

# Aquapurite ERP - HR & Payroll User Guide

## For HR Manager, Payroll Team & Department Heads

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## 1. Overview

### Modules Covered

Module	Purpose
Employees	Employee master data, documents
Departments	Organization structure
Attendance	Daily attendance tracking
Leave	Leave requests and balances
Payroll	Salary processing
Performance	Appraisals, goals, KPIs

### Setup Sequence

1. Create Departments  
↓
2. Define Roles (Access Control)  
↓
3. Add Employees  
↓
4. Setup Salary Structures  
↓
5. Configure Leave Policies  
↓
6. Initialize Leave Balances

↓  
Ready for HR Operations

## 2. Employee Management

### 2.1 Departments

**Navigation:** HR → Departments

#### Creating a Department

1. Go to **HR → Departments**
2. Click **+ New Department**
3. Enter:

Field	Required	Description
Code	Yes	Unique code (e.g., HR, FIN, OPS)
Name	Yes	Full department name
Description	No	Purpose of department
Parent Department	No	For hierarchy
Department Head	No	Manager of department
Is Active	Yes	Enable/disable

4. Click **Save**

#### Standard Department Structure

```
CEO
├── Operations (OPS)
│   ├── Warehouse (WH)
│   ├── Logistics (LOG)
│   └── Quality (QC)
├── Sales & Marketing (SM)
│   ├── Sales (SALES)
│   └── Marketing (MKT)
├── Finance (FIN)
│   ├── Accounts (ACC)
│   └── Taxation (TAX)
├── Human Resources (HR)
├── Technology (IT)
└── Service (SVC)
    ├── Installation (INST)
    └── Support (SUP)
```

### 2.2 Adding Employees

**Navigation:** HR → Employees

## **Employee Onboarding**

1. Go to **HR → Employees**
2. Click **+ New Employee**
3. Fill in sections:

### **Personal Information:**

Field	Required	Description
First Name	Yes	Employee first name
Last Name	No	Employee last name
Email (Official)	Yes	Company email
Phone	Yes	Contact number
Date of Birth	Yes	For records
Gender	Yes	Male/Female/Other
Blood Group	No	Emergency info
Marital Status	No	Single/Married
Nationality	No	Default: Indian

### **Personal Contact:**

Field	Description
Personal Email	Non-work email
Personal Phone	Alternate number
Current Address	Present residence
Permanent Address	Native address

### **Emergency Contact:**

Field	Description
Contact Name	Emergency person
Relationship	Spouse, Parent, etc.
Contact Phone	Emergency number

### **Employment Details:**

Field	Required	Description
Department	Yes	Assigned department
Designation	Yes	Job title

Employment Type	Yes	Permanent/Contract/Intern
Joining Date	Yes	Date of joining
Confirmation Date	No	After probation
Reporting Manager	Yes	Direct supervisor

**Statutory Information:**

Field	Required	Description
PAN Number	Yes	For TDS
Aadhaar Number	Yes	Identity proof
UAN Number	No	PF account (if existing)
ESIC Number	No	If applicable

**Bank Details:**

Field	Required	Description
Bank Name	Yes	Salary bank
Account Number	Yes	Salary account
IFSC Code	Yes	Bank IFSC
Account Type	No	Savings/Current

4. Upload documents (if available)

5. Assign roles (system access)

6. Click **Save**

**Employee Code Generation**

System auto-generates employee codes:

Format: AQ-YYYY-NNNN

Example: AQ-2026-0001

AQ = Company prefix

2026 = Year of joining

0001 = Sequential number

**2.3 Employee Status**

Status	Description
Active	Currently employed
Probation	In probation period

<b>Notice Period</b>	Resigned, serving notice
<b>On Leave</b>	Extended leave
<b>Suspended</b>	Under investigation
<b>Terminated</b>	Employment ended
<b>Resigned</b>	Left company
<b>Retired</b>	Retired from service

### Changing Status

1. Open employee record
  2. Click **Change Status**
  3. Select new status
  4. Enter effective date
  5. Add reason/notes
  6. Click **Update**
- 

### 2.4 Salary Structure

**Navigation:** HR → Employees → [Employee] → Salary

#### Salary Components

##### Earnings:

Component	Description	Typical % of CTC
Basic Salary	Base pay (PF calculated on this)	40-50%
HRA	House Rent Allowance	40-50% of Basic
Conveyance	Transport allowance	Fixed (₹1,600/month)
Medical	Medical allowance	Fixed or %
Special Allowance	Balancing figure	Variable
Other Allowances	Any additional	As applicable

