



Bengaluru Branch of SIRC of ICAI

Institute of Chartered Accountants of India

(Set up by an act of Parliament)



BENGALURU BRANCH OF SICASA

(SOUTHERN INDIA CHARTERED ACCOUNTANTS STUDENTS ASSOCIATION)

Digital Currency

SICASA News Letter

November
2022



<https://bangaloreicai.org/>



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Bangalore Branch of SIRC of ICAI

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***“Let us not be
sheltered from
dangers but to be
fearless when facing
them.”***

-Rabindranath Tagore

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CHAIRMAN's MESSAGE



Dear Students,

Hope you all doing great in your life and chosen field.

We are in end of the calendar year of 2022, witnessed various up and downs in the year, it is the time to introspect your achievements/goals/conducts/deeds what you had wished or in generally.

Are you feeling that you are making any progress compare to previous year? I hope majority of you say yes to this question, by any chance if any of my friend say NO to this question, please it is the need of the hour you should do deep rooted introspection yourself or take help of near and dear ones, find out the root cause for your NO and make a new resolution for the upcoming year, bring newness in your thoughts and deeds and excel in your life.

Have a cheerful month ahead.....

CA Srinivasa.T
Chairman
Bangalore Branch of SIRC of ICAI

CHAIRPERSON's MESSAGE ||



Dear Students,

It is heartening to communicate with you here and especially when the National Conference is just around the corner. The preparations for the conference are on in full steam to bring the best to you all. TEAM SICASA is working with all excitement.

We are all overwhelmed with the response and eagerly looking forward to seeing you all the Conference. Make sure you attend both the days without fail.

Come, enjoy and enrich !

Yours truly,

Kavitha Paramesh
SICASA Chairperson
Bengaluru Branch of SIRC of ICAI

DECODING THE LEGAL JARGONS ||

Ad infinitum

- (endlessly or forever)



Ad Infinitum is a Latin phrase which means '**to infinity**'. In financial terms, the phrase is associated with perpetuity, in which the returns derived at fixed intervals from an asset are assumed to go on forever or *ad infinitum* that proof of extrinsic circumstances is required.

It usually means "continue forever, without limit" and this can be used to describe a non-terminating process, a non-terminating repeating process, or a set of instructions to be repeated "forever," among other uses. It may also be used in a manner similar to the Latin phrase *et cetera* to denote written words or a concept that continues for a lengthy period beyond what is shown.

It also refer to the predicted steady cash flow of a company, based on an analysis of its standing for a certain number of years. For a business entity, *ad infinitum* cash flow remains a projection rather than a fact, no matter how sound the calculation, because it disregards unforeseeable causes of disruption that might cause its dissolution, like *force majeure*. While the numerical value of *ad infinitum* payments will remain the same over time, the payment's financial value does not retain its strength throughout the years because the pay-outs do not adjust to account for the future depleting value of money.

DIGITAL RUPEE ||

Akash Saradigi

Introduction

On December 1, 2022, Reserve Bank of India (RBI) released the Digital Rupee (₹) in a stage wise basis for retail segment in cities such as Bengaluru, Bhubaneshwar, Delhi and Mumbai.

Many may link digital Rupee to cryptocurrency, but there's no connection between the two. Crypto is based on Blockchain technology, while digital Rupee is a form of digital token that represents legal tender which is legal, regulated, transparent and guaranteed by RBI as in the case of Physical coins and notes.



Let's Understand the nuances of Digital Rupee:

What is Digital Rupee ?

Digital Rupee (₹) stands for Central Bank Digital Currency (CBDC). The currency refers to the electronic form of money which has the same characteristics as the fiat currency issued by RBI. The Digital Rupee shall be exchangeable at par with existing currencies.



Why Digital Rupee?

The aim behind CBDC would be to provide an alternative for traditional currency notes in digital wallets. Further, it could be utilised to incur payments through Quick Response (QR) codes or through Digital Rupee wallets kept by payer and payee.

