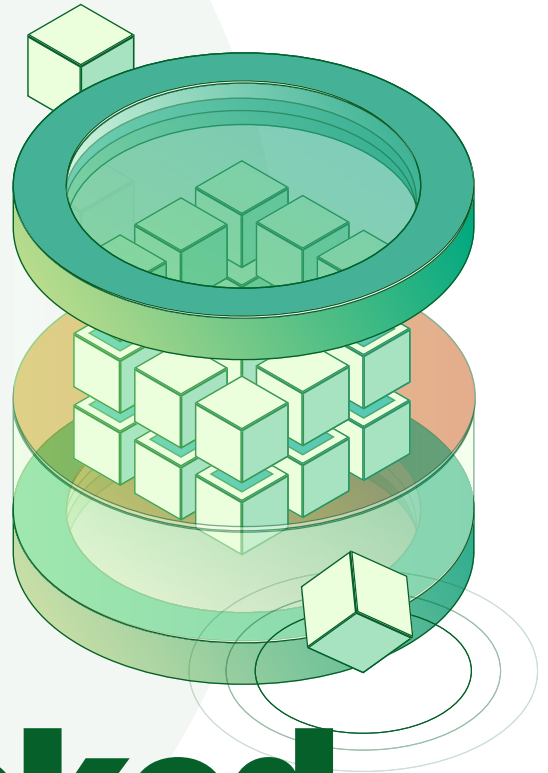




Educate
Collaborate
Promote



Web3 Unpacked

Monthly Newsletter  May '23

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NFTs: Use Cases To Create Value (1/5)

What are NFTs?

In the ever-evolving landscape of the Web3 and crypto-asset space, non-fungible tokens (NFTs) have emerged as a transformative force, bringing a new level of uniqueness, ownership, and value to the digital world. NFTs showcase a paradigm shift in how we interact with and interpret digital assets. While crypto-assets like Bitcoin and Ethereum introduced the concept of virtual digital assets, NFTs have taken it a step further by tokenizing individual, one-of-a-kind assets.

Non-Fungible Tokens, are unique digital assets that exist on the foundation of blockchain technology. The primary purpose of NFTs is to denote authenticity and ownership of an asset. They can represent music clips, videos, animations, digitized artwork, photos, documentations or even a ticket to an event, such as a movie, that took place at a specific time.

The word "non-fungible" means one of a kind, and so NFTs are unique and cannot be replicated or replaced with anything else. For example, Bitcoin is not an NFT, since it is fungible and is mutually interchangeable with another Bitcoin.

Are NFTs just JPEGs?

Many have the misconception that NFTs are just Bored Ape NFTs or JPEGs. While it is easy to mistake NFTs as digital knock-offs for a marketplace for buying and selling art, there are several unique advantages that they offer, which make minting NFTs specifically enticing. NFTs are often linked to external forms of media, including but not limited to JPEGs, tickets, video or music clips, documentation, and also various types of services.

NFTs can essentially be bifurcated into two components: i) Smart Contracts, and ii) Media or the object they symbolize. Smart contracts are orchestrated within the blockchain network. Conversely, the media or object that the NFT embodies is housed in either centralized repositories such as AWS or Google, or in decentralized storage solutions like the InterPlanetary File System (IPFS).

NFTs have a permanently documented cycle of ownership which is always attached to them. This helps to document the identifier which cannot be copied, substituted, or divided, thus ensuring that a single, formal record of ownership is maintained.

Further, every NFT sale is also recorded on blockchain. Hence, original creators of the NFT can constantly receive royalties over the art they created.

NFTs: Use Cases To Create Value (2/5)

Use Cases of NFTs

There are various forms in which NFTs can be purchased and used. Starting with the art world, artists and collectors continue to utilize NFTs to sell unique digital creations, expanding to music, virtual reality experiences, and in-game items.

Additionally, NFTs could be used to represent real estate properties digitally, sell event tickets securely, verify certificates and diplomas, enable a thriving in-game economy, represent charitable donations, and manage royalties and licensing for creative works. These diverse applications of NFTs have the potential to bring increased transparency, security, and economic opportunities across industries.

