solvium

Whitepaper

Chapter 1
Executive Summary

Solvium is the world's first RWA token in the lending space addressing a huge credit gap in the world's largest democracy – India. Solvium is a transformative blockchain-powered initiative addressing one of India's most pressing economic challenges: the massive credit gap in rural and MSME sectors. MSME contributes to approximately 30% of India's GDP, 45% of the country's total exports and employs more than 110 Million people. Despite being the backbone of India's economy, rural areas and small businesses face limited access to affordable, transparent, and scalable financial solutions. Solvium's mission is to bridge this gap by leveraging cutting-edge blockchain technology, AI-powered tools, and the extensive rural expertise of 72 Networks.

1. The Opportunity

Out of the total debt-based demand of approximately \$1.1 Trillion from MSME's, only \$289 Billion is being serviced by formal lenders like Banks and NBFCs, leaving a substantial unfulfilled demand of \$819 billion.[1]

Traditional financial systems often fail to penetrate rural markets due to high operational costs, risk aversion, and limited infrastructure. Solvium envisions turning this challenge into an opportunity by creating a decentralized financial ecosystem that caters specifically to underserved regions.

2. What Sets Solvium Apart

» Strategic Partnerships and Proven Expertise:

» Solvium is backed by 72 Networks, a leading rural commerce provider in India with over six years of market leadership.

» With 1.2 million customers served, \$50 million in cumulative revenue, and exclusive partnerships with global brands such as Samsung, LG, Xiaomi, and 15 leading microfinance institutions, 72 Networks brings a wealth of market knowledge and reach to the table.

3. Innovative Business Model

Solvium introduces an ecosystem that combines blockchain transparency with real-world applications.

Revenue is generated through:

» **Lending and Interest Repatriation:** Deploying SOLV tokens in regulated lending pools, generating sustainable returns for token holders.

» **Staking Pools:** Encouraging long-term staking through competitive APY models.

» **Insurance Pools:** Diversifying earnings through borrower insurance premiums.

[1]Out of \$1.9 trillion MSME credit gap, only \$289 billion fulfilled by formal lenders: RBI's Michael Patra [– Financial Express. Sep 3, 2024]

4. Technology-Driven Transformation:

» Leveraging blockchain to build an ecosystem of trust and transparency. To be built on the polygon L2 chain, Solvium's smart contracts would ensure complete traceability and security of business in a transparent manner.
» Utilizing AI-based tools through the Yaari.ai app to make financial access seamless and inclusive, even for users with limited digital literacy.

5. Scalable and Sustainable Growth:

» While the opportunity is unprecedented, Solvium plans to organically scale the business and grow the revenue to $168 million by 2028 from the current $5.4 Million. Solvium offers a solid foundation for scalable, profitable growth.
» To ensure Solvium's long term sustainability, there are a lot of built-in safeguards, such as structured token release schedules, insurance pools, and risk mitigation strategies, ensure the project's long-term sustainability.

6. Why Invest in Solvium?

Solvium presents a massive market potential targeting a sector that forms a critical part of India's GDP but highly underfunded. Unlike speculative crypto projects, Solvium is rooted in a tangible, real world use case there by ensuring a balance between innovation and practicality.

The team behind Solvium brings over 100+ man years of combined experience in Technology, Finance and Business in Multi-National companies like Samsung, Microsoft, HP, Walmart, Udaan, KPMG, Deloitte etc. 72 Networks deep penetration with a highly efficient fleet on street serves as a competitive moat that very few can replicate.

From a return perspective, Solvium's revenue sharing mechanism ensures that the SOLV token holders benefit directly from Interest income, staking rewards and insurance premiums. Solvium takes the gradual token unlock schedules route to protect against sell pressure, thereby maintaining a stable and growing token value.

A Vision for the Future

Solvium is more than just a financial platform—it's a movement aimed at driving financial inclusion, empowering underserved communities, and creating sustainable value for all stakeholders. By combining the scalability of blockchain with the real-world expertise of 72 Networks, Solvium offers a unique, high-potential investment opportunity in a rapidly growing market.

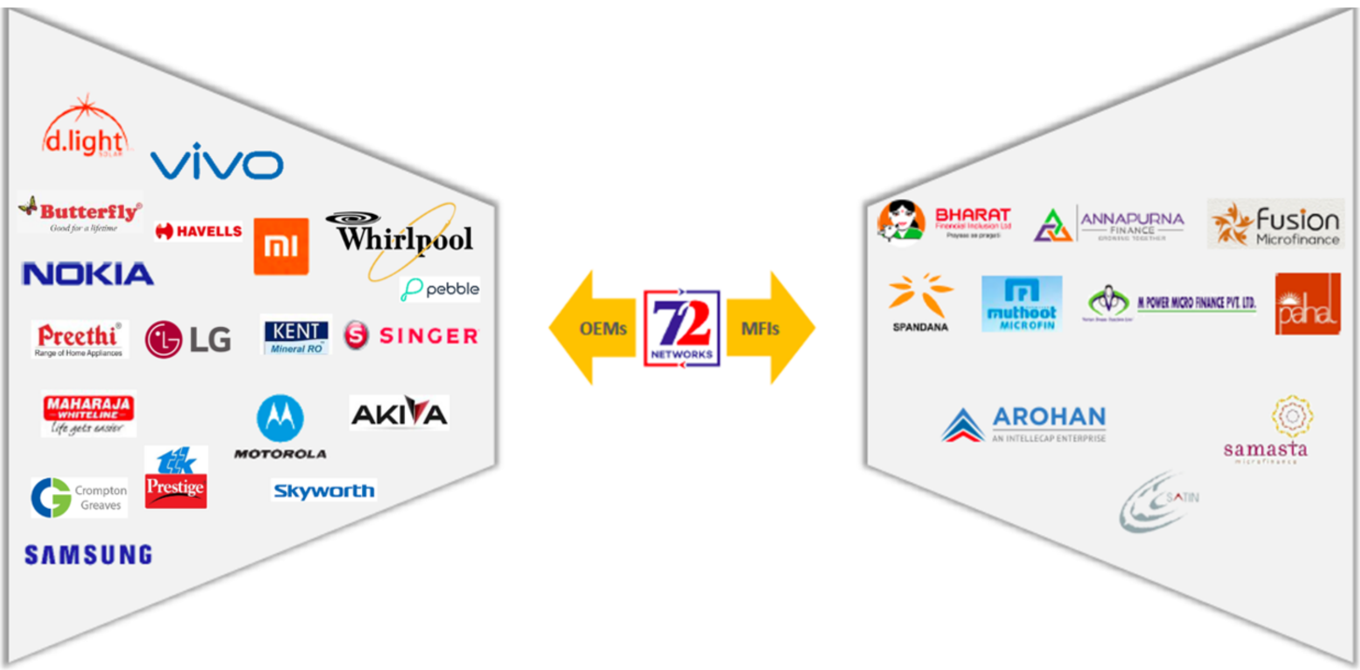
Chapter 2
About 72 Networks

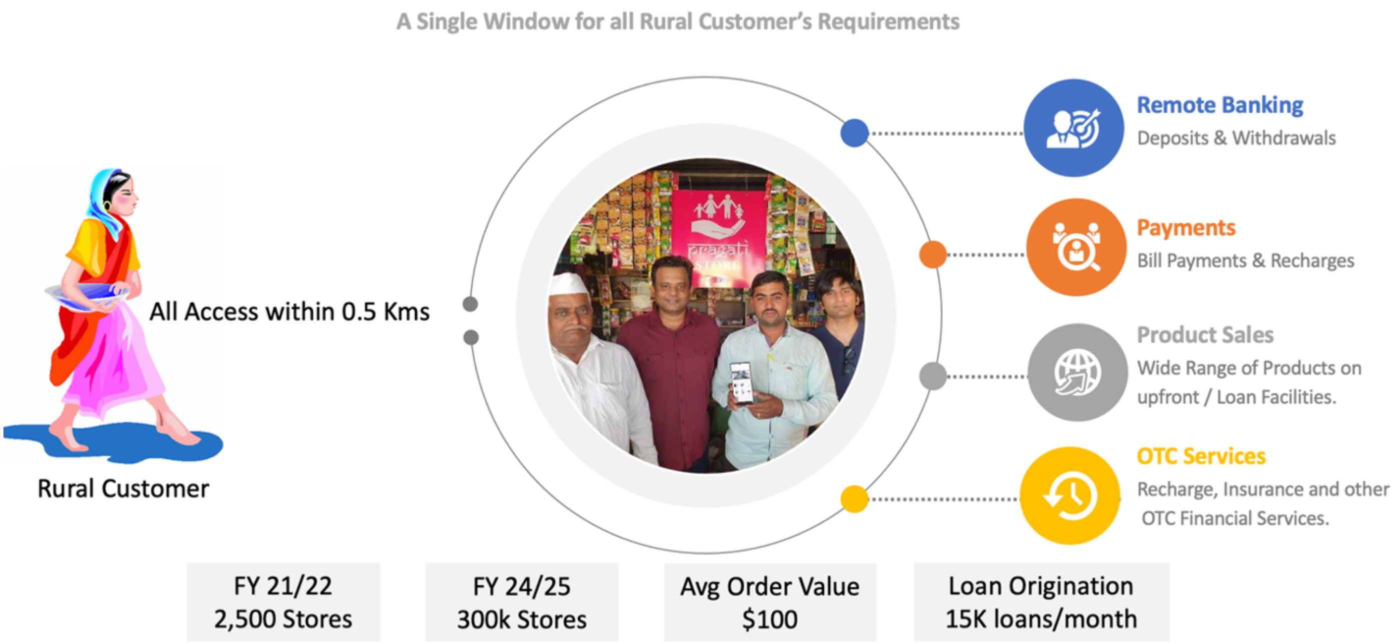
A Proven Leader in Rural Markets

72 Networks was established in 2017 by Srinivas L and Gaurav Ahlawat. Both the founders heading the enterprise divisions of Mobility and Consumer durables respectively at Samsung. Srinivas with a deep tech background saw first hand issues of affordability, access to products and last mile delivery issues at Samsung for its product. The entrepreneur inside both of them to solve for this issue lead to the creation of 72 Networks with a vision to reach any part of India within 72 Hours.

