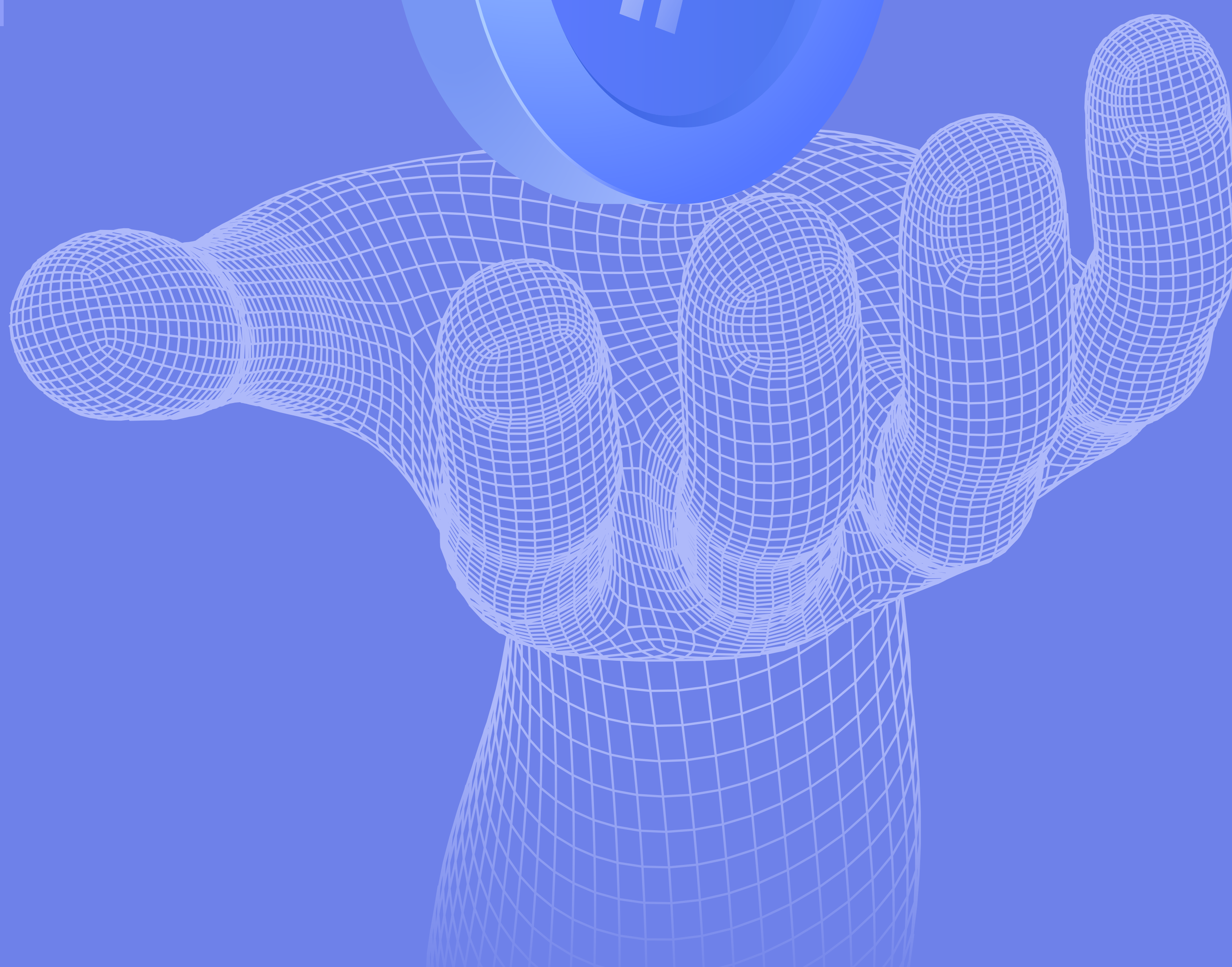


**CoinDCX**

# Year End Report – 2023

Unfolding India's Crypto Story



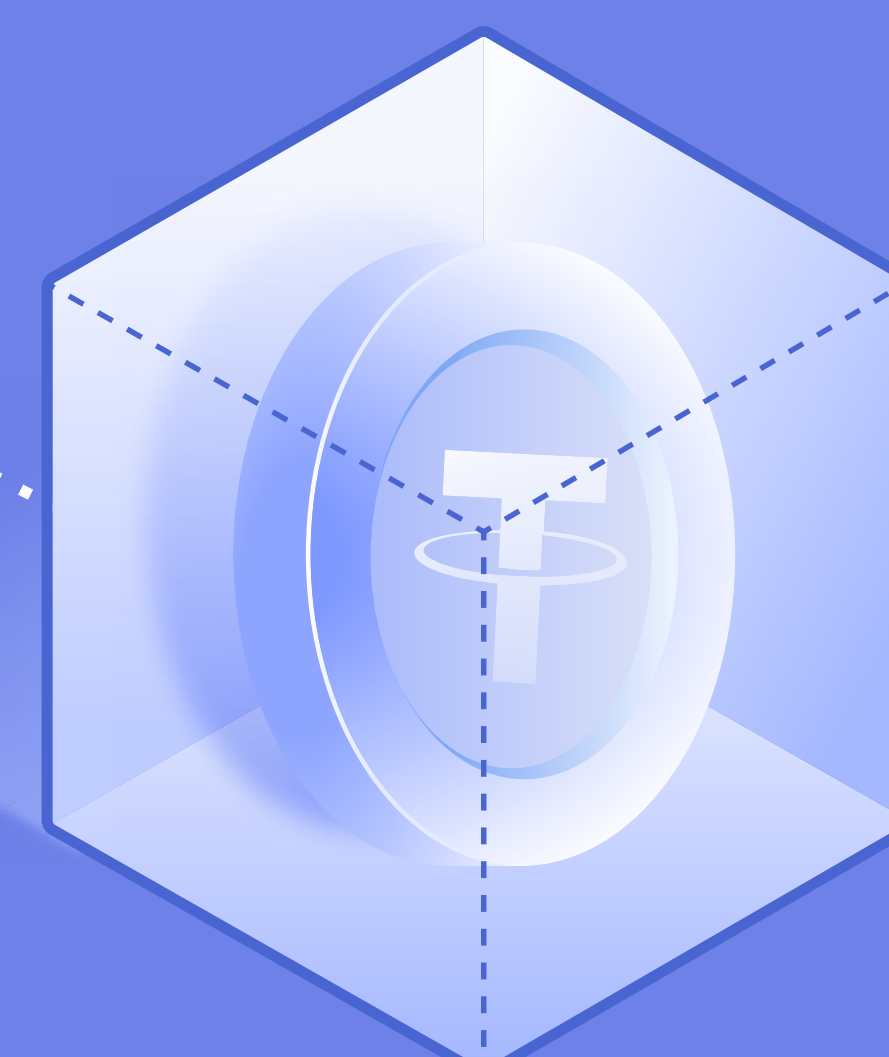


# 2023 in a glance:

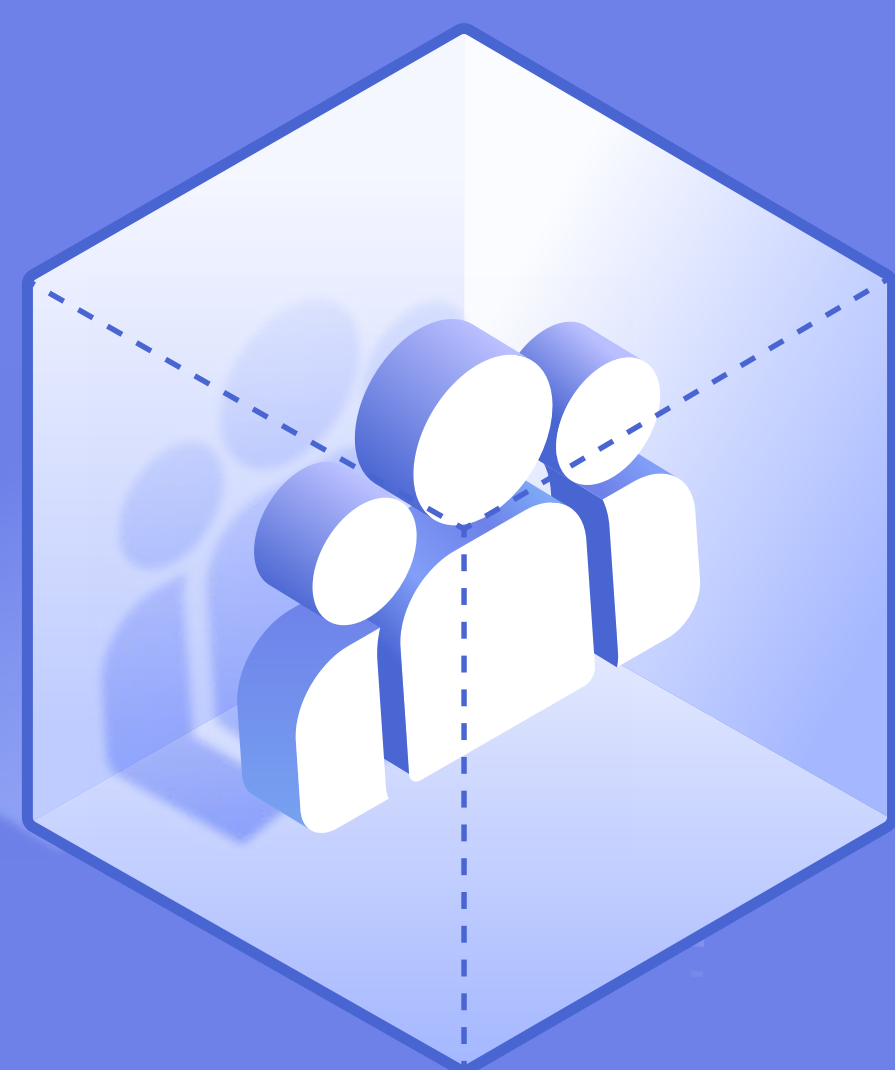
