



October 12, 2023

**BSE Limited**

Department of Corporate Services  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001

Scrip Code: 543396

**National Stock Exchange of India Limited**

The Listing Department,  
Exchange Plaza, Bandra  
Kurla Complex, Mumbai  
- 400 051

Symbol: PAYTM

**Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations')**

Dear Sir/Madam,

We wish to inform you that our associate company Paytm Payments Bank Limited ('PPBL') has informed us that the Reserve Bank of India ('RBI') has imposed, by an order dated October 10, 2023 (as received by PPBL on October 12, 2023), a monetary penalty of ₹5.39 crore (Rupees Five Crore and Thirty Nine Lakh only) on PPBL. The press release issued by RBI in this regard is enclosed. This action is not intended to pronounce upon the validity of any transaction or agreement entered into by PPBL with any of its customers.

Our associate PPBL has the highest regards for the extant RBI regulatory framework and is taking steps to ensure complete adherence to the supervisory instructions issued in this regard. PPBL is also currently in the process of adhering to other instructions of RBI.

This is for your information and appropriate dissemination.

The disclosure will also be hosted on the Company's website viz., [www.paytm.com](http://www.paytm.com).

Kindly take the same on record.

Thanking you

Yours Sincerely,  
For **One 97 Communications Limited**

**Sunil Kumar Bansal**  
**Company Secretary and Compliance Officer**

**Encl: As above**

**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**वेबसाइट : [www.rbi.org.in/hindi](http://www.rbi.org.in/hindi)Website : [www.rbi.org.in](http://www.rbi.org.in)ई-मेल/email : [helpdoc@rbi.org.in](mailto:helpdoc@rbi.org.in)

संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई-400001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai-400001 फोन/Phone: 022- 22660502

October 12, 2023

**RBI imposes monetary penalty on Paytm Payments Bank Limited**

The Reserve Bank of India (RBI) has, by an order dated October 10, 2023 imposed a monetary penalty of ₹5.39 Crore (Rupees Five Crore and Thirty Nine Lakh only) on Paytm Payments Bank Limited (the bank) for non-compliance with certain provisions of the [‘Reserve Bank of India \(Know Your Customer \(KYC\)\) Directions, 2016’](#), ‘RBI Guidelines for Licensing of Payments Banks’ read with ‘Enhancement of maximum balance at end of the day’, ‘Cyber security framework in banks’ read with ‘Guidelines on reporting of unusual cyber security incidents’ and ‘Securing mobile banking applications including UPI ecosystem’. This penalty has been imposed in exercise of powers vested in RBI conferred under the provisions of Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949.

This action is based on the deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the bank with its customers.

**Background**

A special scrutiny from KYC/AML perspective of the bank was conducted by RBI and a comprehensive system audit of the bank was conducted by auditors identified by RBI. The examination of the special scrutiny report, comprehensive system audit report and related correspondence pertaining to the same revealed, *inter alia*, non-compliance with the aforesaid directions by the bank to the extent (i) it failed to identify beneficial owner in respect of entities onboarded by it for providing payout services, (ii) it did not monitor payout transactions and carry out risk profiling of entities availing payout services, (iii) it breached the regulatory ceiling of end of the day balance in certain customer advance accounts availing payout services, (iv) it reported a cyber security incident with delay, (v) it failed to implement device binding control measure related to ‘SMS delivery receipt check’, and (vi) its V-CIP infrastructure failed to prevent connections from IP addresses outside India. In furtherance to the same, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for failure to comply with the said directions, as stated therein.

After considering the bank’s reply to the notice and oral submissions made during the personal hearing, RBI came to the conclusion that the charge of non-compliance with the aforesaid RBI directions was substantiated and warranted imposition of monetary penalty on the bank.