The company forged very strong partnerships with reputed brands like Samsung, LG, Vivo etc on one end for product supply and NBFCs like Bharat Financial Inclusion Limited (Part of IndusInd Bank), Fusion, Fullerton, Satin, Samastha Microfinance, Spandana Microfinance etc to create an end to end distribution channel along with credit for Individual Women and MSME's in Rural India.

With a mission to bridge the gap between global brands and rural consumers, the company has built a strong reputation for trust, efficiency, and profitability in challenging and complex terrains. Over the past six years, 72 Networks has not only revolutionized rural commerce but has also laid the groundwork for Solvium's innovative decentralized finance (DeFi) ecosystem.





Performance That Speaks for Itself

1. 1.2 Million Customers Served

- Over six years, 72 Networks has successfully connected over 1.2 million customers across India's rural and semi-urban regions with premium global brands.
- This expansive reach demonstrates the company's ability to navigate the complexities of rural India while maintaining exceptional customer service.

2. $50 Million in Cumulative Revenue:

- With a robust business model and a highly efficient logistics network, 72 Networks has generated over $50 million in revenue, a testament to its scalability and operational excellence.

3. Exclusive Partnerships with Global Brands:

- 72 Networks has secured exclusive distribution agreements with over 35 renowned brands, including Samsung, LG, Whirlpool, Vivo, Haier, and Xiaomi, specifically targeting rural markets.
- These partnerships ensure a consistent and high-quality product flow, further cementing the company's trustworthiness and operational capability.

4. Collaborations with Microfinance Institutions (MFIs):

- 72 Networks maintains strong ties with over 15 leading microfinance institutions, enabling seamless access to credit for underserved customers.
- These collaborations enhance the company's ability to offer holistic financial and commerce solutions.

Experienced Leadership

Solvium & 72 Networks' management team boasts over 100 years of collective experience across global giants such as Microsoft, Samsung, HP, Walmart, and Udaan. This leadership pedigree ensures innovative strategies, robust execution capabilities, and a future-focused vision.

FOUNDERS

Srinivas L,
CEO & Co-founder

Srini comes with a diversified educational background as well with a Bachelor of Engineering, Masters in Banking and Insurance, specialized certifications in Bitcoin & Blockchain Technologies from Princeton University and Private Equity from Bocconi University, Italy, Srini has a unique blend of technical and business expertise. He excels in Fintech, product management, cybersecurity, and Digital Assets.

His entrepreneurial ventures, including 72 Networks & Rooba.finance, demonstrate his passion for leveraging technology to create long-lasting change. Srini's leadership is focused on collaboration, creativity, and driving high-growth opportunities in the evolving digital asset. Prior to that Srini was heading leadership roles at Dell, McAfee, Microsoft, Blackberry and Samsung.

CA Sonu Jain,
CBO & Co-founder

CA Sonu Jain is a leading authority in cryptocurrency taxation, compliance, and legal advisory with a proven track record of delivering global impact. Over the past four years, Sonu has worked with renowned platforms like Koinly, CryptoTaxCalculator, Bitwave, and KoinX, building advanced tax engines across five countries and advising over 1,500 clients on crypto tax planning and compliance in India, the USA, the UK, Australia, and Japan.

An influential educator, Sonu has empowered more than 250,000 Indian investors with actionable insights into crypto tax compliance and played a key role in shaping India's crypto policy. His efforts include launching the "Reduce Crypto Tax" petition, which gained the support of over 120,000 investors, advocating for a fairer tax framework. As a trusted advisor, Sonu specializes in guiding crypto startups on legal frameworks, risk management, and strategies for scalable, sustainable growth.

72 Networks

Gaurav Ahlawat,
CEO & Co-Founder

An Engineering graduate from NIT Kurukshetra, Gaurav comes with 22+ years of experience working in managerial and leadership positions with companies like HCL, Samsung, Hewlett-Packard and Adobe. Started entrepreneurial journey in 2018 with 72 Networks.

Anshuman Maheshwari,
Chief Operating Officer

An IIM Ahmedabad Alumnus, and an experienced professional with 23+ years of experience working in leadership positions with multiple renowned organizations like ITC Ltd., Walmart India, KPMG India, Deloitte India and udaan, etc. in the domains of Sales &BD, Retail Operations, Merchandising and Procurement, Supply Chain and Logistics Management Consulting, Strategy and Operations, Talent and team management. Etc

Unique and Profitable Business Model of 72 Networks

72 Networks has pioneered a business model tailored to the unique dynamics of rural India by taking a Phygital Approach (Physical + Digital). Combining physical presence through a vast network of agents with digital platforms for efficiency and scalability Deep understanding of rural consumer behaviour, allowing for tailored offerings that drive adoption and satisfaction. The platform leverages Data analytics and AI to optimize supply chain operations, predict customer demand and streamline logistics. The company has adopted a lean operational model with high revenue margins, demonstrating its ability to scale sustainably.

Strategic Relevance to Solvium

72 Networks' established infrastructure, partnerships, and market presence provide the perfect launchpad for Solvium's DeFi solutions. By integrating blockchain and AI into 72 Networks' proven business model, Solvium aims to:

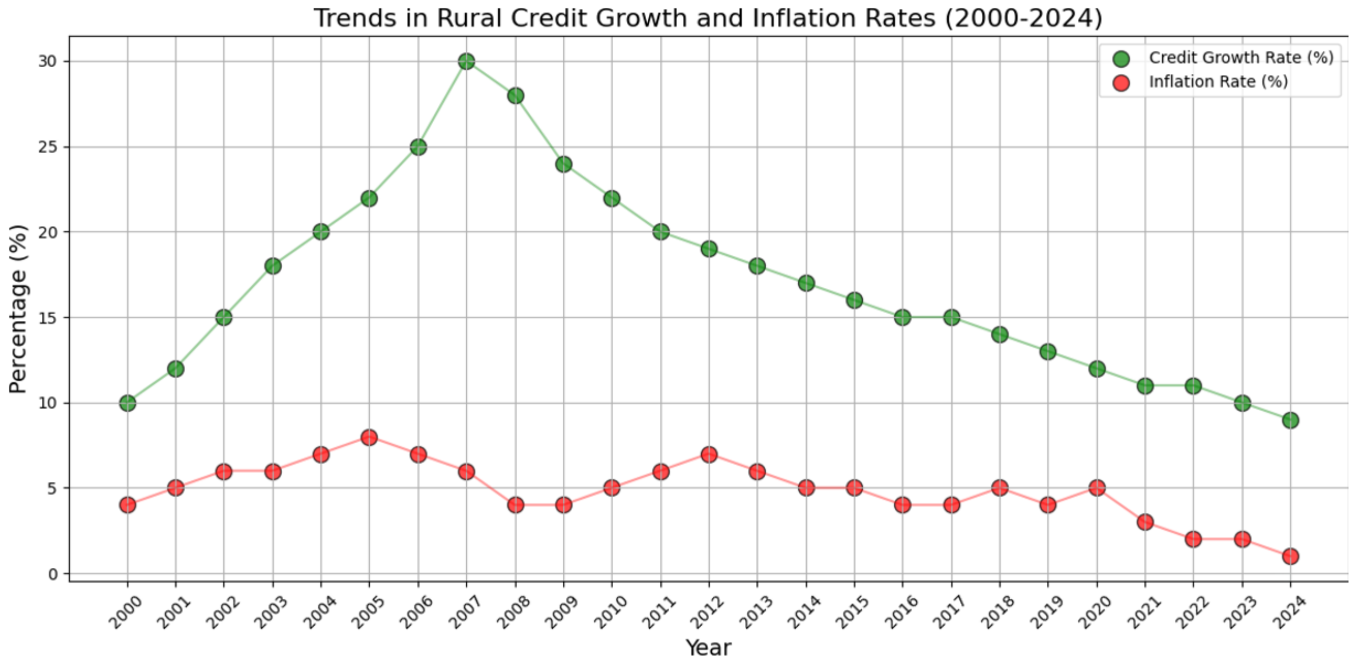
» **Expand Lending Pools:** Utilize 72 Networks' existing relationships with microfinance institutions to deploy Solvium's lending pools efficiently and securely.
» **Enhance Accessibility:** Leverage the Yaari.ai platform to make financial services accessible to even the most remote areas.
» **Minimize Risk:** Draw on 72 Networks' deep market knowledge and data-driven insights to optimize credit underwriting and minimize loan defaults.
» **Drive Adoption:** Benefit from 72 Networks' established brand trust and customer base to accelerate the adoption of Solvium's tokenized financial products.

