RBI cancels Licence of Paytm Payments Bank

The **Reserve Bank of India (RBI)** vide its **Press Release dated April 24, 2026**, has cancelled the banking licence of Paytm Payments Bank Limited, by citing serious regulatory breaches and conduct that it said was harmful to depositors' interests. With the cancellation taking effect from the close of business on April 24, 2026, the bank is barred from undertaking any banking activity as defined under Section 5(b) of the Banking Regulation Act, 1949, or any additional business under Section 6, with immediate effect.

The regulator said it will move the High Court for the winding up of the bank, while noting that the lender has enough liquidity to repay its entire deposit base. In its press release dated April 24, 2026, the RBI said the bank's affairs were conducted in a manner detrimental to both the institution and its depositors and pointed to issues in management that were prejudicial to depositors as well as the public interest.

The central bank also found that the bank had failed to comply with the conditions attached to its payments bank licence, and concluded that allowing it to continue operations would serve no useful purpose or public interest. The license cancellation comes after a series of regulatory interventions. The bank had earlier been directed to stop onboarding new customers with effect from March 11, 2022. Thereafter, through directions dated January 31, 2024, and February 16, 2024, certain business restrictions were imposed on the bank, which disallowed any fresh deposits, credits, or top-ups in existing customer accounts, prepaid instruments, wallets, etc.

Paytm Payments Bank received a payments bank licence in August 2015, permitting it to accept limited deposits but not extend loans. One97 Communications Ltd. is its parent company. As per the RBI, the bank has sufficient liquidity to repay all its deposit liabilities in the course of winding up.