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# What's new?

## Reserve Bank of India issues consolidated Know Your Customer Master Directions

On November 28, 2025, the [Reserve Bank of India \("RBI"\) issued the 'Reserve Bank of India \(Commercial Banks - Know Your Customer\) Directions, 2025'](#) ("**KYC MD 2025**"), consolidating the erstwhile Master Direction – Know Your Customer (KYC) Direction, 2016 ("**KYC MD 2016**") and related circulars. This issuance is part of the RBI's broader regulatory review aimed at reducing compliance complexity by organising instructions separately for each class of regulated entity on an 'as-is' basis, without introducing major substantive changes to core obligations. Notably, while the KYC MD 2025 is explicitly titled for 'Commercial Banks', RBI has concurrently repealed the KYC MD 2016. Consequently, existing instructions for Payment System Providers ("**PSPs**"), including Payment Aggregators ("**PAs**") and Prepaid Payment Instrument ("**PPI**") issuers, [must now be read as references](#) to the new KYC MD 2025.

For a detailed analysis, please refer to the [JSA Prism of December 1, 2025](#).

## Government of India notifies the Digital Personal Data Protection Rules, 2025

The [Ministry of Electronics and Information Technology \("MeitY"\) notified the Digital Personal Data Protection Rules, 2025](#) ("**DPDP Rules**") on November 14, 2025, operationalising the Digital Personal Data Protection Act, 2023. The DPDP Rules introduce a phased implementation timeline, with critical provisions regarding data fiduciary obligations taking effect over a period of 12 (twelve) to 18 (eighteen) months. Key provisions include the requirement for data fiduciaries to provide a notice to data principals, available in English and all 22 (twenty-two) languages specified in the Eighth Schedule of the Constitution of India. The DPDP Rules also mandate verifiable parental consent for processing the personal data of children, requiring data fiduciaries to implement tokenised age verification mechanisms such as DigiLocker-verified credentials. Further, the DPDP Rules outline strict protocols for data breach notifications, requiring fiduciaries to intimate the Data Protection Board and affected users.

For a detailed analysis, please refer to the [JSA Prism of November 14, 2025](#).

## RBI issues Master Directions on Digital Banking Channels Authorisation

On November 28, 2025, the RBI issued the '[Reserve Bank of India \(Digital Banking Channels Authorisation\) Directions, 2025](#)' ("**Digital Banking Directions**"), establishing a consolidated regulatory framework for digital banking services offered by commercial banks, effective January 1, 2026.

The Digital Banking Directions distinguish between 'view-only' and 'transactional' facilities. While eligible banks can launch view-only services by notifying the RBI via the PRAVAAH portal within 30 (thirty) days along with a certified Gap Assessment and Internal Controls Adequacy ("**GAICA**") report, transactional services require prior RBI approval. Banks seeking transactional authorisation must demonstrate higher financial stability, specifically adhering to capital adequacy ("**CRAR**") norms and net-worth requirements, in addition to the baseline Core Banking Solution ("**CBS**") and IPv6 readiness prerequisites. Operationally, the Digital Banking Directions emphasise consumer protection by mandating explicit customer consent for registration and strictly prohibiting the mandatory bundling of digital banking services with other products, such as debit cards. It also incorporates the Ministry of Finance's 'Accessibility

Standards in the Banking Sector' and requires terms and conditions to be provided in English, Hindi, and local languages. Notably, the RBI has introduced a significant compliance relief; banks with an existing authorised digital channel do not require fresh approval to launch additional channels, provided they continue to comply with the master directions on information technology governance, outsourcing, and fraud risk management.

## RBI issues Consolidated Master Directions, 2025

In a landmark regulatory overhaul on November 28, 2025, the RBI streamlined the regulatory architecture by consolidating over 9,000 (nine thousand) existing circulars and guidelines into 244 (two hundred and forty-four) function-wise master directions. The exercise, aimed at enhancing the ease of doing business and reducing compliance burdens, involves the repeal of 5,673 (five thousand six hundred and seventy-three) obsolete circulars and the incorporation of 3,809 (three thousand eight hundred and nine) others into the new master directions. These consolidated directions are categorised by regulated entity type (e.g., commercial banks, non-banking financial companies, payment banks) and function, serving as the single authoritative source for regulatory instructions. While the consolidation largely retains the 'as-is' regulatory position to ensure continuity, it eliminates ambiguities arising from overlapping circulars and introduces a uniform structure for future amendments.

