

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

Little International Guide (India) 2024

November 08, 2024

Unmasking Deepfakes

October 25, 2024

Are we ready for Designer Babies

October 24, 2024

Research Articles

The Bitcoin Effect

November 14, 2024

Acquirers Beware: Indian Merger Control Regime Revamped!

September 15, 2024

Navigating the Boom: Rise of M&A in Healthcare

August 23, 2024

Audio

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

November 19, 2024

Renewable Roadmap: Budget 2024 and Beyond - Part I

August 26, 2024

Renewable Roadmap: Budget 2024 and Beyond - Part II

August 26, 2024

NDA Connect

Connect with us at events, conferences and seminars.

NDA Hotline

[Click here to view Hotline archives.](#)

Video

"Investment return is not enough" Nishith Desai with Nikunj Dalmia (ET Now) at FI18 event in Riyadh

October 31, 2024

Analysing SEBI's Consultation Paper on Simplification of registration for FPIs

September 26, 2024

