

Bill No. 66 of 2025

THE RESERVATION FOR THE OTHER BACKWARD CLASSES, THE
SCHEDULED CASTES AND THE SCHEDULED TRIBES IN PRIVATE
SECTOR SERVICES AND APPOINTMENTS BILL, 2025

By

SHRI DHARMENDRA YADAV, MP

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BILL

*to provide for reservation in favour of persons belonging to the Other Backward
Classes, the Scheduled Castes and the Scheduled Tribes in private sector
services, appointments and for matters connected therewith.*

BE it enacted by Parliament in the Seventy-sixth year of the Republic of India
as follows:—

1. (1) This Act may be called the Reservation for the Other Backward Classes,
the Scheduled Castes and the Scheduled Tribes in Private Sector Services and
Appointments Act, 2025.

Short title and
commencement.

(2) It shall come into force on such date as the Central Government may, by
notification in the Official Gazette, appoint.

Definitions.

2. In this Act, unless the context otherwise requires:—

(a) “private sector” means an organisation, institution, educational institution or establishment wholly owned by any private individual or corporation or limited company; and

(b) “prescribed” means prescribed by rules made under this Act.

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Government
to give
incentive to
Private Sector
to provide
reservation.

3. (1) The Central Government shall provide appropriate incentives to private sector for making provisions for reservation in favour of persons belonging to the Other Backward Classes, the Scheduled Castes and the Scheduled Tribes.

(2) The incentives as provided in sub-section (1) shall include—

(i) special concessions under various existing central schemes; and

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(ii) loans from nationalized banks at reduced rate of interest.

Annual
Report.

4. The Central Government shall cause to be laid an annual report before both Houses of Parliament on the action taken under this Act.

Power to make
Rules.

5.(1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

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(2) Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both the Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

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STATEMENT OF OBJECTS AND REASONS

Reservation is available to persons belonging to other backward classes, scheduled castes and scheduled tribes in appointments and posts in Government banks, financial institutions, insurance companies and public sector undertakings under the control of the Government of India. But after privatization of public sector undertakings and liberalization of economic policies by the present Central Government, persons belonging to other backward classes, scheduled castes and scheduled tribes have been deprived of the benefit of reservation in all the subsidiary/joint ventures of Government banks, subsidiary/joint ventures of financial institutions, subsidiary/joint ventures of insurance companies and subsidiary/joint ventures of public sector undertakings in which the Government has less than 51 per cent stake.

In the present era, due to disinvestment and privatization of public sector units, private sector has become very important and employment oriented. In such a scenario, the private sector is active in infrastructure and economic projects. Due to lack of reservation, people from other backward classes, scheduled castes and scheduled tribes are facing great challenges in getting jobs in private sector.

Reservation for OBCs, SCs and STs is followed *mutatis mutandis* by Public Sector Undertakings (PSUs), Financial Institutions under the Central Government including Public Sector Banks as per the instructions issued by the Government of India under Articles 16(4) and 16(4A) of the Constitution. Implementation of reservation provisions for persons belonging to OBCs, SCs and STs is a pre-condition for receiving grants-in-aid for voluntary organisations, autonomous bodies/institutions etc. Where the body receiving grants-in-aid employs more than 20 persons on regular basis and at least 50 per cent of its recurring expenditure is met from grants-in-aid of Central Government and the body is a registered cooperative society and receives annual general purpose grants-in-aid of two lakh rupees and above from the Consolidated Fund of India.

There are many schemes and special provisions for the welfare of the people of Other Backward Classes, Scheduled Castes and Scheduled Tribes in the country. However, despite all these measures, no major change has been seen in their social, educational and economic development. In this situation, reservation in the private sector is very important to ensure the promotion of their all-round and holistic development.

At present, there is no provision of reservation for persons belonging to OBCs, SCs and STs in the private sector. However, the Government cannot force the private sector to provide reservation to them. In such a situation, by providing concessions and special schemes in all the subsidiaries/joint ventures of public sector banks, subsidiaries/joint ventures of financial institutions, subsidiaries/joint ventures of insurance companies and subsidiaries/joint ventures of public sector undertakings in which the Government has less than 51 per cent stake, reservation for persons belonging to OBCs, SCs and STs can be encouraged and social justice and harmony can be realised.

Hence, this Bill.

NEW DELHI;
March 3, 2025

DHARMENDRA YADAV

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 5 of the Bill empowers the Central Government to make rules for carrying out the purposes of the Bill. As the rules will relate to matters of detail only, the delegation of legislative powers is of a normal character.

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(Shri Dharmendra Yadav, MP)