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FUTURE OF CRYPTOCURRENCY IN INDIA

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Abstract -

In rapid development of knowledge technologies, cryptocurrencies grab a hot topic within the financial industry. A growth of number of selling users has activated virtual word concepts and created a business which is cryptocurrency to facilitate the financial activities. It represents valuable and intangible objects which are used electronically in numerous applications and networks like online social games, virtual worlds and peer to see networks. The employment of cryptocurrency may be a hard to just accept, but it's very easy to use. The utilization of currency has become widespread in many alternative systems in recent years. This paper investigates the user's expectations of the longer term of cryptocurrency in India. It also surveys the users' confidence of addressing cryptocurrency in an exceedingly time that using such virtual money isn't fully controlled. Besides, the paper is aimed to what's going to be the long run of cryptocurrency. The paper also analyses the way within which 21 different countries have responded in terms of regulations & legislations towards cryptocurrencies to develop a transparent picture of its impact about various laws of India to control it. this can be a conceptual paper tries to check the various cryptocurrencies, types, India's role within the crypto market what's the govt. doing to

manage cryptocurrencies. Future opportunities for cryptocurrency. The study also tries to analyse the position of Bitcoin in India.

Keywords –

Cryptocurrency, Bitcoin, Challenges.

Introduction

In Today's economies all are the cash economies , Because all the economies have accepted the certain as medium of exchange the availability of cash causes both inflation and deflation economies by the surplus supply and contraction within the supply of cash , And hence currencies of the various countries regulate by government so as to combat the inflation or deflation situations. Now days many countries within the world have focusing towards digital currency and transactions. Even someone don't want to manage their currencies and transactions. This brought greater innovation in new currency that's crypto currency. one amongst the foremost advanced, ambiguities, regulation free currency. This paper includes many stages of the cryptocurrency platforms which try to answer the question which were arises. the most questions of the research paper which are –

- Is this the currency platform which goes to require place.
- Are the cryptocurrency safe to use during this it stated that it investigates the various style of issuing , Exchanging , implementing and

Controlling which provides an Organized Cryptocurrency classification.

Literature Review –

In the technical terms like cryptocurrency and bitcoins have captured the eye of both tech-savvy and also the internet expert. As per the article “A Short Introduction to World of Cryptocurrencies” by Fabiana Schar and Aleksander Berentsen, bitcoin first came into existence with a white book that was published in 2008 (Berentsen & Schar, 2018). The creators of the model intended to introduce the “cashless payment model” that will allow electronic transactions rather than the physical cash transactions. so as to assist the readers understand the concept of bitcoin, the authors have highlighted the cash transactions further because the electronic payment system (Abdi, 2014). The major difference between the normal and Electronic payment via bitcoin is that there's no involvement of physical profit the later system. Bitcoin could be a virtual money unit that has no physical or tangible representation (Abramaowicz, 2016). so as to use this currency, it's necessary to ascertain in the least times, the whole number of a money units that exist and therefore the number of a replacement money units that are created. Such approaches are highly crucial to create sure that the involved participants consent about the ownership rights referring to a digital currency units. Bitcoin is that the cryptocurrency that uses a “peer-to-peer” technological model that permits different forms of functions like the issuance of currency, the processing activities associated with the transactions, and verification process. This technology based virtual model has grown to an oversized degree in exactly a decade and it's expected that this trend is probably going to continue within the future in addition (Vigna & Casey, 2016).

Problem Definition –

Today's World has transforming in to less cash transactions through innovating and making transactions by digital. one in all the most effective innovation in money that's cryptocurrency and it's digital money, it's not regulated by any authority and financial organization, universal currency, at the identical time there are some problems related to this new currency hence many countries step back from its implementation among those India is one in

every of the country prohibited using cryptocurrency. But as per the order of supreme court now trading through Bitcoin is unlawful in India That's why it's a very important have to understand about cryptocurrency trading in India, how its operates, how it absolutely was employed in India, players who are involving during this transactions.

