

# Car & Related Benefits Policy



Organizational growth entails geographical expansion leading to multi-locational work-force. Such growth & spread requires officers to maintain and enhance professional connects and relationships as part of collaborative endeavors. Apart from home-office-home mobility there are various meetings with colleagues, customers, clients & stakeholders.

By way of providing for appropriate means of travel, Tata Power aims at addressing the travel and mobility needs which is an integral part of work-life for officers. This ensures safety & comfort as well as efficient use of time.

While individual car is a necessity of modern life, officers are encouraged to use a mix of other means as well (including car-pooling) to the extent feasible.

<b>Doc Title:</b>	<b>Car &amp; Related Benefits Policy</b>		
<b>Document No:</b> <b>Version No:</b>	<b>Tata Power - CHRO-HR-CRB</b> <b>Version 1.3</b>		

<b>Prepared by</b>	<b>Reviewed by</b>	<b>Approved by</b>	<b>Issued by</b>	<b>Release date</b>	<b>Effective from</b>	<b>Reason for Issue</b>
Head – Corp.HR	CHRO	CEO&MD	CHRO	22nd September 2021	1 <sup>st</sup> Oct. 2021	Simplification, inclusion TPREL, WREL & TPRML
Head – Corp.HR	CHRO	CEO&MD	CHRO	20 <sup>th</sup> May 2022	1 <sup>st</sup> July 2022	<ul style="list-style-type: none"> <li>• Company Purchased Car Scheme incorporated</li> <li>• Simplification and update of policy</li> <li>• Inclusion of TPCDL, TPSODL, TPWODL, TPNODL</li> <li>• Revision in Ex-showroom entitlement</li> </ul>

## 1. OBJECTIVE

- The objective of the policy is to provide guidelines on purchase and usage of car provided by the company by self or through leasing partner. To address travel needs of officers to help efficient use of time and be productive.
- To elucidate the eligibilities, procedure and guidelines governing Car & Related Benefits.

## 2. SCOPE & APPLICABILITY

- 2.1** This policy is applicable to all officers in the Management cadre and on the permanent rolls of Tata Power, CGPL, MPL, IEL, TPTCL, PTL, TPSSL, TPADL, TPREL, WREL, TPRML, TPCODL, TPSODL, TPWODL, TPNODL and any other company which may be incorporated in future with applicability of Tata Power HR policies hereinafter referred to as 'Company' / 'Organization' in this policy. The Policy shall also be applicable to Officers transferred within Tata Power group companies and covered entities with change of location.
- 2.2** Officers include employees in Work Level / Grade WL MA, MB, MC, MD and ME (ME01 to ME04A)
- 2.3** This policy is effective from **1<sup>st</sup> July 2022** and supersedes all other prior policies and communication on this subject.

## 3. COMPANY ALLOTTED CAR SCHEME:

Officers can avail CAR under company allotted car scheme as mentioned below:

SN	Car Scheme Type	Details
3a	Car Scheme through Leasing Partner	<ol style="list-style-type: none"> <li>Employees availing company car scheme through leasing arrangement with the leasing partner, shall continue to be governed under that scheme until the completion of their leasing tenure of such vehicle.</li> <li>Officer is responsible for the maintenance of the car during lease period.</li> <li>Existing Lease rental tenure is for a min. period of 5 Years (full year block). However, lesser tenure is allowed only for officers getting superannuated prior to min. period of 5 years. In such case also rental tenure will be basis full year block.</li> </ol>
3b	Car Scheme through Company ( <i>Direct Purchase</i> )	<ol style="list-style-type: none"> <li>Eligible officers (Not having leasing arrangement with leasing partner) may opt for a Car under the Car Scheme through Company (Direct Purchase).</li> <li>Under this scheme, car shall be purchased by the company and allotted to officer.</li> <li>The Company will bear Ex-showroom price plus RTO taxes, registration, and insurance upto the car eligibility limit (Refer Table-2) of the officer. Any cost over and above the eligibility and additional cost on account of extended warranty, accessories etc., will be borne by the employee. Accordingly, EMI shall be worked out by ES&amp;A for a tenure of 5 years. EMI will be deducted from the salary of the respective officer.</li> </ol>

		4. In case an officer is superannuating prior to completion of 5 years, EMI tenure in such case shall be calculated up-till three months prior to superannuation month. In such cases, no. of EMIs shall be worked out keeping in mind the eligibility & min. 50% take-home salary principles. However, officer having less than 12 months tenure left for superannuation after start of the EMI, shall not be eligible to opt car under this scheme.
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**Note:** Erstwhile Scheme A as mentioned in earlier version of Car & Related Benefits Policy is no longer in practice as the same is not viable for employees after GST implementation. Employees covered under this scheme currently will continue to be governed under the same scheme till the end of the lease term/tenure.

