Discussion Paper

Meal Voucher System in India & Its Fiscal Impact

By Rajnish Ahuja

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Contents

Abstract ........................................................................................................................................... 1

I. Introduction .................................................................................................................................. 2

II. Overview of Meal Voucher System .......................................................................................... 3

III. Growth of Meal Voucher System over the Last Five Decades: The International Experience ......................................................................................................................... 5

IV. Functioning of Meal Voucher system in India ......................................................................... 8

V. Factors Underlying the Benefits for the Society – Win-Win for All Stakeholders: Government, Employees, Employers, Food outlets/ Restaurants leading to Transformation of Informal Economy into Formal ......................................................................................................................... 10

VI. Factors Influencing the Development of Meal Voucher System in India .............................. 13

VIII. Recommendations for Further Improvement and Development of Meal Voucher system ........................................................................................................................................... 14

ANNEX 1 .......................................................................................................................................... 15
Abstract

In the current context of high unemployment rates, uncertain working conditions and tight budgets attributed to solve those issues, job insecurity is rising, as well as pressure on employees. More and more employees face stressful conditions in the workplace, while also bearing responsibility for one or more dependents. Lunch breaks tend to be shorter and they are still not guaranteed for all categories of employees, considering that a decent meal is an important factor for employee health and productivity. Provision of alimentation during a working day remains one of the solutions contributing to visible improvement of working conditions and guarantees better nutrition to a large number of employees. Concerned with encouraging economic competitiveness, health and social harmony, governments wish to combine their interests with those of nationally-based companies and their employees, by developing Meal Voucher programme. International Labour Organisation also recognises Meal Voucher programme as an example of best practice in providing employees with food allowance during a working day leading to the increase of productivity and overall satisfaction of employees.

Meal Vouchers have been important tools in ensuring the social well-being of employees for six decades in the world and for two decades in India. Meal Vouchers form an integral part of modern day work facilities usually replacing office run canteens and thereby eliminating the need for a dedicated canteen area. International experience suggests that Meal Vouchers prove to be efficient in promoting preventive health measures by providing access to restaurants that accept these vouchers and offer healthy and affordable food.

Pahle India Foundation aims at presenting a discussion paper, initiating a global reflection on evaluating the existing Meal Voucher system in India and possible directions of its further development towards more sustainability and needs responsiveness.
I. Introduction

In the Indian context, Meal Vouchers (MVs), in paper or card format, have played a positive role in terms of increase in social benefits for the employees. The employers have been moving on to the Meal Voucher system to avoid costs and logistics related to management of in-house canteen. MVs are used by employees to acquire meals and ready-to-eat food products. MVs are accepted in a predefined network of suppliers (such as restaurants, food outlets) having an agreement with the issuers of MVs, who offer good quality of food products. Meal Vouchers can act as important preventive health measures for government and companies, particularly SMEs that are looking for novel solutions. These vouchers have a specific purpose under which supply of food products and non-alcoholic beverages during a working day is ensured. They can only be used and redeemed domestically for internal consumption. Also, the vouchers are not fungible and cannot be exchanged for bank notes or coins.

The Meal Voucher’s added value resides in extending and improving the supply chain for meal services to employees. The government benefits from the system by the collection of additional direct and indirect taxes from the MV issuing companies and participating outlets and also from transformation of informal economy into formal economy in the restaurants sector and job creation. In Indian context, this program has a positive financial impact in the economy and thus we can consider the Meal Voucher system as a self-financed social benefit program. Meal Voucher is excluded from Income-tax to the extent of Rs. 50 per meal. Meal Vouchers lead to an improvement in workers' food purchasing power, as they no longer need to pay tax on the portion of their salary spent through it on meals.

