



BEGINNER'S GUIDE

Master the Fundamentals of Crypto Trading — the Indian Way

A clear, honest guide to trading basics, indicators, risk management, market psychology — and the India reality of buying, taxes, and TDS that most guides never tell you.

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LEGAL

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A MESSAGE FROM THE FOUNDER

Author's Note

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Welcome — and thank you for taking the first real step toward understanding crypto trading.

When I started in the markets, I wished someone had handed me a guide that was clear, honest, and built for **India** — one that explained the fundamentals without jargon or hype, and didn't hide the parts that actually cost beginners money. That is what this book is.

Trading is not a get-rich-quick scheme. It is a skill that rewards patience, discipline, and above all **risk management**. The market rewards those who respect it and punishes those who treat it carelessly.

In these pages you'll find everything a beginner needs: how markets move, how to read trends and indicators like RSI and EMA, how to buy safely on Indian exchanges, how to keep your crypto secure — and the honest truth about India's **30% tax and 1% TDS**, because your real return is what's left after tax.

Start small. Stay disciplined. Never risk more than you can afford to lose. The market will be there tomorrow — make sure your capital is too.

Trade smart. Stay safe.

Avik Kanrar

WHAT YOU WILL LEARN

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PART I

Foundations

Understanding how financial markets actually work



CHAPTER 1

What is Trading?

Understanding the core idea behind every market

Trading means buying and selling financial assets — stocks, currencies, commodities, or **cryptocurrencies** — with the goal of profiting from price movement. At its core, trading is about spotting where price is likely to move and positioning yourself to benefit.

I THINK OF IT LIKE DRIVING

Trading looks overwhelming at first — charts, indicators, jargon. But like learning to drive, the basics become second nature with practice. This guide teaches you those basics, one clear step at a time.

Unlike **investing** — buying and holding for years — trading focuses on shorter-term moves. Traders use technical analysis, chart patterns, and indicators to decide when to enter and exit.

Why crypto is different

Crypto markets run **24/7**, are far more **volatile** than stocks, and in India sit inside a specific tax and compliance framework you'll learn in Part IV. That volatility is both the opportunity and the danger — which is exactly why the discipline in this book matters more here than anywhere else.

The market is a vast ecosystem of millions of participants — from individual retail traders in India to giant global institutions — buying and selling every second. Understanding how that ecosystem moves is your first real edge.

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CHAPTER 2

Styles of Trading

Finding the approach that fits your life

Different styles suit different personalities, risk appetites, and — crucially — how much time you actually have. Pick the one that matches your real life, not the one that looks most exciting.

Scalping

Dozens of trades a day, held for seconds to minutes, chasing tiny moves. Needs intense focus, fast execution, and a strong connection. Not for beginners.

Intraday (Day) Trading

All positions opened and closed the same day — no overnight risk. Demands solid technical analysis and the discipline to follow a plan without emotion.

Swing Trading

Positions held days to weeks to capture medium-term moves, using daily and weekly charts. A good balance of activity and time — popular with people who have day jobs.

Positional Trading

The longest style — weeks to months — following big trends and ignoring short-term noise. Needs patience and tolerance for drawdowns.

BEGINNER TIP

Start with **swing trading**. It gives you time to think and analyse without the split-second pressure of scalping or day trading — and it's far kinder to your emotions while you're still learning.

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CHAPTER 3

Market Trends

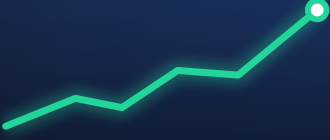
Reading the direction of price

Markets move in three ways — **up**, **down**, or **sideways**. Recognising which one you're in is one of the most fundamental skills a trader can build, because it tells you whether to buy, sell, or simply wait.

THE THREE MARKET TRENDS

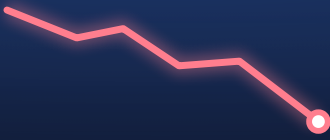
Read the direction

▲ UPTREND




Higher highs, higher lows
Traders look to buy (go long)

▼ DOWNTREND



Lower highs, lower lows
Traders sell or stay out

— SIDEWAYS



Range-bound, indecision
Often precedes a breakout

An **uptrend** makes higher highs and higher lows (e.g. price runs 100 → 120, dips to 110, then 135). A **downtrend** makes lower highs and lower lows. A **sideways** market oscillates between a floor and a ceiling, signalling indecision — and often setting up the next big breakout.

