E-NEWSLETTER

MARCH 2023

Contents

Disclaimer:

The Hyderabad Branch of SIRC or SICASA Hyderabad does notaccept any responsibility for the views expressed by different contributors. The views and opinions expressed in the articles are of the author and SICASA Hyderabad isnot necessary to agree with the views.

Office bearers of SICASA Hyderabad

CA. Rama Rao Karumanchi   CA. Girdhari Lal Toshniwal
Chairman – SICASA Hyderabad   Co-Chairman – SICASA Hyderabad

Student Committee Members

Disha Sanghvi   Koltham Manasija   Ikshita Shanghi   Hajira Ghazala

Mohd. Nasser   Mohd. Abdul Rizwan   S.M.Z. Osman Ghowri   T. Shashi Kiran Reddy   Mohd. Mansoor

Reach us:

Instagram: sicasa_hyd
E-Mail: sicasahyderabad@outlook.com
Telegram: SICASAHyderabad
Twitter: SICASAhyd
Voice &WhatsApp: 6302783477
Facebook: sicasahyd

COMMUNICATION FROM SICASA CHAIRMAN

Warm greetings to Dear students,

I am delighted to address you as Chairman SICASA of the Hyderabad branch and I thank each and every one who has supported me to this stage. I have witnessed many events conducted by the SICASA committee in the past periods and am excited to be a part of it henceforth.

Cheers to the past chairman CA ChandraBabu M and Co-Chairman CA Saran Kumar U and the student committee and for their efforts in bringing second place in the best SICASA branch Southern Region-2022
Our students are the future of our profession, it is also our duty to look into their overall development in both academic and non-academic fields so that they can evolve into global professionals, hence I am happy to announce that SICASA Hyderabad will be conducting many events and activities offline addressing various talents within us to ensure that all opportunities for their overall development may be made available to the students.

I wish all of you to participate in every possible manner you can, be it Mock Test, Seminars, Industrial Visits, Competitions, Cultural Programs, or Sports etc.

Too many more events and prizes, I personally thank all the students for making all the events successful in the past and hoping it to flourish more in the further period with our teamwork.

I wish all a Happy Holi, Ugadi/GudiPadwa

Yours Truly,

CA. Rama RaoKarumanchi
Chairman - SICASA

COMMUNICATION FROM SICASA CO-CHAIRMAN

Dear Future Chartered Accountants,

It's my pleasure to reach out to you as Co-Chairman SICASA of the Hyderabad branch and I thank everyone for encouraging and supporting me. Having participated in the events conducted by the SICASA committee for the past periods and am excited and looking forward to more interactions with you.

I congratulate the immediate past chairman CA. ChandraBabu M and Co-Chairman CA. Saran Kumar U and the student committee for their efforts in bringing second best branch jointly under the mega category for year 2022 at Regional level.

Owing to the fact that our today students are tomorrow's professionals, it is your development we are here for and we assure you that we support and encourage your talents and ensure no stone is left unturned in bringing the best of your talents and for a such promise to stand, we have many events awaiting for us to organize and for you to participate and make them successful.

Looking forward to seeing your active participation in all the academic and non-academic events awaiting you,

I wish all a Happy Holi, Ugadi

Thanking you

Be Happy- Be Laughing

CA. GirdhariLalToshniwal
SICASA Co-Chairman

DIGITAL RUPEE – BOON OR BANE

What if I say that the Indian Government can save 5000 crore rupees well it actually can by the way of 'DIGITAL RUPEE'. Data compiled from RBI's annual reports shows that only the cost of printingcurrency notes in 2021-22 was ₹4,984.8 crore which is a considerable amount in itself.

Digital Rupee also known as e-Rupee or CBDC (Central Bank Digital Currency) as described by theRBI is the legal tender issued central bank in a digital form. It is the same as a fiat currency and isone to one exchangeable with it. Only its form is different.

Digital Rupee is backed with Blockchain technology. Blockchain is a distributed database or ledgerthat is shared among the nodes of a computer network. As a database, a blockchain storesinformation electronically in digital format. Blockchain is popularly known for being associated withcrypto currency. But that doesn't make CBDC and cryptocurrency the same. The foremostdifference is that CBDC is centralised means it is controlled by RBI however Crypto is decentralized i.e., not linked to or regulated by any government.

