

Name of Document	Employee Car Lease Policy
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State whether Policy/Code/ Manual/ Guideline	Policy
Group Level/ Sector Level (Specify which sector)	Mahindra & Mahindra Ltd
Issuing Authority	Ruzbeh Irani President – Group Human Resources & Communications Member of the Group Executive Board
Owner of the document	Dr. Prince Augustin, EVP-Group Human Capital & Leadership Development Rajeshwar Tripathi CHRO-AFS
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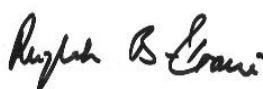
Policy Objective:

- To provide vehicle to senior officers for their official and personal use.

Eligibility	<ul style="list-style-type: none">All officers in grades L5M & above.All vehicles except those competing with M&M range are permissible under the scheme. (Refer Annexure A for list of included and excluded vehicles)The existing CTC car scheme will not be applicable for any new purchase. However, those employees who have availed vehicle under CTC car scheme will continue till the end of the tenure. (Refer Annexure B for existing CTC car scheme)												
Leasing Tie-up	M&M Ltd. will have an agreement with MMFSL (the leasing company) for providing vehicles to its eligible officers.												
Lease Options	<p>The policy provides the following two options for structuring of the car lease scheme:</p> <table><tr><th>Options</th><th>Residual Value</th><th>On Tenure Completion</th></tr><tr><td>Fixed Residual Value (FRV)</td><td>35% - 3 years 20% - 4 years / 5 years The above % are on vehicle ex-showroom prices excluding accessories</td><td>Option to purchase at pre-determined residual value</td></tr><tr><td>Market Residual Value (MRV)</td><td>Flexible RV based on tenure</td><td>Option to purchase at market residual value</td></tr></table> <p>In both the above options, the employee has a choice to return the vehicle to the Leasing Company at the end of the tenure.</p>	Options	Residual Value	On Tenure Completion	Fixed Residual Value (FRV)	35% - 3 years 20% - 4 years / 5 years The above % are on vehicle ex-showroom prices excluding accessories	Option to purchase at pre-determined residual value	Market Residual Value (MRV)	Flexible RV based on tenure	Option to purchase at market residual value			
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Vehicle Value Limit	<table><tr><th>Grade</th><th>Vehicle Value Limit**</th></tr><tr><td>President & above</td><td>₹ 65 Lacs</td></tr><tr><td>L1S</td><td>₹ 50 Lacs</td></tr><tr><td>L2S</td><td>₹ 40 Lacs</td></tr><tr><td>L2EX, L3EX & L3DH</td><td>₹ 30 Lacs <i>For Mahindra vehicle this limit will be relaxed.</i></td></tr><tr><td>L4DH to L5M</td><td>₹ 15 Lacs <i>For Mahindra vehicle this limit will be relaxed.</i></td></tr></table> <p>** ex-showroom price with GST and excluding RTO & Insurance</p> <ul style="list-style-type: none">For lease rental calculation, the vehicle value would comprise of invoice value, registration charges, RTO Charges, Taxes (where applicable), incidental expenses and any other related expenses.Accessories fitted at the time of buying the vehicle will be added to arrive at the vehicle value. Cost of Accessories, however, cannot exceed 10% of the ex-showroom price of the vehicle without accessories.Basis the vehicle value, lease option (FRV or MRV) and rate of interest, lease rental will be calculated and applicable from the date of registration of the vehicle.	Grade	Vehicle Value Limit**	President & above	₹ 65 Lacs	L1S	₹ 50 Lacs	L2S	₹ 40 Lacs	L2EX, L3EX & L3DH	₹ 30 Lacs <i>For Mahindra vehicle this limit will be relaxed.</i>	L4DH to L5M	₹ 15 Lacs <i>For Mahindra vehicle this limit will be relaxed.</i>
