

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO: 238
ANSWERED ON THE TUESDAY, 4 FEBRUARY, 2025/ 15 MAGHA, 1946 (SAKA)

ILLEGAL LOAN APPS

238 SHRI ANIL KUMAR YADAV MANDADI:

Will the Minister of Finance be pleased to state:

(a) whether the menace of illegal loan apps has increased manifold which causes serious stress and humility subsequently leading to extreme step of suicide by those who availed loan from illegal loan app;

(b) if so, the details thereof;

(c) whether Government has taken any proactive steps including requesting the Google Play Store to remove illegal loan apps; and

(d) if so, the details thereof, and if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) and (b) The Government has been constantly engaging with the Reserve Bank of India (RBI) and other concerned Regulators/stakeholders to keep a vigil on the operation of illegal loan apps in the country. RBI issued regulatory guidelines on digital lending vide circular dated 02.09.2022, which aims at enhancing customer protection and making digital lending ecosystem safe and sound. These guidelines also have detailed provision regarding recovery, data privacy, and customer grievance redressal mechanisms which are mandatory for the Regulated Entities (REs), the Lending Service Providers (LSPs) engaged by them and the Digital Lending Apps (DLAs).

(c) and (d) To address the emerging harms in the cyberspace like misinformation & deepfakes, illegal loan and betting apps, etc., the Ministry of Electronics & Information Technology (MeitY) has issued two advisories on 26.12.2023 and 15.03.2024 respectively which reinstated the obligations of the intermediaries under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 ("IT Rules, 2021").