In order to make voucher system more effective and sustainable, some improvements of the current legal framework could be considered:

- The government should introduce a stronger incentive to encourage the use of electronic systems.
- Revision of the amount of benefit from ‘per meal’ to ‘per month’ needs to be done. The value of meal consumed each day currently varies and could range from Rs. 50 to Rs. 200 or more. Therefore, a monthly amount could be specified as that would allow certain flexibility in spending of Meal Vouchers by employees according to their choice and nutrition needs.
- Promotion of Meal Card system to convert informal economy into formal one and thus generate more revenues for the Country.

The voucher system guarantees total transparency in the use and the circulation of the dedicated funds. It provides public authorities with a solution to increase transparency in a specific sector of the economy (i.e. better tracking of business activities and usages) without adding administrative burdens (for instance in managing social data). The vouchers are constantly tracked, enabling public authorities to have access to complete data and to monitor the use of vouchers throughout the process (distribution, use by the end recipient, reimbursement of services providers).
II. Overview of Meal Voucher System

The system is based on very simple principles: companies purchase vouchers from professional issuers, and then distribute them to their employees. The beneficiary (employee) uses the voucher at face value in affiliated networks such as restaurants or food stores, and the voucher is subsequently redeemed by the issuer to the affiliated merchants through formal banking channels. In this dynamic system, the professional issuer coordinates the overall organization of the system, thereby ensuring the security and reliability of each activity: administration, production, affiliation of service providers, and communication with companies.

For example under this system, when an employee is given the benefit of MV, say worth Rs 100, the employer transfers the equivalent amount to the company issuing the MV and in return gets vouchers worth this amount which are acceptable at affiliated outlets to purchase food / meals, the value of the meal being the value reflected on the voucher/s (in this case Rs. 100). The affiliated restaurants or food outlets in turn submit these vouchers to the issuing company which then reimburses the outlet to the value reflected on the voucher/s within a specified period of time.

Chart 1: Voucher scheme principles and role of all stakeholders

Vouchers are defined by basic technical and legal characteristics, including, but not limited to the following features:

- It constitutes a social benefit granting a limited purchasing power to its beneficiary, that is to say to an employee;
• Vouchers have a specific purpose; they carry a right to receive a supply of limited and predefined goods (food products);
• Vouchers can be exchanged in designated restaurants/shops for goods and services that bring a solvency of demand and additional revenue to them;
• Vouchers are only used in a limited network of dedicated acceptors, with whom the issuer has entered into a specific agreement;
• It is simple to use and ensures the transparency of the overall system with guaranteed allocation of the funds;
• The vouchers are not fungible. They cannot be exchanged for bank notes or coins. They must be used for their total value to purchase the services they are intended to cover. It is legally or contractually forbidden to refund money on the value of the voucher;
• The vouchers have a specific and limited period of validity, beyond which their use is not allowed.

The MV system has proved to be beneficial to all the stakeholders, to the employer, who avoids the cost and hassle of managing a canteen, to the employees, who benefit from the flexibility and freedom of choice; the participating outlets which provide the meals and also earn profits experiencing the increase in their number of clients and turnover. MVs value addition resides in extending and improving the supply chain for meal services to employees. The government benefits in two ways from the system. One, by collecting additional direct and indirect taxes both from the MV issuing companies and the participating outlets, and two, from the transformation of informal economy into formal economy in the restaurants sector and job creation. The implementation of the system of meal vouchers leads to an increase in the activity of caterers and food distribution companies and in therefore increasing the economic activity, thus creating jobs. According to a study made in Brazil related to use of meal vouchers, for every thirty users of meal vouchers one job is created. The MVs create a virtuous circle of economic and social benefits for all the stakeholders.

Both cost effective and easy to administer, especially for Meal Card - with the additional attraction of giving employees the freedom to choose where and what kind of meal they want to eat – the Meal Voucher system is rapidly adopted by all the stakeholders.
III. Growth of Meal Voucher System over the Last Five Decades: The International Experience

There is a widespread use of MVs in more than 40 countries and 19 European Member States, such as, France, Spain, Italy, Germany and Finland. The system was also introduced in some former socialist countries like Poland, the Czech Republic, Slovakia, Hungary and Romania. MVs are also mostly used in Turkey and are very popular among Latin American countries like Venezuela, Mexico, Uruguay and Brazil.

