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COVID-19: Potential Impact on Employers in major commercial hubs

Note to reader: The government's stance on the measures to deal with COVID-19 are evolving everyday as the situation develops very fast. The details set out below are therefore subject to change. *Please note that entries in the below table which contain additions from our previous update are highlighted for emphasis and ready reference.*

Central Lock-down imposed in India

On 24 March 2020, the Indian government announced a central lock-down for a period of 21 days commencing from 25 March 2020 (subsequent amendments and clarifications issued on 25 March 2020, 27 March 2020 and 29 March 2020). A summary of the guidelines is provided in the table below. Key considerations for employers are given below:

- As a first step, employers/management should determine if the organization provides essential or non-essential goods/ services.
- Entities providing essential goods/ services can continue operations, provided they inform local authorities about the same and obtain required passes/permits for their staff and movement of materials. Those providing non-essential goods/ services are required to close their factories/ office spaces; **however, transportation of non-essential goods is permitted**. Where possible, staff can be made to work from home.
- As per advisories issued by various state governments, all organisations should continue to pay wages. Due to the practical difficulties involved, central and various governments may issue mandatory notifications in due course. Reduction in wages or termination of employment via lay offs is a complicated procedure which involves regulatory approval and/or court approval – both of which will not be forthcoming in the present situation – notwithstanding the advisory nature of the notifications.
- In case of any doubts with regards to operations and/ or payment of wages, organisations should write to/ liaise with the relevant local authority to seek specific permission/ clarifications.
- **Entities permitted to operate during the lockdown should obtain movement passes from local authorities for their personnel and vehicles to avoid any issues with transportation of goods as well as attendance and safety of employees.**

On 26 March 2020, the Ministry of Finance, Government of India announced a relief package. As part of this package the government also announced some relief with respect to provident fund withdrawals. A summary of the package can be viewed here: see: <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1608345>. A document detailing the terms of the package have not been issued yet. We will update this document as and when it is made available.

State	City	Copy of Circular	Type and date of circular	Main points of circular for an employer	Effect on employee pay and leave – BTG Analysis	Other points to consider – BTG Analysis/Suggestions
Central		Click Here	Mandatory 29 March, 2020	Order to restrict movement of migrant labour and prevent violation of lockdown-	Employer to continue paying employees their full wages.	- State governments and other authorities may implement notifications

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			End date: No specific end date.	<ul style="list-style-type: none"> - State Governments/UT to ensure adequate arrangements of temporary shelters, food etc for the poor and needy, including migrant labour. - All employers, including industry and shops & commercial establishments are to make payment of wages to the workers, at their workplace, on the due date, without any deduction, for the period of lockdown of the establishment. - Landlords where such workers reside, including migrant, are not to demand rent for the period of one month. Landlords forcing labourers and students to vacate premises would be subject to legal consequences. 		<ul style="list-style-type: none"> - under these guidelines, which may impact local businesses. - Work from home arrangements should be put in place for employees. - If employees who cannot work from home or telecommute are directed by the employer not to attend work, then the employer would remain obliged to continue paying such employees their full wages.
		Click Here	Mandatory: 26 March 2020	Pursuant to the lockdown guidelines issued on 24 March 2020, the Indian government	Employers to continue paying full wages to	- State governments and other authorities may

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			End date: 14 April 2020	issued a standard operating procedure to maintain the supply of essential goods. In the SOP, the government has ordered: <ul style="list-style-type: none"> - Suppliers of essential goods, facilities for storage of such goods, transporters and manufacturing units be allowed to operate (even if they store non-essential items), - All facilities operating must ensure strict social distancing, engaging of bare minimum staff, regular health and sanitation checks, and provision of protective gear to employees, - All facilities must be registered with the state government/ union territory under the Shops and Establishment regime, - Retailers shall supply only essential goods and also allow an audit of their records, - Employees working in the supply chain to be allowed to commute on the basis of an e-pass or any other certification issued; those working in the un-organised sector may be allowed based on an approval issued by local authorities, and - State governments will set up control rooms to register complaints. 	employees of exempted organizations which are operating during the lockdown as well as those employees working from home. Employers are also required to provide protective gear to employees that are working during this time and arrange for necessary passes so employees can commute.	implement notifications under these Guidelines, which may impact local businesses. <ul style="list-style-type: none"> - Work from home arrangements should be put in place for employees. - If employees who cannot work from home or telecommute are directed by the employer not to attend work, then the employer would remain obliged to continue paying such employees their full wages.

