DIGITAL CREDIT WITHOUT LIMITS

WHY INDIA NEEDS TO REGULATE THE COST AND COUNT OF DIGITAL LOANS

Prepared For

MONEYLIFE FOUNDATION
THE RIGHT THING TO DO

By

TYUISH AGARWAL

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A Report Prepared for Moneylife Foundation

By

Tyuish Agarwal

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Preface

Moneylife Foundation is pleased to present this report, '*Digital Credit Without Limits – Why India Needs to Regulate the Cost and Count of Digital Loans*'.

Over the past few years, the Foundation began receiving a growing number of emails and requests for assistance from borrowers who had taken loans through digital lending applications. While every case was different, one disturbing feature stood out. Borrowers who believed they were taking small, short-term loans to meet an emergency often discovered that, once processing fees, platform charges, convenience fees and the short tenure of the loans were taken into account, the effective annualised cost of borrowing could **exceed** 365%**.** Independent industry reports have suggested that, in some cases, these costs have been even higher. Such pricing would once have been regarded as usurious. Yet these loans were being extended through apps associated with regulated financial entities operating within India's formal financial system.

The consequences were devastating. The extraordinarily high cost of borrowing frequently forced borrowers to take fresh loans simply to repay earlier ones, creating a cycle of perpetual indebtedness. Many ended up juggling loans from multiple lending applications, while simultaneously facing aggressive recovery practices, persistent harassment and severe emotional distress. The recurrence of these cases suggested that they were not isolated instances of financial mismanagement, but symptoms of deeper structural weaknesses in the digital lending ecosystem.

Recognising the seriousness of the issue, the Foundation first brought its concerns to the attention of the Reserve Bank of India (RBI). We urged the regulator not only to strengthen oversight of digital lending practices but also to establish an accessible credit counselling mechanism for borrowers trapped in spiralling debt. While RBI has since introduced several important measures to strengthen the regulation of digital lending through registered non-banking finance companies (NBFCs) and lending service providers (LSPs), distressed borrowers continued to approach us with remarkably similar experiences. Faced with an unmet need for independent assistance, the Foundation decided to establish its own credit counselling initiative.

These counselling sessions were conducted in collaboration with Ms Aparna Ramachandra, founder of Rectify Credit, whose extensive experience in debt resolution proved invaluable in helping borrowers navigate complex financial situations. More importantly, the counselling programme provided the Foundation with first-hand insights into the realities of app-based borrowing. The anonymised case studies included in this report are drawn from borrowers who sought our assistance. Together, they revealed recurring patterns of excessive borrowing costs, serial refinancing through multiple lending apps, opaque pricing structures, coercive recovery practices and significant gaps in the existing regulatory framework.

This experience prompted a broader question. While considerable regulatory attention has rightly focused on illegal lending applications, how have lending practices resulting in effective borrowing costs running into several hundred per cent continued within the regulated financial system? Industry sources suggest that RBI has substantially tightened the regulatory framework governing digital lending in recent years.

Yet the Foundation's counselling experience and the evidence gathered for this study indicate that important loopholes remain. Disclosure requirements by themselves cannot protect borrowers if the structure of digital lending continues to permit excessive charges, repeated refinancing and unsustainable indebtedness.

This report therefore combines insights from the Foundation's counselling work with an independent examination of digital lending applications, the applicable legal and regulatory framework, and international regulatory practices. It seeks to understand not only why borrowers continue to pay extraordinarily high borrowing costs, but also why the existing regulatory framework has been unable to prevent such outcomes despite extensive supervision and credit reporting systems.

Our objective is not merely to document individual cases of borrower distress, but to contribute constructively to the ongoing policy discussion on responsible digital lending and consumer protection through fact-based research and inference. We hope the findings and recommendations presented here will assist RBI, policymakers and the financial sector in closing the remaining regulatory gaps while ensuring that access to digital credit does not become a pathway to chronic indebtedness. We also hope this study reinforces the importance of accessible and independent credit counselling, so that financial distress can be addressed before it becomes a personal and social crisis.

This report was possible because of the dedication and generosity of many individuals. We were fortunate to have **Tyuish Agarwal**, a student at NALSAR University of Law, Hyderabad, work on this study. His deep background in financial analysis, as well as his enthusiasm, rigour and willingness to pursue every question in depth is reflected in the report. Under the Foundation's guidance, he carried out much of the legal and regulatory research that underpins this report.

Ms Aparna Ramachandra's invaluable guidance and expertise in debt resolution and voluntary credit counselling has shaped both our understanding of borrower distress and many of the insights reflected in this report.

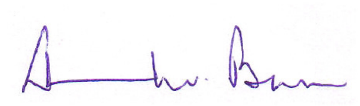
We are also grateful to several senior professionals from the banking, NBFC and fintech sectors who generously shared their time, insights and perspectives during the course of this study. Although they have chosen to remain anonymous, their candid discussions helped us test our findings and better understand the evolving digital lending ecosystem.

Akshay Naik at Moneylife Foundation coordinated the project bringing together the many strands of research, data and editorial work.

We look forward to constructive engagement with regulators, policymakers, industry participants and consumer advocates on the issues highlighted in this report, with the shared objective of ensuring that digital credit remains a tool for financial inclusion rather than a pathway to chronic indebtedness.

We invite readers to share this report widely with policymakers, regulators, financial institutions, consumer organisations, the media and others concerned with responsible lending, in the hope that it encourages the informed discussion and timely action that these issues demand.

Sucheta Dalal,
Founder-Trustee,
Moneylife Foundation



Debashis Basu,
Founder-Trustee,
Moneylife Foundation

Executive Summary

Digital lending through apps has become the way most Indians now borrow, and it rests on two features the Reserve Bank does not regulate, the price of the loan and the number a single borrower may take. Non-bank lenders working through apps wrote 13.2 crore loans in 2025-26, more than three-quarters of all personal loans by number, almost all of them small, short, and sold to borrowers the credit bureau rates as risky. Moneylife Foundation reached this market through its credit counselling work, and the cases it documented show a consistent and serious harm. Borrowers routinely owe more in monthly instalments than they earn, on loans that cost as much as 365 per cent a year once fees are counted, held a dozen and more at a time. Every loan in these cases was lawful.

It was deemed lawful because India sets no ceiling on what a non-bank lender may charge and no limit on how many loans a borrower may hold. The framework that governs these lenders is the Digital Lending Directions of 2025 and the circulars around them, these are detailed on how a loan must be disclosed, disbursed and collected, but silent on its price and its multiplication. The only pricing rule instructs that interest not be "excessive", a word the RBI has never given a number. The whole protection of the borrower rests on disclosure, and the report shows that disclosure fails twice over. The apps do not deliver it, with one app in five stating no rate at all and most quoting by the day making the loan rates seem less absurd than they are. And even perfect disclosure would not help, because a correctly disclosed loan at 365 per cent remains a loan the borrower cannot repay, taken beside a dozen others no lender is required to see. The harm therefore lives in the price and the count, and neither leads to better disclosure or to firmer enforcement of the existing rules. It yields only to a limit fixed before the loan is made. Indian law has condemned usurious lending since 1918, and every comparable regulator abroad, in Britain, Australia, Indonesia and the United States, caps the cost of small-value credit, with the British evidence showing that a cap protects borrowers without driving them toward illegal lenders.

The report asks RBI to do two things in order of priority. It should cap the number of loans a borrower may hold at once and place on the lender the duty to check a borrower's existing loans before adding to them. And it should regulate the price, as a ceiling on the all-in annual cost that no fee can move past, with a backstop in the spirit of equity and fairness a borrower must never repay more than the principal again in charges, the precise number left for RBI to set. Around these it should enforce the disclosure rules already written, publish the threshold of excess it applies in private, and keep a public register of every lender's charges. What fails the borrowers is the absence of a line drawn before the loan rather than after the ruin.

1. Research Methodology

This report examines the price and structure of digital personal loans extended through RBI-registered non-banking financial companies, and asks whether the current regulatory framework can prevent the harm that pricing and loan-stacking produce. It studies what digital lenders charge and how they lend, not digital lending in general.

Three questions organise the work. First, are borrowers being placed in debt they cannot mathematically repay? Second, can a framework that is built on disclosure prevent that when it fixes neither a price ceiling nor a limit on simultaneous borrowing? Third, what intervention would actually safeguard the borrower? The working hypothesis is that disclosure, absent both a rate ceiling and an exposure limit, produces systematic harm in the small-ticket segment, and that the two interventions this points to, a cap on the number of active loans a borrower may hold and regulation of the interest rate, both lie within powers the Reserve Bank already holds and has used before.

The evidence comes from three sources. The first is a set of borrower case records from Moneylife Foundation's credit counselling work, detailed cases with lender-by-lender figures on income, loans, rates, and outstanding balances. The second is a dataset of 110 digital lending apps and their backing entities, recording registration status, disclosed rates, fees, grievance channels, and any recorded regulatory action. The third is the body of RBI instruments, comparative regulation, and case law that defines what the law requires and permits, with market data drawn from Fintech Association for Consumer Empowerment (FACE) and the Reserve Bank's Financial Stability Report.

Case figures are taken from the counselling records and reconciled against the underlying loan-level data. Market figures come from the primary FACE reports of December 2025 and March 2026 and are checked against the Reserve Bank's published numbers. Regulatory provisions are cited to the issuing instrument and the paragraph. Where a number could not be independently confirmed, the text says so.

2. Introduction

In India, a non-banking financial company may charge any rate of interest its board approves. Borrowers counselled by Moneylife Foundation have signed for app-based loans at rates reaching 365 per cent a year, and they are considered lawful because the rate appeared in the paperwork.[1] This report asks the Reserve Bank of India to do two things. It should limit the number of loans a borrower may hold at once, and it should regulate the price of digital credit. Both fall within powers it already holds, and both answer a harm its existing rules leave open.

