

Dept. Circular No.
Date

CMD Secretariat
Master Circular No.:
Date :

**FOR DISPLAY ON NOTICE BOARDS
AND CIRCULATION TO ALL OFFICES/
DEPARTMENTS**

**Re.: Revision in LTS Benefits and provisions
for employees of GIPSA Cos.**

The Leave Travel Subsidy (LTS) benefits and provisions for employees of different categories of our Company has been revised with effect from 8th December 2010. The revised LTS benefits and provisions as applicable to different categories of employees are appended below:

S No.	SUBJECT	EXISTING PROVISIONS	REVISED PROVISIONS
1 a	Distance Entitlement	Maximum 2000 kms each way in a block of 2 years as per eligible class.	Maximum 3000 Kms each way in a block of 2 years as per eligible class.
1 b	Manner of applying distance Entitlement to Officers entitled to Air Travel	<p>The Officers in Scale IV and above are entitled to travel by Air subject to maximum of 2000 kms of distance each way.</p> <p>For the purpose of computation of distance under such air travel, the surface distance between the two points by shortest rail route is taken into account. In case the two places are not covered by Rail the distance is calculated by referring to Road Map.</p>	<p>(a)</p> <p>i. Officers who are entitled to travel by air shall be entitled for reimbursement of full air fare for 3000 kms.(economy class) of surface distance each way for one block subject to the ceiling of twice the eligible class standard air fare of Air India for Delhi-Trivandrum route. The benchmark fare would stand revised as & when Air India revises its fare for the said sector.</p> <p>ii. For employees posted in North East: When an officer eligible to travel by air undertakes journey by air in full or part LTS journey, the distance covered by air journey shall be the aerial distance of the journey undertaken by him. If he undertakes the balance journey by any other mode, that part of journey shall be calculated as per the surface rail distance and in such cases the actual amount incurred by him on fare will be reimbursed provided such amount does not exceed this fare of the entitled class by train.</p> <p>iii. However, where the surface distance between the place of origin of journey and the destination is within 3000 kms. but no direct flight is available, the officer shall be allowed travel by the shortest air connectivity available in that sector if in such cases aerial distance does not exceed 3000 kms. This relaxation would apply only to officers who are eligible for LTS by air.</p> <p>(b) If an officer does not travel by air at all but travels by other modes viz, train, bus, taxi, etc. then the reimbursement would be limited to train fare of eligible class for 3000 kms. of surface distance or actual amount spent whichever is less.</p> <p>(c) Where an officer travel partly by other entitled modes of travel i.e. railway/roadways, the reimbursement shall be made as under – (i) Full air fare for distance traveled within the permissible limit of 3000 kms. by air either onward and / or return journeys plus (ii) Actual expenses limited to the fare for the entitled class by train for the balance distance traveled.</p> <p>(d) When travel by air is combined with travel in train by the entitled class, the order of reimbursement would be first for the distance traveled by air irrespective of the order of air travel i.e. whether it precedes or follows rail travel. The reimbursement for the balance, if any, admissible is to be calculated as per (c) above.</p>

2	Foreign LTS	<p>An employee, if he so opts, can claim for travel expenses within Indian Territory up to last Indian embarkation point en route to foreign destination.</p> <p>Where the travel consists of travel in India and abroad, the criteria is distance traveled in India or 2000 kms whichever is less.</p> <p>The claims are settled on the basis as <i>the crow flies</i>. If an employee flies from Chennai or Calcutta to Singapore, nothing will be payable. But if he were to fly from Mumbai or Delhi to Singapore, then the distance covered from the point of embarkation i.e. Delhi or Mumbai to the border in India subject to a limit of 2000 kms will be the limit for making reimbursement under LTS.</p> <p>Likewise no reimbursement would be allowed for Mumbai-Dubai sector.</p>	<p>(a) For class III / IV, Development Officers, and Officers not entitled to travel by Air: All confirmed employees will be allowed Foreign LTS. For one block, the entitlement per eligible person shall be two times the entitled class fare for 3000 kms or actual expenses incurred, whichever is less. The journey can be made by any mode of travel. When the blocks are clubbed they will be entitled for twice the permissible amount mentioned above.</p> <p>(b) For Officers entitled to Air travel : The officials are allowed to undertake Foreign LTS. For one block, the entitlement per eligible person shall be two times the economy class air fare for 3000 kms. (on the basis of surface distance) by Air India on domestic route i.e. Delhi-Trivandrum route. The journey can be made by any mode of travel. When the blocks are clubbed they will be entitled for twice the permissible amount mentioned above.</p> <p><u>General Clarifications:</u></p> <ol style="list-style-type: none"> i. Foreign tour under LTS, as per prevalent Income Tax rules, may attract Income Tax and in such cases, the tax liability shall be borne by the employees themselves. ii. Travel to foreign destination should be by shortest route from the place of posting and the fare will be limited to his eligibility in India as per this rules or the actual fare whichever is lower. iii. In case of employees / officers availing themselves of either Single Block or two blocks for Foreign LTS, only one trip to foreign country will be allowed and the balance unexhausted amount of the rail fare / air fare, if any, will lapse. iv. Foreign journeys performed by Ship are admissible within the overall entitlement. v. Passport / Visa charges are not payable. vi. Air – port tax is payable within the overall ceiling on production of ticket / receipt.
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To counter the problem arising from the phenomena of Seasonal Fares (Peak Season Fare and Lean Season Fare) by the Railways, the Peak Season Fare may be reckoned for this purpose; irrespective of the season in which the journey is undertaken. The increased limits will also be effective for LTS for un-availed previous block years as well as for combining thereof with current block years' LTS for journey undertaken on or after 8th December 2010.

**(K Singh)
Chief Manager**