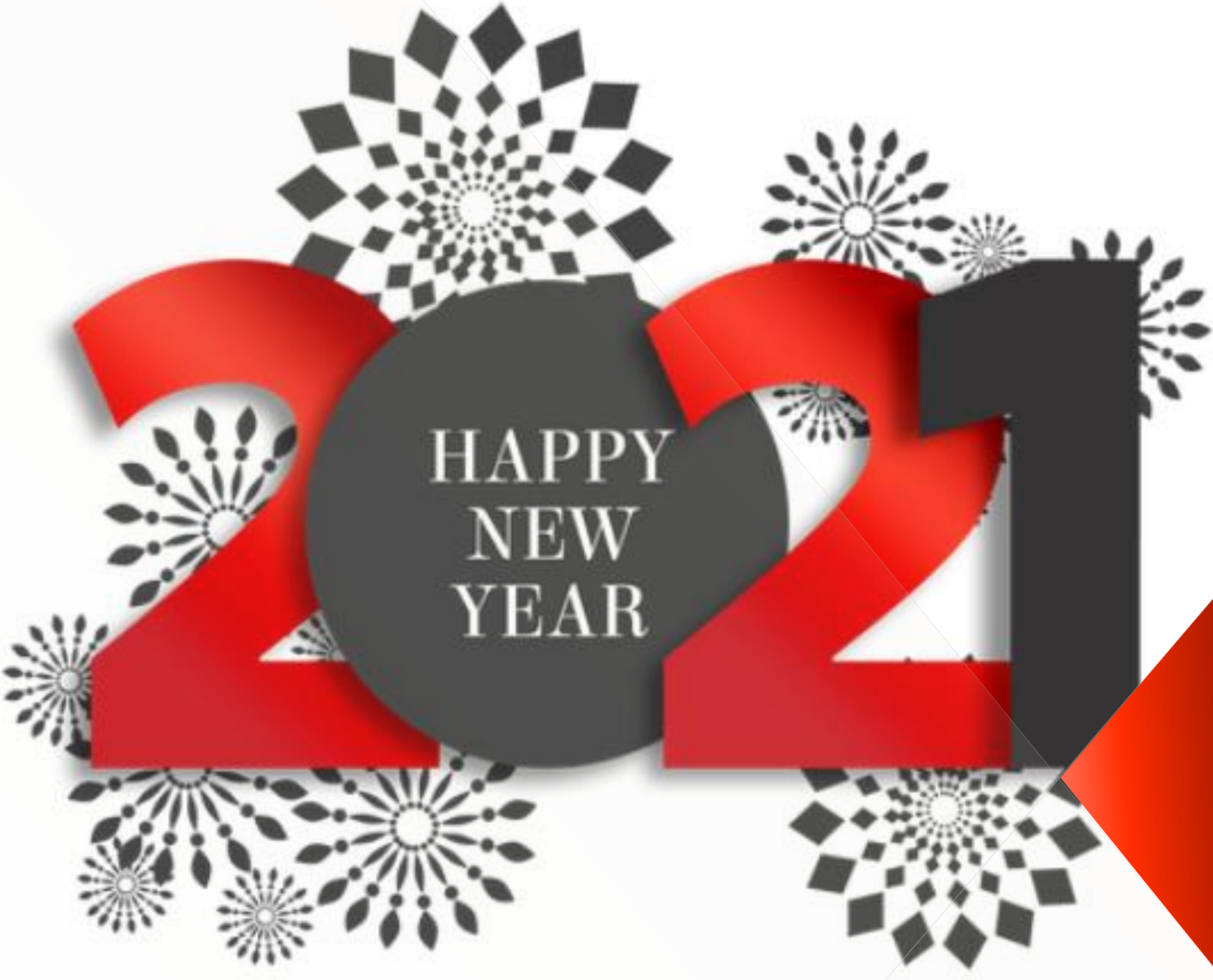
The Institute of Chartered Accountants of India

EICASA of EIRC

E-Newsletter for the month of January 2021



E-Newsletter Committee 2020-21

Shristi Kankaria
Vice-Chairperson,
EICASA

Shashank Agarwal
Secretary,
EICASA

Amit Kedia
Treasurer,
EICASA

Manali Saha
MCM,
EICASA

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Message from Chairman, EICASA

Dear Students

My good wishes to you all. Hope you all are in good health and in peaceful mind. At present there is a rumour about postponement of November 2020 examination. My advice to students is to focus in their exam preparations without paying heed to such unconfirmed news.

Success in your exam can be ensured only when you take your examinations seriously and you ensure that you study well, please stay motivated and determined and start working towards accomplishing yours goals.
In the mean time, election process of new managing committee of EICASA for 2020-21 has been completed and the following students have been elected as the new office bearers.

1. Ms. Shristi Kankaria	**Vice-Chairperson**
2. Sri Shashank Kumar Agarwal	**Secretary**
3. Sri Amit Kedia	**Treasurer**

My Congratulations to all the newly elected Managing committee members and office bearers of EICASA 2020-21. The new team is committed to organize various programs for the benefit of the students. At the end I request each one of you to take the required precautions to keep your self safe from the Covid 19 virus.

Thanking you All
CA Sunil Kumar Sahoo
Vice Chairman EIRC & Chairman EICASA

Message from Vice-Chairperson, EICASA

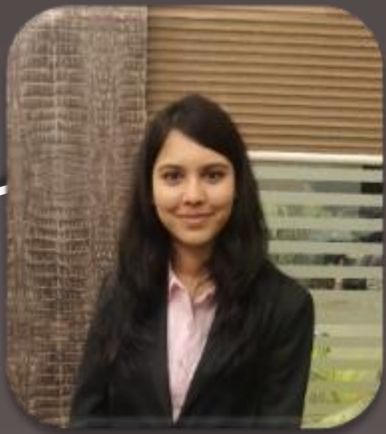
Starting with a famous quote by Winston Churchill, I extend my wishes to all the readers, students and other respected members a very happy and prosperous New Year! As the calendar changes, let us hope the fate too changes and we rise to the new beginning. We have witnessed in the last one year so many ups and down and this year showed us that to persist is to win. We have witnessed how effectively and effectively our institute conducted the exams in the wake of covid pandemic. How new era of digitalisation started and IT overtook in every spheres of life.