Brazilian Voucher Success Story: Programa de Alimentacao do Trabalhador (PAT)\(^1\)

The government has an important role to play in a successful implementation of MV scheme. For example, the Brazilian Worker Food Programme (PAT) or Programa de Alimentação do Trabalhador, an initiative of the government of Brazil, establishes the programme of alimentation at work for all the employees, whatever their revenues. The programme, the brainchild of President Ernesto Geisel, came into existence in July, 1976 with an aim to improve the nourishment conditions of the employees so as to increase their productivity and improve their quality of life. The scheme is very successful in the country and proposes two modalities of alimentation programmes:

a. The meal voucher: Used by workers to buy meals at restaurants
b. The food voucher: Used in grocery supermarkets

Both employer and employee participate in this programme. The employee’s contribution cannot exceed 20% of the face value of the voucher. For companies and organizations with limited budgets, meal vouchers are distributed to lower-wage employees first. Meal vouchers are not taxed. Both large and small companies offer vouchers. The voucher programme in Brazil reaches nearly 9 million workers, around 30 per cent of Brazil’s 30 million workers in the formal sector. All workers benefitting from meal allowance received this through Meal Cards.

Based on assumptions stating that for every extra 1 kcal of food, productivity increases by 2.27% (FAO; 2004). From 1975 to 2007, the programme has participated to the decrease of work-related accidents by more than one third while the active population more than doubled in Brazil\(^2\). The number of workplace accidents fell from 1.9 million in 1977 to 395,000 in 2006 despite the doubling of the working population.

The influence of PAT has been so high that productivity in Brazil rose 2.5% a year between 1991 and 1998 on the back of improved worker health. This productivity increase is comparable with the one in the United States.

\(^1\) See http://www.portaltributario.com.br/guia/pat.html
\(^2\) See Nutritional variables and work-related accidents: A case-control study, http://www.researchgate.net/profile/Maria_Angelica_Medeiros/publication/256448304_Nutritional_variables_and_work-related_accidents_A_case-control_study/links/54d0cfc0cf298d6566905c3.pdf
Interestingly, PAT constitutes 1% of Brazil’s GDP and has successfully created a huge number of employment opportunities. National studies have proved that under the Meal Voucher scheme, for every 30 users, one job is generated. Therefore, the implementation of the Worker Food Programme generated 280,000 jobs in the country.

**Turkey**

The Meal Voucher system was established in Turkey in 1995 with the amendment of the Income Tax Act implementing the tax benefit on the daily meal allowance provided by employers to their employees. The employer covers the Meal Voucher value of 100 Turkish Lira that is not subject to social charges. Around 1,100,000 employees use meal vouchers or card on a daily basis in Turkey.

A study led by the University of Economy of Istanbul in 2010 also shows that the fiscal shortfall emanating from the lunch voucher system is paid off by the tax benefits it generates. Indeed, considering a total turnover of €262.4 million of the Meal Voucher system in 2006, the total shortfall is estimated at €135.14 million. However, tax revenues due to lunch voucher system for the year 2006 are calculated as €152.46 million. Thus, the meal voucher system for the year 2006 had the net effect to public revenue of €17.28 million. From another point of view, every € 42.40 spent in the meal voucher system contributed to an increase of €2.98 in the public revenue³.

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Belgium

The Meal Vouchers system was launched in Belgium in 1969 with further developments of legal framework. The employer contributes at the amount of €5.91 per day that is not subject to social charges and is deducted at the amount of €1. The amount of €1.09 is contributed by the employee and with no social contributions and income tax charges to be paid on it. Around 1,600,000 employees use Meal Vouchers on a daily basis in Belgium and 62% purchase their daily meal with Meal Card, with an objective of reaching 100% by the end of 2015.