This Digital Rupee is also different from prevailing form of digital transaction called UPI. In UPI bankacts as intermediary in every transaction but with e-rupee the bank does not route payments asmoney is directly transferred from your wallet to their wallet without involving bank accounts.

There are copious benefits of digital rupee in various aspects. Few of them are as follows:

- Cyber Security – With increase in digitalization cyber-attacks can disrupt payments which willput users' data privacy at stake. Further it can destabilize the economy and can shakecustomers' faith in payment system.
- Disinter-mediating banks – Shift to CBDC can impinge upon the bank's ability to plough backfunds into credit intermediation also posing a question as to how the deposits escaping thebanking channel should flow back to real economy.
- Control – CBDC can give rise to the control of government, which can interfere with andimpact monetary policies to an extent never seen before. This could also weaken centralbanks' influence over inflation and loosen their macroeconomic policies to stay competitive.
- Deposit Demand – New investment opportunities with CBDC could reduce the consumerdeposit demand. Subsequently, CBDCs can lower bank lending to the general economy.

Conclusion: Setting CBDC up will need careful calibration and a sophisticated execution strategy.

There are risks involved, to be sure, but they must be carefully weighed against the possible
advantages

TANISHA BANSAL
CRO0719276

START-UP AND FACTORS AROUND ITS VALUATION

"There is a famous saying that start up valuation is more of an art than a science."

India has witnessed a whopping rise in the number of start-ups as the number of start-ups rise from 471 in 2016 to 72,933 as on 30th June 2022.

The focal point for this upward trend was the Start-up India which is an initiative of the Government of India and was inaugurated on 16 January 2016 by our former Finance Minister "**ArunJaitley**"
Valuation of a Start-up is the process of determining the total value of a start-up company to foresee its future value in the market, to pitch an investor to raise funds in return for percentage of ownership in the company.

There are many situations where an entrepreneur has to value its start-up like-

i. To raise funds.
ii. Strategic Planning.
iii. Divorce/Estate Settlements.
iv. Exit Strategy Planning

Majority of us have seen the show "**Shark Tank**" The one lesson which we can learn from it is even if your product or presentation is lacking but the valuation you have brought to the table is agreeable to the investors, then you can still land up the deal.

The reason for this is that with the correct valuation of your start-up you have already gone into the 2nd level in the mind of the investor as now he will be interested to dig deeper into your business to know more. In case of unreasonable valuation, a negative promotion is already set in the mind of the investor which is very hard to overcome.

However, there are some common mistakes which are incurred while valuing a start-up such as-

1) Entrepreneur is over the moon and overestimates the valuation to an unimaginable amount.
2) Generally, the start-ups lack the required data and a connection which is needed to understand its base audience.
3) Obsession of entrepreneur over the share of Ownership. But, the burning question is how to value your start-up when there are "**No Sales**"

Some of the factors considered for valuation at this stage are-

1) Founders- if the founding team is being run by the people who are experienced, committed and have a variety of skills in their arsenal, it will always be an added bonus as a well-established business network would already exist.

2) Industry and Market Demand- Industry plays a pivotal role as if our idea is unique and further in a booming industry it will be cherry on the cake as it would lead to a higher valuation.

3) Patented Prototype- A patented prototype would always be an advantage in valuation as well as getting a potential investor as it turns the vision of an entrepreneur into reality.

India is no longer prone to the traditional sectors where start-ups have been established but also in upcoming booming industries like the Drone Industry.

Start-ups like the Drone Destination is covering numerous activities like Survey Mapping, Inspection and Aerial cinematography to build a drone empowered ecosystem. Further, Wurkr is a start-up started by an Indian which provides you the go-to-solution to work from anywhere with a hybrid work environment which replicates your physical office ecosystem online.

Start-ups like these only indicate one thing that INDIA has taken a big step ahead in the Start-up world.

We all have to agree that valuation at an early stage of a start-up is not an easy job. It is difficult to arrive at the exact correct number but it should be backed with logical reasoning and the valuation should neither be overvalued nor undervalued.

