

Regarding recent action taken by RBI against a payment bank-laid

PROF. SOUGATA RAY (DUM DUM): A huge blow to Paytm Payments Bank, RBI barred it from offering all its core services, including accounts and wallets from March, effectively crippling the company's business. Given the significant customer base of Paytm-once the poster boy of India's fintech revolution, RBI action could impact a large number of customers. RBI has allowed withdrawal or utilisation of balance amounts by customers. It is learnt that Paytm Payments Bank and One97 Communications had come under RBI scrutiny for purported lack of requisite information barriers within the group and data access to China-based entities that were indirect shareholders in the payments bank through their stake in the parent company. The failure to address these concerns at multiple levels over an extended period led to the latest action by the RBI, it is learnt. Antfin, affiliate of Chinese conglomerate Alibaba, has been reducing its stake in One97 Communications and is still a shareholder in the company. As of December 31, Antfin held a 9.89% stake in the company, as per stock exchange data. I urge upon the Government to take immediate steps for a thorough scrutiny of the un-ethical business of the company along with Chinese interests.

