



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

ई-मेल/email : helpdoc@rbi.org.in



संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400 001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai - 400 001 फोन/Phone: 022 - 2266 0502

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Reserve Bank cancels Certificate of Registration of Polytex India Ltd due to irregular lending practices

In exercise of the powers conferred under Section 45-IA (6) of the Reserve Bank of India Act, 1934, the Reserve Bank has cancelled the Certificate of Registration (CoR) issued to the following Non-Banking Financial Company (NBFC):

Name of the NBFC	Registered Office Address	CoR No.	CoR Issued On	Name of the services provider/mobile app
Polytex India Ltd	5th Floor, 5B, Technopolis Knowledge Park, Mahakali Caves Road, Near Udyog Bhavan Chakala, Andheri (E), Mumbai, Maharashtra - 400093	13.00039	February 20, 1998	'Z2P' mobile application (owned and operated by Zaitech Technologies Private Limited).

As such, the above company shall not transact the business of a Non-Banking Financial Institution (NBFI), as defined in clause (a) of Section 45-I of the RBI Act, 1934.

The CoR has been cancelled by RBI as:

- The company has violated RBI guidelines on code of conduct in outsourcing of financial services by outsourcing its core decision-making functions related to client sourcing, Know Your Customer (KYC) verification, credit appraisal, loan disbursement, loan recovery, follow up with borrowers and attending and resolving complaints from borrowers.
- While outsourcing the activities related to lending, the company earned a fixed fee from its service provider, whereas the service provider earned the interest charged on the borrower on these loans and in some cases at exorbitant rates in violation of Fair Practice Code (FPC) Guidelines issued by RBI.