



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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July 08, 2024

Reserve Bank cancels Certificate of Registration of Star Finserv India Limited 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
Star Finserv India Limited	8-2-268/K/35, Plot No. 35, Navodaya Colony, Road # 2 Banjara Hills, Hyderabad, Telangana	B-09.00208	September 04, 2015	Progcap (owned and operated by Desiderata Impact Ventures 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 in its digital lending operations by outsourcing its core decision-making functions such as credit appraisal, loan sanctioning as well as KYC verification process to the service provider.
- The company has violated RBI guidelines on data confidentiality and security of customer information by providing complete access to customer data to the service provider.
- The company has violated RBI guidelines on Fair Practices Code by not providing the copy of loan agreement and sanction letter in vernacular language to its customers.