

India DeFi Alliance

India's Trillion Dollar Crossroad

Why Distributed Finance is a National Imperative

India's Trillion-Dollar Crossroads

India is at a critical juncture. Countries around the world are racing to build the Future of Finance!,

Yet in India the policy narrative is still framed by risk and opacity.

The Time to Act is NOW!!!!



The Internet of Value



Permissionless value exchange

Just as the internet created a permissionless way to exchange information, Distributed Finance (DeFi) has created a permissionless way to exchange value.



\$230 Billion by 2030

This is not a niche market, the global DeFi ecosystem is projected to be worth over \$230 Billion by 2030.



Global Financial Participation

Over 350 global financial institutions are already actively participating in the DeFi, marking a clear shift from experiment to established financial infrastructure



Global Race For Dominance

Nations from the EU to the UAE and Singapore are creating clear rules to attract this new wave of capital and talent, marking a global race for technological leadership.

The Internet of Value is here, and the world is not waiting. India must seize this opportunity to become a primary architect of the future of finance.

India's "Innovation Tax" is a Self- Inflicted Wound



Brain Drain

Our best developers are forced to move to Dubai and Singapore, not for better salaries, but for **legal clarity**.



Capital Flight

Venture capital flows to jurisdictions with predictable rules, **starving** our domestic startups of essential **funding**.



Lost Opportunity

The result? A projected **\$184 Billion** in economic value and **800,000** jobs are being created by Indian talent, but for other nations.

While India possesses the world's best tech talent, our policy ambiguity imposes a silent, yet crippling 'Innovation Tax' on our builders.

The National Security Blind Spot

DeFi is Like Drones. We Can't Afford to Only Defend Against It.

A decade ago, drones were seen as hobbyist toys or threats. Today, they are indispensable tools for national security. A nation that only learns how to shoot down drones, but not how to build and deploy them, is at a permanent strategic disadvantage.



A nation that only views DeFi as a risk to be mitigated creates a massive national security blind spot.

The Future is Being Built, The Only Question Is: By Whom?



PATH 1: The Status Quo

India remains a passive consumer of foreign financial technology. Our talent builds wealth for other nations. Our economy is subject to rules written in Brussels, Singapore, and Washington.

PATH 2: Strategic Action

India becomes a primary architect of the Internet of Value. We create a domestic, regulated ecosystem that fosters innovation, attracts global capital, and strengthens our technological sovereignty

Which Future will we choose?

The Solution: India DeFi Alliance



Neutral Body Advocating for Innovators

The IDA is an independent organization dedicated to shaping DeFi policy in India.



Bridging Gaps Between Stakeholders

The IDA acts as a bridge between policymakers, regulators, and DeFi stakeholders to foster constructive dialogue.



Enabling Innovation and Adoption

The IDA aims to create a conducive environment for startups to build DeFi applications openly and compliantly in India.

By driving policy advocacy, stakeholder engagement, and ecosystem-building initiatives, the IDA shall shape the future of decentralized finance in India and position the country as a global leader in this transformative technology.

Beyond Hype: Real-World Value Creation

Permissionless Access - **True financial inclusion.**

Financial services for anyone with an internet connection, not just those with a traditional banking history.

Radical Transparency - **Auditable finance by default.**

Every transaction is recorded on a public, immutable ledger.

User Sovereignty- **Truly User Centric**

Users, not corporations, control their own assets. This eliminates the counterparty risk we saw in the collapse of firms like FTX.

Programmable Value - **Optimised Value Flow**

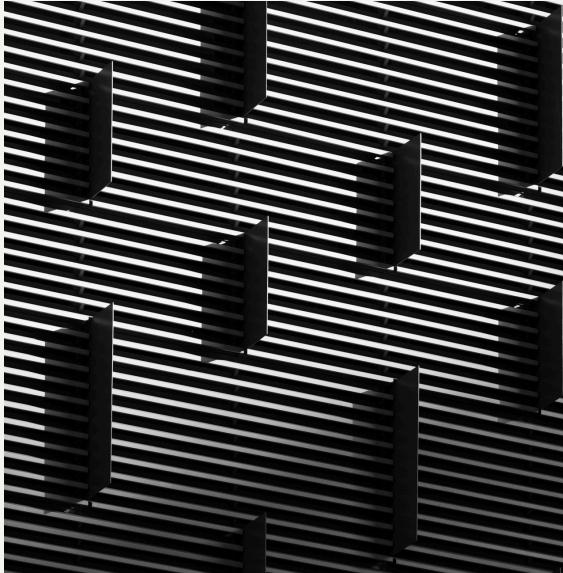
Automated smart contracts reduce intermediaries, cut costs and settlement times from days to seconds for everything from remittances to trade finance.

A Win-Win-Win for India



For Regulators & Policymakers

Gain visibility and control. A regulated, onshore ecosystem provides superior tools for AML/CFT and strengthens India's position as a global rule-maker.