# Quick snapshots

- 1. National Payments Corporation of India (“NPCI”) introduces ‘RDS’ sub-product for Retail Direct Scheme:** The NPCI has introduced a new [ACH Debit sub-product titled ‘RDS’](#) on November 6, 2025. This initiative is designed to support the processing of transactions under the RBI’s Retail Direct Scheme, enabling individual investors to directly invest in government securities with greater ease by standardising the mandate registration process.
- 2. Central Registry of Securitisation Asset Reconstruction and Security Interest (“CERSAI”) authorised for voluntary Aadhaar authentication:** The Department of Financial Services, *vide* a [notification](#) dated November 6, 2025, has authorised the CERSAI to conduct voluntary Aadhaar-based authentication. This allows CERSAI, as the Central KYC Records Registry, to verify demographic details for entities regulated by RBI, Securities and Exchange Board of India (“SEBI”), and Insurance Regulatory Development Authority of India, provided an explicit consent is obtained from the customer, thereby reducing the friction in retrieving KYC records.
- 3. SEBI issues caution on ‘Digital Gold’ products:** SEBI, in a [press release](#) dated November 8, 2025, cautioned investors against online platforms offering ‘Digital Gold’ or ‘E-Gold’ products. SEBI clarified that these products are neither recognised as securities nor regulated as commodity derivatives and thus do not carry the investor protection safeguards available in regulated markets, advising investors to exercise due diligence.
- 4. MeitY releases India Artificial Intelligence (“AI”) Governance Guidelines:** On November 5, 2025, MeitY released the [‘India AI Governance Guidelines’](#) under the India AI Mission. The guidelines outline seven ethical principles and 6 (six) governance pillars to ensure the responsible development and deployment of artificial intelligence technologies in India, emphasising the need for transparency in algorithmic decision-making and non-discriminatory outcome testing.
- 5. NPCI introduces AI-powered ‘UPI HELP Assistant’:** The NPCI has launched the [‘UPI HELP Assistant’](#), a pilot program utilising a proprietary financial domain-specific AI model to provide intelligent conversational support to users. This assistant enables users to resolve digital payment queries, track transaction status, log complaints, and manage mandates through simple keywords and deep links to UPI apps. Banks and PSPs are required to prominently display links to the assistant on their official channels and ensure the timely resolution of complaints received through this mechanism.
- 6. NPCI extends ‘UPI Circle’ framework to IoT devices:** NPCI has issued an addendum extending the [‘UPI Circle - Delegated Payments’](#) facility to IoT devices and software profiles under the ‘Full Delegation’ framework. This allows primary users to authorise up to 5 (five) secondary Internet of Things (“IoT”) devices or software profiles for domestic Person-to-Merchant (“P2M”) transactions, subject to a monthly limit of INR 15,000 (Indian Rupees fifteen thousand) and a per-transaction limit of INR 5,000 (Indian Rupees five thousand). The framework mandates close proximity during linking, introduces a 24 (twenty-four) hour cooling period with restricted limits, and assigns a specific purpose code ‘BH’ for settlement and reconciliation.

# Deals in the FinTech sector

1. Snapmint, a fintech platform providing easy monthly instalment (EMI) options for online purchases, has raised USD 125,000,000 (US Dollars one hundred and twenty-five million) in a funding round led by General Atlantic. The round also saw participation from existing investors including Prudent Investment Managers and Kae Capital. Snapmint plans to use the funds to expand its merchant network and further develop its 'EMI-on-UPI' offering, which enables customers to access instalment-based credit directly through the UPI infrastructure.
2. Raise, a technology-led platform for financial and investment services, has secured USD 120,000,000 (US Dollars one hundred and twenty million) in a round led by Hornbill Capital. This investment will fuel the company's expansion into new investment products and strengthen its technology infrastructure.
3. Dezerv, a wealth-tech platform, has secured INR 350,00,00,000 (Indian Rupees three hundred and fifty crore) (approx. USD 40,000,000 (US Dollars forty million)) in a Series C funding round co-led by Premji Invest and Accel. The round included participation from Elevation Capital and Z47 (formerly Matrix Partners India), valuing the company at approximately USD 300,000,000 (US Dollars three hundred million). The company intends to deploy the capital to strengthen its technology stack, hire relationship managers, and introduce new investment assets such as infrastructure investment trusts and precious metals.
4. Groww has completed the acquisition of wealth-tech startup Fisdom in an all-cash deal valued at approximately USD 150,000,000 (US Dollars one hundred and fifty million). This strategic acquisition allows Groww to expand its product suite beyond stockbroking into comprehensive wealth management services, including mutual funds and pension products.
5. Neo, a consumer-facing wealth and asset management firm, has raised INR 221,00,00,000 (Indian Rupees two hundred and twenty-one crore) (approx. USD 25,000,000 (US Dollars twenty-five million)) in a Series B follow-on round led by Crystal Investment Advisors. The funds will be deployed to support growth initiatives and meet operational requirements as the firm expands its asset management business.
6. Wealthy, a Bengaluru-based wealth-tech firm, has raised INR 130,00,00,000 (Indian Rupees one hundred and thirty crore) (approx. USD 14,500,000 (US Dollars fourteen million five hundred thousand)) in a funding round led by Bertelsmann India Investments. The company plans to use the fresh capital to onboard 50,000 distributors and penetrate deeper into tier-2 and tier-3 cities.
7. PowerUp Money, a fintech platform focused on financial wellness, has raised USD 12,000,000 (US Dollars twelve million) in a Series A funding round led by Peak XV Partners in October 2025. The startup aims to use the proceeds to scale its operations and enhance its embedded finance solutions for the workforce.
8. Optimo Capital, a fintech lender focused on MSMEs, has raised USD 17,500,000 (US Dollars seventeen million five hundred thousand) in a funding round led by Blume Ventures. The company plans to utilize the funds to expand its lending book to underserved small businesses in tier-2 and tier-3 cities and to enhance its proprietary credit underwriting algorithms.
9. Jupiter, a neobanking and financial services platform, has secured USD 15,000,000 (US Dollars fifteen million) in a strategic top-up round from existing investor Mirae Asset. The capital will be directed towards strengthening the company's lending vertical to accelerate profitability and launching new credit-focused products for its retail customer base.
10. Yubi (formerly CredAvenue), a unified debt marketplace and co-lending platform, has secured USD 37,900,000 (US Dollars thirty-seven million nine hundred thousand) from a consortium of investors. The company intends to use the investment to further consolidate its position as the primary digital infrastructure layer for corporate debt in India and to scale its co-lending partnerships with banks.

