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CoinDCX Suffers \$44 Million Crypto Hack Amid Regulatory Uncertainty.

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Leading digital asset exchange, CoinDCX, recently experienced a major security breach that led to the theft of \$44.2 million from one of its internal operational accounts. This account plays a crucial role in providing liquidity on a partner exchange to ensure smooth trading. While customer wallets and trading operations remain unaffected, this incident marks India's second significant crypto hack within a year, following the \$230 million cyberattack on WazirX in July 2024, attributed to North Korea's Lazarus Group.

CoinDCX's co-founder, Sumit Gupta, confirmed that customer funds are safe and the company will cover the losses from its reserves, which remain financially stable. The exchange is collaborating with international cybersecurity experts and law enforcement agencies to track and recover stolen assets. In response, CoinDCX launched a Recovery Bounty Program offering rewards up to 25% of recovered funds to encourage assistance in catching the perpetrators. Gupta stressed that the breach serves as a learning moment and vowed to strengthen the platform's security.

CoinDCX, India's first digital asset unicorn, valued at \$2.15 billion after raising \$135 million in funding in 2022, has aggressively expanded globally, notably acquiring Dubai-based BitOasis in 2024. Despite the company's success, these recurring hacks underscore the fragility of India's crypto infrastructure.

Former Finance and Economic Affairs Secretary Subhash Garg criticized India's prolonged delay in establishing clear digital asset regulations. In a LinkedIn post, Garg pointed out that, unlike the United States, which has passed comprehensive legislation regulating stablecoins and digital assets, India continues to stall on providing a legal framework. He urged policymakers to "face the crypto phenomenon" and legislate accordingly, emphasizing that the absence of regulation leaves the sector vulnerable.

Similarly, Pradeep Bhandari, spokesperson for the ruling Bharatiya Janata Party (BJP), advocated for a national Bitcoin reserve and clearer regulations, highlighting that current tax-heavy but regulatory-light policies stifle innovation and fail to protect investors. India imposes a 30% flat tax on crypto profits, a 1% tax deducted at source (TDS) on transactions over ₹10,000 (about \$116), and an 18% Goods and Services Tax (GST) on trading fees, creating significant hurdles for traders.

These policies have already driven major players like the Seychelles-based OKX exchange out of the Indian market due to compliance difficulties. The sector is expected to see consolidation in 2025, with smaller exchanges either closing or merging under the weight of taxation and regulatory ambiguity.