

# Indian Investors Demonstrate Rising Interest in Bitcoin Start-Ups

BY POLINA CHERNYKH ON SATURDAY, APRIL 4TH, 2015 11:16AM EDT



More money is sent to families in India - from such places like the U.S. and the United Arab Emirates, where many Indians travel to work - than to any other country in the world. Photo: Remittance Centre/Flickr

Indian angel investors and venture capitalists are getting more interested in bitcoin start-ups.

Investors and venture capitalists in India are demonstrating the growing interest in the global system of online payments and are evaluating its future potential.

Since the recent establishment of [The Bitcoin Alliance India](#), an alliance of Indian cryptocurrency firms, a lot of investors have shown interest in new bitcoin companies.

Opened in March, The Bitcoin Alliance India is committed to promote the bitcoin awareness and contribute to its widespread adoption in India. Besides, the organization will represent the Indian bitcoin industry to government and other organizations.

“We are looking at a bitcoin start-up right now. So far, it seems extremely interesting and in two weeks’ time we may confirm the investee,” Mumbai Angels co-founder, Sasha Mirchandani, told [The Economic Times](#). “This is the first time I myself have bought bitcoins,” he added.

Padmaja Ruparel, the president of Indian Angel Networks, has also expressed interest in the digital currency and selected a few companies to invest in. Until now, the capitalists in India preferred to avoid investing in bitcoin start-ups, which were mainly supported by foreign investors.

In 2014, the Indian merchant processing, trading and cryptocurrency storage company, called Unocoin, secured \$250,000 from Bitcoin Opportunity Corp., owned by the SecondMarket founder Barry Silbert. The company became the first bitcoin start-up in India that received international investment.

Meantime, Ahmedabad-headquartered GreenCoinX, an open source software providing digital identification, easier transacting means and inbuilt taxation for digital currency, has already obtained \$20,000 in investment from Canadian VC GreenBank Capital Inc.

Jindal Worldwide, a multinational textile producer, has recently invested \$125,000 in Zebpay, which developed the first mobile cryptocurrency wallet last month.

Amit Agarwal, a managing director of Jindal Worldwide, commented: “With great risk comes greater returns. This is unexplored territory and it’s great ground for an angel as it will offer attractive valuations.”

Besides, Zebpay intends to raise Rs 2.5 crore and is now negotiating with international and Indian venture capitalists and investors. “The fund will primarily be used for product development and marketing for the Zebpay app,” the company’s co-founder, Sandeep Goenka, said.

According to Vaibhav Parikh, a head of [Nishith Desai Associates](#), legal and tax counsel, zero fees on bitcoin transactions is the key feature making the bitcoin companies attractive to investors. “Investment in such start-ups should be done by someone who is savvy and sturdy,” he said.

His company has recently issued a white paper stating that the bitcoin is not illegal in India and can be a major financial tool in the near future.

Earlier, The Reserve Bank of India released a paper, warning the bitcoin users against the risks of dealing with digital currency, such as cyber security and money laundering.