RBI Excludes Paytm Payments Bank from Second Schedule

RBI excluded Paytm Payments Bank Ltd from the Second Schedule of the RBI Act, 1934, following its licence cancellation.

The status of a scheduled bank under the Reserve Bank of India Act, 1934, which confers specific operational privileges and central bank accommodation.

KEY EXAM POINTS

- The **Reserve Bank of India** officially excluded **Paytm Payments Bank Limited** from the list of scheduled banks.
- RBI had earlier cancelled PPBL's **banking licence** in **April 2026** due to severe non-compliance with banking norms.
- The regulatory action was taken as the affairs of PPBL were conducted in a manner detrimental to **depositor interests**.
- The exclusion officially ends all benefits and privileges granted to PPBL under the **Second Schedule** of the **RBI Act**.
- Following the banking licence cancellation, legal procedures and **winding-up orders** were set in motion for the institution.

DID YOU KNOW..!?

Scheduled Banks are financial institutions included under the **Second Schedule** of the **Reserve Bank of India Act, 1934**.

To qualify as a scheduled bank, a financial institution must have a **paid-up capital** and reserves of at least ₹**5 lakh**.

Payments Banks were introduced in India based on the recommendations of the **Nachiket Mor Committee** (**2013**).

Payments Banks are permitted to accept **demand deposits** but cannot issue **credit cards** or extend loans.

The maximum deposit limit for an individual customer in a Payments Bank was raised by RBI to ₹**2 lakh** in **2021**.

The RBI issues and cancels banking licences in India under **Section 22** of the **Banking Regulation Act, 1949**.

The Reserve Bank of India was established on **April 1, 1935**, based on the recommendations of the **Hilton Young Commission**.

REVISION FLASHCARD

Paytm Payments Bank was excluded by RBI from the Second Schedule of the RBI Act, 1934 following licence cancellation.

Syllabus Relevance: Important for Group 1, 2, 2A & 4 under Unit 6 (Indian Economy - RBI policies, Banking Regulation, Payments Banks).

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