The harm sits inside the regulated landscape. The lenders in these cases hold RBI registration, or operate as lending service providers for a Non-Banking Financial Company (NBFC) that does, which sets them apart from the illegal apps that periodic government bans target. The RBI's own Working Group counted roughly 1,100 lending apps in early 2021 and logged more than 2,500 complaints against them in a span of just fifteen months.[2] The legal segment is the larger one, and it has become the main channel of personal credit. Non-bank lenders operating mainly through apps now account for 77 per cent of all personal loans sanctioned by volume, on an average ticket of ₹16,238, with three rupees in five reaching borrowers the credit bureau rates as medium-to-high risk.[3] Loan for loan, most of the personal-credit market now runs through them.

The framework that governs these lenders while detailed rest entirely on disclosure. The Digital Lending Directions, 2025 require the price to appear as an annual rate before the loan is signed, the borrower's income to be assessed, and the regulated

[1] Moneylife Foundation, *Debt Traps on Phones: App Lenders Remain Unchecked*, 2026. Foundation credit counselling case records (anonymised), on file.

[2] Reserve Bank of India, *Report of the Working Group on Digital Lending*, 2021, pages 30–34.

[3] Fintech Association for Consumer Empowerment (FACE), Digital Personal Loans, March 2026, data sourced from CRIF High Mark.

entity to answer for the conduct of its app.[4] The same framework leaves two decisions with the lender. One is the price of the loan, and the other is the number of loans a single borrower may take. Each board sets its own rate under one instruction, that interest remain within a Fair Practices Code which forbids rates it calls "excessive," a word the Reserve Bank has left undefined.[5] A price the regulator declines to quantify is a price the lender sets alone.

The Reserve Bank approaches this market wearing two hats, and they point in different directions. As the guardian of financial stability, it sits comfortably as unsecured-credit growth slowed after it raised risk weights on consumer lending in November 2023,[6] and Governor Malhotra called that moderation "satisfactory" in February 2025.[7] However, as the regulator charged with protecting consumers, it has cause for concern. The aggregate looks calm because a large book of secured loans absorbs the loss on a defaulted ₹15,000 app loan, while the borrower carries that loss alone. The two views describe the same market and reach opposite verdicts. This report addresses the RBI on the second of its mandates, the one even its own data leaves exposed.

The RBI already treats excessive pricing as a supervisory matter. In October 2024 it barred four NBFCs, two of them large digital lenders, from sanctioning fresh loans, citing a weighted average lending rate and an interest spread it found "excessive."[8] It acted on four firms at a time, through a discretionary halt, because it judges excess case by case against a fixed standard. The case for writing one runs in two steps. First, the apps disclose less than the framework demands and second, full disclosure would still leave the harm in place.

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[4] Reserve Bank of India, *Digital Lending Directions, 2025*, Paragraphs 5, 7, 8.

[5] Reserve Bank of India, *Master Direction, Non-Banking Financial Company, Scale Based Regulation, Directions, 2023*, Fair Practices Code.

[6] Reserve Bank of India, *Regulatory Measures Towards Consumer Credit and Bank Credit to NBFCs*, RBI/2023-24/85, 16 November 2023, reported by Business Standard.

[7] Business Standard, *Moderation in Unsecured Loan Growth Satisfactory: RBI Governor Malhotra*, 7 February 2025, accessed 21 June 2026.

[8] Business Standard, *RBI Bars 4 NBFCs from Extending Loans for Charging Usurious Rates*, 17 October 2024, accessed 21 June 2026.

The remedy belongs to the Reserve Bank alone. In December 2024 the Supreme Court held that the regulation of lending rates falls within the RBI's exclusive statutory domain.[9] The Usurious Loans Act of 1918 already let Indian courts reopen a loan whose interest was excessive and whose terms exploited the borrower's necessity.[10] But, it left enforcement to the courts, loan by loan, where it could never reach a market of 13 crore loans a year. RBI has also fixed lending prices itself and kept them, holding credit to the weakest borrowers at 4 per cent under the Differential Rate of Interest Scheme since 1972.[11] This report sets out what borrowers pay and how they are pursued for it, surveys the lenders, measures them against the Directions, places India beside the jurisdictions that cap the cost of small-value credit, and closes with multiple recommendations. All of them centre on two recommendations: first, a limit on the number of loans a borrower may hold at once, enforced through infrastructure the RBI already operates; and second, regulation of the interest rate.

[9] *2024 INSC 1044*, Supreme Court of India, 20 December 2024.
[10] *Usurious Loans Act, 1918*, Section 3.
[11] Reserve Bank of India, *Master Circular – Differential Rate of Interest (DRI) Scheme*, 1972.

3. The Lending Landscape in India

Digital lending has become the main way Indians take a personal loan. Across the whole personal-loan market in 2025-26, lenders sanctioned 17.3 crore loans worth ₹11.45 lakh crore. Non-banking financial companies that lend mainly through apps wrote 13.2 crore of those loans, worth ₹2,14,873 crore, which is 77 per cent of the market by number and 19 per cent by value.[12] A bank still writes the large loan. The app writes almost everything else, and its share of the count has climbed from about two-thirds to more than three-quarters in four years.

Measured as a distinct group, digital-NBFC lending has grown every year on every metric, and the outstanding book has risen two and a half times since March 2023. Table 1 below tracks the four years to March 2026.

Table 1: Growth of Digital NBFC Lending (FY2023–FY2026)

Year	Sanctioned value (₹ crore)	Loans (crore)	Average ticket (₹)	Outstanding at year-end (₹ crore)
FY23	92,842	7.12	13,034	56,927
FY24	1,31,501	9.56	13,754	90,977
FY25	1,55,014	11.83	13,102	1,11,261
FY26	2,14,873	13.20	16,238	~1,43,000

Sanctioned value rose 2.3 times between 2022-23 and 2025-26, the loan count almost doubled, and the amount outstanding climbed from ₹56,927 crore to about ₹1.43 lakh crore. The early growth came from more loans. The later growth came from more loans and larger ones, with the average ticket rising in 2025-26 after three years of holding near ₹13,000.

[12] Fintech Association for Consumer Empowerment (FACE), *Digital Personal Loans*, March 2026, data sourced from CRIF High Mark.

The defining feature of this market is the size of the loan. The average digital-NBFC loan in 2025-26 was ₹16,238. The average loan from other NBFCs was ₹98,056, and from a bank, ₹4.91 lakh. The contrast runs through the whole market, as the second table shows for the most recent fully tabulated period.

Table 2: Lending by Entity Type

Lender type (Apr–Dec 2025)	Share of loans by number	Share by value	Average ticket (₹)
Digital NBFCs	78%	19%	**15,493**
Other NBFCs	13%	20%	**98,056**
Banks	8%	61%	**4,91,327**

Digital lenders write four loans in five and collect one rupee in five, because their product is small, short, and repeated. Almost three in ten rupees of digital lending go out in loans below ₹25,000, and close to half in loans below ₹50,000.[13] As of March 2026 these lenders held just 9 per cent of all personal-loan value outstanding, and yet 45 per cent of all active personal loan accounts. These are not loans against a house or a car. They are cash-flow loans, taken to cover a gap and repaid in weeks, which is why a segment that is a twentieth of the market by money owed is nearly half of it by number of live loans.

The borrowers sit much lower on the credit ladder than a bank, and they are young. In 2025-26, 58 per cent of digital-NBFC lending by value reached borrowers under ages 35, 82 per cent reached men, and 39 per cent reached customers in tier-three towns and beyond. A third of the value, 34 per cent, went to borrowers the credit bureau rates high or very-high risk, and close to three-fifths went to borrowers of medium risk or worse. This is the thin-file end of lending, the customer a bank prices out or declines, served instead at small ticket and high rate by an app that approves in minutes. Data from the RBI shows that across the fintech sector unsecured loans make up more than 70 per cent of the loan book, and that book grew 36 per cent in the year to September 2025.

[13] Fintech Association for Consumer Empowerment (FACE), Digital Personal Loans, March 2026, data sourced from CRIF High Mark.

The growth has reshaped the household balance sheet. India's household debt reached 41.3 per cent of gross domestic product (GDP) by March 2025, above its five-year average of 38.3 per cent, while the household savings rate fell to a multi-decade low. Loans taken for consumption rather than for a house now make up 55.3 per cent of all household borrowing. The strain is visible in where loans go bad. Unsecured loans account for 53.1 per cent of all retail loan slippages, and for nearly 76 per cent of slippages at private banks, a share well above their share of the lending.[14] The Reserve Bank has named this segment its central concern in retail credit.

RBI has already acted on the part of the problem that touches its own balance-sheet mandate. In November 2023 it raised the risk weight on unsecured consumer loans from 100 to 125 per cent, and on credit-card exposures to 150 per cent, which lifted the capital cost of this lending and cooled its growth.[15] By early 2025 the Governor called the resulting moderation "satisfactory," and the digital sector's reported 90-day overdue rate had fallen to 1.4 per cent by March 2026, down from 3.3 per cent two years earlier.[16]

However, the aggregate hides the borrower. A 90-day overdue rate of 1.4 per cent across a ₹1.43 lakh crore book tells the regulator the system is sound but it says nothing about the household paying unprecedented interest rates on six loans at once. A falling overdue rate is also consistent with borrowers meeting old loans by taking new ones, which is the pattern the next sections document. The risk weights protected the lender's capital. They left untouched the price the borrower pays and the number of loans a single borrower may hold. Those two questions, the price and the count, are the subject of this report, and the market measured here is the scale on which they work.