## Key highlights



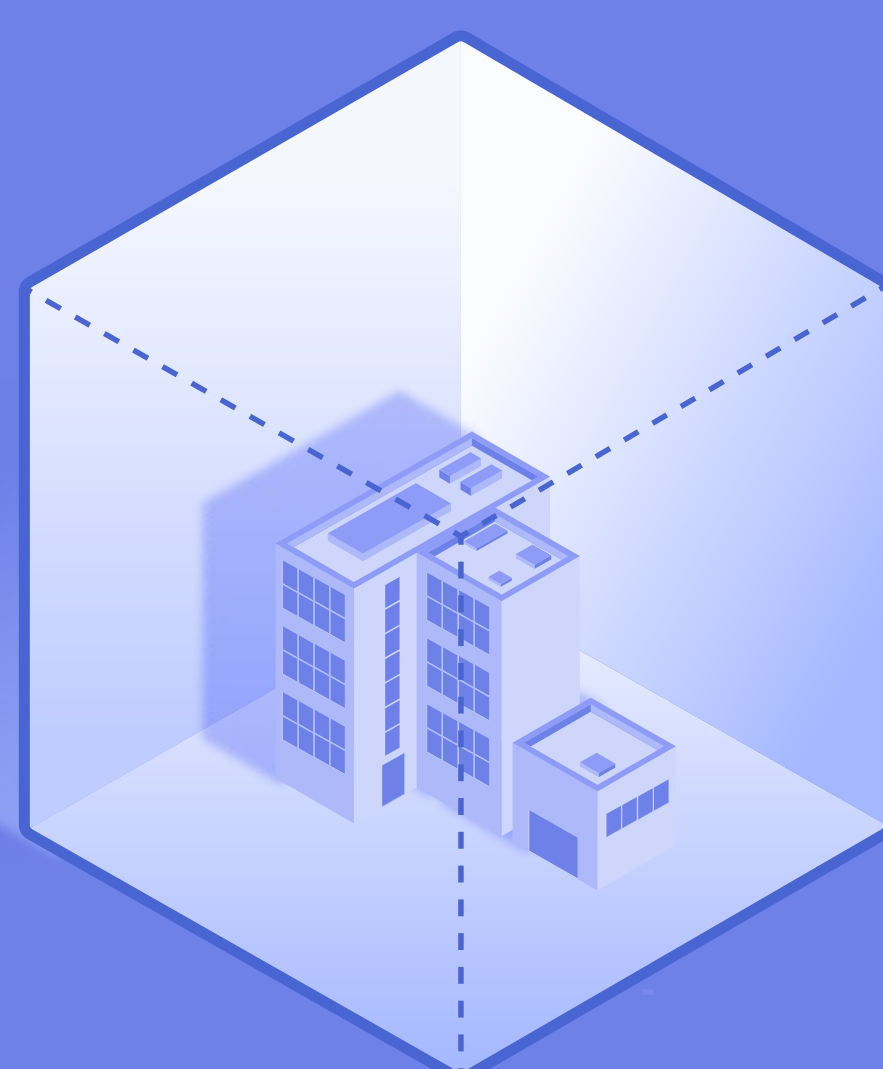
**500+/1086+**  
Crypto tokens/  
Trading pairs



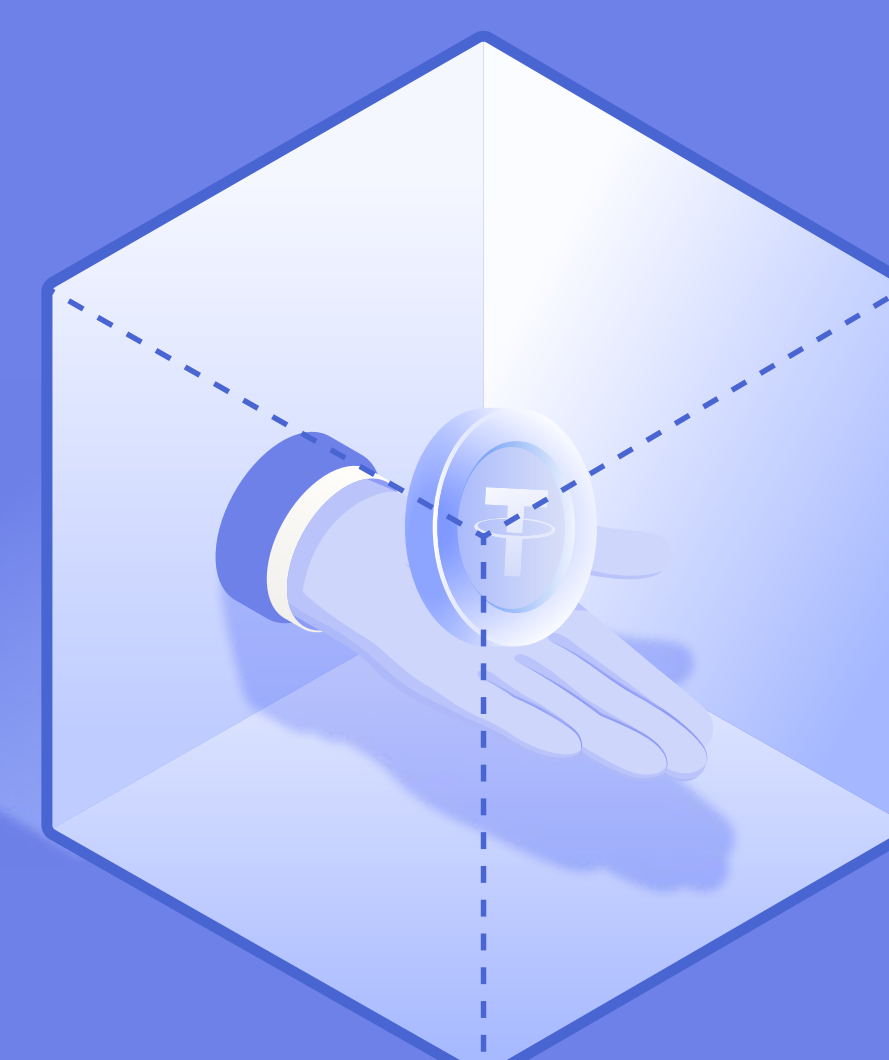
**USDT 244.74 Mn**  
Holding in  
Proof-of-Reserve