I would also like to congratulate our new EICASA team for the new beginning. In our new team we have members from different spheres who not only excel in studies but also in many other co curricular activity. I invite others as well if you want to join and be a part of this wonderful organisation. During the month we were glad we organised several events, one of which were blood donation camps. Donating blood is the biggest donation one can do in ones life as this has the power to save a life. Apart from blood donation, we also organised the trade mark event of EICASA **"CAEiSTA"** for which students eagerly wait as they are able to showcase their skills and prove that we future Chartered Accountants not only excel academically but in many other fields. I would also like to congratulate all those who had exams in the month of January and extend all the best wishes to those whose results would be out soon. May who appeared for their respective exams come out in flying colours.

Thanks and Regards
Shristi Kankaria
Vice-Chairperson, EICASA

Article: Wealth Creation, Maintenance & Growth

By:
Muskan Minda
ERO-0228090



WHAT IS WEALTH CREATION??

Wealth creation means anything which could be maintained, owned and controlled, and have monitory value or have the potential to create the monitory value. **Assets and resources** could be tangible like a house, car, furniture, machinery etc. or any intangible like copyrights, goodwill, patents, trademarks etc. For an organization, the building, machinery, the land, inventory etc. are the wealth formation and creation strategies. But the employees are not assets, though they possess the potential to create monitory value. Employees are not assets because the company don't have ownership of them or have sufficient control over them. They are called as resources of a company.

Wealth Creation Strategies and Ideas:

How to build wealth? This is one of the major questions where people are searching for the answer. Here we will define various ways of wealth creation tips as well as wealth creation strategies which will help you manage your **personal finance** and do retirement planning. Wealth creation and accumulation is the dream of every individual. Here are a few ideas for wealth creation:

1. Starting a Business:

These days, there is an entrepreneurship boom in India. Everybody seems to begin or wants to begin, at least, his own business. Business and Commerce could be a very good asset if it is executed well. For return on **investment**, the sky is the limit. It is a very sensitive thing to deal with since risks are very high and it requires heavy involvement of business owner but it proves to break even and generate profit eventually.

2. Real Estate Assets:

One of the finest wealth creation idea for any individual is assets in terms of real estate properties. Why so? Since real estate properties are the most valued and appreciating assets which people generally possess. Investing in real estate could be one of the best way to create assets and accumulate wealth. In the last fifty years, the prices of real estate properties have tremendously grown which had never happened before it.

3. Deposits and Investments:

Investments and Deposits are those assets which make money grow without much involvement of owning it. Most **life insurance** covered products are designed in such a way that the person buying it could accumulate the money to the maximum. For some plans, wealth accumulation is the prime focus. The deposits also help in increasing the money. Typical examples of such assets are – recurring deposits, fixed deposit. Debentures, **Demat**, **bonds**, PPF, and **mutual funds**. Gold and commodities.

4. Loan as an Asset:

In the first instance, loan seems to be a liability, but it could be classified into an asset. There is a huge possibility that by using loan money, an individual can develop a system from which he can earn more than the loan repayment. For example – starting a profitable business using loan money and buying a real estate property which can give higher returns than the loan repayment. The loan could become assets when an individual is taking a loan as well as an individual is giving a loan. It is an asset for the giver as he'll earn interest income out of it.

5. Trademarks, Patents, Copyrights:

The renowned pharmaceutical company Pfizer has traded its patent product on values three times more than the competition. This occurred because that company has got patent for its products and creations because of which no other corporation could claim that name. Hence, the products of that company are seen as a brand product or original product while products from companies in competition are taken as fake products. This is the power and authority of wealth accumulation and creation like patent, trademarks and copyrights.

HOW TO CALCULATE WEALTH?

Wealth is said to be generated by any financial decision if the present value of future cash flows relevant to that decision is greater than the costs incurred to undertake that activity. Increase in wealth is equal to the present value of all future cash flows less the cost/investment. In essence, it is the net present value(NPV) of a financial decision. Increase in Wealth = Present Value of cash inflows – Cost.

WHY IS IT IMPORTANT?

Wealth creation is a procedure of investing in multiple asset classes and categories that eventually help in meeting one's maintenance needs. Hence, wealth creation as an investment strategy plays a substantial role. No one knows what the future expects for them. Hence, it is better to start scheduling for the future from today. Starting savings and investments early will help in the creation of wealth in the long term. Short term reserves will not always amount to the creation of wealth.

Each one of us will reach a point where we are unable to work any longer or earn an income. Planning for a secure livelihood in the future is what wealth creation is all about.

Everyone likes to enjoy a relaxed retirement in a peaceful home in the countryside or a beautiful beach house. Everyone wants financial independence at a young age? But not many can afford it? What if there is a possibility to retire just the way we dreamt of?
The key to all these queries is investing primarily to create wealth.

REASONS WHY WEALTH CREATION IS SIGNIFICANT:

1. Regular income

Investments and savings in assets will help in generating alternate sources of income i.e, creation of wealth. Therefore, during retirement, these investments will be an additional source of income that will help one in retiring peacefully and have financial independence. Also, in a situation of health crisis or emergencies, such investments will help in addressing the contingencies.

