	MY HOME CONSTRUCTIONS PVT LTD	
	Leave Travelling Assistance (LTA) Policy	Date: 1.11.2018 Rev: Version -I

1. OBJECTIVE:

- 1.1 To provide guidelines to employees for availing Leave Travel Assistance (LTA).
- 1.2 To ensure uniformity in the matter of LTA administration.

2. ELIGIBILITY & APPLICABILITY:



- 2.1 All eligible employees of the Organization as per the CTC.


3. PROCESS OWNER (S):

- 3.1 HOD
- 3.2 Corporate HR department & respective Local HR in the sites.
- 3.3 Accounts Department

4. POLICY & PROCEDURE:

- 4.1 At least 5 working days of Privilege leave have to be availed by the employee to claim LTA. However, if an employee opts to claim taxable LTA, he/she need not apply for Privilege Leave.
- 4.2 If an eligible employee is in employment for a part of the year, he/she will be eligible for proportionate LTA.
- 4.3 LTA can be claimed during any part of the year for previous financial year's LTA earnings.
- 4.4 LTA will be settled on submission of relevant documents and application in the prescribed format.
- 4.5 The exemption is admissible in respect of the value of travel assistance received or due to an employee for himself/herself and his family should be in connection with his proceeding on leave to any place in India.
- 4.6 The family for this purpose means (i) the spouse and children of the employee; and (ii) the parents, brothers and sisters of the employee who are wholly or mainly dependent on him/ her.

Prepared & Recommended By:  16.11.18 General Manager (HR&ADMIN)	Head Office 8th Floor, Block-3, My Home HUB, Madhapur, Hyderabad-500081.	Approved by:  Managing Director
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4.7 Employees claiming their LTA will have to provide the following documents as proof of travel. To ascertain the actually incurred expenditure, mere self-declaration would not be sufficient as such declarations are not amenable to verification. Hence employee needs to furnish complete evidence of expenses incurred on such travel. The original jacket of Air Ticket, Photocopies of Train Ticket or original copies of any other transport ticket, as per the mode of travel made by the employee. Failure to produce proof of travel, the entire amount will attract Income tax as per rules.



4.8 The exemption is strictly limited to expenses on train fare/ air fare and/ or bus fare only. No other expenses like taxi/ auto rickshaw charges from the airport, railway station / bus stand portrage expenses during the journey and lodging / boarding expenses will not qualify for exemption.


4.9 As per the provisions of Income Tax Rules, exemption from tax on LTA can be availed only in respect of two journeys (domestic travel only) performed twice in a block of four calendar years.

4.10 The calendar year of the purpose of block, as per Income Tax Rules is 2018-21.

4.11 In addition to the above limitation, the quantum of exemption will also be subject to the following restrictions, depending upon the mode of transport used or available.



Sl. No.	Mode	Particulars
1	For journeys performed by Air	An amount not exceeding the Air economy fare by the shortest route to the place of destination
2	Where the place of journey and destination are connected by Rail and the journey is performed by any mode of transport other than by Air	An amount not exceeding the air- conditioned first class Rail fare by the shortest route to the place of destination; and
3	Where the places of origin of journey and destination or part thereof are not connect by Rail and the journey is performed between such places, the amount eligible for exemption shall be:	<p>a) Where a recognized public transport system exists: An amount not exceeding the 1st class or deluxe class fare by the shortest route to the place of destination; and,</p> <p>b) Where no recognized public transport system exists: An amount equivalent to the air -conditioned first class Rail fare for the distance of the journey by the shortest route, as if the journey has been performed by Rail.</p>

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- 4.12 Where journey is performed by circuitous route, the exemption is restricted to what is admissible by the shortest route. Similarly, where the journey is performed in a circular fashion touching different places, the exemption will be limited to what is admissible for the journey from the place of origin to the farthest point reached by the shortest route.
- 4.13 LTA Applicable along with the relevant documents and leave application form to be submitted by the employee concerned to the HR dept, after prior certification from the HOD.
- 4.14 After having scrutinized the application form and the documents submitted by the employee, the HR department, will forward the same to Accounts department for disbursement.
- 4.15 Should there be any claim and questions from the Income Tax department on the LTA claimed, it will be onus of the employee to answer and pay for any such claims/ penalties.
- 4.16 The Organization may procedurally verify the proof of travel and should there be any misgivings or fake receipts/ bills, travel tickets, purported wrong declaration for claiming LTA, it will amount to misconduct and the Organization may initiate requisite action on such false and non genuine claims.

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