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		<p>Updated Consolidated Guidelines as on March 28, 2020:</p> <p>Click Here</p> <p>Clarification:</p> <p>Click Here</p>	<p>Mandatory 24 March 2020</p> <p>Amended on March 25, 2020</p> <p>Amended on March 27, 2020</p>	<p>Guidelines on measures to be taken by ministries and local governments have been issued, which includes measures on lockdown on all private establishments/factories, except:</p> <ul style="list-style-type: none"> - Transportation of all essential and non-essential goods is allowed; - Hospital and all related medical establishments, including their manufacturing and distribution units, dispensaries, chemist and medical equipment shops, labs, clinics, veterinary hospitals, pharmacies (including Jan Aushadhi Kendra) and pharmaceutical research labs, etc., - Transportation for all medical personnel, nurses, para-medical staff and other hospital support services. - Shops for ration, food, groceries, milk and milk booths (where district authorities should encourage and facilitate home delivery to minimize the movement of individuals outside their homes). Groceries include hygiene products such as hand washes, soaps, disinfectants, body wash, shampoos, surface cleaners, detergents and tissue papers, toothpaste/oral care, sanitary pads and diapers, battery cells, chargers etc. 	<p>Employer to continue paying full wages to employees of exempted organizations which are operating during the lockdown as well as those employees working from home.</p>	<ul style="list-style-type: none"> - State governments and other authorities may implement notifications under these Guidelines, which may impact local businesses. - Work from home arrangements should be put in place for employees. - If employees who cannot work from home or telecommute are directed by the employer not to attend work, then the employer would remain obliged to continue paying such employees their full wages.
	<p>End date: 14 April 2020</p>					

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				<ul style="list-style-type: none"> - Milk supply, distribution and its packaging material. - Banks, insurance offices and ATMs, including IT Vendor for banking operations, banking correspondent and ATM operation and cash management agencies - Agencies engaged in procurement of agricultural products, including MSP operations, - Print and electronic media- including news paper supply delivery chain - Telecom, internet services, broadcasting and cable services, IT and ITES (for essential services) – all which should, as far as possible, implement work from home, - Data and call centre for government activities only, - Delivery of essential goods through e-commerce and transportation of all goods without distinction of essential and non-essential, - Power generation, transmission and distribution units and services, - Coal and mineral production, transportation, supply of explosives and activities incidental to mining operations, 		

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				<ul style="list-style-type: none"> - Capital and debt market services (notified by SEBI), - Cold storage and warehousing services, - Manufacturing units of essential commodities, including durgs, pharmaceutical and medical devices, their raw materials and intermediaries, - Industrial establishments manufacturing units of packaging material for food items, drugs, pharmaceutical and medical devices, - Manufacturing and packing units of Fertilisers, esticides and seeds, - Operation of railways, airports and seaports for cargo movement, relief and evacuation and their related operational organisations, - Inter-state movement of goods/ cargo for inland and exports, including movement of harvesting and sowing related machines, - Cross land border movement of essential goods, - Production units, which require continuous process, after obtaining required permission from their State government. <p>Employers of such exempted workplaces must ensure necessary precautions against</p>		

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				<p>COVID-19 and implement social distance measures, as prescribed and advised.</p> <p>All other establishments may work-from-home.</p>		
		Click Here	Mandatory 20 March 2020	Extension of time period from 1 February 2020 to 20 April 2020, to file Unified online annual returns under 8 labour laws for the year 2019.	-	-
		Click Here	Mandatory 20 March 2020	Exemption is provided to e-commerce operations (warehousing & logistics facilities and services), wholesalers, their vendors and third-party delivery partners, from any type of prohibitory orders etc., issued under Section 144 by state governments and from orders mandating closures.	-	-
			End date: No specific end date			
		Click Here	Mandatory 20 March 2020	Relaxation is provided in filing all returns, notices and other forms required under the Mines Act, 1952 due for submission in the month of March and April of 2020, for a period of 1 month from the respective due dates.	-	-
		Click Here	Advisory 20 March 2020	<ul style="list-style-type: none"> - Employers are advised to not terminate services of employees, especially casual or contractual workers, or reduce the wages of such staff. - Employees on leave must be treated as continuing in employment. 	The employer may continue paying employees their full wages.	- Some state governments have issued notifications in accordance with this advisory, which may impact local businesses.