2. Retirement planning

The benefits of investments are realized to a greater extent during the post-retirement years. Having a separate retirement deposit will help depositors in living a stress-free and healthy retirement. Retirement is the period where one's savings or investments do the work for them. To generate one such fund, it is vital to start early and invest in a regular manner.

3. Goal-based investing

Goal-based investing is the best way to measure one's financial success. To do so, one should list down all the goals along with timelines and start investing towards them. Beginning small and early will aid in wealth creation. Having a separate investment fund for each goal will help in achieving them sooner. Therefore, aligning investments to financial goals will help individuals to create wealth.

WEALTH MAINTENANCE-

The monetary capital maintenance concept is echoed in conventional or historic cost accounting. Monetary capital maintenance concept assumes a stagnant unit of measurement to determine the income by comparing the end-of-the-year capital with the beginning capital. Changes in the price levels during the period is not recognized.

The Goals of Shareholder Wealth Maximization

Who owns a corporation? Shareholders do. These are the businesses, individuals and institutions that have an ownership interest in a company after acquiring shares of that company's stock. Even if your business entity is a one-party concern, you are the shareholder based on your invested interest in your business. As shareholders own the firm, they are owners of the profits of the firm.

Shareholder capital and wealth is the apt goal of a business firm in an industrial society, whereby there is the private possession of goods and services by individuals. Those individuals own the means of production by the business to make money. The profits from the businesses in the economy accrue to the individuals.

Shareholder Wealth Maximization 101:

When business administrators try to capitalize on the wealth of their firm, they are trying to escalate the company's stock price. As the stock price rises, the value of the firm rises, as well as the shareholders' wealth.

Grow Your Wealth in 2021:

Figuring out how to capitalize on money can be a real challenge. There's certainly no shortage of data on investing available in the digital age. However, too much information can be overwhelming. Right? That's why we made a guide to help you get a solid grasp of investing. We structured the information in a way that is comprehensive yet not overly complicated.

1. The Stock Market

The most common and perhaps most valuable place for a financier to put their money is into the stock market. When one purchases a stock, then one will own a small portion of the company it has bought into. When that company profits, the one whose shares had been bought, they may then pay you a portion of those profits in the form of dividends based on the number of shares of stock you own. As the value of the company develops over time, so do the worth of the shares one owns, meaning that one can sell them at a later date for a profit.

2. Investment Bonds

When one acquires a bond, one is essentially loaning money to either a business or the government (for Indian investors, this is typically the Indian government, though one can buy foreign bonds as well).The government or the company which is selling you the bond will then pay you interest income on the "loan" for the bond's lifecycle. Bonds are considered 'less risky' than equity stocks, however, their potential for returns is also much lower as well.

3. Mutual Funds

Rather than purchasing a single stock, mutual funds enable you to purchase a pool of stocks in one acquisition. The stocks in a mutual fund are handpicked and managed by a mutual fund manager or an agent. These mutual fund managers or agents charge a percentage based fee as one invests in mutual funds on the value of assets being managed by them. Most of the time, such management fee makes it difficult for investors to beat the market when they invest in mutual funds. Most mutual fund investors don't beat the stock market.

4. Savings Accounts

By far, the minimum risky way to invest your money is to put it in a savings account and allow it to collect interest income. However, low risk means low returns. The risk of putting your money into a savings account is negligible, and there are little to no returns. Still, savings accounts in today's time also play a huge role in investing as they allow you to stockpile a risk-free sum of money that you can use to purchase other investments or use in times of emergencies so you don't touch your other investment

5. Physical Commodities

Physical commodities are such reserves that you physically own, like gold or silver commodity. These act as a safeguard against tough economic times.

An Example of Wealth Maintenance and Growth:

Say you start investing when you're 16…

As impractical as it may sound to start financing and investing that young, say you got a small bequest and you decided to capitalize it—if you put Five thousand Dollars in an account with an interest rate of 7% and contribute an extra Two Hundred Dollar a month, after thirty years you'll have a little over $284,000.

GOVERNMENT INITIATIVES

- There might be some deficiency in the revenue collection by the government due to the cut in the corporate tax rate, pandemic, the slowdown of the economy. Now to fulfill the deficiency the government either has to increase its revenue or decrease its expense. There are generally 2 ways to do this, either increase the tax or it will try to attack black money but, the money collected from such processes will not be able to compensate for the deficiency. So what the government might do, that it will adopt the step of introducing helicopter money (it's a technical term for printing notes). These are the various ways by which the government can increase their income but it will also focus on decreasing its expenses, but technically such decrease in government expenditure is not possible because this has a direct effect on the GDP and the whole purpose of increasing the GDP will go in vain.
- Now what government can do is disinvestment i.e. it can sell its own company – Air India, BSNL, etc. which are a kind of white elephants, but then selling is also not that easy due to various disagreement among the employee and because of the risk of the employee. So maybe this can be one of the biggest ways the government could cover up the money and help in the process of wealth generation, maintenance and growth.

CONCLUSION:

Creating, generating assets, accumulating and investing wealth is not that difficult in today's scenario. Indian Government has taken many initiatives like "Make in India", "**Startup** India", and "Skill India" which help a common man of India to move forward in a big way and can help in wealth creation and accumulation for self and the nation. Creating wealth and accumulate it for your future protection. Hence, wealth creation is the process whereby an individual invests in various asset classes to fulfill its investment needs. Then such wealth is maintained and maximized and the aim of growing such investments is undertaken. Wealth creation is easy when done right. Discipline to investing is the key to create wealth. Early investment will help in multiplying returns by taking advantage of the rule of compounding. When wealth creation is aligned along with financial or life goals, it helps investors to stay driven and motivated.

Article: Concept of Tax Information Exchange Agreement in India with Tax Havens and Secrecy Jurisdictions.

