



# INTERNATIONAL RESEARCH JOURNAL OF HUMANITIES AND INTERDISCIPLINARY STUDIES

( Peer-reviewed, Refereed, Indexed & Open Access Journal )

DOI : 03.2021-11278686

ISSN : 2582-8568

IMPACT FACTOR : 5.828 (SJIF 2022)

## The Growth of Cryptocurrency in India

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DOI No. **03.2021-11278686** DOI Link :: <https://doi-ds.org/doi/10.2022-14566755/IRJHISIC2203050>

### ABSTRACT:

*There is no doubt that the era of ICT has created many golden opportunities. Due to the rapid development of ICT in technologies, many activities which we do in daily life are online. This result in will growth in the number of online users and a huge number of online users creates a new business phenomenon which is cryptocurrency. It facilitates financial activities like buying, selling, and trading. In recent years virtual currency becomes widespread over many different systems. Virtual money is not fully controlled and so most of the countries have not admitted this currency in their economic activities. This paper is focused on the growth of cryptocurrency in India and the problem and prospective in cryptocurrency. This paper also studies the status of regulation against the legalization of crypto in India.*

**Keywords:** Cryptocurrency, ICT, Virtual money, Online users.

### INTRODUCTION:

The crypto industry in India can potentially create an economic value-addition of \$184 billion in the form of investments and cost savings, "Newscom said. The crypto-tech industry in India grew 39 percent over the past five years to \$74.2 million in FY21., according to report by the National Association of software and Services Companies in association with WazirX released on September 24. "Crypto-tech is essentially a technology secured by cryptography, which enables the exchange of data and facilitates transactions which are duplicated and distributed across the entire network of computer systems on the blockchain, "the report stated. Retail investors in India have invested \$6.6 billion in crypto assets, which is estimated to increase to \$15.6 billion by 2030. "The size of the crypto-tech market in India is expected to reach \$241 million by 2030, growing at a CAGR of 14 percent, with the potential of creating 877000 jobs by then. The crypto-tech ecosystem

is developing quickly with more than 230 startups till 2021. About 1.8 percent of India's adult population has invested in crypto until 2021, a growth of 2.2x over a year. Globally, the crypto industry is expected to hit \$2.3 billion by 2026 and cross \$1.6 billion this year. Currently, 3.9 percent of the world's population owns cryptocurrency, with Bitcoin being the fifth-largest currency by market cap. Today's economies are all money economies because all economies have accepted certain currencies (money) as a medium of exchange. The money supply causes inflation as well as deflation in economies by its excess supply and contraction in money supply, hence currencies of different countries regulated by the government to combat inflation or deflation situations. Now a day's many countries in the world have to focus on digital currency and transportations. Even someone doesn't want to regulate their currencies and transaction this brought greater innovation in a new currency that is a cryptocurrency, One of the most advanced, ambiguities, regulation-free currency. .

#### **THE OBJECTIVE OF THE STUDY:**

1. To Study Cryptocurrency.
2. To study the Difference between Cryptocurrency, Virtual currency, and digital currency.
3. To create awareness about Cryptocurrency.

#### **LITERATURE REVIEW:**

Cryptocurrency is a digital currency that is created for transactions as a normal currency. It uses Cryptography & blockchain technology to secure its exchanges & limit the production of a particular type of cryptocurrency & keep track of each & every transaction in the whole network. The cryptocurrency which has captured most of the attention is Bitcoin.

India was a late entrant to crypto adaptation. Due to restrictions in foreign currency remittances & allowable overseas investments, Indians often do not get to trade in international financial instruments. But that time when Bitcoin was picking up pace in China, Indians struggled to transfer money to the overseas Bitcoin exchanges & thereby missed the Bull Run. Now India seems to be next in line to legalizing Bitcoin, now that the government has agreed that regulating Bitcoin could be beneficial & is currently creating the laws to do so. The Reserve Bank of India is also considering using blockchain technology in banking. In India the department of Economic Affairs, Ministry of Finance has constituted an Interdisciplinary committee to examine the existing framework around digital cryptocurrencies & submit a report on July.

Currently, no legislation governs, regulates, Or prohibits any kind of dealing in cryptocurrencies in India. Therefore, it is completely legal to sell, purchase, deal or mine the cryptocurrencies or set up any cryptocurrency exchange in India as of today (Jan 2022). However, from time to time the RBI had issued various circulars, advisories press releases, etc. about crypto

currencies. The first such press release was issued press release etc, about cryptocurrencies.