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			End date: No specific end date	<ul style="list-style-type: none"> - If office premises are made non-operational due to COVID-19, then employees must be deemed to be continuing in employment. 		<ul style="list-style-type: none"> - Work from home arrangements should be put in place for employees. - If employees who cannot work from home or telecommute are directed by the employer not to attend work, then the employer would remain obliged to continue paying such employees their full wages.
		Click Here	Mandatory 16 March 2020	Relaxation in filing and paying the ESI contribution and extension of the date from 15 March 2020 & 15 April 2020 to 15 April 2020 and 15 May 2020, respectively, for the month of February 2020 and March 2020.	Does not alter an employee's entitlement to pay and leave.	-
		Click Here	Advisory 12 March 2020	Permission to companies registered with the Software Technology Parks of India (STPI) to allow employees to work from non-offices premises using company owned laptops and computers.	Does not alter an employee's entitlement to pay and leave.	This circular authorises companies to use duty free assets outside the premises of the company to encourage employees to work from home.

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State-wise Notifications

The below list is limited to only those notifications which require compliances in addition to the requirements under the central notifications mentioned above.

State	Copy of Circular	Type and date of circular	Main points of circular for an employer	Effect on employee pay and leave – BTG Analysis	Other points to consider – BTG Analysis/Suggestions
Delhi	Click Here	Mandatory 23 March 2020	Private organizations engaged in essential services should obtain passes from the office of the DCP in which the organization is located, for their employees. Even organizations located outside NCT of Delhi which require their employees to commute from Delhi to the workplace will be required to obtain such passes.	Does not alter an employee's entitlement to pay and leave.	Companies which are permitted to operate should obtain passes for their employees.
		End Date No specific end date			
Haryana	Click Here	Quasi-mandatory 23 March 2020	<ul style="list-style-type: none"> - Employers/owners of industries, factories, shop and commercial establishments etc. are advised to not terminate their employees/workers (particularly casual/contractual workers) from their jobs and not deduct their wages/salary. - If office premises are made non-operational due to COVID-19, then 	Employer to continue paying employees their full wages.	<ul style="list-style-type: none"> - Work from home arrangements should be put in place for employees. - If employees who cannot work from home or telecommute are directed by the employer not to attend

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		End Date: No specific end date	employees must be deemed to be continuing in employment.		work, then the employer would remain obliged to continue paying such employees their full wages.
	Click Here	Advisory 27 March 2020	<ul style="list-style-type: none"> - All industrial and commercial establishments are advised to transfer salaries to their employees' bank accounts through online DBT. - In exceptional cases where salary transfers are not possible through online means, movement passes should be issued to HR/accounts manager in a staggered manner for a specified limited period to ensure hassle free distribution of salaries. 	Does not alter an employee's entitlement to pay and leave.	-
		End Date: No specific end date			
Maharashtra	Click Here	Quasi-mandatory 20 March 2020	<ul style="list-style-type: none"> - Employers should not terminate services of employees, especially casual or contractual workers, or reduce the wages of such staff. - Employees must be paid full wages and employees on leave must be treated as continuing in employment. - If office premises are made non-operational due to COVID-19, then employees must be deemed to be continuing in employment. 	Employer to continue paying employees their full wages.	<ul style="list-style-type: none"> - Work from home arrangements should be put in place for employees - If employees who cannot work from home or telecommute are directed by the employer not to attend work, then the employer would remain obliged to continue paying such employees their full wages.
		End Date: No specific end date			

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Karnataka	Click Here	Mandatory 25 March 2020	A pass system is put in place to regulate movement of people.	Does not alter an employee's entitlement to pay and leave.	Companies which are permitted to operate should obtain passes for their employees.
		End Date: No specific end date	Passes for personnel and vehicles will be issued for medical establishments, IT and ITES companies which work for essential services, print and electronic media companies, power generation, transmission and distribution units, capital and debt market services, manufacturing units of essential commodities, transportation of essential goods – amongst others.		
	Click Here	Mandatory 5 March 2020	Employees (who are working but not covered by Employees State Insurance (ESI)) who may be infected with COVID-19 should be granted 28 additional days of paid leaves along with their statutory leave entitlements.	Will increase the paid leaves of an employee who may be infected with COVID-19.	-
		End Date: No specific end date			
	Click Here	Mandatory 1 April 2020	The Circular refers to the orders issued by the Ministry of Home Affairs on 24 March 2020, 25 March 2020 and 27 March 2020, whereby industrial establishments requiring continuous production of units have been exempted from the lock down.	Employers to continue paying full wages to employees of exempted organizations which are operating during the lockdown.	-
		End Date: No specific end date	It exempts industries supplying to defence and aerospace manufacturing from the lockdown and relaxes the movement of workers and staff working in these industrial units.	Employers to arrange for necessary passes so employees can commute.	