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Fixed Residual Value (FRV) Scheme: Fuel & Maintenance	<p><u>Mahindra Vehicle for L3DH & Above:</u></p> <ul style="list-style-type: none"> The leasing company will maintain the vehicle which will include scheduled and unscheduled maintenance. The entire maintenance lifecycle including booking for the service, pick-up & drop of the vehicle, road-side assistance, processing of the maintenance bills etc. will be managed by the leasing company. A loaner vehicle may be provided in case of scheduled maintenance or vehicle breakdown. Fuel card or reimbursement of fuel expenses will be provided by M&M / leasing company. All the above cost will be paid by M&M and a fixed amount will be debited from flexi-pay for fuel, maintenance, tolls, and other expenses as per the limits specified below: <table border="1" data-bbox="343 571 1252 824"> <thead> <tr> <th>Vehicle Value**</th><th>Fixed Deduction in Flexi - Pay (p.a.)</th></tr> </thead> <tbody> <tr> <td>Greater than or equal to ₹15 Lacs</td><td>₹ 1.5 Lacs</td></tr> <tr> <td>Lesser than ₹ 15 Lacs</td><td>₹ 1.2 Lacs</td></tr> <tr> <td>For Electric Vehicles</td><td>₹ 0.40 Lacs (Includes repair & maintenance, electricity charges, aux battery, main battery refurbishment)</td></tr> </tbody> </table> <p>** ex-showroom price with GST and excluding RTO & Insurance</p> <p><u>Mahindra Vehicle for L4DH to L5M OR Non-Mahindra Vehicle for all levels:</u></p> <ul style="list-style-type: none"> The employee will maintain the vehicle (self-maintained) which includes the expenses towards fuel, repairs & maintenance, toll and other expenses. An amount can be blocked by the individual in flexi-pay towards fuel, maintenance, tolls, and other expenses as per the limits specified below: <table border="1" data-bbox="343 1057 1252 1317"> <thead> <tr> <th>Vehicle Value**</th><th>Flexi-pay (maximum block amount) (p.a.)</th></tr> </thead> <tbody> <tr> <td>Greater than or equal to ₹15 Lacs</td><td>₹ 1.5 Lacs</td></tr> <tr> <td>Lesser than ₹15 Lacs</td><td>₹ 1.2 Lacs</td></tr> <tr> <td>For Electric Vehicles</td><td>₹ 0.40 Lacs (Includes repair & maintenance, electricity charges, aux battery, main battery refurbishment)</td></tr> </tbody> </table> <p>** ex-showroom with GST and excluding RTO & Insurance</p>	Vehicle Value**	Fixed Deduction in Flexi - Pay (p.a.)	Greater than or equal to ₹15 Lacs	₹ 1.5 Lacs	Lesser than ₹ 15 Lacs	₹ 1.2 Lacs	For Electric Vehicles	₹ 0.40 Lacs (Includes repair & maintenance, electricity charges, aux battery, main battery refurbishment)	Vehicle Value**	Flexi-pay (maximum block amount) (p.a.)	Greater than or equal to ₹15 Lacs	₹ 1.5 Lacs	Lesser than ₹15 Lacs	₹ 1.2 Lacs	For Electric Vehicles	₹ 0.40 Lacs (Includes repair & maintenance, electricity charges, aux battery, main battery refurbishment)
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Market Residual Value (MRV) scheme: Fuel & Maintenance	<p><u>Mahindra Vehicle for L3DH & Above:</u> Same as Fixed residual Value (FRV) case for L3DH & Above</p> <p><u>Mahindra Vehicle for L4DH to L5M, OR, Non-Mahindra Vehicle for all levels:</u></p> <ul style="list-style-type: none"> The vehicle will be maintained through Fleet Management Service (FMS) provided by the leasing company. Details of the services covered and the cost which will be charged to the employee via monthly FMS fee will be quoted separately from the normal lease rental, at the time of finalizing the leasing contract. An amount can be blocked by individual in flexi-pay towards fuel, maintenance/FMS, tolls, and other expenses as per the limits specified below: <table border="1" data-bbox="343 1720 1252 1980"> <thead> <tr> <th>Vehicle Value**</th><th>Flexi-pay (maximum block amount) (p.a.)</th></tr> </thead> <tbody> <tr> <td>Greater than or equal to ₹15 Lacs</td><td>₹ 1.5 Lacs</td></tr> <tr> <td>Lesser than ₹ 15 Lacs</td><td>₹ 1.2 Lacs</td></tr> <tr> <td>For Electric Vehicles</td><td>₹ 0.40 Lacs (Includes repair & maintenance, electricity charges, aux battery, main battery refurbishment)</td></tr> </tbody> </table> <p>** ex-showroom price with GST and excluding RTO & Insurance</p>	Vehicle Value**	Flexi-pay (maximum block amount) (p.a.)	Greater than or equal to ₹15 Lacs	₹ 1.5 Lacs	Lesser than ₹ 15 Lacs	₹ 1.2 Lacs	For Electric Vehicles	₹ 0.40 Lacs (Includes repair & maintenance, electricity charges, aux battery, main battery refurbishment)								
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Mileage	<ul style="list-style-type: none"> No mileage limit for Fixed RV case 20,000 km per year for Market RV. (Extra per km charges are applicable beyond prescribed limit) 																

