

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO. 358

Answered on Tuesday, February 6, 2024/ 17 Magha, 1945 (Saka)

Imposition of restrictions of onboarding new customers by some Fintech Payment Banks

358. SHRI NARANBHAI J. RATHWA:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that, due to some material supervisory concerns, Reserve Bank of India had imposed certain restrictions of onboarding new customers by some Fintech Payment Banks, Bank-wise;
- (b) if so, the details thereof;
- (c) whether these supervisory restrictions have been resolved by the RBI and if not, the reasons for the delay; and
- (d) by when these are likely to be resolved?

ANSWER

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

(a) to (d) Reserve Bank of India (RBI) has informed that *vide* its press release dated 11.3.2022, Paytm Payments Bank Ltd (PPBL) was directed to stop onboarding new customers with immediate effect under section 35A of the Banking Regulation Act, 1949.

Further, exercising its powers, RBI *vide* its press release dated 31.1.2024 has directed PPBL that, *inter-alia*, no further deposits or credit transactions in any customer accounts be allowed after 29.2.2024, while permitting withdrawal or utilization of balances by customers up to their available balance from their accounts and instruments.
