

## Compensation and Salary Administration Policy

### 1. Purpose

This policy outlines the organization’s approach to employee compensation, including salary disbursement, authorized deductions, and the roles and responsibilities of HR and Finance departments. It ensures clarity, compliance, and timely payment to all employees.

### 2. Scope

This policy applies to **all employees** across all levels and departments of the organization.

### 3. Salary Payment Schedule

* Employees will receive their **monthly salary on or before the 7th day** of the following month.
* If the payday falls on a **weekend or public holiday**, the salary will be credited on the **preceding working day** or **the next operational banking day**.
* Salaries are credited via **direct bank transfer** into the employee’s designated bank account on record.
* Employees will be notified in advance in the event of any **change in the company’s banking partner** or salary disbursement process.

### 4. Salary Disbursement & Deductions

* The **Finance Department** disburses salaries based on **attendance and leave records** verified and submitted by the **HR Department**.
* Salary is calculated for the period from the **1st to the 30th/31st** of each month.
* Deductions from the gross salary may include:  
  + **Income Tax (TDS)** in accordance with the current Income Tax rules
  + **Statutory contributions**, such as EPF, ESI, EWF, etc.
  + **Unpaid leave deductions**
  + **Gratuity**
  + **Loan or advance repayments**, if applicable
  + **Any additional deductions** authorized by the employee and approved by HR

### 5. Salary Slips

* Employees can access their **monthly salary slips & TDS Sheet** through the company’s **official payroll portal/system**.
* These slips include detailed information on earnings, deductions, tax contributions, and net pay.
* It is the employee's responsibility to regularly download or review their payslip for personal records and tax purposes.

### 6. Roles and Responsibilities

#### A. HR Department

* Enforce this policy and coordinate with the Finance Department.
* Share verified employee attendance and leave data monthly.
* Communicate any updates regarding salary structure or deductions.
* Maintain updated employee bank and personal details for payment processing.

#### B. Finance Department

* Ensure accurate and timely salary disbursement.
* Process all statutory deductions and tax withholdings.
* Provide support and clarification related to payroll, deductions, or slips.

#### C. Department Managers/Executives

* Monitor and approve employee attendance and leaves.
* Ensure accurate reporting to HR for payroll processing.

### 7. Compliance

This policy adheres to applicable **labor laws**, **income tax regulations**, and **statutory guidelines**. Any changes in government policy or law impacting payroll will be promptly reflected in this policy and communicated to all employees.