★ GOLDEN RULE

Always trade **with** the trend, not against it. "The trend is your friend" exists for a reason — fighting a strong trend is the fastest way to lose money as a beginner.

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CHAPTER 4

Support & Resistance

The price levels that drive behaviour

Support and resistance are among the most important ideas in technical analysis — price levels where buying or selling pressure is strong enough to halt or reverse a move.



▲ SUPPORT LEVEL

A price floor where **buying** overcomes selling and price tends to bounce up. The more times it's tested and holds, the stronger it becomes.

▼ RESISTANCE LEVEL

A price ceiling where **selling** overwhelms buying and price tends to reverse down. When resistance finally breaks, it often becomes new support.

A common beginner strategy: buy near support, sell near resistance. When a level breaks on strong **volume**, it often signals a powerful move in that direction — but always wait for confirmation rather than guessing the break.

PART II

The Crypto Market in India

Assets, wallets, buying, sessions, and orders

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CHAPTER 5

Crypto & Other Assets

Understanding what you can trade

Each asset class has its own character, risk, and hours. For an Indian beginner, crypto is the focus — but it helps to see where it sits among the others.

Asset class	Examples	Hours (IST)	Volatility
Crypto	BTC/INR, ETH/INR	24 / 7	Very High
Stocks	NSE, BSE	9:15 AM – 3:30 PM	Medium
Forex	EUR/USD, USD/JPY	24h Mon–Fri	High
Commodities	Gold, Silver, Oil	10:30 AM – 11:55 PM	High

Why beginners start with major coins

Bitcoin (BTC) and Ethereum (ETH) are the most liquid, most analysed, and least likely to vanish overnight. Tiny, hyped “meme” coins move fast but are where most beginners get wrecked. Start with the majors, in **INR pairs**, with strict risk management.

✓ BEGINNER TIP

In India you can begin with as little as **₹100** on a compliant exchange. Start small, learn the mechanics with real (tiny) money, and scale only once you're consistent.

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CHAPTER 6

Wallets & Self-Custody

Where your crypto actually lives

When you buy crypto, it has to live somewhere. Understanding the difference between a **hot** and a **cold** wallet — and what “self-custody” means — is one of the most important safety lessons in crypto.

HOT VS COLD — WHERE YOUR CRYPTO LIVES

Self-custody

HOT WALLET

Connected to the internet

App / exchange / browser wallet. Convenient for active trading — but exposed to hacks and phishing. Keep only what you trade here.

COLD WALLET

Offline hardware device

Ledger / Trezor style. Your keys never touch the internet. Best for long-term holdings you are not actively trading.

“Not your keys, not your coins.” An exchange holds your crypto for you; a wallet you control means you hold it.

The seed phrase is everything

A wallet is secured by a **seed phrase** — usually 12 or 24 words. Anyone with those words controls the crypto. **Write it on paper, store it offline, never type it into a website, and never share it** — not with “support”, not with a giveaway, not with anyone.

! NOT YOUR KEYS, NOT YOUR COINS

Crypto held **on an exchange** is controlled by the exchange. If it's hacked or freezes withdrawals, your access depends on them. For coins you plan to hold long-term, move them to a wallet **you** control. Keep only your active trading balance on the exchange.

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CHAPTER 7

Buying Crypto in India

From KYC to your first coin — safely

Buying crypto in India is legal, and on a compliant exchange it's genuinely simple. Here's the full path on **CoinDCX** — a spot-first, FIU-registered Indian exchange that's well-suited to beginners.

1

Create your account

Download the CoinDCX app, sign up with email + mobile, verify the OTP.

2

Complete KYC

Upload **PAN + Aadhaar** (or passport / DL) and a selfie. Approval usually takes 1–48 hours.

3

Add INR via UPI

Tap **Add Funds**, enter the amount, pay through **UPI / Net Banking / IMPS**. Funds reflect almost instantly.

4

Buy your first crypto

Pick a major coin (BTC/INR or ETH/INR), start small — even **₹100** — review, and confirm.

5

Secure & withdraw

Turn on **2FA**. For long-term holdings, move coins off the exchange into your own wallet.

I SPOT VS DERIVATIVES

CoinDCX is **spot-first** — you buy the actual coin. **Delta Exchange India** is another FIU-registered Indian venue, but it's **derivatives-first** (futures, options, leverage). Those are powerful but high-risk tools — not where a beginner should start.

