



Study of Shadow Banking in India with a Specific Reference to P2P-NBFCs

Prudhvi Sankar, Mousumi Bhattacharya*

Indian Institute of Management Shillong, Meghalaya, India. *Email: msb@iimshillong.ac.in

Received: 09 June 2020

Accepted: 23 August 2020

DOI: <https://doi.org/10.32479/ijefi.10057>

ABSTRACT

The P2P lending is a form of crowd-lending and is regulated by RBI as NBFC-P2P. While the P2P lending existed in India from the beginning of this decade (2011-2020), RBI brought it under its ambit through its Master Directions of 2017. The regulations are definitely a good sign to augur the growth opportunities of P2P lending while inculcating a sense of trust and confidence in the participants of P2P lending. However, the regulations, in the process, have also limited the scope of P2P lending. This exploratory paper studies the P2P lending process in India, in general. This paper also studies the operating strategies and risk management strategies of the P2P companies registered with RBI as on April 30, 2019. Further, the financial statements of around ten P2P companies are analysed to understand the functioning of P2P companies in India. The study serves in recognising the future evolutionary aspects in today's P2P lending framework. The study also points at few regulatory hurdles that needs to be tackled effectively in order to ensure that the potential gains of P2P lending is realised.

Keywords: P2P, NBFC, Opportunities

JEL Classifications: G23, G28

1. INTRODUCTION

The Peer-to-peer lending, also known as P2P lending, is a form of crowd lending business model through online platforms. The P2P platforms act as an intermediary to bridge the gap of raising finance for the borrowers and generating high returns for the lenders on the platforms. While the savings and fixed deposit accounts generate a return of 4% p.a. to 8% p.a., the return generated on the platform is much higher than that. However, the interest rates are still comparable to that charged by Banks and other financial institutions. Apart from the interest rates, the processing time i.e., from accepting the application to borrow, till the time the amount is disbursed, is very low and efficient. This makes the P2P lending an interesting business model with a huge potential.

Countries like UK, USA, and China have been pioneering the P2P lending models. India also has been trying and testing P2P lending from the beginning of this decade (2011-2020). With the

Reserve Bank of India's (RBI), India's Central Bank, decision to regulate the P2P lending business in India by naming it a new type of non-banking financial company i.e., NBFC-P2P inculcated confidence in the P2P arena.

The P2P lending business models are still evolving with new opportunities and challenges. This relatively new fintech business model that connects the borrowers and lenders (with no responsibility or guarantee for repayments from it) should be nurtured within the right regulatory framework.

In this background, this paper attempts to study the RBI regulations and its impact on the P2P lending business in India; the operational and risk management strategies practiced by the P2P-NBFCs in India. The paper attempts to study around 11 P2P-NBFCs registered with RBI as on April 2019.

The review of existing literature suggests that the research work has been confined to general business model of the P2P platforms

i.e., not specific business strategies practiced by the P2P companies operating in India. Most of the research work has been based on a single P2P platform. The risk management strategies deployed by the P2P platforms are yet to be studied. This paper attempts to fill the gaps identified.

1.1. The Objectives of This Study are as Follow

- To understand the P2P lending process in India
- To study the RBI's regulatory norms for NBFC-P2Ps and their impact
- To study and identify various operating strategies of NBFC-P2Ps in India
- To study and identify the risk management strategies followed by NBFC-P2Ps in India
- To analyze the financial statements of the NBFC-P2Ps.