**1.4 Cr +**  
Registered users  
at CoinDCX



**Lucknow & Patna**  
Top emerging  
Indian Tier II cities  
for crypto investors



**30 years**  
Average age of  
investors



**66.7%**  
of total TDS VDA  
revenue  
contributed by  
CoinDCX



**7<sup>th</sup> March, 2023**  
Finance Ministry  
brings all VDAs  
within the ambit  
of the PMLA



**ISO 27001:2022** CoinDCX is one of the  
first exchanges in India to receive the  
certification

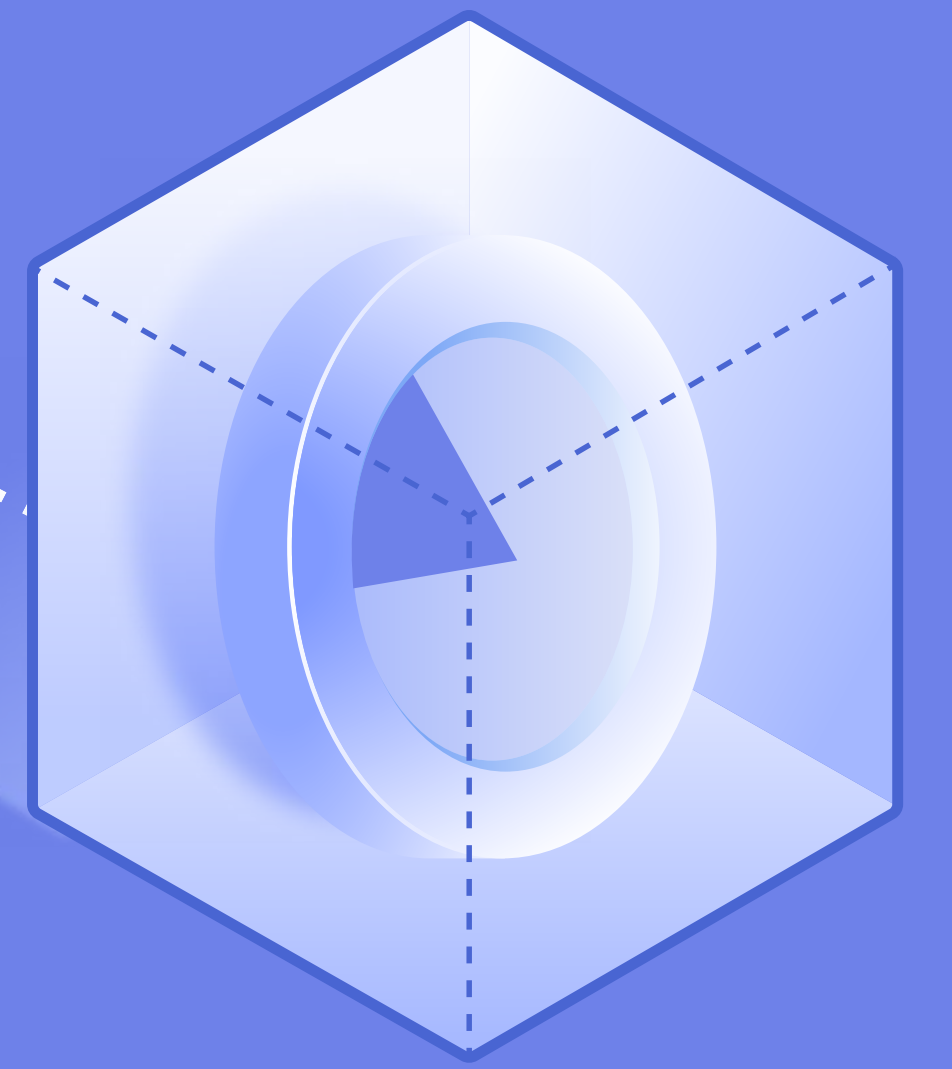




**Bitcoin**  
Most held token  
in terms of value



**2.92 Tokens**  
Average investor  
holding



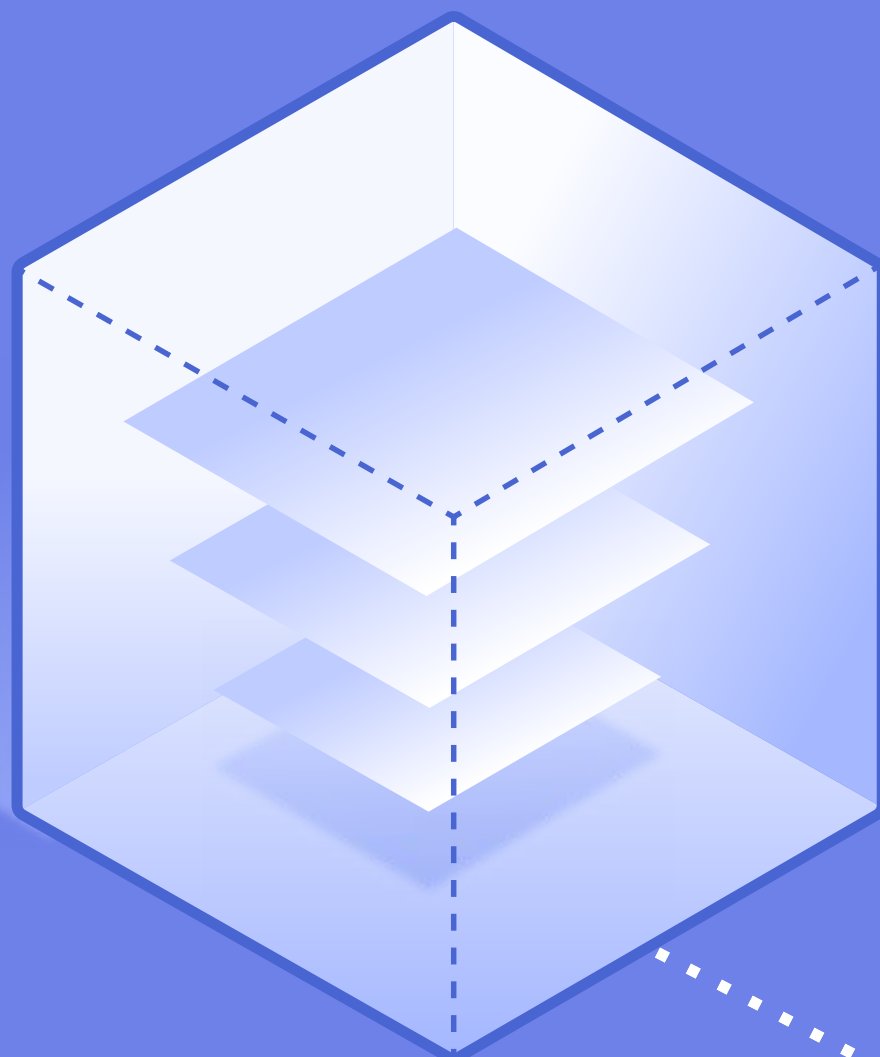
**9 PM to 11 PM**  
Peak trading  
hours in 2023



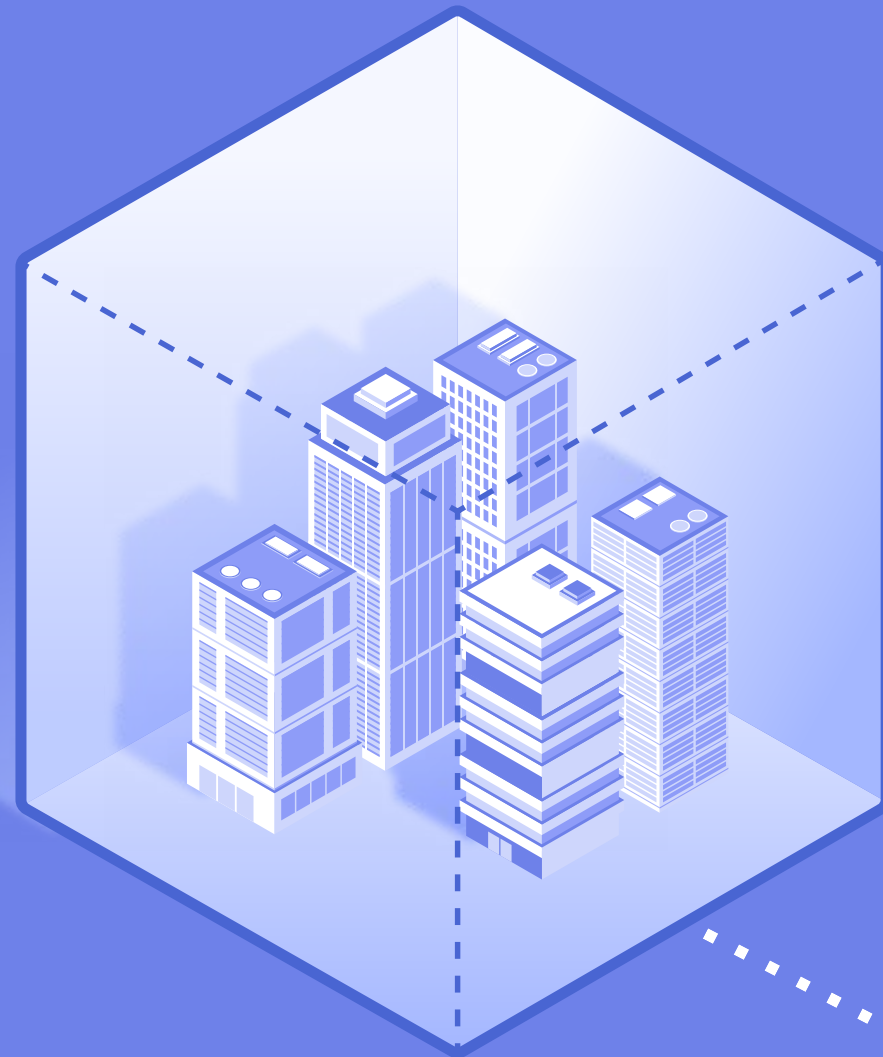
**9<sup>th</sup> November**  
Highest trading  
volume in 2023



