

A BRIEF REPORT OF WEBINAR CRYPTO CURRENCY - A PARADIGM SHIFT

Held on 14th May 2022 at 9:30 A.M

A webinar on the topic of Cryptocurrency - A Paradigm Shift was organized by the IQAC of MP Birla Institute of Management on Saturday, 14th May 2022 between 09.30 AM and 1.30 PM in association with Southern Economist Journal.

The main objective of the webinar was to: 1) provide insight and understanding regarding the various cryptocurrencies and block chain technology 2) How one can take informed decision before investing on various digital currencies? 3) How the value of cryptocurrencies can be determined by using its fundamentals?

Dr. Pushpa welcomed the expert speakers, Chairman, Director, Principal and participants. **Dr. S Sathyanarayana, Principal, MPBIM**, introduced the topic of the Webinar. Tracing the growth of Cryptocurrency (CC), he identified key questions that bother both government as well as investors and hoped the participants in webinar will have a good take away.

Chairman of MPBIM Er. N Ramanuja inaugurating the webinar gave a bird's eye-view of Cryptocurrencies and underlying problems in today's context. He opined that while paradigms brought in by technological advancements help serving people better it is also a cause of concern considering role of CCs financing trade of drugs, illegal arms trade and money laundering. He referred to the need of regulations and Prime Ministers recent observation that 'it is important that all democratic nations work together on this and ensure it does not end up in wrong hands, which can spoil our youth'.

In the first session, speaker **Sri Vishal Krishnam, Director in the Deals - Tax practice of Price Waterhouse & Co. LLP, India.**, elaborated on the genesis and usage of Cryptocurrencies. He elaborated on genesis of CCs and mining of these currencies. It was very interesting to note following details:

Globally,

- a. There are over 480+ exchanges dealing with CCs
- b. There are over 18,000 cryptocurrencies
- c. Global capitalization of CCs is 1.98 T US\$
- d. There are almost 300,000 transaction of CCs daily globally
- e. Bitcoin touched high of \$64,863 in April 2021
- f. There are over 300Mn CC owners globally

In India the figures are

- a. There are over 10+ exchanges dealing with CCs
- b. There are over 200 currencies traded in India through exchange channels
- c. There are over 50,000 employees in CC industry
- d. Investments in CCs in India is 10+ Bn.US\$
- e. 35.1% own Bitcoins in India
- f. There are over 100Mn CC owners globally

Today CCs have moved from unclear position to regulated position in US and many European countries. While in India, it is banned but legal transaction of CCs exists in the market and people do talk of investments in CCs. China is planning to bring out its own CC. The session witnessed a good interaction by the participants.

In the second session, **Sri. B V Harisha Rao, Associate Principal at Infosys** spoke about Blockchain Technology and touched upon the technical aspects of CCs, legal steps in blockchain, developments, types and applications and its service in many areas. Today Blockchains are used in many applications including land records because of its tamper proof nature. He elaborated on detail of transactions in his slick presentation, explaining various types of blockchains, concept of block and transactions.

In this context, it may be noted that in a bid to foster Blockchain technology for providing various financial services, banks have put in place Indian Banks Blockchain Infrastructure Company Pvt. Ltd., (IBBIC). RBI has been proactive in providing guidance for development of Blockchain based application.

Blockchain technology adoption in the banking, financial services and insurance (BFSI) industry offers a systematic client identification system, based on the distributed ledger technology. Blockchain allows banks and insurance companies to have a well-maintained decentralized data, which helps prevent hacking by cyber-criminals.

Today Blockchain is applied in various fields like BFSI, Energy & Utilities, Government, Healthcare and Life Sciences, Manufacturing, Telecom, Media and Entertainment, Retails and Consumer goods, Travel and Transportation and other like Education, etc.

Business of Blockchain as a Service was USD 1.90 billion in 2019 and is projected to reach USD 24.94 billion USD by 2027. There are many top players in the highly technological field, like IBM, Alibaba, Oracle, Infosys, Accenture, etc.

In the third session focusing on Fundamentals and future opportunities in cryptocurrencies Sri Sanjay Manohar Business Head at Cash Trillion with expertise in Consultation on **International Forex trading and Cryptocurrency platforms**, who is in the business of Cryptocurrencies, touched upon briefly in CCs and Blockchain Technology in his enlightening talk which covered very interesting information on functioning of exchanges, technology revolution /recession, Fundamentals and future of Cryptocurrencies.

Giving info on large CC exchanges He traced the evolution of CCs. Today CCs are accepted as an asset class with bullion, stocks, commodities and Forex. As asset class, it is expected that even among retail 75.8% believe that Crypto will become mainstream within 10 years. 53.8% would buy goods through Crypto. Among institutional investors 82.4% believe that CCs will become mainstream in 10 years. 62.8% believe that trade and investment in crypto will be over 2 times a week. 54.3% will have more than 30% of their portfolio in crypto.

The notable takeaway from his talk was investments in CCs and how it could be beneficial as long-term investment. Despite the business being on a lower trend today it will be very beneficial in long term. He opined that even investments of smaller amounts on long term basis would be very beneficial to even common man.

The webinar was well attended by 86 participants comprising of professors of various universities, practitioners, research scholars and administrators besides few students. It is gratifying to note that besides Bangalore, many of the participants were from other parts of Karnataka (33 participants) and other parts of the country viz., Tamil Nadu (14), Gujrat (5), Andhra Pradesh (5), Kerala (4), Rajasthan (1), Assam (1), Bihar (1), Chandigarh (1), Haryana (1), Uttar Pradesh (3), Maharashtra (7), Jammu & Kashmir (1), Jharkhand (1), Pondicherry (2) and Telangana (2). Further there were also participants from Oman and Ethiopia.

Today, whether any one likes it or not, CCs are here to stay and they define the path of monetary innovation, strongly influencing the economy and financial policy of governments. CCs are bound to proliferate and co-exist with the fiat currencies in the decades to come. Nevertheless, for the present, while this innovation boasts of a more inclusive form of finance, it does remain a risk. It is up to regulators to find an appropriate solutions to take advantage of the development of these assets without putting macro-financial stability at risk.



The webinar on topical issue concluded with vote of thanks by Prof. Manjunath thanked the speakers for their brilliant exposition of the topics, participants for their enthusiastic and proactive participation, making the webinar a success. The thanked Southern Economist for jointly hosting the event and the Chairman, Director & Principal of MPBIM for enabling this absorbing webinar.

The event was coordinated by Dr. Pushpa, Prof. Manjunath, Assistant Professors, MPBIM.