According to a study\(^4\) led in 2013, in case Meal Vouchers are spent additionally to daily expenses and exclusively on the purchase of the food products, the added value for the national economy amounts to €1.217 billion and it leads to the creation of 29,484 jobs in the restaurant and food distribution and production sectors.

In many OECD countries where voucher schemes have been developed for years (France, Brazil, Belgium, Turkey, Czech Republic, etc.), macro-economic studies show evidence of the positive budget impact of a voucher scheme\(^5\).


\(^5\)See https://is.cuni.cz/webapps/zzp/download/130131221
IV. Functioning of Meal Voucher system in India

In India the MV system was formally implemented in 2001. From the beginning, employer’s contribution, up to a specified amount per employee, was not subject to income tax and other social security contributions. The tax benefit was calculated on a per-meal, per day basis and was pegged at Rs 50 per meal. In other words, irrespective of the actual value of the MV provided by the employer, the tax benefit applicable to the employer is only to the extent of Rs 50 per meal. Prior to this, although there was no system of MVs, companies that provided lunch to their employees enjoyed a tax benefit for a maximum expenditure of Rs 35 per day per meal per employee. (Refer to Table #1 in Annex for details). At present, companies enjoy a tax benefit both for the MVs and the expenditure on food provisions to the limits of Rs 50 per meal. From the very beginning, MVs are non-transferable thereby reducing the scope of misuse.

Currently, the Meal Voucher system in India is regulated by the Income Tax Act. Under the Income Tax (IT) rules relating to the valuation of perquisites paid to employees the value of any gift or voucher received by the employee or by their family members is considered at the market price of the gifted item. The current perquisite valuation rule (Rule 3 (7) (3) of the Income Tax Rules) governing provision of food and food coupons is as follows:

“The value of free food and non-alcoholic beverages provided by the employer to an employee shall be the amount of expenditure incurred by such employer. The amount so determined shall be reduced by the amount, if any, paid or recovered from the employee for such benefit or amenity:

Provided that nothing contained in this clause shall apply to free food and non-alcoholic beverages provided by such employer during working hours at office or business premises or through paid vouchers which are not transferable and usable only at eating joints, to the extent the value thereof either case does not exceed fifty rupees per meal or tea or snacks provided during working hours or free food and non-alcoholic beverages during working hours provided in a remote area or an off-shore installation”.

The highlights of the aforementioned rule and their practical implementation are as follows:

1. The value of food and non-alcoholic beverages or meal vouchers provided by the employer is not subject to income tax to the extent of INR 50 per meal as it is not considered as wages but as a social and dedicated benefit. If the value of food and non-alcoholic beverages or meal vouchers exceeds Rs. 50 per meal, the value in excess of Rs. 50 shall be taxable and will be considered as wages.

6 See http://www.hinote.in/food-coupons-issued-to-employees
2. “Meal” can be understood in reference to breakfast, lunch, and dinner. Rule 3(7) (iii) does not specify the maximum number of meals which can be consumed each day for availing the Rs. 50 per meal tax exemption. One or two meals per day during working hours could be considered as reasonable.

3. Meal Voucher is excluded from any taxation to the extent of Rs. 50 per meal. If an employee consumes two meals a day using MVs in a working day and works for 22 days in a month (excluding holidays, Saturdays and Sundays), then MVs can be under tax benefits only to the extent of Rs. 2,200 per month (Rs. 50 per meal x 2 x 22 days).

Among the merchants accepting MVs are eating joints, restaurants, bakeries, pizzerias and fast food, caterers, food stores, online food stores and coffee shops. Taking an average of 270 working days in India with an annual salary median\(^7\) at INR 5,50,540 for 2011, we calculate the percentage of MV benefit in comparison to annual salary for all industries:

- Number of working days = 270
- Meal allowance = INR 50
- Total annual allowance = 270 X INR 50 = INR 13,500
- Annual Salary Median for 2011 = INR 5,50,540

The annual median salary for preceding years, 2010 and 2009 are INR 5, 16,450 and INR 5, 04,387 respectively\(^8\). The straightforward reason for the decline in the share of MVs in comparison to total salary payments is that the cap of Rs.50 imposed on MVs, that has been in place since 2001 (with exception from 2005 to 2009), has not been revised in line with inflation. In most countries, the system is regularly developed and reviewed and the tax benefit is adjusted every year taking inflation into account.