2. LITERATURE REVIEW

Pushpa and Phani (2016) studied the global scenario of P2P lending and the P2P lending ecosystem with a specific reference to countries, namely China, the USA, and the UK. The study also includes a study of the P2P ecosystem for India by analysing the data of a P2P platform in India viz., Faircent.com. The study highlights that the P2P lending is welcomed in India as the struggle against high bank rates, strict loan margins, formalities, and documentation conventional sources of credit, etc. continue to bother the borrowers. It views P2P lending as a significant opportunity as it gives, both the borrowers and lenders, the freedom to negotiate their fair deal. The study raises questions about the risk-management aspects of the lenders, and the borrowers as P2P lending in India are prone to attract high-risk borrowers. The study calls for a need to regulate the consumer lending and data monitoring aspects of P2P lending. Shivangi (2019), in her paper, conducted a descriptive study of various factors driving P2P lending in India and the RBI's master directions for P2P lending platforms. The study indicates that the Government's push for a cashless economy, the availability of data, the digital mode of operations of the P2P lending, the popularity of P2P lending among millennials, and the growing demand for credit among various segments are the key factors that drive P2P lending in India. The study elaborates on RBI regulations and that the P2P lending has grown manifold post RBIs regulation in just a year. The study expects that the ability of P2P lending to fulfill the financial gap in India by providing access to cheaper loans would in itself create a need for the Government to support P2P lending by giving various incentives, including favorable taxation policies. Khatri (2019), in her paper, studied the P2P lending process in India by analysing the reasons for the rise of P2P lending as an alternative financing mechanism. The paper further compares and contrasts the P2P loans vis-à-vis traditional bank loans on various parameters like the procedure, returns and costs for the parties involved, assessment of creditworthiness, risks involved for the facilitators (i.e., banks and P2P platforms), the collaterals required, etc. The study explains the RBI regulations in place and further analyses the P2P lending scenario in the Indian context with a special reference to 'faircent.com,' a P2P platform in India. The study highlights various challenges and risks faced by the P2P lending industry and the need for addressing those challenges

to achieve the expected growth. Shettar (2019), in the research paper, mentioned about market size, regulatory body and P2P lending platforms in countries of UK, USA, China, Australia, India, and Canada. It detailed the general operational procedure of the P2P lending platforms starting from creation of account till the closure of the loan by repayment and listed the top ten P2P lending start-ups in India. The study analysed the pros and cons of P2P lending for borrowers and lenders and mentioned that "absconding with money" and "difficulty in withdrawing money" are the most troubling issues when dealing with P2P platforms. Vinod Kothari Consultants (2017), in their report, studied two types of P2P lending models viz., client-segregated account model, and notary model. It examines the benefits of P2P lending over Banks and the P2P lending across countries of the USA, UK, China, Australia, Canada, Japan, Israel, Germany, and India. It further analyses the RBI consultation paper on P2P lending and the subsequent Master Directions of RBI for P2P lending in India. The report also includes a survey conducted with around 10 P2Ps covering the business aspects of the P2P platforms with respect to automation/technology levels, operating mechanisms, revenue generation, and risk aspects, among other things. The report concludes that the regulations are stricter, and the P2P lending had to grow in a controlled phase in the market as the regulations, technology, and risk assessment aspects continue to evolve. Kumar and Johnson (2019), in their paper, analyzed five P2P platforms namely "Faircent," "Lendbox," "i2ifunding," "LenDenClub" and "rupaia exchange" with respect to privacy protection, structural assurance, and pricing strategy for lenders and borrowers. The study analyses the strengths, weakness, opportunities and threats of P2P lending in India. The paper highlights that the P2P lending is complementary to the conventional banking (rather than disrupting the banking systems) and can revolutionize the credit mechanism in India. The paper, however, considers "trust" as a crucial factor for the P2P lending and that the Indian P2P platforms possess a structural assurance mechanism to instill it.

3. SCOPE AND METHODOLOGY

For the purpose of this study, the P2P NBFCs registered with RBI are considered. This paper studies the P2P companies registered with RBI as P2P NBFCs as on April 30, 2019 (Table 1). The P2P Companies are required to file periodical statements with RBI under the Master Directions of RBI. This data is not available on the RBI databases and hence the study had to rely on other secondary data.

The study is divided into three major parts which are analysis of the operating strategies, risk management strategies of P2P NBFCs and the financial statement analysis of those P2P NBFCs.