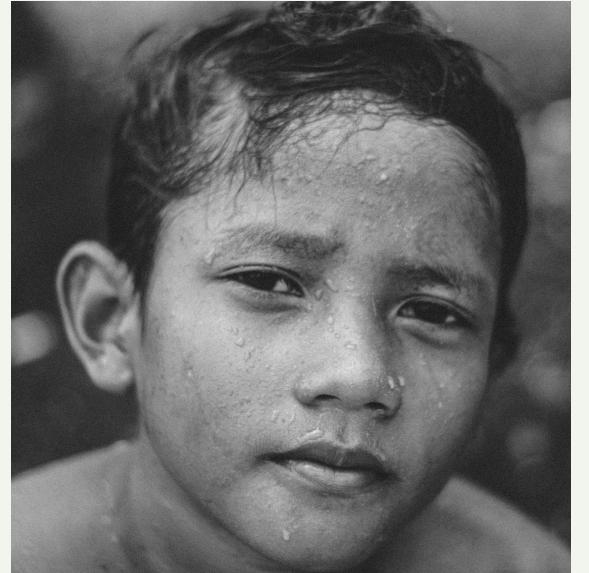
For Sponsors & Industry

Shape the rules of a multi-billion dollar market. Partner with the IDA to build a stable, pro-growth environment that unlocks immense commercial opportunity.



For the Media

This is the story of India's next great leap. Report on how our nation is moving from being the world's back office to designing the world's new financial architecture.



For India's Youth

This is their opportunity to build the future of finance, create world-leading products from India, and participate in an open, equitable economic system.

The Tumultous Journey So Far



Regulatory Inconsistencies

Regulatory Action	Impact
2018 RBI Circular Barring Regulated Entities from Servicing Crypto Businesses	Effectively halted the industry's growth by freezing on-ramp and off-ramp access to the formal banking system.
2022 Union Budget's 30% Tax + 1% TDS on VDA Transfers	Provided formal recognition of virtual digital assets but imposed a high tax burden, encouraging capital flight to offshore exchanges.
Bringing VDAs and VASPs under the PMLA Framework (2023)	Imposed AML/CFT obligations, but the VASP definition remained ill-suited for decentralized finance (DeFi) protocols, creating a definitional crisis.
FIU's Enforcement Actions Against Non-Compliant Offshore Exchanges (2023-2025)	Demonstrated the government's strong enforcement intent, leading to the registration of major global players like Binance and KuCoin as reporting entities in India while DeFi entities still remained in the grey area of the law
Revised FIU Circular on VASP Registration (2025)	Clarified some onboarding rules for custodial entities but remained conspicuously silent on the status of non-custodial DeFi protocols, perpetuating regulatory ambiguity.

Comparative Analysis of FATF Standards vs. Indian PMLA/VASP Rules for DeFi

Aspect	FATF Standard	PMLA / VASP Notification (Jan 2025)
Definition of VASP	Includes entities with "control or influence" over DeFi protocols, focusing on the activity of providing a service.	Copies the "safekeeping/administration" limb verbatim but omits the "control or influence" test.
Non-Custodial Wallets	Explicitly states that providers of pure software or hardware wallets (self-custody) are not VASPs.	No explicit carve-out or safe harbor. The text could be broadly interpreted to cover any wallet-related business.
Multi-Signature Control	Acknowledges that holding even one key in a multi-sig arrangement could constitute "control" and trigger VASP obligations.	Silent on multi-signature arrangements and their regulatory implications.
Supervisory Focus	Risk-based and activity-based. Urges regulators to avoid over-regulating the underlying code itself.	Enforcement to date has focused exclusively on custodial CEXs, providing no forward guidance for DeFi.

Our First Deliverables

1 Defining the DeFi Reporting Entity

A targeted policy proposal to amend India's VASP framework, providing a precise, legally sound, and actionable recommendation to key government agencies.

2 The DeFi Handbook

A comprehensive guide to demystify DeFi for a non-technical audience, serving as the primary educational tool for engaging with policymakers, bureaucrats, journalists, students, and the general public.

3 DeFi as a Strategic Asset

A paper that reframes the DeFi narrative, arguing that a proactive and strategic embrace of DeFi is a critical step towards building a more resilient, transparent, and sovereign economic future for India.

Powering the \$5 Trillion Economy and Viksit Bharat



Stablecoins for Remittances and Trade

Reduce cost and settlement time for cross-border payments, enabling more money to reach Indian families and businesses.



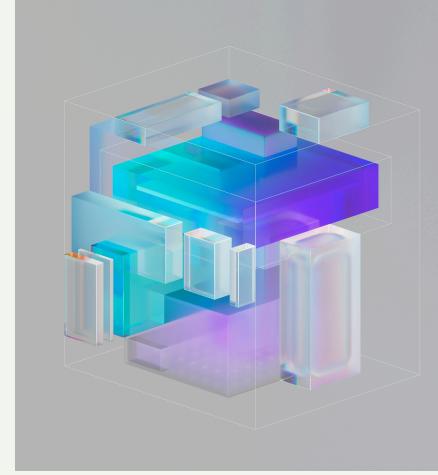
Decentralized Identity (DID)

Enhance Aadhaar with a DID layer to improve privacy and security, and secure access to sensitive government and military infrastructure.