11. Auxilo Finserve, a non-banking financial company specializing in education financing, has raised USD 25,500,000 (US Dollars twenty-five million five hundred thousand) to fuel its growth. The funds will be deployed to meet the rising demand for higher education loans among Indian students and to expand the company's presence in key educational hubs.
12. Knight Fintech, a provider of SaaS infrastructure for banks and financial institutions, has raised USD 23,600,000 (US Dollars twenty-three million six hundred thousand) in a Series A funding round led by Accel. The investment will be utilised to strengthen the company's banking technology stack and expand its client base among cooperative and regional banks.
13. Dugar Finance, a systemic non-banking financial company, has raised USD 18,000,000 (US Dollars eighteen million) in debt funding from Swiss impact investor Symbiotics. The funds will be utilized for on-lending activities to support small businesses and to diversify the company's liability profile.

## FinTech Practice

JSA is one of India's pioneering law firms in the FinTech space. JSA's FinTech group brings together an integrated multi-practice team to support clients with transactions, disputes and regulatory matters at the intersection of financial services and technology. Our practice leverages the experience and in-depth technology expertise of attorneys across practice areas and allows us to offer clients access to time-tested strategies and holistic advice. Our experienced attorneys are well positioned to assist clients navigate through the complex legal, regulatory and compliance landscape within which these businesses and their technologies operate. Our strong relationships with regulators, banks, insurers, funds, large technology companies and infrastructure and service providers mean that we understand the issues that affect every area of the financial technology ecosystem. This enables us to deliver incisive, informed and innovative advice across the FinTech spectrum. We work with financial institutions, as they adapt and transform, FinTech start-ups, from inception through to all rounds of funding, to IPO and beyond, large technology companies diversifying into FinTech and Investors and strategic acquirers as they identify and secure strategic opportunities in the FinTech space.

Our areas of expertise inter alia include: (a) Prepaid payment instruments and variations thereof, (b) Remittance (person-to-person and person-to-merchant) models and services, (c) Central treasury arrangements and collection agency models, (d) Artificial Intelligence (AI) and Machine Learning (ML) enabled payment systems, (e) Alternative lending and payment platforms, (f) blockchain enabled service offerings, including smart contracts, (g) crowdfunding and crowdsourced investments, (h) Cryptocurrencies, including initial coin offerings, (i) InsurTech products and business models, (j) investments, including PE/VC financing into fintech and financial services companies, (k) Invoice trading and receivable discounting platforms, (l) Payment services and solutions (both cross-border and domestic).

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18 Practices and  
41 Ranked Lawyers



7 Ranked Practices,  
21 Ranked Lawyers



14 Practices and  
12 Ranked Lawyers



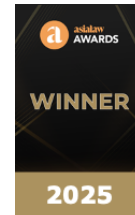
13 Practices and  
49 Ranked Lawyers



20 Practices and  
24 Ranked Lawyers



8 Practices and  
10 Ranked Lawyers  
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**Regional Legal Expertise Awards  
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Antitrust Firm



Among Best Overall  
Law Firms in India and  
14 Ranked Practices

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9 winning Deals in  
IBLJ Deals of the Year

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11 A List Lawyers in  
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Asia M&A Ranking  
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