



SPLIT OF POSITION OF CHAIRPERSON AND MANAGING DIRECTORS IN LISTED COMPANIES¹

The Securities and Exchange Board of India (SEBI), based on the recommendations of Kotak Committee on Corporate Governance, has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 splitting the positions of the Chairperson and Managing Director, to start with, for top 500 listed companies on the basis of market capitalization effective from 01.04.2020.

The first proviso to section 203(1) of Companies Act, 2013 provides that an individual shall not be appointed/reappointed as the chairperson of a company as well as its MD/CEO at the same time unless the articles of such company provide otherwise or the company does not undertake multiple businesses.

The time-frame for implementation is to allow adequate transition time to companies to comply with the new requirement.

This was stated by Shri P.P. Chaudhary, Union Minister of State for Corporate Affairs in written reply to a question in Rajya Sabha.

SOCIAL SECURITY SCHEMES²

The Ministry of Labour & Employment, through its Labour Welfare Organizations across the country, implements welfare schemes relating to housing, education and health for beedi workers, mica mine workers, limestone & dolomite mine workers, iron ore manganese, chrome ore mine workers and cine workers. These schemes were earlier administered through 5 Welfare Cess and Welfare Funds under various Cess Acts of Parliament. Now, these cesses have been abolished/subsumed in GST and the welfare schemes have been retained with funding from the Consolidated Fund of India.

Salient features of these welfare schemes: are as follows:

- (i) **Revised Integrated Housing Scheme-2016:** Subsidy of Rs.1,50,000 for construction of a new house is provided to the workers in three instalments.
- (ii) **Education Scheme:** Financial Assistance varying from Rs.250 to Rs.15,000 per year is provided to the wards of the workers studying in classes I to XII or pursuing non-professional and professional degree/graduate/post graduate courses.
- (iii) **Health Scheme:** Health care facilities are provided to the workers and their dependents through 12 hospitals and 286 dispensaries under Labour Welfare Organizations across the country. In addition, reimbursement of expenditure for specialized treatment taken in Government recognized hospitals is also provided.

The above three schemes have been extended up to the financial year 2019-20. In addition to the above welfare schemes, the Central Government has recently converged the social security schemes of Aam Aadmi Bima Yojana (AABY) with Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY) to provide life and disability coverage to the unorganised workers (in the age group 18-50 years) depending upon their eligibility. PMJJBY gives

¹ Available at: <http://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1539924>

² Available at: <http://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1539636>

coverage of Rs.2 lakhs on death at premium of Rs.330/- per annum. PMSBY gives coverage of upto Rs.2 lakhs on accidental death and disability at premium of Rs.12 per annum. Under the scheme, the Central Government contributes 50% of the premium for eligible unorganized workers and has requested the States to contribute the remaining 50% premium.

This information was given by Shri Santosh Kumar Gangwar Union Minister of State (I/C) for Labour and Employment in written reply to a question in Lok Sabha.

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