• Art and Collectible: NFTs have played a vital role in promoting art, culture, and various virtual experiences. In the last year or so, a virtual army of artists have emerged from the

shadow to claim their worth using blockchain technology. Artists must no longer rely on middlemen or wait for years to make their first sale, they can simply put their art up on NFT marketplaces like OpenSea or Blur. The appearance of free-floating digital creation like NFT has democratized the art market for artists across the globe and of all ages.

Further, NFTs have also come to be an innovative way to preserve the culture & heritage of a country. Recently, Quantum Temple took out its “Paths to Alangö” NFT collection at L’Atelier des Lumières in Paris, France, as part of the Paris Blockchain Week. The collection had 11 unique NFTs that are a representation of different aspects of the Balinese cultural heritage, such as landscapes, dances, temples, and philosophy. Thus, preserving the culture via NFTs can help support artists and creators, protect intellectual property rights, and promote a country’s heritage on a global platform.

NFT artists such as Karan Kalra, minted his NFT known as “Dreamers”,
Vimal Chandan has been creating digital artworks and analogue art pieces.



NFTs: Use Cases To Create Value (3/5)

Use Case of NFTs

• **Sports:** The introduction of sports related NFTs has created a new dimension of fan engagement and collector culture, bridging the gap between sports and digital ownership, and providing additional opportunities for athletes to monetize their brand and connect with their fan base. This has empowered artists, engaged fans, and provided opportunities for economic growth and creative expression within the NFT ecosystem. Even major organizations like the ICC, NBA and FIFA have started pushing NFTs into their ecosystem to maximize user engagement.

NFTs may also revolutionize the sports memorabilia market, ensuring the authenticity of items like game-worn jerseys and trading cards. They will provide a means to verify digital identities and establish reputations, allowing influencers to sell exclusive content using NFTs.

• **Gaming and Metaverse:** The Gaming sector is an ideal showcase for NFTs. Blockchain based games like Cryptokitties and Axie Infinity make NFTs central to their gameplay, using the NFTs purchased by users as real time in-game assets. This creates new opportunities for players to earn from their in-game achievements as they can use and trade their in-game character or item based on the NFT they own. Additionally, NFTs have opened a new way for game developers to monetize their games. Major gaming studios like Ubisoft and Electronic Arts are also making a pivot towards minting NFTs.

NFTs representing virtual real estate are also emerging as a prominent use case, enabling individuals to own and trade virtual land within games or virtual worlds such as the Metaverse. In cases like these, the true potential of the asset comes to light.

Cricket-related platforms such as FanCraze and Rario have made a significant impact in India, with cricketing legends like Sachin Tendulkar and Virender Sehwag releasing their limited edition NFTs. These NFTs allow fans to own unique digital memorabilia associated with these cricketing icons, such as autographed images or video clips.

NFTs: Use Cases To Create Value (4/5)

Use Case of NFTs

• **Authentication of government records:** By tokenizing educational certificates, land records, government auctions, etc. as NFTs, agencies can establish a clear chain of ownership and provide proof of authenticity. This eliminates the risk of counterfeit or fraudulent copies being circulated. The decentralized nature of blockchain technology ensures that the information recorded on the blockchain cannot be altered or tampered with, further enhancing security.

• **Identity Management:** NFTs can be utilized for creating verifiable digital identities for citizens. This would simplify the process of accessing government services, enhance data privacy, and reduce the reliance on physical documents. Further, this can be one of the most promising use cases of NFTs. Since NFTs, by construct, are unique and are easily authenticated, it can be easily used to verify an individual's identity and establish trust.

• **Brands:** Many companies across a variety of sectors have started to recognize and capitalize on the characteristics of NFTs to make it a part of their business model. NFTs have thus been able to vastly expand in scope and scale as more and more companies from a wide variety of sectors have started to take notice. Participation from conventional companies and organizations with a non-crypto background have also helped expand the niche customer base. Adobe has undertaken efforts to integrate NFTs into its social media platform, Behance. Leading auction houses like Christie's and Sotheby's have started to successfully auction off NFTs for millions.

The Gadchiroli administration, a small village in Maharashtra started a pilot project to upload 65,000 tribal caste certificates on the Polygon blockchain. Moreover, the Maharashtra government partnered with Web3 startup LegitDoc to upload diploma certificates of students on the blockchain network.¹ This will help modernize the district areas and make the population more tech savvy.