A Partnership Built on Strength

The synergy between 72 Networks and Solvium creates a powerful ecosystem capable of transforming rural and MSME credit markets in India. Investors can rest assured that Solvium is not starting from scratch; it is building on the solid foundation of 72 Networks' proven success and market leadership.

Chapter 3
Market Overview – Rural Credit in India

The rural credit market in India is a critical component of the country's overall financial ecosystem, especially given that nearly 65% of India's population resides in rural areas. Access to credit is essential for rural households, particularly for farmers and small businesses, to meet their consumption needs, finance agricultural activities, and support micro-enterprises. However, despite various government initiatives and financial reforms aimed at improving credit access in rural areas, significant challenges remain. This chapter provides an in-depth analysis of the rural credit landscape, highlighting key trends, challenges, and opportunities for platforms like Yaari.ai to address unmet needs.



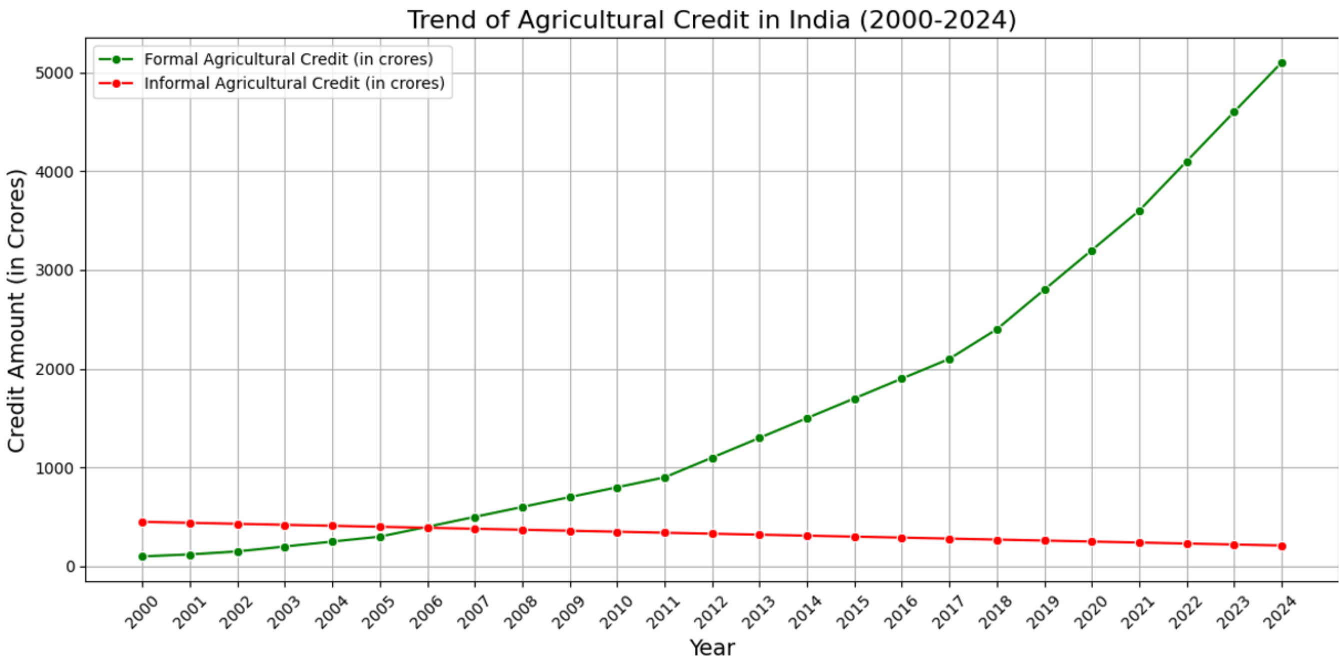
3.1 Current State of Rural Credit

Agricultural credit has seen substantial growth over the past few years, driven by government initiatives and increasing demand from farmers for working capital and investment loans. According to the Economic Survey 2023-24, agricultural credit increased by 1.5 times from approximately $157.6 billion (₹13.3 lakh crore) in FY21 to $245.3 billion (₹20.7 lakh crore) in FY24. This growth was largely supported by schemes such as the Kisan Credit Card (KCC), which provides timely and hassle-free credit to farmers.

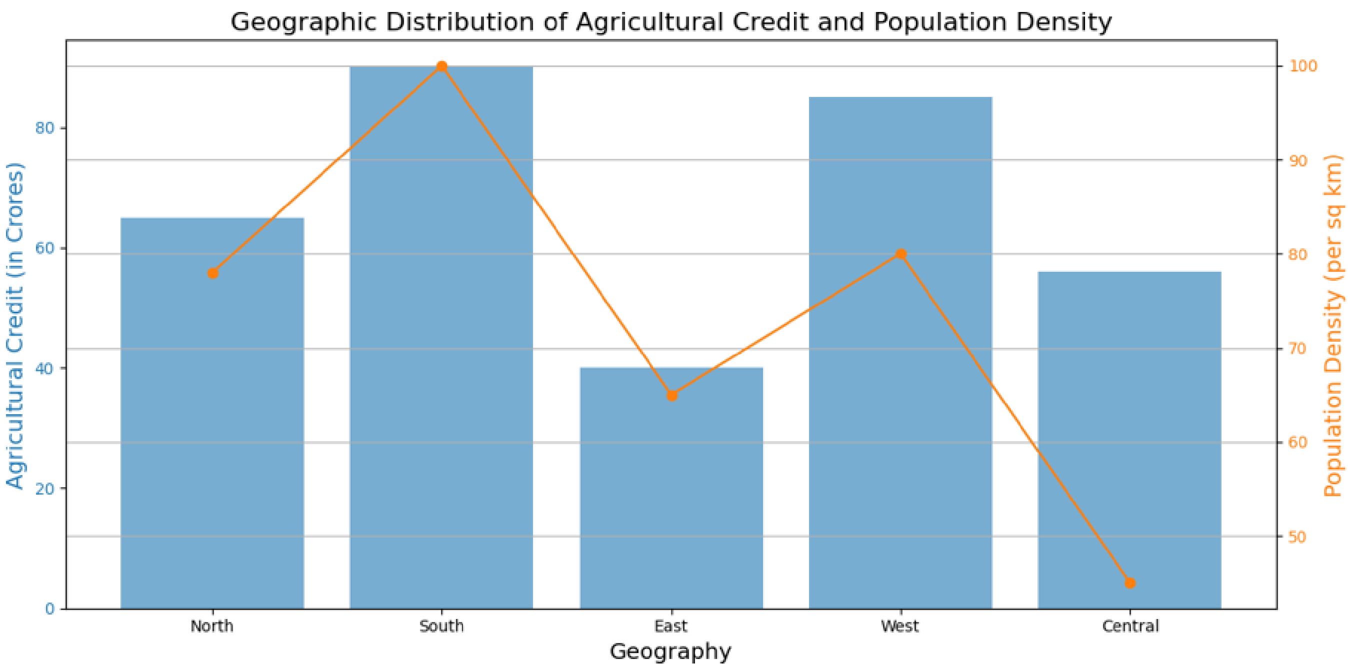
- KCC Scheme: As of 2023, there were over 74 million (7.4 crore) operative KCC accounts, reflecting the widespread adoption of this scheme.
- Year-on-Year Growth: Bank credit to agriculture and allied sectors grew by 19.7% and 21.6% year-on-year in April and May 2024, respectively.

This data highlights the significant expansion of formal credit availability to the agricultural sector, driven by both policy support and increasing demand from rural borrowers