Second Vehicle	<ul style="list-style-type: none"> L2 S & above are entitled for 2nd vehicle subject to provisions of Income Tax. Out of the two vehicles, one should be Mahindra vehicle.
Insurance	<p>Mahindra Vehicle:</p> <ul style="list-style-type: none"> The insurance will be paid by the company. In case of any major accident of the vehicles, the company will bear the difference between the repair cost and amount received from the insurance company. M&M reserves the right of referring the repair bill to a dealer/mechanic of its choice for cross verification / estimation. The employee concerned will have to lodge a FIR, a copy of which will need to be given to the Insurance Department. The reimbursement claim will be approved by concerned CIS/Administration Department. If an employee loses his/her Company provided vehicle due to fire or theft, the company will bear the difference between the repair cost and amount received from the insurance company. <p>Non-Mahindra Vehicle:</p> <ul style="list-style-type: none"> The insurance will be paid by the leasing company, charged to the individual at actuals and offset against allocation in flexi-pay. In case of any major accident / fire, theft, the individual will bear the difference between the repair cost and amount received from the insurance company. The leasing company and M&M reserve the right of referring the repair bill to a dealer / mechanic of its choice for cross verification / estimation. The employee concerned will have to lodge a FIR, a copy of which will need to be provided.
Application Process	<ul style="list-style-type: none"> An individual who is eligible under the scheme will have to apply through the Employee Car Lease portal on mecentral. The application will be verified and processed by M&M and will be forwarded to the leasing company.
Transfer	<ul style="list-style-type: none"> In case of transfer within India, the leasing company and Admin department will assist in transfer of vehicle registration. The cost related to vehicle transfer, registration and agent charges will be borne by M&M. In case of transfer of the individual to overseas posting (outside India), M&M will bear the surrender charges of the vehicle. In case of transfer to the other group company the vehicle will be transferred to that company based on its CTC vehicle policy and lease arrangements (if any)
Separation	<p>In the event of any kind of separation before completion of the lease tenure, the employee will need to choose one of the following:</p> <ul style="list-style-type: none"> Pay surrender charges and return the vehicle to the leasing company Purchase the vehicle from the leasing company as per defined pre-closure charges
Change of vehicle before end of tenure	<ul style="list-style-type: none"> To allow employees to switch to latest M&M vehicle early termination of lease is allowed after 1 year of lock-in period Employee will have to pay surrender charges to the leasing company Switching to only Mahindra Vehicle is allowed in case of early termination
Pre-closure & surrender charges	<ul style="list-style-type: none"> Pre-closure Calculation: Book Value (BV) + 2% of BV + residual instalment of road tax & Registration + any arrears of Lease rental, Charges + GST etc). Surrender Calculation: Book Value (BV) + 2% of BV + residual instalment of road tax & Registration + any arrears of Lease rental + GST less Market Value of the vehicle Book Value (BV) will be calculated and given to employee at the time of request for pre-closure or surrender
Taxation	<p>This scheme is subject to taxation as per the relevant provisions of the Income Tax Act and the rules framed therein from time to time.</p>



Ruzbeh Irani
President - Group HR & Communications
Member of the Group Executive Board

Annexure A: List of vehicles included and excluded from Employee Car Lease Policy

