FUTURE OF CRYPTO CURRENCY IN INDIAN ECONOMY

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ABSTRACT

In world economy crypto currency play a very important role as a digital assets which is increasing day by day drastically. Where digital platform increasing day by day for online transaction. As a digital asset crypto currency is highly volatile. But after comparison past few years it's increasing very fast. Where 19% of world population invested in crypto currency and till now only 0.79% population of India invested in crypto currency in which mostly youngster between 25-35 age group invested around 100 million.Experts assert that the demand for crypto currencies is booming and the untapped market potential is vast. Bitcoin has produced a favourable attitude in India, prompting more individual investors to enter the crypto market. Regulations are, of course, crucial to any industry. However, we have seen India take time to adopt regulations in various sectors. In the cryptocurrency space, we do not have an industry body with regulatory powers the way, for example, the equities space has (with SEBI).

Keywords: *Bank, Merger, Employees, HDFC Bank, Pre-Merger, Post-Merger.*

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Introduction

A database, often known as a block chain, is a type of electronic ledger. To understand block chain, you must first understand what a database is. A database is a collection of data kept in an electronic format on a computer system. To make finding and filtering for specific information simpler, database information, or data, is generally arranged in table form. A database, on the other hand, is designed to hold far greater volumes of data that can be accessed, filtered, and changed by any number of users at the same time[1]. Cryptocurrency, often known as crypto, is a type of digital asset. Individual coin ownership records are kept in a ledger that takes the form of a digital database that uses strong encryption to protect transaction records, restrict coin creation, and verify ownership transfer.

Blockchain Working Method

A conventional database and a blockchain have quite different ways of organizing data. A blockchain is a digital record that divides data into blocks, each of which includes a set of information. When a block's storage capacity is reached, it is connected to the preceding block, resulting in a data chain known as a "blockchain." After the freshly added block is filled, all extra information is assembled into a new block, which is subsequently added to the chain[2]. A database organizes information into tables, but a block chainorganizes information into connected pieces (blocks).
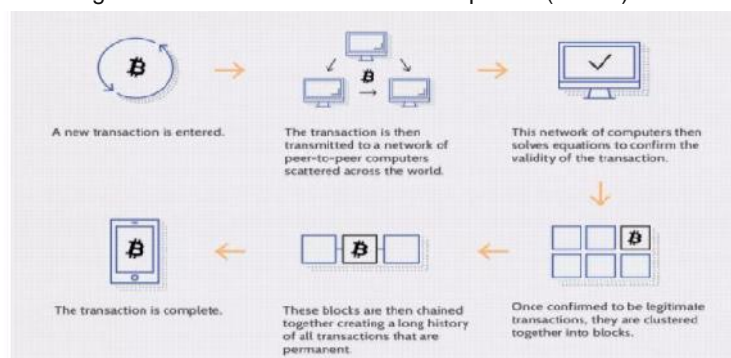

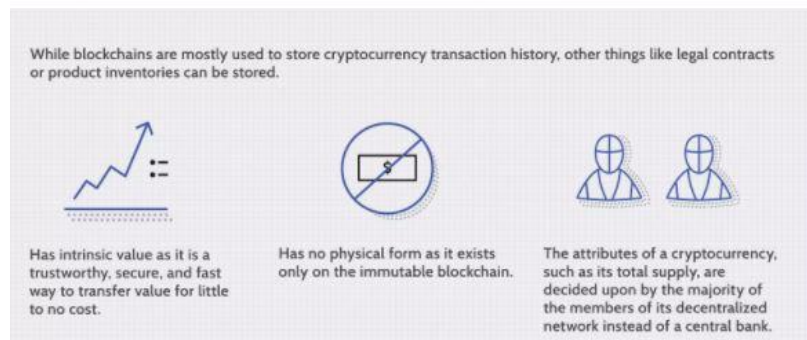**Figure 1: Transaction Process of Blockchain**

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Figure 2: Attribute of Crypto Currency

Decentralization

Consider a company with 10,000 workstations on its server and a database containing all of its clients' account information. This company has a warehouse where all of these computers are kept under one roof, and it has total control over them and the data they contain[3]. Similarly, Bitcoin is made up of thousands of computers, but each computer or group of computers that contains its blockchain is in a different region of the globe and is managed by different people. The devices that make up the Bitcoin network are known as nodes. Every node in a blockchain has a comprehensive record of every data that has been recorded on the blockchain from its inception. The Bitcoin data consists of the whole history of all Bitcoin transactions. If a node's data has an error, it can use the thousands of other nodes as a reference to correct it. No one node in the network may modify the data it holds in this way. As a result, each block of Bitcoin's blockchain has an immutable history of transactions.

