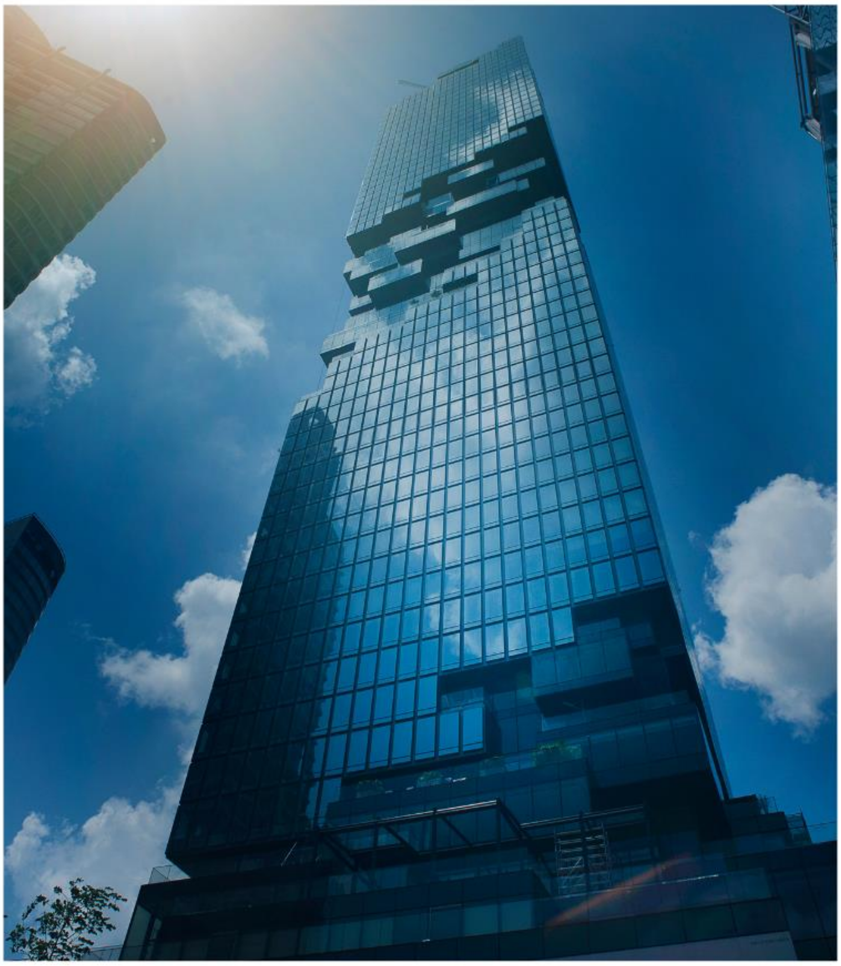
SECUREFIN

SecureFin helps people to get loans against their assets at low interests and helps the banks to get trusted data about customers to lend out loans.

A DECENTRALIZED LENDING PLATFORM



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1.Introduction

Providing a loan ought to be a simple process. Before approving or rejecting the loan, one should determine whether the client is eligible. After approval, the customer should receive the money.

But in conventional lending systems, especially in larger organisations, this procedure is often chaotic—and for valid reasons. Loan servicing gets more complicated as the customer base increases. Terms and payment deadlines vary depending on the customer. Keeping everything organised is difficult.

Digital Lending is the platform which offers financial institution an opportunity to improve productivity and increase the revenue per loan to deliver faster services. Digital lending makes optimum use of technology where the sensitive details are not disclosed.

Digital Lending permits borrowers to apply for any consumer or business loan product from any internet-working device at any location. Consumer or Business loan products are credit cards, business loans, or mortgage. Through digital lending, Fintech companies and banks provide loans to consumers by using digital means. The entire process is conducted digitally.

The largest small business lenders are banks, which is likely why people choose them first when applying for a loan. While they provide some of the most affordable loans, qualifying can be challenging. Strong personal and/or corporate credit ratings, personal guarantee, collateral, and solid financials are typically requirements from banks. Additionally, applying requires a lot of work and time; it can take one to three months to complete.

