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All Branches / Offices of  
State Bank of India,

Madam / Dear Sir,

**LEAVE TRAVEL CONCESSION (LTC)/ HOME TRAVEL CONCESSION (HTC)  
REIMBURSEMENT OF TRAVELLING EXPENSES: CLARIFICATION**

Please refer to our Circular No. CDO/P&HRD-PM/15/2011 – 12 dated 4<sup>th</sup> May 2011 and No. CDO/P&HRD-PM/41/2013-14 dated 29<sup>th</sup> October 2013 relating to reimbursement of bills of travelling expenses for the journey undertaken during LTC/ HTC.

2. In this connection, we have been receiving certain complaints with regard to misutilisation of the facility, irregularities in the claim/ reimbursements of the bills etc. We, therefore, once again reiterate that due care should be exercised by the officers while claiming the reimbursements of bills of travelling expenses for the journey undertaken during LTC/ HTC and at the same time appropriate due diligence should be done by the passing officials while approving the claims. It should be in terms of the extant instructions in the matter. The following guidelines in this regard should be followed invariably:

- i. The reimbursements are limited to the actual fares/ hire charges or the fare to the home town/ designated place in India, by the shortest route, by the entitled class, whichever is lower.
- ii. Actual travel expenses only are reimbursable and other facilities, if any, provided by travel agents are not reimbursable.
- iii. Processing of LTC/ HTC bills should be made on the basis of certification of the officer concerned for which he/she is solely accountable and only if he/she submits valid bills supported by proof/ tickets. Further, with a view to establishing a distinct recognizable payment trail, for purchasing the tickets under LTC / HTC through travel agents following stipulations are laid down:

- a. Payment to be made through account payee Cheque / drafts / RTGS / NEFT/ Internet Banking/ Credit Card. Payments made to the travel agents in cash (Indian or foreign currency) will not be eligible for reimbursement even if supported by money receipt, issued by travel agents.
  - b. Evidences/ confirmation of receipt of such payment by the travel agent should appear on the Money Receipts, issued by the concerned travel agents.
- iv. The cost of local sightseeing will not be reimbursed. The officer concerned will have to certify that the travel bill does not include local sightseeing.
- v. Officers should produce proof of transportation/ travel bill in the form of invoices, photograph of claimants of the benefit along with the vehicle as mentioned in the bill, copy of the VISA/ immigration stamp on Passport (in case of travel abroad enroute) as proof etc. Reasonableness of the rates as prevalent for the land transfers/ travel should be ensured.
- vi. Travel Agencies should be approved by International Air Transport Association (IATA). Travel Agents should mention their GSTIN & PAN in the bills/ invoices. The Travel Agencies should certify the genuineness of the bills/ invoices issued by them along with an undertaking that the bill/ invoice for which reimbursement under LTC/ HTC is sought from the Bank does not include lodging, boarding & sightseeing charges.
- vii. Any deviation from the above provisions as well as submission of false claims or submission of forged tickets/bills shall be viewed seriously and dealt with strictly in terms of existing provisions of respective Service/ Conduct Rules.

3. It is pertinent to reiterate that Bank had issued a Circular No. CDO/P&HRD-PM/7/2014–15 dated 15th April 2014 whereby it was decided that the officers/ employees shall not be entitled to visit overseas countries / centres as part of LTC/HTC. The Circular was stayed by the Madras High Court vide order dated 25th April 2014 in Writ Petition No. 11991 of 2014 based on the undertaking given by the petitioners before the Court that if the Writ Petition is dismissed, the amount paid towards LTC/ HTC to cover foreign/ overseas travel will be refunded by the individual officers concerned. Subsequently, the Bank had issued Circular No. CDO/P&HRD-PM/57/2014-15 dated 10th November, 2014 to deduct TDS on bills paid in connection with LTC/HTC involving visit to foreign destinations enroute. The said circular was stayed by the Madras High Court in M.P. No.2 of 2014 in WP No. 11991 of 2014 vide order dated 16th

February 2015 wherein it has been made clear that if the writ petition is dismissed, the employees are liable to pay tax on the amount paid by the Bank.

In view of the above interim orders of the Madras High Court, the Bank is permitting the employees/ officers to visit foreign destinations on LTC/ HTC and is also not deducting TDS on the bills paid in connection with such LTC/ HTC, after obtaining suitable undertaking. The provision of recording the undertaking has also been developed in the HRMS.

4. Please arrange to bring the contents of this circular to the knowledge of all concerned and ensure meticulous compliance.

Yours faithfully,

(PRASHANT KUMAR)

**Dy. Managing Director (HR) &  
Corporate Development Officer**