



# C.L Gupta Exports Ltd.

18 Km before Moradabad, Delhi Highway  
Vill. Jivai, Amroha – 244221, India  
Tel : +91 591 2477 000 Fax : +91 591 2477 300

Doc No.CLG/HR/2021-140/24

## Payroll & Time Office Policy

### Objectives

The main objective of this policy is that the Company assure that all the employees must receive accurate pay at the right time as per the statutory rules and regulations applicable to the Company. The Company strongly believes that on implementation of this policy & its procedures the Company can assure all employees of accurate and timely payment of salaries and wages. It is C.L. Gupta Exports Ltd (herein after referred as “CLG” or “Company”) policy to pay appropriate remuneration for time worked and to comply with all statutory salary/wage, deductions and administrative requirements. The Net payable amount due to employees will be directly deposited into the relevant employee’s bank account.

### Purpose and Goals

- To provide proper and timely earnings /payment to employees;
- To make the payments after the deductions as per the standing orders approved by the Labor department;
- To Provide proper and timely reporting of wage payments to employees and government agencies like Provident Fund, Employee state insurance and Labour department etc.

A payroll policy guarantees that employees will always receive the adequate and correct pay at the right time. It ensures that the Company adheres to federal, state and local laws, especially those that refer to taxes, Medicare, Social Security and fair labour standards. Compliance with legislation will help the company avoid paying penalties. Payroll procedures also support the implementation of established compensation structures and systems.

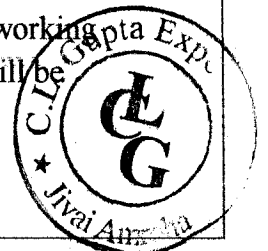
### Responsibility

It is the responsibility of the Human Resources Department to ensure the accurate calculation of salaries, deductions and allocation of costs. The responsibility for the accurate input of master file information lies with the Head of Human Resources Department.

### Payment of Salaries

Salaries/wages are paid on monthly basis, with the exception of Bonus, gratuity, leave encashment etc. If any employee is not working for the whole month then the payments are calculated on a proportionate basis of number of working days in that particular month.

Salary/wages payments are normally made by 07<sup>th</sup> of each month unless this falls on a Saturday, Sunday or Bank Holiday, in which case payment will be made on the last working day prior to the 07<sup>th</sup>. Wages shall be calculated as per the Factories Act, 1948 (same will be





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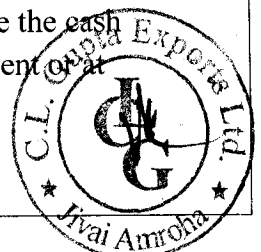
subject to revision as per government laws & regulations) and will be calculated as follow:

Total wages / Number of month days of a particular month x Total no. of working days  
(Present+Weekly Off+Leave+C/off)

## Compensation Structure & Deductions

### (I) Compensation Structure

- 1. Basic Salary:** Basic salary is a fixed amount of money paid to an employee by an employer in return for work performed. As the name suggests, this is the very basic of the salary/wages and does not include any allowances or benefits on it. This is the core of the employee salary, and many other components may be calculated while calculating Cost to Company (CTC) based on this amount. Basic amount usually varies according to the variation in the employee's Grade or position of the Company.
- 2. House Rent Allowance:** The House Rent Allowance (HRA) is an essential component of an individual's salary that defines the total amount allotted by the employer towards the employee's accommodation as rent. HRA is paid out to meet full or part of the expenditure on renting a house and vary from city to city linked with the exemptions granted under Income Tax Act. HRA may be expressed as a 40% of the basic salary subject to total salary finalized at the time of appointment or any amendment thereafter and will be paid on monthly basis.
- 3. Conveyance Allowance:** Conveyance Allowance is offered to employees by the Company to compensate for their travel from residence to workplace and vice versa. In other words, this is an amount incurred by an employee towards the local travel to defray his duty. Employees who are not availing vehicle hiring scheme, are eligible for this allowance.
- 4. Special Allowance:** Any amount paid to an employee other than above components on a regular monthly basis to full fill a number of special expenses are special allowances. This allowance is normally given on monthly basis along with other salary components.
- 5. Employer Contribution to EPF:** The contribution amount paid by the employer to the employee shall be the part of CTC.
- 6. Employer contribution to ESIC:** Any amount paid by the employer to ESIC on behalf of the employee shall be a part of CTC.
- 7. Leave Encashment:** Leave Encashment means that an employee will receive the cash for leaves which are not taken by employees either in the course of employment or at





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the time of separation from employment. This amount will be taken into account at the calculation of CTC.

