

Kubar Protocol Litepaper (Ideation Stage)

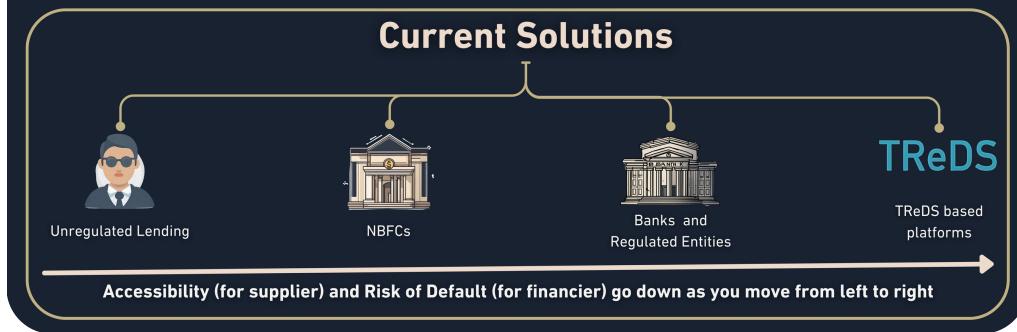
Abstract

In the evolving landscape of decentralized finance (DeFi), Kubar Protocol emerges as a groundbreaking platform, tailor-made to revolutionize supply chain finance for Medium, Small, and Micro Enterprises (MSMEs). It skillfully marries blockchain technology's capabilities with the unique needs of MSMEs, providing a robust, transparent, and efficient financial ecosystem. This litepaper outlines Kubar Protocol's core features, market positioning, technological framework, and strategic vision. It also includes the problem statement and a detailed market analysis specific to the Indian MSME and Invoice Discounting landscape. For context, TReDS is the government based portal where the bulk of Invoice Discounting happens in India today.

Product Description and Problem Statement

TReDS: A Regulated Monopoly that Stifles Innovation and Growth

As an MSME supplier on the TReDS platform, I face stringent RBI regulations, restricting access to competitive deals and hindering onboarding due to high eligibility criteria. This challenge, measurable by limited financing opportunities and absence of fractional investing, requires immediate compliance actions, relevant to business needs, within the constraints of financial cycles.