By:
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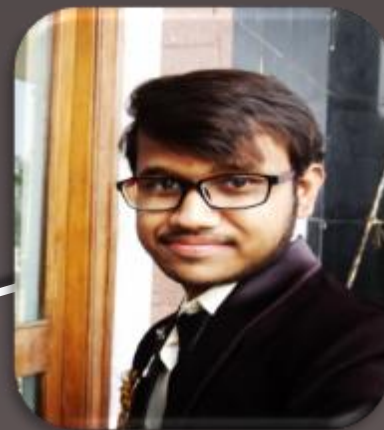


There is a great and importance of Tax Information Exchange Agreement in India because as per section 90(1) of Income Tax Act, 1961, Government of India i.e. Central Government can enter into Double Taxation Avoidance Agreement with other countries so as to avoid double taxation of income in both the countries. The basic concept behind DTAA is to ensure that there should not be undue hardship in the hands of tax payers i.e. income earned in one country should not be taxed twice because of source and residence criteria in both countries and most importantly DTAA contains article usually article no. 26 which deals with Exchange of Tax Information which provides for various tax and financial information about the resident persons who have invested or have any significance financial presence in that territory to the other territory.

But what about other countries where there is no provision of income tax for taxing the income i.e. Tax haven Countries and Secrecy Jurisdictions.

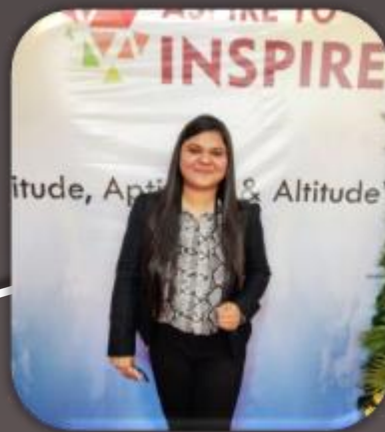
Yes, there are many countries and territories which exist in the world where there is no provision of taxation like Bermuda, Bahamas, British Virgin Islands, Cayman Islands, and Argentina etc. In such cases DTAA are of no use as there is no double taxation as income will be taxable only in one country or territory. Also if there is no DTAA, there would be no exchange of Tax Information between the countries which results in tax evasion as person resident in one country can easily park their unaccounted money and wealth in other countries with which India has no DTAA, thereby leading to no exchange of Tax Information. Therefore the concept of TIEA's emerged so that India can easily have an access to sensitive information about their resident persons in other countries.

India has taken proactive steps to combat the menace of illicit funds generated both as a result of tax evasion and corruption. Firstly, the government of India increased the cooperation with other countries by entering into tax treaties i.e. DTAA's and Tax Information Exchange Agreements and secondly laying down anti avoidance regime like section 94A in jurisdictions where there is a lack of effective exchange of information.

Accordingly, India has entered into TIEA's with certain countries like Bahamas, Bermuda, British Virgin Islands, Cayman Islands, Jersey etc. The move is in line with the decision taken in G-20, which took up the issue of Tax Havens and Tax Evasions. In this way concept of TIEA's introduced in India. TIEA's proved to be a boon for Indian Tax Administration by providing sensitive financial information about the residents of India who has accumulated wealth outside India in these countries.

Article: IMPACT OF NEW ORDINANCE' 2019 ON ECONOMY &BUSINESS

By:
Zoya Seraj
ERO-0227722



INTRODUCTION:

Over the years, India has witnessed numerous tax reforms. On 20 September 2019– in yet another attempt to enhance the country's attractiveness as a business destination, boost investment and encourage manufacturing – the government introduced the Taxation Laws (Amendment) Ordinance 2019, which amended the Income Tax (IT) Act 1961 and the finance (No 2) Act 2019. These measures, which are estimated to cost the government Rs.1,45,000 Crore in revenue annually, appear to have a positive effect so far with stocks showing the biggest gain in a decade and the rupee rallying after the announcement. Finance Minister Nirmala Sitharaman has made significant cuts to India's corporate tax rates. In addition, the recent Goods and Services Tax Council meeting introduced a host of measures to boost market sentiment. These amendments are expected to have a positive impact on the Indian economy.

Introduction of New Ordinance 2019;

Parliament passes Taxation Laws (Amendment) Bill, 2019

The Taxation Laws (Amendment) Bill, 2019 provides the new domestic manufacturing companies with an option to pay income tax at the rate of 15 percent. The ***Taxation Laws (Amendment) Bill, 2019***, which seeks to amend the Income Tax Act 1961, has been passed by the Parliament. The bill was passed by the **Rajya Sabha** on December 5, 2019. The Lok Sabah had passed the bill earlier on December 2. The bill will replace an ordinance promulgated by the President in September 2019 to reduce corporate tax rates. The bill will amend both the **Income Tax Act 1961** and the **Finance (No 2) Act 2019**.

AMENDMENTS TO INCOME-TAX ACT, 1961: KEY FEATURES AND ITS CORRESPONDING IMPACT

1) Impact on Domestic Companies: Concessional tax rate(Section 115BAA):

The domestic company can opt for a lower rate of tax of 22 percent plus surcharge and cess for AY 2020-21 onwards, subject to the total income of the company computed after several deductions. The Taxation Laws (Amendment) Bill, 2019 provides the domestic companies with an alternative to pay tax at the rate of 22 percent, as long as they do not claim certain deductions under the Income Tax Act. Presently, the domestic companies with an annual turnover of up to Rs 400 crore pay income tax at the rate of 25 percent and other domestic companies have to pay taxes at the rate of 30 percent.

The domestic companies have the right to choose for the new reduced tax rates in the fiscal year 2019-20 or any other fiscal year in the future. Once the company makes the choice of the tax rate, it will apply for all subsequent years.

