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# A SURVEY OF OPINIONS REGARDING THE PROGNOSIS FOR CRYPTOCURRENCY IN INDIA

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**Abstract**

The rapid advancement of information and communication technology has resulted in the convergence of many areas of our day-to-day lives, which has resulted in an improvement in the flexibility and efficiency of those aspects. The exponential growth in the number of people using the internet has led to the activation of concepts for virtual worlds and the birth of a new economic phenomena known as cryptocurrencies. This has been done in order to make monetary transactions such as buying, selling, and trading easier. Peer-to-peer networks, virtual worlds, peer-to-peer networks, and online social networks are just some of the numerous locations where cryptocurrencies, which represent valuable but intangible goods, are used. Cryptocurrencies are also used in online social games. In recent years, there has been a dramatic increase in the number of transactions that take place using cryptographic tokens. This article investigates the forecasts made by readers on the future of cryptocurrency In India. In a time when the utilisation of cryptocurrencies is not entirely controlled, it investigates the level of faith that Bitcoin users have in the system. In addition, the purpose of this essay is to attempt to measure the pace at which cryptocurrencies are being adopted so that a comprehensive picture may be created from a functional perspective. This paper analyses the regulatory and legislative measures in India, order to get a better understanding**.**

**Keywords**

Cryptocurrency, Future of Cryptocurrency

## INTRODUCTION

It's undeniable that the Internet and related technologies have ushered in a golden age of possibility in many domains. The business and financial world is one area that has benefited from the widespread availability of the internet and related technology. With more and more people using the internet, virtual world ideas have been given new life, giving rise to a whole new industry. As a result, there has been a proliferation of novel forms of commerce, exchange, and currency. Cryptocurrency is one of the most impressive new financial innovations. Bitcoin is the most well-known cryptocurrency, but there are many more. Cryptocurrency (CC) refers to any means of exchange that is not fiat currency and may be utilised in many different types of financial transactions. Cryptocurrencies are digital representations of value that may be exchanged digitally or virtually in a variety of contexts, including but not limited to peer-to-peer networks, online social networks, online social games, virtual worlds, and online gambling sites.

In an effort to address the study's central research questions—"Will Cryptocurrency be the next currency platform?"—this paper delves deeply into a wide range of topics related to this

innovative financial innovation. Are there any really secure environments for exchanging virtual currency? It examines various Cryptocurrency platforms to give meaningful and well-organized categorization of CCs by looking at their underlying methods for implementation, control, issuance, spending, and exchanging. The article examines the state of the art in Cryptocurrency systems and platforms, drawing out the difficulties, problems, and challenges that currently exist. It examines the connection between CC and real-world lawbreaking to highlight how the cryptocurrency idea has already had far-reaching effects in areas including the economy, the black market, and criminal financing. The results highlight the significance of crypto-use regulation to all stakeholders involved in and impacted by blockchain-based platforms. Those involved include administrations, businesses, and citizens. The findings should serve as a wake-up call to regulators and suppliers of virtual currencies to issue and establish stringent regulations, policies, and legislations to manage these markets. In addition, the scientific findings presented in this publication open up avenues for further study.

## LITERATURE REVIEW

**Chohan, U. W. (**2017) The double-spending problem is essential to the economic common sense of cryptocurrencies since it creates accounting and duty issues that successful cryptocurrencies have attempted to overcome. With order to better educate academic and practitioner research on the double-spending difficulties in cryptocurrencies, this discussion paper assesses the relevant literature**.**

**Francis, J. C (2019)**Roughly 1,600 digital currencies are in circulation in the United States. Since no cryptocurrency has been designated as legal tender by the U.S. government, it cannot be considered money. Coins based on cryptography are nicknamed "virtual currencies" because they have certain characteristics with traditional currency. Three cryptocurrency-related topics are discussed and dissected in this piece. Since Bitcoins are the most popular cryptocurrency, they are examined first. Second, a look at the steps the Federal Reserve and the central bank of Sweden are going through to assess the potential for creating some new type of electronic currency that is neither completely stated nor entirely undefined. Third, a look at blockchain's (a core component of bitcoin) potential as a viable independent technological platform.