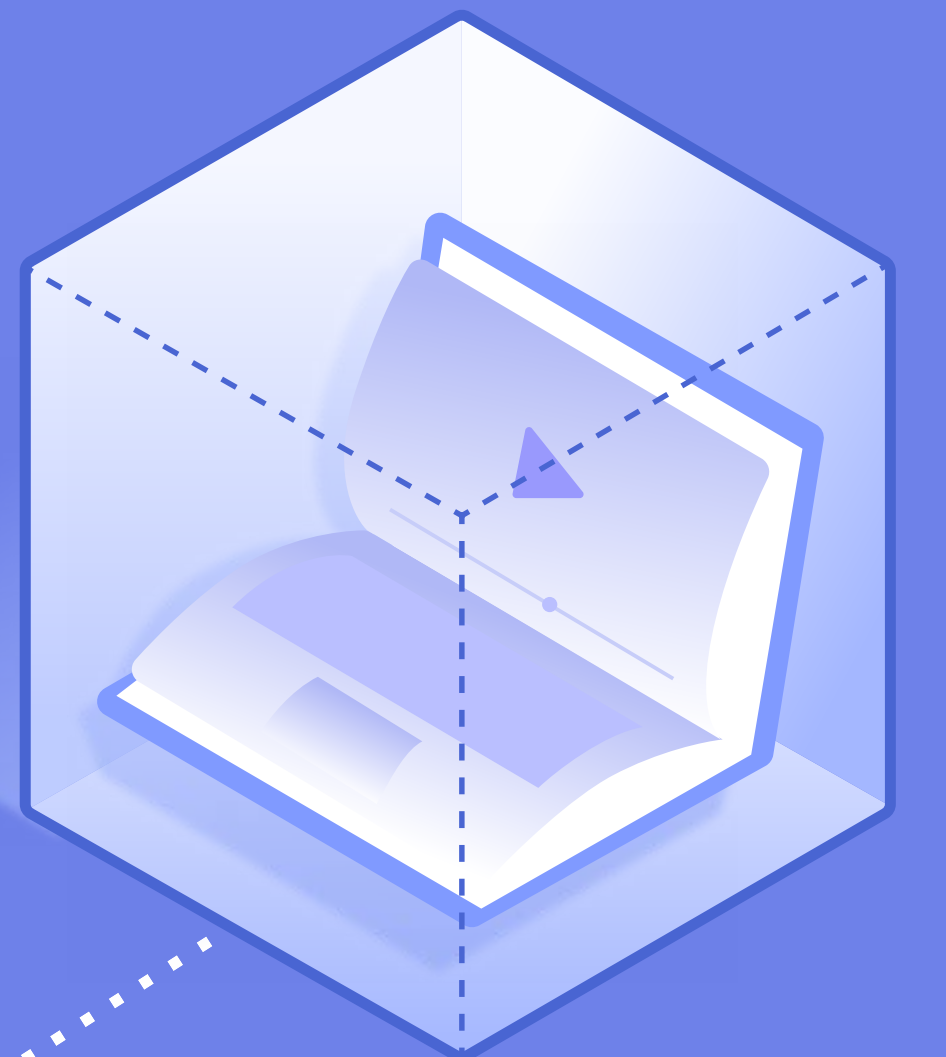
**November**  
Highest monthly  
trading volume in  
2023



**6000+**  
Learners  
participated in  
Namaste Web3 &  
Local chapter  
meets



**20+**  
Indian cities  
provided with  
education on  
Web3 and crypto



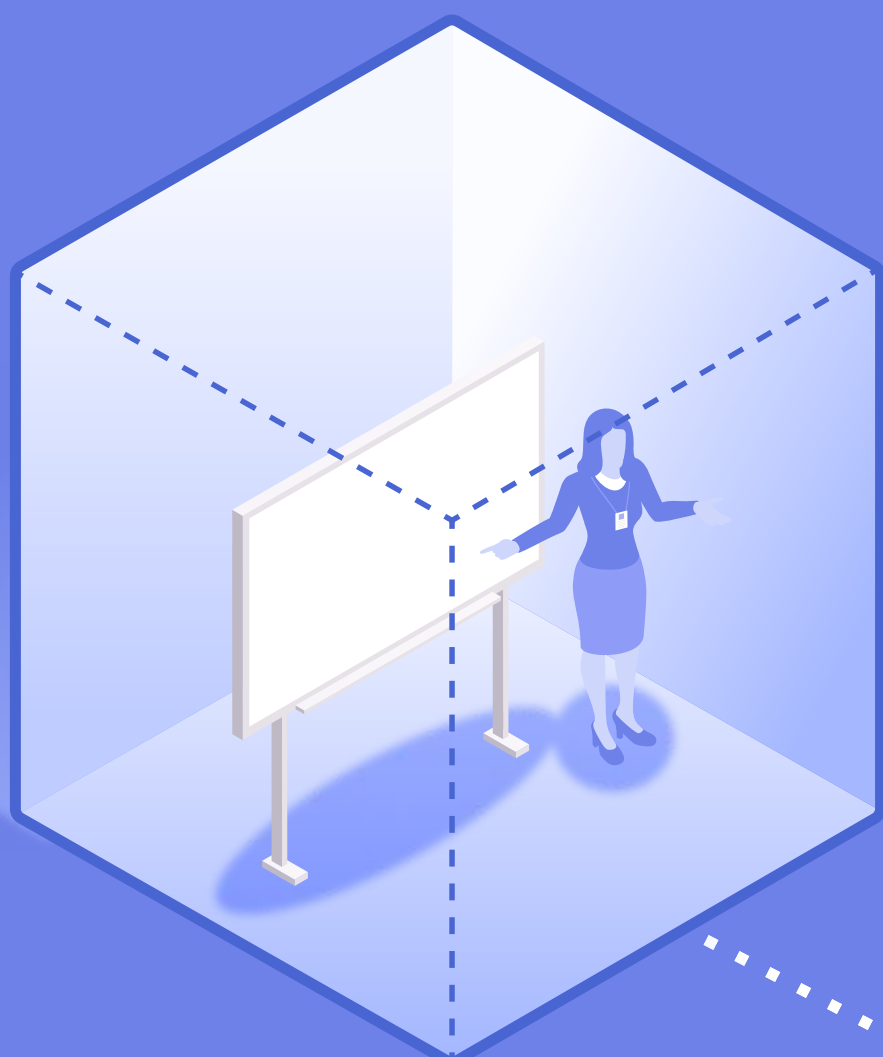
**44.5 lakhs+**  
Indians educated  
online



**5000+**  
Web3 enthusiasts  
united through  
Unfold 2023



Sumit Gupta and Neeraj Khandelwal  
featured in **Hurun India's Top 200  
Self-made Entrepreneurs** of the  
Millennia 2023' list