2) Impact on Manufacturing Companies: (Section 115BAB)

The Bill also provides the new domestic manufacturing companies with an option to pay income tax at the rate of 15 percent plus surcharge and cess for AY 2020-21, as long as they do not claim certain deductions. The new domestic manufacturing companies must be set up and registered after September 30, 2019, and should start manufacturing before April 1, 2023.

3) Impact of Relief in the rate of MAT (Section 115JB)

The provisions regarding payment of Minimum Alternate Tax (MAT) will not be applicable to companies opting for the new tax rates. The provisions regarding MAT credit will also not be applicable to the domestic companies opting for the new rates. The tax ordinance reduced the rate of MAT for companies not opting for the new tax rates from 18.5 percent to 15 percent with effect from the fiscal year 2019-20. The new taxation bill amends the provision and makes the reduced rate of MAT applicable from the fiscal year 2020-21.

4) No retrospective application of buy-back tax for listed companies

As of 5 July 2019, the Finance (No 2) Act 2019 brought the buy-back of listed companies within the ambit of tax under Section 115QA of the IT Act. Instances where a public announcement for buy-back was made before 5 July 2019 but the necessary approvals were not received until 5 July 2019 also fell within the ambit of Section 115QA of the IT Act which was subject to buy-back tax. In order to provide relief in such cases, the ordinance has inserted a proviso into Section 115QA of the IT Act to provide that buy-back tax does not apply to listed companies where a public announcement in respect of buy-back was made before 5 July 2019.

5) Impact of relaxation of Surcharge rate

The Finance (No 2) Act 2019 introduced increased surcharges of 25% and 37% of income tax if the total income exceeds Rs2 Crore or Rs5 Crore, respectively. The ordinance provides relief from these increased surcharges in case of 'foreign institutional investors', as referred to in Section 115AD of the IT Act, in respect of income from capital gains which arise on the sale of securities.

The surcharge in respect of capital gains covered by Sections 111A and 112A of the IT Act is capped at 15%.

The revised surcharge rate is as follows.

INR	Income other than capital gains covered under Sections 111A and 112A	Capital gains covered under Sections 111A and 112A
<= Rs50 lakhs	Nil	**Nil**
>Rs50 lakhs to <=Rs1 crore	10%	**10%**
>Rs1 crore to <=Rs2 crore	15%	**15%**
>Rs2 crore to <=Rs5 crore	25%	**15%**
More than Rs5 crore	**37%**	**15%**

Effective tax rates

Following the above amendments, the effective tax rates (including applicable surcharge and 4% education cess) for domestic companies are as follows.

Total Income	Where turnover in the fiscal year 2017-18 does not exceed Rs400crore	Companies opting to be governed by Section115BA	Companies opting to be governed by Section115BAA	Companies opting to be governed by Section115BAB	All other companies
Up to Rs1 crore	26%	26%	25.168%	17.16%	31.20%
Rs1 crore to Rs10 crore	27.82%	27.82%	25.168%	17.16%	33.384%
More than Rs10 crore	29.12%	29.12%	25.168%	17.16%	34.944%

Need for the Ordinance:

The move will alter the profitability dynamic of the Indian corporate ecosystem.

Lower taxes ideally, results in higher profit margins. This should bolster their books, and some of these companies should be able to pass on the higher margins in the form of lower product prices to consumers.

Lower corporate income tax rates and the resultant change in profitability will prompt companies to invest more, raising their capital expenditure (CAPEX). This is particularly true for those who have the funds but have remained non-committal on deploying investible amount in adding new capacity lines.

Additional capacities through a second-round effect, prompt these companies to hire more employees.

Impact on Economy and Business:

• **Relief to the Big Company:** Big companies got a relief of close to 10 percentage points in the effective tax rate, including cess and surcharge. Corporate tax rates around the world have decreased with time since it has a huge impact on business decisions.

•**Give and take**: Companies take advantage of such concession to reduce tax liability just like you park your funds in tax savings schemes to reduce tax and cut your tax burden. In 2018-19 the government's revenue is forgone in the form of about 28 incentives and tax exemptions to companies were 108785 crores. That means if all companies were to shift to the lower corporate tax rate, the government will also get to save over Rs 1 Lakh crore.

•**Papers vs real gains: The** While there is a 10% difference between the effective corporate tax rate before (35%) and after (25%) the relief was announced, it's not as much when one looks at the actual tax paid by companies. For instance, in 2018-19, the actual tax rate for Reliance Industries and TCS, two of India's biggest companies by profitability and market capitalization worked out to 25.76% and 26.13% respectively.

•**Dividends of Profit**: Lower corporate tax rate is as much good news for government-owned companies as the private sectors PSUs report good numbers, government n as their biggest shareholder, get more dividends. According to a Bank of America Merrill Lynch report, the PSUs that are part of the BSE500 index will save over Rs19000 crore in taxes (based on their profit in 2018-19) and about Rs 10,000 crore I likely to flow back to the government as dividend or dividend distribution tax.

•**Rise in Sensex**: The result of this the Sensex rose 5.3% in a single day the biggest gain in a decade.

•**Estimated Rise in GDP**: The Ministry of Finance has estimated the revenue impact of new tax rates and other measures under the Ordinance (includes exemptions to capital gains of certain investors from increased surcharge rates) at Rs 1.45 Lakh crore. This could increase the fiscal deficit for the year 2019-20 from 3.3% of GDP to 4% of GDP.

•**Increase in Competition and in Investment: After** this cut, the base corporate tax rate in India has become competitive and should help boost investment Reduction in corporate tax was a long-pending demand of Indian firms. India is likely to attract investors looking to move out of China.

•**Increase in tax payment percentage: In** 2017-18, 29% of the 8.4 Lakh companies paid taxes at an effective rate which is higher than 25%. The Ordinance also allows these companies a lower statutory tax rate option of 25.17%.