**Ogorevc, M (2019)**The hypothesis that a cryptocurrency's future usage as money is the primary determinant of its long-term value inspired this study. To be accepted as a means of exchange, a cryptocurrency must be able to serve as a medium of exchange, a unit of account, and a store of value. Rather than being utilised as a means of exchange in everyday transactions, cryptocurrencies are now kept as a source of investment capital. Speculative investors anticipate long-term future cost in the cryptocurrency;therefore, it must first go through a highly turbulent period before it can become widely embraced as a way of payment.

**Li, X., and Whinston, A. B (2019)**Bitcoin and other cryptocurrencies were crucial to a number of transactions. Bitcoin, for instance, is widely used by ransomware criminals and online vendors on the Dark Web as a means of exchange for goods and services. Knowing how cryptocurrencies work and what that means financially is thus useful. The three cryptocurrencies with the biggest market values at the time of writing are used as examples in this study, along with Libra, which is imminent and relevant. We claim that the identity management of ledger authors, the consensus methods, and the total number of coins in circulation are what make these cryptocurrencies really unique. We explain how security, anonymity, and market impact all play a role in a cryptocurrency's success or failure. We also

discuss topics related to capacity assessments for the cryptocurrency markets that may still be available.

**Liu, Y et al., (2020)**This article investigates how advanced technology affects the success and value of Initial Coin Offerings (ICOs). We use a wide variety of machine learning approaches to parse ICO whitepapers for clues about the level of technical expertise behind each cryptocurrency. We find that coins with higher technological indices have a lower probability of being delisted and a higher probability of being successful. The long-term results of ICOs are also being anticipated with great confidence by the period indexes. The results as a whole suggest that technical progress is a crucial factor in determining the value of cryptocurrencies.

**Harit, P (2020)**democratic government means "with the Public in mind," "with the Public in mind," and "to the Public." A government's principal function is to provide public services to its people, which necessitates the accumulation of wealth to pay for these services. Taxation is one major source used to finance government spending. The government now has access to new channels and methods of revenue collection made possible by technological progress and development. The unusual circumstances surrounding Cryptocurrency taxes are one such example. Cryptocurrencies, in contrast to the fiat currency, are distributed and based on a peer-to-peer network that functions independently of a central authority, such as a bank.

**Kishore Jain, D (2020)**Here, we examine how the advent of cryptocurrency affects economies worldwide. Both the advantages of cryptocurrency use and the limitations of more traditional forms of digital payment are discussed. Bitcoin and other cryptocurrencies want to shake up the virtual currency system, but their emergence has raised a lot of doubts about their costs, security, and the nature of future competition. This article is an attempt to address some of the more fundamental concerns raised by the widespread adoption of cryptocurrency and the attendant economic disruptions.

**Chan, Q et al (2021)**Ten facts regarding Bitcoin exchanges and cryptocurrency trading are established using data from a sizable cryptocurrency transaction in Asia. Individuals tend to have modest Bitcoin holdings and engage in highly concentrated trading patterns and short time horizons for purchasing and selling. The volume of trades and the average time spent in a cryptocurrency investor's holdings may be attributed to their unique qualities, which brings us to point number five. Sixth, the role of marketplace makers is rather insignificant, since most transactions are conducted between individual and institutional investors. Seven) Purchasers' portfolios aren't diversified enough to serve as a benchmark for returns, and eight) institutional buyers do not outperform individual investors. 9) Buyers execute profitable trades on their own, with the coins they acquire doing better than the ones they sell. Ten) Institutional traders can't say the same.