Stay safe from day one

The biggest losses for Indian beginners rarely come from the market — they come from **scams**. Protect yourself with a few non-negotiable rules.

! SCAM RED FLAGS — WALK AWAY

Anyone **guaranteeing returns**, “doubling” schemes, Telegram “VIP signal” groups asking for deposits, fake apps, romance/job crypto pitches, or anyone asking for your **seed phrase, OTP, or password**. cRyPtO sMaRt — and any real exchange — will **never** ask for those.

✓ YOUR SAFETY CHECKLIST

Use a **compliant, FIU-registered** exchange · turn on **2FA** · verify app links from the official site · start with **major coins** · withdraw long-term holdings to your **own wallet** · and remember the 1% TDS is deducted automatically on sales (Part IV).

A note on fees

Every trade has a small **fee** and a **spread** (the gap between buy and sell price). These are minor on majors but add up if you overtrade. And remember — in India, exchange and gas fees are **not** tax-deductible against your gains.

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CHAPTER 8

Best Trading Sessions

When the market is most alive

Crypto never sleeps — it trades **24/7**. But that doesn't mean every hour is equal. Liquidity and volatility still rise and fall with the world's major financial sessions.



The **London–New York overlap (≈ 7:00–10:30 PM IST)** is when global volume peaks, so crypto often sees its biggest, cleanest moves then. The deep, quiet hours (early IST morning) tend to be thin and choppy.

I INDIA-FRIENDLY TIMING

The evening overlap lands conveniently after work hours in India — making it a practical window for part-time traders to focus, without trading tired through the night.



CHAPTER 9

Order Types

Controlling how you enter and exit

Each order type does a specific job. Mastering four of them is enough to trade with control instead of hope.

Market Order

Executes immediately at the current price. Guarantees the trade, not the exact price — in volatile crypto you may get **slippage**.

Limit Order

Buys or sells only at a price you set. Full control, no slippage — but it may never fill if price doesn't reach your level.

Stop-Loss Order

Automatically closes your trade at a set level to **cap your loss**. The single most important order for survival.

Take-Profit Order

Automatically closes your trade at your profit target, locking in gains before the market can reverse.

THE SEATBELT RULE

Use a **stop-loss and a take-profit on every single trade**. Trading without a stop-loss is like driving without a seatbelt — fine until the one time it isn't.

PART III

Strategy & Mastery

Risk, indicators, and the mental game




CHAPTER 10

Risk Management

Protecting capital is priority number one

Professional traders protect capital **first** and chase profit second. Get this chapter right and the rest of trading becomes survivable. Get it wrong and nothing else matters.

THE 2% RULE — RISK ALLOCATION ₹ India example



- 98% Capital — protected**
Reserved for future opportunities
- 2% Maximum risk per trade**
Your single-trade exposure ceiling

WORKED EXAMPLE · ₹50,000 ACCOUNT
Risk only ₹500–₹1,000 per trade. Even **10 losses in a row** leaves over ₹40,000 intact — you live to trade another day.

The 1–2% rule

Never risk more than **1–2% of your capital** on a single trade. On a ₹50,000 account that's ₹500–₹1,000. This way, even a brutal losing streak can't wipe you out.

Risk–reward ratio

Aim for at least **1:2** — risk ₹1,000 to target ₹2,000. At 1:2 you can be wrong more than half the time and still come out ahead.

! LEVERAGE WARNING

Leverage multiplies profits **and** losses — and can liquidate your account in minutes. As a beginner, avoid high leverage entirely. Most blown accounts in India are leverage stories, not bad-analysis stories.