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[14] Reserve Bank of India, *Financial Stability Report*, December 2025.
[15] Reserve Bank of India, *Regulatory Measures Towards Consumer Credit and Bank Credit to NBFCs*, RBI/2023-24/85, 2023.
[16] Business Standard, *Moderation in Unsecured Loan Growth Satisfactory: RBI Governor Malhotra*, 7 February 2025, accessed 21 June 2026.

4. The Cost and Structure of App Debt

The clearest sign that a loan cannot be repaid is an instalment larger than the borrower's income. In 11 of the 13 cases with complete figures, the borrower's monthly equated instalments exceeded monthly income, and the median ratio sat close to 200 per cent.[17] A borrower at that level services nothing from their earnings. The instalment is met either from a spouse's income, from a fresh loan, or not at all. The table below sets the ratio out by case, on self-reported income.

Table 3: Summary of Borrower Case Studies

Case	Occupation	Monthly income (self)	Monthly instalments	Instalments to income
A	Customer service executive	₹24,000	₹68,811	**287%**
B	Area manager	₹60,000	₹4,88,554	**814%**
C	Private employee	₹28,000	₹54,274	**194%**
D	Team leader	₹42,000	₹29,298	**70%**
E	Talent team leader	₹50,000	₹1,90,223	**380%**
F	Senior HR executive	₹25,000	₹1,46,692	**587%**
G	Video editor	₹32,160	₹45,710	**142%**
H	Chauffeur	₹40,000	₹77,150	**193%**
I	Delivery executive	₹50,000	₹1,23,087	**246%**
K	Contract worker	₹12,000	₹46,700	**389%**
L	Engineer	₹26,000	₹52,311	**201%**
M	Salaried	₹45,000	₹61,230	**136%**
N	Mathematics teacher	₹35,000	₹31,185	**89%**

[17] Moneylife Foundation, underlying credit counselling records (anonymised), on file.

Eight of these thirteen households owe more than twice their monthly income in instalments alone. The two cases below 100 per cent are not the exceptions they appear to be. Case D carries ₹4.25 lakh in overdue amounts it has no means to clear, and Case N also holds five credit cards with no recorded instalment that represent a liability the ratio does not capture.

The most acute case is a contract worker earning ₹12,000 a month who supports thirteen people. Across six loans, every one of them from a digital app, the household owes ₹46,700 a month against a combined income of ₹22,000.[18] The instalments alone are more than twice everything the household earns, before it even puts food on the table.

Where household expenses are also recorded, the arithmetic after instalments is a monthly deficit, before any spending on essential expenditure. The table below shows it for the cases with complete figures.

Table 4: Monthly Financial Position of Borrowers after Loan Instalments and Household Expenses

Case	Income (self)	Instalments	Stated expenses	Monthly position
A	₹24,000	₹68,811	₹8,000	**−₹52,811**
C	₹28,000	₹54,274	₹20,000	**−₹46,274**
E	₹50,000	₹1,90,223	₹30,000	**−₹1,70,223**
F	₹25,000	₹1,46,692	₹23,000	**−₹1,44,692**
H	₹40,000	₹77,150	₹20,000	**−₹57,150**
K	₹12,000	₹46,700	₹15,000	**−₹49,700**
L	₹26,000	₹52,311	₹10,000	**−₹36,311**

Every household in the table runs out of money before it has met basic expenses. The deficit is covered by a second income where one exists, and otherwise by borrowing again, which is how a manageable balance sheet becomes an unrepayable one.

The interest rate a borrower is shown understates what the loan costs, because the largest charge sits outside the rate. A processing fee of 10 to 15 per cent is deducted at disbursal, so the borrower receives less than the principal and repays the whole of it. On a ₹10,000 loan carrying a 15 per cent fee and a 3 per cent monthly interest charge

[18] Moneylife Foundation, Credit counselling records (anonymised), on file.

over 30 days, the borrower takes home ₹8,500 and repays ₹10,300. The rate shown is 36 per cent a year. The rate paid is 258 per cent.[19] The shortest loans cost the most, and several apps price by the day. The below table compares the rate as offered with the rate once fees and tenure are counted.

Table 5: Advertised Interest Rates Compared with Effective Annual Borrowing Costs

Product as offered	Rate shown	Effective annual rate
₹10,000, 15% fee, 3% a month, 30 days	36% a year	258%
1% a day, short tenure	1% a day	365%, or 3,678% with daily compounding
0.5% a day, short tenure	0.5% a day	182%

A loan at 1 per cent a day, the structure recorded for Nexi, Creditsea and TezCredit in these files, costs 365 per cent a year before any compounding.[20] One borrower drew ₹10,000 from a 1-per-cent-a-day app and owed ₹12,700 twenty-seven days later, a 27 per cent charge for less than a month. Across the original fourteen cases, the counselling records captured 108 separate app-loan instances spread over 47 distinct platforms, and roughly a third of those instances carried no disclosed rate at all, which leaves the borrower without even the figure the law assumes will protect them.

In several cases the amount outstanding has grown past the principal advanced. A ₹1,86,000 NBFC loan stood at ₹3,34,152. A ₹10,80,000 loan stood at ₹17,00,000. Smaller app loans move the same way, as the table shows.

Table 6: Outstanding Loan Balances as a Multiple of the Original Principal

Original loan	Outstanding	Multiple of principal
₹1,86,000 (NBFC)	₹3,34,152	**1.8×**
₹10,80,000 (NBFC)	₹17,00,000	**1.6×**
₹10,000 (app)	₹19,200	**1.9×**
₹7,000 (app)	₹10,600	**1.5×**
₹4,000 (app)	₹9,600	**2.4×**

[19] Moneylife Foundation, Independent computation on the case data, 2026.
[20] Moneylife Foundation, independent computation on the case data, 2026.

The Penal Charges Circular of August 2023 forbids the capitalisation of penalties, which is the practice of adding a penalty to the principal so that it earns further interest.[21] However, a balance at 1.8 or 2.4 times the sum advanced is hard to reach through scheduled interest alone.

Table 7: Share of App Loans in Total Principal and Monthly Loan Instalments

Case	App loans	Share of principal	Share of instalments
A	6 of 7	42%	**87%**
B	15 of 30	8%	**60%**
E	13 of 21	32%	**71%**
F	14 of 19	20%	**57%**

App loans take a small share of a borrower's principal and a large share of the monthly instalment, because their rates and short tenures pull more cash per rupee than a bank loan many times their size. Table 7 shows the gap for the cases where the split is recorded.

In Case B, app loans are 8 per cent of the portfolio by principal and 60 per cent of the monthly instalment. A thin layer of app debt drives the collapse in a household that had carried far larger bank loans without trouble. The pattern recurs across the set. The app loans are rarely the largest debts a borrower holds, but they are almost always the ones consuming the income.

The debt is built from many small loans rather than a few large ones. The households in the Foundation's case record carried between six and thirty active loans each. One household earning ₹25,000 with eight dependents held six short-tenure app loans and nothing else, every one of them already overdue, on a borrowed total of ₹1,20,918.[22] Another borrower, with no income of his own, carried ₹13.53 lakh across five credit

[21] Reserve Bank of India, *Fair Lending Practice – Penal Charges in Loan Accounts*, RBI/2023-24/53, 18 August 2023.

[22] Moneylife Foundation, Analytical Findings from Borrower Case Studies, 2026, and the underlying credit counselling records (anonymised), on file.

cards and eight NBFC loans, every credit card fully overdue.[23] The structure repeats from case to case. A borrower reaches the ceiling of one lender, moves to the next, and the loans accumulate faster than any of them can be cleared.

Two features run through every case. The price of an app loan, once its fees are counted, reaches several times the rate the borrower was shown. And the loans arrive in numbers no single income can service. Neither the price nor the count is set by anything the borrower could have read in the paperwork.

[23] Moneylife Foundation, Analytical Findings from Borrower Case Studies, 2026, and the underlying credit counselling records (anonymised), on file.

5. How Apps Acquire and Multiply Borrowers

The economics of app lending reward acquiring borrowers and lending to them repeatedly, rather than collecting carefully on any single loan. Each loan is small, so the lender's return depends on writing a very large number of them and bringing each borrower back for the next. The apparatus that produces that volume is marketing, and it is engineered with a care the rest of the product lacks.

Acquisition runs through every channel a phone offers, from search results and social feeds to banner ads, short message service (SMS) and push notifications. Many arrive as instant-loan alerts that promise a few thousand rupees through a three-tap process.[24] The notifications are not sent at random, they are behavioural triggers, fired on a user's actions and timed to the hour a borrower is most likely to respond. An app opened, an application left unfinished, or a repayment date drawing near each, sets off a fresh prompt. A marketing system tuned this finely shows the loan offer to the person on the edge of taking it, who is usually the person already short of cash.

Borrowers are sorted before they apply. Loan-marketplace apps aggregate offers from thirty or more lenders and surface "pre-approved" amounts against nothing more than a phone number and a one-time password.[25] Taking a single loan sharpens the targeting again, because the application leaves an enquiry on the credit bureau that marks the borrower as a live buyer, and other lenders read the same signal and approach in turn. Even the researcher of this report, when merely doing research for the loan apps only going on their websites to record their terms was served a steady stream of fresh loan advertisements for days afterwards. Borrowers in the counselling records describe taking one small loan and fielding offers from a dozen more inside a week.

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[24] CleverTap, *How Push Notifications in Fintech Drive Engagement and Growth*, accessed 21 June 2026.
[25] Paisabazaar, *Personal Loan, Instant Pre-Approved Offers*, accessed 21 June 2026.