**50+**  
Web3 community  
events



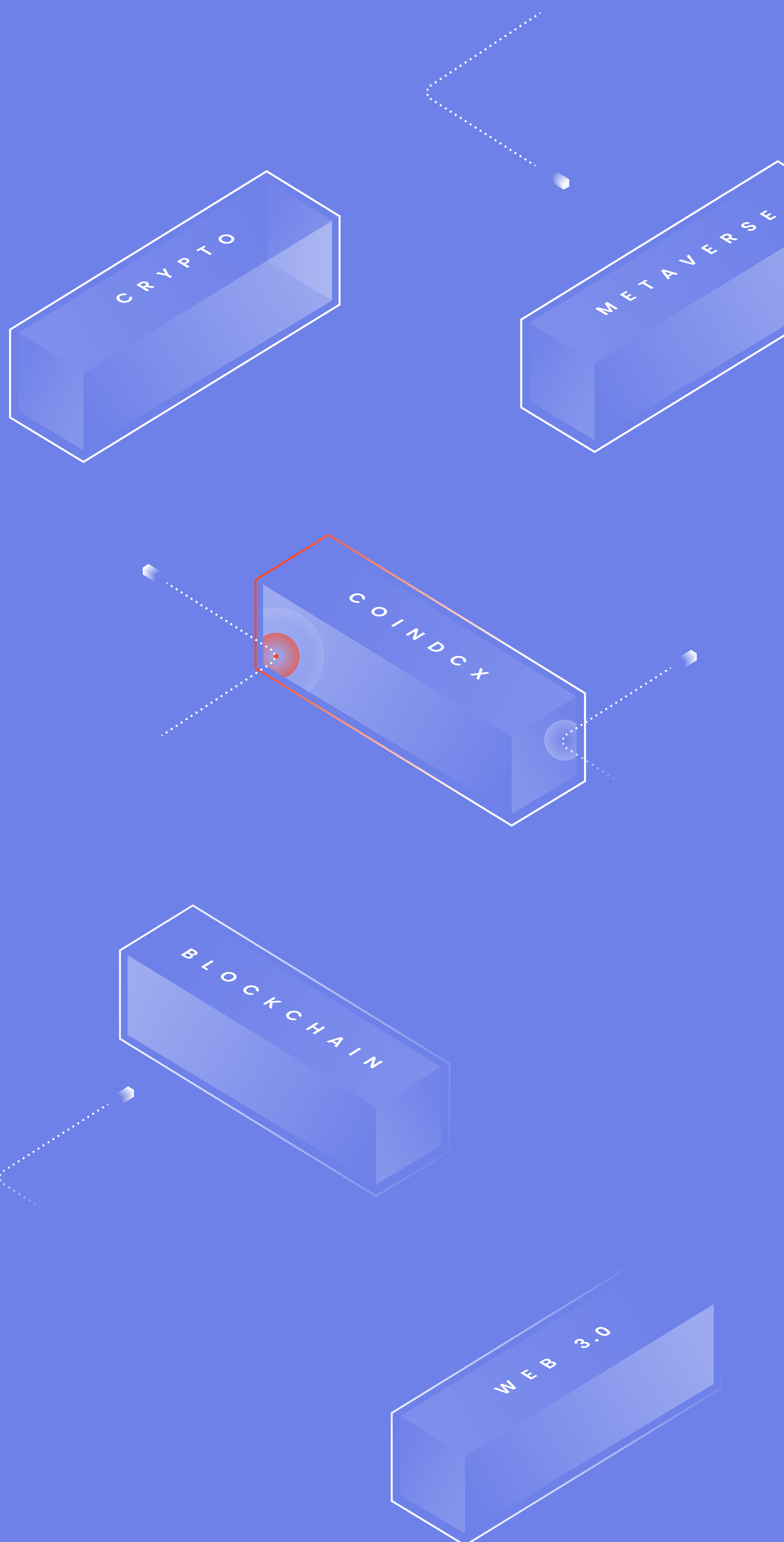
We stand at the cusp of a new era where technology and innovation are rapidly changing the virtual digital assets (VDA) landscape. As the industry continues to evolve, regulations surrounding it are also taking shape. In order for the VDA industry to thrive, it is imperative that the industry takes responsibility for its actions and embraces regulatory compliance. Protecting users and building trust are critical for the success of the industry and must be non-negotiable.

In 2023, CoinDCX reinforced its commitment to regulatory compliance, becoming the first crypto exchange designated as an 'FIU-Registered Reporting Entity' under the new PMLA regulations. Pioneering transparency, CoinDCX initiated the trend of publishing Proof of Reserve & Liability Reports, maintaining consistency with quarterly releases since 2022. CoinDCX has achieved ISO 27001:2022 certification, placing us among the forefront of organisations meeting the qualifications for the 2022 version.

CoinDCX stood committed to fostering a robust Web3 ecosystem in India. This was evident by the multiple initiatives taken to keep the community engaged. The second edition of Unfold, attended by over 5000 participants and featuring industry-leading speakers, underscored its significant impact. Unfold 2023: Hackathon stood out as Asia's largest multi-chain and multi-protocol hackathon, featuring over 1000 developers. We expanded access to Web3 education through Namaste Web3 in partnership with Forbes, educating over 3,000 individuals in person across smaller cities and metropolitan areas. Simultaneously, our community chapters successfully brought together more than 5,000 attendees in 23 cities, conducting over 50 local chapter meetings with the aim of educating enthusiasts on Web3.

In summary, 2023 marked a year of unwavering commitment to compliance, transparency, and innovation, positioning CoinDCX as a leader in the evolving landscape of digital assets and Web3.

# Executive summary





“



Embarking on the journey to 2024, a wave of gratitude and excitement envelops us as we commemorate CoinDCX's fifth anniversary in 2023—an emblematic milestone in our collective exploration of Web3. Over the past 5 years we have been on a mission to democratise Web3 and Crypto for all.

Over the past five years, we've welcomed 1.4 crore Indians onto our platform, securing a leadership position in India through a focus on user experience, compliant products, expanded token options, and pioneering offerings.

Looking ahead to 2024, our vision is bold: to become a global Web3 leader, pioneering advancements in Web3 Finance. Our strategy centers on establishing leadership in Web3 finance, acting as the gateway to both CeFi and DeFi. We'll align with key Web3 trends, focusing on lending, derivatives, and institutional offerings. India remains central to our focus, with compliance, user experience, and international alignment as cornerstones.

As we navigate this path, strategic opportunities emerge. Our dedication persists: empowering our community with seamless solutions and unlocking the potential of a decentralized future.

Wishing you a prosperous 2024 filled with growth and achievement.

**Sumit Gupta**  
Co-founder, CoinDCX

”

“



As we step into the new year, reflecting on the journey of 2023 fills me with gratitude and excitement. For web3 companies and CoinDCX alike, it was a year defined by unwavering dedication to "building." The challenges posed by the bear market only fueled our determination to create, innovate, and bring web3 closer to everyday lives.

For CoinDCX, 2023 was a dynamic chapter marked by relentless building and the introduction of features reshaping user experiences. The focus has been to build a secured and complaint platform that our users can trust. The launch of Okto, our web3 Wallet app, was a significant milestone, catering to our global users and strengthening our position in decentralized finance (DeFi)..

Looking ahead to 2024, our dedication to fostering mass adoption remains steadfast. The development of Okto Software Development Kits (SDKs) aims to seamlessly integrate web3 into web2, envisioning a future where the benefits of blockchain technology are accessible to a broader audience.

Wishing you a year brimming with growth, prosperity, and groundbreaking achievements. May it be a year of continued progress and success!

**Neeraj Khandelwal**  
Co-founder, CoinDCX

”



# India reinforces its belief in crypto in 2023

2023 was a challenging year marked by a bear market. Simultaneously, the introduction of a 30% tax and 1% TDS by the Indian government on Virtual Digital Assets significantly impacted overall business and exchanges' volume.

Despite these hurdles, investors remained resilient, driven by their belief in the ecosystem and technology. CoinDCX remained steadfast in its commitment to its customers, prioritising user experience and navigating the market with innovation and transparency.

Despite the overall market slowdown, CoinDCX prioritised investor protection, maintaining fair and transparent markets, and reducing systemic risk through diversification opportunities. Our CoinDCX 7M Model further helped assessing risks associated with crypto assets, aiming for higher returns for users.

This customer-centric approach allowed CoinDCX to continue serving its vast user base of over 1.4 crore, solidifying its position as a leading exchange in the Indian market.

Our commitment to our diverse customer base, spanning across various cities and age groups, underscores the widespread adoption and inclusivity of our platform. We leveraged our unparalleled understanding of crypto adopters to further enhance product and user experience. This dedication is reflected in the expansion of our offerings, with 500+ listed coins and 1000+ trading pairs, solidifying our position as one of the leading exchange in India's dynamic crypto landscape.

