

March 25, 2020

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.

Important Update: 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. A summary of the guidelines is provided in the table below, and is highlighted for emphasis and ready reference. 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. Where possible, staff can be made to work from home.
- As per quasi-mandatory 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.

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 Circulars		Click Here	Mandatory 24 March 2020	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: - Hospital and all related medical establishments, including their manufacturing and distribution units, dispensaries, chemist and medical equipment shops, labs, clinics, etc.	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.	- 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.
			End date: 14 April 2020			

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				<ul style="list-style-type: none"> - 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). - Banks, insurance offices and ATMs, - Print and electronic media, - Telecom, internet services, broadcasting and cable services, IT and ITES (for essential services) – all which should, as far as possible, implement work from home, - Delivery of essential goods through e-commerce and transportation of essential goods, - Power generation, transmission and distribution units and services, - Capital and debt market services (notified by SEBI), - Cold storage and warehousing services, - Manufacturing units of essential commodities, - Production units, which require continuous process, after obtaining required permission from their State government. 		<ul style="list-style-type: none"> - 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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				Employers of such exempted workplaces must ensure necessary precautions against COVID-19 and implement social distance measures, as prescribed and advised. All other establishments may work-from-home.		
		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.	-	-

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		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. - If office premises are made non-operational due to COVID-19, then employees must be deemed to be continuing in employment. 	The employer may continue paying employees their full wages.	<ul style="list-style-type: none"> - Some state governments have issued notifications in accordance with this advisory, 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.
			End date: No specific end date			
		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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Delhi	Delhi	Click Here	Mandatory 23 March 2020	Private organizations engaged in essential services should obtain curfew 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 engaged in the sectors providing essential services, which are operating, should obtain curfew passes for their employees.
			End Date No specific end date			
Haryana	State-wide	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 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			
Maharashtra	State-wide	Click Here	Quasi-mandatory 20 March 2020	<ul style="list-style-type: none"> - Employers should not terminate services of employees, especially casual 	Employer to continue paying employees their full wages.	<ul style="list-style-type: none"> - Work from home arrangements should be

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			End Date: No specific end date	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.		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.
Karnataka	State-wide	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			
Uttar Pradesh	State-wide	Click Here	Mandatory 20 March 2020	- 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.	- 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.	- 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
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				<ul style="list-style-type: none"> - Shops, establishments, factories employing 10 or more workmen should display prescribed safety measures on the notice board and main gate. 		employees their full wages.
Tamil Nadu	State-wide	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; 	<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"> - 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. - 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. 		

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