Apps have gamified the credit limit itself, granting a small line of ₹5,000 to ₹10,000 and letting the borrower "unlock" a higher one as a repayment date approaches, a mechanic lifted from mobile games. Borrowers in a 2022 study of instant-loan platforms in India suspected these prompts were recovery nudges in disguise, timed to pull a fresh loan exactly when an old one fell due, and the study found the mechanic pushed borrowers past their capacity and into cyclical borrowing across several apps to keep each one current.[26] The wider toolkit is the familiar catalogue of dark patterns. A 2025 survey placed digital lending among the heaviest users of them, with pre-ticked consent boxes, charges disclosed too late to matter, and opt-outs buried where few borrowers reach them.[27]

The borrower has little way to tell a safe lender from a predatory one. A consumer survey by FACE and MicroSave found a wide gap between how confident borrowers feel about spotting an illegal loan app and how well they actually can, with most relying on an app's star rating, its reviews, and its claimed link to a bank or NBFC.[28] A rating can be bought, a review can be written, and an NBFC's name can be displayed whether or not the entity behind the app is the one named. The signals a borrower uses to judge safety are the signals the marketing is built to produce, and a three-tap loan advertised as instant leaves neither the time nor the information to look behind the offer.

These tactics act on a known weakness. People place disproportionate weight on the present, a tendency behavioural economists call present bias, and frictionless credit turns that tendency into a trap.[29] A loan that arrives in two taps, with the money in the account in minutes and the cost deferred to a future the borrower discounts, removes the pause in which a person might reconsider. The branch visit, the form, the

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[26] A. Ramesh and others, *How Platform-User Power Relations Shape Algorithmic Accountability: A Case Study of Instant Loan Platforms and Financially Stressed Users in India*, 2022.
[27] Business Standard, *Digital Lending, Edtech, Ecommerce Among Worst Dark Pattern Users: Survey*, September 2025, accessed 21 June 2026.
[28] FACE and MicroSave Consulting, *Customer Survey on Unauthorised Loan Apps*, 2024.
[29] S. Meier and C. Sprenger, *Present-Biased Preferences and Credit Card Borrowing*, American Economic Journal, 2010.

wait of a few days, the friction that once protected a borrower, has been engineered out of the product, and the moment of second thought has gone with it.

The targeting was built on intrusive access to the borrower's phone, the contacts, messages, call logs and gallery that lending apps long demanded and that the Reserve Bank's Directions now forbid an app from reaching. The supply that results from this finds the borrower rather than waiting to be found, and presses hardest when the borrower is most exposed, because to an advertising system a person already servicing six loans is a proven taker of loans.

The Foundation examined how these offers reach a borrower, and the evidence points to the advertising ecosystem itself. When a borrower installs or opens a lending app, advertising software within the app can pass installation and engagement events, device identifiers and behavioral signals to platforms such as Google and Meta, which then infer that the user belongs to a credit-seeking audience that competing lenders can target, without the loan record ever changing hands.

Ms. Sukanya Chatterjee, Principal Consultant and Founder of Encompass Ideas, described the mechanism to the Foundation, that "when a user installs, opens, or engages with a lending app, advertising software development kits (SDKs), app events, device identifiers, cookies, and behavioral signals may be shared with advertising platforms such as Google and Meta. These platforms can then infer that the user belongs to a 'credit-seeking' or 'financial services' audience segment. Competing lenders can target such audience segments without necessarily receiving the user's personal loan details."

Two mechanisms run in parallel. In the first, advertiser-driven retargeting on Google and Meta lets a lender build an audience from app installs and interactions and pursue those users with fresh offers. In the second, the platforms themselves infer a user's intent from behavior and let advertisers reach those identified as credit-seeking. A member of the study itself searched for a ₹25,000 loan and received three calls within the hour, with three or four lending apps appearing in her social feed soon after. The offers followed the search itself, not any sale of a loan.

A related concern is that the data does not stay with the app that collects it. A borrower who fills in a loan enquiry on a comparison website is not dealing with a lender at all but with an aggregator whose business is to pass that enquiry on, and the privacy policies of the largest aggregators describe the onward flow in almost identical language. Paisabazaar tells the borrower that it will not sell or rent or otherwise disclose the information for commercial purposes in a way contrary to its commitments, and then states in the same breath that notwithstanding the foregoing it may share the information with third parties including its Business Partner banks and NBFCs, credit information companies and the service providers it has a tie up with.

"Paisabazaar.com will not sell or rent or otherwise disclose your information for commercial purposes to anyone in a way that is contrary to the commitments made and/or other than as set forth in this Privacy Policy. Notwithstanding the foregoing, we may share your information to third parties including our ***Business Partner (Banks/NBFCs)****,* ***CICs****, and* ***Service Providers*** *we have a tie up with and any of our affiliates, for the purposes as set out in this Privacy Policy."*[30]

BankBazaar uses the same construction, promising that it will not sell or rent personal information for commercial purposes and adding that notwithstanding the foregoing it may share the information with an affiliate or business partner, and elsewhere it reserves the right to make the borrower's details available to its partner banks and financial institutions or any such other third party, who may then make contact by email, telephone, WhatsApp and SMS.[31] The same policy records that the borrower expressly waives any Do Not Call or Do Not Disturb registration on the number left on the site, so the protection an ordinary consumer relies on to stop marketing calls is signed away at the point of enquiry.

[30] Paisabazaar, *Privacy Policy*, accessed 17 July 2026.
[31] BankBazaar (A&A Dukaan Financial Services Private Limited), *Privacy and Security Policy*, last updated 15 November 2025, accessed 17 July 2026

Wishfin states the position most plainly of all. It concedes that it does not provide any product on its own and has no sales team of its own and merely helps the borrower compare products, which removes any pretence that the data is collected to serve a lending relationship, and it then reserves the right to contact the borrower by call, SMS, email and WhatsApp irrespective of any Do Not Disturb registration for three hundred and sixty five days from registration or last login.[32] Its Android application goes further and collects transactional SMS data including the sender name, the message body and the time received and transmits that data to third parties, alongside a list of the other applications installed on the borrower's phone. An enquiry made once, by a borrower who may never take the advertised loan, becomes a standing license to be called, messaged and profiled, and the contact details and financial markers pass to a chain of partner lenders whose own apps then appear as fresh offers to a person the system already knows to be short of money.

A related concern sits one step above in the way loan aggregators handle a borrower's credit file. Aggregators pre-qualify borrowers using a soft enquiry on the bureau and in doing so assemble pools of scored, credit-seeking leads that they pass to lenders.[33] As the policies quoted above show, these aggregators reserve the right to share a borrower's data with their lending partners, credit information companies and service providers even as they promise not to sell it for commercial purposes, a distinction most borrowers never see. The soft pull is a sketchy way to assess a borrower and the harm is the lead pools it builds outside the borrower's meaningful consent. The Digital Personal Data Protection Rules, notified in November 2025 with their substantive obligations taking full effect by May 2027, move this data from a freely used asset toward a regulated trust, and the RBI should read the practices described here against that coming standard.[34]

[32] Wishfin (Mywish Marketplaces Private Limited), *Privacy Policy*, accessed 17 July 2026.
[33] CRS Credit API, *How Lead Aggregators Use Credit Pre-Qualification to Sell Better Leads*, accessed 30 June 2026.
[34] Shardul Amarchand Mangaldas, *Enforcement of the DPDP Act and Notification of the DPDP Rules*, 2025.

6. The Regulatory Framework and RBI's Authority

The Reserve Bank regulates almost everything about a digital loan except its price. The Digital Lending Directions, 2025 govern how the loan is disclosed, how it is disbursed, how the borrower's data may be used, how the loan is recovered, and who answers for the conduct of the app. They set no limit on what the loan may cost, and none on how many loans one borrower may hold. The framework is detailed, recent, and complete on every question but those two.

The Directions consolidate a framework the RBI began building in 2022. The Guidelines on Digital Lending of September 2022 grew from the Working Group's report of 2021, and the 2025 Directions gathered them, with the later circulars, into a single instrument.[35] Their requirements run across the life of the loan. Before the loan, the borrower must receive a Key Fact Statement stating the annual percentage rate and every fee, and nothing outside that statement may later be charged. The lender must assess the borrower's income, age and occupation before sanctioning, under Paragraph 7. At disbursal, the money must reach the borrower's own bank account, never the account of the app or an intermediary, and repayments must return directly to the regulated entity, which closes the pooled-account routes that once hid where the money moved. The borrower must be offered a cooling-off period, at least three days on a loan of a week or more, in which the loan can be exited for the principal and the proportionate rate. A grievance officer must be named, and every loan must be reported to the credit information companies, while Paragraph 5(vii) holds the regulated entity fully liable for the conduct of the app that fronts for it.[36]

Recovery is governed too. A recovery agent may contact a borrower only between eight in the morning and seven at night, may not use threats or abuse, and may not

[35] Reserve Bank of India, *Digital Lending Directions, 2025*, Paragraphs 5(vii), 7, 8, 9, 10, 11, 16; and *Guidelines on Digital Lending*, 2 September 2022.
[36] Reserve Bank of India, *Digital Lending Directions, 2025*, Paragraphs 5(vii), 7, 8, 9, 10, 11, 16; and *Guidelines on Digital Lending*, 2 September 2022.

disclose the debt to the borrower's family, employer or neighbours.[37] The regulated entity answers for the agent as it answers for the app. These norms are detailed and, on paper, protective. They set out how a loan may be collected, and they say nothing about whether the loan should have been made at the price, or in the number, that it was.

Around the Directions sit the circulars that bind specific conduct. The table lists the instruments that make up the framework.