NFTs: Use Cases To Create Value (5/5)

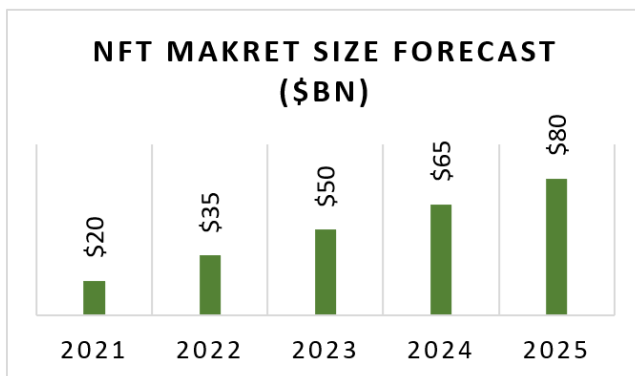
Market Size and the Way Forward

Given the unique potential that NFTs holds and the space they have been able to carve out in the market, their entry into the mainstream is no surprise. The 2020s witnessed a booming marketplace with a rising year-on-year growth. According to Statista, the revenue generated from NFTs grew from USD 0.72 million in 2019 to USD 2.4 billion in 2022, increasing roughly 3,400 times over a period of 3 years.

The sale of 'Everyday: The First 5,000 Days' alone in 2021 tripled the total market size of the preceding year. The recorded most expensive NFT was sold in December 2021 for USD 91 million. The growth in the market has hardly slowed down since then. This is because the decline in market value of crypto-assets was offset by an increase in the number of NFT sales.

In the coming years, we will likely see more mainstream adoption of NFTs, their integration into existing platforms, and the NFT market's continued growth. It is an exciting time for NFTs, and the potential for their use in various applications makes them worth exploring.

NFTs bring unique traits such as true digital ownership, scarcity, and verifiability, which makes them suitable to be used in almost



*Source - tokenizedhq.com

every industry. Additionally, the integration of NFTs with other emerging technologies such as artificial intelligence, 5G networks, and the Internet of Things will open up new use cases and opportunities for NFTs.

Along with the potential, NFTs also have risks, just like any other asset class. Only a few NFT collections are limited in supply and have a clear roadmap. While this may present a frightening picture, the same can be said of the numerous stocks listed on the Stock Exchange. It is crucial to Do Your Own Research (DYOR), ascertain risks and understand the features of the NFT one is purchasing.

Commodity derivatives came about as a way to protect farmers from fluctuating prices. Today, they are looked at as a common investment tool. Similarly, NFTs are also in their beginning stage. So, for NFTs, first let innovation pan out. Thereafter, it can mature to become a separate asset class.

Key Highlights for the Month (1/2)

National News

MoS Rajeev Chandrasekhar holds Dialogues on the Principles of the DIA

May 23, 2023: On 23rd May, MoS Rajeev Chandrasekhar held Digital India Dialogues on the Principles of the Digital India Act, a future ready legislation that aims to replace the existing IT Act. He spoke about the DIA providing a strong legal framework for protecting the rights of the Digital nagriks. The session was attended by a diverse range of stakeholders of the technology ecosystem including industry associations, startups, IT professionals, think tanks and lawyers. The MoS mentioned, "DIA will be an enabler for startups/innovations. We will not ban anything in the innovation space. We want to lead the charge in Web 3 and in AI, with guardrails defined." [Read more](#)

Indian Courts providing Legal Clarity for Web 3.0 and Metaverse

May 17, 2023: In a recent landmark judgment delivered in the matter of Digital Collectibles v. Galactacus Funware in April 2023, the Delhi High Court had the opportunity to analyse the effects of non-fungible tokens or NFT-based digital player cards in relation to intellectual property rights in India. The judgement is likely to have far-reaching implications for the regulation of NFTs, beyond just the skill-based online gaming sector and fantasy sports. [Read more](#)

Adani Saksham launches Skill Center in Metaverse

May 16, 2023: Skill development project Adani Saksham said its Adani Skill Development Centre has become the world's first skill centre to enter the metaverse, by introducing two courses. Adani Saksham is the skill-development vertical of Adani Foundation and completes a 7-year milestone. With Metaverse, ASDC is stepping into a phase where knowledge, skills, and technology converge to create an immersive educational experience through virtual classrooms. [Read more](#)