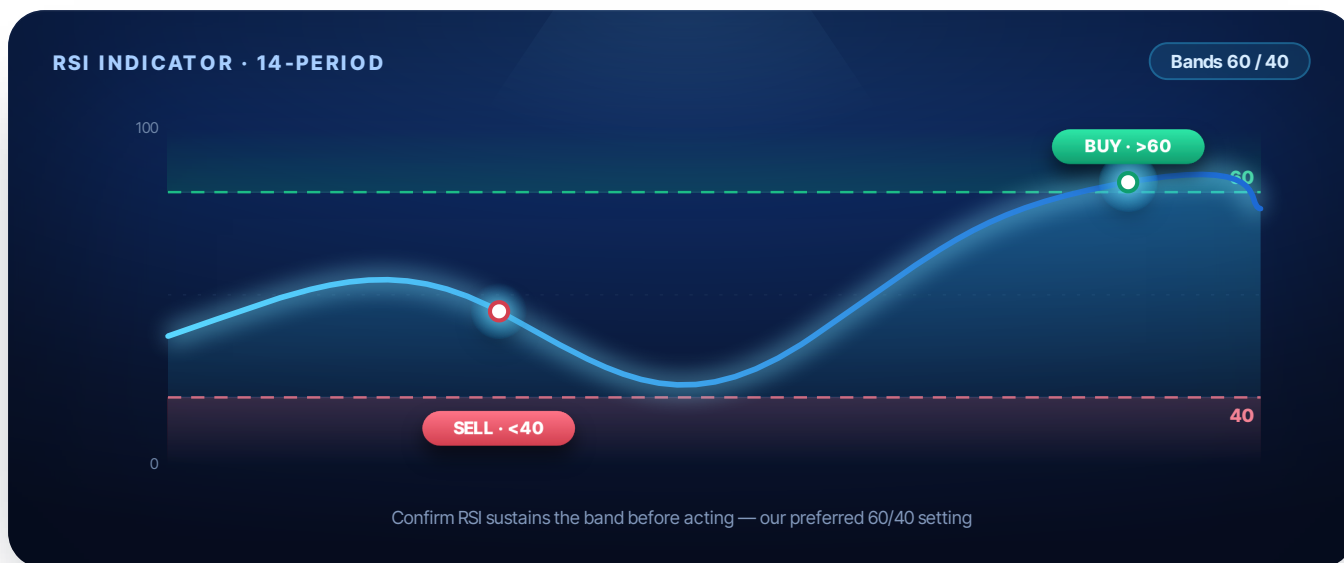
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CHAPTER 11

RSI—Momentum

Measuring the speed of price

The **Relative Strength Index (RSI)** is a momentum oscillator from 0–100 that shows how strong recent price moves have been — and whether an asset is stretched.



I HOW WE READ IT

Above 60: strong bullish momentum. **Below 40:** bearish weakness. **40–60:** a consolidation zone — the market is undecided, so it's often best to wait.

Signals

Buy: RSI rises above 60 while price moves up and holds the band. **Sell:** RSI falls below 40 while price moves down and stays there. Always wait for the band to **hold** before acting.

✓ OUR PREFERRED SETTING

We use the **60 / 40** bands instead of the textbook 70 / 30. On crypto's volatility, 60/40 tends to give earlier, more actionable signals. Set RSI period to **14** on TradingView.