[2] Economic Survey – by Economic Times

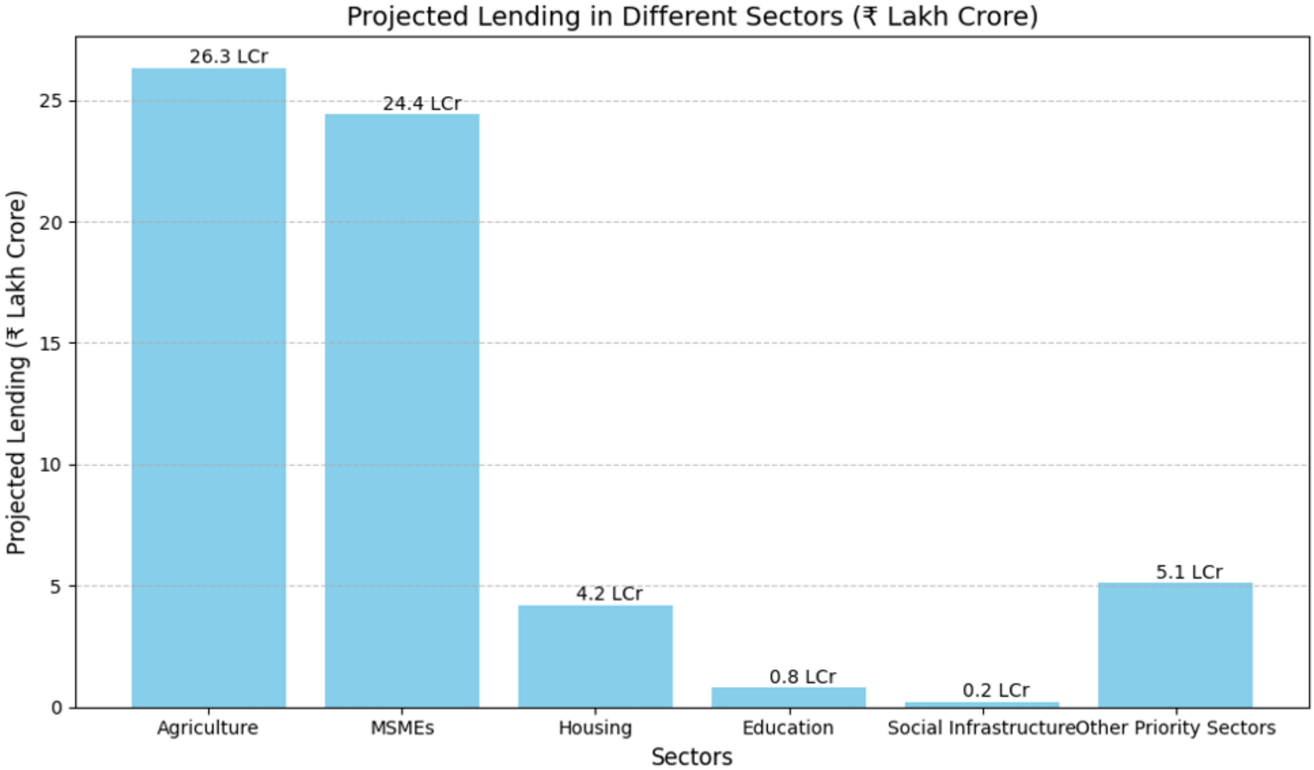


This rapid expansion demonstrates the increasing reliance on formal credit sources among rural households, particularly in the agricultural sector.



3.1.2 Priority Sector Lending (PSL)

The Indian government mandates that a portion of bank lending be directed toward priority sectors such as agriculture, MSMEs (Micro, Small & Medium Enterprises), housing, education, and social infrastructure. For FY2024-25, the total priority sector lending target is projected at $722B (₹ 61 lakh crore) with agriculture accounting for **43%** (₹ 26.3 lakh crore) of this total[3]



This data highlights the critical role that formal financial institutions play in supporting rural development through targeted lending.

3.1.3 Informal Lending Still Dominates

Despite the growth in formal lending channels, a significant portion of rural credit still comes from informal sources such as moneylenders and family members.

» According to the **Global Findex Report (2021),** while **45% of adults reported borrowing,** only one-third did so from formal sources

» This indicates that a large segment of rural borrowers still relies on informal lenders due to easier access and fewer documentation requirements.

» Informal lenders often charge exorbitant interest rates, trapping borrowers in cycles of debt.

[3] Priority Sector Lending Projections – National Bank for Agriculture & Rural Development

3.2 Key Drivers of Rural Credit Demand

Several factors are driving the increasing demand for formal credit solutions in rural India:

3.2.1 Rising Rural Incomes

The average monthly income for rural households has been steadily increasing over the past decade. For example:

- Between FY2016 and FY2021, rural household incomes grew by approximately **57%**[4]

This rise in disposable income has led to greater demand for consumer goods (e.g., two-wheelers, home appliances) and business investments (e.g., agricultural equipment), both of which are often financed through loans.

3.2.2 Expanding Consumption Needs

Rural consumers are increasingly seeking credit to finance consumption-driven purchases:

- Approximately **62%** of two-wheeler sales and **30-40%** of consumer durable purchases in rural India are financed through loans

This trend highlights the growing appetite for financing products among rural consumers who are gradually transitioning from subsistence-based economies to consumption-driven ones.

3.2.3 Government Initiatives

Several government schemes have been instrumental in promoting financial inclusion and expanding access to formal credit:

- The **Pradhan Mantri Jan Dhan Yojana (PMJDY)** has helped bring millions of unbanked individuals into the formal banking system by opening over **500 Million bank accounts** since its inception.
- The introduction of digital public infrastructure like **India Stack**, which includes Aadhaar-based eKYC and UPI payments systems, has further facilitated access to formal financial services for rural populations.

[4] – NABARD Survey – Economic Times

3.3 Challenges Faced by Rural Borrowers

Despite these positive developments, several challenges continue to hinder access to formal credit for many rural borrowers:

3.3.1 Lack of Collateral

One of the biggest barriers faced by rural borrowers is their inability to provide collateral for securing loans:

» Many farmers do not have clear land titles or sufficient assets that can be used as collateral.

This makes it difficult for them to qualify for loans from formal financial institutions that typically require collateral as a safeguard against default.

3.3.2 Cumbersome Loan Application Processes

The process of applying for a formal loan is often time-consuming and complex:

» It can take up to 15 days or more for a loan application to be approved due to extensive paperwork requirements and multiple interactions with lenders

For many rural borrowers who may lack digital literacy or familiarity with banking procedures, this process is daunting and discourages them from seeking formal credit.

3.3.3 High Transaction Costs

For financial institutions (FIs), reaching remote rural areas remains expensive due to high transaction costs associated with small loan sizes and large geographical distances:

» Many banks find it unviable to establish branches or service centers in remote villages due to low loan volumes relative to operational cost

3.4 Opportunities for Tech-Enabled Lending Platforms

Given these challenges, there is a significant opportunity for tech-enabled platforms like Yaari.ai to bridge the gap between NBFCs and underserved rural borrowers:

3.4.1 Leveraging Digital Public Infrastructure

India's digital public infrastructure—particularly components like Aadhaar-based eKYC—can help streamline customer onboarding processes:

» By digitizing identity verification and document submission processes, platforms like Yaari.ai can reduce loan approval times from weeks to days or even hours.

3.4.2 AI/ML-Powered Underwriting

Artificial Intelligence (AI) and Machine Learning (ML) models can be used to assess borrower risk based on alternative data sources:

» For example, AI models can analyze mobile usage patterns or transaction histories from digital payment platforms like UPI to assess the creditworthiness of borrowers who lack traditional credit histories.

This allows NBFCs partnering with Yaari.ai to offer loans even to borrowers who would otherwise be excluded from formal financial systems.

The rural credit market in India presents both challenges and opportunities for financial service providers looking to expand their reach into underserved areas. While there has been significant growth in formal lending channels—particularly through government initiatives like KCC—the reliance on informal lenders remains high due to barriers such as lack of collateral and cumbersome loan processes. Tech-enabled platforms like Yaari.ai are well-positioned to address these gaps by leveraging digital infrastructure such as Aadhaar-based eKYC and AI-driven underwriting models while also providing agent-assisted services through local kirana stores or village-level entrepreneurs. By combining high-tech solutions with high-touch human interaction, Yaari.ai can play a pivotal role in transforming access to formal credit for millions of rural households across India.

Solvium Business Model: Empowering Financial Inclusion Through Innovation

Solvium's business model combines blockchain technology with the proven infrastructure and expertise of 72 Networks to create a decentralized ecosystem for lending, staking, and insurance. This approach addresses India's rural credit gap while offering token holders sustainable returns. By leveraging blockchain's transparency and 72 Networks' deep-rooted presence in rural markets, Solvium is poised to revolutionize how credit is distributed and managed in underserved areas.

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1. Lending Through 72 Networks: A Proven Foundation

At the core of Solvium's business model is its strategic partnership with 72 Networks, a leader in rural commerce and logistics. The integration of Solvium's blockchain technology with 72 Networks' lending setup ensures an efficient, transparent, and scalable credit distribution system.

- **Loan Origination:**

» 72 Networks' extensive network includes partnerships with over 15 microfinance institutions (MFIs), which facilitate loan origination.
» Loans are distributed to rural borrowers using Solvium's lending pools, backed by SOLV tokens.

- **Loan Distribution:**

» Funds from SOLV token holders are converted into USD and deployed through lending pools to Foreign Portfolio Investors (FPIs)/External Commercial Borrowings etc.
» FPIs lend to 72 Networks' partnered financial institutions, which subsequently disburse loans to rural borrowers.

- **Interest Repatriation:**

» Borrowers are charged an 18% annual interest rate.
» A portion of this interest—8%—is repatriated to Solvium's lending pool, ensuring consistent returns for token holders.

- **Loan Recovery and Servicing:**

» 72 Networks' on-ground agents manage loan recovery and servicing, ensuring high repayment rates and minimizing defaults.
» This physical presence is complemented by AI-based risk management tools for underwriting and monitoring.

2. Key Components of Solvium's Business Model

2.1. Lending and Interest Repatriation

- **Lending Pools:**

» SOLV token holders contribute liquidity to decentralized lending pools, which are then deployed into regulated lending systems.
» These pools operate on blockchain-based smart contracts, ensuring immutability, transparency, and efficiency.

- **Revenue Generation:**

» A fixed portion of the interest earned on loans is systematically repatriated to the lending pools.
» For example, a $10 million lending pool with 12% repatriated interest would yield $1.2 million annually, offering consistent returns to token holders.

- **Stability Features:**

» Solvium integrates insurance pools and advanced risk mitigation strategies to protect returns and minimize potential disruptions caused by defaults or market volatility.

2.2. Staking in Lending Pools

- **Dynamic Yield Boosting (DYB) Model:**

» SOLV token holders can stake their tokens in lending pools to earn competitive Annual Percentage Yields (APYs) that adjust dynamically based on staking duration and overall network health.
» Longer staking periods and higher network activity lead to better returns, incentivizing long-term commitment and ecosystem stability.

