balajiseshasai Ragavachar	C&B and Taxation team	<b>Bluetooth Headset</b> (bought without mobile) falls under category of products depreciating in 3 years of tenure for new Purchase only effective 1 <sup>st</sup> Feb 2013
Jan 1 2015	Version 2.0	Harpreet Singh	C&B and Taxation team	<b>Buyback</b> value reduced to Re. 1
June 1 2015	Version 2.1	Nidhi Shukla	C&B	<b>Crockery</b> excluded from list of items allowed.
August 1 2016	Version 2.2	Namrata Sinha	C&B	<b>Smartwatch</b> exclusion conditions mentioned. <b>myWipro</b> path changed Added <b>tablet</b> instead of iPad
Oct 06, 2016	Version 2.3	Namrata Sinha	C&B	Removal of Personal Digital Analyzer
Mar 06,2017	Version 2.4	Namrata Sinha	C&B	Removal of Wipro Infotech due to merging of WT & WI