

The [Thane](#) Police has busted an online [cryptocurrency](#) racket, which had allegedly collected an estimated Rs 500 crore from people with promise of good returns, and has arrested one person, an [official](#) said today.

Some people had floated a company about a year back and launched their own cryptocurrency called the 'Money Trade Coin (MTC)', through which they promised high returns and lured people to invest about Rs 500 crore into its schemes, the [police official](#) said.

However, the company allegedly failed to pay the promised sum to the investors.

Based on a complaint by a New Delhi-based businessman, the police raided the company's premises on the Ghodbunder Road in [Thane](#) yesterday and subsequently nabbed a person, identified as Taha Kazi, from Mumbra town.

The man, who was allegedly providing technical support to the company, was later arrested, the [official](#) said.

The police is trying to ascertain the exact modus operandi of the company's owners and how they used to run the racket.

A search is on for five others for their alleged involvement in the racket, the police said.

A case has been registered against the accused under various IPC sections for cheating, forgery, criminal conspiracy, criminal breach of trust and relevant provisions of the Maharashtra Protection of Interest of Depositors Act, the Chit Funds Act and the [Information Technology](#) Act.

Across the world, there have been heightened concerns over cryptocurrencies, also known as 'virtual currencies', such as Bitcoins as they are not regulated by any governments/central banks, leading to a fear of possible money laundering too.

The RBI had earlier come out with warnings to discourage the public from investing in virtual currencies. The RBI has also asked banks not to extend [banking](#) facilities for sale or purchase of such currencies.

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