

SMART MEAL CARD TAKES ON PAPER MEAL VOUCHERS BY STORM

Here's a startup with a difference - a group of senior corporate executives, headed by a former Edenred (A French Multinational in meal vouchers) heavy hitter, has launched an electronic meal voucher that ensured law compliance and encourages corporate to offer a healthy meal to their employees at work. In a short span of 3 years, this startup has pioneered the technology of "On the go" payment system in India which has been developed after thorough research into challenges associated with payments during lunch time in company cafeteria. Soon after launch, of their E-voucher, Campcard's offering found acceptance by large corporate like **BlueStar, NIIT Technologies Ltd., TATA Motors, Kirloskar Hyundai Motors** etc.

The unique selling proposition of Camp Card is its stress on the need to provide a healthy meal at work through

convenient technology. Today, the company serves employees of over 100 companies and has more than 100,000 daily users of their system. The company spread it's operations in Australia and USA and attracted investors at an early stage who found the concept beneficial for the companies and the economy as a whole.

Worldwide, it is a well researched fact that providing a healthy meal to employee at work helps improve their productivity. International labour Organisation (ILO) report says *"Poor diet on the job is costing countries around the world up to 20 per cent in lost productivity, either due to malnutrition that plagues some one billion people in developing countries or the excess weight and obesity afflicting an equal number mostly in industrialized economies..."*

Most countries encourage companies by offering tax benefits on such expense. Government of India vide Notification No. 94/2009/ F.No.142/25/2009-S O (TPL), dated 18-12-2009 too encourages such practice. The relevant rule specifies exemption on valuation of perquisites and read as under

"7 (iii) 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 to tea or snacks provided during working hours or to free food and non-alcoholic beverages during working hours provided in a remote area or an off-shore installation."

It clearly specifies exemption for free / subsidized meals being offered by companies. It also allows exemption when companies provide meal voucher to employees but specifies conditions like they should be "non-transferable" and usable only at "Eating joints" and at the rate of "Rs. 50/- per meal" and "usable during working hours".

Today, we can see meal vouchers of companies like Edenred and Sodexo being used as an alternate currency and being blatantly misused in the market. Most users do not comply with any of the conditions laid by the law.

Camp Card's believes that such practices amounts to tax evasion bringing loses to the economy and also goes against the very principle of providing tax benefit for such allowance. The government might soon allow cash subsidy to salaried individuals rather than forcing them to get into the hassles of managing meal vouchers when meal vouchers have failed to ensure law compliance?