



# A Study On Cryptocurrencies And Its Exchanges In India

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## **Introduction:-**

Cryptocurrency, also called crypto, form of currency that exists digitally or virtually. It uses cryptography to secure transactions. Cryptocurrencies don't have a central issuing or regulating authority such as RBI. It uses a decentralized system to record transactions and issue new units.

Cryptocurrency is a digital payment system that doesn't rely on banks to verify transactions. It's a peer-to-peer system that can enable anyone anywhere to send and receive payments. There is no physical (P2P) money carried around and exchanged in the real world, cryptocurrency payments exist purely as digital entries to an online database describing specific transactions. When you transfer cryptocurrency funds, the transactions are recorded in a public ledger. Cryptocurrency is stored in digital wallets.

## **REVIEW OF LITERATURE:-**

**Fauzi, M. A., Paiman, N., & Othman, Z. (2020)**

Over the past few years, Bitcoin and other well-known cryptocurrencies have drawn a lot of attention. Known by several names around the world as virtual currency or digital coin, this cryptocurrency is acquired and exchanged over the blockchain. The adoption of blockchain technology in the cryptocurrency space has drawn criticism from the government, stakeholders, the financial industry, and private investors. Since the launch of Bitcoin in 2009, cryptocurrencies have grown dramatically in value over the past ten years. Globally, cryptocurrency is predicted to become the new form of money that might eventually replace paper money

**Batheja, K., & Goel, P. (2020)**

This article explores the history, current state, and prospects of cryptocurrencies, with particular attention to their circumstances in India. The paper provides an overview of the fundamentals and architecture of blockchain technology. The goal of this research is to provide in-depth insight into the hot topic of cryptocurrencies and their legality as a legitimate source of investment.

**Gupta, S. (2022)**

According to this research paper, cryptocurrency operates on blockchain technology. Proof of work and proof of stake are the two protocols and specifications that form the foundation of cryptocurrencies. Numerous cryptocurrency varieties, such as bitcoin, prime coin, peercoin lite coin, and others, are becoming more and more popular on the Internet.

**Vyas, K. A. (2021)**

Although it is easier to use, the notion of cryptocurrency is a little difficult to comprehend and accept. This is because it is entirely different from traditional currencies that have been in use for centuries. In current study, an assessment of blockchain technology and cryptocurrencies in India has been attempted. Here, understanding cryptocurrency and block chain technology was the main goal. Based on the data that was available, the researcher had neatly chosen five distinct cryptocurrency options for this study.

**Objectives of study:-**

- ➔ To study the emerging crypto currency market in India
- ➔ To study the Current Indian Legal framework regarding crypto currency
- ➔ To study the various crypto currency exchanges in India.

**Research Design:-**

This study depends on secondary data sourced from various published articles, journals and books and websites available on the internet.

**Awareness of Crypto currencies:-**

According to survey (Forbes Advisor Survey, UK) the most familiar coins are:

a) Bit Coin	-	90%
b) Ethereum	-	50%
c) Doge Coin	-	45%
d) Binance Coin	-	36%
e) USD Coin	-	27%
f) Tether	-	26%
g) Solana	-	21%
h) Cardano	-	18%

## **History of Crypto Currency: -**

In the year 2008, first crypto currency 'Bitcoin' has been developed. In this a peer to peer (P2P) Electronic Cash System has been used as a medium of exchange. A developer named as Satoshi Nakamoto is attributed to the 'Bitcoin' in 2009. In 2011 another crypto currency has been accepted as a legal tender in June, 2021

## **Crypto Currency adoption and usage in India:-**

This topic is dynamic and rapidly evolving in India. Some of the key points are

- 1. Global adoption leader:** India has emerged as the top country in the Global Crypto Adoption Index, due to its significant engagement in Crypto Currency activities. India's volume of Crypto Currency transaction has made it the second largest market Globally (Forbes India)
- 2. Regulation Environment:** The Indian Government has taken a cautious yet progressive stance on Crypto currency. Notable regulatory measures include a 30% tax on Crypto gains and a 1% TDS (Tax deducted at source) on transactions introduced in 2022. Crypto currencies have been brought under Prevention of Money Laundering Act (PMLA) enforcing strict KYC and due diligence protocols (mint)
- 3. Block Chain Adoption:** Beyond Crypto currencies, Block Chain Technology is gaining traction in India. Various state governments are exploring block chain applications for public administration and other sectors.
- 4. Challenges and Opportunities:** While the Reserve Bank of India (RBI) remains skeptical about the intrinsic value of Crypto currencies, the introduction of Central Bank Digital Currency (CBDC) or e Rupee could bridge traditional banking and digital assets. This will promote broader acceptance of Crypto Currencies. However, the sector faces challenges like regulatory uncertainties, market volatility and the need for greater public awareness and education.
- 5. Future Outlook:** The future of Crypto Currency in India looks promising with anticipated advancements in block chain technology and increased integration into main stream finance.

Overall, India's approach to Crypto Currency is marked by a balance between innovation and regulation, aiming to harness benefits while mitigating the risks.

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