

Crypto exchange CoinDCX nets \$90M despite uncertain regulatory environment

Article

The news: CoinDCX scored a \$90 million Series C funding round led by investment firm **B Capital** amid surging cryptocurrency interest among consumers in **India** this year, [per](#) The

Economic Times.

What does it do? [CoinDCX](#) operates a crypto exchange through which consumers can buy and sell various digital currencies and a [lending platform](#) where users can earn interest on their cryptocurrencies.

What's driving its growth? CoinDCX boasts more than **4.5 million users** and said it doubled its user base over the last two months, according to The Economic Times. Consumers in India can't seem to get enough crypto: Investments jumped **612%** year over year in April 2021 to **\$6.6 billion**, up from **\$923 million**.

India has the **11th**-highest crypto adoption rate globally, according to Chainalysis. High consumer interest is fueled by a young, tech-savvy population seeking high returns from their investments. And people who have been excluded from mainstream financial institutions can easily access crypto platforms, which is likely why other developing countries like **Vietnam** and **Nigeria** were also among the top 10 adopters.

Where's the Indian crypto space headed? In spite of an uncertain regulatory environment, investors are still piling into crypto fintechs.

- **Regulatory uncertainty.** There remain [lingering concerns](#) that regulators will ban private crypto exchanges and all trading, in line with a January government agenda to develop a central bank digital currency (CBDC)—Indian regulators reiterated [last week](#) that they will not recognize cryptocurrencies as legal tender. But it's extremely unclear whether such bold steps will be taken: A finance minister said in [March](#) that a blanket ban was unlikely.
- **Private investment.** A potential regulatory clampdown hasn't dampened investment in Indian fintechs: Total investments in blockchain and crypto startups have increased **10-fold** in the last two years in India. Crypto fintechs [CoinSwitch Kuber](#) and [Vauld](#) both netted **\$25 million** in the last few months, and the funding trend shows no sign of slowing down.

Mobile Phone* and Smartphone** Users in India, 2015-2020

	2015	2016	2017	2018	2019	2020
Mobile phone users* (millions)	638.4	684.1	730.7	775.5	813.2	842.1
—% of population	51.0%	54.0%	57.0%	59.8%	62.0%	63.5%
—% change	9.9%	7.2%	6.8%	6.1%	4.9%	3.6%
Smartphone users** (millions)	184.0	223.6	267.1	305.9	347.5	381.5
—% of population	14.7%	17.7%	20.8%	23.6%	26.5%	28.8%
—% of mobile phone users	28.8%	32.7%	36.6%	39.4%	42.7%	45.3%
—% change	49.2%	21.5%	19.5%	14.5%	13.6%	9.8%

Note: *individuals of any age who own at least one mobile phone and use the phone(s) at least once per month; **individuals of any age who own at least one smartphone and use the smartphone(s) at least once per month
Source: eMarketer, Sep 2016

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