Table 8: Key RBI Instruments Governing Digital Lending

Instrument	Year	What it governs
Digital Lending Directions	2025	Disclosure, disbursal, data, grievance, RE liability
Key Facts Statement (KFS) circular	2024	The all-in cost shown as an annual percentage rate
Penal Charges circular	2023	Bars adding penalties to principal to earn further interest
Default Loss Guarantee guidelines	2023	Caps a lending service provider's first-loss cover at 5%
Outsourcing and recovery norms	2022	Recovery conduct, with the regulated entity liable for agents
Credit Information Companies Act	2005	Reporting of every loan to the credit bureaus
Fortnightly reporting circular	2024	Bureau updates every fifteen days from January 2025

No instrument in this list fixes a rate.[38] Pricing sits outside the architecture by design and by history. The Reserve Bank deregulated the lending rates of NBFCs years ago and left each board to set its own. When it recast the rules for microfinance in 2022, it removed even the cap it had kept on that segment, and required only that rates follow a board-approved policy and stay short of "usurious," subject to its later scrutiny.[39] The Fair Practices Code applies the same logic across NBFC lending. A board adopts

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[37] Reserve Bank of India, *Outsourcing of Financial Services and Recovery Agents Norms*, 2022.
[38] Reserve Bank of India, *Key Facts Statement for Loans and Advances*, RBI/2024-25/18, 2024; *Fair Lending Practice – Penal Charges in Loan Accounts*, RBI/2023-24/53, 2023; *Guidelines on Default Loss Guarantee in Digital Lending*, 2023; *Credit Information Companies (Regulation) Act*, 2005.
[39] Business Standard, *Reserve Bank of India Removes Interest Cap for Microfinance Loans*, 15 March 2022, accessed 21 June 2026.

an interest-rate model built on its cost of funds, its margin and a risk premium, and ensures the result is not "excessive."[40] The Code attaches no figure to either word. A rate becomes excessive when the RBI later decides it is, and not before.

The power to fix that figure is settled. Section 45JA of the Reserve Bank of India Act, 1934 lets the RBI determine the policy of non-banking financial companies and issue binding directions to them, and Section 45L lets it give directions in the public interest and call for any information it requires.[41] These powers reach pricing. It has used the same family of powers to set lending rates directly, holding microfinance lenders to a capped margin from 2011 to 2022 and the weakest borrowers to 4 per cent under the Differential Rate of Interest Scheme since 1972.[42] Nothing in the statute stops the RBI from setting a rate.

The consequence of leaving the word "excessive" undefined is visible in the market. An article by *The Ken* found RBI-licensed NBFCs running short-term loan apps at annualised rates of 600 per cent and more, board-approved and lawful under the 2022 decision not to cap rates, with one lender's board policy citing a cost of borrowing of up to 120 per cent a year against audited finance costs closer to 2 per cent.[43] Across a sample of 25 such NBFCs, most registered in the 1980s and 1990s, revenues rose by a median of four and a half times in a single year.

An industry insider who is an investor in the fintech-lending sector, told the Foundation that the larger digital lenders have cut their rates and lengthened their tenures under sustained supervisory pressure over the past two years, and that the several thousand smaller NBFCs sitting below the threshold for regular inspection are where the worst practices now concentrate. The Foundation could not independently verify the larger lenders' claims of sub-30 per cent rates, which typically exclude upfront fees, and it draws no dividing line through the market on that basis.

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[40] Reserve Bank of India, *Master Direction, Non-Banking Financial Company, Scale Based Regulation, Directions, 2023*, Fair Practices Code.

[41] Reserve Bank of India, *Reserve Bank of India Act, 1934*, Sections 45JA and 45L.

[42] Reserve Bank of India, *Master Circular – Differential Rate of Interest (DRI) Scheme*, 1972; and *Master Direction, Regulatory Framework for Microfinance Loans, Directions, 2022*.

[43] The Ken, *At RBI-licensed NBFCs, 600% Annual Interest Is Board-Approved, 'Reasonable', and Perfectly Legal*, 2026.

RBI already exercises the power against price, one firm at a time. In October 2024 it barred four NBFCs, two of them large digital lenders, from sanctioning loans, on the ground that their weighted average lending rate and the spread over their cost of funds were "excessive" and outside the Fair Practices Code, acting under Section 45L.[44] The action shows three things together. It treats an excessive rate as a breach it can act on. It holds the power to stop a lender over price. And it applies that power case by case, against named firms, because it has published no threshold the market can be measured against in advance.

The RBI has also moved to make a borrower's existing debt more visible. From January 2025 it requires lenders to report to the credit bureaus every fifteen days rather than once a month, which narrows the window in which a borrower can take several loans before any of them appears on a report.[45] However, more can be done to make this system real time.

[44] Business Standard, *RBI Bars 4 NBFCs from Extending Loans for Charging Usurious Rates*, 17 October 2024, accessed 21 June 2026.
[45] Business Standard, *RBI Mandates Fortnightly Credit Information Reporting to Boost Transparency*, 8 August 2024, accessed 21 June 2026.

7. Disclosure is Not Happening

The framework rests on the proposition that a borrower who is told the price of a loan can be trusted to decide for himself whether to take it. Every other protection, the cooling-off period, the named grievance officer, the liability of the lender behind the app, is arranged around that one idea. The apps do not honour it, and a borrower can read every screen an app places in front of him and still come away without knowing what the loan will cost.

The plainest of the failures concerns the Key Fact Statement, which Paragraph 8 of the Directions of RBI requires to set out the annual percentage rate and every fee before the loan is signed. Of the 110 apps the Foundation profiled, 24 disclose no rate at all, and across the fourteen detailed cases the counselling records captured 108 separate app loans drawn from 47 platforms, of which roughly a third carried no rate the borrower could recall or produce.[46] A borrower handed a loan with no price attached to it has been failed at the one point on which the entire framework depends, and that describes about one borrower in five.

Where a rate is shown, it tends to be shown in a form built to look smaller than it is. The Key Facts Statement circular requires the cost to appear as an annual percentage rate, on the straightforward logic that an annual figure is the only one a borrower can set against another loan.[47] The apps in these files quote by the day and by the month instead, so that a charge of one per cent per day reads as a small and almost trivial figure even though it amounts to 365 per cent across a year. A rate quoted by the day meets the letter of the disclosure rule while defeating the whole of its purpose.

[46] Moneylife Foundation, company dataset of 110 digital lending apps, 2026, and Foundation analysis, 2026.
[47] Reserve Bank of India, *Key Facts Statement for Loans and Advances*, RBI/2024-25/18, 2024, and *Digital Lending Directions, 2025*, Paragraph 6.

The gap between the rate an app advertises and the rate it charges can be seen directly. One lender operating through an RBI-registered NBFC advertises a maximum rate of 35 per cent while its own borrower dashboard shows interest accruing at 1 per cent a day, which is 365 per cent a year.

The largest charge of all is usually kept outside the quoted rate, because a processing fee of 10 to 15 per cent is taken at disbursal and a loan advertised at 36 per cent a year in fact costs 258 per cent once the fee and the short tenure are counted, as the earlier arithmetic showed.[48] A headline figure can be accurate to the decimal and still describe a loan that costs seven times as much, which makes a disclosure that omits the fee a concealment dressed as transparency. Much of that cost is buried in the structure of the fees, where the profiled apps layer a processing charge of 2 to 15 per cent on top of interest and then add late fees of 24 to 36 per cent a year, bounce charges, and goods and services tax (GST) on each.[49] Every charge may appear somewhere in the documentation, yet taken together they leave the annual percentage rate, the one figure a borrower could actually use, as the number the apps are least willing to state plainly. What the apps put on the first screen instead is the speed of the loan, advertised as approved instantly or paid out in minutes, while the price is left for the borrower to reconstruct from whatever fine print survives.

The breakdown extends beyond the price itself. Paragraph 11 requires a named grievance officer to appear on both the app and the website, and 20 of the 110 profiles record none, so that a borrower who cannot find the price frequently cannot find the person to complain to either.[50] Measured against the rules they are meant to satisfy, the apps fail the disclosure regime at each point that decides whether a borrower understands the loan.

[48] Moneylife Foundation, Independent computation on the case data, 2026.
[49] Moneylife Foundation, company dataset of 110 digital lending apps, 2026, fee and claims fields.
[50] Reserve Bank of India, *Digital Lending Directions, 2025*, Paragraph 11, and Moneylife Foundation company dataset, 2026.

Table 9: Comparison of RBI Disclosure Requirements and Observed Lending App Practices

Directions requirement	What the evidence shows
KFS with the annual rate and all fees before signing (Para 8)	24 of 110 apps disclose no rate; about a third of 108 case loans had none
Cost shown as an annual rate, not by the day or month (KFS circular; Para 6)	Rates recorded as "1% per day" and "per month," which read far below the annual figure
No charge outside the KFS (Para 8)	Processing fees of 10 to 15 per cent taken at disbursal, outside the quoted rate
A named grievance officer on the app and website (Para 11)	20 of 110 profiles record none

Since the price is missing, or it is presented in a form that makes it look small, or it is split so that the largest part falls outside the quoted figure, and a number of loans are kept off the record altogether. The obvious response is to enforce the existing rules with more force, compelling the apps to state the annual rate, fold in the fees, name a grievance officer, and report every loan, and that response is correct as far as it goes. It does not reach the end of the matter, because an app that disclosed everything to perfection would still be selling a lawful loan at an absurd interest rate to a borrower who already holds a dozen others. Disclosure speaks to neither the rate nor the number, which is the harder half of the argument and the subject of the next section.

8. Why Disclosure Cannot Be Enough

Even if every app corrected its disclosure tomorrow, stating the annual rate, folding in the fees, and reporting every loan, the borrowers in this report would remain in the position the earlier sections described. Disclosure governs how a loan is described, and it says nothing about the two things that decide whether the borrower can survive it, the price of the loan and the number of them. A framework that perfects the description of a 365 per cent loan has still permitted a 365 per cent loan, and a borrower told the price of a thirteenth loan has still been allowed to take a thirteenth loan.