- **Transparency**

Because of Bit coin's blockchain's decentralised nature, all transactions may be transparently seen via a personal node or blockchain explorers, which let anybody to see transactions in real time. Each node keeps a copy of the chain that is updated as new blocks are added and verified. This means that if you wanted to, you could follow Bit coin wherever it went.

- **Security**

Changing the contents of a block after it has been added to the end of the blockchain is exceedingly difficult unless the majority agrees. This is due to the fact that each block has its own hash, as well as the hash of the block before it and the time stamp mentioned above. Hash codes are created by converting digital data into a string of numbers and characters using a math formula. If the information is altered in any way, the hash code changes. This is why it's important in terms of security[4]. Let's pretend a hacker wants to alter the blockchain to take Bit currency from the rest of the globe. Their single copy would no longer match the copy of everyone else if they modified it. When everyone compares their copies, this one will stand out, and the hacker's version of the chain will be rejected as fake.

Blockchain V/S Bitcoin

The Bitcoin protocol is built on top of a blockchain. In a research paper describing blockchain, Bitcoin's pseudonymous creator, Satoshi Nakamoto, characterised the digital currency as "a new electronic cash system that's totally peer-to-peer, with no trusted third party."[5].

It's crucial to understand that Bit coin only uses block chain to establish a transparent ledger of payments; nevertheless, block chain may potentially be used to immutably record any number of data objects. This can take the form of transactions, election votes, commodities inventories, state identifications, housing deeds, and much more, as previously stated.

Use of Blockchain

Banking is probably the industry with the most to gain from adopting blockchain into its business procedures. During business hours, financial institutions are only open five days a week. If you try to deposit a check at 6 p.m. on Friday, you'll most likely have to wait until Monday morning to see the cash in your account. Due to the enormous volume of transactions that banks must handle, even if you make your deposit during business hours, it may take one to three days for the transaction to be confirmed. On the other hand, Blockchain is always awake[6].

- **Currency**

Bitcoin and other crypto currencies are built on the blockchain technology. The US currency is managed by the Federal Reserve. Under this central authority system, a user's data and money are potentially at the discretion of their bank or government. Personal information is accessible if a user's bank is hacked. If a client's bank fails or if they live in a country with an unstable government, the value of their money may be jeopardised.

- **Healthcare**

Blockchain might be used by health-care providers to keep their patients' medical records safe[7]. When a medical record is generated and signed, it may be kept on the blockchain, providing patients with confirmation and confidence that the record will not be tampered with. These private health records may be encrypted and stored on the blockchain using a private key, ensuring that only authorised individuals have access to them.

Advantages and Disadvantages of Blockchain

The potential of blockchain as a decentralised record-keeping system is virtually infinite, notwithstanding its complexity. Beyond the applications described above, blockchain technology may have further applications, such as improved user privacy and security, lower processing fees, and fewer errors. However, there are certain disadvantages..

Advantages

- Cost savings by eliminating third-party verification
- Increased accuracy by eliminating human intervention in the verification process
- Transparent technology
- Safeguard, private, and quick transactions
- Provides a financial alternative and a method to secure personal information for residents of countries with unstable or undeveloped governments.

Disadvantages

- Bitcoin mining has a high technical cost;
- Transactions per second are low;
- Bitcoin has a history of being used in illegal operations;
- Bitcoin is regulated.

Conclusion

This approach has both benefits and drawbacks. It makes it simpler for criminals to trade by allowing anybody to access financial accounts. Many people believe that the beneficial uses of crypto, such as banking the unbanked, outweigh the bad uses, especially because the majority of illegal activity is still done with untraceable cash. Many crypto enthusiasts are concerned about government regulation of digital money. Despite the fact that terminating something like Bitcoin is becoming increasingly difficult and near impossible as its decentralised network grows, governments may make it illegal to hold crypto currencies or participate in their networks expends.

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