[COMPANY NAME]

[Add your company logo / letterhead and registered address here]

Travel and Expense Reimbursement Policy

HOW TO USE THIS TEMPLATE

This template is mostly complete and pre-filled with standard Indian practice. You should not have to fill many blanks.

Text in blue is a default that companies commonly change. Skim the blue text and edit only what differs for you.

Add your company name and letterhead once, in the header above. The body refers to "the Company".

Set the per-diem amounts and travel-class grid to match your grade structure before circulating, then map approval limits to your actual reporting hierarchy in the delegation table.

Have it reviewed by a qualified HR or legal professional before you adopt it, and delete this box.

Provided by CFOmatrix (cfomatrix.in). General template, not legal advice.

Policy owner	**[Human Resources / IT / Compliance]**
Effective date	**[DD MMM YYYY]**
Version	1.0
Approved by	**[Name, Title]**

1. Purpose

This policy sets out how the Company authorises, books, incurs and reimburses business travel and other work-related expenses. Its objectives are to:

- Enable employees to travel and incur necessary expenses to conduct the Company's business efficiently and safely.
- Ensure expenses are reasonable, business-related, properly approved, accurately recorded and supported by valid documentation.
- Provide clear, consistent entitlements by grade so that employees know what they may claim before they travel.
- Protect the Company against fraud, leakage and tax exposure, and to maintain a clean, auditable expense trail.

This policy is written to be read alongside the Company's finance manual, the Code of Conduct, the Anti-Bribery and Gifts policy, and any applicable client travel-reimbursement terms.

2. Scope

This policy applies to all employees of the Company across all locations and grades, and, where stated, to interns, trainees, retained consultants and contractors who travel or incur expenses on the Company's behalf and who have been told in writing that this policy applies to them.

It covers domestic travel within India and international travel, and all categories of out-of-pocket business expense including local conveyance, meals, accommodation, communication and incidental costs. It does not cover relocation expenses, employee benefit allowances paid through payroll, or capital purchases, which are governed by separate policies.

Where a client contract specifies different (usually lower) travel entitlements for billable travel, the client terms prevail for that engagement and the difference is not reimbursable by the Company unless approved in advance.

3. Definitions

- Business Travel: travel away from the employee's normal place of work, undertaken with prior approval for a Company business purpose.
- Per Diem: a fixed daily allowance to cover meals and incidental expenses (laundry, tips, local sundries) while travelling on business, paid in place of itemised meal claims unless stated otherwise.
- Tour / Outstation Travel: travel that requires the employee to stay away overnight from the headquarters city.
- Local Conveyance: day travel within the city of posting for business, not involving an overnight stay.
- Advance: money paid to an employee before a trip to meet anticipated expenses, to be settled against actuals.
- Claimant: the employee submitting an expense claim.
- Approving Authority: the manager or finance role authorised to approve a claim under the delegation table in Section 9.
- Reimbursement Tool: the Company's expense management system, currently **Zoho Expense**.

4. General Principles

- Travel and expenses must be necessary, reasonable, and the lowest practical cost consistent with safety, time efficiency and the business purpose.
- Pre-approval is required for all outstation and international travel, and for any single expense above the limits in Section 9.
- Employees should book through the Company's designated channels and use Company negotiated rates and corporate cards wherever available.
- Personal expenses, and the personal portion of any mixed trip, are never reimbursable and must be clearly separated on the claim.
- An expense is the employee's own to claim; one employee should not pay for and claim another's personal expenses except a genuine shared business meal that is itemised with attendees.
- All claims must be honest and complete. The Company relies on the integrity of the claimant; misuse is treated as misconduct (Section 13).