The disclosure model assumes a particular kind of borrower, one who reads the rate, weighs it against alternatives, and declines an offer that costs too much. The borrower who opens an app at the end of the month, short of rent or facing a medical bill, is not choosing between products in that way. He is looking for money that arrives in minutes, and he will accept whatever terms deliver it, whatever the Key Fact Statement records. The behavioral literature describes the mechanism - that easy credit acts on a person's bias toward the present and turns a high price into a cost deferred to a future he discounts.[51]

Disclosure is equally silent on how many loans a borrower may hold. Each Key Fact Statement describes one loan in isolation, and a borrower shown the terms of a new loan learns nothing from that document about the eleven he already carries or the thirteenth he is about to take. The households in these files reached six, fifteen and thirty loans not through a single ruinous decision but through many ordinary-looking ones, each of which, read on its own, appeared survivable.[52] The total is what destroys them, and no individual disclosure ever shows the total.

[51] S. Meier and C. Sprenger, *Present-Biased Preferences and Credit Card Borrowing*, American Economic Journal, 2010.
[52] Moneylife Foundation credit counselling case records (anonymised), on file.

That total is, in part, hidden from the lender who might otherwise refuse to add to it. A lender that pulls a credit report at the point of sanction sees the borrower's existing loans, but it sees them on a delay. The bureaus were updated once a month until the RBI shortened the cycle to once a fortnight from January 2025, which still leaves a window of roughly three weeks in which a freshly taken loan appears nowhere.[53] RBI itself acknowledged, in making that change, that the old lag had let borrowers secure loans from several lenders within overlapping periods before any of them registered. Inside that window a borrower can take loan after loan with none of the lenders seeing the others, and the loans that bypass the bureau altogether, described in the previous section, never close the gap at all. One borrower's submission record six loans opened on a single day and more than twenty accounts taken inside a single month.[54]

Where the existing debt was visible, lenders advanced against it regardless. The same record shows fresh loans approved by one lender after another while dozens of the borrower's accounts were already open and reporting.[55] The failure is therefore of two kinds at once, a genuine blind spot that the RBI can narrow but has not closed, and a willingness to lend into debt the lender can see. Part of the reason for the second is that the structure of these arrangements dulls the incentive to refuse. In the common model the app is a lending service provider and the registered NBFC is the lender on paper, and a first-loss default guarantee from the provider covers the NBFC against a slice of any losses.[56] When a share of the downside has been guaranteed away, the lender's reason to turn down an over-indebted borrower weakens, because the cost of that borrower's default falls partly on someone else. The borrower's total exposure becomes a risk to be absorbed rather than a reason to stop, and the loan is written.

Disclosure remains necessary, and the apps should be made to deliver it in full but it cannot, on its own, carry the weight the framework places on it, because the two features that turn a small loan into an unpayable debt, its price and its multiplication, lie outside anything a disclosure can say. The remedy is a limit on each. The sections

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[53] Business Standard, *RBI Mandates Fortnightly Credit Information Reporting to Boost Transparency*, 8 August 2024, accessed 21 June 2026.
[54] Borrower questionnaire submission to Moneylife Foundation, 2026, on file, anonymised testimony.
[55] Borrower questionnaire submission to Moneylife Foundation, 2026, on file, anonymised testimony.
[56] Reserve Bank of India, *Guidelines on Default Loss Guarantee in Digital Lending*, 2023.

that follow show that other regulators have drawn those limits without the consequences the RBI fears, and that India's own law has reached for them before.

The reporting gap runs wider than the apps. Aparna Ramachandran, founder of Rectify Credit, who counsels these borrowers for the Foundation, observes that many lenders pull a borrower's bureau record before lending yet never report their own loans back to it, among them cooperative banks, credit societies and the informal *Patpedhis*, all of them members of the credit bureaus for the purpose of checking a borrower but not for the purpose of reporting one. More than two decades after the Credit Information Companies Act of 2005 required it, a large body of lenders still does not report.

9. Comparative Practice and Indian Precedent

Every regulator that has confronted high-cost, small-value lending has answered it with a limit on what the loan may cost, and the consequence the Reserve Bank most fears, that borrowers turned away by capped lenders would fall into the hands of illegal ones, has not followed where those limits were imposed. The point bears directly on the RBI's position, because its stated reason for leaving NBFC rates uncapped is that a ceiling would shut thin-file borrowers out of formal credit. The international record is the best evidence available on whether that fear is well founded, and it runs the other way. The mechanisms differ from one country to the next, but each fixes a ceiling of some kind.

Table 10: Interest Rate Caps for Small-Value Credit in Selected Jurisdictions

Jurisdiction	Cap	Instrument
United Kingdom	0.8% a day, £15 default fee, total cost never above 100% of principal	**FCA price cap, 2015**
Australia	20% establishment fee plus 4% a month, total repayable capped at twice the principal	**Small Amount Credit Contract rules**
Indonesia	0.3% a day on consumer loans, falling to 0.1%	**Otoritas Jasa Keuangan (OJK) Regulation 40 of 2024**
United States	36% all-in rate for service members, 36% or less in 32 states	**Military Lending Act and state caps**

The United Kingdom's design is the most studied, and its results answer the RBI's concern most directly. The Financial Conduct Authority capped high-cost short-term credit in January 2015, limiting interest and fees to 0.8 per cent a day, holding default fees to £15, and ruling that no borrower would ever repay more than 100 per cent of the sum borrowed in interest and charges.[57] When it reviewed the cap, it found that

[57] Financial Conduct Authority, *Detailed Rules for the Price Cap on High-Cost Short-Term Credit*, 2014.

borrowers paid less, repaid on time more often, and sought help from debt charities far less than before, while default rates fell and the firms that remained lent at a fraction of the former cost.[58] Its own research put the share of declined borrowers who even considered an illegal lender below five per cent, and the share who reported using one at around two.

The objection the RBI is most likely to raise is that the British experience may not transfer, that India's borrowers are poorer and more dependent on small credit and so would be harmed more by losing access. The concern can be answered in 2 simple parts. The British review found no move to illegal lending even among those refused, and there is no feature particular to India that would reverse that result. Beyond that, the segment this report describes does not suffer from a shortage of access. A borrower holding six or thirty simultaneous app loans has, if anything, too much of it, and a ceiling that prevents the thirteenth loan withholds nothing a household in that position can afford to take. The access argument carries weight where credit is scarce, and very little where the harm is manufactured by oversupply.

Indonesia met a version of India's problem more closely than Britain did, an app-driven surge in small consumer loans, and answered it with a daily-rate cap. Its financial regulator set the combined interest and fees on consumer fintech loans at 0.3 per cent a day in 2024 and scheduled reductions to 0.2 and then 0.1 per cent in the years after.[59] The structure is the one that fits the Indian product, a cap by the day on loans priced and repaid by the day, and it shows an emerging market with a fintech boom of its own reaching for a ceiling rather than relying on disclosure.

Australia took a different route to the same end, limiting borrowing against income rather than only against price. Its Small Amount Credit Contract rules cap the fees on a small loan at a 20 per cent establishment charge plus 4 per cent a month, hold the total repayable to twice the amount borrowed, and forbid a lender from writing a loan

[58] Financial Conduct Authority, *High-Cost Credit Review, Feedback Statement FS17/02*, 2017.
[59] Otoritas Jasa Keuangan, *Regulation No. 40 of 2024 on Information Technology-Based Joint Funding Services*, 2024, as reported in The Jakarta Post, accessed 21 June 2026.

whose repayments would exceed about a tenth of the borrower's net income.[60] That last rule is an exposure cap in all but name, a legal ceiling on how much of a household's income may be committed to this kind of credit, and it is the closest foreign analogue to the limit on simultaneous borrowing that this report recommends.

The United States supplies the model of an all-in rate. The Military Lending Act caps the cost of most consumer loans to service members at a Military Annual Percentage Rate of 36 per cent, a figure that folds in interest and almost every fee, so that a lender cannot move the real cost outside the cap by re-labelling it.[61] Thirty-two states and the District of Columbia apply a comparable ceiling of 36 per cent or less to small instalment loans. The all-in construction matters here, because the central device in the Indian cases is a price split between a modest interest rate and a large upfront fee, and a cap expressed as an all-in annual rate is the one design that reaches both halves of it.

The comparative record speaks to the second half of the problem as well, the borrower's hidden total. The same British regulator is now closing the gaps in its own credit data, proposing in February 2026 to require firms to report comprehensively to designated credit reference agencies so that a lender can see a borrower's full obligations before lending again.[62] The remedy for invisible debt, in the jurisdiction furthest down this road, is mandatory and complete reporting, which is the direction India's own Paragraph 16 already points and to which the recommendations return.

India does not need to import the principle, only a similar mechanism. The doctrine of *damdupat*, drawn from the Hindu law of debts and carried into several relief statutes, holds that the interest recoverable at any one time may not exceed the principal of the loan.[63] It is, in substance, the British total-cost cap arrived at centuries earlier, the rule that a borrower should never owe more in interest than he was lent. Several of the balances in the case data, grown to nearly two and a half times the sum

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[60] Government of Australia, *National Consumer Credit Protection Act, 2009*, Small Amount Credit Contract provisions.

[61] *Military Lending Act*, 10 U.S.C. 987, United States; National Consumer Law Center data on state rate caps.

[62] Financial Conduct Authority, *Credit Information Market Study, Proposed Approach to Implementing FCA Remedies, CP26/7*, February 2026.