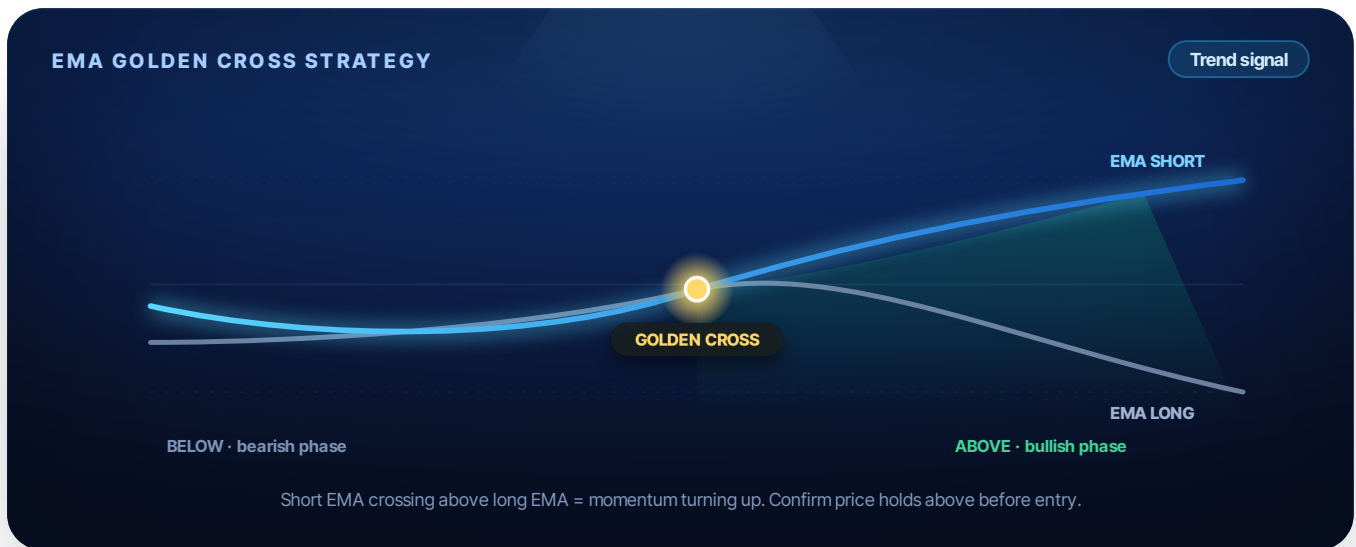


CHAPTER 12

EMA — Trend

Following the trend with moving averages

The **Exponential Moving Average (EMA)** weights recent prices more heavily, so it reacts faster than a simple average. EMAs help you see the trend and time entries.



I RECOMMENDED SETTINGS

Short-term: EMA 4, 9, 18. **Swing / positional:** EMA 50 and 200. The faster EMAs react to recent moves; the slower ones define the bigger trend.

Golden & Death Cross

A **Golden Cross** (short EMA crosses **above** long EMA) signals rising bullish momentum — confirm price holds above EMA 9. A **Death Cross** (short crosses **below** long) signals the opposite.

Where to place your stop

For long trades, place your stop-loss just below EMA 9 or the recent swing low; for shorts, just above. Let the structure define your risk — not your emotions.



CHAPTER 13

Trading Psychology

The mental game that decides everything

Strategy alone isn't enough. Most profitable systems fail not because the system is wrong, but because the trader can't **follow** it. Discipline beats intelligence.

! THE CRITICAL TRUTH

A huge share of trading success is psychological. You will know the right move and still feel the pull to do the wrong one. Winning is learning to act on your plan, not your feelings.

Stick to your plan

Define entry, exit, stop-loss, and target **before** you enter. Don't chase trades or hop between strategies.

Control greed and fear

Greed makes you oversize and overstay; fear makes you exit too early. Recognise both and respond with your plan.

Accept losses · avoid revenge trading

Losing trades are normal — even great traders lose often. A loss taken by your rules is not a failure. The danger is **revenge trading** to “win it back”. After a loss: step away, breathe, review with a clear head.

✓ BEGINNER HABITS THAT COMPOUND

Trade with the trend · stop-loss on every trade · wait out the 40–60 RSI zone · back-test before risking real money · keep a **trading journal** · take breaks when frustrated · and resist the urge to overtrade.

PART IV

India Tax & Compliance

The numbers that decide your real return



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CHAPTER 14

Crypto Tax & TDS in India

What you actually keep after tax

This is the chapter most guides skip — and the one that most affects your real return. In India, crypto is a **Virtual Digital Asset (VDA)** and is taxed under one of the world's strictest regimes. Knowing it isn't optional; it's how you avoid nasty surprises.



30%
Flat tax on gains (+4% cess) — no slab benefit

1%
TDS on transfers over ₹10,000/yr (Sec 194S)

₹0
Fees / losses you can deduct against gains

Profits from selling, swapping, or spending crypto are taxed at a **flat 30%** (plus 4% cess and any surcharge) under **Section 115BBH**. There is no lower long-term rate and no income-slab benefit.

The three rules that catch beginners

! LOSSES CAN'T OFFSET GAINS

Win ₹10,000 on one coin and lose ₹10,000 on another, and you **still owe 30% on the ₹10,000 win**. Crypto losses can't reduce crypto gains, other income, or be carried forward.

! ONLY YOUR PURCHASE COST IS DEDUCTIBLE

Exchange fees, gas fees, internet, advisory — **none** are deductible. You're taxed on profit measured purely as sale price minus purchase price.

! CRYPTO-TO-CRYPTO SWAPS ARE TAXABLE

Swapping BTC for ETH (without touching INR) is a **taxable event**. This surprises almost every beginner.

TDS, reporting & penalties

A **1% TDS** (Section 194S) is deducted on transfers over ₹10,000 in a year — Indian exchanges like CoinDCX deduct it automatically. All transactions must be reported line-by-line in **Schedule VDA** of ITR-2 / ITR-3. Under the Income-Tax Act 2025 (effective 1 April 2026), non-reporting can attract penalties of around **₹200/day**, and inaccurate reporting up to **₹50,000**.