8. **Gratuity:** Gratuity shall be applicable to the employees as per the Payment of Gratuity Act, 1972. This amount also be a part of the CTC.

However, the company may change the compensation structure every year (if required) according to the change in government legislations i.e Income Tax Act, Labor laws etc. But in any case, the change will be applicable to all the employees of the Company in same or similar manner.

## (II) Deductions

While processing the payroll in additions to the compensation structure HR department will take into account the following components for deduction from the salary/wages of the employees:

- a) **Income tax** will be deducted at source from the employees whose total income is expected to cross the minimum exemption level for the financial year. The employees shall furnish a declaration of investments allowed as per the income tax Act like LIC, NSC, PPF, housing loan, etc. to the accounts department at the start of the financial year and on the basis of the declaration accounts department calculate the tentative deductions required on monthly basis and advise HR accordingly. At the end of the financial year within the stipulated time all employees need to submit the declared documents as proof of investment and after final calculation by accounts department HR deducts the final amount of tax accordingly. If employee fails to provide details for claiming exemptions, the tax liability will be assessed based on the available particulars and tax will be deducted accordingly.
- b) **Provident fund** contribution as per the statute;
- c) **ESIC** contribution as per the statute;
- d) **Loans & Advances**
- e) **Fines**
- f) **Miscellaneous** i.e uniform, ID card re-issue etc.

For a proven act of misconduct & loss of Company's properties in the personal custody of the employee, recoveries shall be made from the salary as defined in standing order.

## Attendance Recording & Shift Timings

Every workman while entering the establishment shall punch his / her attendance card personally. If any workman is not coming as per the allocated shift timings then the attendance machine shall not take the entry of the workman and "No Entry" message is displayed on the screen. This is done to ensure that the workmen are coming to the factory as per the allotted shift timings.





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The security guard at the entry gate strictly ensures punching of the ID cards and ensures the workmen as per ID card issued so as to avoid any chances of proxy punching.

We have a Biometric Attendance Monitoring System for recording the attendance of the employees. After joining formalities, HRD issues ID card to every employee which he /she is required to carry every day in order to log in and log out.

## Mispunching

In case any employee is not able to punch his/her ID card the employee shall immediately inform the same to Human resources department. The Concerned department shall verify the details and accordingly regularize the attendance of the particular employee.

## Late Coming

Employees are allowed to enter the Company premises up to 10 minutes as per the shifts allocated. However, an employee shall be marked late post 30 minutes from the time shift starts and it may result in deduction of salary. Habitual late coming is an act of misconduct and may lead to disciplinary action up to deductions in the salary of the particular employee.

## Shift Timings

The general factory timings are from 09:00 AM – 06:00 PM. Every employee is required to punch his/her attendance card on daily basis before reporting to respective departments. In case of loss or damage to card, employees are required to report the same to HR Department along with an application duly signed by his/her Manager concerned.

The factory is running in below shifts as follow:

Shift Type	Shift Timings	Hours of Lunch Break
Shift A	08:30 - 16:30	30 minutes break
Shift B	16:30 - 00:30	30 minutes break
Shift C	00:30 - 08:30	30 minutes break
General	09:00 - 18:00	60 minutes break
Shift H	18:00 - 02:00	30 minutes break

In addition to above, we have 04 shifts in hazardous operations which are for duration of 06 hours. The details of the shift are as follow:

Shift Type	Shift Timings	Hours of Lunch Break
Shift D	08:30 - 14:30	30 minutes break
Shift E	14:30 – 20:30	30 minutes break
Shift F	20:30 – 02:30	30 minutes break
Shift I	02:30 – 08:30	30 minutes break

In addition to above, workers working in hazardous operations (i.e. in Blowing section in Glass) get 15 minutes break after every working of 30 minutes for resting purpose.