DeFi Lending for MSMEs

Indian DeFi startups can build lending protocols that connect MSMEs to global pools of decentralized liquidity, fueling growth in this vital sector.



Tokenization of Real-World Assets

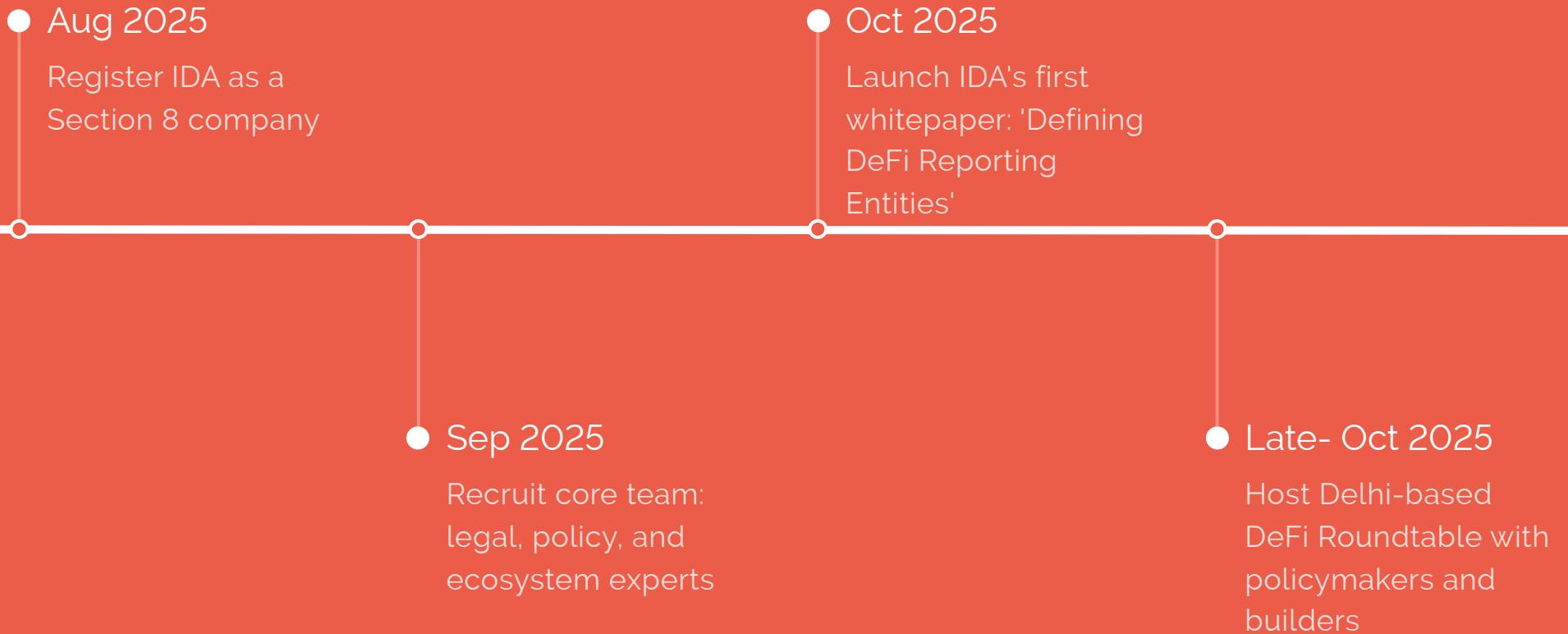
Unlock trillions of dollars in domestic capital by allowing retail investors to participate in previously inaccessible asset classes, and fund national infrastructure development.



Parametric Insurance for Agriculture

Automatically trigger insurance payouts to farmers based on trusted, decentralized weather data, providing instant relief during climate-related disasters.

Roadmap (Phase 1: Next 3 Months)



Founding Team



Athif Ahmed

Co-Founder and Legal Counsel

Partner, Hash Legal

Ex- Spice Route Legal



Aritra Sarkhel

Co-Founder and Policy Lead

Founder, ANQ Finance

Ex- Policy Head, WazirX



Reddy Pawan

Co-Founder and Legal Counsel

Partner, Hash Legal

Ex- Barucha & Partners



Build the Future With Us

Founding Partners

We are seeking founding partners to help us build India's sovereign financial future. Your support is critical to unlocking this national opportunity."

Contribute

Support the IDA with an initial contribution of \$50,000 to \$250,000 and lend your credibility as an ecosystem partner committed to shaping the future of decentralized finance in India.

Knowledge Collaborators

We are seeking legal, academic, and governance experts to join as knowledge collaborators and provide their expertise to guide our policy advocacy and research initiatives.