



Press Release

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Confederation of All India Traders (CAIT) Issues Advisory to traders to switch from Paytm to other payment apps in Light of RBI Restrictions

In response to recent regulatory developments, the Confederation of All India Traders (CAIT) has issued a cautionary advisory to traders across the Country who are Paytm users to switch from Paytm to other payment options. The Reserve Bank of India (RBI) has imposed certain restrictions, prompting CAIT to recommend that users take proactive measures to protect their funds and ensure uninterrupted financial transactions. Large number of small traders, vendors, Hawkers and women are making payments through Paytm and as such RBI restrictions on Paytm could lead financial disruption to these people-said CAIT.

CAIT National President Shri B.C.Bhartia & Secretary General Shri Praveen Khandelwal said that the recent restrictions imposed by RBI on Paytm have raised concerns about the security and continuity of financial services provided by the platform.

Mr Bhartia & Mr Khandelwal said that one of the major reasons for the ban on Paytm Payment Bank was the creation of millions of accounts without proper identification. The process of Know Your Customer (KYC) was not completed for these accounts. Moreover, transactions involving millions of rupees were conducted without proper identification, raising concerns about money laundering.

As per media reports, the RBI imposed the ban primarily because Paytm Payment Bank had linked over a thousand users to a single PAN (Permanent Account Number). Additionally, both the RBI and auditors found that Paytm Payment Bank was not adhering to regulatory rules. CAIT believes that if there is any evidence of fund irregularities, the Enforcement Directorate (ED) should investigate Paytm Payment Bank.

Mr Bhartia & Mr Khandelwal underscores the importance of risk mitigation for traders, urging them to explore alternative payment applications that are compliant with regulatory guidelines. To ensure the seamless functioning of transactions and safeguard financial assets, both trade leaders advises Paytm users to transition to other payment apps or consider direct UPI transactions. They further suggested that several Banks do have their payment applications as well and those could be a good alternative to secure money of the people.

Mr Bhartia & Mr Khandelwal emphasizes the urgency of this advisory, urging traders to act promptly and make informed decisions to mitigate any potential adverse effects on their financial operations.

Both trade leaders said that our advisory is a precautionary measure to protect the financial interests of traders in light of recent developments. We encourage users to stay informed and take proactive steps to ensure the security of their funds."

CAIT remains committed to keeping the trading community informed and empowered during such regulatory changes.

For more details, please contact CAIT Secretary General Mr. Praveen Khandelwal at +91-9891015165