



5Jewels Research (5JR) Press Release

“Digital Rupee To Make RBI Next Innovation Hub In India”-Analyst

8th Feb. 2022, New Delhi

Chief Analyst of ‘[5Jewels Research](#)’ Mr [Sumant Parimal](#) has said that Govt. of India’s announcement in recent Budget to introduce Digital Rupee, going to make [RBI \(Reserve Bank of India\)](#) an innovation hub. While talking on Budget2022 [panel discussion conducted by XLRI Jamshedpur](#) Mr Sumant Parimal said “Proposed Blockchain based Digital Rupee is a revolutionary technological intervention due to which entire FinTech sector is going to see rapid innovations across digital currency and **RBI is going to be next innovation hub in India. So, introduction of a Digital Currency of India is a very visionary step taken by Govt. of India**”.

“As per our estimate, it is expected that due to introduction of Digital Rupee, Indian FinTech. Sector is expected to see over \$150B worth pure play innovations in next five to six years. However, this is going to be disruptive for many existing FinTech players also, such that they may have to redesign their products and services offerings as per these recent mandates of digital currency” Said Mr Sumant Parimal.

Further commenting on introduction of Virtual Digital Assets taxation regime, Mr Sumant Parimal said “By imposing taxes on transaction of digital virtual assets Govt. is indirectly recognizing rapidly emerging virtual economy. **So time has come when emerging virtual economy needs to be integrated with existing physical economy.** Taxing of virtual digital assets are good for enhancing revenue collection of Govt., but at the same time, **Govt. also need to ascertain that fast emerging metaverse related innovations don’t gets constrained due to monolithic regulations.** Going forward, it can be expected that **emerging metaverse based virtual economy one day might surpass the physical economy**, hence Govt. should also enable innovations around metaverse to ensure that speed of innovations does not gets hampered”.

This panel discussion was organized by XLRI’s GMP (General Management Program) students under guidance of Prof. [H. K. Pradhan](#), Prof. Sabyasachi Sengupta, and Prof. [Kanagaraj Ayyalusamy](#), of Finance, XLRI Jamshedpur and co-ordinated by [Bhaskar Balmuchu](#) .

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