UPI vs Digital Rupee

The biggest difference between e-Rupee and other CBDCs and a system such as the Unified Payments Interface (UPI) is that there are no intermediaries involved in transactions that use e-Rupee.

Any UPI transaction involves the intermediation of a bank. When I use a UPI app, the message goes to my bank; the bank account gets debited; money gets transferred to the recipient's bank; and he gets a message.



On the other hand, In CBDC, just like paper currency, it will move from your wallet to his wallet. There is no routing or intermediation.

Further, no bank account is required to transact via Digital Rupee as mandated under UPI Regime.

Crypto vs Digital Rupee

- Unlike Crypto Currencies like Bitcoin which are decentralized, Digital Currency shall be centralized and regulated by Reserve Bank of India.
- The value of crypto including Bitcoin is volatile, but digital Rupee's value remains the same all throughout.



Digital Rupee vs Existing Currency

Digital Rupee has no geographical limits; Hence, can be used to facilitate cross-border transactions. Just like Fiat Money, RBI guarantees to pay the bearer the sum of money as enshrined in it.



Investment in Digital Rupee

e₹ is not a financial instrument for one to secure interest through a deposit. It's the form of electronic cash which can be used just for transactional purposes.



Advantages of Digital Rupee

- To Reduce operational costs in managing physical cash and bring efficiency in payments systems
- To boost innovation in cross-border payments
- To facilitate Audit trail (The major disadvantage of physical cash is that it does not facilitate audit trail)
- To quell concerns over money laundering, terror financing, tax evasion with private crypto currencies like Bitcoin, Ether etc..
- State obligations such as Direct Benefit Transfers (DBT) can be traced.

Conclusion

The Author strongly believes that this initiative will help the Mother India in achieving \$5 trillion-dollar target and to become Vishwa Guru in the field of Finance.

The word "FTX" has been doing the rounds for a while. This article will break down what happened with one of the largest crypto exchanges.

What does FTX stand for?

FTX Trading Ltd. (FTX) is short for "Future Exchange." FTX is one of the world's largest cryptocurrency exchanges and a crypto hedge fund. It enables customers to trade digital currencies for other digital currencies or traditional money, and vice versa. It is incorporated in Antigua and Barbuda and headquartered in The Bahamas, and was run by Mr. Samuel Bankman-Fried.



Who is Samuel Bankman-Fried?

Samuel Bankman-Fried, also known by his initials SBF, is an American entrepreneur, investor, and former CEO of the cryptocurrency exchange FTX and cryptocurrency trading firm Alameda Research. He had a net worth of \$26 billion during a March 2022 peak, according to Bloomberg. Now that his assets are worthless after the collapse of FTX, his fortune has evaporated.



Understanding the FTX bankruptcy filing

It all started earlier in November 2022, when digital currency news site CoinDesk revealed that Alameda Research—a trading firm also founded by FTX founder Sam Bankman-Fried that conducts trades on FTX—was heavily dependent on FTT (the token issued by FTX), with a significant portion of its assets held in it.

After the report was published, the crypto exchange Binance said it would liquidate its FTT holding. That kickstarted a downward spiral with FTT and other cryptocurrencies as investors began to pull out their money.

The Wall Street Journal reported that FTX lent billions of dollars of customer assets to Alameda to help fund risky bets.

Cryptocurrency exchange competitor Binance agreed to take over FTX on Nov. 8, but pulled out of its offer the following day due to "corporate due diligence" and "news reports regarding mishandled customer funds and alleged US agency investigations."

FTX crashed due to a lack of liquidity and mismanagement of funds, followed by a large volume of withdrawals from rattled investors. On Friday, November 11, FTX declared bankruptcy, and Bankman-Fried resigned. FTX has frozen withdrawals and filed for Chapter 11 bankruptcy. Chapter 11 bankruptcy allows businesses to restructure their debt and continue operations, unlike Chapter 7 bankruptcy, where assets are liquidated.



How did FTX unravel?

Here's a timeline through which we'll understand the chain of events that led to the bankruptcy:

Nov. 2: CoinDesk publishes a report that reveals Alameda Research, a sister company to FTX, has a balance sheet full of FTT, the cryptocurrency issued by FTX.