<table>
<thead>
<tr>
<th>Year</th>
<th>Median Salary (INR)</th>
<th>Annual eligibility for a single meal basis (considering 22 working days in a month)</th>
<th>% of annual MV allowed usage to median salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>5,04,387</td>
<td>13,200</td>
<td>2.62%</td>
</tr>
<tr>
<td>2010</td>
<td>5,16,450</td>
<td>13,200</td>
<td>2.56%</td>
</tr>
<tr>
<td>2011</td>
<td>5,50,540</td>
<td>13,200</td>
<td>2.40%</td>
</tr>
<tr>
<td>2014</td>
<td>6,27,807</td>
<td>13,200</td>
<td>2.10%</td>
</tr>
<tr>
<td>2015</td>
<td>6,55,900</td>
<td>13,200</td>
<td>2.01%</td>
</tr>
</tbody>
</table>

Note: The median salary for 2014 and 2015 has been extrapolated using the median salary figures for 2009, 2010 and 2011

It is quite clear for the table above that the percentage of annual Meal Vouchers usage over the years with respect to median salary has been decreasing and therefore, the cap of Rs. 50 imposed on MVs needs to be inflation indexed.

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\(^7\)See http://www.paycheck.in/files/Meal%20Voucher%20-%20WageIndicatorReport%20001.pdf

\(^8\)See http://www.paycheck.in/files/Meal%20Voucher%20-%20WageIndicatorReport%20001.pdf
V. Factors Underlying the Benefits for the Society – Win-Win for All Stakeholders: Government, Employees, Employers, Food outlets/Restaurants leading to Transformation of Informal Economy into Formal

Employees: increase in their food purchasing power

MVVs enhance the employee’s standard of living by taking away the tedium of having the same food everyday – be it from home or from the office canteen. The freedom to choose not only the type of meal but also the place to eat it and without any monetary transaction enhances the sense of well-being among employees. The system provides opportunities for a social interaction and breaks the monotony of a long day in the office while transforming a simple lunch break into a pleasant moment shared with colleagues. A break from the office environment has been proved to reduce stress and raise productivity by 20%, according to a study by Christopher Wanjek conducted for the International Labour Organisation (ILO). The study also reveals that employees are also likely to get more balanced nutrition than a quick sandwich or fruit at the work desk.

Furthermore, Meal Vouchers lead to an improvement in workers’ food purchasing power, as they no longer need to pay tax on the portion of their salary spent through Meal Vouchers on meals (to the extent Rs.50 per meal). Such dedicated benefit leads to an increase of the purchasing power to buy the food products. This represents a key and positive virtuous circle on national consumption.

Employers: a tool to improve their competitiveness

For the employers, in today’s environment, employee’s satisfaction is critical to productivity and retention. MVVs are perceived by employees as an additional perk and some research has shown that they have resulted in increased efficiency (Wanjek, C.). They have been shown to improve nutritional levels resulting in a healthier workforce and lower levels of absenteeism and work accidents. A number of studies by the World Health Organization (WHO) and the ILO demonstrate that an increase of just 1% in the energy content of food taken during lunch resulted in a 2.27% rise in work efficiency.

Food outlets/Restaurants

Restaurants and food outlets will directly benefit from increase in number of clients and of their loyalty, especially for those that are situated within a walking distance to the workplace of employees using Meal Vouchers. Furthermore it is quite common that customers use extra cash for their transactions in addition to their vouchers in a shop or restaurant, which results in additional financial benefits.