##### Deductions:

Component	Description	Rate
Employee PF	Provident Fund	12% of Basic
Employee ESIC	If gross < ₹21,000	0.75% of Gross
Professional Tax	State tax	₹200/month (varies by state)
TDS	Income tax	As per slab
Loan EMI	If any loan	As applicable

Advances	Salary advance recovery	As applicable
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#### **Employer Contributions (not deducted from salary):**

Component	Description	Rate
Employer PF	Company PF contribution	12% of Basic
Employer ESIC	Company ESIC	3.25% of Gross

#### **Setting Up Salary**

1. Go to **HR → Employees**
2. Click on employee
3. Go to **Salary** tab
4. Click **Setup Salary Structure**
5. Enter:

Field	Description
Effective From	When this structure starts
Basic Salary	Monthly basic
HRA	Monthly HRA
Conveyance	Monthly conveyance
Medical	Monthly medical
Special Allowance	Monthly special
Other Allowances	Any other
PF Applicable	Yes/No
ESIC Applicable	Yes/No (auto if gross < ₹21,000)
PT Applicable	Yes/No

6. System calculates:

- Gross Salary
- Total Deductions
- Net Salary
- Monthly CTC
- Annual CTC

7. Click **Save**

#### **CTC Calculation**

Monthly CTC = Gross Salary + Employer PF + Employer ESIC

Annual CTC = Monthly CTC × 12

Example:  
Basic: ₹25,000  
HRA: ₹10,000  
Conveyance: ₹1,600  
Special: ₹13,400

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Gross: ₹50,000

Employer PF: ₹3,000 (12% of Basic)  
Employer ESIC: ₹0 (Gross > ₹21,000)

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Monthly CTC: ₹53,000  
Annual CTC: ₹6,36,000

### 3. Attendance Management

#### 3.1 Daily Attendance

Navigation: HR → Attendance

##### Attendance Methods

Method	Description
Biometric	Fingerprint/Face ID (integrated)
Mobile App	GPS-based check-in
Manual	HR marks attendance
Web Portal	Employee self check-in

##### Marking Attendance (Manual)

1. Go to **HR → Attendance**
2. Click **+ Mark Attendance or Bulk Entry**
3. Select Date
4. For each employee:
  - o Select Status
  - o Enter Check-in Time
  - o Enter Check-out Time
5. Click **Save**

##### Attendance Status

Status	Code	Description
Present	P	Normal working day
Absent	A	Unexcused absence
Half Day	HD	Worked partial day
Leave	L	On approved leave

<b>Holiday</b>	H	Company holiday
<b>Week Off</b>	WO	Weekly off (Sunday)
<b>On Duty</b>	OD	Official travel/duty
<b>Work From Home</b>	WFH	Remote work
<b>Comp Off</b>	CO	Compensatory off

### Late Coming / Early Going

System tracks:

- **Late:** Check-in after grace period (e.g., after 9:30 AM)
- **Early Out:** Check-out before shift end
- **Short Hours:** Total work < 8 hours

Configuration:

Setting	Value
Shift Start	9:00 AM
Grace Period	30 minutes
Late After	9:30 AM
Half Day Threshold	4 hours
Full Day Threshold	8 hours

## 3.2 Attendance Reports

Report	Purpose
Daily Attendance	Today's attendance
Monthly Summary	Month view by employee
Late Coming Report	Employees coming late
Absent Report	Absences list
Attendance Register	Official register format

## 4. Leave Management

### 4.1 Leave Types

Leave Type	Code	Annual Quota	Carry Forward
Casual Leave	CL	12	No
Sick Leave	SL	6	No

Earned Leave	EL	15	Yes (max 30)
Maternity Leave	ML	26 weeks	N/A
Paternity Leave	PL	5	N/A
Bereavement	BL	3	No
Comp Off	CO	As earned	Expire in 60 days
Loss of Pay	LOP	Unlimited	N/A

## 4.2 Leave Balances

**Navigation:** HR → Leave Management

### Viewing Balances

1. Go to **HR → Leave Management**
2. Select Employee
3. View leave balances:
  - o Opening Balance
  - o Accrued
  - o Taken
  - o Pending Approval
  - o Available

### Initializing Balances

For new financial year:

