

Payroll & Compliance in India

EXECUTIVE OVERVIEW

Payroll is more than salary calculation

Growing teams need one reliable system for people, pay and statutory responsibilities.

People data

Joinees, exits, salary changes, attendance and leave.

Payroll accuracy

Earnings, deductions, tax and timely disbursement.

Compliance

Statutory contributions, reporting and records.

THE GOAL Accurate + Documented + Scalable

2026 CONTEXT

Why the rules deserve a fresh review

Compliance requirements and operational complexity are evolving.

Labour Codes

The source article notes four Labour Codes took effect in November 2025.

Income-tax Act, 2025

The source article describes new payroll TDS provisions from April 2026.

ACTION: Review internal payroll policies, software configuration and applicable laws.

Legal applicability can vary by jurisdiction,notifications and employeecategory.

PRIORITY 01

Get employee data right

Accurate payroll starts before any salary calculation.

01

Employee lifecycle

New joiners and exits

Salary revisions

Bank details

02

Monthly inputs

Attendance and leave

Incentives and bonuses

Tax declarations

03

Control checkpoints

One approved master file

Payroll cut-off date

Verified changes

Submit > Verify > Approve > Process

PRIORITY 02

Review salary structures

Avoid automatically carrying forward outdated pay structures.

- **Current legal requirements**
- **Employee category**
- **Compensation policy**
- **Applicable statutory contributions**
- **Business location**
- **Internal pay consistency**

Check how wage definitions affect the relevant components and obligations.

PRIORITY 03

Connect attendance to payroll

A predictable monthly sequence prevents last-minute revisions.

01
Attendance

02
Payroll inputs

03
Verification

04
Calculation

05
Approval

06
Disbursement

Inputs may include leave, overtime, loss of pay, shifts and joining or exit salary.

PRIORITY 04

Manage statutory deductions

Treat statutory review as part of payroll, not an afterthought.

- **Provident Fund**
- **ESIC**
- **TDS**
- **Professional Tax**
- **Labour Welfare Fund**
- **State-specific duties**

Confirm applicability, calculations, filings and supporting documents.

PRIORITY 05

Keep payroll systems TDS-ready

Review workflows and configuration for the 2026 tax year.

Software configuration
Section references and rules

Employee declarations
Correct tax inputs

Calculation & reporting
Checks before submission

Year-end records
Complete audit trail

PRIORITY 06

Use a monthly payroll checklist

A repeatable process reduces reliance on memory.

- **Employee data**
  Joinees, exits and salary changes
- **Attendance**
  Leave, overtime and loss of pay
- **Salary**
  Earnings, incentives and deductions
- **Statutory items**
  PF, ESIC, TDS and state rules
- **Payslips & payment**
  Correct net pay and approved transfer
- **Records & filings**
  Reports, documents and submissions

PRIORITY 07

Review before errors appear

Recurring payroll checks help identify gaps early.

01 **Salary structure & master data**

02 **Payroll and statutory calculations**

03 **Payslips, filings and reports**

04 **Full and final settlements**

Review proactively; do not wait for an employee complaint or compliance issue.

DECISION FRAMEWORK

When should SMEs consider outsourcing?

Outsourcing can support specialist delivery while leaders retain approvals.

- **Headcount is growing quickly**
- **One person handles all payroll**
- **Too much HR time is spent checking**
- **Requirements are harder to track**
- **Operations span multiple locations**
- **Errors keep recurring**

HOW TVR CAN HELP

Payroll & Compliance Management

Practical support for consistent, controlled payroll operations.

- Salary calculation
- Tax compliance
- Benefits management
- Leave and overtime adjustments
- Payslip generation
- Statutory compliance
- Payroll reporting
- Year-end processing
- Employee self-service

KEY TAKEAWAYS

Build a payroll model ready for growth

A strong process combines people, workflow, technology and verification.

01

ACCURACY

Reliable,
approved employee inputs

02

CONTROL

Clear
ownership and checkpoints

03

COMPLIANCE

Applicable
obligations tracked

04

SCALABILITY

Repeatable
monthly operations

Get payroll right before growth makes it harder.

CLOSING

Think Beyond HR. Think TVR.

Payrollandcomplianceoperationsthatsupportyournextstage of growth.

The Vedant Resources

Payroll&ComplianceManagement Services

Discuss a structured payroll process for your organisation.