

## HR Law Hotline

March 08, 2007

### AFFIRMATIVE ACTION: GOVERNMENT TO CHECK INACTION

The Department of Industrial Policy and Promotion ("DIPP") in the Ministry of Commerce and Industry, Government of India ("Gol"), has directed Indian companies to include data on the number of recruits sourced from certain specified sections of society in their annual reports for the financial year ending March 2007. The data, which should cover the recruitment period from January 1, 2007 onwards, will help the Gol ascertain the quantum of affirmative action voluntarily taken up by corporates.

The Gol's earlier efforts to compel corporate India to hire a specified percentage of its employees from those sections of society classified as the "scheduled castes" and "scheduled tribes" ("SCs" and "STs") had been stonewalled by some of the principal bodies representing Indian industry. These associations had deflected the earlier proposal for legislation mandating the reservation of jobs for the SCs and STs and instead, offered to make a commitment towards voluntary affirmative action.

Now the Gol wants to know whether corporate India has fulfilled that commitment. By calling for the inclusion of such data in the annual reports, the Gol intends to gauge the sincerity of Indian companies in filling the required quota.

If however, the Gol remains dissatisfied after checking the relevant data in the annual reports through an independent study to be conducted by the DIPP, it may introduce legislation to compel India Inc. to mandatorily fulfill the quota requirements for SCs and STs in the first quarter of the financial year starting April 2007.

While this move is well-intentioned, the Gol should examine whether a sufficient number of SC and ST prospectives for hire are sufficiently equipped to enter the corporate world before introducing such legislation. When heavy demands are being made on all sectors to perform to global standards, a section of untrained or insufficiently qualified employees may be detrimental to the overall performance of an organisation. It may be more appropriate for the Gol to first support the efforts of companies and industry bodies to impart skill-based training to SCs and STs and then only introduce legislation for the mandatory infusion of SCs and STs into the corporate workforce.

Source: *The Economic Times*, Mumbai edition, March 7, 2007

- Rina Kamath & Vikram Shroff

### DISCLAIMER

The contents of this hotline should not be construed as legal opinion. View detailed disclaimer.

This Hotline provides general information existing at the time of preparation. The Hotline is intended as a news update and Nishith Desai Associates neither assumes nor accepts any responsibility for any loss arising to any person acting or refraining from acting as a result of any material contained in this Hotline. It is recommended that professional advice be taken based on the specific facts and circumstances. This Hotline does not substitute the need to refer to the original pronouncements.

This is not a Spam mail. You have received this mail because you have either requested for it or someone must have suggested your name. Since India has no anti-spamming law, we refer to the US directive, which states that a mail cannot be considered Spam if it contains the sender's contact information, which this mail does. In case this mail doesn't concern you, please unsubscribe from mailing list.

## Research Papers

### Medical Device Industry in India

April 28, 2025

### Clinical Trials and Biomedical Research in India

April 22, 2025

### Structuring Platform Investments in India For Foreign Investors

March 31, 2025

## Research Articles

### 2025 Watchlist: Life Sciences Sector India

April 04, 2025

### Re-Evaluating Press Note 3 Of 2020: Should India's Land Borders Still Define Foreign Investment Boundaries?

February 04, 2025

### INDIA 2025: The Emerging Powerhouse for Private Equity and M&A Deals

January 15, 2025

## Audio

### CCI's Deal Value Test

February 22, 2025

### Securities Market Regulator's Continued Quest Against "Unfiltered" Financial Advice

December 18, 2024

### Digital Lending - Part 1 - What's New with NBFC P2Ps

November 19, 2024

## NDA Connect

Connect with us at events, conferences and seminars.

## NDA Hotline

Click here to view Hotline archives.

## Video

Vyapak Desai speaking on the danger of deepfakes | Legally Speaking with Tarun Nangia | NewsX

April 01, 2025

**Vaibhav Parikh, Partner, Nishith  
Desai Associate on Tech, M&A, and  
Ease of Doing Business**

March 19, 2025

**SIAC 2025 Rules: Key changes &  
Implications**

February 18, 2025