

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO. 3078

ANSWERED ON – 28/3/2023

Loan Apps

3078. **Shri Derek O' Brien:**

Will the Minister of FINANCE be pleased to state:

- (a) the number of apps offering easy loans;
- (b) the quantum of loans disbursed by these apps;
- (c) the average income of people who take loans from these apps; and
- (d) whether there are regulations to prevent abuse due to these loan apps?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(DR. BHAGWAT KARAD)

(a) to (d): A Working Group (WG) on digital lending including lending through online platforms and mobile apps was constituted on 13.1.2021 by the Reserve Bank of India (RBI) to study all aspects of digital lending activities in the regulated financial sector as well as by unregulated players. As per the findings of this report, there were approximately 1100 lending apps available for Indian Android users from 1.1.2021 to 28.2.2021.

Further, as per WG report, based on data received from a representative sample of banks and NBFCs, overall volume of disbursement through digital mode for the sampled entities has exhibited a growth of more than twelvefold between 2017 and 2020 (from ₹11,671 crore to ₹1,41,821 crore). As per the said report the major products disbursed digitally by banks are personal loans followed by SME loans. RBI has informed that data on the average income of people who take loans from easy loan apps is not available with it.

In order to curb the menace of illegal loan apps and to ensure orderly growth of digital lending ecosystem, various guidelines have been issued which include, inter alia, the following:

- (i) RBI, vide press release dated 23.12.2020, had cautioned the general public not to fall prey to growing number of unauthorised digital lending platforms/Mobile Apps on promises of getting loans in quick and hassle-free manner.
- (ii) Advisories were issued by RBI to State Government to keep a check on unauthorized digital lending platforms/Mobile Apps through their respective law enforcement agencies.
- (iii) RBI has also issued regulatory guideline on digital lending vide its circular dated 2.9.2022 aimed at firming up the regulatory framework for digital lending while enhancing customer protection and making the digital lending ecosystem safe and sound.
- (iv) Government has issued the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 under Information Technology (IT) Act, 2000. The said Rules provides for removal of such apps, which are considered unlawful under the extant law, through play store/App store (intermediaries) as and when requested by an appropriate government or its authorized agency.