Nov. 6: Changpeng Zhao, the founder of Binance, said the cryptocurrency exchange would offload all of its remaining FTX tokens "due to recent revelations that have come to light." FTT prices dropped as investors began to withdraw.

Nov. 8: Binance agrees to acquire FTX.

Nov. 9: Binance pulls out of its agreement to take over FTX.

Nov. 11: FTX files for bankruptcy. CEO and founder Sam Bankman-Fried, age 30, resigns.

Nov. 11: Reports emerge that FTX transferred \$10 billion to Alameda, its sister company, sparking concern about the source of access top leaders had to the company's finances.

Nov. 13: News organisation begin reporting that much of that money transferred out of FTX in its final hours has disappeared.

Nov. 14: Multiple regulators reportedly begin looking into the criminal liabilities surrounding the company.

How big was the company?

It was one of the largest crypto exchanges and valued at an estimated \$32 billion in January 2022. It was backed by Tiger Global Management, SoftBank, Sequoia Capital, and a few others. Its name was attached to NBA stadiums and was in commercials with Hollywood celebrities. FTX also sponsored the Mercedes Formula One team.

How did this affect other currencies?

FTX's implosion had ripple effects on the cryptocurrency industry at large. \$150 billion of the world's 15 largest cryptocurrencies evaporated in a matter of just three days because of the FTX collapse. Faith in cryptocurrency is shaken after FTX's bankruptcy filing. Popular currencies like Bitcoin have fallen about 65% so far this year, while Ether is down 68%. The impact of FTX's crash is having wide-reaching implications throughout the crypto market, as cryptocurrencies and exchanges with exposure to FTT or FTX face sinking prices and financial troubles. Once seen as a survivor in a struggling market, the fall of FTX has sent shockwaves through the cryptocurrency industry. The value of FTX's native token, FTT, plummeted, taking other coins with it. Other exchanges have been affected by the FTX collapse, including BlockFi, which filed for bankruptcy on Nov. 28.



The road ahead

FTX is reviewing its available assets and preparing to sell or restructure to repay investors. Balance sheets included in the bankruptcy filing show that FTX's assets are worth far less than Bankman-Fried had initially claimed. Users are likely to have a hard time getting their money back in the near future, and many investors who had assets stored on FTX still aren't able to withdraw their funds from the platform. FTX owes customers billions. In a court filing on Nov. 19, FTX listed its top creditors, the investors to whom the fallen exchange owes money. The exchange owes its top 50 creditors almost \$3.1 billion combined, with almost over half of that amount (\$1.45 billion) owed to just the top 10. The company could have over a million individual creditors.

NEWS UPDATE ||

National update

Max Ventures set to scale up real estate portfolio in 2023

Max Ventures & Industries Limited (MaxVIL), one of the three holding companies of the Max Group, will develop one million square feet of commercial space and another million residential space in 2023 as it looks to scale up its real estate portfolio, said Sahil Vachani, MD & CEO of MaxVIL.

In the last six months, the company completed three land transactions, acquiring around 22 acres for ₹850 crore.

https://economictimes.indiatimes.com/industry/ndi-goods/svs/construction/max-ventures-set-to-scale-up-real-estate-portfolio-in-2023/articleshow/96484233.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Bonus Shares 2022: These 2 multibagger stocks to trade ex-bonus next week

Bonus shares 2022: Shares of Naysaa Securities and Advait Infratech are one of those multibagger stocks that have given whopping return to its shareholders in recent times. In year-to-date (YTD) time, Advait Infratech share price has ascended to the tune of 400 per cent whereas Naysaa Securities share price has appreciated over 600 per cent in YTD time. These two multibagger stocks will be in focus next week as they are going to trade ex-bonus next week. Here we list out full details in regard to issuance of bonus shares by these two multibagger stocks

<https://www.livemint.com/market/stock-market-news/bonus-shares-2022-these-2-multibagger-stocks-to-trade-ex-bonus-next-week-11671870535744.html>

UIDAI want Aadhaar holders to update documents submitted nearly 10 years ago

The Unique Identification Authority of India (UIDAI) has urged Aadhaar holders, who were issued unique identity 10 years back and who have never updated their records, to revise their information in its database.