- **Sustainable Rewards:**

» Staking rewards are meticulously funded through a combination of interest income, transaction fees, and strategic token buybacks, ensuring sustainability over the long term.

- **Example Calculation:**

» A base APY of 7%, funded by a $5 million reward pool, would decrease proportionally if the reward pool were reduced to $4.5 million. The dynamic model ensures that returns align with actual economic conditions.

2.3. Insurance Pool Earnings

- **Insurance Integration:**

» Borrowers contribute to insurance pools, providing an additional revenue stream while safeguarding against loan defaults.
» Token holders benefit from the premiums collected, adding another layer of earnings potential to the ecosystem.

- **Risk Mitigation:**

» These insurance pools act as a buffer against adverse events, protecting both lenders and token holders from unexpected financial disruptions.

3. Why Solvium's Business Model Works

- **Technology-Driven Efficiency:**

» Blockchain ensures transparency, immutability, and low operational costs, making the lending process more accessible and trustworthy.

- **Leverage of Established Infrastructure:**

» By partnering with 72 Networks, Solvium taps into an existing, highly effective framework for rural lending, minimizing the need for new infrastructure investments.

- **Real-World Applications:**

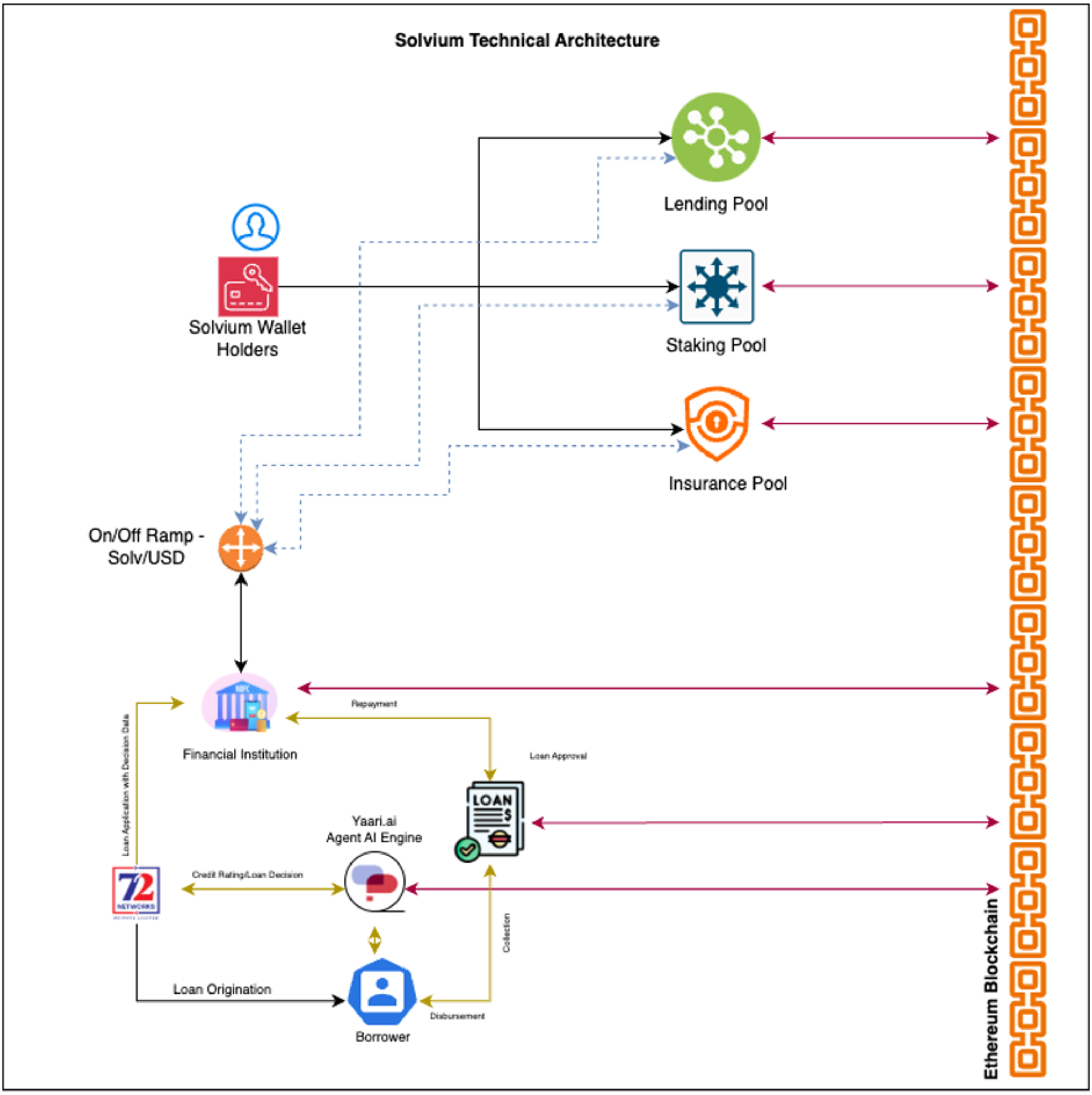
» Unlike speculative crypto projects, Solvium's business model directly addresses real-world financial challenges, offering tangible benefits to borrowers and investors alike.

- **Alignment with ESG Goals:**

» Solvium's focus on financial inclusion and rural empowerment aligns with global Environmental, Social, and Governance (ESG) investment trends, making it an attractive proposition for socially conscious investors.

Technical Architecture for Solvium

Solvium's technical architecture is designed to seamlessly integrate traditional financial systems with blockchain technology. This dual-layered structure ensures that the platform remains robust, scalable, and compliant while leveraging the transparency and efficiency of decentralized finance (DeFi).



Core Architecture Components

1.1 Traditional Financial Systems Integration

To ensure a seamless flow of funds and efficient lending operations, Solvium integrates with traditional financial systems, including banks, NBFCs (Non-Banking Financial Companies), and microfinance institutions (MFIs). Key features of this integration include:

- **API-Based Connectivity:**

» APIs enable real-time communication between Solvium's blockchain platform and traditional financial institutions.
» This ensures efficient loan disbursement, repayment tracking, and fund movement.

- **Aadhaar-Enabled eKYC:**

» Solvium leverages India's Aadhaar-based eKYC system for quick and secure borrower verification.
» This integration reduces onboarding time while maintaining compliance with local regulations.

- **Automated Loan Underwriting:**

» Advanced AI and machine learning algorithms analyze borrower data, including credit history, cash flow patterns, and repayment capacity.
» Risk scores generated by these models are shared with lending institutions for approval.

- **Integration with Payment Gateways:**

» Solvium's platform connects with UPI (Unified Payments Interface) and other payment gateways to facilitate seamless loan disbursement and repayment.

- **Accounting and Reporting Systems:**

» Financial data is synchronized with legacy accounting systems to ensure accurate reporting and compliance with regulatory standards.

1.2 Blockchain Integration

Solvium's blockchain layer brings transparency, security, and efficiency to the platform. The following components are central to its blockchain integration:

- **Smart Contracts:**

» Smart contracts automate key processes such as fund allocation, interest repatriation, staking rewards, and insurance claims.
» These contracts are immutable and tamper-proof, ensuring trust among stakeholders.

- **Decentralized Lending Pools:**

» Lending pools are powered by blockchain, where SOLV token holders contribute liquidity.
» These pools operate transparently, with real-time visibility into fund allocation and utilization.

- **Tokenization of Funds:**

» SOLV tokens are used as the primary medium for staking, lending, and insurance.
» Funds contributed by token holders are tokenized and converted into fiat currencies (USD) for deployment in lending operations.

- **Distributed Ledger:**

» A distributed ledger records all transactions, including loan disbursements, repayments, staking activity, and reward distributions.
» This ledger ensures data integrity and provides an auditable trail for all activities.

- **Interoperability with Financial Systems:**

» Blockchain nodes interact with traditional financial systems through oracles, which fetch off-chain data (e.g., borrower credit scores) and relay it to the blockchain.

- **Compliance and Governance:**

» Built-in compliance mechanisms ensure adherence to local financial regulations, including AML (Anti-Money Laundering) and KYC (Know Your Customer) norms.
» Governance is facilitated through decentralized voting mechanisms, where SOLV token holders participate in decision-making processes.

2. Key Features of the Architecture

2.1 Scalability and Performance

» The platform is designed to handle high transaction volumes using Layer 2 solutions using zk-rollups / sidechains to reduce congestion and lower gas fees.
» Microservices architecture ensures that individual components (e.g., staking, lending, insurance) can scale independently.

2.2 Security and Fraud Prevention

» Multi-signature wallets and hardware security modules (HSMs) protect funds within the system.
» AI-based fraud detection models monitor transaction patterns to identify and prevent fraudulent activities.

2.3 Data Privacy and Protection

» Borrower data is encrypted and stored on secure off-chain databases.
» Zero-knowledge proofs (ZKPs) are used to verify borrower credentials without exposing sensitive information.