UP Board introduces Crypto-asset, Drone Technology for Classes 9 to 12

May 7, 2023: Uttar Pradesh Secondary Education Board (UP Board) will introduce topics like e-governance, artificial intelligence, crypto-assets, drone technology, etc., in its revised syllabus for class 9 to 12 which will be implemented from the current academic session (2023-24). The revised syllabus is based on the new National Education Policy (NEP)-2020 and has been designed keeping in mind the needs of the industry. [Read more](#)

Key Highlights for the Month (2/2)

International News

IOSCO proposes First Set of Global Recommendations for Crypto Sector

May 23, 2023: International securities watchdog International Organization of Securities Commissions (IOSCO) unveiled the first global approach to regulating crypto-asset and digital markets. The proposed standards cover dealing with conflicts of interest, market manipulation, cross-border regulatory cooperation, custody of cryptoassets, operational risks, and treatment of retail customers.. [Read more](#)

European Council adopts New Rules on Markets in Crypto-Assets (MiCA)

May 16, 2023: Setting an EU level legal framework for this sector for the first time, the European Council adopted a regulation on markets in crypto-assets (MiCA). With this, the EU brings crypto-assets, crypto-assets issuers and crypto-asset service providers under a regulatory framework. [Read more](#)

Zimbabwe's new Gold-backed Digital Currency: All you need to know

May 8, 2023: Zimbabwe released a gold-backed digital currency for peer-to-peer and peer-to-business transactions as well as to act as a store of value as the country's currency continues to lose ground against major currencies. [Read more](#)

Tax Authority slated to Become Main Crypto Regulator in Russia

May 17, 2023: Russian lawmakers are preparing to adopt a package of laws on crypto-assets during the spring parliamentary session. According to the draft legislation designed to introduce rules for the industry, the Russian government is expected to appoint a state body, likely the Federal Tax Service, that will regulate it. [Read more](#)

G-7 Finance Ministers discuss Crypto Regulation ahead of Japan Summit

May 15, 2023: The Group of Seven (G-7) intergovernmental political forum has signaled its commitment to implementing the Financial Stability Board's (FSB) forthcoming norms for regulating crypto-assets and the International Monetary Fund's (IMF) recommendations on central bank digital currencies. [Read more](#)

Nigerian National Blockchain Policy gets Government Approval

May 4, 2023: The government of Nigeria has approved a national blockchain policy during its meeting on May 3, 2023. The policy aims to establish a blockchain-based economy that facilitates secure transactions, data sharing and value exchange among individuals, businesses and the government. [Read more](#)

Web3 in India

Karnataka to use Blockchain Tech to issue 30,000 Digital Certificates for Skill-based Courses

- The Government of Karnataka is embracing blockchain technology, with the Karnataka Skill Development Corporation (KSDC) floating a tender to select a firm to implement blockchain-based digital certificates for skill-based courses.
- KSDC is the flagship organisation for the Government Tool Room & Training Centre (GTTC), an educational institution of the Karnataka government which provides skilled manpower and technical services to existing and emerging industries.
- In 2022, KSDC piloted the technology and issued 180 digital certificates to those who underwent training. This year, it plans to issue around 30,000 digital certificates.
- Digital certificates will bring more security, transparency and efficiency, while reducing the manual verification processes as individuals can easily share their credentials with employers or educational institutions. Blockchain-based certificates will help to prevent fraudulent representation of qualifications.
- These can be easily verified by employers/ third parties, reducing the risk of fraud or other types of credential misrepresentation.

[Read more](#)

Polygon joins hands with Firozabad Police to use Blockchain Technology in Battling Crime

- In October 2022, police in Uttar Pradesh's Firozabad announced a blockchain-based pilot portal called policecomplaintonblockchain.in to track public complaints. The portal uses Oxpolygon modular and generates a unique number for the complainant once a grievance is registered.
- The portal supports both Hindi and English languages with complainants able to check the status of their case, locate the assigned officer, and receive notifications about the progress of their complaint. The blockchain will not charge users to file grievances or complaints.
- The portal also helps victims of crimes to file complaints against local police officers, if needed, without fear of their complaints being dismissed or manipulated by potentially corrupt officers.
- Taking advantage of the immutability of blockchain technology, the complaints cannot be tampered with or deleted by either the police department or the complainant.