## **CONCEPTUAL BACKGROUND:**

### **Biggest Exchanges of India**

#### **Wazir X:-**

It is an Indian cryptocurrency exchange founded in 2018. It was acquired by cryptocurrency exchange Binanace in 2019. The exchange has over 7.3 million users as of August 2021. It is one of the best exchange platforms. It focuses on exchange-escrowed P2P services that enable customers to continue to withdraw INR. It follows the KYC norms, has a mobile application for both IOs users & Android Users & also it claims to provide multiple hundred transactions per second.

#### **Bitbns:-**

Bitbns has the world's most common & well-known cryptocurrency & it has been increasing in popularity. Bitbns is the world's first completely decentralized peer-to-peer digital currency. The main reason behind using Bitcoin is that it provides low transaction costs as compared to other transfers like credit card transactions, western union, etc. Also, the transactions are transparent. It avoids taxation.

#### **Uncoin:-**

Uncoin was formed in 2013 & it is the leading Bitcoin exchange in India. It is backed by investment from the USA. It is a relatively easy exchange platform, allowing users to buy cryptocurrency with any Indian bank account. However, with the banning proposal at hand things might be challenging for Uncoin.

#### **CoinDCX :-**

CoinDCX is India's safest cryptocurrency exchange. It provides massive liquidity, impenetrable security, & a powerful wallet it makes the trading experience fast, effortless & reliable. It also provides spot, margin, fiat-to-crypto & futures this makes it an inclusive ecosystem for all types of traders. CoinDCX provides a platform DCX learn which is a blockchain & cryptocurrency academy it is built to provide the right education to Equip & empower the young mind.

#### **CoinSwitch Kuber:-**

CoinSwitch Kuber is a cryptocurrency platform. CoinSwitch Kuber is a secure, user-friendly platform for users in India, where they can buy 100+ cryptocurrencies like Bitcoin, Ethereum, Ripple, etc easily, at the best rate, with a variety of payments options being offered. The users can access the pooled liquidity of the leading exchanges.

#### **ZebPay:-**

ZebPay is India's oldest and most widely-used Bitcoin and crypto-asset exchange with 4 million users. Founded in 2014, ZebPay made Bitcoin accessible to Indians with an easy-to-use app



on a highly secure exchange, and two-thirds of all Indian crypto investors bought their first Bitcoin on ZebPay.

### **Difference Between Digital, Virtual Currency & Cryptocurrency:-**

- **Digital Currency:-**

The digital currency has the potential to completely change how society thinks about money. The rise of Bitcoin, Ethereum, and thousands of other cryptocurrencies that exist only in electronic form has led global central banks to research how national digital currencies might work.

Digital currency is any currency that's available exclusively in electronic form. Electronic versions of currency are already predominant in most countries' financial systems. In the U.S., currency in circulation is only about one-tenth of the overall money supply; the remainder is held in various bank deposits in electronic form. What differentiates digital currency from the electronic currency currently in most Americans' bank actual accounts is that it never takes physical form.

- **Virtual Currency:-**

Virtual Currency is neither issued by the government nor is it regulated by the government. Virtual currencies can be used for the transaction in apps & games & are issued by the developers. They do not hold any real value & can be used digitally i.e. They cannot be converted to fiat currency digital or physical form. Virtual currency & digital currency is used interchangeably, but the difference between the two is clear from the mentioned facts.

- **Cryptocurrency:-**

Cryptocurrencies are not regulated by any authorities & are a decentralized form of currency. They are created using cryptography which makes it even more secure as double spending can be avoided, Moreover there are no intermediaries so they can be directly transferred to the receiver in their digital wallet.

### **METHODOLOGY:**

We have collected data from secondary sources. Such as websites and the internet. The website name's CoinGecko. CoinGecko provides us the prices live, crypto charts, market cap & trading coins. Other than this our overall research is completed with the help of various websites, previous PhD research papers, articles & journals & from our own experiences & observations on Cryptocurrency.

### **DATA ANALYSIS:**

- **Trend Of Crypto Currency:-**

(Source: Secondary data)

Name	Symbol	Market Cap
Bitcoin	BTC	\$741505296825

Ethereum	ETH	\$314034177770
Ripple	XRP	\$35301928728
Cardano	ADA	\$26215037509
Litecoin	LTC	\$7073867067

<https://www.coingecko.com/>

We have analysed some of the biggest Cryptocurrencies in Table 1.1 .such as Bitcoin, Ethereum, Ripple & Litecoin. Also, we analyse their market cap their growth from their year of launching with their prices.