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Finance for micro, small, and medium-sized enterprises (MSMEs) has been a concern for all stakeholders including entrepreneurs, financial institutions, and government organizations.

1.1 CURRENT STATE

The global lending market size was valued at US$ 83.79 billion in 2021 and it is expected to hit over US$ 705.81 billion by 2030 with a registered CAGR of 26.7% from 2022 to 2030. The Digital Lending Market is expected to register a CAGR of approximately 11.9% during the forecast period (2021 - 2026).[1]

People are moving away from traditional lending procedures to digital lending because of the awful amounts of time taken to process a loan and the heavy paperwork involved with it.

Small and medium-sized businesses (SMEs) are crucially significant to most economies, especially those in emerging nations. SMEs make up the majority of enterprises globally and play a significant role in employment creation and the expansion of the global economy. They account for more than 50% of all jobs globally and roughly 90% among all enterprises. In emerging economies, the share of formal SMEs in GDP can reach 40%. When informal SMEs are considered, these figures are significantly higher. The projections show that 600 million jobs would be required by 2030 to accommodate the expanding global workforce, making SME development a top priority for many governments worldwide. In emerging markets, SMEs account for 7 out of every 10 formal jobs created. The second most frequently stated barrier to SMEs expanding their operations in emerging markets and developing nations is access to capital, which is a major restraint on SME expansion[2].

In India's economic growth path, Micro, Small, and Medium Enterprises (MSMEs) have been one of the most powerful drivers of growth, entrepreneurship, and employment. The industry accounts for 30% of the

[1] **Peer to Peer (P2P) Lending Market (By Type: Consumer Lending, Business Lending; By End User: Consumer Credit Loans, Small Business Loans, Student Loans, Real Estate Loans; By Business Model: Marketplace Lending, Traditional Lending) - Global Industry Analysis, Size, Share, Growth, Trends, Regional Outlook, and Forecast 2022 – 2030** https://www.precedenceresearch.com/peer-to-peer-lending-market.

[2] **Small and Medium enterprises finance** https://www.worldbank.org/en/topic/smefinance

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country's GDP, 48% of overall exports, and 95% of the country's industrial units. It employs 40% of India's workforce in terms of employment[3].

1.1.1 Gaps in Current State:

SMEs face a trickier situation in raising money when compared with large firms. Many banks prefer to allocate their resources to large enterprises rather than to SMEs. The reason is that large enterprises have a lower risk of default, and their financial statements are clear. However, SMEs are riskier from the point of view of lenders, and they do not have clear accounting information. It is unlikely that the financial services offered by banks sufficiently address the requirements of early-stage small and medium-sized enterprises (SMEs). There are several conditions that hinder the provision of bank credit to early-stage SMEs. Early-stage SMEs do not have an established credit history and have unstable equity patterns. SMEs use finance from NBFCs and informal sources at higher rates of interest, particularly in the initial stages[4].

SMEs utilize internal funds or cash from friends and family to begin and initially manage their businesses because they are less likely to be able to secure bank loans than large companies.

According to the International Finance Corporation (IFC), 65 million businesses, or 40% of formal micro, small, and medium-sized enterprises (MSMEs) in developing countries, have an annual unmet financing need of $5 trillion, or 1.3 times the amount of global MSME lending at present. The largest portion of the global finance gap (46%) is accounted for by East Asia and the Pacific, which is followed by Latin America and the Caribbean (23%) and Europe and Central Asia (15%). The gap volume varies significantly from one region to region. With a ratio of 87% and 88%, respectively, the regions of Latin America and the Caribbean, the Middle East, and North Africa have the biggest financial deficit in comparison to prospective demand. A little over half of officially valid SMEs lack

[3] **SME Lending Trends in India and Global 2022**-https://synlabs.io/sme-lending-trends-in-india-and-global-2022/

[4] Finance for Micro, Small, and Medium-Sized Enterprises in India: Sources and Challenges https://www.adb.org/sites/default/files/publication/188868/adbi-wp581.pdf

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access to formal credit. When micro and informal businesses are considered, the financial gap becomes even more[5].

1.2 PROBLEM DESCRIPTION:

Indian banks are not inclined to finance small enterprises, due to reasons such as the inability to provide collateral, prominent levels of nonperforming assets, high transaction costs, and the inability to verify the creditworthiness of applicants.

