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Personal Protective Equipment for Sanitation Workers

Why in News

The **National Safai Karamcharis Finance and Development Corporation (NSFDC)** has issued advisory to **municipalities, panchayats** urging them to ensure that all sanitation workers are provided Personal Protective Equipment (PPE) to remain safe during the **novel coronavirus pandemic**.

Key Points

- All local bodies were asked to put in place a standard operating procedure for the safety of sanitation staff.
- There should be mandatory orientation for sanitation workers on Covid-19, social distancing norms and precautionary measures.
- The local bodies were asked to provide equipment, including masks, gloves, gumboots and jackets, as well as soaps and hand sanitisers for helping maintain hygiene.

National Safai Karamcharis Finance and Development Corporation

- National Safai Karamcharis Finance & Development Corporation (NSKFDC) is a wholly owned Government of India Undertaking under the **Ministry of Social Justice & Empowerment.**
- It was set up in 1997 as a **"Not for Profit"** Company under **Section 25 of the Companies Act, 1956** (now Section 8 of Companies Act 2013).
- It is an apex Corporation for the all round **socio-economic upliftment of the Safai Karamcharis, Scavengers and their dependents** throughout India, through various **loan and non-loan based schemes.**
- NSKFDC is also playing a vital role in elimination of **manual scavenging** - the worst surviving **symbol of untouchability.**

- NSKFDC has been designated as the Nodal Agency for implementation of the Central Sector Self Employment Scheme for Rehabilitation of Manual Scavengers (SRMS) under the aegis of the Ministry of Social Justice & Empowerment.

Section 25 of the Companies Act, 1956

- Section 25 of the Companies Act, 1956 provides an alternative to those who want to promote charity without creating a Trust or a Society for the purpose.
  It can be noted that **non-profit companies are established under Section 8 of the Companies Act, 2013** which broadly is **similar to Section 25 of the Companies Act, 1956.**
- It allows the formation of a company existing as a legal entity in its own right, separate from the person promoting it.
  - However any company under this section must **necessarily re-invest any and all income towards promoting the said object or charity.**
  - In essence, unlike a regular company, where owners and shareholders can make profits or receive dividends, no money gets out of a Section 25 company.
- **Benefits under Section 25:**
  - Exempt from **statutory requirements of minimum paid-up capital.**
  - They are much easier to run than Trusts and Societies, as board meetings require a **smaller quorum** and requirements for calling such meetings are less rigid.
  - It is easier to increase the number of directors.
  - It is easier for people donating money to join or leave or transfer shares to others.
  - Such a company is obliged to fulfill **far less stringent book-keeping** and auditing requirements as against a regular company. These enjoy **significant tax benefits.** Such companies are also exempt from stamp duty payments.
  - Depending on how it is registered under the Income-Tax Act, companies could benefit from **income-tax exemptions,** or from the provision wherein people donating money to these companies receive income deductions in their income-tax liability.

Source: TH