

Info Capsule

40 CRORE WORKERS FROM UNORGANIZED SECTOR TO BE COVERED UNDER SOCIAL SECURITY SCHEMES: SHRI BANDARU DATTATREYA¹

The Minister of State for Labour & Employment (IC), Shri Bandaru Dattatreya has announced that the 40 crore workers from unorganized sector will be covered under social security schemes such as ESIC & EPFO. The Minister said that the Government is committed to ensure wage, jobs and social security for all workers including unorganized sector. Shri Dattatreya was addressing a function on the 3 years achievements of the ministry in New Delhi. He said that the Ministry is implementing reforms and new ways and means for employment generation. India is the only country which has launched Shram Suvidha Portal for effective compliance and ease of doing business. The Ministry is implementing the National Career Service (NCS) project as a vibrant platform for transforming and strengthening the public employment services in the country.

Shri Dattatreya said that the Ministry got the following Acts passed by the Parliament during last 3 years.

1. The Child Labour (Prohibition and Regulation) Amendment Act, 2016 which ensures complete prohibition on employment of children below 14 years and also prohibited the adolescents (14-18 years) to work in hazardous occupation/processes.
2. The Maternity Benefit (Amendment) Act, 2017 under which maternity benefit to woman has been increased from 12 weeks to 26 weeks for two surviving children and 12 weeks for more than two children.
3. The Payment of Wages(Amendment) Act,2017 enables the employers to pay the wages to their employees by cash or cheque or crediting it to their bank account.
4. The Employees' Compensation (Amendment) Act, 2017 has the provision to increase the penalty for contravention of Act from present Rs.5000/- to Rs. 50,000/- extendable to Rs.1 Lakh.
5. Payment of Bonus Amendment Act, 2015 has enhanced the eligibility limit under section 2(13) from Rs. 10,000/- to Rs.21,000/- per month.
6. The Industrial Employment (Standing Orders) Act, 1946 has been amended by notification to include "fixed term employment" for textile (apparel) sector as a part of textile package to enhance employment.

The Labour & Employment Minister said that the Ministry is working on the proposed codification of existing Labour Laws into 4 Labour Codes.

- (i) Labour Code on Wages
- (ii) Labour Code on Industrial Relations
- (iii) Labour Code on Social Security and Welfare

¹ Available at: <http://pib.nic.in/newsite/erelease.aspx?relid=0>

(iv) Labour Code on Occupational Safety and Working Conditions

The Group of Ministers has approved the Labour Code on Wages and it will be sent to cabinet for approval.

The Minister said that the Minimum wage (per day) for non-agricultural worker in the 'C' area category increased from Rs.246/- to Rs.350/-, Rs.437/- in 'B' Area category and Rs.523/- in 'A' area category. He also informed that the Shram Suvidha Portal is a single unified web portal for submissions of common Annual Return under 9 Central Acts and monthly common Electronic Challan Cum Return (ECR) for EPFO and ESIC. He also informed that Unique Labour Identification Number (LIN) is allotted to Units and 19,23,162 Lakhs LIN allotted as on 22nd May, 2017. Total 2,95,423 inspections have been assigned and out of that 2,76,931 inspections have been uploaded as on 22nd May, 2017. Common registration under EPFO and ESIC has been facilitated on the Shram Suvidha Portal since 30th April, 2017.

Shri Dattatreya said that Registers/Forms to be maintained under various labour laws are simplified. 56 Registers/- Forms under 9 Central Labour Laws and Rules made thereunder have been replaced with 5 common Registers/Forms. The notification has been issued on 28th March, 2017 for reducing Forms under certain Labour Law Rules from 36 to 12. It is applicable to the establishments under the jurisdiction of Central as well as State Governments.

He said that employers can apply for EPF code number online by uploading of digitally signed documents. As on 06th December, 2016 around 1.52 Lakhs establishments have been obtained online registration on OLRE portal. Universal Account Number (UAN) has been made compulsory and online credit system introduced. Minimum pension under Employees' Pension Scheme, 1995 has been revised to Rs. 1000/- in perpetuity per month w.e.f. April 2015. Time limit for claim settlement has been reduced to 10 days from 20 days. No documents required and only self-certification is necessary for withdrawal under the EPF scheme for the accounts linked with Aadhaar

The Minister informed that ESIC is now covering complete districts instead of targeted industrial clusters. Coverage expanded to all 393 districts where these clusters are located. 301 districts have been fully covered. In the second phase, the target is to cover all the remaining districts of the country. "One IP-Two Dispensaries" scheme has been launched for the benefit of migrant workers. Now Insured Persons can choose two dispensaries, one for self and another for family through an employer.