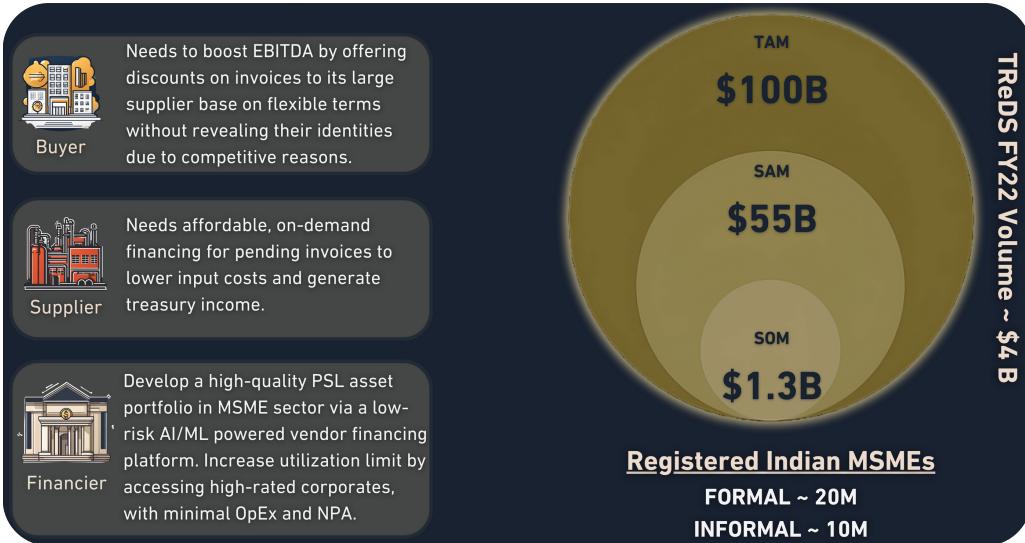
Transforming Supply Chain Finance

Kubar Protocol is a DeFi innovation designed to mitigate the challenges MSMEs face in accessing working capital and managing financial processes efficiently. It bridges traditional financial systems and modern DeFi innovations, offering a solution that is secure, transparent, and intuitive. Users can access our platform through a web portal or mobile application, increasing ease of use and access. Moreover, the blockchain processes run in the backend and a process of abstraction is followed, thereby ensuring that the end-user does not know that they are interacting with a blockchain. Gradually, we aim to educate users about our backend processes.

Addressing MSME Financial Challenges

MSMEs contribute significantly to global economic growth but often struggle with liquidity and complex financial operations. Kubar Protocol offers streamlined financial solutions to enhance their operational efficiency and ease access to essential funds.

Market Analysis



Competitive Landscape and Kubar Protocol's Unique Position

On one end of the spectrum, there are traditional supply chain financing/invoice discounting solutions such as RXIL and TReDS. These solutions are backed by large institutions and have streamlined online interfaces with significant transaction volume. They are well-structured but have high entry barriers and are constrained by the regulatory framework. They also lack flexibility and a tokenized approach, and are not suited for all MSMEs, especially small-scale suppliers. Additionally, they do not protect the identity of MSMEs.

On the other end of the spectrum, there are high-tech solutions such as Nakad, which utilize a tokenized approach to enable faster liquidity and global reach. However, these solutions are subject to regulatory uncertainty and require blockchain expertise.

Kubar Protocol's edge lies in its holistic approach, intuitive user experience, secure backend, advanced AI tools, fractional investing, escrow security, and seamless integration. We combine traditional and tokenised worlds, ensuring simplicity, transparency, and accessibility while catering to a broad audience.

Ecosystem Fit and Market Potential

The growing demand for transparent and efficient financial systems among MSMEs presents a significant opportunity for Kubar Protocol. Its integration with the Polkadot ecosystem and the Substrate framework offers unmatched interoperability and scalability, positioning it as a competitive and forward-thinking player in the DeFi space.

Technical Architecture

Infrastructure: Robust and Scalable

Kubar Protocol's infrastructure, built on Polkadot's Substrate framework, is designed for adaptability and scalability. It comprises custom blockchain pallets for varied financial functions and a secure Commit and Review mechanism. Its strategic integration within the Polkadot ecosystem ensures enhanced security and cross-chain transaction capabilities.

The Commit and Review Mechanism

This mechanism replaces traditional Zero Knowledge Proofs, balancing privacy with transparency. It assures transaction integrity and verifiability, essential in the digital finance realm.