The Reserve Bank of India identified the following issues in financing SMEs: inadequate access to finance by tiny firms due to lack of financial information and nonformal business practices. considerable delays in settlement of dues and payment of bills by large-scale buyers.

1.2.1 Lack of trust:

Banks do not trust the borrower's (SMEs, entrepreneurs) details as it is often tampered and changed by the user to get loans by submitting invalid or fake reports or credit history. Unauthorized lenders have given customers loans in several unethical situations when they did so without any form of collateral, at high interest rates, and with arbitrary deadlines for repaying these enormous loans. As a result, when borrowers could not pay back these loans, lenders were forced to revoke them. Such occurrences undermine consumer confidence and hinder the expansion of fintech businesses.

1.2.2. Time consuming:

The major concern was the delay in the processing of loan applications. Business owners also felt that it was not practical to frequently visit banks for clarifications, and that the role of agents in the system needs to be minimized. Lending procedures are tedious and time-consuming. There is a large amount of documentation that must be completed, and manual evaluation and verification might take several days. To satisfy the expanding demands of the business, the enterprises must keep a strong workforce, which adds to the costs.

[5] MSME Finance gap https://www.smefinanceforum.org/data-sites/msme-finance-gap

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1.2.3. Collateral Restrictions:

Major challenges in accessing finance reported by enterprises in this stage included the difficulty in providing collateral or a guarantee. Collateral requirements on a loan contract are particularly significant for SMEs compared to large firms because they lack Good Credit history or to pledge as collateral to the banks, which may cause SMEs to be credit rationed.

Enterprises also felt that high service fees for loan requests and difficulty in completing required documentation were challenges.

1.2.4. Payment Restrictions

In a traditional lending process, only fiat currency is used to make the transactions which makes it a time-consuming task. On the contrary, in a digital lending, Transactions are made only using cryptocurrency which makes it hard for many users to make transactions, also the ones that uses Fiat currency have the problems of Centralized financing.

1.3 SOLUTIONS:

1.3.1 Increased Trust:

SecureFin Platform helps the participants involved in the lending process, such as regulators and auditors, easily verify identities and track previous transactions stored on the blockchain. So that, the bank's trust on the borrower increases.

1.3.2. Faster Verification:

By storing a customer's KYC (Know Your Customer) paperwork on the blockchain, financial institutions can accomplish this task quickly. Other institutions can use the same KYC in this way without having to repeat the entire procedure. Additionally, the dependability of the data on the blockchain is quite high because it cannot be altered.

1.3.3 Asset as a collateral:

Equipment can be used as collateral to secure a loan. If the loan amount is low, equipment or inventory may be a great option to use as collateral. For business lenders, real estate is an attractive way to secure a loan because it holds its value

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well. Entrepreneurs may also benefit because real estate is worth at least a couple hundred thousand dollars, which gives owners a chance to secure larger loan amounts and better loan terms. Invoices can also be submitted as a collateral as they can be used to get instant Funds if a payment is due by the buyer and the borrower can make use of the loan.

1.3.4. Integrated Platform:

SecureFin platform offers the funds to be transferred in both Fiat Currency and cryptocurrency (Stable coins and platform-based tokens), So users can easily make transactions at their own Convenience.

1.4 Solution Implementation:

- People who are willing to borrow or lend need to open their accounts on a lending platform.
- Lenders provide information about their type of investment, bank account (crypto account or normal bank account) and personal information.
- Borrowers provide personal information like identity proof, income proof and some other legal documents. As collateral, they might be required to provide assets or invoices. The collateral is verified by a validating agency and the collateral documents are stored on a blockchain.
- Once the collateral is verified and valued, the loan request is posted to the lenders. Lenders quote multiple loan offers with varied rate of interest.
- Borrowers Finalize the loan offers provided by the lender. Lenders provide the funds in stable coins.
- The borrower makes the periodic repayment of the loan and gets rewarded in SF tokens.
- All the Transactions are hashed into a private blockchain.