#### 4. ELIGIBILITY:

4.1 The grade-wise eligibility of officers for car related benefits is given at **Table-2** below:

Work Level	Car Eligibility (ex-showroom price)	Indicative Monetized Value of Car [MVC] (₹ pm)	Reimbursement towards			
			Maintenance (₹ pm)	Fuel (₹ pm)	Driver Salary (₹ pm)	
MA	20 lakh	Proportionate amount on Insurance, Road Tax & Registration up to ex-showroom price indicated will be borne by the company. Any amount in excess will be recovered from the officer's salary.	33,360	5,000	19,000	12,000
MB	12 lakh		22,420	4,000	16,000	11,000
MC	10 lakh		18,000	3,500	14,500	10,000
MD	8 lakh		13,500	3,000*	9,500*	8,000*
ME	NA	Insurance, Road Tax and Registration Charges to be borne by the officer.	NA	2,500*	8,000*	8,000*

\*Car related benefits would be suitably adjusted in the CTC of concerned officers availing this facility. NA- Not Applicable

**4.1a Monetized Value (MVC) amount as mentioned above at Table-2 against respective WL are indicative and part of CTC, can either be adjusted in the EMI of the car or shall be paid through salary as taxable within the same FY.**

**4.1b Officers may opt for a car with higher value than their eligibility / Indicative MVC, however EMI beyond the MVC value will either be borne by the employee initially or paid through higher EMI after adjustment from the flexi allowance of the officer's salary. In such cases, min. 50% of average net take home salary of last 4 months to be ensured.**

**4.1c Officers at WL MD & above may opt for a car less than the eligibility. The difference between the MVC and EMI will be paid through salary as taxable.**

**4.1d Reimbursement towards Car Maintenance, Fuel and Driver for WL MC and above as mentioned above at Table-2 can be claimed by respective officer by submitting bills / receipt on monthly basis within the same FY else shall be paid through salary as taxable in the same FY.**

**4.1e Reimbursement towards Car Maintenance, Fuel and Driver for WL MD & below (upto Grade ME4A) as mentioned above at Table-2 can be allocated for reimbursement by respective officer from his/her CTC**

(from flexi). Reimbursement can be claimed by submitting bills / receipts on monthly basis within the same FY.

4.2 Further, Top-up reimbursement (as given in **Table-3** below) can be availed by officers by allocating such amount from their **flexi allowance** on production of actual bills / receipts:

Work Level	Top up Reimbursement towards		
	Maintenance (₹ pm)	Fuel (₹ pm)	Driver Salary (₹ pm)
MA	3000	6000	8000
MB	2000	6000	8000
MC	2000	5000	7000
MD	2000	4000	6000
ME	1500	3000	3000

## 5 PROCESS FOR AVAILING COMPANY ALLOCATED CAR:

- 5.1. Officers need to submit **vehicle requisition application** for availing car in the prescribed format as given in **Annexure-I** mentioning the type of car scheme opted and submit the form to divisional ES&A team.
- 5.2. Officers will select vehicle and obtain quotations from registered dealers / Showrooms directly and submit it to divisional ES&A along with the application else ES&A will ask quotation directly from respective dealership/agency ES&A for further action.
- 5.3. Basis quotation, ES&A will provide car EMI details to the officer concerned and upon receiving consent from the officer, shall process the application further.
- 5.4. On delivery of the car, SBU ES&A will inform Payroll team for deduction of EMI / lease rental from monthly salary and needful adjustment (If applicable) from the flexi allowance of respective employee.
- 5.5 Payroll team will ensure proper deduction of Car EMI from the salary till the end of the EMI tenure.
- 5.6. Discrepancies (if any) need to be brought to the knowledge of ES&A & Payroll team for rectification / Clarification.
- 5.7. Officer may raise a request to Payroll team on Connect-to-Solve query management / ticketing platform to allocate Maintenance, Fuel and Driver expenses from Flexi Allowance as per usage.

