

Maharashtra passes bill for regulation of private job placement agencies

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Introduction

In an important move, the Government of Maharashtra introduced the Maharashtra Private Placement Agencies (Regulation) Bill, 2025 (Bill) on 24 March 2025 (which has been passed in both houses of the legislature), for the regulation of private placement agencies (Placement Agencies) to safeguard the interests of job seekers by preventing fraudulent practices and increasing transparency. The Bill was brought in view of the growth of such Placement Agencies that have emerged as a significant participant in the last few years as a major human resources management tool for job placements.

At the outset, the Bill defines 'job seeker' to mean a person seeking work or employment. It is interesting to note that a private placement agency has been defined as a person or entity (other than a government entity) that is engaged in placement activities for any private or public employer within or outside the state of Maharashtra and includes overseas placement. Similarly, placement activities have been defined widely to include all activities (electronically or manually) conducted by Placement Agencies for facilitating the employment of job seekers, which includes advertisement publication, application collection, scrutiny of applications, assessment or training of job seekers, recommendation of appropriate candidates to employers, etc.

Regulated Entities

The Bill seeks to regulate both Placement Agencies – one, that have a business presence in Maharashtra whether or not they provide placement services outside of the state as well, and two, that do not have a business presence in Maharashtra but provide placement services in the state.

Registration Requirement

All Placement Agencies will be mandatorily required to obtain a valid registration certificate issued by the competent registering authority as per the procedure detailed in the Bill. The registration, once obtained, will be valid for 5 years and will be non-transferable. The competent authority is also empowered to cancel any registration on various grounds, including misrepresentation or suppression of facts, violation of law, etc. The Bill also provides an appeal mechanism against the registering authority.

Responsibilities

All Placement Agencies are vested with several responsibilities including (a) furnishing the details of placement of job seekers (within or outside Maharashtra) to competent authority within 60 days from the date of placement, (b) adhering to minimum age of employment for employees, (c) having display boards that contain such details as may be prescribed by the government, (d) maintaining accurate registers to record details of employers and job seekers, (e) prohibiting disclosure of the information and data of job seekers to any party other than government and employer, (f) providing placement services only in respect of the job applied for (unless consent is obtained for alternative job), and (g) publishing service charges charged for placement of job seekers and related services in the prescribed manner.

Penalties

The Bill specifies a penalty of imprisonment for a term which may extend to 3 years and fine which may extend to INR 1,00,000 for carrying out placement activities without a valid registration certificate. For other non-compliances, the penalty is fine which may range between INR 50,000 and INR 3,00,000.

Comments

In the age of digitalisation, several job seekers utilise the services of placement agencies. There have been several instances in the past wherein job seekers have been duped financially by fraudulent placement agencies, and in that sense, this Bill allows the government to at least monitor the activities and hence have checks and balances.

Having said that, there are few thoughts that come into consideration when one peruses the Bill. For instance, the definition of 'placement activity' is drafted in a manner that each of the activities covered therein operates as standalone basis for application of the law. The use of the word 'such as' before the expression '*publication of advertisement...recommending the names of appropriate job seeker to the employers and to communicate the details of the placement to the local office*' may create confusion as to whether platforms such as LinkedIn, which may be only publishing advertisements and not performing the entire gamut of placement activities, are intended to be covered under the Bill as well. This clarity is important because there is an obligation on the Placement Agencies to notify details of the placement to the government, which may not be fulfilled by an entity that is merely involved in posting the vacancy on its portal and may not be aware of the status of the application made by a job seeker in furtherance of the job posting.

Another aspect about the Bill is the timeline within which new Placement Agencies must apply for registration – this aspect is silent under the Bill, although the Bill mentions a timeline of 180 days from the date of commencement of the law within which existing Placement Agencies must 'obtain registration' (we assume the idea is to *apply* for registration within this timeline).

In respect of the prohibition against sharing data of the job seeker with anybody except the government and the employer, there should be clarity as to whether this prohibition covers a potential employer that may not eventually onboard the job seeker. This is because the term 'employer' is defined in the Bill to mean an entity that 'employs' one or more employees in its establishment.

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