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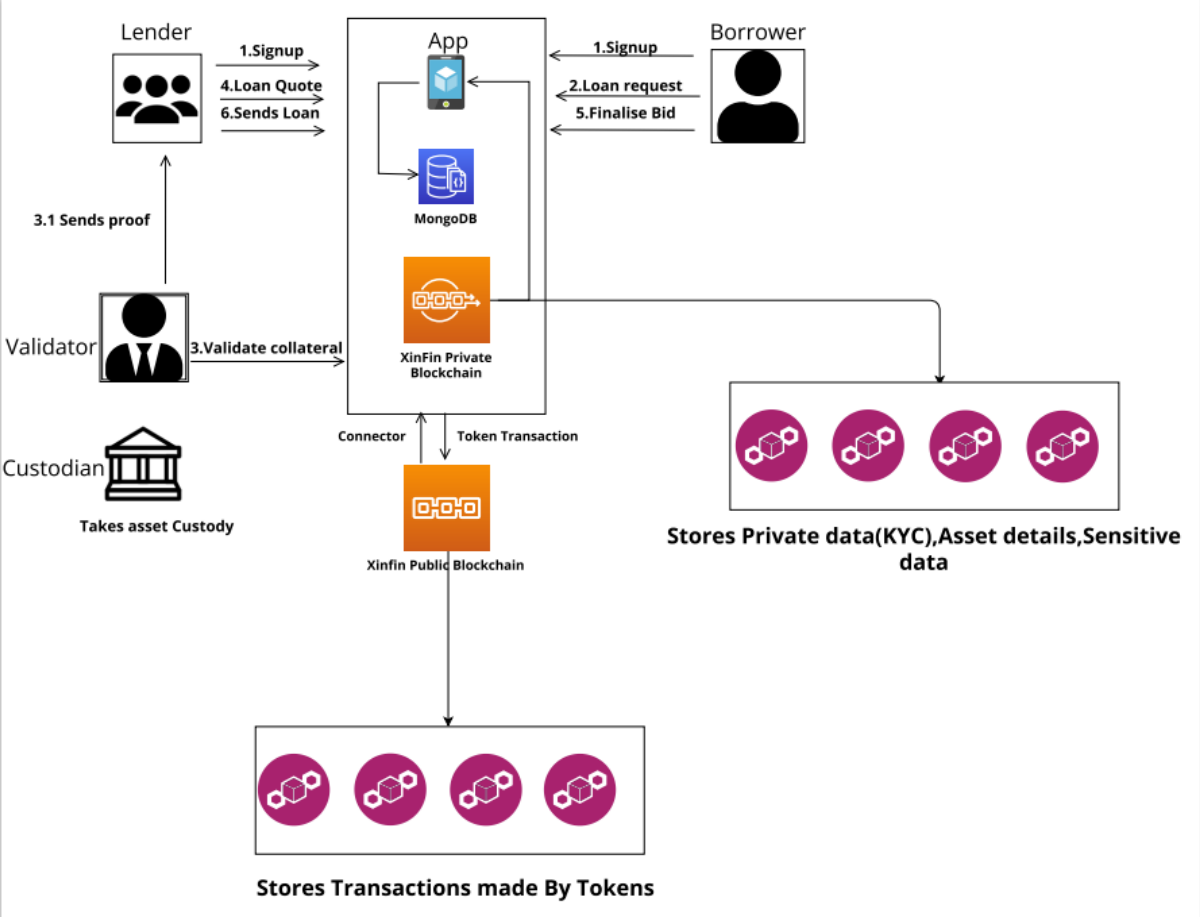
1.4.1 Stakeholders involved in SecureFin Platform:

1. **Lenders:** A person who lends the money (Or Banks/ NBFCs/Investors).
2. **Borrowers:** A person who requests for a credit or loan with the intention of returning it within a certain duration of time and places collateral for it. (Person/SMEs/Entrepreneurs).
3. **Validator:** A person who validates the asset value and credit Value of an asset.

2.Solution Architecture

2.1 Technical Diagram:



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Public Blockchain:

In the public blockchain, We store the Transactions made using the SF tokens(Native tokens) and other platform services availed using the SF tokens.