5. Eligible (Reimbursable) Expenses

Subject to the limits and approvals in this policy, the following are reimbursable when incurred for a genuine business purpose and supported by valid bills:

- Transport: air, rail, bus, Company-approved cab/ride-hailing, airport transfers, and reasonable parking and tolls.
- Accommodation: hotel room charges within the grade ceiling, including applicable taxes.
- Meals and incidentals: via per diem (Section 7) or, where per diem does not apply, itemised business meals within reasonable limits.
- Local conveyance at the destination for business movement.
- Visa fees, travel insurance, and mandatory immigration/health charges for international travel.
- Business communication: prepaid roaming/data packs or reasonable mobile/internet charges incurred for work while travelling.
- Baggage charges for one checked bag where the airfare does not include it, and reasonable excess baggage if it is for Company materials.
- Business entertainment of clients/partners, pre-approved, with names, organisation and purpose recorded (read with the Anti-Bribery and Gifts policy).
- Conference, seminar, training and registration fees that have been approved.
- Foreign exchange conversion charges and ATM/card fees reasonably incurred abroad.

6. Travel Classes by Grade

Employees should book the most economical fare that meets the business need. Class entitlements below are ceilings, not targets; book lower where practical. For air travel, lowest-logical-fare economy is the default; premium classes apply only as set out.

Grade band	Air (domestic)	Air (international)	Rail	Road / cab
Associate / Executive	Economy	Economy	**AC 3-Tier / Chair Car**	Standard cab, shared where practical
Manager / Senior Manager	Economy	Economy	**AC 2-Tier**	Standard cab
AVP / VP / Director	Economy (Premium Economy if flight over **6** hours)	Premium Economy (flights over **6** hours)	**AC 1st / 2-Tier**	Standard / premium cab
CXO / Founder	Business (flights over **3** hours)	Business (flights over **8** hours)	**AC 1st**	Premium cab

Notes:

- Advance-purchase rule: domestic flights should ordinarily be booked at least **7** days, and international flights at least **21** days, before travel to secure lower fares. Last-minute bookings require the approving authority's note of reason.

- Employees may not downgrade a class to claim cash or upgrade using personal funds for reimbursement of the difference.
- Air-mile / loyalty points earned on Company-paid travel may be retained by the employee for personal use unless a client contract states otherwise, provided this never drives a higher-cost booking choice.

7. Per Diem Allowances

Per diem covers meals and incidentals for each full day away on business. It is paid in place of itemised meal and incidental bills (other than the categories listed as separately reimbursable in Section 5). Accommodation and transport are reimbursed separately on actuals and are NOT part of per diem.

Rules:

- A full per diem applies for each full calendar day of outstation travel. For part days, **50%** of the applicable per diem applies where the trip covers a half day or less, or the day of departure/return.
- Where the Company or the host (client, conference, hotel) provides a meal, deduct **25%** of the day's per diem per meal provided (breakfast, lunch, dinner).
- Per diem is not payable for day trips within the city of posting (claim actual local conveyance instead) or for days on personal leave attached to a trip.
- International per diem is paid in the destination currency band below or its INR equivalent at the card/settlement exchange rate.

Domestic per diem (per day):

City tier	Per diem (Rs)	Notes
Metro (Mumbai, Delhi-NCR, Bengaluru, Chennai, Kolkata, Hyderabad, Pune)	**2,000**	Higher cost-of-living cities
Tier-2 cities	**1,500**	State capitals and large cities
Other locations	**1,200**	All remaining locations

International per diem (per day), by destination band:

Destination band	Per diem	Notes
USA, Canada, UK, Western Europe, Australia, Singapore, Japan, UAE	**USD 75**	High-cost destinations
Eastern Europe, rest of Middle East, Hong Kong	**USD 60**	Mid-cost destinations
Southeast Asia, South Asia, Africa, Latin America	**USD 45**	Lower-cost destinations

Accommodation ceilings (room + taxes, per night) are set separately and may be revised by Finance:

City / region	Ceiling per night
Metro India	Rs 7,000
Tier-2 / other India	Rs 4,500
High-cost international band	USD 180
Mid / lower international band	USD 120

Where the Company has negotiated hotel rates, employees must use them. Exceeding a ceiling needs prior approval of the next-higher authority; the excess is otherwise borne by the employee.