•**Manufacturing Sector: In** the case of the manufacturing sector of the industry, the effective tax rate after deductions was 28% in 2017-18. This is greater than the 17.16% statutory tax rate option provided under the Ordinance for new domestic manufacturing companies.

•**MAT Provisions: The** Ordinance specifies that the MAT provisions (Section 115JB of the IT Act) will not apply to companies opting for the new rates. It does not amend Section 115JAA, which also allows companies to utilize MAT credit available with them to pay tax.

Case study on previous rate cuts:

The Union Budget of India for the year 1997–1998, is also called the Dream Budget by the Indian media, which was presented on February 28, 1997, by Finance Minister P. Chidambaram. The budget presented a road map for economic reforms in India and included lowering income tax rates, removal of the surcharge on corporate taxes, and reduced corporate tax rates. Chidambaram did away with the surcharges on corporate tax and slashed the tax rate to 35 per cent. He also cut the peak customs duty rate to 40 per cent from 50 per cent. The economic theory of Laffer Curve shows the relationship between rates of taxation and the government revenue. According to this theory, raising taxes cannot be a surefire way to raise revenues. Chidambaram's corporate tax cuts were based on the hope that it would increase tax compliance as high rates had proved to be a big dampener. It is difficult to gauge the immediate impact of Chidambaram's potentially far-reaching steps because a little while after the Dream Budget the debilitating Asian financial crisis had set in, roiling all economies in the region. But one of the biggest long-term impacts of the Dream Budget has been on income tax collections, which grew from Rs 18,700 crore in 1997 to over Rs 2 Lakh crore in 2013.

Concluding Remarks:

There are many issues that may require critical and in-depth analysis before the option under section 115BAA or section 115BAB is exercised by the companies. Any wrong decision chosen may lead to undesired consequences in the future and the whole planning or exercise might go in vain. It is very important to understand each nuance of the issues in the Bill. The implications should be thoroughly examined before the option is exercised. This is because one could enter into the provision but it cannot exit easily from the provisions after its entry. The ordinance introduction will have a direct impact on the economy and business which would promote the companies development along with the collective development of the nation. To support this ordinance it is said that the govt may likely reduce tax rates for individual taxpayers in Budget 2020 to spur demand and lift economic growth.

Article:
Bitcoins

By:
Aman Dahlan
ERO-0228217

Today, **bitcoin** is one of the most trending topics on search engines and social media, as investors attempt to keep up with its often dizzying see-sawing in the price – with the coin surging to nearly ₹30 Lakh.
The question arises why do we need a different currency when we have fiat money that is a promise by the Central bank of a country i.e., RBI in India case? There are certain challenges that are visible in how **fiat** money works. **Firstly**, it is **centralized** and that means you don't have the control or you don't have the control over what the bank is doing with your money. All that you know is that you have the money but how is that money being used you don't have that control because that is a right of your bank, and not yours. **Secondly,** if the **government** wants to demonetize this money at some point, they can we all know what happened in demonetization back in 2016, the government said that we are demonetizing 500- and 1000-rupee notes. And you don't have control over that. The government can void this value anytime. All the ledger details accounting system everything is maintained by the bank which gives them unnecessary and very high power over your money.

And that's why **BITCOIN**

The global economy is inevitably moving towards a **digital** eco-system. From investment to money transfer, everything is going paperless. The newest and most promising addition to the digital payment sector is cryptocurrency. When cryptocurrency is created, all confirmed transactions are stored in a public ledger. All identities of coin owners are encrypted to ensure the legitimacy of record keeping. This public ledger is also referred to as a “transaction blockchain”. **Blockchain technology** ensures secure digital transactions through encryption and “smart contracts” that make the entity virtually unhackable and void of fraud.

A currency that nobody owns it's not centralized. It is decentralized and it is transparent. You are the only one who controls the money you are the only one who knows who you gave it to why how and when, and nobody owns it centrally. A man called **Satoshi Nakamoto** had written a research paper back in October 2008. No one knows who is Satoshi Nakamoto, where does he lives is even real or somebody as use an alias to write a paper.

But he was the first one to explain Bitcoin Concept which would be decentralized fully and how will it work. when you make the transaction, the transaction gets stored in thousands of computers around the world at the same time which means that there is no central authority who has the record of that transaction. Thousands of computers in the world record that transaction in real-time, who made the transaction which is you and your address no one else would know. Anyone can access any transaction at any point of time they can't do anything to it they can't change it they can't delete it or edited but they can see it when they see it. They don't know who is it or who has it's been transferred. the transaction is blocked forever and ever.

And now the question why is bitcoin so heavily priced this is because of the reason that bitcoins are limited. Bitcoin is only 21 million in number, meaning at any point of time there will always the only 21 million Bitcoin in the world, Gold has some value because it is a rare metal and the supply of gold is limited in the world, same is with bitcoin the total supply in the protocol is pre-decided, the good news is that Bitcoin can be divided into very small parts since it is a digital currency so you can transfer someone 0.000004782 Bitcoin. This means 21 million is a limited number and it can be divided into smaller parts. The price of crypto completely depends on market forces, which is the interaction between demand and supply forces. If at some point if bitcoin as a currency becomes something that is world used frequently, used at scale. Then its value will increase just like you observe daily that the price of US dollars fluctuates at some point it was for 50 rupees and now it is for 75 rupees.