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The entry of the employee will directly correspond to the allocated shift. We are maintaining the time office attendance records digitally. All the incoming and outgoing of the employees are recorded digitally through attendance card cum biometrics system. We also maintain certain statutory documents such as Form 12, muster roll etc.

## Shift Rotation

Normally the shifts are rotated after weekly off, thereby conditions of section 57 Factory Act 1948 are fully covered. In any case minimum 16 hours gap is given to person to join in next shift. In exceptional cases on the request of worker 8 hours gap can also be considered under provision of Section 57 (b) of Factory Act 1948, but this should not occur after night shift (shift which extends over night). In our case such shift is not applicable, so 8 hours gap policy holds good in exceptional cases in exigencies.

## Outdoor Duty

In case any employee is going out of the factory for official work, the employee is required to submit the outdoor duty slip duly signed by the concerned Head of the Department. If employee has to leave for outdoor duty directly from home the employee shall submit the outdoor slip day prior to outdoor duty duly signed by the concerned Head of the Department.

## Leave & Holiday

There are 12 holidays in a calendar year, out of which 03 are national holidays and 09 are regional festival holidays.

### 1. Earned Leave

Earned Leaves are given as per the provisions of the Factories Act, 1948. An employee is entitled to maximum of 15 Earned leaves in a Calendar year subject to one leave for every 20 working days. For arriving at the quantum of earned leave the total working days of an employee are divided by 20. However, the benefit of fraction after 0.5 and above will be given to the employee. For example, if leaves of a particular employee come to 14.58, then 15 leaves are credited to his leave account. The entitlement, however, would be on pro-rata basis for the employees joining in between the year. (*Earned leave shall be marked as present.*)

### Availing Earned Leaves

Earned leave has to be applied in advance. For 5 days and beyond, it is to be applied at least 15 days in advance and for less than 5 leaves, a notice of at least 3 days is required. In emergent circumstances, however, the management may relax the rule and allow advance earned leave subject to approval from Head of the Department.

### Leave Encashment

Earned leaves can be accumulated upto 30 in number (thirty) and there after excess of 30 (thirty) will be encashed on completion of every calendar year automatically. The earned leaves are encashed as follow:

$$\frac{\text{Basic Salary} \times \text{No. of available Earned Leaves}}{26 \text{ Days}}$$





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## 2. Short Leave

Short leave is given up to duration of 02 hours; an employee is eligible to take 02 short leaves in a month. The unavailed short leave(s) at the end of a month will stand lapsed and neither encashed nor be carried forward to the next month.

## 3. Compensatory Off (C/Off)

Owing to certain exigencies of work sometimes an employee has to work on his weekly off day or on holiday / National Holiday. In workers cadre and in Staff cadre up to executive level, C/off is given. Prior intimation for crediting C/Off shall be given by the respective HOD to the HR Department. The C/off has to be credited first in the account of an individual employee and thereafter only he/she is entitled to avail it. The HRD shall not entertain any deviation on this account.

If an employee is working on the day of his/her week off, then the employee is eligible to take C/off for working on the week off day. In this case, the employee shall take his/ her C/off either 03 days prior or within next 03 days of working so as to avoid continuous working for the employee.

If an employee works on a National Holiday, the employee shall be eligible to get double salary for the day along with the C/off for working on National Holiday. In this case, the employee shall take his/ her C/off within next 30 days of the working.

## 4. Maternity Leave

Female employees are entitled to the maternity leave as prescribed under the Maternity Benefit Act, 1961 read with ESIC rules. The Maternity Benefit Amendment Act allows women to be on Maternity leave for a period of twenty-six (26) weeks. The employees who are covered under ESIC shall avail Maternity benefits from ESIC as per their rules and regulations.

### Eligibility

C.L. Gupta Exports Limited regular female employee who:

- delivers a baby (i.e. birth mother), or
- legally adopts a child below the age of three (3) months (i.e. adoptive mother), or
- is a commissioning mother. (Commission mother means a biological mother who uses her egg to create an embryo implanted in any other woman.)

As per the Act, to be eligible for maternity benefit, a woman must have been working as an employee in an establishment for a period of at least eighty days (80) days in the 12 months immediately preceding the date of her expected delivery.