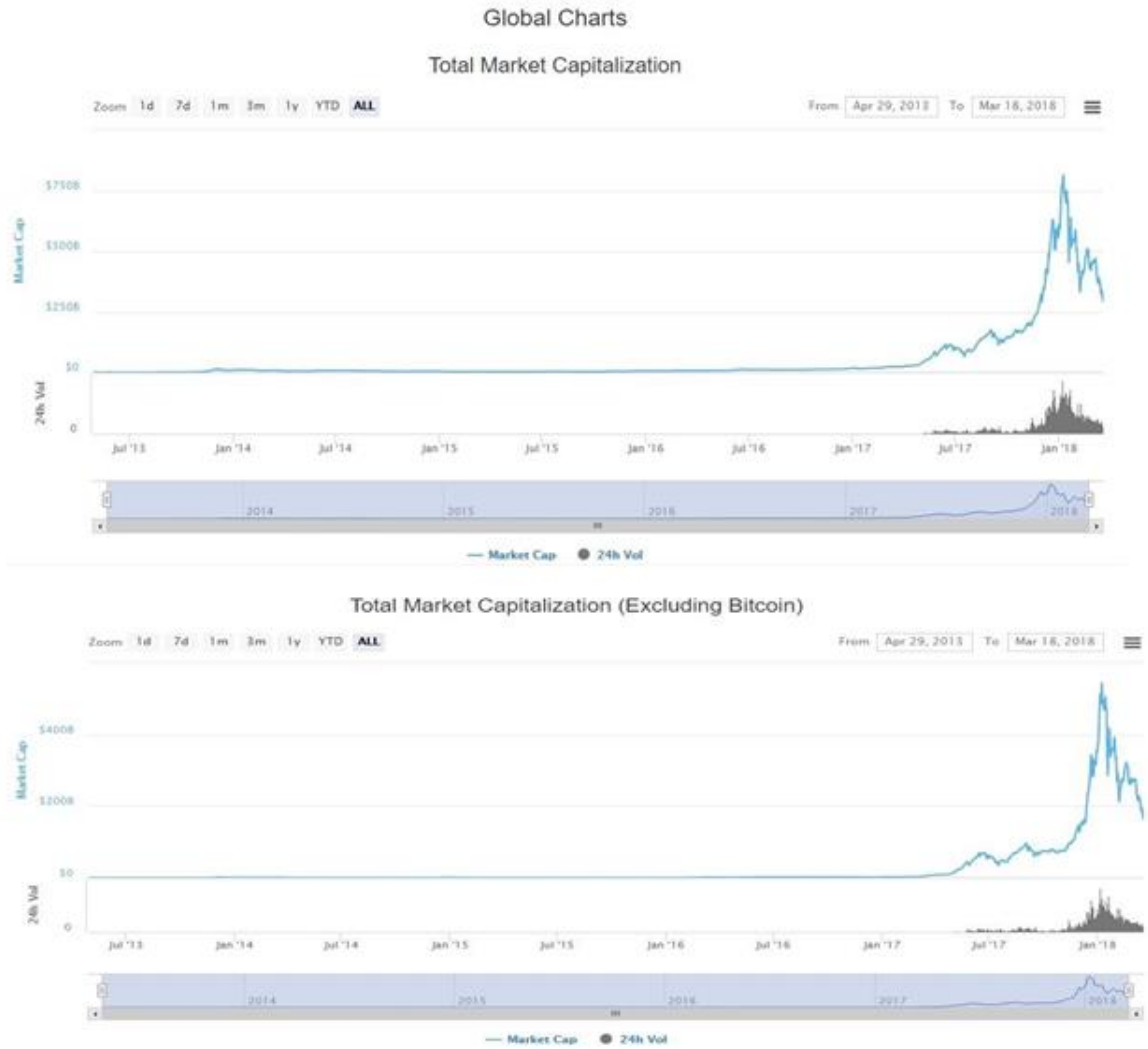
## OBJECTIVES OF THE STUDY

- To understand the Cryptocurrency Market in India.
- To understand the Problems and challenging in using Cryptocurrency.
- To understand how much people in India showing their interest in use of cryptocurrency.
- To understand the Future of Cryptocurrency in India.

### The Market of Cryptocurrency

1. Crypto Environment All Around the World

There are now 1564 Cryptocurrencies that can be purchased and sold on over 9422 different exchanges as of March 18th, 2018. All cryptocurrency markets combined are worth $275 billion ($275,797,435,861). The total amount transacted in a single day was $18 billion.




Bitcoin's 45% market share and $142.2 billion in market value give it a commanding position in the cryptocurrency sector (Rs 9.25 trillion). It can be purchased for $8254.80, or around Rs5,35,767. Altcoins is a catchall term for the more than 1550 different tradable cryptocurrencies that are not Bitcoin. It's possible to see a few of them in the table's marginal notes.

| Name | Price | Market Cap |
|---|---|---|
| Bitcoin | $8254.8 | $ 142.2 B |
| Ethereum | $ 528.33 | $ 52.97 B |
| Ripple | $0.65492 | $ 25.92 B |
| Litecoin | $ 151.22 | $ 8.52 B |
| Monero | $ 208.7 | $ 78.16 M |
| Neo | $ 58.98 | $ 260.1 M |

**The Rise of Cryptocurrency in India**

Over the last several years, India's economy has undergone something of a revival, despite the country's massive population. Because of how quickly it has developed, the International

Monetary Fund now ranks it as the top emerging market. The nation has a higher rate of internet and phone penetration than most, with over 40% of the population having access. While it is true that this is a nation with a lot of mystery, history, and culture, it is also not one to lag behind the times when it comes to technical innovation. Cryptocurrencies like Bitcoin have been in use in the nation for some years. The current condition of the Indian cryptocurrency market is examined in this article.