3. Workflow Overview

1. Loan Origination:

» 72 Networks will do loan origination through the AI-assisted platform Yaari.ai, which captures financial data and completes eKYC using Aadhaar and DigiLocker.
» Using our Credit Risk Management **AI Agent,** the Borrowers' credit history and eligibility are analyzed along with inputs from the Socio-Economic Profiling, generating a comprehensive risk score assessing more than 45 different parameters like Mobile Spends, Tax Payments, House/Land Ownership, Two Wheeler/4 wheeler ownership, House Hold Income through Dairy / farming / Government Direct Benefit Transfer Schemes etc.

2. Lending Pool Deployment:

» Money from the lending pool is offramped to USD (fiat) and transferred to licensed NBFCs under an exclusive tri-party arrangement with Solvium and 72 Networks.
» These NBFCs provide a 5% First Loss Default Guarantee to 72 Networks via an escrow arrangement, ensuring additional security for the lending process.

3. Loan Disbursement and Repayment:

» Based on the borrower's risk score and the NBFC's internal lending policy, loans are disbursed to borrowers.
» Repayments are tracked through Solvium's blockchain ledger, ensuring transparency for every individual loan tagged to the institution.

4. Interest Repatriation:

» On a quarterly basis, interest income is repatriated to the lending pools, providing returns to token holders and maintaining a steady revenue stream.

5. Staking and Rewards:

» Token holders stake SOLV tokens in lending or insurance pools to earn dynamic rewards.
» Smart contracts calculate APY based on staking duration and network health.

6. Insurance Claims:

» Insurance pools safeguard against defaults, and claims are processed automatically via smart contracts.

4. Benefits of the Architecture

- **Transparency:**

» Real-time visibility into fund movements and loan performance builds trust among stakeholders.

- **Efficiency:**

» Automation through smart contracts reduces manual intervention, operational costs, and processing times.

- **Scalability:**

» Modular design and blockchain scalability solutions ensure the platform can handle growing demand.

- **Risk Mitigation:**

» AI-powered underwriting and insurance pools reduce default risks and enhance system stability.

5. Future Enhancements

- **AI-Driven Credit Scoring Evolution:**

» Enhance borrower risk assessment using predictive analytics and machine learning.

- **Integration with CBDCs:**

» Connect the platform to Central Bank Digital Currencies (CBDCs) for seamless fiat transactions.

- **Decentralized Governance Expansion:**

» Introduce advanced governance features, allowing SOLV token holders to propose and vote on new platform features.

1. Economy Setup

The Solvium ecosystem is designed with a balanced and sustainable economic model to drive long-term value for both token holders and the communities it serves. The economic setup includes structured monetary policies, a multi-functional token utility, staking mechanisms, and a replenishment strategy for the reward pool, all aimed at fostering financial inclusion while incentivizing active participation in the ecosystem.

1.1. Monetary and Fiscal Policies

Solvium's economic policies focus on creating a self-sustaining system that drives consistent value accrual for the SOLV token while addressing real-world financial needs.

- **Fixed Token Supply:** Solvium's total token supply is capped at 1,000,000,000 SOLV tokens, ensuring scarcity and preventing inflationary dilution.
- **Deflationary Mechanisms:** To support token value over time, Solvium incorporates periodic token burns funded through repatriated interest earnings and transaction fees, reducing the circulating supply and creating upward price pressure.
- **Revenue Streams:** Revenue is generated through interest repatriation, staking rewards, and insurance premiums, creating diverse and stable financial flows that support both operational needs and token value growth.

1.2. SOLV Token Functions

The SOLV token is central to the Solvium ecosystem, providing multiple functionalities that support its economic goals and value proposition.

- **Payment:** SOLV can be used within the ecosystem to pay for transaction fees, access premium features, and receive discounts on financial services.
- **Staking:** SOLV token holders can participate in a unique staking program that offers dynamic APYs based on the duration of staking and overall network health.
- **Governance:** Long-term stakers are granted voting power within the ecosystem's governance structure, enabling them to influence important decisions and guide the project's future direction.

1.3. Staking Mechanism

The Solvium staking model, Dynamic Yield Boosting (DYB), introduces a novel approach to yield generation, incentivizing long-term commitment while stabilizing the ecosystem. The DYB model uses a multiplier system that adjusts based on staking duration and network health, offering dynamic APYs that reward active participation.

- **Base APY:** The initial staking APY is set at 5%, applicable to all stakers.
- **Dynamic Yield Multiplier:** The APY is boosted based on two key factors:
  - **Staking Duration (D):** Longer staking periods yield higher multipliers.
  - **Network Health (N):** A higher percentage of tokens staked in the ecosystem increases the multiplier.

Formula for Effective APY:

$$APY_{effective}=APY_{base}\times(1+365D\times0.5+100N\times0.5)$$

Example Calculation:

For a 180-day staking period with 60% network participation:

» 1. **Multiplier Calculation:**

$$\mathbf{M}=1+(365/180\times0.5)+(10060\times0.5)=1.5466$$

» 2. **Effective APY:** $APY_{effective}=0.05\times1.5466=0.0773$ or 7.73%

This approach not only encourages longer commitments but also promotes ecosystem stability, benefiting both token holders and the platform.

1.4. Rewards and Penalties

To ensure liquidity and manage sell pressure, the Solvium ecosystem incorporates penalties for early unstaking and a reward replenishment mechanism.

1. Penalties for Early Unstaking:

» Early unstaking incurs a penalty proportional to the remaining staking duration. This penalty is designed to discourage short-term speculation and stabilize the staking pool.

» **Penalty Calculation:**

$$Penalty=Staked\ Amount\times(Total\ Staking\ Period/Remaining\ Duration)\times Penalty\ Rate$$

2. Replenishing the Reward Pool:

» Solvium's reward pool is funded through interest income from microloans, insurance premiums, and transaction fees. This replenishment model ensures sustainable reward distributions without diluting token value.

2. Sell Pressure Risk & Liquidity Analysis

A critical component of the Solvium tokenomics. model is managing sell pressure while ensuring liquidity. Solvium's strategic approach includes analysing potential sell pressure, implementing mitigation strategies, and devising a long-term liquidity plan. These measures help maintain token stability, reduce volatility, and build a strong foundation for sustainable growth.

2.1. Sell Pressure Risk Analysis - Year 1

During the first year, sell pressure risk is primarily driven by the unlocking of tokens from initial rounds and staking rewards. Analysing and preparing for this pressure is essential to ensure that the token value remains stable, especially as tokens become liquid post-vesting.

- **Token Unlock Schedule:**

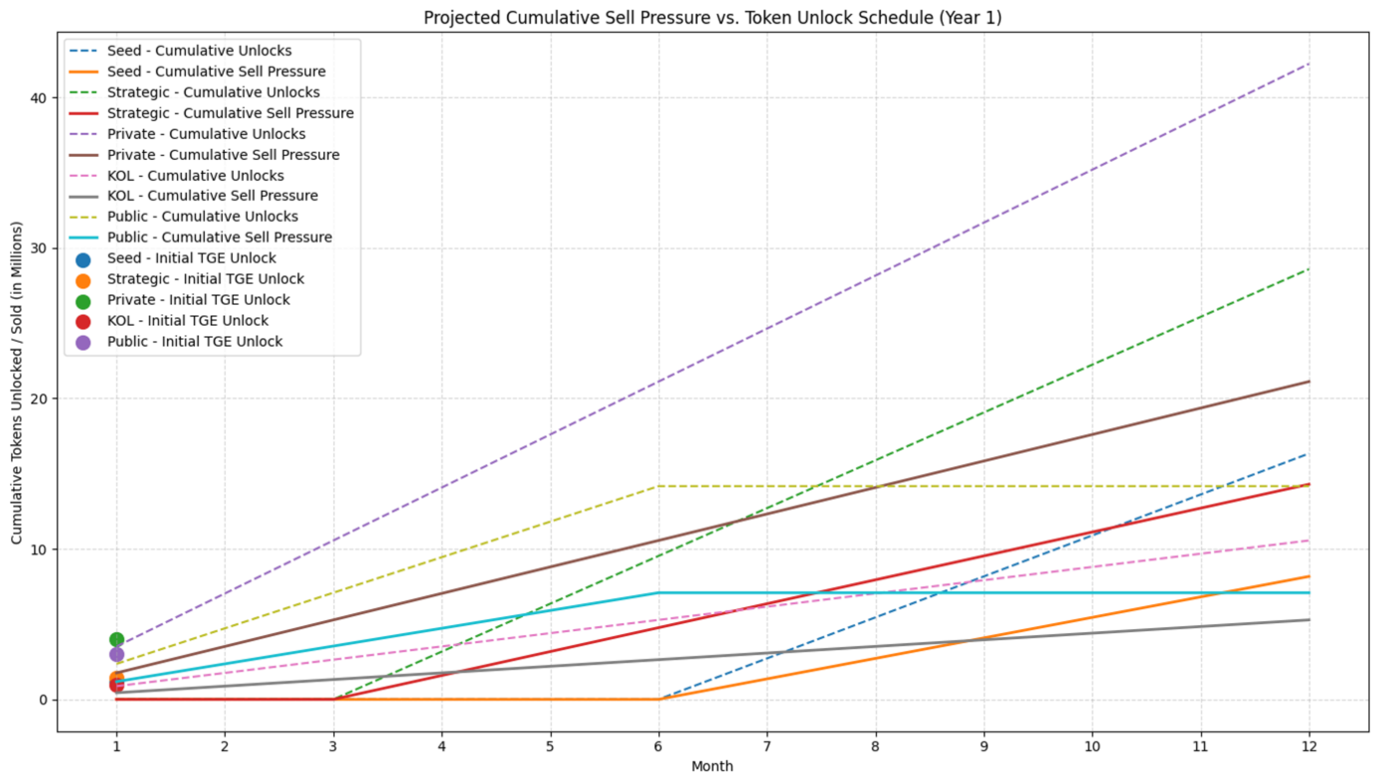
1. The initial unlock phases for early investors, team, and advisors create a projected increase in circulating supply.
2. The **Seed, Strategic, Private, and Public Rounds** have structured vesting schedules with cliffs and linear unlocks to control the gradual release of tokens and mitigate sudden sell-offs.