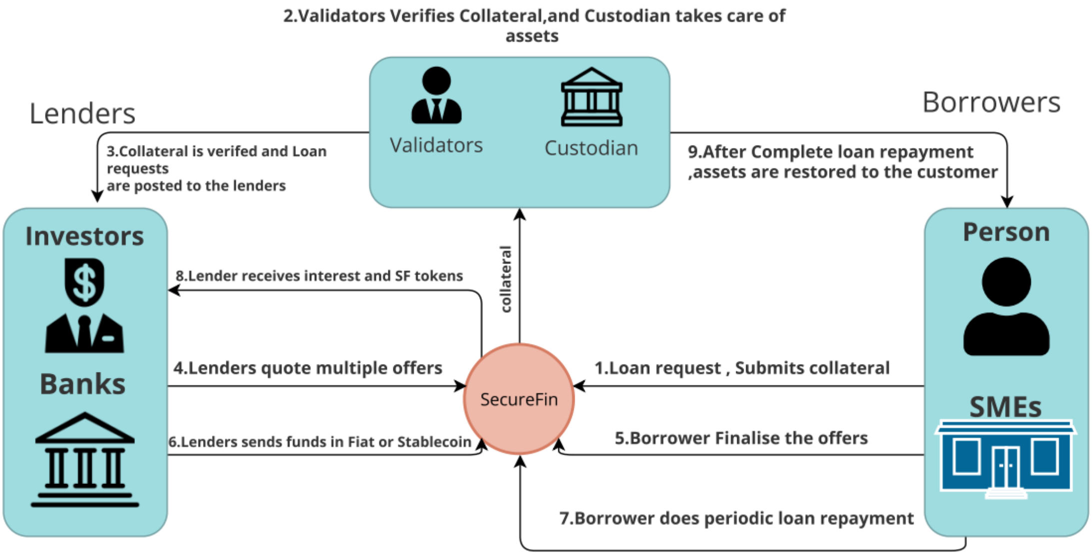
Private Blockchain:

In the private blockchain network,We store the User's Personal details related to loan application(KYC),CIBIL score,etc.. and Asset details submitted by borrowers as a hash on the blockchain to avoid tampering.

Transactions such as the asset validation(asset value) and loan settlements are facilitated on the Private chain.

The transactions facilitated using fiat currency is stored on the permissioned blockchain.

2.2 Application Diagram



3.USPs and Advantages:

- Fast and effortless way to process transactions without paperwork. Loans can be provided against assets, invoices.
- Blockchain based solution provides transparency in the transaction data.

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- We can have an integrated platform where we can make transactions using both fiat currency and platform-based SF tokens.
- We store KYC on blockchain so that we can reuse it and verify its credentials whenever we need or the borrower requests for another loan.
- The company also employs cutting-edge ML-driven algorithms to calculate applicants' credit scores. These credit scores are more comprehensive, offer a more in-depth viewpoint, and are probably much more accurate than current credit scores.
- Additionally, the use of e-KYC and Aadhaar documents speeds up and simplifies the application and approval processes.
- As the KYC and borrower's data is stored on the blockchain,
  Lenders can have assurance that the people they are lending are trustworthy.

4.Tokenomics:

Tokenomics is important to any blockchain platform that involves the usage of tokens, which outlines the token's position in the blockchain network and its value. SF tokens are primarily utility tokens that is used to send and receive for the products and services offered by the platform.

4.1.1 SF Wallet:

A custodian wallet that enables Transactions amongst stakeholders. Smart contracts are used to manage the automatic credit flow, transactions, and trade services between all stakeholders.

4.1.2. Use Cases:

4.1.2.1 Use case 1: Loan Transfer

- Whenever a lender or a borrower creates an account, they are rewarded with some Native SF tokens.
- If the transaction is a success, credit points are rewarded to the borrower and Reward tokens (SF tokens).

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- The borrowers and lenders must pay some marketplace fees in the platform-based SK tokens to use this platform. (Every year)
- The actual loan transfers and transactions can also be leveraged using SF tokens or Stable coins or Fiat Currency.