Small-scale Bitcoin transactions occurred in the nation as early as 2012. In the early stages of Bitcoin's development, the cryptocurrency was mostly of interest to crypto enthusiasts. By 2013, Bitcoin's popularity had begun to grow to the point that it was being spoken about in many different nations. In 2013, Bitcoin payments were first accepted by a small number of merchants. The first Indian restaurant to accept Bitcoin was a retro pizza joint named Kolonial in Mumbai's Worli neighborhood.

Within a very little period of time, Bitcoin exchanges sprang around the nation. Exchange and trading services for cryptocurrencies have been available in India from the beginning, thanks to pioneers like BtcxIndia, Unocoin, and Coinsecure. Zebpay, Koinex, and Bitcoin-India joined the ranks of accepted payment methods in India over time. The Indian cryptocurrency sector has evolved substantially from its infancy in 2013, when just a handful of websites offered crypto trading and exchange services. In addition to these digital marketplaces, several brick-and-mortar stores sell cryptocurrencies to customers directly. Combine this with the abundance of Bitcoin ATMs in India's big cities, and you have the makings of a crypto economic center.

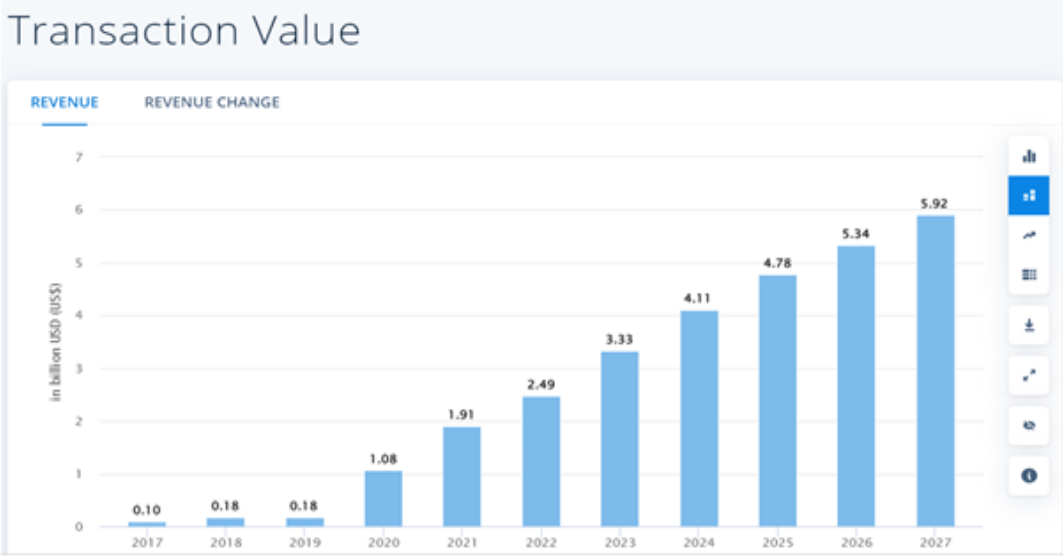
Prime Minister Narendra Modi declared the start of a demonetization strategy on November 8th, 2016. India's subcontinent saw the effects of the government's decision to demonetize almost all paper money. To avoid heavy taxation and other forms of government monitoring, those with big cash reserves needed a new way to store their funds. Large-scale Bitcoin or cryptocurrency purchases were standard practise for some, with the intention of eventually selling the coins for a profit. Because of this, they were able to avoid paying the hefty taxes that would have been due if they had used conventional banking channels to move their money around.