- **Staking Rewards:**

1. Staking rewards add tokens to the market as users may choose to claim and sell their rewards. Solvium's Dynamic Yield Boosting (DYB) model, which incentivizes longer-term holding, helps to reduce the likelihood of immediate selling.

- **Projected Sell Pressure:**

1. Based on the vesting and staking reward schedules, the first year could experience up to 7.33% (data from the financial projections) increase in circulating supply due to unlocked tokens and staking claims.



2.2. Sell Pressure Mitigation - Year 1

1. To address the initial sell pressure, Solvium has implemented a series of mitigation strategies to stabilize the token value and incentivize holding.

1. **Staking Incentives:**

» The DYB model provides higher APY for longer staking durations, encouraging participants to keep tokens locked in the ecosystem. This approach minimizes the number of tokens available for sale and stabilizes the circulating supply.

2. **Early Unstaking Penalties:**

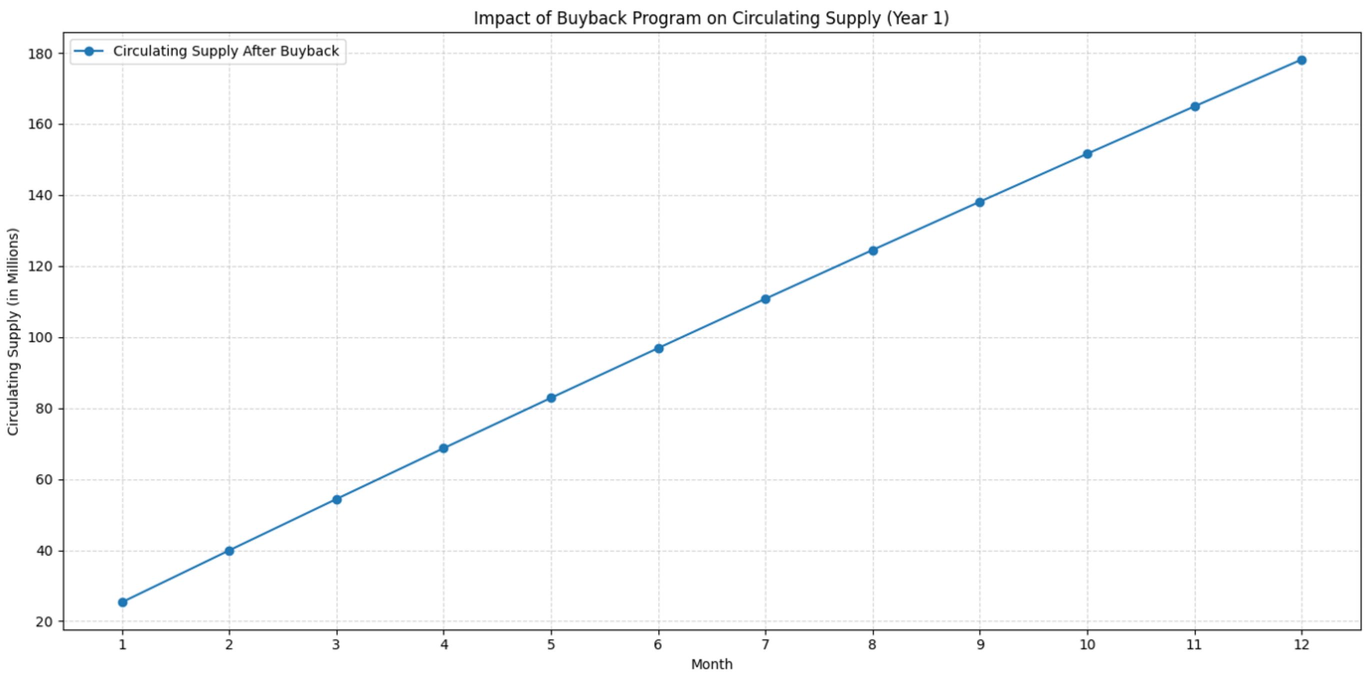
» Early Unstaking is subject to penalties based on the remaining duration, effectively discouraging early withdrawals and reducing potential sell-offs. These penalties are redistributed into the reward pool, strengthening the staking ecosystem.

3. **Strategic Buyback Program:**

» Solvium plans to implement periodic token buybacks funded through a portion of the interest repatriated from microloans and transaction fees. These buybacks reduce circulating supply, providing upward pressure on token value.

» **Buyback Formula:**

Buyback Amount = Interest Income × Buyback Percentage



2.3. Recommended Liquidity Strategy

Solvium's liquidity strategy is designed to enhance market stability and minimize the impact of sell pressure over the token's lifecycle. This includes structured liquidity provisioning and reserve management.

1. **Liquidity Provisioning:**

» Initial liquidity pools for SOLV will be established on major decentralized exchanges (DEXs) to ensure trading accessibility and reduce slippage.

» **Liquidity Pool Contributions:**

  » **Seed Liquidity:** A portion of funds raised during the token sale rounds will be allocated for seeding liquidity.

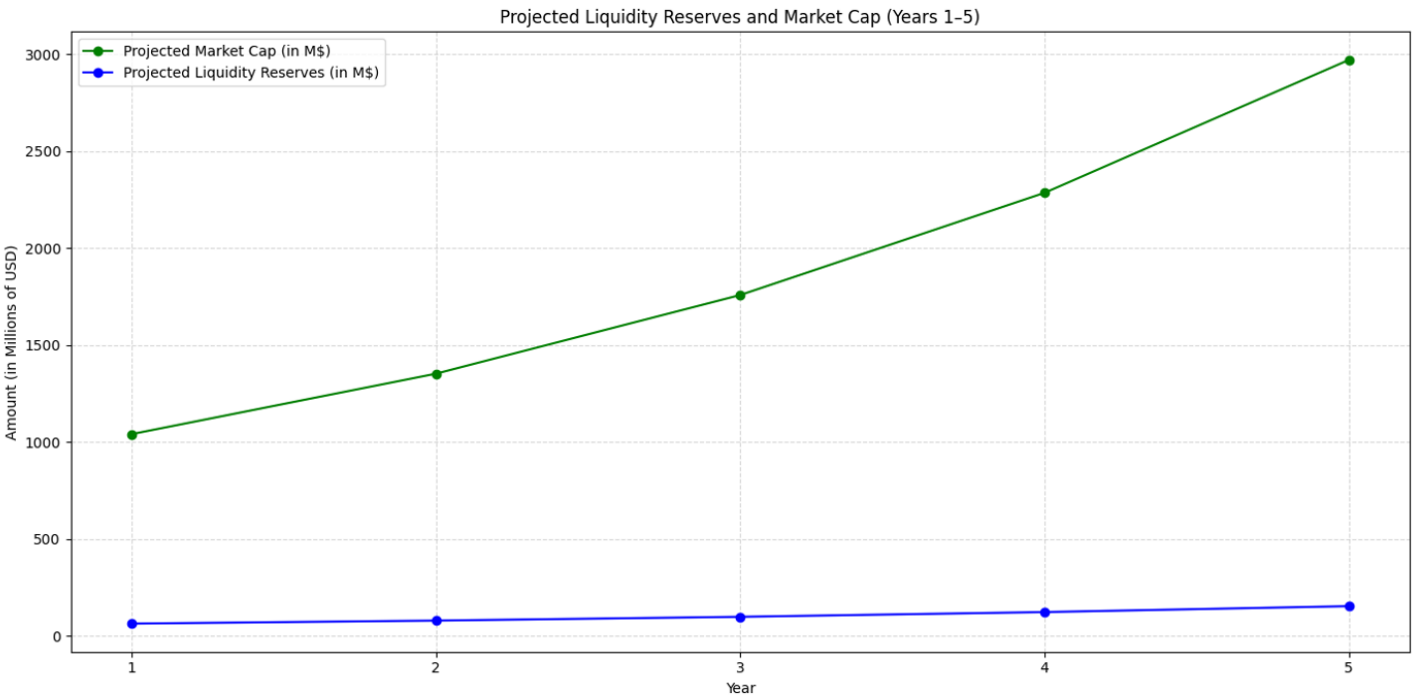
  » **Reserve Replenishments:** Replenishments from revenue sources such as transaction fees will further strengthen liquidity pools.

2. **Long-Term Reserve Pool:**

» A reserve pool is set aside to manage unexpected sell pressure over the first five years. This pool provides flexibility for price stabilization and ensures adequate liquidity during high-demand periods.

3. **Market Maker Partnerships:**

» Solvium will explore partnerships with established market makers to manage liquidity efficiently across exchanges, ensuring balanced buy-sell dynamics and reducing price volatility.