## 6 PROCESS FOR REIMBURSEMENT OF FUEL, MAINTENANCE AND DRIVER

- 6.1. For car related benefits to be drawn from flexi allowances, the officer needs to allocate the necessary amount from the Flexi allowance towards maintenance, fuel and driver salary within the overall combined eligibility limits and avail tax benefit on submission of receipts against actual expenses on Fuel, Maintenance & Driver.
- 6.2. Officers shall submit receipts of actual expenses on Fuel & Maintenance through Employee Self Service (ESS) on the online portal. Reimbursement Claims to be submitted are as per combined monthly eligibility as mentioned at Table-2 & Table-3.

- 6.3. Driver expenses shall be claimed as per combined eligibility in the system by uploading the 'Personal Driver Undertaking' attached as **Annexure II** through ESS on the online portal.
- 6.4. Officers opting for either scheme can avail reimbursement of maintenance expenses within the overall eligibility limits with actual expense receipt.
- 6.5. Officers in work levels MC & above (on their option) may avail 'Petro Card' facility for fuel. Based on actual usage and inputs from ES&A, necessary adjustment in remuneration will be made by the Payroll team.
- 6.6. Officers in work level MC & above who do not prefer to claim expenses towards fuel, maintenance and driver will receive the eligible amount in their salary after deduction of applicable taxes.

## 7. SCENARIOS OF COMPANY ALLOCATED CAR INCLUDING BUYBACK

7.1	Replacement	If the car under the car scheme (both type) is out of service, for repair and maintenance, no replacement of the vehicle will be provided by the company.
7.2	Buyback	<ul style="list-style-type: none"> <li>a) Upon completion of the <b>lease period / 5 years tenure</b>, Officer will be mandatory required to buy back the car <b>@10%</b> of the capitalized value / written down value / any other as applicable. Residual Value may undergo change based on macro-economic indicators.</li> <li>b) Car under the company purchased car scheme will have the option for officers to extend the buyback period for upto <b>another 2 years</b> and continue to get reimbursement of Fuel, Driver and Maintenance as per the eligibility. Thereafter, buy back is mandatory.</li> </ul>
7.3	Transfer within Tata Power Group company within India	Incase of transfer within Tata Power group of companies, officer may continue with the same car to the transferred location. The shifting and transfer expenses of car will be borne by company as per existing practice / provisions under the Policy on Joining & Transfer benefits ( <i>Refer Table-1, clause: "shifting vehicle &amp; household goods"</i> )
7.4	Transfer to a Tata Group company ( <i>domestic/overseas</i> ) or Separation ( <i>resignation/termination</i> )	Incase of transfer to other Tata Group Cos. / Separation / Resignation, officer having a company leased / company purchased & allocated car, needs to buy back the car at the foreclosure value as arrived at by the company / leasing partner (as applicable).
7.5	Superannuation / Retirement / Separation	In case of Superannuation / Retirement, employee will have leasing period with leasing company for full block year. However, for car under company purchase scheme, EMI upto 3 months prior to retirement will be applicable. The officer must settle the account with leasing partner within 2 months of superannuation.

## 8. GENERAL GUIDELINES

- 8.1 Once a car is allotted under the car scheme, it will remain allotted to the concerned officer for the duration of the allotment / lease period irrespective of change of grade or promotion. However, the officer will be entitled to claim reimbursement as per new grade's eligibility subject to submission of bills / receipts at actuals.
- 8.2 In case an officer has availed 'Car Loan' under Loan Policy, the officer is required to settle the same before availing a company scheme under this policy.
- 8.3 Officers presently in a car scheme, shall continue to be governed under the same scheme and terms and conditions till the completion of the tenure. On completion, they would be eligible to join either of the schemes as mentioned in this policy.
- 8.4 Any tax implications arising due to provisions of this policy will be borne by the officer.
- 8.5 During (domestic/overseas) transfer/relocation, separation due to any reason, the concerned officer is responsible for settling outstanding dues with leasing partner / Company. and the organization won't take over the car or responsibility of outstanding in any manner.
- 8.6 Any tax implications arising due to provisions of this policy will be borne by the officer concerned.
- 8.7 Upon completion of the EMI and extended buyback period / discontinuation of EMI due to whatsoever reason, Officer or his/her nominee will have to buyback the car as per applicable norm.