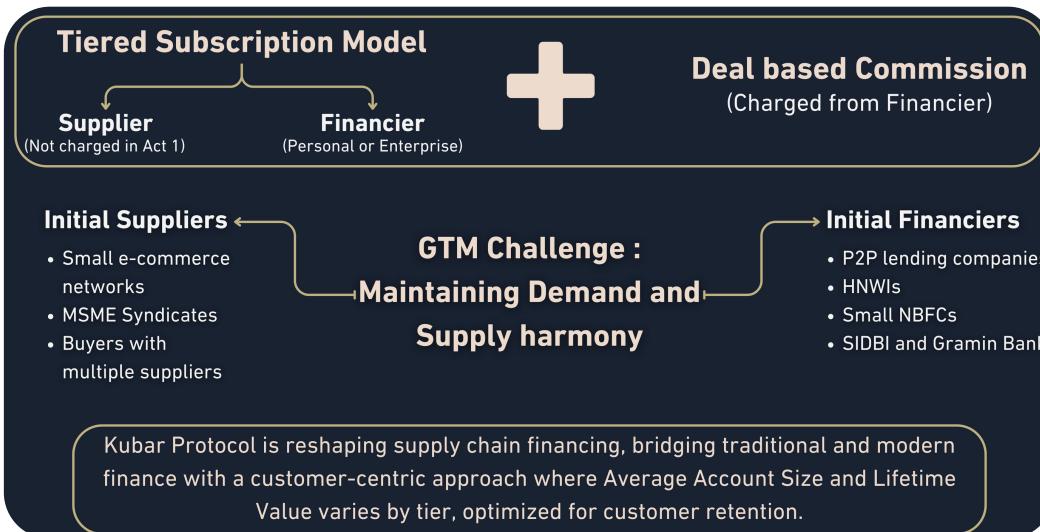
Security and AI Integration

Utilizing Elliptic Curve Cryptography (ECC), Kubar Protocol ensures top-tier transaction security. Its AI/ML microservices provide real-time credit scoring and risk analysis, enhancing decision-making capabilities.

Product Prototype



Tokenomics and Business Model



Simplified Financial Transactions

Kubar Protocol's model uses fiat currencies and stablecoins, ensuring stability and familiarity. The platform employs blockchain technology for transaction recording, combining security with traditional financial practices. It integrates smoothly with existing financial systems, including third-party escrow services, maintaining regulatory compliance and ease of use.

Market Stability and Appeal

Kubar Protocol's simplified financial model minimizes market volatility and aligns closely with traditional operations. This approach broadens its market appeal, making it an attractive solution for a global audience in supply chain finance.

Development Status

Current Progress and India Pilot Program

Kubar Protocol is about to begin its development journey, focusing on ERP system integration and a robust blockchain based backend. A pilot program in India targets diverse MSMEs and financiers, providing valuable insights for platform refinement.

Roadmap [6 Month - 5 Years]

Near-Term Goals

- 6 Months - 1 Year: Implementing the pilot program in India, emphasizing user feedback and optimization.

Mid-Term Goals

- 1-2 Years: Enhance ERP integration to enhance functionality and user experience.
- 2-3 Years: Expand financial services on the platform and integrate with global payment gateways.
- 3-4 Years: Implement AI analytics for risk management and market trend insights.

Long-Term Vision

- 5 Years and Beyond: Global expansion in various industries, establishing strategic partnerships worldwide.

Join the Kubar Protocol Community

Kubar Protocol invites businesses, financiers, developers, and innovators to join this revolutionary journey. Participate in our pilot program, contribute to development, or discuss funding opportunities to transform the future of supply chain finance.

Team

Currently, I, Vaibhav Sharma, is the sole founder of Kubar Protocol. Driven by a passion for employing technology to address real-world challenges, I am currently pursuing a degree in Maths & CS at Ashoka University. My previous experiences have equipped me with expertise in designing blockchain infrastructure and developing innovative fintech solutions. Previously, I've led VireCube, a web3 solutions provider for enterprises.

Personal Website : <https://fenestbuc.github.io>

A distinguished team of advisors provides me with invaluable guidance and support:

- [Dr. Debayan Gupta](#), a renowned computer science professor at MIT and Ashoka University, mentors me on the technical aspects of product development, ensuring the platform's technological infrastructure is robust and scalable.
- [Shridhar Sethuram](#), a seasoned professional with over 25 years of experience in private equity and stock investments, counsels me on strategic partnerships with reputable financial institutions such as HSBC. These collaborations streamline processes, accelerate time to market, and foster trust in our platform.
- [Srikant Sastri](#), a seasoned Indian entrepreneur and advisor, guides me through the intricacies of the Indian MSME and buyer-supplier relationship landscape. His insights enable me to effectively navigate this unique market and establish strong partnerships within the MSMEs.
- [Tushar Jaruhar](#), an expert in advanced financial data analytics and former pricing actuary at Zurich Insurance, provides invaluable guidance on the development of credit rating algorithms. His expertise ensures that the platform's credit risk assessment is accurate and reliable.
- Moreover, a team of dedicated consultants from [ThinkingSpree](#), are helping me with my business model.