

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**  
**UNSTARRED QUESTION No. 3041**

TO BE ANSWERED ON MONDAY, MARCH 15, 2021 / PHALGUNA 24, 1942 (SAKA)

**CHINESE LENDING APPS**

3041. SHRI BANDI SANJAY KUMAR:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Union and State Governments, Reserve Bank of India (RBI), big-tech firms and regulated digital lenders are coming together to crack down on fraud Chinese lending apps operating in the country with near impunity and wreaking havoc in the lives of borrowers; and
- (b) if so, the details thereof and action taken thereon along with present status thereof?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI ANURAG SINGH THAKUR)

(a) and (b) : It has been informed by Ministry of Electronics and Information Technology (MeitY) that they have received request from Ministry of Home Affairs for blocking of 27 loan lending apps. After due process, MeitY blocked those 27 loan lending apps under section 69A of the Information Technology Act 2000.

The Reserve Bank of India has taken following measures to address the concerns and risks emanating from the operations of unauthorised digital lending platforms:

- i) A circular dated June 24, 2020 was issued to banks/NBFCs reiterating them to adhere to Fair Practices Code and Outsourcing Guidelines applicable to them, in letter and spirit. The circular requires them to disclose names of digital lending platforms engaged as agents, on the website as also platforms are required to disclose upfront the name of the lending institution/s on whose behalf they are interacting with customers.
- ii) A press release was issued on December 23, 2020 cautioning the members of general public against unauthorised digital lending platforms/apps with an appeal to verify the antecedents of the service provider. The translation of the press release in vernacular languages has also been released in the local media across States.
- iii) The matter has been taken up with the Chief Secretaries of the States requesting them to consider proactive intervention by the State law enforcement agencies as per applicable laws.
- iv) Regional Directors of the Regional Offices of the Bank are also in touch with the State Police for handling such situation.
- v) Reserve Bank of India has constituted a Working Group on January 13, 2021 to study all aspects of digital lending activities including lending through online platforms and mobile apps by RBI regulated and unregulated entities and come out with recommendations, inter alia, pertaining to regulatory and customer protection measures.

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