4.1.2.2 Use Case 2: Payment for Data assets

- The Lenders (Banks, NBFC, Investors) have access to a wide variety of Data about the Borrower's Details (ZKP) pertaining to Credit Score, KYC and Loan application, which can be helpful to a lot of other lenders in the same platform.
- So, all this data can be monetised and can be sold and bought using the platform-Native SF tokens.

4.1.3 ICO and Token Distribution Model:

ICO:

SF tokens is an XRC-20 utility tokens on the XINFIN blockchain platform that can be used to send and receive loan amounts, and for rewards. The Base price of SF tokens will be 0.001 USD.

Pre-Sale ICO:

ICO Rounds	Date	Price	Token	Allocation (%)	Sale
1st ICO	TBA	0.01 USD	SF	1%	10,000,000
2nd ICO	TBA	0.01230 USD	SF	1%	10,000,000
3rd ICO	TBA	0.01900 USD	SF	1%	10,000,000

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For the First Pre-sale ICO round, 1% of the total utility SF Tokens will be sold at the price of 0.01 USD. For the Second and Third Pre-sale ICO round, the same percentage of tokens sold in the previous round at the price of 0.025 and 0.04 USD respectively.

Token Legal Status:

SF tokens are non-refundable. SF tokens are not for speculative investment. No promises of future performance or value are or will be made with respect to SF, including no promise of inherent value, no promise of continuing payments, and no guarantee that SF will hold any value. SF tokens are not participation in the Company and SF tokens hold no rights in said company. SF tokens are sold as a functional good and all proceeds received by Company may be spent freely by Company absent any conditions. SF tokens are intended for experts in dealing with cryptographic tokens and blockchain-based software systems.

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4.1.3.1 Token Distribution Model:

Allocation	**Token Supply %**	**Total tokens supply**	**Release**
Early Supporters	5	50,000,000.	12-Month Lockup (Linear vesting for 24 months) Total 3 years.
Strategic Sale	12	125,000,000.	12 -Month Lockup (Linear vesting for 18 months) Total 2.5 years.
Private Sale	8	75,000,000.	20% liquid,6 Month Lockup (Linear vesting for 12 months).
Team and advisors	20	200,000,000.	12-Month Cliff (Linear vesting for 36 months).
Treasury	20	200,000,000.	12-Month Lockup (Linear vesting every 6 months for 36 months)
Airdrops	30	300,000,000.	10% Airdrop Basis certain fulfilment of conditions and then 2.5% (Inflation Release till 36 months)
Public Sale	5	50,000,000.	No cliff/Vesting.
Total	**100**	**1,000,000,000.**	

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5.Comparison with Existing platform

COMPARSION CRITERIA	EQUIDEI	TOKOIN	POLYTRADE	SECUREFIN
Loan against Assets (Equipment, Machinery).	✓	✓	✗	✓
KYC in Blockchain	✗	✗	✗	✓
Invoice Financing	✓	✓	✓	✓
Transaction Data Analysis Using ML, AI.	✓	✗	✗	✓
Crowdfunding (Liquidity Pools).	✗	✓	✓	✓
Platform's Own Credit Score.	✓	✓	✗	✓
Token Exchange (Fiat)facilities.	✗	✗	✗	✓
Integrated Platform. (Both Fiat and Crypto)	✗	✗	✓	✓

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6.Revenue Model:

To create a scalable and efficient, you must have sustainable sources of revenue. We support a system that encourages collaborative development and rewards good actors.

The revenue streams for SecureFin Platform:

1.All the Borrowers (SMEs, Entrepreneurs) and lenders (Banks, NBFCs, Investors) are required to pay an annual platform fees using SF tokens or fiat currency(the price will be specified later).

2.Users will be charged a standard percentage of approx. 1.5% as a transaction fee. (Very less in the XDC network).

3.A 7.5% commission will be charged from the sale of data as an asset on blockchain and other services in the marketplace.

4.Rising demand for SF tokens, will lead to an increase in their prices, which will ultimately benefit all Stakeholders of the platform.

7.Marketing:

The term "marketing" describes a business's efforts to acquire, market, distribute, or sell a good or service. Driving a company's growth is one of marketing's key objectives. This is demonstrated by the acquisition and retention of new clients. To accomplish these goals, businesses may use a variety of different marketing techniques. For instance, personalisation, prediction, and simply recognising the correct problem to tackle could be required to match items with client wants.