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Telangana	Click Here Extension order available at: Click Here	Mandatory 23 March 2020	All shops and establishments (other than those exempted) will remain closed during lockdown in public interest and will be declared as paid holiday for all categories of employees.	Employer to continue paying employees their full wages.	<ul style="list-style-type: none"> - Work from home arrangements should be put in place for employees - If employees who cannot work from home or telecommute are directed by the employer not to attend work, then the employer would remain obliged to continue paying such employees their full wages.
		End Date: Extended till 14 April 2020			
Uttar Pradesh	Click Here	Mandatory 20 March 2020	<ul style="list-style-type: none"> - Employees/workmen affected or suspected to be affected by COVID-19 should be granted 28 additional days of paid leaves along with their statutory leave entitlements, upon the employee providing a medical certificate at the time of joining back. - Employees/workmen of shops, establishments, factories closed temporarily due to government orders should be provided holiday with wages during such time of closure. - Shops, establishments, factories employing 10 or more workmen should display prescribed safety measures on the notice board and main gate. 	<ul style="list-style-type: none"> - Will increase the paid leaves of an employee who may be infected with COVID-19. - The employer would remain obliged to continue paying employees their full wages. 	<ul style="list-style-type: none"> - Work from home arrangements should be put in place for employees. - If employees who cannot work from home or telecommute are directed by the employer not to attend work, then the employer would remain obliged to continue paying such employees their full wages.
		End Date: No specific end date			

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Tamil Nadu	Click Here	No issuance date or end date are specified.	<p>Managements of factories and establishments engaging building and/ or construction workers are required to comply with the provisions of the Factories Act 1948 and Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act 1996 set out in the notification to prevent the outbreak of COVID-19 among their workers.</p> <p>Some of key provisions to be complied with by the management are:</p> <ul style="list-style-type: none"> - Provide personal protective equipment like prescribed nose mask, face shield/ goggles, gloves, aprons, etc.; - Provide facilities for safe disposal of soiled nose masks, gloves, aprons, etc. and drying clothes; - Do not require a medical certificate for employees, who are sick with acute respiratory illness, to validate their illness; - Minimize contact among workers, clients, and customers by replacing face-to-face meetings with telework if feasible; - Encourage employees to self-monitor for signs and symptoms of COVID-19 if they suspect possible exposure. 	<p>The employer should consider continuing payment of full wages to employees, especially those who are not coming to work due to change in shifts or other issues due to COVID-19 .</p> <p>If creches are closed, employers may be required to provide paid leave to employees.</p>	<ul style="list-style-type: none"> - Work from home arrangements should be put in place for employees. - If employees who cannot work from home or telecommute are directed by the employer not to attend work, then the employer would remain obliged to continue paying such employees their full wages.

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			<ul style="list-style-type: none"> - Develop policies and procedures for employees to report when they are sick or experiencing symptoms of COVID-19. These policies should be flexible and permit employees to stay home to care for a sick family member. - Establish alternating days or extra shifts that reduce the total number of employees in a facility at a given time, allowing them to maintain distance from one another while maintaining a full onsite work week. - The notification suggests that crèches be closed and employees availing the facility may be placed on paid additional leave till the crisis is resolved. 		
	Click Here	<p>Mandatory 31 March 2020</p> <hr/> <p>End Date: No specific end date</p>	<p>Employers/contractors in factories, building and other construction establishments, shops and catering establishments etc. should:</p> <ul style="list-style-type: none"> - Provide basic amenities like food, shelter and medical facilities to interstate migrants, and - Take steps to ensure that the place of stay of such migrants is spacious enough to maintain social distancing or find alternate adequate accommodation. 	Does not alter an employee's entitlement to pay and leave.	-

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