[63] The rule of *damdupat*, a principle of the Hindu law of debts, codified in several state relief statutes.

advanced, would fail that test on their face. The principle survived into modern statute as well. The **Usurious Loans Act of 1918** empowered Indian courts to reopen a loan whose interest was excessive and whose terms exploited the borrower's necessity, and it directed the court, in weighing unfairness, to consider the very desperation on which the apps in this report rely.[64] The Act remains in force. Its weakness lies in its mechanism rather than its principle, because it works only through litigation, loan by loan, after the harm is done, and a borrower carrying a dozen app loans does not file a civil suit. The judgment that usury is a wrong is a century old in India, and what has been missing is a way to act on it before the damage and across a market, rather than after it and one borrower at a time.

The RBI has, moreover, capped NBFC lending within living memory. On the Malegam Committee's recommendation in 2011, it held microfinance lenders to a margin of 10 to 12 per cent over their cost of funds and to an interest ceiling, and it ran that regime for more than a decade.[65] It withdrew the cap in 2022 in favour of board-approved pricing that must stay short of usurious, on the view that competition would discipline rates better than a ceiling would. Whether competition has in fact disciplined rates in the segment examined here is answered by the earlier sections, where competition among more than a hundred apps produced loans at 365 per cent and borrowers stacked across dozens of lenders. The 2022 reasoning has now been tested in the digital market, and it has not held.

What no other body can supply is the authority. The Supreme Court confirmed in December 2024 that the regulation of lending rates falls within the RBI's exclusive statutory domain, which leaves the remedy, as a matter of law, with the RBI alone.[66] The comparative record shows that a cap works and that the feared collapse into illegal lending does not follow it.

[64] *Usurious Loans Act, 1918*, Section 3.

[65] Business Standard, *Reserve Bank of India Removes Interest Cap for Microfinance Loans*, 15 March 2022, accessed 21 June 2026; Y. H. Malegam, *Report of the Sub-Committee on Issues and Concerns in the MFI Sector*, 2011.

[66] *2024 INSC 1044*, Supreme Court of India, 20 December 2024.

10. Illustrative Cases

The tables in this report show what the borrowers owe but they do not show how the debt was built or what is done to collect it, and two households stand in for both. The first comes from the verified counselling records. The second is the large submission the report treats as testimony rather than fact, used here, with that caveat held throughout, because the conduct it describes recurs across the Foundation's casework.

The first household is headed by a contract worker who earns ₹12,000 a month and supports twelve others. The borrowing began as a single small loan to cover a shortfall, and when the repayment fell due before the next wage arrived, a second app covered the first, and a third covered the second. Within months the household carried six app loans and owed ₹46,700 a month against a combined family income of ₹22,000. The arithmetic allows no recovery, because every rupee the household earns, and more besides, is committed to instalments before it buys food, and the only way to meet this month's instalment is to take next month's loan. No lender that assessed his income, as Paragraph 7 of the Directions requires, could have approved one of these loans, and six lenders approved six.[67]

The second household began from a crime rather than a shortfall. By the borrower's account, in early 2023 he took a few small loans from app operators he later understood to be illegal. He repaid them in full, and the operators then credited fresh sums into his account that he had not asked for and treated him as a defaulter on money he never sought. They had taken his contacts and his photographs through the permissions the app demanded at signup, and they threatened to send morphed images of him to his family and colleagues unless he paid.[68] To meet those demands he borrowed from other apps, and to meet those he borrowed again.

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[67] Reserve Bank of India, *Digital Lending Directions, 2025*, Paragraph 7.

[68] Borrower questionnaire submission to Moneylife Foundation, 2026, on file, anonymised and unverified testimony.

The borrowing did not slow once it started. Each new loan carried its own repayment date, and missing one brought a fresh threat, so the count climbed from a handful of loans to, on his own credit record, 522 accounts across 64 lenders. When his borrowing capacity was exhausted, loans were taken in his wife's name, who had no income of her own, for 131 of those accounts. Within two years the household had become a mechanism for raising cash to service the cash it had already raised.

The collection matched the lending. Recovery agents for several registered lenders messaged the people in his contact list and named him as a defaulter, which is precisely the conduct the Reserve Bank's recovery norms forbid. Those norms bar an agent from contacting a borrower outside the hours of eight in the morning to seven at night, from using threats or abuse, and from disclosing the debt to the borrower's family, employer or neighbours, and Paragraph 5(vii) of the Directions makes the registered lender behind the app answerable for every one of those acts.[69] The rules are clear, and the lender is liable, and the conduct happens regardless.

The pattern reaches well beyond this household. Press investigations across 2022 and 2023 recorded the same methods in use across the sector, the harvested contact list, the morphed photograph, the threat to circulate it. They have also linked a number of borrower suicides to the harassment that followed default.[70] In July 2026 the Times of India reported a student who took his life after harassment by loan-app recovery agents, one of a series of such deaths recorded across the country in recent years.[71]

The methods are unlawful under rules the RBI itself wrote, and they persist because those rules bite after the harm rather than before it, and only when a borrower who has already been shamed finds the means to complain.

What these two households show, and the tables could not, is that the price and the number do more than produce an unpayable balance. They produce a method of

[69] Reserve Bank of India, *Outsourcing of Financial Services and Recovery Agents Norms*, 2022, and *Digital Lending Directions, 2025*, Paragraph 5(vii).
[70] TechCrunch, *Predatory Loan Apps in India Driving Some Users to Suicide*, 2022; The Probe, *Loan Apps: Harassment, Blackmail and Suicides Amid Regulatory Inaction*, 2023.
[71] Times of India, *Harassed by Loan Apps, Student Dies by Suicide*, 6 July 2026.

collection that reaches past the borrower's bank account into his relationships and his standing, and that arrives at the moment he is least able to withstand it. Neither household could have formed under the two limits this report recommends. Neither loan could have carried the price it did beneath a ceiling on the rate, and neither stack could have been assembled if a lender had been required to see the loans already outstanding before adding to them. The recommendations that follow set out how the RBI can require both.

11. Recommendations to the Reserve Bank of India

The case the report has built points to a small set of actions, and they follow from three findings. The harm is grave, concentrated in the small-ticket segment, and produced by the price of these loans and the number of them rather than by any failure of disclosure alone. The framework RBI has built reaches every part of a digital loan except those two features, the price and the count. And RBI holds the authority to reach both, has exercised it before, and would be moving with international practice rather than against it in doing so. The recommendations below are ordered by the weight the report places on them. The first two attack the multiplication of loans and the means to enforce it, the third the price, and the last two ask the RBI to enforce and to publish what it has already written and already decided.

First, cap the number of loans a borrower may hold at any one time, and place on the lender the duty to verify the borrower's existing loans before adding to them. This is the primary recommendation, because the stacking of loans, more than any single rate, is what turns a manageable shortfall into an unpayable debt. The limit also restores an incentive the current structure has dulled, because where a first-loss guarantee lets a lender pass part of a bad loan's cost to the app behind it, a hard ceiling removes the discretion to lend once the borrower is over the line. The RBI should set the limit in the form that fits the Indian market, whether as a number of simultaneous active loans, a share of assessed income committed to repayment, or both, and should make a loan written past it a breach for which the registered entity answers under Paragraph 5(vii).

Second, require a real-time check of the borrower's total exposure at sanction, and move credit-bureau reporting to real time. A limit on the count works only when a lender can see what a borrower already owes, and the report has shown that view to be broken by a reporting delay and by loans that never reach the bureau at all. The RBI moved lenders from monthly to fortnightly reporting from January 2025, and to four reporting dates a month from July 2026,[72] and even this leaves a window of days in which a borrower can take several loans before any of them appears. The RBI should require reporting to the credit information companies in real time, on the model of the payment system it has already moved to round-the-clock settlement, so that the loan a lender writes is visible to the next lender within minutes. It should require every lender to consult the borrower's full bureau record before sanctioning, with a consent-based means of resolving identity so that one borrower cannot present as several across several apps. The bureaus will need time to build for this, and the cost of the delay falls on the borrower.

Third, regulate the price of digital credit, expressed as a ceiling on the all-in annual cost of a loan. The report does not prescribe the number. That is for the RBI to calibrate against the genuine cost of serving thin-file borrowers, on which India, unlike the United Kingdom, has no domestic evidence yet, and the case for a ceiling holds whatever its precise level. What the report urges is the form, because the form is where the harm has hidden. The cap should be stated as an annual rate that folds in every fee, so that a lender cannot for example, move the real cost outside it by separating a 36 per cent headline rate from a 15 per cent upfront charge, which is the most common device in these cases and the reason a loan shown at 36 per cent can cost 258. It should carry a total-cost backstop under which a borrower never repays more in interest and charges than the sum first advanced, a rule India has recognised for centuries and the United Kingdom adopted in 2015.[73] And it should set a tighter limit for the shortest loans, where a charge that looks trivial by the day compounds into the steepest annual cost of all.

Fourth, Require reporting to the bureaus as a condition of the license. Reporting is only as complete as its weakest link, and many lenders that pull a borrower's bureau record before lending do not report their own loans back to it. The RBI's 2025 credit-information directions now require that any loan made through a digital lending app

[72] Business Standard, *RBI Mandates Fortnightly Credit Information Reporting to Boost Transparency*, 8 August 2024.

[73] Financial Conduct Authority, *Detailed Rules for the Price Cap on High-Cost Short-Term Credit*, 2014; *Military Lending Act*, 10 U.S.C. 987; Otoritas Jasa Keuangan, *Regulation No. 40 of 2024*.

be reported whatever its size or tenor, and that the bureaus give the RBI a list of non-reporting lenders every six months. The RBI should hold each NBFC to a written declaration, made at the grant of its license, that it reports every loan to the credit information companies, and should treat a failure to report as a ground for withdrawing the license. A loan that never reaches the bureau is a loan no exposure check can catch.