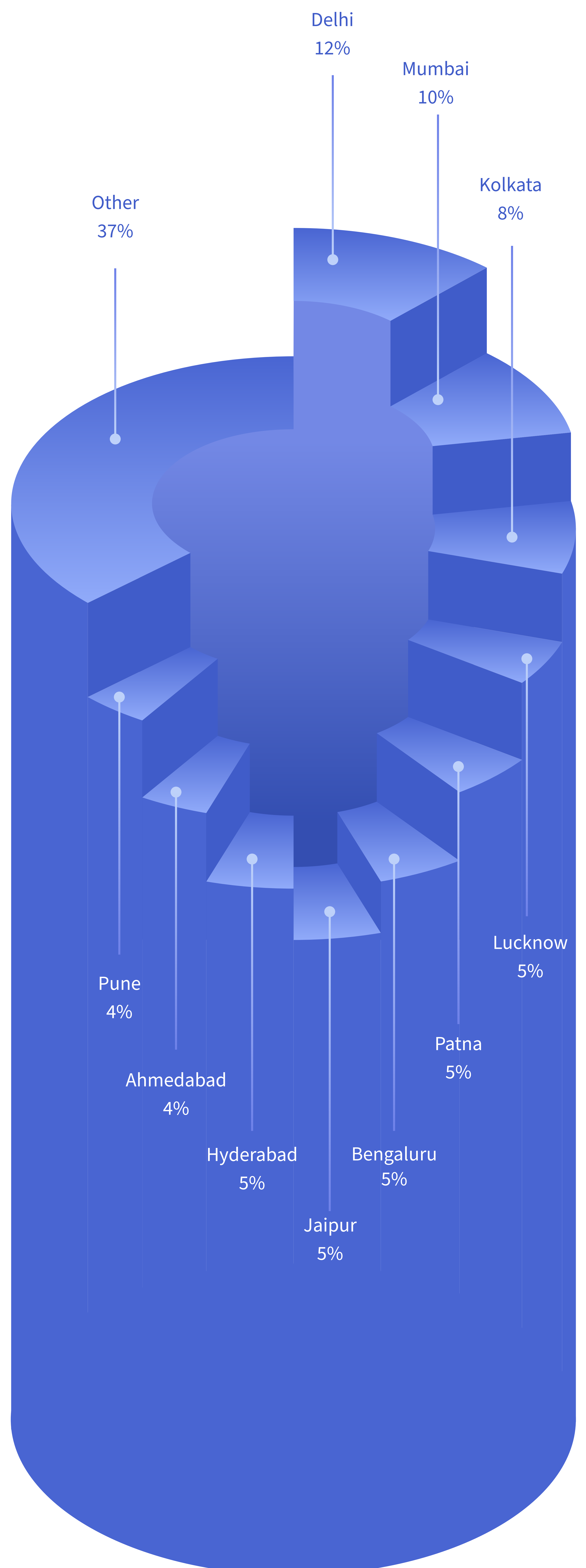


# 10 Cities hold 60% of the user base

## Tier-2 cities redefine India's crypto landscape in 2023

2023 witnessed a remarkable shift in the Indian crypto landscape, with tier-2 cities like Lucknow and Patna emerging as surprising frontrunners in adoption. These cities, along with Jaipur, Indore, Bhubaneswar, and Ludhiana, all ranked among the top 15, defying the perception of major urban centres dominating the traditional financial investment space. This phenomenon underscores the decentralised nature of the crypto revolution, where influence and innovation extend far beyond established hubs, empowering individuals and communities across India.

While established metropolises like Delhi, Mumbai, Kolkata, Bengaluru, Hyderabad, and Ahmedabad continue to contribute significantly, the emergence of tier-2 cities as leaders paints a fascinating picture of the future. This diverse network of pioneering cities, each with its unique strengths and contributions, is undoubtedly shaping the future of crypto in India, paving the way for a truly inclusive and decentralised financial system.



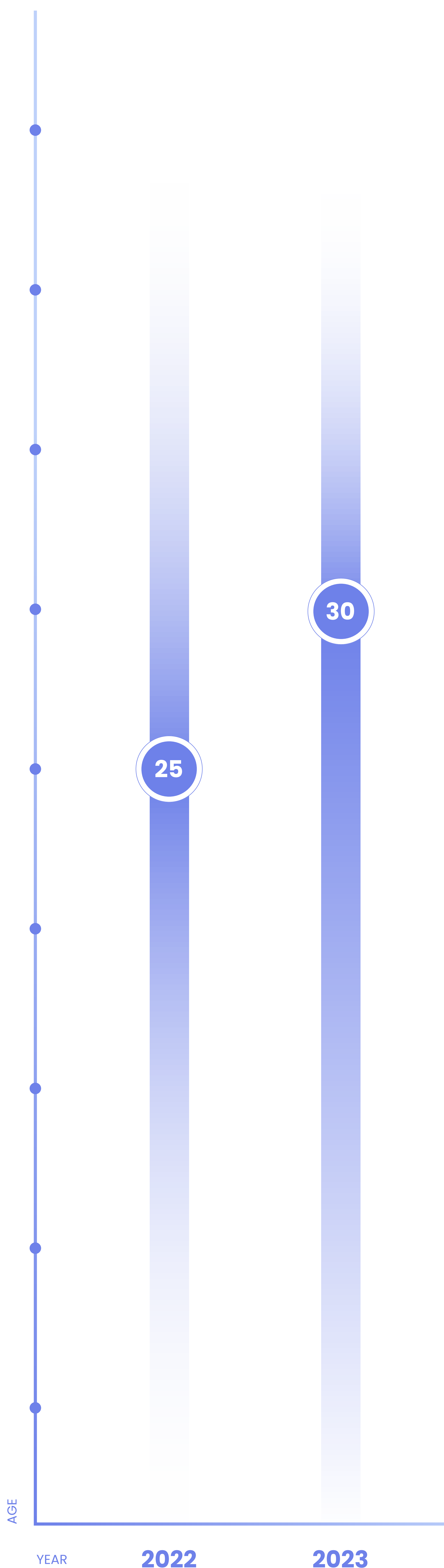
# Age no barrier to India's crypto adoption with average investor age matures to 30

2022: The average age of CoinDCX users stood at 25.

2023: A substantial shift has occurred, witnessing a notable increase with the average age now maturing to 30.

Our platform has observed a remarkable transition in the age demographics of users, specifically noting a growing interest in crypto investments among individuals aged 30 and above.

Once considered exclusively for the younger demographic, the crypto asset class is now attracting mature and seasoned investors. This shift underscores the expanding appeal and recognition of crypto as a viable and diverse investment option across different age groups.