For the purpose of analysis of the "operating strategies" and the "risk management strategies" of P2P NBFCs, the data available on the websites of the respective P2P NBFCs have been relied upon. It is pertinent to note that part of these disclosures on websites are statutory disclosures to be made in accordance with the RBI regulations for P2P NBFCs. The data provided on the websites are collected, compiled and compared across various P2P platforms to chalk out the common as well as specific strategies, both operating

Table 1: List of P2P companies registered with RBI as on April 30, 2019

	P2P Platform	Registered office	Date of COR from RBI	Trade name/Brand name
1	Etyacol Technologies Private Limited	Bengaluru	July 2018	Cashkumar
2	Monexo Fintech Private Limited	Chennai	June 2018	Monexo
3	Fairassets Technologies India Private Limited	New Delhi	May 2018	Faircent
4	Finsquare Fintech Private Limited	Hyderabad	June 2018	PeerLend
5	Luharia Technologies Private Limited	Hyderabad	October 2018	ATL/AnyTimeLoan
6	RNVP Technology Private Limited	Lucknow	August 2018	i2iFunding
7	Ohmy Technologies Private Limited	Mumbai	March 2018	OML
8	Bridge Fintech Solutions Private Limited	Mumbai	June 2018	finzy
9	Bigwin Infotech Private Limited	Mumbai	June 2018	PaisaDukan
10	Innofin Solutions Private Limited	Mumbai	July 2018	LenDenClub
11	NDX P2P Private Limited	Mumbai	(not available)	LiquiLoans

The above companies include companies in P2P lending even before the RBI set its guidelines categorising them as NBFC-P2P

and risk management, of the P2P platforms, in general, operating in India scenario. The analysis is to understand the various qualitative aspects of the functioning of P2P NBFCs in India.

For the third part, namely the analysis of the financial statements of P2P-NBFCs, the data submitted by the P2P companies with the Ministry of Corporate Affairs (MCA) (by virtue of the provisions of the Companies Act) has been relied upon. These forms are 'Form for filing financial statement and other documents with the Registrar (Form no.AOC-4) and 'Annual Return (Form no. MGT-7).

The data obtained from these statutory filings by the companies have been analysed and presented under the broad heads of Assets, Equity and liabilities, Revenue, Expenses, Losses and Taxes, and Net-owned funds. Each of these broad heads finds a study of the various items of the financial statements and conclusions, if any, of the P2P companies.

The study also relies on other secondary data available on the respective websites of the P2P platforms and other online blogs and vlogs.

4. ANALYSIS

4.1. P2P Lending Process in India

The P2P lending, in India, broadly operates under the model:

4.1.1. Registration and account activation

Both the borrowers and lenders are required to be registered on the platform by submitting all the required details along with prescribed documents like PAN and address proof. Once the documents are verified, the account is created by the P2P platform.

4.1.2. Lender's investing process

Post activation of the account, the lender will be able to transfer funds to the escrow account of the P2P platform and start investing in various loan portfolios based on his/her investment choices.

The P2P platform does not guarantee the repayment of the loans given on the platform.

4.1.3. Borrower's loan application and appraisal process

In case of a borrower, fill the details and upload the necessary documents online to submit the loan application for review. The

P2P platform reviews the loan application, and conducts a credit analysis (credit report and any other credit history/data available) of the borrower, and assess the borrowers risk profile. This process may include fully automated, semi-automated or manual. In some cases, physical verification of the addresses is carried out.

Based on the risk profiles, the borrowers are categorized to multiple risk buckets to determine the loan eligibility, interest rates and tenure. The eligible and approved borrowers now get their loan requests listed on the platform and waits for the funding by the lenders. If a certain minimum proportion of the listed loans (varying between 60% and 75%) gets funded by the lenders, then the loans are approved based on mutually agreed terms.

After necessary documentation/agreements the loan amount is disbursed to the borrower from the escrow account of the P2P platform. The repayment installments are received in a separate escrow account as per the terms of the loan agreement and is passed on to the specific lender therefrom.

4.2. Summary of RBI's Regulations for NBFC-P2Ps

The RBI came out with a set of regulations on the 4th of October 2017. A few key points are as below:

4.2.1. Registration criteria

- A company seeking registration under NBFC-P2P category shall have a net owned funds of not less than rupees twenty million.
- In case of prospective NBFC-P2P platforms, an in-principle approval is granted with a validity of 12 months.