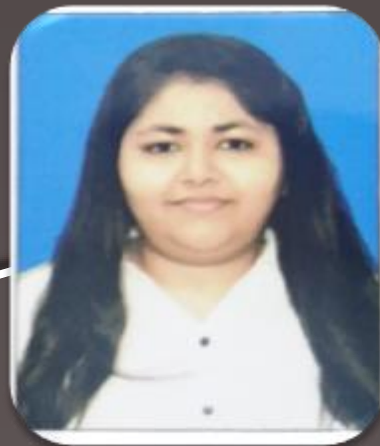
In the same way, Bitcoin also keep changing but because

1. It is limited it will never go beyond that number.
2. Speculation. it means that people think that its value will increase significantly in the future it is not like right now a lot of people are using Bitcoin

It really does need to be taken into account that a crypto is a form of currency that has been in existence for approximately only 10 years. It isn't gold and it isn't fiat. This is a brand new technology that has already illustrated its ability to fundamentally disrupt the global financial system. But it isn't perfect by any stretch.
Crypto, or digital, or virtual currencies have created a paradigm shift in the way we look at money. The way we look at potentially buying it. The way we look at potentially spending it.

Article:
Needs or Dreams

By:
Mehak Agarwal
CRO-0616130



Needs or dreams,
What to choose? Are today's loudest screams,
You can choose one, and let go other,
But, would that make you feel content further?
Needs are important to fulfil responsibilities & expectation,
But, is it necessary to do that by killing your self reputation?
Yeah, you can take up both too, alongside,
But, will it be possible in a long ride?
Rather, Be Brave & choose your dream,
Yeah! It would be difficult initially, but would become better once you reach the beam,
It could take time to reach the level,
But, once you do, all the opportunity will automatically ravel,
As it's said, follow your heart,
And rest will follow itself. So, head towards your dream,
leaving behind all the ifs and buts in the cart.

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10th January
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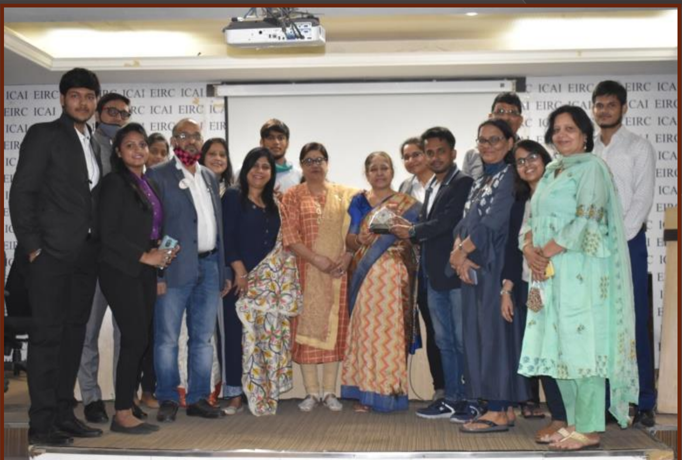

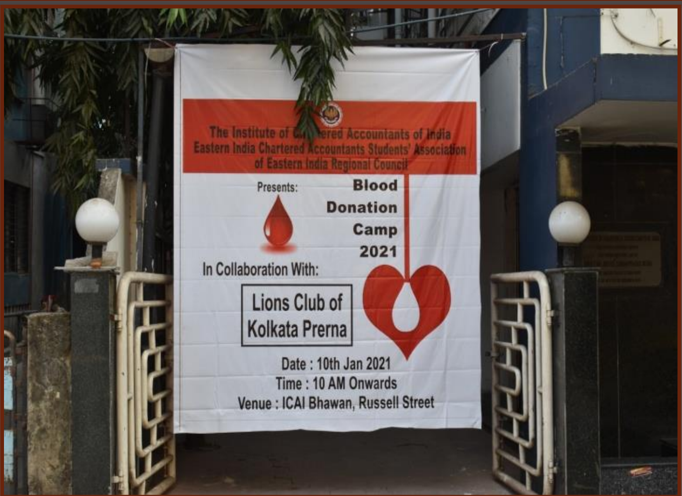

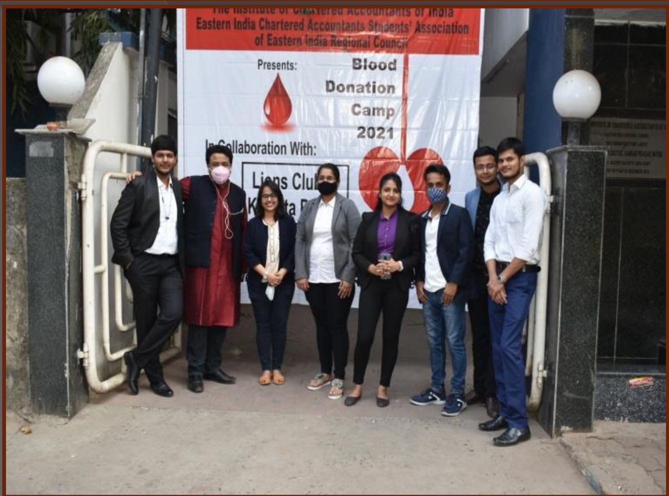

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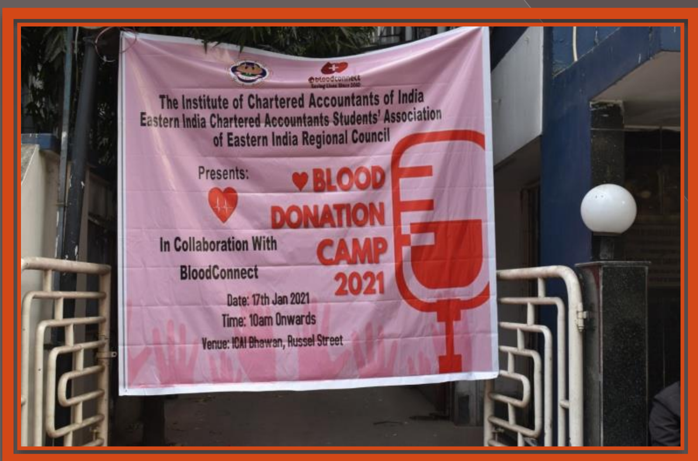