Shri Bandaru Dattatreya said that over 3.87 crore candidates, 14.8 lakh establishments are registered on the National Career Service (NCS) Portal and it has mobilized over 6 lakh vacancies. Around 540 job fair were organised in 2016-17. The NCS project also involves setting up of 100 Model Career Centre to deliver quality employment services and these centres are being set up in collaboration with States and Institutions. NCS has partnered with Department of Posts and common services centre to extend registration of job seekers through the Post Offices.

Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) scheme has been announced to incentivize employers for new employment. Government will be paying the 8.33% EPS contribution for these new employment for the period of 3 years. For the textile (Apparel & made up) sector, Government will also pay the 3.67% EPF contribution of employers for these new employees. Till now benefits have been transferred to 1,954 establishments covering 75,848 beneficiaries under the scheme with an expenditure of Rs. 6 crores (approx.).

Rehabilitation of Bonded Labour Scheme has been revised with effect from 17th May, 2016 where financial assistance has been increased from Rs.20,000/- Rs.1,00,000/- per adult male beneficiary, Rs 2 Lakh for special category beneficiaries such as children including orphans or those rescued from organized & forced begging rings or other forms of forced child labour and women. Rs 3 Lakh in cases of bonded or forced labour involving extreme cases of deprivation or marginalization.

LISTING OF NON-CONVERTIBLE REDEEMABLE PREFERENCE SHARES (NCRPS) / NON-CONVERTIBLE DEBENTURES (NCDs) THROUGH A SCHEME OF ARRANGEMENT²

SEBI vide its circular dated May 26, 2017 issued Norms for Listing of Non-Convertible Redeemable Preference Shares (NCRPS) / Non-Convertible Debentures (NCDs) through a Scheme of Arrangement which established the obligations with respect to Scheme of Arrangement on Listed Entities and Stock Exchange(s) in regulation 11, 37 and 94 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In cases where NCRPS/NCDs are issued, in lieu of specified securities, vide a scheme of arrangement and where such NCRPS/NCDs are proposed to be listed on recognized stock exchanges, the listed entity shall additionally comply with the requirements of the new norms as specified below :

1. Eligibility for seeking listing of NCRPS/ NCDs:

A listed entity which has listed its specified securities may seek listing of NCRPS/NCDs issued pursuant to a scheme of arrangement only in case where the listed entity is a part of such scheme of arrangement and such NCRPS/NCDs are issued to the holders of specified securities of such listed entity. Such conditions may broadly include the following:

- a) A listed entity, which has listed its specified securities, (demerged entity) demerges a unit and transfers the same to another entity (resultant entity), and the resultant entity issues NCRPS/NCDs to the holders of the specified securities of listed entity (i.e. demerged entity) as a consideration under the scheme of arrangement.
- b) A listed entity, which has listed its specified securities, (amalgamating entity) is merged with another entity (amalgamated entity), and the amalgamated entity issues NCRPS/NCDs to the holders of the specified securities of listed entity (i.e. amalgamating entity) as a consideration under the scheme of arrangement.

However, if the same series of securities are also allotted to other investors (other than the allotment done to the holders of listed specified securities as per the scheme of arrangement) then such securities would not be eligible for listing.

2. Tenure/ Maturity:

The minimum tenure of the NCRPS/NCDs shall be one year.

3. Credit Rating:

The NCRPS/NCDs have been assigned minimum such credit rating, if any, specified for public issue of NCRPS under SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 or for public issue of NCDs in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as the case may be by a credit rating agency registered with SEBI.

4. Valuation Report:

Valuation of the underlying NCRPS/ NCDs issued pursuant to the scheme of arrangement shall be included in the valuation report.

² Available at: http://www.sebi.gov.in/legal/circulars/may-2017/listing-of-non-convertible-redeemable-preference-shares-ncrps-non-convertible-debentures-ncds-through-a-scheme-of-arrangement_34965.html

5. Disclosures in the Scheme of Arrangement:

Various documents including face value and price, terms of payment of dividends coupon including frequency, credit rating, maturity, details about terms of redemption, amount, date, early redemption scenarios, other embedded features (put option, call option, dates, notification times, etc), other terms of instruments (i.e. term sheet) and any other information/details pertinent for the investors that need to be disclosed in Draft Scheme of Arrangement.

6. Other Conditions which would be required to be followed are as under:

The issue of NCRPS/NCDs shall be in compliance with all the applicable provisions of the Companies Act, 2013 and SEBI (Issue and Listing of Debt Securities) Regulations, 2008 including the provisions related to creation and maintenance of Capital Redemption Reserve/Debt Redemption Reserve, appointment of Debenture Trustee and create an appropriate charge or security. All such NCRPS/NCDs shall be issued in dematerialised form only.

7. Additional conditions to be complied after the Scheme is sanctioned by the Hon'ble High Court / NCLT and at the time of making application for relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957

The application for relaxation under Sub-rule (7) of rule 19 of SCRR for listing of NCRPS/ NCDs shall include a detailed compliance report, duly certified by the Company Secretary and the Managing Director.

Team ICSI

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