[Read more](#)

Our Associates



Incorporated in	2017
Founder(s)	Jaynti Kanani, Sandeep Nailwal, Anurag Arjun, Mihailo Bjelic
Industry	Blockchain Scaling Infrastructure

Polygon Labs is an international software development company, which builds blockchain scaling infrastructure, that is, software that makes blockchain networks, including and especially Ethereum, run more quickly, efficiently and cheaply. The predecessor to Polygon Labs was founded in India. The most well known piece of software created by Polygon Labs is the Polygon network, a proof-of-stake network on which countless third party software developers and businesses have built innovative applications in all areas, including social networking, art and NFTs, consumer rewards, and traditional and decentralised finance, among others.

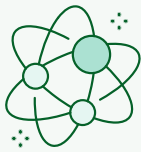


Incorporated in	2017
Founder(s)	Nischal Shetty, Samir Mhatre, Siddharth Menon
Industry	Crypto Exchange

WazirX is one of India's largest and most trusted crypto-asset exchanges, offering a secure and reliable platform for trading digital assets such as Bitcoin, Ethereum, Cardano, and MATIC. Established in 2018, WazirX has over 15 million users. It was acquired by Binance, the world's largest crypto-assets exchange, with users in 180 countries. WazirX's mission is to make crypto accessible for all Indians. As part of this commitment, they pioneered the world's first automated peer-to-peer (P2P) trading platform. This groundbreaking innovation facilitated secure and compliant trading opportunities for millions of Indian users. WazirX upholds world-class benchmarks for regulatory compliance, prioritizing transparency and security. The platform strictly adheres to regulatory guidelines, implementing stringent KYC verification, AML measures, and other necessary protocols. By adhering to these practices, the platform offers its users a reliable and safe trading experience. With its commitment to excellence, WazirX has established itself as a leading player in the Indian crypto industry, enabling users to participate in the world of digital assets with ease and peace of mind.

Simplifying The Web3 World

Decentralized Applications



Decentralized applications, or dApps, are applications that run on a decentralized network, rather than on a centralized server. This allows for greater security, privacy, and control, as the data and virtual digital assets associated with the dApps are not controlled by a single entity.

Further, a decentralised application can be looked at like an application that can operate autonomously, typically through the use of smart contracts, that run on a decentralized computing, blockchain or other distributed ledger system. Like traditional applications, dApps provide some function or utility to its users.

Decentralized Autonomous Organizations



A decentralized autonomous organization (DAO) is an entity with no centralized leadership. Decisions get made from the bottom-up, governed by a community organized around a specific set of rules enforced on a blockchain. Popularized through crypto-asset enthusiasts and blockchain technology, DAOs are used to make decisions in a bottom-up management approach.

Simplifying The Web3 World

Decentralized Finance



Decentralized Finance, also referred to as DeFi, is similar to how VDAs like Bitcoin allow the transfer of value between two individuals digitally without a third party. DeFi builds on this technology to allow individuals to enter more complex contracts, such as lending, borrowing, trading and Future and Options (F&O). While these transactions happen in an automated manner, these services are developed by companies, foundations, etc.

Metaverse



The Metaverse is a network of shared, immersive virtual worlds where people can connect with friends, create and play games, work and shop. One can think of the Metaverse as a cyberspace, or an evolved, three-dimensional internet where logging in isn't necessary. It may also incorporate elements of virtual and augmented reality.

The immersive and persistent three-dimensional virtual realm, is shared with many users, that spans various digital platforms and merges with the physical world, where people can shop, work, play and hang out together in real time.

About Us

May '23

Bharat Web3 Association

Bharat Web3 Association (BWA), is a platform that brings together leading Web3 players to enable and support the growth of India's Web3 ecosystem which includes Virtual Asset Service Providers (VASPs), Web3 Developers and infrastructure providers.

BWA believes that India has the potential to lead the world over the next decade by building a strong Web3 ecosystem in the country, in line with the government's "Make-in-India" and Digital India initiatives.



**BHARAT WEB3
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EDUCATE

Through Research To Keep Pace With Evolving
Technology

COLLABORATE

To Encourage Web3 And Blockchain Innovation And
Nurture India's Talent Pool

PROMOTE

Dialogue Between Key Stakeholders