Aadhaar holders need to update their unique ID records by uploading supportive documents (proof of identity and proof of address) either online through myAadhaar portal or offline by visiting the nearest Aadhaar centre, UIDAI said in statement.

<https://www.livemint.com/news/india/uidai-want-aadhaar-holders-to-update-documents-submitted-10-years-ago-11671892008576.html>

Newly-formed West Bengal RERA says ongoing realty projects need to seek registration within 3 months

The newly-formed Real Estate Regulatory Authority (RERA) in West Bengal (WB RERA) expects all the ongoing real estate projects in the state to seek a registration under the Real Estate (Regulation & Development) Act, 2016 in the next three months.

The real estate projects that have been marketed, advertised, and sold without necessary approvals and are yet to be completed so far will fall under the category to seek such registration apart from any new project that will be launched h ..

https://economictimes.indiatimes.com/industry/services/property/-construction/newly-formed-west-bengal-rera-says-ongoing-realty-projects-need-to-seek-registration-within-3-months/articleshow/96500258.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

India to continue to attract eyes of foreign investors, though global uncertainties pose challenges

India may attract eyes of overseas investors in 2023 as well on account of measures such as rollout of the production linked incentive (PLI) schemes and projection of healthy economic growth, though global economic uncertainties due to monetary policy tightening in the US and ongoing Russia-Ukraine war may remain cause for concern.

Steps to promote ease of doing business, skilled manpower, presence of natural resources, liberal FDI policies, huge domestic market and prospects of healthy GDP Growth.

<https://economictimes.indiatimes.com/news/economy/policy/india-to-continue-to-attract-eyes-of-foreign-investors-though-global-uncertainties-pose-challenges/articleshow/96493080.cms>

International Updates

Russia, India plan to drop use of US dollar, euro in bilateral trade: Russian diplomat

New Delhi: Russia and India plan to drop all use of the US dollar and the euro in bilateral settlements and conduct all trade transactions in rupee and rouble, a senior Russian official has said.

While it's a fundamental decision by both sides, it is necessary to address the imbalance in trade for a full-fledged transition to national currencies, Zamir Kabulov, head of India division in Russia's ministry of foreign affairs, said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/russia-india-plan-to-drop-use-of-us-dollar-euro-in-bilateral-trade-russian-diplomat/articleshow/96484094.cms>

Lower subsidy bill seen in FY24 even after free grains

The Centre's subsidy bill is expected to fall in the next fiscal year even after making foodgrain free for the poor as the additional allocation under the Covid-19 relief scheme will end in December this year.

However, the food subsidy payout will likely be as much as ₹25,000 crore higher than in the pre-Covid years with the Centre also deciding to bear the cost of foodgrain transport.

"Food subsidy would go up by about ₹20,000-25,000 crore over the pre-Covid

<https://economictimes.indiatimes.com/news/india/lower-subsidy-bill-seen-in-fy24-even-after-free-grains/articleshow/96488239.cms>