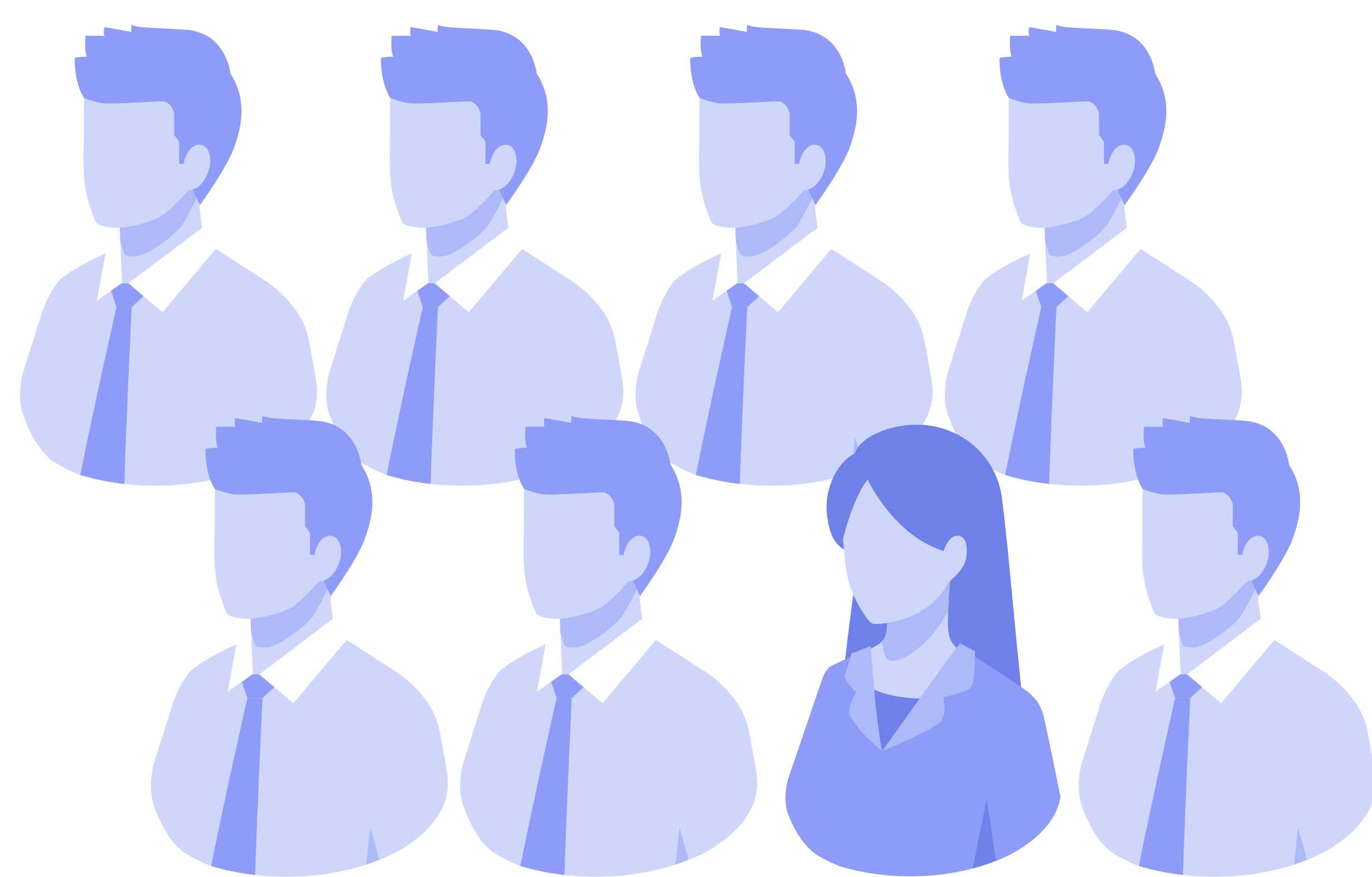




# Breaking barriers: 65% of female investors are from Tier II, III, and smaller towns

## Top ten cities with female investors

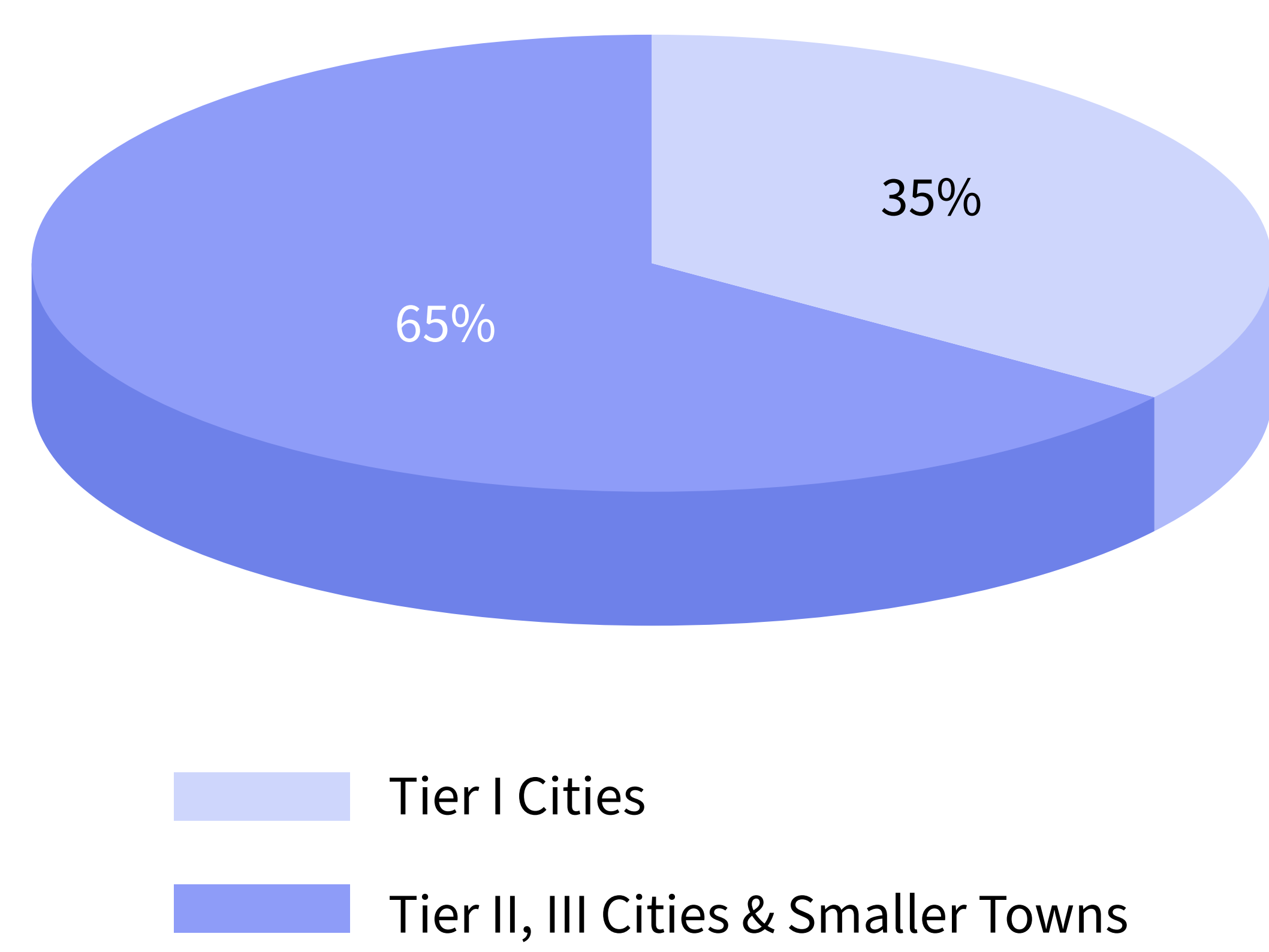
- | Delhi
- | Lucknow
- | Hyderabad
- | Ahmedabad
- | Chennai
- | Guwahati
- | Ludhiana
- | Nagpur
- | Ranchi



The current gender distribution in the crypto realm reveals **a ratio of 7 males to every 1 female participant.**

Significantly, 35% of female users are based in Tier I cities, while the remaining 65% encompass a varied composition from Tier II, Tier III, and smaller towns, underscoring the broad allure of crypto across diverse geographical settings.

Delhi boasts the highest number of female investors, with Lucknow following closely as the second-highest contributor to the female investor base.







# India's crypto prime time: 2023

## 9 PM to 11 PM

### Peak trading hours in 2023

Crypto markets, known for their 24/7 accessibility, see heightened trader activity post office hours. According to our platform data, the peak trading hours in 2023 were observed from 9 PM to 11 PM, aligning with increased market activity and trader engagement.

## November 2023

### The month with highest trading volume

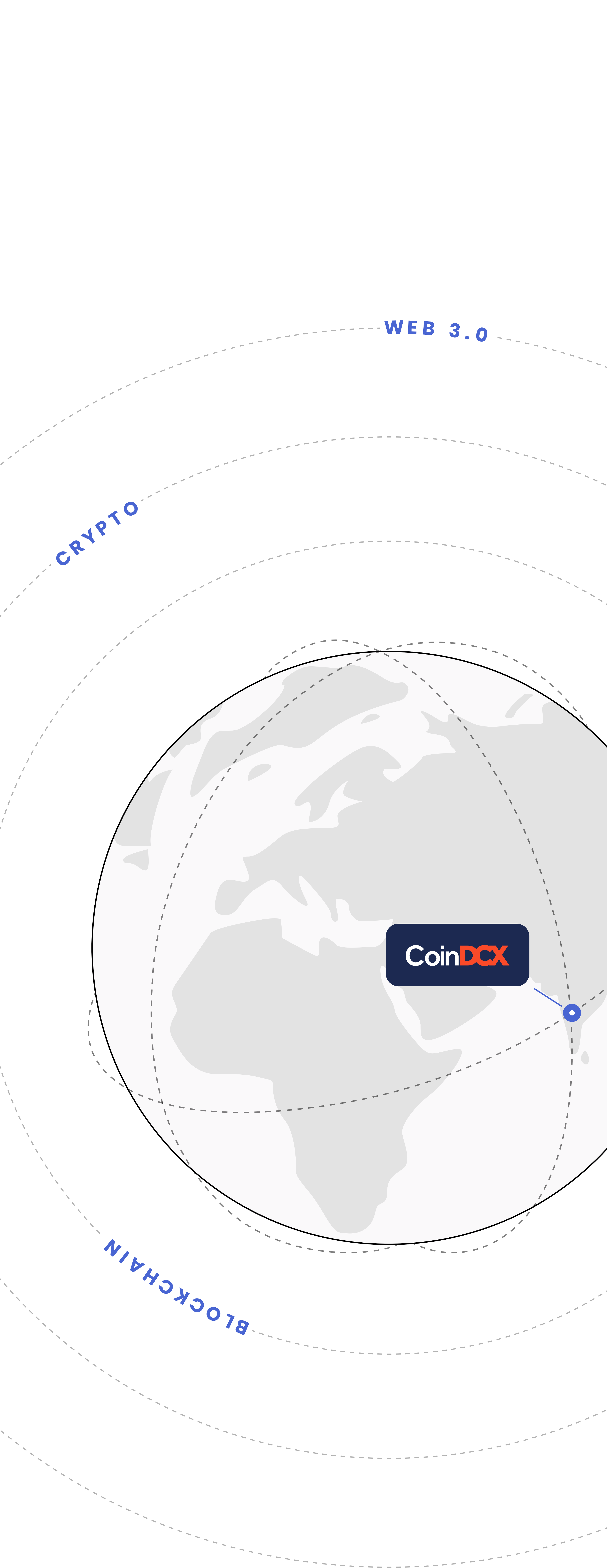
In November, crypto trading volumes surged approximately 75% above October 2023 levels globally. Bitcoin reached a new high of \$36,000 this month, driven by optimism surrounding the potential approval of a spot bitcoin ETF by the SEC. It has witnessed a remarkable 145% surge over the past year.

