

Initial Coin Offering (ICO) Launch

BLOCK CHAIN

i Introduction

Initial coin offering is an unregulated means of crowd funding via use of crypto currency. ICO is generally used by startups to bypass the rigorous and regulated capital-raising process required by banks. ICO is used when company releases its own crypto currency with the purpose of funding. Company will release pre-defined number of tokens to sell these tokens to audience. Companies usually exchange their crypto currency for bitcoin or fiat money.

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u Customer

The client is recognized as one of the leading energy trading companies in the European energy industry. The client trades in the Nordic countries, in Continental, Central Eastern and Southern Eastern Europe, the United Kingdom and with global commodities across the rest of the world.

The client manages the trading of physical and financial energy commodities, with the current mission of extending the reach of its operations to the general masses as well.

The client had started a new independent subdivision which involved only trading of electricity at the grid and consumer level. To raise funds for this subdivision, the client opted for ICO by creating its own crypto currency.



Requirement

To get aligned with the client's objectives, Winjit's team identified the key requirements as follows-

- ▶ Create a platform to conduct ICO
- ▶ Create a new crypto currency or tokens for client
- ▶ Smart contract system
- ▶ Secure refund system



Challenges

The new subdivision started by the client wasn't backed by the traditional business. Since, it was an independent subdivision, the client thought of raising the capital required for operations and development either through an IPO or ICO.

Most of the monitoring bodies involved in the IPO, grabs a considerable chunk of the investment raised. Also, all the data would be centrally stored in such a case, making it less secure and more prone to hack.

Hence, the client decided to go with the ICO, where more transparency in the system was certain with cheaper costs.



Solution

A platform for ICO was prepared by the Winjit's team, along with smart contract system using blockchain technology.

A crypto currency was developed for the client,

which was named as volt coin. It was developed to serve as a token at the time of ICO. Each time a transaction was made, the details were stored using a smart contract system on a shared ledger.

The solution (platform) was assessed using the login system, where the investors could generate the login credentials through registration. A special account for admin was developed, providing him with key responsibilities for the ICO, which are as follows-

- ▶ Deciding the limit of tokens put on sale
- ▶ Freezing the accounts of suspicious users
- ▶ Generating more tokens
- ▶ Deciding the period of ICO

The soft target (min limit) and hard cap (max limit) was determined by the admin prior to ICO. If the investment couldn't reach the soft cap, then all the money was returned to the investors, post verification. And, if it reached the hard cap before maturity, then the ICO would have ended before the deadline, unless more tokens were generated by the admin, classifying it as successful.

The admin was also given the right to decide the minimum and maximum tokens that an investor could buy.



Achievements

- ▶ Funds were raised in a securer way, using smart contract system and encrypting documents on a shared ledger
- ▶ There was no financial body or middleman involved in the process, which reduced the operational cost of the ICO
- ▶ Transaction details were never lost because the details were duplicated many times over the entire block chain
- ▶ Smart contracts were not only faster and cheaper but also avoided the errors that came from manually filling of heaps of forms



Conclusion

ICO created for the client helped in raising funds in a quick, secure and cheaper way. All the payments were conducted in crypto currency and the tokens developed for ICO, which also helped in branding of the client.

Winjit technology is India's leading provider of innovative engineering solutions. Since its inception in 2004, Winjit has built and expanded its expertise in latest trending technologies including Internet of Thing, Artificial Intelligence & Machine Learning, Fintech Solutions, Product engineering and Digital publishing. Winjit provides end-to-end solutions from conceptualization and optimization to providing real-time solutions by developing software systems for any business is these fortes. Over the past decade, Winjit has provided innovative technology and engineering solutions that has resulted in world-class recognition and long standing customers.



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