1. Go to **HR → Leave Management → Initialize Balances**
  2. Select Financial Year
  3. System:
    - o Carries forward eligible leaves
    - o Resets non-carry-forward leaves
    - o Applies new year quotas
  4. Click **Process**
- 

## 4.3 Leave Requests

**Navigation:** HR → Leave Management → Requests

### Applying for Leave

#### Employee Self-Service:

1. Employee logs in
2. Goes to **My Leaves**
3. Clicks **Apply Leave**
4. Enters:
  - o Leave Type
  - o From Date
  - o To Date
  - o Half Day (if applicable)

- o Reason
5. Submits

#### **HR on Behalf:**

1. Go to **HR → Leave Management**
2. Click **+ New Request**
3. Select Employee
4. Fill leave details
5. Submit or Direct Approve

#### **Leave Approval Flow**

```

Employee Applies
    ↓
Reporting Manager Reviews
    ↓
APPROVED / REJECTED
    ↓
Leave Balance Updated
    ↓
Attendance Marked as Leave

```

#### **Leave Status**

Status	Meaning
Pending	Awaiting approval
Approved	Manager approved
Rejected	Manager rejected
Cancelled	Employee cancelled
Revoked	Approved but later cancelled

#### **4.4 Leave Rules**

Rule	Description
Minimum Notice	CL: 1 day, EL: 7 days
Max Consecutive	CL: 3, EL: 10
Sandwich Rule	Weekend between leaves counts
Encashment	EL can be encashed on exit
Negative Balance	Not allowed (except LOP)

## **5. Payroll Processing**

## 5.1 Payroll Cycle

**Navigation:** HR → Payroll

### Monthly Payroll Process

1st – 25th: Attendance finalization

↓

26th – 28th: Payroll processing

↓

28th: Salary disbursement

↓

7th: PF/ESIC deposit

↓

End of month: Reports & compliance

## 5.2 Running Payroll

1. Go to **HR → Payroll**
2. Click **+ Process Payroll**
3. Select:
  - Payroll Month (e.g., January 2026)
  - Department (All or specific)
4. Click **Calculate**

**System Calculates:**

**For Each Employee:**

Earnings:

Basic Salary (prorated for days worked)  
+ HRA  
+ Conveyance  
+ Medical  
+ Special Allowance  
+ Overtime (if any)  
+ Arrears (if any)  
+ Bonus (if any)

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= Gross Earnings

Deductions:

– Employee PF (12% of Basic)  
– Employee ESIC (0.75% if applicable)  
– Professional Tax  
– TDS (as per declaration)  
– Loan EMI  
– Advance Recovery  
– Other Deductions

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= Total Deductions

**Net Salary = Gross Earnings – Total Deductions**

5. Review calculated salaries
  6. Make adjustments if needed:
    - o Add bonus
    - o Add deductions
    - o Correct attendance
  7. Click **Submit for Approval**
- 

### **5.3 Payroll Approval**

1. Finance Head receives payroll for approval
  2. Reviews:
    - o Total headcount
    - o Total gross
    - o Total deductions
    - o Total net payout
  3. Checks:
    - o Any unusual amounts
    - o New joiners included
    - o Exits processed
  4. Approves or Returns for correction
- 

### **5.4 Salary Disbursement**

After approval:

1. Go to approved payroll
  2. Click **Generate Bank File**
  3. Download file (NEFT/RTGS format)
  4. Upload to bank portal
  5. Process payment
  6. Update payment status in system
  7. Click **Mark as Paid**
- 

### **5.5 Payslips**

**Navigation:** HR → Payroll → [Month] → Payslips

#### **Generating Payslips**

1. Open processed payroll
2. Click **Generate Payslips**
3. System creates PDF payslips
4. Options:
  - o Email to employees
  - o Download all as ZIP
  - o Print individual

#### **Payslip Contents**

Section	Details
Header	Company name, month, employee details
Earnings	All earning components
Deductions	All deduction components
Summary	Gross, Deductions, Net
YTD	Year-to-date figures
Leave Balance	Current leave balance

## 6. Performance Management

### 6.1 Appraisal Cycles

**Navigation:** HR → Performance

#### Setting Up Appraisal Cycle

1. Go to **HR → Performance → Cycles**
2. Click **+ New Cycle**
3. Enter:
  - o Cycle Name (e.g., "FY 2025-26 Annual Review")
  - o Financial Year
  - o Start Date
  - o End Date
  - o Review Start Date
  - o Review End Date
4. Click **Save**

