Internal memo no. 901/64 – Admin. Division Date: 12-02-2022

Sub: Policy for helping Sr. Managers to purchase their own cars in place of using company owned cars.

Keywords: Cars.

1. This policy is being introduced for several reasons as under:
   1. As an incentive to employees.
   2. Company are being abused as there is no sense of ownership. It is hoped that with this policy cars will be used more carefully.
   3. Cost of drivers is ever increasing. EMI of cars is a fraction of drivers salary + OT. Over a period of time purchase assistants and site assistants must be given their vans for delivery of material instead of providing exclusive drivers.
   4. Safety of employees who have long commutes.
2. To start with the policy shall be as given herein. It will be suitably amended from time to time based on feedback and experience.
3. Only select employees shall be eligible for this scheme. Allotment of this incentive shall be at the discretion of MPPL. It will not automatically be applicable to all employees.
4. Vehicle shall be purchased in the name of project company / LLP where manager is employed.
5. On road price of the vehicle including accessories cannot exceed Rs. 7.50 lakhs.
6. Project company/LLP shall provide a grant equal to 30% of on road vehicle price (without accessories), subject to a cap of 2 lakhs. This shall be used as down payment. Balance shall be financed through a loan with a tenure of 5 years.
7. EMI cost to be debited to managers salary for 5 years as ‘charges for personal use of company vehicle’.(check GST implication).
8. If manager continues to be employed with the company for the said 5 years, car shall be transferred to the manager without any further charge.
9. In case manager leaves the company before the period of 5 years, manager shall have the option to purchase the vehicle from the company with a discount of 0.5% per month on the number of months for which EMI is paid. Loan to be transferred to manager. Eg.: if manager leaves after 36 months, 18% of the 30% down payment shall be waived and manager has to repay 12% to the company. In case manager fails to purchase the vehicle, EMI paid will be forfeited and vehicle will remain with the company.
10. Vehicle maintenance charges shall be paid as per circular/internal memo issued earlier.
11. Conveyance shall be paid as per standard policy.
12. Sales managers must use their personal vehicles for site visit of customers. Company vehicle and driver shall not be provided. For other mangers like liaison managers, admin, some project managers, engineers, etc., who have long commutes – this may be safer and more convenient option. Here too company car and driver will not be provided.

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