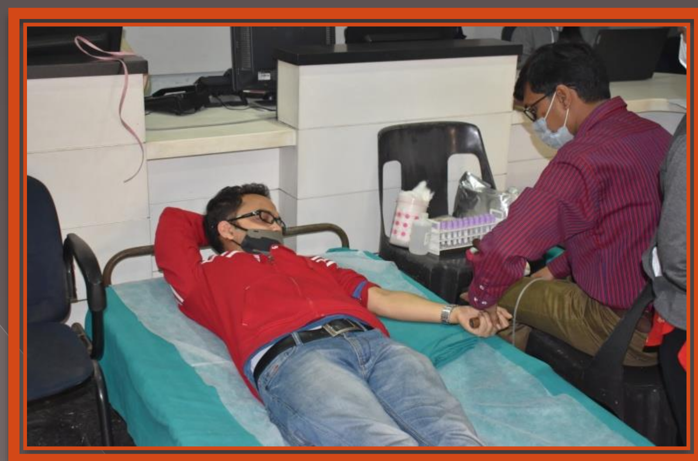

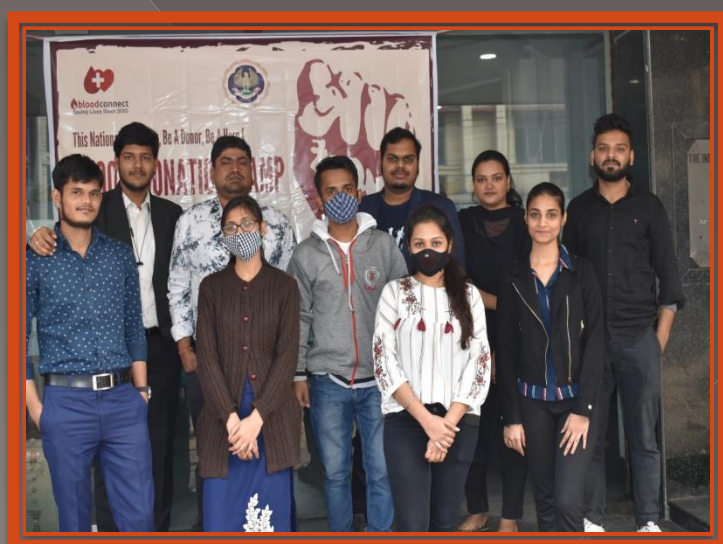

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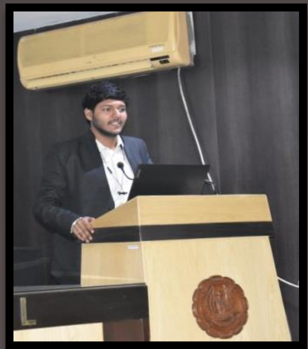

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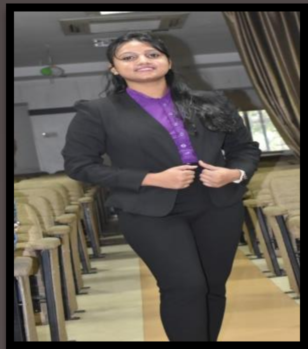

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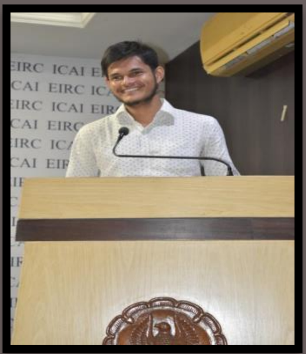

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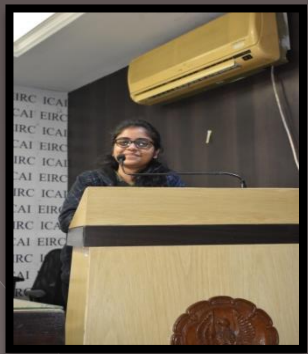

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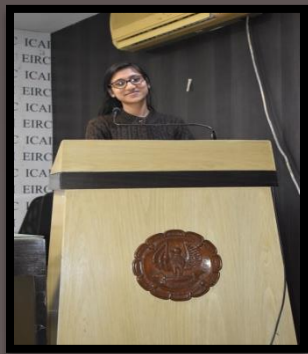

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Announcement by ICAI

Change of Examination Centre for January / February 2021. - (18-01-2021)
List of Awardees for 'ICAI International Research Awards 2020' and List of Awardees for 'ICAI Awards for Excellence in Financial Reporting 2019-20' held on January 17, 2021. - (18-01-2021)
Clarification on holding of AGM through VC (Video Conferencing) or OAVM (Other Audio Visual Means) - (18-01-2021)
Availability of Companies Fresh Start Scheme-2020 Form as e-form w.e.f. 16th January, 2021 - (18-01-2021)
Amendment in provision of SEBI (ICDR) Regulations, 2018 relating to cases where minimum promoter's contribution is not required - (18-01-2021)
Scheme for condonation of delay for companies restored on the Register of Companies between 01 December, 2020 and 31 December 2020, under section 252 of the Companies Act, 2013 - (18-01-2021)
Draft Panel for Category of MEF application 2020-21 - (16-01-2021)
New Publication - Compendium of Opinions - Volume XXXVII - (12-01-2021)
Change of Examination Centre for January / February 2021. - (12-01-2021)

For detailed Announcement GoTo:
https://www.icai.org/category/announcements/1

For Question Paper for November 2020 Exams:

1. IPCC (OLD): https://www.icai.org/post/intermediate-integrated-professional-competence-course
2. IPCC(NEW): https://www.icai.org/post/intermediate-course
3. Final (Old): https://www.icai.org/post/final-course-old-scheme-of-education-and-training
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