Objective –

- India's role in the crypto market.
- What is the government doing to regulate cryptocurrencies?
- Future opportunities for crypto currency.

India's role in the crypto market

Nowadays India has been active within the crypto market. In fact, consistent with several research analyses, India has the best number of crypto owners. quite 60% of states in India are emerging as Crypto adopters, with over quite 15 million retail investors. So, there's a robust institutional presence within the country, with over 230+ start-ups during this space, presenting growth potential and opportunities. If the ecosystem continues to grow within the India with same direction because the past 4-5 years, India is somewhat be positioned to be a top global leader during this space.

For cryptocurrencies to achieve ground and acceptance, a concerted effort on the a part of institutions and regulators alike is required to teach the general public at large regarding the opportunities it offers to our country. Fortunately, many institutions have already taken on this task and are on track.

What is the government doing to regulate cryptocurrencies?

In the India, the govt. is taking a actions to determined approach to regulating cryptocurrency in India. The depository financial institution of India (RBI) has clearly issued warnings against the risks with virtual cryptocurrencies and has warned people to understand caution before investing in crypto. However, the govt also clearly state that the potential benefits that cryptocurrencies could have good for the country's economy in future. Our government minister has also introduced 'Digital Rupee', which is predicated on blockchain technology. The aim of reducing the

country's dependency on the cash system. While government announcing their plans to launch a digital currency, the govt. also imposed taxes on virtual assets at 30% which is high make a start towards recognition of cryptocurrencies as an asset class.

Future opportunities for cryptocurrency

Finance Minister Nirmala Sitharaman on the 8th March has spoken very well about the possible way forward for cryptocurrency within the country, unclear hints and dropping vague. FM Sitharaman said that the Ministry has clearly saw the likelihood of tax generation from digital assets. She said that a lot of of the Indians have seen a future in crypto, therefore, I saw the probabilities of the revenue.

Remember, Sitharaman has said in her Budget speech on February 1, and had announced a 30% tax on transfer of digital assets. She was further quoted by the FE as saying that, "Once the consultations are done and therefore the ministry has pondered all the legal requirements for the crypto law, the Ministry will take a look at opposition thereto and discuss if crypto must be regulated." Cryptocurrencies are gradually taking hold in India.

Millennials from tier-2 and tier-3 cities are jumping in to the cryptocurrency bandwagon. Although men have ruled during this space, but the women's participation in crypto trading has grown by over 1000% in recent years. 66% of all the users are still below 35 years old, which shows the upper adoption rate of cryptocurrency among the youth of the country. Although there's still uncertainty about regulations, the govt has shown signs of recognizing the potential of cryptocurrencies. Crypto definitely seems to be the longer term.

RESEARCH METHODOLOGY –

To answer the research question, we conducted a narrative literature review using different academic databases, like Google Scholar, Scopus, Web of Science and Springer Link. Beginning with a spotlight on the origin and foundation of cryptocurrencies. Subsequently, we probe for articles, books, chapters, and conference papers that have in their titles, abstracts or keywords the words: "cryptocurrencies". Identified sources included during this review were screened for relevance on the idea of three questions: India's Role within the Crypto Market, what's the govt. Doing to manage Cryptocurrencies, Future Opportunities For Cryptocurrency in India .

ANALYSIS FINDINGS –

As cryptocurrency market became popular in India, people started investing and trading in crypto coins. The thing will be observed in India, mainly within the year 2021-2022. There are many rules and regulations lapsed the RBI. Cryptocurrencies were banned in India, but over time crypto trading resumed. Now, neither are they recognised by the Indian Government as legal nor are they regulated by RBI. There aren't any laws that prohibit trading in crypto. in this sense, cryptocurrency is the other asset like gold, commodities, etc.