#### Cycle Phases

GOAL SETTING (Apr–May)

↓

MID-YEAR REVIEW (Oct)

↓

SELF REVIEW (Mar)

↓

MANAGER REVIEW (Mar–Apr)

↓

HR CALIBRATION (Apr)

↓

COMPLETED

### 6.2 Goals & KPIs

**Navigation:** HR → Performance → Goals

#### Creating Goals

1. Go to **HR** → **Performance** → **Goals**

2. Click **+ New Goal**

3. Enter:

Field	Description
Employee	Whose goal
Cycle	Which appraisal cycle
Title	Goal title
Description	Detailed description
Category	Strategic/Operational/Development
KPI	Linked KPI (if any)
Target Value	Measurable target
Weightage	% contribution to overall
Start Date	When to start
Due Date	Deadline

4. Click **Save**

#### Goal Categories

Category	Example
<b>Strategic</b>	Launch new product line
<b>Operational</b>	Reduce delivery TAT by 20%
<b>Development</b>	Complete certification course
<b>Team</b>	Improve team productivity

#### Goal Status

Status	Meaning
<b>Pending</b>	Not started
<b>In Progress</b>	Working on it
<b>Completed</b>	Achieved
<b>Cancelled</b>	No longer relevant

### 6.3 Appraisals

**Navigation:** HR → Performance → Appraisals

#### Appraisal Flow

1. Employee Self-Review
  - Rate own performance (1-5)
  - Add comments
  - Submit to manager
    - ↓
2. Manager Review
  - Review employee rating
  - Give manager rating
  - Add feedback
  - Submit to HR
    - ↓
3. HR Review
  - Calibration across teams
  - Final rating
  - Recommend increment/promotion
    - ↓
4. Completed
  - Share with employee
  - Lock record

#### Rating Scale

Rating	Description	Typical Increment
5	Exceptional	15-20%
4	Exceeds Expectations	10-15%
3	Meets Expectations	5-10%
2	Needs Improvement	0-5%
1	Unsatisfactory	0% / PIP

#### Performance Bands

Band	Rating Range	Description
A+	4.5 - 5.0	Top performer
A	4.0 - 4.4	High performer
B+	3.5 - 3.9	Good performer
B	3.0 - 3.4	Solid performer
C	2.0 - 2.9	Needs improvement
D	1.0 - 1.9	Underperformer

#### 6.4 Feedback

**Navigation:** HR → Performance → Feedback

Give continuous feedback (not just during appraisal):

1. Click **+ Give Feedback**
  2. Select Employee
  3. Choose Type:
    - o Appreciation
    - o Improvement
    - o Suggestion
  4. Enter feedback
  5. Make private (manager only) or public
  6. Submit
- 

## 7. HR Reports

### 7.1 Available Reports

Report	Navigation	Purpose
Employee Directory	HR → Reports	Full employee list
Headcount Report	HR → Reports	Count by department
Attendance Register	HR → Reports	Official attendance
Leave Balance Report	HR → Reports	All leave balances
Salary Register	HR → Reports	Detailed salary
PF Report	HR → Reports	PF contributions
ESIC Report	HR → Reports	ESIC contributions
Payroll Summary	HR → Reports	Month-wise summary

### 7.2 Generating Reports

1. Go to **HR → Reports**
  2. Select Report Type
  3. Set filters:
    - o Date Range / Month
    - o Department
    - o Employee Type
  4. Click **Generate**
  5. View online or Download (Excel/PDF)
- 

## 8. Compliance (PF, ESIC, TDS)

### 8.1 Provident Fund (PF)

#### Monthly PF Process

1. Process payroll
2. Go to **HR → Reports → PF Report**
3. Download PF ECR (Electronic Challan Return)
4. Upload to EPFO portal

5. Generate challan
6. Pay before 15th of next month
7. Mark as deposited in system

#### PF Calculation

Basic Salary: ₹25,000

Employee PF: 12% of Basic = ₹3,000  
Employer PF: 12% of Basic = ₹3,000  
– EPS (Pension): 8.33% = ₹2,082.50  
– EPF: 3.67% = ₹917.50

Total PF Deposit: ₹6,000

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#### 8.2 ESIC (Employee State Insurance)

