In the Indian economy, cryptocurrency is the new buzzword. A number of firms have sprung up around the country, allowing the common person to begin investing and trading in cryptocurrency. According to the most recent research, the country's cryptocurrency popularity may be gauged by the fact that India already has the biggest number of crypto owners in the world, with 10.07 crore. India's population, particularly its young, is fuelling significant crypto growth. Because of the mathematical algorithms, cryptocurrency is one of the most secure currencies available. Acceptance of cryptocurrency as a form of payment by Indian corporations such as Microsoft, Wikipedia, and AT&T will accelerate the expansion of the Crypto technology industry in India.

In 2019, India's Honourable Prime Minister, Shri Narendra Modi, envisioned India being a USD 5 trillion economy and a worldwide economic superpower by 2024-25. This would have made India the world's third largest economy. Since the COVID-19 epidemic has slowed growth in other emerging countries, India may need a few more years to reach its goals. Former Reserve Bank of India (RBI) Governor Raghuram Rajan has supported the potential of Cryptocurrencies, despite their changing valuations, when speaking at the Reuters Markets Forum. He had stated that cryptocurrency may find a way to become an effective mode of payment. The RBI reiterated its long-standing position on the usage of virtual currencies, stating that it has serious concerns about such assets. However, in its March 2021 decision in Internet and Mobile Association of India vs. RBI, the Supreme Court reversed the RBI's 2018 circular. The Supreme Court observed that, in the absence of a legal prohibition on the purchase or sale of cryptocurrency, the RBI cannot impose unreasonable limitations on trading in digital currencies.

Despite changes in cryptocurrency values, businesses and individuals are gravitating toward this technology. There will be some specific reasons for this. The following are some of the most significant effects of crypto technology on the Indian economy.

* **Transparency**: Cryptocurrency improves transparency by allowing every transaction to be tracked back to its origin. Furthermore, blockchain, the technology that underpins cryptocurrencies, is immutable. This means that transaction histories are irreversible. Because the data cannot be manipulated in any way, this can drastically reduce corruption.
* **Employment**: Approximately 50,000 people are presently employed in the cryptocurrency sector. According to one projection, the business would provide over 800,000 job possibilities by 2030. India already has a sizable pool of Fintech and IT specialists. Furthermore, the skill is available at reasonable costs. With the expansion of the cryptocurrency sector, we may expect India to become a significant cryptocurrency centre and worldwide destination. This will contribute to the creation of numerous job possibilities in the **Business, Financial Services and Insurance (BFSI)**, **Information Technology (IT)**, customer support and service, and a variety of other areas. In today's world, the bitcoin market is helping to improve the nation's employment rate.
* **FinTech Sector**: Collaboration between the IT and banking sectors can open up a world of new business prospects and cash inflows from outside. Furthermore, with the government enacting strict regulatory measures and drafting legislation for an official digital currency, it will attract massive international investment. This would give the FinTech industry a significant boost and move the Indian economy ahead.
* **Digital Payments**: Cryptocurrency transactions save both time and money. Transactions are carried out between the sender and recipient without the involvement of a third party, making them instantaneous. Furthermore, transaction fees paid by middlemen such as banks and payment gateways are avoided. This lowers the transaction cost, allowing you to save money on each transaction. As a result, cryptocurrency transactions can greatly improve digital payments by reducing transaction time and cost.
* **Atmanirbhar Bharat**: The government's proposal to create a single, legally recognised cryptocurrency will reduce reliance on third-party, private, and foreign-based cryptocurrency. Popular cryptocurrencies such as Bitcoin, Ethereum, Luna, Dogecoin, Tether, and others are currently headquartered in different countries. The official cryptocurrency will be produced entirely in the country, eliminating the need to rely on foreign cryptocurrencies. Investors, traders, and other persons will have a single cryptocurrency for their requirements, assisting the government in achieving the government's aim of 'Atmanirbhar Bharat' in the cryptocurrency industry.

The Union Budget for 2022–23 was published by the Government of India, with Finance Minister Nirmala Sitharaman providing much-needed clarification for millions of crypto investors in India. In these laws, the Finance Ministry proposes a 30% tax on the trading of all virtual assets, including cryptocurrencies and non-fungible tokens. It has also said that losses on these crypto-assets cannot be carried forward. This implies that any losses incurred when trading these assets will not be offset by other sources of income and will be carried forward to later years. Gifts in the form of virtual currency are likewise subject to taxation, with the recipient accountable for any such deductions. Further expanding on the taxes approach for such virtual currencies, the Finance Minister stated that all crypto transactions over a particular monetary level will be subject to a 1% TDS deduction, allowing authorities to maintain track of the movement of such currencies in the economy.

With the goal of introducing the Digital Rupee in 2022–23. The Digital Rupee, which is slated to be India's first **Central Bank Digital Currency (CBDC)** initiative, would be a digital version of the rupee - one that can be used online. Such currencies often enjoy the full trust and support of the issuing authorities. As a result, the Reserve Bank of India will continue to be the guarantee of the Digital Rupee, as it is for normal notes and coins.

Many individuals have taken these acts as official endorsement of digital money. Others say that this decision underscores the government's opposition to private cryptocurrencies as legal tender while providing inhabitants with a fiat alternative. In conclusion, the cryptocurrency industry is unavoidable, and the opportunities are limitless. Even the government has recognised the potential of cryptocurrencies as a payment method, proposing legislation to issue and regulate cryptocurrency in the country. In the future, Cryptocurrency may become the key driver of the country's economy.