

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 46
ANSWERED ON MONDAY, FEBRUARY 3, 2025/MAGHA 14, 1946 (SAKA)**

FAKE INVESTMENT APPS

46. Shri Lavu Sri Krishna Devarayalu:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has taken any cognizance of the multiple fake investment apps and links that have siphoned millions of rupees;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) the details of the total funds lost so far and its conversion into cryptocurrency thereafter;
- (d) whether the Government has any mechanism to trace the money transferred abroad and the shell companies involved in this laundering; and
- (e) if so, the details thereof and if not, the reasons therefor?

**ANSWER
MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)**

(a) to (e): The Government has taken wide cognizance of investment frauds as a cybercrime. Securities Exchange Board of India (SEBI), Reserve Bank of India (RBI), Indian Cyber Crime Coordination Centre (I4C), Ministry of Home Affairs and Financial Intelligence Unit (FIU - IND), Ministry of Finance have taken multiple steps to protect the investors against these crimes.

SEBI, from time to time, receives inputs about misleading/manipulative/unlawful contents pertaining to securities market which are escalated to the concerned social media platform provider (SMPP) to take appropriate legal action as per the extant regulatory framework. As on January 27, 2025, SEBI has escalated 43,004 such content to the concerned SMPP. Stock exchanges issued an advisory on 11th March 2024 for investors to transact only on recognized stock exchange platforms through recognized stock brokers and not be lured into fake trading platforms or fake institutional apps. Stockbrokers have been instructed to file a police/cyber complaint for any impersonation and issue public notice in leading newspapers along with intimation to their clients. A whitelist of authorised stockbroker trading apps has been issued by the exchanges on their respective websites for ease of investors. SEBI has also signed an enhanced multilateral MOU with International Organization of Securities Commissions (IOSCO), which enables sharing of information across borders with/from other financial sector regulators.

The RBI has cautioned the public against dealing in forex with unauthorized entities/unauthorized forex trading platforms through advisories and awareness campaigns. An 'Alert List' containing names of entities which are neither authorized to deal in forex nor authorized to operate electronic trading platforms has been published on the RBI website. This list also contains names of entities/platforms/websites which appear to be promoting unauthorized entities/ETPs, including through advertisements of such unauthorized entities or claiming to be providing training/advisory services. RBI has also advised its regulated entities to carry out customer due diligence processes for transactions in virtual currencies, in line with regulations governing standards for Know Your Customer (KYC), Anti-Money Laundering (AML), Combating of Financing of Terrorism (CFT), obligations under Prevention of Money Laundering Act (PMLA), 2002, etc.

The Ministry of Home Affairs has established the Indian Cyber Crime Coordination Centre (I4C) to provide a framework and eco-system for Law Enforcement Agencies (LEAs) to deal with cybercrimes in a comprehensive and coordinated manner. The 'Citizen Financial Cyber Fraud Reporting and Management System' has been launched for immediate reporting of financial frauds and to stop siphoning off the funds by the fraudsters. An amount of Rs. 3,919 crore has been saved by the system in more than 11.20 lakh complaints. Cyber Fraud Mitigation Centre (CFMC) was also launched in 2024 which involves collaboration among banks, other financial institutions, telecom service providers, IT intermediaries, and law enforcement agencies from various States/Union Territories. Over 9.23 lakh mule accounts were identified, more than 7 lakh SIM cards, over 2 lakh IMEIs and 803 mobile apps have been blocked as part of these efforts. The National Cyber Crime Reporting Portal (<https://cybercrime.gov.in>) enables the public to report all types of cybercrimes which are then routed automatically to the respective State/UT law enforcement agency.

Financial Intelligence Unit – India (FIU-IND) was set up in November 2004 as the central national agency responsible for receiving, processing, analysing and disseminating information relating to suspect financial transactions. It is also responsible for coordinating and strengthening efforts of national and international intelligence, investigation and enforcement agencies in pursuing the global efforts against money laundering.