4.2.2. Scope of activities

- The NBFC-P2P are restricted from - raising deposits, lending on their own account, and providing or arranging any credit enhancement or credit guarantees.
- The NBFC-P2P are authorized to deal only with clean loans (i.e., no secured loans) and are barred from cross selling any other products except for loan specific insurance products.
- However, the NBFC-P2P shall undertake activities related to loan documentation, provide assistance in loans disbursement and repayments, including loan recovery services (as far as they are originated on the platform).
- The NBFC-P2P are permitted to deploy their investible funds in specified instruments, but not for trading purposes.

4.2.3. Prudential norms

- NBFC-P2P shall maintain a Leverage Ratio (Total Outside Liabilities/Owned Funds) not exceeding 2.
- The prudential norms related to the exposure limits are summarized in Table 2.
- The maturity of the loans not to exceed 36 months.

4.2.4. Other operational norms

- The fund transfers on the platform, being funds received from the lender and funds collected from the borrowers, are to be routed through an escrow account which will be operated by a bank promoted trustee.
- Information technology and data aspects
 - NBFC-P2Ps are required to store and process all its data on hardware located within India.
 - They are required to become a member of Credit Information Companies (CIC) and submit data periodically to them.
- Other restrictions are put in place in terms of
 - Forbidding international flow of funds.
 - Obtaining prior approval in cases of change in shareholding and composition of directors beyond the specified limits.
- Publicly disclose on its website
 - Overview of credit assessment/score methodology and factors considered.
 - Its portfolio performance.
 - Its broad business models.

4.3. Operating Strategies of NBFC-P2Ps in India

4.3.1. Revenue sources for the P2P platforms

- Registration fees - Collected at the time of registering the lender or/and the borrower at the time of creating an account on the P2P platform. The registration fee is normally around Rs. 500/-
- Loan application fees - Collected from the borrower either at the time of submitting the application online for appraisal or at the time of loan listing on the P2P platform. This is also referred to as “Loan documentation fees” by some platforms.
- Loan processing fee - A processing fee based on the risk profile of the borrower is deducted from the loan amount at the time of disbursement to the borrower. The processing fee is around 2%-4% but may go up to 8% in case of risky borrowers.
- Facilitation fees/Transaction fees - The lenders are charged a certain amount for facilitating the loan funding opportunities on the platform. Normally this fee is charged and deducted

Table 2: RBI prudential norms for P2P lenders and borrowers

Exposure ceiling for	Aggregate exposure	Exposure to a single participant
Lender's exposure ceiling	Rs. 50,00,000/- (i.e., to all the borrowers across all P2P platforms)	Rs. 50,000/- (i.e., to a single borrower across all P2P platforms)
Borrowers exposure ceiling	Rs. 10,00,000/- (i.e., from all the lenders across all P2P platforms)	—

from the EMI/installment remittances by the borrower to the lender. It could otherwise be charged on the amount lent, or on the total return earned via the platform.

- Penal charges - In case of delayed repayment of installments/EMIs, a late fee and an additional penal interest is collected by the P2P platforms. The penal interest is around 36% p.a. across platforms. These penal charges are meant to discourage any delayed repayments by the borrowers and also to cover any incidental legal and recovery expenses in the event of the loan becoming a non-performing asset.
- Other charges - Some other charges that are collected by the P2P platforms are - charges for providing copies of ‘statement of account’, investment limit enhancement charges for the lenders, lending backing-off (post-commitment) charges collected from the lenders, pre-payment charges collected from the borrowers etc.

4.3.2. Easy and faster credit process

The P2P platforms have outweighed the traditional lending process in terms of processing the loan applications by the borrowers. The loan processing time have significantly come down and depends upon the credit risk profile of the borrower. The profiles with low credit risks will be able to attract more lenders when listed on the platform for funding, and thus it is comparatively transparent and quick. In case of a repeat borrowers and/or low credit risk, the borrowers are eligible for instant loans that are disburse in 2-5 days.

