

Cryptocurrency vs. Statutory Currency: A Comparative Lens on India's Monetary System

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Abstract: The global financial ecosystem is undergoing a significant transformation with the emergence of cryptocurrencies as an alternative to traditional statutory currencies. In India, statutory currency such as the Indian Rupee (INR), issued and regulated by the Reserve Bank of India (RBI), remains the official medium of exchange. However, the increasing interest in cryptocurrencies like Bitcoin, Ethereum, and others has led to debates over their legitimacy, regulatory challenges, and potential economic impact. This paper aims to conduct a comparative study on the relevance of cryptocurrency and statutory currency within the Indian monetary system. The study analyzes the legal framework, economic utility, public perception, volatility, and regulatory status of cryptocurrencies in contrast to fiat money. Relying on secondary data and policy documents, the paper evaluates the prospects and limitations of integrating cryptocurrencies into India's financial infrastructure. The findings suggest that while statutory currency continues to hold its dominance due to legal backing and institutional support, cryptocurrencies offer certain technological and economic advantages that could complement the existing monetary system if regulated effectively. The study concludes with recommendations for policy-makers and financial institutions to develop a balanced and secure approach toward digital currencies in India. This study undertakes a comparative analysis of cryptocurrency and statutory currency in the context of the Indian monetary system.

Keywords: Cryptocurrency, Statutory Currency, Indian Monetary System, RBI, Bitcoin, Digital Economy, Regulation