2.4. Aggregate Sell Pressure - Years 1 through 5

Beyond Year 1, sell pressure is projected to stabilize as initial token unlocks and vesting schedules conclude. However, continuous monitoring and strategic management are essential to prevent any spikes in sell pressure.

1. **Monitoring Metrics:**

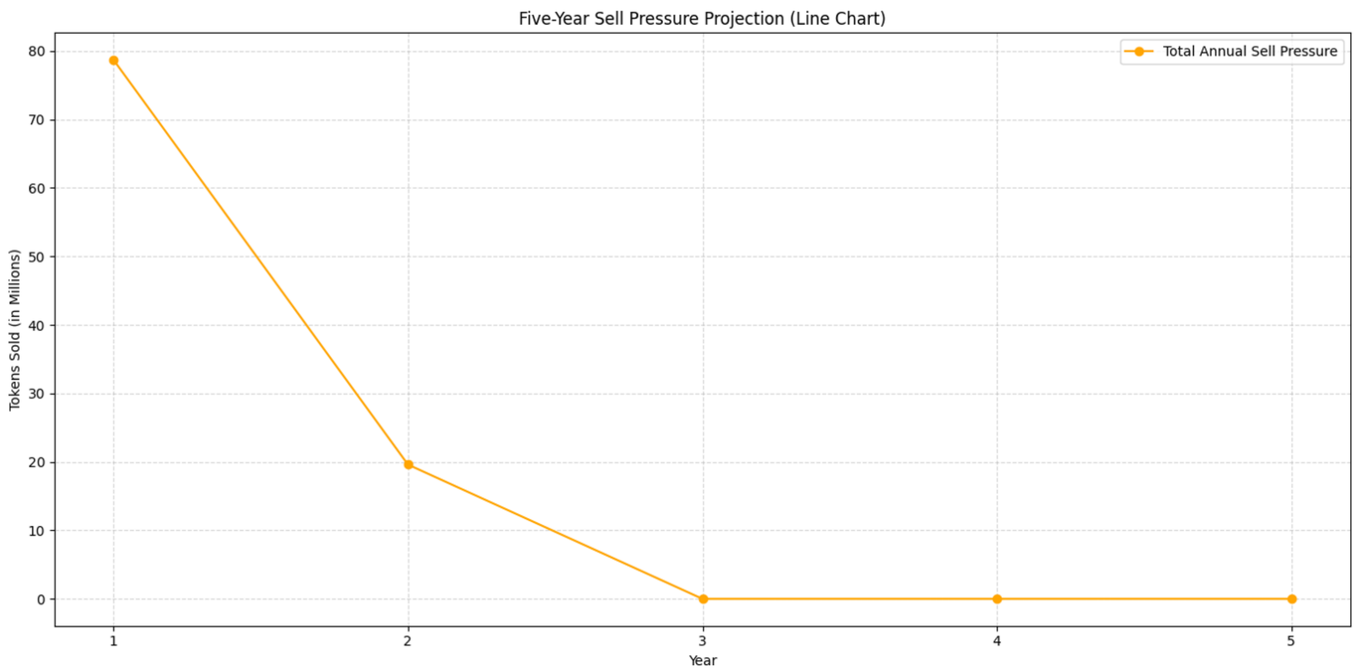
» Key indicators such as trading volume, market cap, and liquidity depth will be monitored to assess sell pressure.
» Yearly evaluations of staking participation, rewards distribution, and insurance pool utilization will ensure that token circulation aligns with projected growth.

2. **Sell Pressure Model:**

» A comprehensive model will be used to forecast aggregate sell pressure over five years, factoring in staking behaviors, reward claims, and circulating supply increases.

» **Formula:**

$$\text{Sell Pressure}_{\text{yearly}} = \text{Unlock Volume} + \text{Staking Claims} - \text{Buybacks} - \text{Liquidity Contributions}$$



3. **Governance**

A robust governance framework is essential for the sustainability and decentralization of the Solvium ecosystem. The governance structure is designed to progressively transition control from the founding team to the community of SOLV token holders. This approach ensures that decisions reflect the collective interests of stakeholders and adapt to the evolving needs of the platform.

4.1 Governance Phases

Solvium's governance model is structured into three progressive phases:

1. Early Phase – Centralized Governance

- **Overview:** During the initial stages, the Solvium core team retains full control over the platform's operations and decision-making processes.
- **Rationale:** This centralized approach allows for swift decision-making and agile responses to early-stage challenges, ensuring the platform's stability and security.
- **Duration:** This phase lasts until the platform achieves a critical mass of users and operational stability, projected to be within the first 6 to 12 months post-launch.

2. Transitional Phase – Semi-Decentralized Governance

- **Overview:** The governance model begins to incorporate community input through off-chain mechanisms like forums and snapshot voting.
- **Community Proposals:** SOLV token holders can propose ideas and improvements on community forums, which are then discussed and refined collaboratively.
- **Snapshot Voting:** Non-binding votes are conducted using platforms like Snapshot to gauge community sentiment on proposed changes.
- **Team Oversight:** The core team still retains ultimate decision-making authority but heavily weighs community input.

3. Mature Phase – Fully Decentralized Governance

- **Overview:** Governance is fully transitioned to SOLV token holders, who can propose and vote on changes directly affecting the platform.
- **On-Chain Voting Mechanism:** Proposals are submitted and voted on-chain, ensuring transparency and immutability.
- **Vote-Escrowed (ve) SOLV Tokens:** Voting power is based on veSOLV tokens, which are SOLV tokens locked for a specified duration to encourage long-term commitment.
- **Quadratic Voting:** To prevent centralization of power, quadratic voting is implemented, reducing the influence of large token holders and promoting a more democratic process.
- **Timelock Contracts:** Approved proposals are subject to a timelock before execution, allowing for community review and any necessary interventions.

4.2 Voting Mechanics

Vote-Escrowed SOLV Tokens (veSOLV)

- **Mechanism:** SOLV token holders can lock their tokens for a predetermined duration to receive veSOLV tokens, which confer voting rights.
- **Duration-Based Multiplier:** The longer the lock-up period, the greater the voting power, incentivizing long-term participation.
- **Formula for veSOLV Calculation:**

$$\text{veSOLV} = \text{SOLV Staked} \times \text{Lock-Up Multiplier}$$

Lock-Up Multiplier increases with the duration, following a predefined schedule.

Quadratic Voting

- **Purpose:** Quadratic voting mitigates the influence of large stakeholders by making the cost of additional votes increase quadratically.
- **Voting Power Calculation**

Voting Power=veSOLV

This approach ensures that the decision-making process is more equitable and community-driven.

Proposal Submission

- **Eligibility:** Any address holding at least 1% of the total veSOLV tokens can submit a proposal.
- **Proposal Lifecycle:**

1. **Submission:** Proposer submits the proposal with detailed documentation.
2. **Review Period:** A 2-day review period allows the community to discuss and assess the proposal.
3. **Voting Period:** A 5-day voting window where veSOLV holders cast their votes.
4. **Quorum and Approval:**
   - **Quorum Requirement:** At least 5% of total veSOLV tokens must participate.
   - **Approval Threshold:** A majority (>50%) of the voting power must support the proposal.
5. **Timelock Execution:** Approved proposals are queued in a timelock contract for 2 days before execution.

4.3 Governance Safeguards

Early-Stage Veto Power

- **Team Oversight:** During the Transitional Phase, the core team retains veto power to prevent proposals that could harm the platform.
- **Sunset Clause:** Veto power is relinquished once the platform reaches the Mature Phase, marking full decentralization.

Security Measures

- **Proposal Review:** All proposals undergo a security and feasibility assessment by independent auditors before execution.
- **Emergency Protocols:** In case of malicious proposals or security threats, predefined emergency protocols allow for swift action to protect the ecosystem.

4.4 Governance Rewards

To encourage active participation in governance, Solvium offers incentives:

- **Voting Rewards:** A portion of the platform's revenue is allocated to reward veSOLV holders who participate in voting.
- **Participation Multiplier:** Rewards are adjusted based on participation rates, promoting consistent engagement.
- **Staking Synergy:** veSOLV holders continue to earn staking rewards on their locked SOLV tokens, compounding their benefits.

Example Calculation of Voting Rewards

- **Total Voting Rewards Pool: R_{total}**
- **Individual's veSOLV Holdings: V_{user}**
- **Total veSOLV in Voting: Vtotal**

User's Reward:

$$R_{user}=R_{total}\times(V_{total}/V_{user})$$

4.5 Alignment with Regulatory Compliance

Solvium is committed to ensuring that its governance framework complies with relevant legal and regulatory standards:

- **Transparency:** All governance activities are transparent and recorded on-chain, providing an immutable record.
- **Compliance Checks:** Proposals undergo legal review to ensure compliance with international and local regulations.
- **Community Education:** Resources and guidance are provided to help the community understand governance processes and their responsibilities.

Tokenomics

Round	Token Supply	% of Token Supply
Seed	70,000,000	7%
Strategic	70,000,000	7%
Private	80,000,000	8%
Public	20,000,000	2%
Team	150,000,000	15%
Marketing	120,000,000	12%
Partnership	70,000,000	7%
Liquidity	50,000,000	5%
Advisors	70,000,000	7%
Ecosystem	300,000,000	30%
	1000,000,000	100%

solvium

Bridging India's $819 Billion Credit Gap With AI And Blockchain

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