BRAND	PERMITTED UNDER CTC	EXCLUDED FROM CTC
TATA	Tiago, Tigor, Altroz	Hexa, Harrier, Safari, Sumo, Nexon
HYUNDAI	Santro, i20, Verna, Elantra, Aura, i10, Grand i10,	Creta, Tucson, Venue, Kona Santa Fe
MARUTI SUZUKI	Alto, Wagon R, Celerio, EECO, Baleno, S-Presso, Swift, Ignis, Ciaz	Gypsy, Ertiga, Brezza, S-Cross, XL6, Dzire,
HONDA	Amaze	BRV, CRV, WRV, Jazz, City
FORD	Figo Aspire	Ecosport, Endeavour
TOYOTA	Camry, Vellfire, Yaris, Corolla Altis,	Crysta, Fortuner, Urban Cruiser
FIAT (JEEP)		Urban Cross, Aventurra, Compass
MG		Hector, Gloster, ZS-EV
KIA		Seltos, Sonet, Carnival
RENAULT	Kwid	Duster, Lodgy, Captur, Triber
NISSAN		Terrano, Magnite
SKODA	Rapid, Octavia, Superb,	Kodiahq, Karoq
VOLKSWAGEN	Polo, Vento	Tiguan, T-Roc
DATSUN	GO, Redigo	Go Plus
FORCE, ISUZU, MITSUBISHI		Trax, Cruiser, V-Cross, MU-7, Pajero, Outlander
MERCEDES BENZ, AUDI, BMW, JAGUAR, LAND ROVER, VOLVO	Any vehicle above 40 lacs (Ex-showroom price)	Any vehicle below 40 lacs (Ex-showroom price)

