

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5814

ANSWERED ON:11.05.2012

AGAINST NBFCS

Gulshan Smt. Paramjit Kaur;Jagannath Dr. M.;Mishra Shri Mahabal ;Sharma Shri Jagdish

Will the Minister of FINANCE be pleased to state:

- (a) whether the instances of some Non-Banking Finance Companies (NBFCs) reported to retain the original educational certificates of the young employees hired by them and exploit them later on in the event of their leaving the jobs for better prospects come to the notice of the Government;
- (b) if so, the details thereof;
- (c) whether certain rules and norms have been laid down by the Government in this regard;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) the remedial steps including punitive measures taken/proposed to be taken by Government against the companies involved in such financial exploitation of the youth?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (e) :- Reserve Bank of India (RBI) has reported that it has not received complaints against Non-Banking Finance Companies (NBFCs) registered with RBI, retaining original certificates of young employees even after their quitting the jobs. However, a complaint was received from a retired nationalized bank employee alleging that Muthoot Finance Limited has retained his matriculation certificate, which the company had procured from him at the time of appointment, even after he was terminated from the service. RBI has taken up the matter with the concerned company for seeking its explanation on the issue.