### Maternity Leave

- (A) A female employee is eligible for a total of twenty-six (26) calendar weeks of Maternity Leave. This leave duration also applies to a female employee having two or more than two surviving children.





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- For birth mother – she may start her leave up to eight weeks before the expected delivery.
- For adoptive and commissioning mother – she may start her leave from the date the child is handed over to the adopting mother or the commissioning mother, as the case may be.

**(B)** The female employee will be paid their wages as defined in Maternity Benefit Act.

**(C)** The twenty-six (26) calendar weeks are inclusive of rest days, off days and public holidays.

**(D)** Maternity Leave generally begins on the date requested by an eligible employee and must be taken continuously upon the birth or adoption of the child.

## **Miscarriage leave**

In the event of a miscarriage, up to 6 weeks of paid leave will be granted immediately following on production of proof of miscarriage.

## **Notice for Availing Maternity Benefit**

Employee is required to submit a notice of minimum thirty (30) days from the date she plans to avail the maternity leave. The notice shall be submitted as per the Maternity Application Form attached herewith as Annexure – I. The Maternity application form is required to be submitted and duly signed by the respective Head of division / department and same can be shared with the Human Resources Department.

## **5. COVID 19 Positive**

If an employee is diagnosed with COVID 19 positive or have been kept under quarantine, an employee shall be eligible for a “special leave” for a period of 28 days. The salary shall be credited once the employee presents the Company with Medical Certificate from the District Medical Officer (CMO) for the period once after returning to the service.

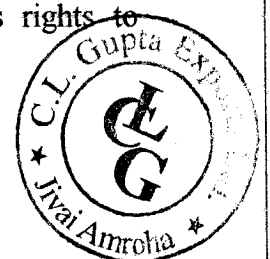
## **General**

The leaves described above are there to cater to the personal need of an employee and also to meet certain emergencies. In case of exigencies of work, the Management has right to refuse

Leave / recall employee from the leave. The Management looking into genuineness of each case will grant these and, therefore, it cannot be claimed as a matter of right.

Intervening holidays and Weekly Offs falling in between the all kind of leave shall not be treated as a part of leave, except for leave without pay.

The Management has framed the above rules and, therefore, it reserves its rights to amend/modify/rescind whole or part at its discretion at any time.





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## Holiday Calculation

A	Absent - Holiday Due to Festival - Absent on next day after festival	Not Payable
B	Absent - Holiday Due to Festival - Weekly Off - Absent on next day after festival	Not payable
C	Absent - Holidays Due to Festival - Weekly Off - Present on next day after Festival	Paid
D	Absent - Holiday Due to Festival Weekly Off - EL	Paid
E	Absent - Weekly Off - Holiday Due to Festival - Absent on next day after festival	Not payable
F	Present - Weekly Off - Holiday Due to festival - Absent on next day after festival	Paid
G	EL - Weekly Off - Holiday Due to festival - Absent on next day after festival	Paid
H	Present - Holiday due to festival - Present	Paid
I	Absent - Holiday Due to festival - Present	Paid
J	EL – Holiday Due to festival Present	Paid
K	Present - Holiday due to festival - Absent on next day after festival	Paid
L	Present - Holiday Due to festival - EL	Paid
M	Absent - Holiday Due to festival - Weekly Off - EL	Paid
N	Absent - Holiday Due to festival - Weekly Off - Present	Paid

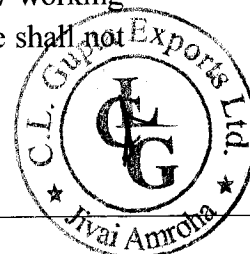
\*National Holiday condition is always applicable in every case.