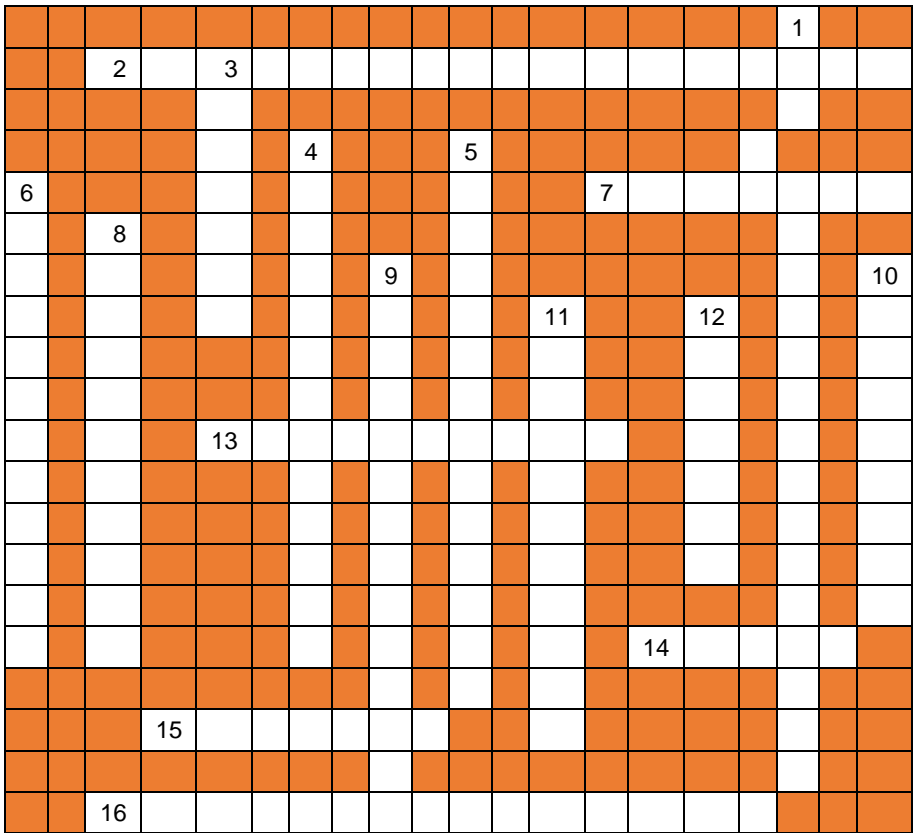
Crypto is 'effectively nonexistent' for big institutions, JPMorgan's Gross says

Money managers who have avoided the many ups and downs of cryptocurrencies may be feeling relieved for having done so, according to a senior investment strategist at JPMorgan Asset Management.

"As an asset class, crypto is effectively nonexistent for most large institutional investors," Jared Gross, head of institutional portfolio strategy at the bank, said on this week's episode of Bloomberg's "What Goes Up" podcast.

<https://economictimes.indiatimes.com/markets/cryptocurrency/crypto-is-effectively-nonexistent-for-big-institutions-jpmorgans-gross-says/articleshow/96494299.cms>

CROSSWORD



Across

- 2. An equation showing the relationship amount assets, liabilities, and owner's equity
- 7. An increase in owner's equity resulting from the operation of a business
- 13. Planning, recording, analyzing, and interpreting financial information
- 14. Anything of value owned
- 15. A record summarizing all the information pertaining to a single item in the accounting equation
- 16. Business that performs an activity for a fee

Down

- 1. Financial reports that summarize the financial condition and operations of a business
- 3. The account used to summarize the owner's equity in a business
- 4. A sale for which cash will be received at a later date
- 5. A business owned by one person
- 6. The amount remaining after the value of all liabilities is subtracted from the value of all assets
- 8. Assets taken out of a business for the owner's personal use
- 9. The amount in an account
- 10. An amount owed by a business
- 11. A business activity that changes assets, liabilities, or owner's equity
- 12. A decrease in owner's equity resulting from the operation of a business

GALLERY ||

SICASA Speakers Forum 211st Meet



Winners



Meet # 211



SICASA Speakers Forum 212th meet





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OPEN LIKE A BOOK PLAY LIKE A MAGICIAN

END LIKE A



**GAME
MASTER**





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CA Students National Talent 2022

Inter Brains

CA STUDENTS DEBATE COMPETITION

FOR

VS

AGAINST

Topics:

- Opening Borders to Migrants is a positive development
- Privatization of AIR India
- Does daily revision of fuel prices help the common man
- Social networking – useful/waste of time
- Will electronic database fully substitute bricks & mortar libraries?
- Does Globalization promote Universal healthcare?
- Should both developed & undeveloped countries have equal binding in combating climate change?

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ON DECEMBER 30, 2022

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BENGALURU

DEBATE IN SUCH A WAY THAT OTHERS
LOVE TO DEBATE WITH YOU