There was significant disapproval of the country's established financial system as a result of the demonetization strategy. Within a day, 86% of the country's paper money had been deemed worthless due to a unilateral government decree. After coming to terms with the fact that unbacked fiat currency isn't precisely "genuine" money, Indians started looking for alternatives. Bitcoin and other cryptocurrencies have gained popularity in India, particularly among the country's middle class and the 40 percent of the population that has access to the Internet.

It's possible that the 2016 demonetization legislation sped up the adoption of cryptocurrencies among a sizeable percentage of the populace, but the industry has since been constrained by reality. India has a large population but contributes barely 2% of the global cryptocurrency industry.

capitalization. Due to the high cost of Bitcoin and the government crackdown conducted by the Reserve Bank of India, India's massive economy is playing a very minor role. In India, cryptocurrency prices tend to be higher than they are in other countries. Rates in this market are often 5-10% higher than the average for the rest of the world. As a result, Indians may only participate on the periphery of foreign crypto exchange platforms when it comes to trading cryptocurrencies. Many of the major overseas crypto exchange platforms are inconvenient for Indians to interact with because of the country's lack of large-scale mining

infrastructure and the government's severe limitations on international money movement. Consistently, the Reserve Bank of India (RBI) has warned its people about the dangers of cryptocurrency. The government hasn't outright prohibited cryptocurrency, but they also haven't been showing much support for it. How the cryptocurrency industry in India develops in the next months will be an important indicator of its future course.This graph showing the revenue from Cryptocurrency from 2017 to the current year and also the future expected revenue till 2027.




**Challenges and Issues in Cryptocurrency**

Cryptocurrencies, as a form of currency, are not immune to monetary and security worries. In order to learn more about the problems and obstacles associated with this online phenomenon, I read a number of studies and looked at cryptocurrency sites, as well as observing Bitcoin selling forums. To name a few of cryptocurrency's potential negative effects, there are:

**1. Security Threats**

Hackers and malevolent individuals may generate as much virtual money as they want if they breach the system and are aware of the process by which virtual currency is generated. By manipulating account balances, it will become possible to produce counterfeit virtual money or steal virtual currency. For instance, it is against the rules of the game World of Warcraft (WoW) to sell in-game virtual things and virtual cash. In order to get the in-game stuff they need; many players use WoW gold selling websites. Users have complained that they have paid real money for nothing or for fraudulent virtual cash on several of the WoW gold selling websites, which are often unreliable and hackable.

**2. Collapse Concern in Cryptocurrency in India**

Since the creation of virtual money is not tied to the laws of supply and demand, its unlimited issuance in the many online communities will cause economic instability. To generate more hard cash, some virtual worlds like Second Life may simply print an infinite supply of Linden Dollars and raise the pricing of virtual goods. Inflation and economic problems will cause the virtual currency system to collapse, on the other hand**.**

### 3. Impact of Real Monetary System

Some virtual currency systems are linked to real-world monetary systems, and this may have an effect on the demand for and availability of real-world cash. Some systems, for instance, may lessen the need for actual money by letting users buy both virtual and real products and services using virtual currency. Users will be able to purchase their desired goods and services using virtual currency rather than actual currency. However, the need for physical money is expected to rise as a result of the ability of certain platforms to convert virtual currency into physical money. The actual monetary systems will be impacted by these fluctuations**.**

### 4. Gold Farming Risk

Throughout China and other developing nations, the phrase "gold farming" has gained widespread popularity. The term "gold farmer" refers to players who invest time and effort into online social games like World of Warcraft in order to amass large amounts of the game's virtual currency, gold, for the purpose of selling it for real money. Customers in mind are gamers who just don't have the time to devote to playing and competing for virtual cash. In reality, the gold farming method generates substantial income with little to no oversight or regulation. As a result, the probability of fraud and financial loss will rise in situations when virtual currency is traded for fiat cash.

### 5. Money laundering

One danger that is anticipated to increase with the adoption of VC is money laundering, particularly on platforms that allow users to trade VC for fiat cash. In a real-life example from 2008, 14 people in Korea were arrested for attempting to launder $38 million in virtual currency proceeds. The organization sent $38 million, earned from gold farming in Korea, to a paper firm in China as payment for goods.