## 9 OFFICERS NOT OPTING CAR UNDER THE COMPANY CAR SCHEME:

- 9.1 Are eligible to claim expenses for intra-city travel undertaken in relation to their work as admissible to officers under the provisions of Travel Policy.
- 9.2 In case of a personal car, an officer can avail reimbursement of maintenance, fuel and driver expenses and will be reimbursed as per prevailing Income Tax rules/ limits (**Annexure III**).
- 9.3 Appropriate declaration may need to be provided to claim any benefits available through IT rules.

## 10 ROLES & RESPONSIBILITIES

Roles	Responsibilities
Officers	<ul style="list-style-type: none"> <li>Officers will select vehicle and obtain quotations</li> <li>Fill the relevant form(s) and submit to ES&amp;A for availing company allocated car</li> <li>Submit valid bills, receipts etc. for maintenance, fuel and driver reimbursement in the ESS on the online portal</li> </ul>
ES&A Team	<ul style="list-style-type: none"> <li>Place the order for the car for the officer</li> <li>Inform the Payroll Team about the EMI / lease rental amount of concerned officers which needs to be deducted from salary every month till the lease / EMI tenure is over.</li> <li>Maintain a central data base of all officers who have availed company leased car and Company purchased car / details of personal car being used for claiming reimbursement.</li> </ul>
Shared Services Payroll	<ul style="list-style-type: none"> <li>Make payroll adjustments based on inputs from ES&amp;A</li> <li>Reimburse maintenance, fuel and driver expenses</li> </ul>
CHRO	Overall process and policy ownership

## 11 EXCEPTION / AMENDMENT / MODIFICATION

Any exception / amendment / modification to this policy requires the approval of CHRO and CEO&MD.

## ANNEXURE I

### **Application for Choice of Lease Car**

*(To be forwarded to SBU ES&A team for Provision of Car)*

Date: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

**Name:**

**Grade:**

**Employee No:**

**Department / Location:**

**Choice of Lease Car (Please Tick):** *Lease Partner*

*Company Purchase*

**Choice of Car:**

**Choice Of Model:**

**Choice of Colour:**

**Any Other Remarks:**

In case of lease rental beyond my eligibility limit, I am willing to bear the additional amount and the same would deducted from my monthly remuneration.

I have read and understood the terms and conditions of the Policy on Car & Related Benefits completely and hereby agree to abide by them.

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**Signature of Applicant**

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**Verified by Local ES&A Representative**

## Annexure II

### Personal Driver Undertaking

(Car & Related Benefit Policy)

Cost Center:

Date:

### REIMBURSEMENT VOUCHER

Account	Name of Account	Amount Debited (INR)
<b>4130595815</b>	<b>Driver Salary Reimbursement</b>	

**REIMBURSEMENT** of Driver Salary for Company owned / Personal Car for \_\_\_\_\_ 20\_\_\_\_\_

Employee Code:

Amount (in words):

Division:

**I hereby declare that I intend to use the vehicle wholly and exclusively for official purpose and hence I may be allowed complete tax exemption for the above reimbursement.**

Received from <Company Name>

**The sum of rupees \_\_\_\_\_ only** on account of reimbursement of driver salary for Company owned / Personal Car with **Registration No.:** \_\_\_\_\_

**For \_\_\_\_\_ 20\_\_\_\_\_**

Receiver's Signature

## ANNEXURE III

### **Form for Opting to use Personal Car**

I Mr. /Ms. \_\_\_\_\_ PAN \_\_\_\_\_ hereby declare that the car (Registration No.) \_\_\_\_\_ is in my name & I am using my car partly for personal use & for official purpose. The copy of Registration No. is enclosed herewith.

The above stated is true to the best of my knowledge & belief. For any incorrectness / inaccuracy in the above declaration, I will be solely responsible for any consequences.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Employee No.: \_\_\_\_\_

Department: \_\_\_\_\_

Date: \_\_\_\_\_