Making value through the customer experience is another tactic. This is shown through initiatives to improve customer happiness and resolve any issues with the good or service.

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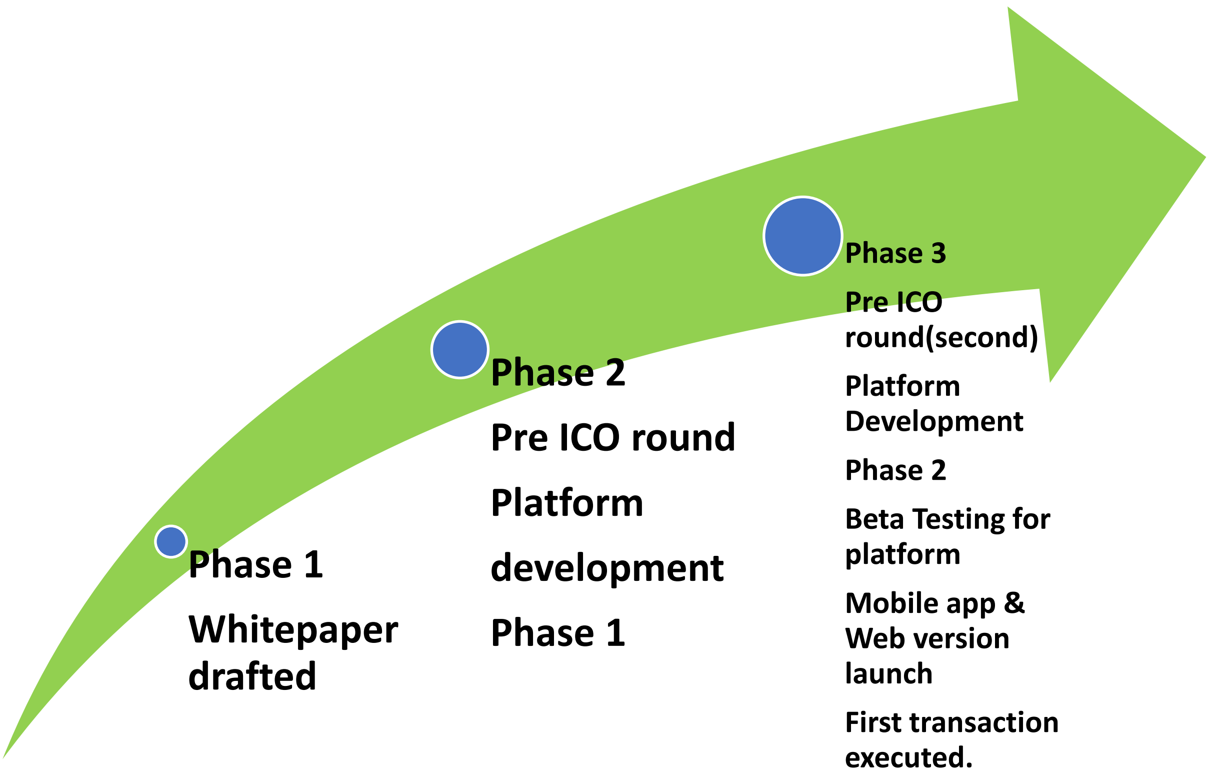
7.1 Marketing In finance:

Our goal is to help the individual, MSMEs, Entrepreneurs and everyone to have access to get loans against their assets at a very low interest rate, with variety of options to choose from and providing Banks, NBFCs, Investors with Accurate information to get valid customers, an investment opportunity and transparency in loan transactions.

Therefore, the proposed whitepaper will be published on a platform where experts, thought leaders, and brand ambassadors may see what we've gone through, sites include LinkedIn, Telegram, Discord, Events Articles, YouTube, and others.

8.Roadmap



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9.Partnership:

10.Disclaimer

The sole purpose of this Whitepaper is to present SecureFin to anyone (person, MSMEs) interested in using SecureFin lending platform. This document is for information purposes only and it does not create any contractual relationship between SecureFin and you as the recipient of this document. An updated version of documentation may be published later.

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