Applicable if Gross Salary ≤ ₹21,000/month

#### ESIC Calculation

Gross Salary: ₹18,000

Employee ESIC: 0.75% = ₹135  
Employer ESIC: 3.25% = ₹585

Total ESIC: ₹720

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#### Monthly ESIC Process

1. Generate ESIC report
2. Download in prescribed format
3. Upload to ESIC portal
4. Pay by 15th of next month

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#### 8.3 Professional Tax (PT)

Varies by state. Example (Karnataka):

Monthly Salary	PT Amount
Up to ₹15,000	Nil
₹15,001 - ₹25,000	₹150
Above ₹25,000	₹200

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#### 8.4 TDS on Salary

##### TDS Slabs (New Regime FY 2025-26)

Income Slab	Rate

Up to ₹3,00,000	Nil
₹3,00,001 - ₹7,00,000	5%
₹7,00,001 - ₹10,00,000	10%
₹10,00,001 - ₹12,00,000	15%
₹12,00,001 - ₹15,00,000	20%
Above ₹15,00,000	30%

### Investment Declarations

Employees submit Form 12BB with:

- HRA receipts
- LIC premiums (80C)
- PPF/ELSS (80C)
- Medical insurance (80D)
- Home loan interest (24B)

System calculates TDS based on declarations.

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## 9. Common Workflows

### 9.1 New Employee Joining

1. Offer accepted  
↓
2. HR creates employee record  
↓
3. Bank account details collected  
↓
4. Documents verified  
↓
5. UAN generated/transferred  
↓
6. Salary structure setup  
↓
7. Leave balances initialized (prorated)  
↓
8. IT declaration collected  
↓
9. System access provided  
↓
10. Reporting manager notified

### 9.2 Employee Exit

1. Resignation received  
↓

2. Status changed to "Notice Period"
  - ↓
3. Exit interview scheduled
  - ↓
4. Final working day confirmed
  - ↓
5. Full & Final calculation:
  - Pending salary
  - Leave encashment
  - Deductions (advance, notice shortfall)
  - Gratuity (if applicable)
  - ↓
6. Generate relieving letter
  - ↓
7. Generate experience letter
  - ↓
8. Final settlement paid
  - ↓
9. Status changed to "Resigned"
  - ↓
10. System access revoked

### 9.3 Monthly Payroll Checklist

- Attendance finalized (all days marked)
- Leave requests approved/rejected
- New joiners added with salary
- Exits processed
- Arrears calculated (if any)
- Loans/advances updated
- Payroll processed
- Payroll approved
- Bank file generated
- Salaries disbursed
- Payslips generated and sent
- PF challan generated
- ESIC challan generated
- Challans paid (by 15th)

## 10. Troubleshooting

### Common Issues

Problem	Cause	Solution
Salary not calculating	No salary structure	Setup salary structure
PF showing zero	PF not applicable	Enable PF in salary structure
Leave balance wrong	Not initialized	Initialize balances

Attendance missing	Not marked	Mark attendance
Payroll stuck	Not approved	Get manager approval

## Error Messages

Error	Meaning	Action
"Salary structure not found"	Not setup	Create salary structure
"Attendance incomplete"	Missing days	Mark all days
"Leave balance insufficient"	Not enough leaves	Apply LOP or adjust
"Duplicate UAN"	Already exists	Verify and correct
"Period locked"	Payroll already done	Cannot modify

## Quick Reference Card

### Daily Tasks - HR Executive

Time	Task	Navigation
9:00 AM	Mark attendance	HR → Attendance
10:00 AM	Review leave requests	HR → Leave → Pending
11:00 AM	Update employee records	HR → Employees
2:00 PM	Generate letters/docs	HR → Documents
4:00 PM	Exit formalities	HR → Employees → Exits

### Monthly Tasks - Payroll

Date	Task
1st - 25th	Finalize attendance
25th	Lock attendance
26th	Process payroll
27th	Review and approve
28th	Disburse salaries
7th	Deposit PF/ESIC
15th	File PF/ESIC returns

### Compliance Calendar

Month	Due Date	Compliance

Every	15th	PF deposit
Every	15th	ESIC deposit
April	30th	PF Annual Return
July	31st	TDS Q1 Return
October	31st	TDS Q2 Return
January	31st	TDS Q3 Return
March	31st	Full & Final settlements
May	31st	TDS Q4 Return

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*Document prepared for Aquapurite ERP v1.0*