Annexure B : CTC Car Scheme

Applicability	All Employees in grade L5 Managerial and above who have availed the scheme on or before 7 th May 2021																						
Tenure	<ul style="list-style-type: none">For employees in Grade L3DH & above: 3- or 4-Year tenure for Mahindra Vehicle and 4 years for Non-Mahindra VehicleEmployees in Grade L4&L5: 5 Year tenure for both Mahindra & Non-Mahindra Vehicle																						
Vehicle Value	<ul style="list-style-type: none">In case of Mahindra vehicle, the 'vehicle value' comprises its ex-factory price, registration charges, RTO Charges, Octroi/Taxes/Levies (where applicable), incidental expenses and any other related expenses.In case of non-Mahindra vehicles, the 'vehicle value' comprises its invoice value, registration charges, RTO charges, Octroi/Taxes/Levies (where applicable), incidental expenses and any other related expenses.Insurance amount is not considered as part of the cost. However, Company may review insurance policy from time to time																						
Calculation of EMI for the Vehicle	<ul style="list-style-type: none">EMI is computed on the 'vehicle value' (defined above) using the applicable interest rate at the time of allotment.EMI is calculated and applicable from the date of allotment of the vehicle. It is done so that the residual value becomes 20% at the end of tenure.Extension of tenure beyond original tenure, the EMI will be computed as follows:<ul style="list-style-type: none">Fresh EMI will be calculated on 20% of the 'vehicle value', using the applicable interest rate at that time such that the residual value becomes Rs.5000/- at the end of tenure.Variable rate of interest will be used for calculation of EMI of the vehicle which will be reviewed every year. The date would be coinciding with date of compensation revision every year.																						
Limits of Vehicle	Same as Car Lease policy																						
Maintenance of the Vehicle	<p>L3DH & Above:</p> <ul style="list-style-type: none">All employees in grade L3DH & above need to opt for company owned vehicle and they will not be eligible for reimbursement of local conveyance. If an employee is given special dispensation for not opting for company vehicle, he/she is not eligible for reimbursement on account of local conveyance and he/she is not eligible for pool vehicle also.Employees in grade L3DH & above (only those who have opted for company owned & company-maintained vehicle) can use a pool vehicle only when they travel outside Mumbai or when their vehicle is under maintenance. All requests for pool vehicles will have to be forwarded to CIS/Administration department.Employees can choose company maintenance or self-maintenance option. In case of company maintenance , the flexi-pay of the employees will be debited as shown below. In case of self-maintenance, s/he will pay for fuel, maintenance & other expenses as per the limits specified below which would form part of the flexi pay. This will be a one-time choice made at the time of purchase of vehicle. However, employee can change option in-case of a transfer to another location. <table><tr><th colspan="4">Table 2: Both Petrol and Diesel Vehicles</th></tr><tr><th>Grades</th><th>Vehicle Value (Ex – Showroom Prices with GST excluding RTO and Insurance)</th><th>Non-M&M Vehicles (INR per annum)</th><th>M&M Vehicles (INR per annum)</th></tr><tr><td rowspan="3">L3DH and above</td><td>Greater than 40 Lacs</td><td>2,00,000/-</td><td rowspan="2">1,50,000/-</td></tr><tr><td>15 – 40 Lacs</td><td>1,75,000/-</td></tr><tr><td></td><td>Below 15 Lacs</td><td>1,25,000/-</td><td>1,20,000/-</td></tr><tr><td>L4DH and Below</td><td>All Vehicles</td><td colspan="2">1,20,000/-</td></tr></table> <p>If an employee in L3DH & above opts for self-maintenance, following is applicable</p> <ul style="list-style-type: none">The expenses towards fuel, repairs & maintenance, toll, and all other expenses related to the vehicle will have to be borne by himself/herself.	Table 2: Both Petrol and Diesel Vehicles				Grades	Vehicle Value (Ex – Showroom Prices with GST excluding RTO and Insurance)	Non-M&M Vehicles (INR per annum)	M&M Vehicles (INR per annum)	L3DH and above	Greater than 40 Lacs	2,00,000/-	1,50,000/-	15 – 40 Lacs	1,75,000/-		Below 15 Lacs	1,25,000/-	1,20,000/-	L4DH and Below	All Vehicles	1,20,000/-	
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	<ul style="list-style-type: none"> • He/she can block an amount as per Table 2, in his/her flexi package, towards the fuel, maintenance & other charges. • Based on the amount blocked he/she will be paid the monthly fuel & maintenance allowance in monthly salary. • If he/she has been given petro card, the same will be discontinued. • Any arrangements made by the Company which enabled him/her to procure fuel free of cost shall cease. • He/she will not be entitled to claim fuel reimbursement through the expense reimbursement portal. • CIS/Administration Dept. will not arrange for fuel/ repairs/ maintenance /support towards CTC vehicle. • He/she will update his/her Tax Declaration on the system accordingly
Purchase of the Company allotted Vehicle by Employee	<p>At the end of the tenure, employee will move to Car Lease Scheme and choose one of the following two options regarding old vehicle:</p> <ul style="list-style-type: none"> • All non-Mahindra vehicles allotted under the CTC scheme will have to be purchased by the concerned employees at the residual value plus taxes, as applicable. • For Mahindra vehicles , employees have the option to surrender the same to the company. • Employees can also surrender the vehicle to CIS/Administration for selling it through MFCWL at market price. However, if employee finds a customer who is ready to pay more than the price quoted by MFCWL, the vehicle will be sold to the customer referred by the employee. The difference between residual value and invoice price will be paid to employee as an Exgratia, after deducting appropriate taxes <p>On Resignation & Retirement: -</p> <ul style="list-style-type: none"> • Employee has the option to surrender the Mahindra vehicle allotted under the CTC scheme • All non-Mahindra vehicles opted for and allotted under the CTC scheme will have to be purchased at residual value & with applicable taxes by the concerned employees.
Buy out of the vehicle	<p>To encourage usage of Mahindra vehicles, individuals will be allowed to switch over to the new car lease scheme, subject to the fulfilment of the following conditions:</p> <ul style="list-style-type: none"> • The existing vehicle has completed 2 years • The new vehicle is a M&M model. He/she agrees to buy the existing vehicle at residual value, with taxes as applicable.
Replacement in case of Loss of vehicle in fire or theft	<ul style="list-style-type: none"> • If an employee loses his/her Company provided vehicle due to fire or theft, Company will replace the vehicle with an existing vehicle from the pool. • Payment for costs incurred in case of major accidents of the company allotted vehicles to employees in grade L4 & L5 and employees in L3DH & above who have opted for self-maintenance: - <ul style="list-style-type: none"> ○ In case of any major accident the company will bear the difference between the repair cost and amount received from the insurance company. However, this special dispensation is applicable only if the repair cost exceeds Rs.7500/- per incident. ○ M&M reserves the right of referring the repair bill to a dealer/mechanic of its choice for cross verification / estimation. The employee concerned will have to lodge an FIR, a copy of which will need to be given to the ○ The reimbursement claim will be approved by concerned CIS/Administration Department.