## Week off Calculation

- Whenever an employee is present for 03 days (may not in continuation) in a week an employee is eligible to take week off for that particular week. (03 Presents)
- Whenever an employee is present for 02 days (may not in continuation) and 01 holiday is falling in that particular week an employee is eligible to take week off for that particular week (02 Present & 01 Holiday)
- Whenever an employee is present for 02 days (may not in continuation) and he/she has availed 01 Earned leave in that week an employee is eligible to take week off for that particular week (02 Present & 01 Earned Leave)
- Whenever an employee is present for 01 day and he/she has availed 02 earned leaves in that week an employee is eligible to take week off for that particular week (01 Present & 02 Earned Leaves)

**In addition to the above, an employee needs to be present either a day before or a day after the week off.**

It is the policy of C.L. Gupta Exports Ltd. To provide at least 01 weeks off within 07 working days to every employee of the company and total working hours including overtime shall not exceed 60 hours per week.







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The Form 12 is generated through time office software after collecting monthly attendance, which is verified manually by the Payroll Executive. After the generation of Form 12, salary is prepared after incorporation of mandatory deductions as noticed from time to time and also displayed on notice board, post which it is sent to accounts department for verifying and on its receipt prints are taken.

Pay slip is distributed by the 05<sup>th</sup> of every month as requested by the employees and in case of any discrepancy same is communicated to the HR department.

On basis of salary data, Provident fund and ESI Challan is deposited, the Challan is deposited on or before 15<sup>th</sup> of every month for the preceding month. The Copy of the same is kept as record for future references.

Persons on Trial for 15 days are evaluated during this period and accordingly they are continued on probation or terminated. The later are fully paid for the period of service.

## Overtime Pay

As per the minimum wages Act, any worker whose minimum rate of wages are fixed with wage period of time, such as by hour, by the day or by any such period and if a worker works more than that number of hours, it is considered to be overtime. In case if the number of hours constituting a normal working day exceeds the given limit, the employee shall receive overtime wage for every additional hour worked.

Overtime wages shall be paid at the rate twice of ordinary rate of wages of the worker. The hours of overtime shall not exceed:

- 02 Hours in a Day
- 12 Hours in a Week
- 100 Hours in a Quarter

The quarter is defined as:

January to March	I Quarter
April to June	II Quarter
July to September	III Quarter
October to December	IV Quarter

As per the requirements of law, an overtime register is maintained. The Register of Overtime contains various details such as name of employee, hours of overtime, date and other such details which are necessary for the records.

The overtime is calculated as follow:

$$\left[ \frac{\text{Rate of Wages} \times 2}{26 \times 8} \right] \times \text{Total number of overtime Hours}$$





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The Condition of overtime is only on voluntary basis. Normally, workers are not expected to do excess overtime, in case of urgency as per the production requirement, the production supervisor plans the work order and take permission from the Concerned Head of Department regarding the overtime and allocate the manpower accordingly. Information regarding overtime shall be provided a day prior and in case of urgent overtime requirements the information shall be circulated by first half (before breaks) as per the shifts allocated. If any worker performs excessive overtime taking into account the risk factor in the work zone, there is a alert system of asking workers to leave and take rest.

## Revisions & Reviews

The policy will be reviewed as and when required and at least once in a period of three years. Appropriate revisions shall be incorporated from time to time on the basis of reviews.

Whenever, there will be difference in regards to interpretation on content of this policy with respect to Hindi and English versions, the English version of the policy will have an overriding impact.

*Shweta*

*Raghu*



<b>Prepared by</b>	Ms.Shweta Singh	<b>Checked by</b>	Mr.P.N Sahu	<b>Approved by</b>	Mr.Raghav Gupta
<b>Date of last revision</b>	13/02/2021	<b>Original/ Revision</b>	Revision	<b>Version</b>	1.1



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## ANNEXURE – I

### MATERNITY LEAVE APPLICATION FORM

Date \_\_\_\_\_

Dear Mr. / Mrs. {Recipient's Name},

I am \_\_\_\_\_ working as \_\_\_\_\_ in \_\_\_\_\_ (Division / Department).

I have been pregnant since the last \_\_\_\_\_ and now seeking maternity leave as suggested by the doctor for the upcoming \_\_\_\_\_ Weeks starting from \_\_\_\_\_ and return to the office by \_\_\_\_\_, barring any unforeseen issues regarding my pregnancy and delivery arise.

I request you to please approve my maternity leave for the period mentioned above as per company policy.

In the case of an unmanageable emergency, please contact me at \_\_\_\_\_.

Thanks and Regards

Employee Name

Division / Department

