

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
LOK SABHA
UN-STARRED QUESTION NO. 210
ANSWERED ON MONDAY, JULY 19, 2021/ ASHADHA 28, 1943 (SAKA)
SEPARATION OF CHAIRMAN AND MANAGING DIRECTOR POSTS
QUESTION**

210. SHRI BALASHOWRY VALLABHANENI:

**Will the Minister of CORPORATE AFFAIRS
be pleased to state:**

कारपोरेट कार्य मंत्री

- (a) whether it is true that SEBI rules mandates separation of Chairman and Managing Director posts before the end of this fiscal;
- (b) if so, the details of companies that have implemented this rule so far and the status of remaining companies;
- (c) the status of separation in Central Public Sector Enterprises (CPSEs); and
- (d) the measures likely to be taken by the Government to address the apprehension in some quarters of corporate world that this arrangement would weaken the position of promoters?

ANSWER

**MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND
PROGRAMME IMPLEMENTATION; MINISTER OF STATE (INDEPENDENT CHARGE) OF
THE MINISTRY OF PLANNING; AND MINISTER OF STATE FOR CORPORATE AFFAIRS
[RAOINDERJIT SINGH]**

(a): Yes Sir, in terms of Regulation 17(1B) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("LODR"), the top 500 listed entities by market capitalization are mandated to comply with the requirement of separation of the roles of Chairperson of the Board and MD/ CEO with effect from April 01, 2022.

(b) and (c): SEBI has informed the status of applicability of Regulation 17(1B) and the status of implementation of Regulation 17(1B)(a) and 17(1B)(b) for top 500 companies, including CPSEs as under:-

	BSE		NSE	
No. of entities to which Regulation 17(1B) of LODR is applicable	486		487	
No. of entities that have non-executive director in terms of Regulation 17(1B)(a) of LODR	CPSE	OTHER	CPSE	OTHER
	6	274	6	273
No. of entities where Chairperson is not related to MD/CEO have implemented Regulation 17(1B)(b) of LODR	12	275	12	278

(d): The separation of post of Chairperson from MD/CEO is considered to enhance corporate governance, therefore, apprehension that it would weaken the position of promoters is misplaced.