

Leave Travel Allowance (LTA) Policy

Objective:

- 1) To provide an opportunity to the employees and their families to visit a place of their choice, within India and compensate expenses incurred towards cost of travel, up to a maximum Leave Travel Allowance (herein after referred to as "LTA"), which forms a part of their salary.
- 2) To facilitate employees to avail Income Tax (herein after referred to as "I.T.") exemption w.r.t. LTA.

 **Eligibility :** All employees, who have opted for LTA in Part B of Cost to the Company (CTC) structure.

Definition:

a) Family – It includes

- 1) Spouse and children of an employee. All children born before 1st October 1998 are included. However exemption can be claimed only for two surviving children born on or after 1st October 1998. In case of children born out of a multiple birth after the first child, will be treated as "one child" only.
- 2) Parents, brothers and sisters of an employee who are wholly or mainly dependent on him/her.

Guidelines:

- An employee must take minimum of 5 days consecutive privilege leaves.
- The travel must be to any place within India, during the period of leaves availed.
- The I.T. exemption can be claimed only for 2 journeys in a block of 4 calendar years. The current block is 1st January 2010 till 31st December 2013. The previous block was 1st January 2006 till 31st December 2009.
- If an employee has not traveled in the previous block, the exemption can be claimed in the first calendar of next block, but in respect of only one journey.
- Example : For the block 2006-09, an employee has availed I.T. exemption only once (or he has not availed at all). He can claim the exemption pertaining to one journey only if it is performed in the calendar year 2010. Additionally he can also claim exemption pertaining to 2 journeys performed in the block 2010 – 2013.
- Exemption can be availed only in terms of actual expenditure incurred towards the cost of travel. Exemption cannot be claimed for expenditure towards lodging and boarding. The amount of exemption is as follows :

Situation	Amount of exemption
1) Where journey is performed by air (original Boarding pass to be submitted)	1) Amount of air economy class fare of the National carrier by the shortest route or the amount spent whichever is less.
2) Where journey is performed by rail (original rail tickets to be submitted)	2) Amount of AC first class rail fare by the shortest route or the amount spent whichever is less.
3) Where the places of origin of journey and destination are connected by rail and journey is performed by any other mode of transport. (original bills to be submitted)	3) Amount of AC first class rail fare by the shortest route or the amount spent whichever is less.
4) Where places of origin or journey and destination (or part thereof) are not connected by rail a) Where a recognized public transport system exists. b) Where not recognized public transport system exists. (Original bills to be submitted)	4) As below a) First class or deluxe fare by the shortest route or amount spent whichever is less. b) Amount of AC first class rail fare by the shortest route or the amount spent whichever is less.

- The amount of LTA can be claimed any time during the financial year. It cannot be claimed after the completion of financial year.
- In order to claim exemption pertaining to family members, employee must travel alongwith family.
- An employee must submit LTA claim in attached “LTA claim form” only.
- The duly filled in LTA claim form should be submitted to F&A Dept.