VARSAL VERMA
CRO0564210

E-RUPI : THE NEW AGE DIGITAL CURRENCY

e-Rupi or CBDC (Central Bank Digital Currency) is a digital payment solution that has been launched by NPCI (National Payments Corporation of India) in association with the Department of financial services, NHA, MoHFW& partner banks on Nov 1, 2022 under the wholesale segment to settle secondary market transactions in government securities. Even on its baby crawling stage, it has been projected as the cost-effective & inclusionary alternative to UPI.

After the successful launch of e-Rupi in the wholesale segment, it was made open for use by retail customers & merchants on pilot survey basis in -Mumbai, New Delhi, Bengaluru, Bhubaneshwar& will further extend to 9 locations based on closed user group (CUG) comprising participating customers & merchants. The currency would be distributed by the partner banks, namely SBI, ICICI, YES bank, IDFC bank for the first phase, in the denominations same as paper notes & coins currently in use.

Prima facie, e-Rupi is a spitting image of Popular UPI. Their modus operandi is identical i.e. You whip out your phone, scan the QR code, enter a 4-digits password & ta-da payment done. Looking deep, one can track down the differences between both.

How does it work?

As put together by NPCI, It is a one-time payment mechanism that allows users to redeem e-Rupi vouchers without any card, digital payment apps or internet banking.

This means it is a digital wallet offered by participating banks & capable of being stored on mobile & similar devices. Unlike UPI it is not a platform, but physical cash stored digitally.

Presently, it has been offered separately under 2 segments - retail & wholesale, both having different mechanisms.

In the retail segment, it follows a token-based mechanism that is open to use for private sector, non-financial customers and businesses allowing both Person to Person (P2P) & Person to Merchant (P2M) transactions. Whereas, under the wholesale segment, only restricted access to selected financial institutions has been given.

Initial reports are suggesting that under e-Rupi payment system, money will flow directly from wallet to wallet eliminating Banks as operating intermediaries which concludes digital wallets under e-Rupi shall not be required to link with bank accounts extending the benefits of Digi-payments to non-bank account holders through a simple KYC. Infact, claims are being made that offline transactions would be permitted under CBDC as e-Rupi voucher will be shared with beneficiary via SMS or QR code.

Why e-Rupi over UPI?

For a population which is set to rise to 1.5 billion in 2030, it is very significant to increase payment efficiency, better access to money, lower transaction costs & safety in transactions which is where e-Rupi comes to play:

1. Ease transaction cost burden – UPI players like PhonePe& GooglePay charge transaction fees, known as merchant discount rate, which is borne by Banks under strict Government directions. This figure comes close to 8400 cr. For 2021-2022.

2. Replacing paper currency & reducing printing cost – e-rupi is like the e- version of cash offering almost same features and has potential to reduce paper currency needs of country saving thousands of bucks in annual printing cost to government.

3. Safety in transactions – unlike UPI, it is an end-to-end payment destination involving only payer & receiver making it safer.

4. Benefitting Rural population – the remote & rural population having limited internet facilities, no debit cards or no bank accounts would be greatly benefit.

To sum up, e-Rupi will roll out nationally to further boost the digitalization campaign running. While it is too early to tell if it can live upto its potential, the early signs are promising.

HIMANSHI GARG
NRO0479396

ARTIFICIAL INTELLIGENCE: BLESSING OR CURSE TO THE HUMAN CIVILISATION IN THE LONGER RUN

In our day to day lives we often question... What's the Next Big Thing in the Technological world?

The answer more often than not is "ARTIFICAL INTELLIGENCE ". A famous quote by Dave Water states that," Predicting the future isn't magic, its artificial intelligence ". But what exactly is Artificial intelligence and the mystery revolving around it! Let's unravel the pandora's box.
AI refers to the emerging technology that facilitates intelligence and human capabilities of

sense, comprehend thereby letting machines imitate human behaviour.

Concept of AI goes back to the classical ages. Under Greek Mythology, the concept of machines and mechanical men were well thought of. But, the real genesis of AI is considered to be in the year 1956 which is regarded as the birth year of AI. John Mc Carty, popularly known as the Father of AI first coined the term AI at Dartmouth conference followed by the establishment of First AI Laboratory in 1959. Since, then there has been no looking back, with each passing decade the AI field has been adding feathers to its wings.

Now, dear reader you may be wondering where does INDIA stand at the global level in terms of AI. As the fastest growing economy with world's second largest population, India has significant stake in AI revolution. Its origin in India can be traced back to the first program on AI conducted in 1960's at IIT Kanpur but it was 1990's with the opening of Indian economy that AI presence in India grew substantially.