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9 See Wanjek, C. “Food at work: Workplace solutions for malnutrition, obesity and chronic diseases”, 2005, ILO
Increase in turnover and number of clients lead directly to job creation in the restaurant and food production sectors, and along the supply chain.

In case of acceptance of Meal Cards the restaurants and food outlets might be optimising on manual intervention (necessary for the paper Meal Vouchers) leading to the working time saving, easier record keeping, elimination of physical counting and further storage of paper Meal Vouchers in a secured space and savings in the transportation costs.

**Government**

The government also stands to benefit both directly and indirectly from the Meal Voucher system. The first benefit lies in the fact that the MV system helps to bring the revenue generated under it within the formalized system. The MV system is an important instrument in the fight against the informal economy as all the transactions are to be legally recorded within restaurants and food outlets. Companies, participating in the MV supply chain, will have to necessarily keep records of all their transactions and comply with all tax requirements.

Credit Suisse has estimated that nearly 50% of India's GDP and up to 90% of total employment originates in the informal sector\(^\text{10}\). Employers providing MVs to their workers will also have to formally register all employees on their rolls, which would avoid the pernicious system of unrecorded employment. By contributing to the formalization of the labour force, the MV system plays a positive role in reducing the market dualism that presently characterizes the labour market in India and also directly improve labour welfare.

At the same time MVs will also have a positive impact on tax revenues as expansion of formal employment would eventually lead to an increase in direct tax collection that may lead to a better budget control and increased quality of public services.

Moreover, the MV system is an instrument of social policy as it increases the food purchasing power of the workers in real terms for a dedicated and targeted purpose. Additionally, MVs help to eliminate the service quality disparity between the lunch services provided by the small and medium enterprises and large corporations.

It should be also mentioned that Meal Vouchers give employees access to better standards of nutrition that may encourage a better food choice and regular meals improving overall health of employees. More specifically, Meal Vouchers can have a positive impact on the health standards of the entire population. In India, the productivity loss, disease and death due to malnutrition is estimated between $10 and $28bn or 3-9% of annual GDP\(^\text{11}\). Regular and better nutrition of workers and their families has a direct impact on national budget spend on health and disease

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\(^{10}\) See https://www.credit-suisse.com/newsletter/doc/apac/aic2013/20130712_indiamkt.pdf

prevention policies. It has an even more positive effect when all the benefits of reduced absenteeism too are considered.

Considering, that one of the government priorities is “to proactively encourage electronic payment systems for ushering in a less-cash society in India and to ensure payment and settlement systems in the country are safe, efficient, interoperable, authorised, accessible, inclusive and compliant with international standards”, the Meal Card can positively contribute to this priority fostering the shift from cash culture towards digital payment society. It is proved that if the efforts of financial inclusion bear fruit and if each citizen of the country undertakes a minimum of one electronic transaction in month, the total electronic transactions in the country would reach an astronomical 12 billion transactions per annum\textsuperscript{12}.

Therefore, it shows that in case supported by public policy, MVs would constitute a positive contribution to India’s economic story and its budget revenue.

VI. Factors Influencing the Development of Meal Voucher System in India

The fiscal impact of the system is substantially positive. Therefore, the government will achieve an overall expansion of its tax revenues by encouraging the expansion with proper inflation indexation of the MV system. This is completely in contrast to the prevailing misunderstanding that MVs provide costly tax benefit for the employees in the formal sector. Moreover, if the positive non-fiscal impact of MVs, like a possible increase in wages, labour productivity, and the expansion of the formal sector both in economic activity and labour markets is taken into account, there is an even a stronger case for the promotion of MVs in India. This will bring India at par with other countries in which the MV system has been accepted as an integral part of the public social policy for improving the welfare conditions of the working population. With regard to the government objective of “less-cash society”, the success and speed of migration to non-cash mode from cash mode would require coordinated efforts from all stakeholders - RBI, Government, payment system participants and individuals.