8. Booking Process

- Outstation and international travel must be requested through a travel request in the **Reimbursement Tool** (or by email to **travel@company.in**) and approved by the reporting manager before booking.
- Approved bookings should be made through the Company's designated travel desk / agency (**name of agency**) or the corporate self-booking tool, so that negotiated rates, duty-of-care tracking and direct billing apply.
- Where central booking is not feasible, the employee may self-book within policy and claim reimbursement, retaining the comparison of fares considered.
- International travel additionally requires confirmation of a valid passport, visa, travel insurance and, where relevant, the destination's entry/health requirements before tickets are issued.
- The Company reserves the right to specify preferred airlines, hotel chains and ride-hailing vendors; employees should use these by default.
- Hotel and air bookings should, wherever possible, be billed directly to the Company (BTA / corporate card) to reduce out-of-pocket cost to employees.

9. Approval Limits and Delegation of Authority

Every expense and travel request must be approved by the authority at or above the limit applicable to its value. Approval must be obtained before the cost is committed for the items marked as needing pre-approval.

Item / value band	Approving authority	Pre-approval required
Routine claim up to Rs 15,000	Reporting Manager	No (post-facto on submission)
Claim Rs 15,001 to Rs 50,000	Department Head / Function VP	Yes for travel; review on claim for others
Claim Rs 50,001 to Rs 2,00,000	CFO / Finance Head	Yes
Above Rs 2,00,000	CEO / Managing Director	Yes
Any international travel	CFO / Finance Head plus reporting manager	Yes

Exceeding a class or accommodation ceiling	Next-higher authority	Yes
Business entertainment / client gifts	Reporting Manager + read with Anti-Bribery policy	Yes

Rules:

- No employee may approve their own expense or advance, or an expense from which they personally benefit. Self-approval is escalated one level up.
- Approving authorities are accountable for confirming the expense is business-related, within policy, correctly coded and supported, before approving.
- Splitting a single expense into smaller claims to stay under an approval threshold is prohibited and treated as misconduct.

10. Travel Advances

- Advances are intended for employees who do not hold a corporate card and who face material out-of-pocket cost on a trip. They are not a routine entitlement.
- An advance request is raised in the **Reimbursement Tool** with the estimated trip cost and is approved by the relevant authority in Section 9.
- The advance should not exceed **80%** of the estimated reimbursable trip cost.
- Advances are normally disbursed up to **3** working days before travel.
- The employee must settle the advance against actual expenses within **7** working days of returning. Any unspent balance is refunded to the Company; any shortfall is reimbursed to the employee.
- An employee with an unsettled advance beyond the deadline will not be issued a further advance, and the outstanding amount may be recovered from salary after written notice.

11. Claim Submission, Timeline and Documentation

Submission:

- Claims are submitted through the **Reimbursement Tool**, itemised by date, category and cost centre / project code, with the business purpose stated.
- Claims must be submitted within **30** days of incurring the expense or of returning from the trip, whichever is later. Claims submitted after **30** days require the approving authority's justification, and claims older than **90** days will not ordinarily be reimbursed.
- Mixed personal and business expenses must be split, with only the business portion claimed.

Documentation:

- Every line item must carry a valid supporting document: a GST tax invoice or bill where applicable (showing the vendor's GSTIN for input-credit eligible spends), boarding passes for air travel, hotel folio, and ride-hailing / cab receipts.

- For amounts below Rs **500** where a printed bill is genuinely unavailable, a self-declaration with date, amount, vendor and purpose may be accepted at the approver's discretion.
- For business meals and entertainment, record the names and organisations of attendees and the purpose.
- International claims must show the foreign-currency amount, the conversion rate or card statement, and the INR equivalent.
- Documents must be legible; the Company may reject illegible, altered or duplicate bills.

Payment:

- Approved reimbursements are paid to the employee's salary bank account, normally within **10** working days of final approval, typically in the next reimbursement run.
- The Company will deduct or gross up amounts as required by tax law; certain allowances may be taxable in the employee's hands depending on prevailing rules and the nature of the expense.