Its importance can be highlighted from the fact that GOI has mandated India's National Think Tank, the NITI AYOG to establish the National Program on AI in 2018 – to guide the R&D work in AI Enabled technologies. Many programmes and initiatives are being undertaken for developing the AI industry in India so that its potential can be fully exploited for furthering country's economic & social progress. This is the reason India's AI program is widely known as "AI for ALL".

But what are the Facets of AI? Despite being a 2 simple word, the meaning it possess is like an iceberg in the ocean. Let us measure this iceberg in brief.
AI Has following 5 primary domains
  ➢ MACHINE LEARNING
  ➢ DEEP LEARNING
  ➢ NATURAL LANGUAGE PROCESSING
  ➢ COMPUTER VISION
  ➢ DATA SCIENCE
JUST LIKE A COIN HAS 2 sides to it, a tail and a head. Let us understand the pros and cons of AI

PROS

1. Minimises the possibility of error
2. Longer working hours and time saving
3. Easy execution of complex tasks
4. Autocorrecting tools
5. More accurate and precise

CONS

1. Biased AI
2. Unemployment among people
3. AI Terrorism
4. Unregulated sector

AI is currently being used across various fields. Some of the illustrative examples are as follows:

➢ HealthCare industry: Doctors can easily evaluate Patient's health risks

➢ Agriculture: Food Revolution, Crop Production through advanced detection of pest

➢ attacks, Real time advisory

➢ Transport, Logistics: Delivery tracking

➢ Energy: Smart Meters

➢ Smart cities

➢ Education & skills: From 2020 onwards CBSE has integrated AI to the curriculum.

There is no doubt that AI has enormous potential to make the world a better place to live in. But it depends on 'WE THE PEOPLE "to utilise its virtues rather than its negative deeds. At Last, would like to conclude through a famous quote: "TECHNOLOGY IS A USEFUL SERVANT BUT A DANGEROUS MASTER".

NIKHIL BASU AGARWAL
CRO0628051

CREATIVE CORNER
APPRECIATE

Appreciate those,
Who appreciate you.
The more you give,
The more you get back,
Spread Positivity.
Appreciate those
 Who love us,
When we can't love ourselves,
Who holds our hand,
When we seek support,
Who speaks the truth,
When the truth hurts,
Who let us be us,
As we better ourselves.
Appreciation takes nothing away,
But gives so much positivity,
It makes ones bond stronger,
So why not do that more often?

SHREYA RATHI
SRO0777829

SNAPSHOTS OF FEBRUARY

Hyderabad Branch of SIRC of ICAI & Hyderabad Branch of SICASA is privileged to host **Grand Finale of CA Students National Talent Search 2022** on February 10, 2022 at Centre of Excellence, ICAI GachibowliHyderabad. It was a great pleasure hosting all the participants from various states across India.

Seen CA. Deepak Ladda, Chairman, Hyderabad Branch, CA. Satish Kumar Mylavarapu, Vice Chairman, CA. Ravi Sankara Reddy P, CA. Chandra Babu M, Chairman SICASA, Jury, Participants and SICASA Volunteer

GLIMPSES OF NATIONAL TALENT SEARCH ART

SICASA Hyderabad has celebrated Success Programme **of International Conference of CA Students Facing the Future Innovative-Integrity-Motivate** on 2nd – 3rd December, 2022 held at ShilpakalaVedika, Hitech city, Hyderabad.

Volunteers, who have consistently offered support and contributed in making a number of events successful.

INVITATION

SICASA Hyderabad is inviting articles for E-Newsletter: INSIGHT for the month of April, 2023. All the students who want to get featured can submit their articles, artworks, poems, short stories etc. which are related to Chartered Accountancy curriculum for our further newsletters.

> **Send us your works on** : sicasahydnewsletter@gmail.com

> **Last date for submission**: 31st March, 2023

Rules:

1. No word limit but the articles shall be confined to topic opted.

2. No plagiarism allowed; content sent should be original.

3. Send your works to the mail with the following attachments:

   - Your work

   - Full name along with student registration number & firm name

   - Passport photo

   - Contact details

   - Subject of email must contain the details of your work (E.g., Article/Artwork etc.)