The unorganized restaurant sector, with 86% share, is by far the dominant segment in the Indian eatery and restaurant sector. Therefore, the current scope of growth of Meal Vouchers is restricted to the 14% of the organized restaurant sector. However, the organized segment is growing at an annual rate of 16% which is partly related to the extended use of Meal Vouchers by Indian employees.

Some possible factors responsible for the slow growth of Meal Vouchers use might be as follows:

- High level of the informal labour force - Nearly 50% of India's GDP and up to 90% of total employment originates in the informal sector. Enterprises and businesses in the informal sector often do not implement even the statutory minimum wage and working condition requirements. Therefore, the MV system is presently accessible only to the residual 10% of total employment that is in the formal sector.
- Conservative Public policy - The applicable tax benefit has remained unchanged at Rs 50 per meal since 2001. This should be indexed to inflation in order to at least maintain the real value of the MVs at Rs. 50 in 2001 prices. This is especially relevant in present light of the high rate of food inflation in the country. Food inflation has averaged in double digits (11%) over the last seven years since 2006.
- Combined with the low per capita and consequently low disposable incomes, a dominant sector of the Indian workforce seems to prefer home cooked food. The MV providers could take the initiative of encouraging restaurants participating in the MV system to provide food similar to home cooked meals. This perhaps explains the huge success of ventures such as the iconic 'Dabbawalas' in Mumbai and office delivery services provided by local eateries in most cities in India.
VIII. Recommendations for Further Improvement and Development of Meal Voucher system

1. Increase the tax-free meal allowance of Rs.50 per meal, which remains same since 2001, in line with inflation since 2001, on digital medium to support RBI’s vision for “less-cash” economy.

2. Revise the benefit from “per meal” to “per month” to provide flexibility to the employees in usage of this meal allowance.

3. Promote card system to convert informal economy to formal one and thus generate more revenues for the Govt.
## ANNEX 1

The Evolution of Tax Law on Meal Provisions for Employees in India

<table>
<thead>
<tr>
<th>Phase</th>
<th>Year</th>
<th>Description</th>
<th>Taxability on Employee</th>
<th>Taxability on Employer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase I</td>
<td>1997-2001</td>
<td>Meal Valuation for employees on meals inside and outside office on working days</td>
<td>Tax Free up to Rs 35 per day</td>
<td>Fully deductible as an expense. However, no fiscal advantage for the company</td>
</tr>
<tr>
<td>Phase II</td>
<td>2001-2005</td>
<td>First valuation of perquisites</td>
<td>Tax free up to Rs 50 per meal</td>
<td>Fully deductible as an expense. However, no fiscal advantage for the company</td>
</tr>
<tr>
<td>Phase III</td>
<td>2005-2009</td>
<td>Fringe Benefit Tax</td>
<td>Tax free with no limits defined. In 2009 a provision for electronic meal card prescribed limits of Rs 100/day and that became a defacto standard for meal limit</td>
<td>Fully deductible expense and exemption from paying FBT. However, no fiscal advantage for the company</td>
</tr>
<tr>
<td>Phase IV</td>
<td>2009-Present</td>
<td>Second valuation of perquisites</td>
<td>Tax free up to Rs 50 per meal</td>
<td>Fully deductible as an expense. However, no fiscal advantage for the company</td>
</tr>
</tbody>
</table>

About PIF

Pahle India Foundation (PIF) is a not for profit, financial, economic and political research think tank, dedicated to the task of making India first by putting India first. Over the years, we have learnt that there is no universally accepted development model. Each country has to take into account its people, its resources and its socio economic and cultural legacy for effective policy formulation and implementation. At PIF, we work towards this objective of creating the necessary paradigm shift in development thinking and practices in India to achieve this aspirational goal. PIF currently has an analytically strong team of dedicated researchers who are self motivated. PIF’s highly qualified team specialises in analyzing India’s political economy and its engagement with the global flows in finance, trade and technology.