- Bitcoin :- (Source:- Secondary data)

<https://www.coingecko.com/en/coins/bitcoin>

Date	Price
30 Jun 2013	\$95.39
30 Jun 2014	\$637.75
30 Jun 2015	\$257.51
30 Jun 2016	\$671.62
30 Jun 2017	\$2490.75
30 Jun 2018	\$6366.50
30 Jun 2019	\$10888.10
30 Jun 2020	\$9185.17
30 Jun 2021	\$35171.49

Table 1.2.Shows that the symbol of Bitcoin is BTC & the market cap is \$741505296825. From 30 June 2013-30 June 2021 you can see with the help of the table that there is tremendous growth in the price of Bitcoi. in 2013 the price is only \$95.39 but in 2021 it is \$3517.49 Also on 10<sup>th</sup> November 2021 it is an all-time high that is \$69044 & on 06 July 2013, there is an all-time low over the last 8 years that is \$67.81.

- Ethereum:- (Source:- Secondary data )

<https://www.coingecko.com/en/coins/ethereum>

Date	Price
07 Aug 2015	\$2.83
07 Aug 2016	\$10.92
07 Aug 2017	\$268.50
07 Aug 2018	\$404.82
07 Aug 2019	\$227.07

07 Aug 2020	\$394.54
07 Aug 2021	\$2888.73

Table 1.3 Shows that The Ethereum is launched on 07 August 2015 with the price of only \$2.83 but in 2021 the price of it is i2888. 73. Its All-time high is on November 2021 with the price of \$4878.26 &an All-time low on October 20, 2015.

- Ripple :- (Source:- Secondary data)

<https://www.coingecko.com/en/coins/xrp>.

Date	Price
04 Aug 2013	\$0.00587
04 Aug 2014	\$0.00494
04 Aug 2015	\$0.00825
04 Aug 2016	\$0.00581
04 Aug 2017	\$0.174
04 Aug 2018	\$0.440
04 Aug 2019	\$0.315
04 Aug 2020	\$0.310
04 Aug 2021	\$0.717

Table 1.4 Shows that. The Ripple has launched on 04 August 2013 with 0.00587 now on 04 August 2021 the price increases to\$ 0.717 its all-time high is on Jan 07, 2018,&the All-time low is \$ 0.00268 which is on May 22, 2014

- Cardano :- (Source:- Secondary data)

<https://www.coingecko.com/en/coins/cardano>

Date	Price
18 Oct 2017	\$0.0268
18 Oct 2018	\$0.0787
18 Oct 2019	\$0.393
18 Oct 2020	\$0.1060
18 Oct 2021	\$2.16

Table 1.5 Shows that. The Cardano is launched on 18 October 2017 with the price of 0.0268 &on 18 October 2021 it is now \$2.16.The All-time high of Cardano is on September 2021 I.e.\$ 3.09 &the all-time low is on March 13, 2020, With a price of 0.0192.

- Litecoin:- (Source:- Secondary data)

<https://www.coingecko.com/en/coins/litecoin>

Date	Price
28 Apr 2013	\$4.30
28 Apr 2014	\$10.15
28 Apr 2015	\$1.37
28 Apr 2016	\$3.81
28 Apr 2017	\$14.55
28 Apr 2018	\$144.60
28 Apr 2019	\$71.89
28 Apr 2020	\$44.49
28 Apr 2021	\$258.86

Table 1.6 Shows that. The Litecoin is launched on April 28, 2013, with a price of \$4.30 now it is \$258.86 on 28 April 2021. Its All-time high is on 10<sup>th</sup> May 2021 i.e.\$410.26 &the All-time low is on January 14, 2015, with the price of \$ 1.15.

Conclusion of data: This data shows that there is growth in cryptocurrency in India as you can see in the above tables of Bitns, Ethereum, Ripple, Litecoin, Cardanothat there is tremendous growth in their prices over the recent years.

#### CONCLUSION:

Cryptocurrency offers a new, effective and attractive model of payment methods that can boost companies and operating revenues. It also provides an alternative method of payment, apart from real money, that enables users to make financial activities such as buying, selling, transferring, and exchanging easily. Although cryptocurrency platforms open many channels for digital financial transactions and provide a new form of currency with different mechanisms and methods, they are not controlled and regulated ad the deserved

From the study, we conclude that there is a tremendous growth of Cryptocurrency in India as well as in other countries also. In recent times Bitcoin has created a huge hype in India as well as in global markets. Till now none of no Crypto currency is recognized as a legal medium of payment I.e. Currency. Cryptocurrencies India has always held the grey area status there being no regulation or law so far. The government of India had invited suggestions on 22<sup>nd</sup> May 2017 up to 30<sup>th</sup> July 2017, whether to regulate, ban or self-regulate the cryptocurrencies. Currently, no legislation governs, regulates, or prohibits any kind of dealing in crypto India. Now it's completely legal to sell, purchase, deal or mine the cryptocurrencies or set up any Cryptocurrency exchange in India as of



today. India's cryptocurrency market is likely to reach \$241 million by 2030.

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