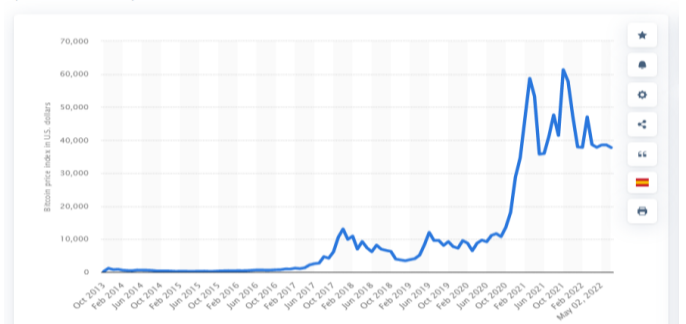
From the survey, it's observed that 95% of the overall people believed that cryptocurrencies of future is nice in India and can exist even after a decade. While the remainder 5% of the people think that cryptocurrencies won't exist within the future with Indian government regulations which may come up within the future. But with numerous investors investing in cryptocurrencies, there are chances that crypto will exist within the future even with the regulations placed on by the government.

[Figure 1]

Top Cryptocurrency In India & Their Growth-

Bitcoin (BTC) price per day from October 2013 to May 4, 2022

Bitcoin (BTC) price per day from October 2013 to May 4, 2022
(in U.S. dollars)



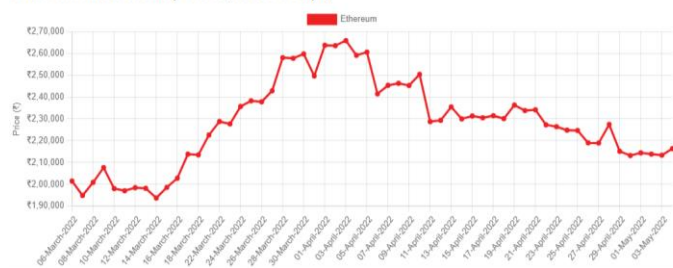
[Figure1]Source:<https://gadgets360.com/finance/bitcoin-price-in-india-today-inr>

Ethereum Price History

₹ 2,35,301 +6,976.35 (+3.06%) Trade by COINSWITCH

Updated: 5 May 2022 12:37 IST

Ethereum Price History Chart (Last 60 Days)



[Figure2]Source:<https://gadgets360.com/finance/ethereum-price-in-india-today-inr>

Tether Price History

₹ 80.44 -0.83 (-1.02%) Trade by COINSWITCH

Updated: 5 May 2022 12:42 IST

Tether Price History Chart (Last 60 Days)



[Figure3]Source:<https://gadgets360.com/finance/tether-price-in-india-today-inr>

LIMITATION -

Even though cryptocurrencies are secure there are several drawbacks that have led many (such as famed investor Warrant Buffet) to refer to them as the next “bubble”. Hence it is important to identify and to understand the drawbacks and obstacles that may refrain mainstream adoption of these technologies.

- Can be used for illegal transactions.
- Financial losses can occur due to data losses.
- Decentralized but yet operated by some organization.
- Some coins are not available in other fiat currencies.
- vulnerable to hacks.
- No cancellation or refund policy.

CONCLUSION –

Cryptocurrency offers a new effective and attractive mode of payment methods that can boost companies and operators revenues. It also provide alternative method of payment, apart from real money, that enable users to make the financial

activities such as selling , buying , transferring and exchanging easily. Cryptocurrency platforms open many channels for digital financial transactions and offer new forms of currencies with different mechanisms and methods, but they are not naturally controlled and regulated. The study analyzed cryptocurrency platforms and identified many concerns and challenges that endanger such financial systems. Lack of regulation is considered a major concern for cryptocurrency schemes.

The field of cryptocurrencies creates many research opportunities and needs to carry out a lot of research in order to provide academic content. The correlation between the real financial laws and the legislative status of implementing cryptocurrency platform needs to be studied further from various different prospective. In addition, the level of recruitment and acceptance requires more thought and analysis using large samples. Trust and confidence are important factors that need to be investigated further in terms of using and trading the Cryptocurrency forms. The further research scope can be extended to developing use-cases for applications of cryptocurrency across different sectors in India.

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