I THE HONEST TAKEAWAY

Crypto is legal to hold and trade in India — but it's taxed heavily and tracked closely. Factor the 30% into every plan, keep clean records of every trade, and when in doubt, talk to a CA. **Your real profit is what survives tax.**

APPENDIX A1

Quick Reference

Indicator Settings

- › **RSI:** Period 14 · Upper band 60 · Lower band 40
- › **EMA short-term:** 4, 9, 18 · **Swing / position:** 50, 200

Risk Management

- › **Position size:** risk only 1–2% of capital per trade
- › **Risk–reward:** minimum 1:2 (risk ₹1,000 → target ₹2,000)
- › **Stop-loss:** mandatory on every trade · **Leverage:** avoid as a beginner

Buying in India

- › **Exchange:** use FIU-registered (e.g. CoinDCX spot) · enable 2FA
- › **KYC:** PAN + Aadhaar + selfie · **Deposit:** UPI / Net Banking / IMPS
- › **Hold long-term:** withdraw to your own wallet (self-custody)

India Tax (2026)

- › **30%** flat on gains (+4% cess) · **1% TDS** on transfers over ₹10,000/yr
- › No loss set-off · only purchase cost deductible · crypto-to-crypto is taxable
- › Report in **Schedule VDA** (ITR-2 / ITR-3)

Signal Quick Reference

- › **RSI buy:** crosses above 60 with price up · **sell:** below 40 with price down
- › **EMA buy (Golden Cross):** short EMA crosses above long EMA

● APPENDIX A2

Glossary

Ask Price

The price at which you can buy an asset.

Bid Price

The price at which you can sell an asset.

Spread

The gap between the bid and ask price — a cost of trading.

Slippage

Difference between expected and actual execution price.

Market Order

Buy/sell immediately at the current price.

Limit Order

Buy/sell only at a price you set, or better.

Stop-Loss

Order that closes a trade at a set level to cap losses.

Take-Profit

Order that closes a trade at a set profit target.

Support

A price level where buying tends to halt a fall.

Resistance

A price level where selling tends to halt a rise.

RSI

Momentum indicator (0–100) showing overbought/oversold.

EMA

Exponential Moving Average — a fast-reacting trend line.

Golden Cross

Short EMA crossing above long EMA — bullish.

Death Cross

Short EMA crossing below long EMA — bearish.

Leverage

Borrowed funds to enlarge a position — amplifies risk.

Volatility

How much price varies over time.

VDA

Virtual Digital Asset — how Indian tax law classifies crypto.

TDS

Tax Deducted at Source — 1% on crypto transfers in India.

Schedule VDA

The ITR section for reporting crypto, line by line.

KYC

Know Your Customer — identity verification (PAN/Aadhaar).

Hot Wallet

An internet-connected wallet — convenient, less secure.

Cold Wallet

An offline hardware wallet — most secure for holding.

Seed Phrase

12–24 secret words that control your wallet. Never share.

Stablecoin

A crypto pegged to a stable value, e.g. to the US dollar.

APPENDIX A3 — SAMPLE

Trading Journal

Record every trade. Review your mistakes. Grow as a trader.

ETH / INR

SPOT · NO LEVERAGE

SWING TRADE · COINDCX · MY OWN ANALYSIS

ENTRY & PLAN

ENTRY

₹2,18,400

STOP-LOSS

₹2,09,000

TARGET

₹2,37,000

RISK

1.8%

EXECUTION

Bought ETH near support with RSI turning up from the 40 band. Risked ₹900 on a ₹50,000 account (1.8%), targeting roughly 1:2. Set a stop-loss and take-profit immediately — then closed the app and let the plan run.

RESULT

+₹1,720

Gross · before 30% tax and 1% TDS on the sale · net to plan

REFLECTION

Right: followed the plan, used a stop, didn't touch leverage, didn't panic on the dip. **Improve:** could have trailed the stop to ride a little further.

Lesson: a disciplined ₹1,720 I actually kept beats a reckless win I gambled — and remember the tax comes off the top.

● EDUCATION · ANALYSIS · COMMUNITY

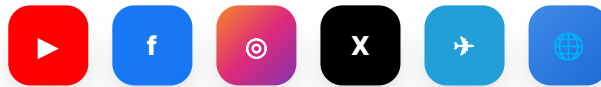
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Founder of cRyPtO sMaRt — a platform dedicated to making cryptocurrency and trading education honest, simple, and accessible to every Indian beginner.



Begin Your Trading Journey

Master the basics first, then build complexity gradually. Consistent small profits beat occasional big wins.

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