



COVID RELIEF LOAN PROGRAMS THROUGH SBA

THE PAYCHECK PROTECTION PROGRAM (PPP)

The Paycheck Protection Program (PPP), is a loan designed to provide access to cash so that businesses can keep paying their employees and other expenses such as health insurance premiums, rent or mortgage payments and utilities. This important financial relief will help small businesses return to being fully operational quicker once conditions improve. SBA will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities.

This program is for any small business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations affected by coronavirus/COVID-19.

Businesses in certain industries may have more than 500 employees if they meet the SBA's size standards for those industries. Small businesses in the hospitality and food industry with more than one location could also be eligible if their individual locations employ less than 500 workers.

As per the SBA, the loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities (due to likely high subscription, at least 75% of the forgiven amount must have been used for payroll). Loan payments will also be deferred for six months. No collateral or personal guarantees are required. Neither the government nor lenders will charge small businesses any fees. Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease.

This loan has a maturity of 2 years and an interest rate of 1%.

The loans under the "paycheck protection loans" are generally limited to the lesser of:

- the sum of 1) average monthly "payroll costs" for the 1 year period ending on the date the loan was made (an alternative calculation is available for seasonal employers) multiplied by 2.5, and 2) any disaster loan taken out after January 31, 2020 that has been refinanced into a paycheck protection loan, and
- \$10 million.

Payroll costs do not include, however the compensation of any individual employee in excess of an annual salary of \$100,000, Applications under this program are submitted through the borrower's banks.

ECONOMIC INJURY DISASTER LOAN EMERGENCY ADVANCE

Small business owners in all U.S. states, Washington D.C., and territories are eligible to apply for an Economic Injury Disaster Loan advance of up to \$10,000. This advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue. According to the SBA, Funds will be made available following a successful application. This loan advance will not have to be repaid.

SBA's this program is for any small business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations affected by COVID-19. Businesses in certain industries may have more than 500 employees if they meet the SBA's size standards for those industries. The Economic Injury Disaster Loan advance funds will be made available within days of a successful application, and this loan advance will not have to be repaid. This application is directly submitted to SBA.

Sincerely,

Neeraj Bhatia
Bhatia & Co INC CPA's

Email: business@bhatiaco.com

Contact No: 408-845-9411

Website:bhatiaco.com

About US

Bhatia & Co, Inc., Certified Public Accountants, is a diversified Full service financial and business services firm concentrating on providing services to domestic and international organizations, with special focus on international transactions and tax planning. Our Team of highly skilled and diversified range of finance and business professionals provide services in areas of business and individual tax, audit & review, international tax planning, incorporation and corporate compliance, accounting, outsourcing, business consulting, financial and retirement planning, immigration consulting and litigation support to a diverse range of clients.. We are located in the heart of Silicon Valley in Santa Clara, CA for the last 15+ years as well as in Pleasanton, CA and have offices in New Delhi for 30+ years.

Our recent engagements in the US and India include cross border tax planning and transactions, M&A, corporate structuring, and complex Tax audits and representation including recent overseas disclosure programs (OVDP/OVDI/ Streamlined disclosure programs). The clientele include startups, multinational companies, government organizations, Public Sector Banks, and Auto dealerships.

Bhatia & Co. is headed by Neeraj Bhatia, who is an accomplished accounting professional with more than 30 years' expertise in international and domestic tax planning and compliance for startups and multinational entities. Neeraj is a licensed CPA in California, New York and Colorado and a CA in India. He also has a LL.M. in International Taxation from the US, Costs and Works (Management) Accountancy, and a Bachelor (Honors) degree in Commerce from India.

During his academic years he has received several awards and scholarships for being the top ranker nationally. Recently in January, 2018 Neeraj Bhatia was awarded the prestigious Hind Rattan Award (Jewel of India award) on the occasion of Pravasi Bhartiya Diwas by the NRI Welfare Society for keeping Flag of India high abroad at their 37th International Congress of NRIs held in Bangkok, Thailand.

SILICON VALLEY:

4677 Old Ironsides Dr, Ste 170, Santa Clara, CA 95054

Phone: (408) 845 9411. Fax: (408) 351 0700.

Email: business@bhatiaco.com

Website : www.bhatiaco.com

PLEASANTON:

5776 Stoneridge Mall Road, Ste 285, Pleasanton, CA 94588

Email: business@bhatiaco.com

Website : www.bhatiaco.com

INDIA OFFICE :

Neeraj Bhatia & Co, Chartered Accountants,

1/5 West Patel Nagar, Main Road, New Delhi-110008.

Tel : (91-11) 4508 4477.