### 6. Black Market for Cryptocurrency

Some social games like Second Life and World of Warcraft have developed sufficiently financially to warrant a secondary market for their virtual currencies. As use of virtual currencies grows in the internet world, a parallel illegal market for exchanging them for fiat cash has emerged. Some incidents of fraud have been brought up and debated amongst members of the forums of many social games. When a player chooses to leave a game, for instance, he or she could wish to unload any virtual goods they have accumulated by listing them for sale in the game's marketplace. Since many fraudulent users may not finish the payment or dispute after paying, the method of collecting the funds is dangerous. They will get a full refund plus the value of the virtual currency in this scenario.

## CONCLUSION

Cryptocurrency offers a novel, efficient, and appealing payment paradigm with the potential to increase business and income for operators and enterprises. Users may simply purchase, sell, trade, and exchange goods and services without having to deal with the hassle of dealing with actual money. Digital currency platforms that use cryptocurrencies are not as strictly regulated as they should be, despite the fact that they facilitate a new kind of money with novel processes and approaches. The study examined Bitcoin platforms, eliciting various issues that threaten this kind of monetary system. One of the biggest problems with cryptocurrency systems is that they are not regulated by any government.

My review of the existing cryptocurrency literature and the results of the performed survey have allowed me to provide a nearly complete picture of the scope of Bitcoin usage. Although the pilot survey only had a limited number of participants, the findings gave me some insight into how people now see cryptocurrencies as well as their hopes and fears for its future. Thanks to my newfound knowledge, I am able to recognize a great deal of evidence that may lead to preliminary solutions to the research issues. According to my research, cryptocurrency is poised to become the next currency platform as a result of several factors, including the high volume of cryptocurrency currently flowing through various systems, the rapid growth of the cryptocurrency industry, and the numerous advantages offered by cryptocurrency systems.

In addition to the survey findings, various instances presented in this article demonstrate the high level of confidence and trust in utilizingBitcoin.

However, those that utilize cryptocurrencies do not understand its entire potential. In reality, many varieties of cryptocurrencies are not yet trustworthy. The various worries, obstacles, and issues that exist in many cryptocurrency systems are laid out clearly in the preceding parts of this article. Users should exercise extreme care while transacting with cryptocurrencies until they are properly governed and monitored.

The notion of cryptocurrencies has an exciting future that holds many possibilities for advancing e-Business and e-Payment systems. Cryptocurrencies, like all other forms of technology, will continue to develop as time goes on. Since we did this research, there have been significant developments that strengthen and broaden the cryptocurrency framework. Many people are becoming more aware of the possibilities and benefits that CC may bring, and more and more businesses are accepting cryptocurrency payments. In the same time period, new varieties of virtual money have evolved and expanded internationally. As an example, Kenya established M-Pesa in 2011 as a kind of CC that provides safe payments.

Since its inception in 2007, this wildly successful mode of payment has been rolled out to dozens of additional countries throughout Africa, Asia (including India), and Europe.

Cryptocurrency is a new and exciting area of study, and there is a great demand for empirical research in this area. There is a need for more research on the relationship between the actual financial laws and the legal status of adopting a cryptocurrency platform. Adoption and acceptability must also be carefully considered and thoroughly analyzed using big samples. In order to fully understand the potential of Cryptocurrency forms for use and trade, it is necessary to go further into questions of trust and confidence. Developing use-cases for applications of Bitcoin across diverse industries in India is a viable next step for the study team.

**Future of Cryptocurrency in India**

In the financial year 2022-23, the government of India will establish the Digital Rupee and impose a tax of 30% on crypto-asset profits. The Indian government has chosen to embrace Bitcoin, after first showing reluctance. While the long-term trajectory of cryptocurrencies remains unclear, these developments have sent a strong signal to crypto enthusiasts that the industry is moving closer to full legalization.

In spite of the fact that cryptocurrencies have been around since 2009, the past few of years have witnessed exceptional growth for this asset class. Younger investors with a greater tolerance for risk and an eagerness to learn everything they can about the ever-evolving environment of digital finance are the most enthusiastic buyers of crypto assets. The Economic Times claims that 20 million people in India are involved in the Bitcoin market.

Chainanalysis, a firm that specializes in blockchain intelligence, released an index measuring the growth of cryptocurrency use throughout the globe in 2021, and it showed a staggering increase of 880 percent. India came in second position on the index with a score of 0.37, behind only Vietnam. In a single year, the cryptocurrency market in India expanded by 641%. The global crypto sector is clearly developing quickly and showing tremendous promise. India's version of this sector seems to have good potential as well.

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