T-Chits – Blockchaining the administration of Registered Chit Funds

Presentation to DARPG – Award Committee
T-Chits – an Initiative of ITE&C and IGRS

Emerging Technologies Wing is a vertical in ITE&C Govt Department, dedicated to the following technologies.

- Blockchain
- Artificial Intelligence
- Big Data
- Internet of Things
- 3D Printing
- Robotics /Drones
- Cloud Computing
- VR and AR

T-Chits is a collaborative effort driven by both ITE&C and IGRS department for implementing a Blockchain Solution.
ET Wing – Way of Working

Approach and Methodology

- SEMT and PMU Teams
- Departments
- Secondary Research
- Technology Companies

Use Learnings to Scale Up
Identify Use cases

Capacity Building
Use Learnings to Scale Up
Constitute Focus Group

Absorb Tech from Start-Ups
Initiate Pilots

Adoption Strategy
**Blockchain District**

**Vision:** To make Hyderabad as one of the top 10 Blockchain Cities

**Framework**
- Developing Talent Pool
- Supporting Infrastructure
- Promoting Research and Innovation
- Enabling Collaboration and Building Community

**Projects**
- T-Chits
- Student Credentials
- Property Records Management
- Anti-Drug Counterfeiting
- Credit Cooperative
- Civil Supplies
- Energy Exchange use cases
- CCTNS FIR
- Vehicle Life Cycle Management
- Promoting Research and Innovation
Chit Funds & Administration

Chit Fund = Savings + Borrowings (first of its kind Financial Inclusion product)

Touch Points with regulators
Challenges

- Inefficient Processes
- Reactive system
- No tools for monitoring / regulating

Chit Fund Companies  Regulators
Our Approach

India's first of its kind Blockchain Network for Chit Funds

- Making Chit funds Accessible, Credible and Rewarding for subscribers
- Easing the regulatory work and compliance process
- Enabling companies with Technology
  - Process efficiency (eKYC, eSign, etc)*
  - Paperless and Cashless

Catalyzing a Financially Inclusive Ecosystem – Beyond Digitization
Why Blockchain?

- **Distributed Ledger**: Single source of truth across ARCs, chit Fund companies, subscribers, banks, etc.
- **Smart Contracts**: Automated business rules validation will lead to standard governance.
- **Disintermediation**: Transactions without a trusted third party involvement.
- **Immutability**: Append only systems.
- **Automation of Trust**: Programmable trust with consensus policy.
Node Design

Propose – Endorse – Commit framework
List of Services – Delivered and are in use

- Search, check and validate the registered Chit Fund companies and their groups in the state
- Raise grievances and track them end to end along with a call center number and email
- Payments, Arbitration copies and legal procedures are completely online

- Workflow applications for end to end Chit fund life cycle management
- Dashboard, Organization view, Chit groups view, Payments, Arbitrations, Violations
- Blockchain network, Regulator Nodes

- Ability to register Chit fund company and add branch offices
- Workflow applications for end to end Chit fund life cycle management, Blockchain network
- Dashboard, Organization view, Chit groups view, Payments, Arbitrations, Misc Applications
Metrics for Telangana – As on 13th Jan 2020

Oct ’18
Launched

24,327+
Groups

10,08,300+
Subscribers

57,721+
Blocks

All 14 regulator
Offices Telangana

1504+
Chit fund Offices

18549.12 Cr+
Monies rotated Per Annum

3,65,524+
Transactions

T-Chits – is Implemented by ChitMonks – A startup incubated @Thub Hyberabad
Impact

Subscribers
- Chit funds are more Accessible, Credible and Rewarding
- An inclusive financial services system which really helps them
- Grievance redressal has become completely transparent

Regulators
- Chit funds compliances are monitored effectively and blockchained
- Violations are automatically raised and enforced by the system
- Monitoring of Prize Money disbursements have become easy

Foreman
- Audit and reporting compliances are managed easily
- Open up and innovate on different business models
- Increased efficiency and operational benefits

T-Chits, Simplifies and Reinforces the chit fund business to drive Financial Inclusion across Telangana
THANK YOU