## 9th November 2023

### Highest trading volume in a day

November 9, 2023, witnessed the highest trading volume of the year, attributed to Bitcoin's remarkable milestone, surging to a new high of \$36,000. Bitcoin (BTC) crossed the \$36,000 threshold for the first time in 2023, contributing to the global market cap reaching \$1.37 trillion.





# CoinDCX at 5: From crypto seedling to Unicorn star, unfolding India's digital revolution

In 2023, CoinDCX celebrated its fifth anniversary, marking a remarkable journey from a small crypto exchange to becoming one of India's largest and most sought-after platforms with a user base of 1.4 crore. As India's first crypto unicorn, CoinDCX has played a pivotal role in making crypto accessible to over 1.4 crore Indians, shaping the landscape of digital asset adoption in the country.

Beyond being a leading crypto exchange, CoinDCX expanded its horizons, venturing into Web3 investments through CoinDCX Ventures and making significant strides into the world of decentralized finance (DeFi) with the launch of Okto. Moreover, the platform took on the responsibility of educating the masses by introducing initiatives like Unfold and Namaste Web3, contributing to the widespread awareness and understanding of blockchain and decentralized technologies.



# Leading the path in responsible crypto compliance

## CoinDCX becomes first 'FIU-Registered Reporting Entity' to comply with new PMLA regulations

The move by the Government of India in March 2023 with regards to the Prevention of Money Laundering Act (PMLA) has been a positive step towards responsible development of the Web3 space. CoinDCX was quick to respond to the Financial Intelligence Unit (FIU) -Registered Reporting Entity requirement, demonstrating its sincere commitment to compliance and regulatory clarity.

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## CoinDCX spearheads with a remarkable 66.7% contribution in ₹105 Crore total collection

Of the total ₹105 crore TDS collected by the Indian government, notably, CoinDCX contributed ₹70 crore. In line with our commitment to ensure seamless compliance for our customers in their crypto trading journeys, CoinDCX has partnered with KoinX, a leading crypto taxation platform. CoinDCX traders could easily obtain their crypto tax reports with just a few clicks, ensuring efficiency and compliance.





## CoinDCX delivers on its promise: Three consecutive Proof of Reserve & Liability reports in 2023

In response to the FTX incident, CoinDCX was one of the first Virtual Digital Asset exchanges in India to publish Proof of Reserves (PoR) along with Liability report, with the inaugural publication in 2022. Since then, CoinDCX has maintained its commitment to transparency by consistently releasing quarterly PoR and Liability reports, with three publications in 2023 alone.

PoR involves the engagement of third-party auditors to verify an exchange's asset holdings, aligning them with customer balances.

## One of the first VDA exchanges

CoinDCX has become one of the first VDA exchanges in India to secure ISO 27001:2022 certification. This accomplishment is noteworthy as only a handful of organizations have qualified for the 2022 version, a notable increase from the 2013 iteration. CoinDCX's unwavering commitment to safeguarding user data and maintaining top-tier security standards is highlighted through these certifications.

## 7M continues to be our driving principle for consumer protection

Continuing to prioritize consumer protection, the internal CoinDCX 7M Model serves as our guiding principle. Developed to fortify the safeguarding of retail investors, this model goes beyond simply outlining the token-listing process for projects eligible to trade on CoinDCX. It also plays a crucial role in educating investors about the risks, characteristics, technical aspects, and fundamentals associated with each crypto project.

# Setting standards of Transparency, Security, & Consumer protection





# Fuelling India's Web3 future: Growing, Engaging, & Educating the community

## Namaste Web3: over 2500+ benefited from In-person Web3 education

Namaste Web3, a transformative movement, unites tech leaders, Web3 experts, and policymakers on a single platform, driving India's ambition to be a global web3 powerhouse. Breaking the trend, it educates people in person, reaching smaller cities like Ahmedabad, Pune, Jaipur, etc. Key insights from seven cities, including Bengaluru, Delhi, and Indore, reveal 14 million impressions across various platforms, over 8000 registrations, 2500+ in-person participants, and 100+ speakers as panelists, showcasing extensive knowledge in the field.







## Spreading education in 20+ Cities and counting

We strive to create a neutral narrative, offering an inclusive platform for discussions, learning, and growth via many as many as community education platforms, including community chapters spread across India. Through this initiative, we celebrate the entrepreneurial spirit and technical prowess of the Indian Web3 ecosystem, spotlighting remarkable individuals to inspire and showcase India's potential globally.

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## Empowering 44.5 Lakh+ learners: Crypto education through dynamic online platforms

We've made education accessible to all. Our informative YouTube sessions on crypto education serve as a dynamic resource, providing valuable insights and knowledge to a diverse audience. By leveraging the reach of online platforms, we aim to democratize education and foster a community of informed and empowered learners in the realm of crypto.



# Collaboration across the Indian Web3 ecosystem: Building a strong foundation together

## Leading conversation on behalf of the industry

In 2023, CoinDCX's policy and compliance team worked collaboratively with government officials, policymakers, and stakeholders, ensuring regulatory compliance and contributing to industry development. They advocated for innovative and fair competition policies, engaging in constructive dialogues and publishing documents to address concerns and offer solutions.

## Efforts at boosting the ecosystem

CoinDCX is a founding member of BWA and has played a key role in the launch of Bharat Web3 Association (BWA) to support the Web3 ecosystem in India. BWA's mission is to drive awareness about Web3 technology, promote dialogue, set standardized principles, and nurture India's talent pool.

## Unfold 2023: Bringing the entire ecosystem together

Our aim was to establish a space where diverse perspectives converge, fostering collaboration and pushing the boundaries of what's achievable in the dynamic Web3 landscape. With Unfold 2023 being the second edition, we successfully fulfilled our objective as a neutral space inspiring builders and founders. The hackathon at Unfold'23, featuring over 1000 participants, was Asia's largest multi-chain and multi-protocol hackathon. The engagement of 5000+ attendees, along with industry-leading speakers, underscored the event's impact.



## Democratising Crypto investing: CoinDCX app unifies trading for all

In 2023, CoinDCX reached a milestone with the enhanced app, integrating advanced features seamlessly. The update introduces a "Pro mode," offering users sophisticated trading tools and a unified platform for both novice and experienced traders. The focus on intuitive design and user education reflects CoinDCX's commitment to trust, transparency, and inclusivity in the crypto space.

## CoinDCX has enhanced the User experience: Innovation and Empowerment

CoinDCX has significantly improved its product and user experience through a series of impactful initiatives. These include PnL insights for deeper investment analysis, Plug & Play in-App sticky reminder widget for enhanced engagement, revenue-sharing referral program for incentivised participation, Earn floating rate construct for risk mitigation, new listings feature highlighting emerging markets, third party integration for expanded token access, and new payment options for faster and more convenient transactions.

# Our commitment to users to build world class product





# Looking ahead: 2024 trends

2023 has been a whirlwind of activity and innovation within the Web3 landscape. Despite the ongoing bear market, the industry has witnessed significant milestones, laying the groundwork for a transformative future.

**Exponential Growth of Web3 Developers:** The Web3 space has experienced a 297% increase in active developers since 2018, indicating the industry's expanding potential and commitment to ongoing innovation.

**Ethereum's Transition and Rise of Layer 2 Solutions:** Ethereum's successful shift to proof of stake and the emergence of Layer 2 solutions demonstrate the industry's dedication to scalability, efficiency, and sustainability.

**Rising Institutional Confidence:** Major financial institutions are increasing their investments in Bitcoin ETFs and other crypto assets, showcasing growing institutional support for Web3 as a legitimate and attractive investment class.

**DeFi Dominance and Blockchain-Based Identities:** The financial landscape is set to be dominated by DeFi, with Total Value Locked (TVL) expected to multiply several times. Blockchain-based social identities are becoming commonplace, empowering users with greater control over their data and privacy.

Web3 is now positioned to deliver tangible benefits, including user-friendly wallets, affordable applications like DigiYatra, and decentralized identity solutions like Self-Sovereign Identity (SSI). India, a global leader in crypto adoption, has a unique opportunity to solidify its position as a Web3 frontrunner through a balanced approach, regulatory transparency, and education programs.







TRUST OF  
**1.4 Cr+**  
REGISTERED USERS

HOME TO  
**500+**  
CRYPTO ASSETS

QUARTERLY  
**19.5K Cr+**  
TRADING VOLUME

CERTIFIED WITH  
 **ISO/IEC  
27001:2022**  
STANDARD

COMPLYING WITH  
 **ANTI-MONEY  
LAUNDERING**

INVESTED IN  
 **WEB 3  
STARTUPS**

# #WAGMI

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