Fifth, Extend the ombudsman's reach to the small NBFCs where the harm concentrates. A complaint against a large NBFC can reach the Reserve Bank's ombudsman, who can direct redress. The Integrated Ombudsman Scheme covers a non-deposit-taking NBFC only once its assets reach ₹5,000 crore, and a significant number of lenders described in this report sits far below that line.[74]A complaint against such a lender is routed instead to the RBI's consumer-protection machinery, which can caution a lender but cannot adjudicate or order redress. In one such case a borrower's complaint against a small NBFC, found on examination to have breached the RBI's own conduct rules, drew only an instruction to the lender to adhere to them, and the file was closed. The RBI should bring these lenders within the ombudsman's adjudicatory reach regardless of their size, because the borrowers who most need an adjudicator are the ones the threshold excludes.

Sixth, Fund borrower literacy and counter-advertising from the resources already set aside for financial awareness. Loan apps reach borrowers through influencers and targeted advertising that no borrower education currently answers. The Reserve Bank holds close to ₹78,000 crore in the Depositor Education and Awareness Fund, built from unclaimed deposits and earmarked for depositor awareness.[75] The RBI should make debt and borrowing literacy a required part of the financial-education spending it mandates across the system, and should place its own messages in the same

[74] Reserve Bank of India, *Reserve Bank Integrated Ombudsman Scheme, FAQs*, 2026; the scheme covers non-deposit-taking NBFCs with assets of ₹5,000 crore and above.

[75] The Wire, *Over Rs 1.5 Lakh Crore of Funds Locked Unclaimed in RBI's DEAF*, noting unclaimed deposits of ₹78,213 crore transferred to the Depositor Education and Awareness Fund as of March 2024.

channels, on Google, Meta and Instagram, where the apps market themselves, so that the borrower who is shown ten loan offers is also shown one warning.

Seventh, Ask Google and Meta how credit is advertised and targeted, using the leverage the Bank already holds. The surge of loan offers a borrower sees after taking a single loan is produced by the advertising systems of Google and Meta rather than by any sale of the loan record, a point set out in Section 5. Both companies run payment businesses that the Reserve Bank regulates, which gives the RBI the standing to ask how financial-product advertising and credit-seeking audience targeting work on their platforms, and to require a code for the advertising of credit of the kind that already governs other regulated products.

Eight, enforce the disclosure rules already on the books. This is the smaller of the asks, because disclosure alone cannot carry the weight the framework has placed on it, and it remains necessary all the same. The RBI should require that the annual percentage rate appear in every Key Fact Statement with all fees folded in, that rates be stated by the year rather than dressed by the day, that no charge fall outside the statement, and that every loan reach the bureaus.

Finally, publish the standard the RBI already applies, and police the practices that inflate a balance after the loan is made. It stopped four NBFCs in 2024 for pricing it judged excessive, without ever naming the line they had crossed.[76] A published threshold would turn that discretionary, firm-by-firm judgement into a rule the whole market can be measured against in advance, and would spare the RBI the task of proving excess one lender at a time, after the loans have already been made. Alongside it, RBI should also audit the balances that have grown past the principal advanced, which point to the capitalisation of penalties that its own 2023 circular forbids, and should keep a public register of the lending charges of every regulated digital lender, so that the rate a borrower is shown can be set against the rate the lender in fact charges.[77]

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[76] Business Standard, *RBI Bars 4 NBFCs from Extending Loans for Charging Usurious Rates*, 17 October 2024, accessed 21 June 2026.

[77] Reserve Bank of India, *Fair Lending Practice – Penal Charges in Loan Accounts*, RBI/2023-24/53, 2023.

These measures will press hardest on the lenders whose model depends on selling many high-priced loans to people who cannot afford them, and that is their intent. A lender that prices within a ceiling, checks a borrower's exposure before sanctioning, and reports every loan it writes will find little here to trouble it, because it is already doing what the framework assumes, rather it will appreciate these frameworks as they improve credibility of the industry at large. The cost falls on the part of the market the earlier sections describe, the part built on stacking and concealed pricing, and a regulation that is uncomfortable only for that part is a regulation working as it should.

12. Conclusion

The borrowers in this report were lent money they could not repay, at rates no cost of funds explains, by lenders who in many cases broke none of the rules while doing it. The framework governs how a loan is described, how it is disbursed, and how it is collected, and it leaves untouched the two things that decide whether the borrower survives, what the loan costs and how many of them there are.

Firmer enforcement of the existing rules is necessary, and on its own it will not be enough. It will make the apps state the price, name a grievance officer, and report what they lend, and it will leave a lawful 365 per cent loan exactly where it stands. The harm is written into the price and the count, and a harm of that kind yields only to a remedy of the same kind. The Foundation has set out two, a ceiling on what a loan may cost and a limit on how many a borrower may hold, with a set of smaller measures to enforce and to publish what the RBI has already decided.

Each of these falls within the RBI's settled authority. The comparative record shows that a price cap protects borrowers without driving them toward illegal lenders. The principle behind the remedy is centuries old in Indian law, and the precedent for it sits in its own conduct over the last fifteen years.

What remains is a decision. The Reserve Bank can go on acting against excessive pricing one firm at a time, after the loans are made and the borrowers are already where the earlier sections found them, or it can fix, in advance and for the whole market, the two limits that would keep that position from forming. As earlier stated, the borrowers counselled by the Foundation are asking the Reserve Bank of India for something very modest - a line drawn before the loan rather than a remedy offered after the ruin. The Foundation urges the RBI to draw it.

About Moneylife Foundation

Moneylife Foundation, launched on 6 February 2010, is a non-profit organisation registered with the Charity Commissioner of Mumbai. The Foundation is engaged in spreading financial literacy, consumer awareness and advocacy for safe and fair market practices. To this end, it organises workshops, round table meetings and awareness campaigns for grievance redressal. It undertakes research and publishes white papers. It also has regular counselling sessions on consumer protection and also files petitions on public interest cases. It is one of the fastest growing and foremost NGOs for consumers and investors. In recognition of its efforts, it was awarded the 10th MR Pai Memorial Award in September 2014 for outstanding work.

The Foundation's mission is to make savers and investors financially aware, empower consumers to fight for their rights and citizens to think and act responsibly. It represents the voice to those of us who work hard, earn and save but do not have a say in the decisions that affect us. The Foundation's specific objectives are:

- To create interest in financial markets and enhance financial literacy.
- To protect investors and consumers of insurance, banking and other financial services through information, counselling and grievance redressal.
- To hold regular workshops and expert talks on financial issues.
- To provide a forum of networking among organisations involved in similar work and also support voluntary organisations working in this area.
- To collaborate with / assist / support organisations / NGOs / civil society groups that engage in public intervention to create a just, fair and a corruption-free society.
- To educate the public of their legal rights in areas of investor protection financial programmes.
- To help prevent corruption and malpractices at all levels of the financial markets.

- To undertake qualitative and quantitative research and analysis in areas of finance, economics, politics, public policies, environmental, business and all other allied fields.
- To provide a forum for committed volunteers and experts to involve themselves in a meaningful way for improvement in financial literacy and consumer protection.
- To create and promote enlightened public opinion on various issues affecting citizens, investors and consumers.
- To encourage, support and assist research and studies in financial, economic, social and related areas that affect individuals.
- To litigate and take any other lawful measures to safeguard the rights and interests of the investors and consumers.

Moneylife Foundation's work encompasses the following areas:

1. **Awareness Sessions:** Spreading financial literacy and awareness about the rights of consumers and citizens through workshops, lectures, articles and awareness campaigns. Sessions have been conducted on banking, Aadhaar, real estate, consumer awareness, right to information, food & health, senior citizens' issues, taxation and documentation, and many others.

2. **Daily Counselling Sessions:** As direct solutions to the problems that savers, consumers and citizens face, guidance is provided to them through one-on-one counselling.

3. **Helplines:** The Foundation runs two free helplines with the help of our voluntary advisers and experts. The Consumer Helpline offers guidance on vast variety of legal issues and real estate matters especially those pertaining to cooperative housing societies; the Credit Helpline guides people in financial distress on dealing with loan defaults, credit scores and so on.

4. **RTI Centre:** A Right to Information Centre was launched in September 2017 to create awareness on the Right to Information Act. With the RTI Centre, the Foundation

undertakes various activities with the aim to promote transparency through the RTI Act.

5. **Research Projects:** Looking to influence policy changes through in-depth research and recommendations, specific issues that affect a large number of people have been an area of focus for the Foundation. Research studies have been undertaken and their recommendations have been published for the benefit of a large section of people whose voice does not reach the policy-makers. The Foundation has published research reports on 'Retirement Homes in India', on 'Reverse Mortgage Loans in India', on 'Efficacy of RERA from a Consumer's Perspective', on 'Rental Housing in India', on 'Challenges in Transmission of Assets to Nominees & Legal Heirs' and other such key topics.

6. **Representations:** The Foundation does advocacy for safe and fair market practices through workshops, round table meetings, research and presenting memorandums to regulators and policy-makers.

7. **Legal Action:** At times, the Foundation has also filed public interest litigations (PILs) on matters that have affected our members and has taken up the issues with the Supreme Court. Recent PILs have been on LIC's Jeevan Saral, egregious bank charges that consumers are paying and on the Sahara credit cooperative societies. Our founder-trustee has filed also a writ petition regarding unclaimed deposits and the need for a centralised portal for searching and return of such funds to their rightful owners.

Although among the smallest, *Moneylife* is the only media company to have started such a non-profit initiative.