

**Bill No. 87 of 2020**

THE RESERVATION FOR THE SCHEDULED CASTES, THE SCHEDULED  
TRIBES AND THE OTHER BACKWARD CLASSES IN  
PRIVATE SECTOR BILL, 2020

By

SHRI GANESH SINGH , M.P.

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BILL

*to provide for reservation for the Scheduled Castes, the Scheduled Tribes and the Other Backward Classes in private sector and for matters connected therewith.*

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

**1.** (1) This Act may be called the Reservation for the Scheduled Castes, the Scheduled Tribes and the Other Backward Classes in Private Sector Act, 2020.

Short title and commencement.

5 (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 any organization, establishment, educational institutes or institution which is owned fully by private individual or corporation or limited company or an organization in which the Government of India or a State has no financial interest and wherein not less than twenty persons are employed; and 5
- (b) "prescribed" means prescribed by rules made under this Act.
- Government provide incentives to Private Sector to make provisions for reservation. **3.** (1) The Central Government shall give due encouragement to private sector to make provisions for reservation in favour of persons belonging to the Scheduled Castes, the Scheduled Tribes and the Other Backward Classes.
- (2) The encouragement as provided in sub-section (1) may include— 10
- (i) special concessions under various existing Central schemes; and
- (ii) loans from nationalized banks at lower rate of interest.
- Annual Report. **4.** The Central Government shall cause an annual report to be laid 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 15 for carrying out the purposes of this Act.
- (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, 20 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.

## STATEMENT OF OBJECTS AND REASONS

At present, reservation is available for persons belonging to the Other Backwards Classes, the Scheduled Castes and the Scheduled Tribes in service and posts under the Central Government. The number of posts and appointments in Government sector come down considerably, especially after the economic liberalization. Today, private sector has become more important and job-oriented. In such scenario, the private sector is more involved in the nation building activities alongwith infrastructure and economical projects. People belonging to Other Backward Classes, Scheduled Castes and Scheduled Tribes find it very difficult to get into Government service due to availability of less number of posts.

Under the provisions of article 16(4) and 16(4A) of the Constitution, Public Sector Undertakings (PSUs) including Public Sector Banks under the Central Government and Financial Institutions are following the instructions issued by the Government of India *mutatis mutandis*, Implementation of the Provisions or reservation is a pre-requisite for such voluntary organizations, autonomous bodies/institutions etc. where the body receiving grant-in-aid, employs more than twenty people on regular basis and minimum fifty per cent. of its recurring expenditure is met by grant-in-aid of the Central Government and such body should be a registered society of any cooperative society and should be in receipt of rupees two lakh or more from the Consolidated Fund of India as annual grant-in-aid for general purpose.

There are several schemes and special provision in the country for the welfare of the people belonging to the Other Backward Classes, Scheduled Castes and Scheduled Tribes. However, in spite of all these measures, there has not been any big change visible in their socio-economic status. In this situation, their presence is very vital in the private sector in order to ensure their all-round development.

At present, there is no provision for reservation of persons belonging to Other Backward Classes, Scheduled Castes and Scheduled Tribes in private sector. However, the Government also can not pressurise them to provide reservation. In such a scenario, the private sector can be incentivised to provide reservation to persons belonging to Other Backward Classes, Scheduled Castes and Scheduled Tribes by way of making provisions for concessions and special schemes.

Hence this Bill.

NEW DELHI;  
February 17, 2020.

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