12. Non-Reimbursable Expenses

The following are not reimbursable (illustrative, not exhaustive):

- Personal expenses: personal entertainment, movies, spa, gym, minibar, personal shopping, personal phone bills and personal subscriptions.
- Fines and penalties: traffic, parking and speeding fines, late-payment fees, and the cost of lost or damaged personal items.
- Travel taken without required pre-approval, or costs above grade ceilings that were not pre-approved.
- Alcohol, except a reasonable amount within a pre-approved client business meal where local law and the client contract permit it.
- Upgrades to flight, hotel or rail class beyond entitlement, and the difference on a personally chosen upgrade.
- Expenses of accompanying family members or guests, and the incremental cost of personal travel attached to a business trip.
- Costs already reimbursed by a client, third party or another arm of the Company.
- Cash tips beyond what is customary and reasonable, and round-sum claims without bills above the self-declaration limit.
- Loss of cash, foreign exchange losses from holding personal currency, and credit-card interest or personal late fees.

13. Fraud, Misuse and Consequences

- Falsifying bills, claiming expenses not incurred, inflating amounts, claiming personal spends as business, submitting duplicate or another person's bills, or splitting claims to evade limits, all constitute fraud and serious misconduct.

- Colluding with vendors for fabricated invoices, kickbacks or inflated bills is fraud and may also breach the Anti-Bribery policy and the Prevention of Corruption Act, 1988.
- On reasonable suspicion, the Company may suspend the claim, conduct an investigation, and require the employee to cooperate.
- Confirmed misuse may lead to recovery of the amount (including from salary or full-and-final settlement after written notice), disciplinary action up to and including termination, forfeiture of pending reimbursements, and referral to law-enforcement where warranted.
- Approving authorities who knowingly approve improper claims are equally accountable and subject to disciplinary action.
- The Company encourages reporting of suspected expense fraud through the whistle-blower channel (**ethics@company.in**); good-faith reporters are protected from retaliation.

14. Roles and Responsibilities

- Employee / Claimant: travel within policy, obtain pre-approvals, retain valid bills, submit accurate and timely claims, settle advances on time.
- Reporting Manager / Approving Authority: confirm business need and policy compliance, approve within their delegated limit, escalate exceptions, never self-approve.
- Travel Desk / Admin: manage bookings, negotiated rates, duty-of-care tracking and direct billing.
- Finance / Accounts Payable: validate claims against policy and documentation, process payments, manage corporate cards, apply tax treatment, maintain records and the audit trail.
- Internal Audit: perform periodic and sample reviews of claims, advances and approvals, and report exceptions to the **CFO / Finance Head**.
- Policy Owner (**CFO / Finance Head**): interpret, maintain and update this policy and approve genuine exceptions in writing.

15. Data, Records and Privacy

- Expense claims and supporting documents contain personal and financial data and are processed in line with the Company's privacy obligations under the Digital Personal Data Protection Act, 2023; access is limited to those who need it to administer reimbursements.
- The Company retains expense records, bills and approvals for at least **8** years to meet income-tax, GST and audit requirements, after which they are securely disposed of unless a longer hold applies.
- Corporate card data and travel-booking data are handled by the relevant providers as data processors under appropriate contractual safeguards.

16. Exceptions and Review

- Any deviation from this policy requires the prior written approval of the **CFO / Finance Head**, recorded with the reason; verbal approvals are not valid for reimbursement.

- This policy is reviewed at least annually, or sooner on a change in tax law, business need or cost levels, by the policy owner. Per-diem amounts and ceilings are benchmarked and may be revised by Finance through a notified update without a full re-issue of the policy.
- The Company may amend this policy at any time; the current version published on the **intranet / HR portal** prevails.

Version: **1.0** | Effective date: **DD/MM/YYYY** | Owner: **CFO / Finance Head** | Next review: **DD/MM/YYYY**