4.3.3. The returns and costs

The P2P platforms have been able to generate high returns for the investors/lenders on the platform based on their loan portfolios. The APR of various platforms are presented in Table 3. The interest rates for the borrowers depend on their risk profiles. The broad range of the interest rates charged to the borrowers on various platforms are presented in Table 4.

4.3.4. Types of loans offered

The P2P platforms offer a variety of loans to meet the myriad demands of the borrowers. The types of loans offered are bound to expand further as they are tailored to suit the borrowers short-term

Table 3: The APR generated for an average diversified investor/lender

P2P Platform	Average return generated for an average diversified lender (in APR) (%)
1 Cashkumar	17.85
2 Monexo	18
3 Faircent	12-28
4 PeerLend	21
5 ATL/AnyTimeLoan	42
6 i2iFunding	18-22
7 OML	18.39
8 Finzy	For low risk loans - 10.99-15.99 For medium risk loans - 16.99-21.99 For high risk loans - 22.99-27.99
9 PaisaDukan	24
10 LenDenClub	27.1
11 LiquiLoans	12

Source: Based on data compiled from respective websites of P2P platforms, accessed on February 25, 2020

to medium-term needs and RBI's regulation governing the tenure of the loans that can be offered on the platforms.

Few types of loan products offered on the platform are Travel/Pilgrimage loan, Home Improvement loan, Marriage loan, Family Function loan, Debt Consolidation loan, Credit card pay-off, Rent-deposit loan, Medical loan, Salary Advance loans, Instant loan, Consumer loan (for purchase of home appliances), Business loan, Vehicle Purchase, loan Education loan, etc. Table 5 provides information about the distribution of different types of loans in few P2P-NBFCs.

The eligibility of the borrowers and the applicable interest rate range and tenure, are dependent upon the type of loans offered. The multiple types of loans also help the lender in diversification of the investment portfolio and to mitigate risks.

4.3.5. Business loans

While most of the current P2P lending is centred around salaried employees, the P2P lending to "self-employed" and "own business" is yet to receive the attention.

The small business loans segment brings a huge potential both for the P2P platforms and businesses. According to TransUnion report on MSME (2020), the commercial credit growth for micro and

small businesses have grown at the rate of 7.7% and 4.6% Y-o-Y basis during the period between September 2018 to September 2019. P2P platforms have noted the growing financial needs of micro and small business; and are beginning to expand towards the same.

Currently the business loans products are offered by P2P platforms like OML, i2iFunding, ATL etc., in the form of MSME loans, Working Capital loans, Equipment Financing, Business Expansion loans, Office Purchase loans and Debt Consolidation loans for small businesses. Monexo is in the process of rolling out business loans for SMEs and other professionals like Architects, Chartered Accountants etc.

As evident from Table 5, in case of few P2P platforms, the major destinations of P2P lending are business loans, vehicle and consumer loans, and personal loans. If grown to its potential, it might affect the future personal loan portfolios of the banks and other financial institutions.

4.3.6. Partnership programs

Partnership programs are a collaboration venture of the P2P platforms with the businesses, professionals like financial advisors and wealth managers, and employers; in order to extend P2P lending facilities to their respective clients and/or employees. In a partnership program, the Partner (aka Loan Partner or Channel Partner) plays the role of a typical loan DSA. However, the partnership provides assistance for both borrowing and investing activities on the platform and in return the Partners earn for their referrals.

Most of the P2P platforms, for instance Monexo, Cashkumar, ATL, i2ifunding, OML etc., have such partnership programs in place.

4.3.7. Institutional investors

The P2P platforms are open for lending by institutional investors as well. The banks and other financial institutions might explore this space for partnering with P2P lending in India. However, the current prudential norms of RBI, limits this.

4.3.8. Secondary markets

Secondary market is a feature on the P2P platform wherein the lenders ("sellers") can off-load their loan commitments by trading

Table 4: Different interest rates charged to the borrowers on various P2P-platforms

P2P Platform	Range of interest rates charged to the borrower based on the risk category (annualized %)
1 Cashkumar	18-30%
2 Monexo	12-30%
3 Faircent	12-28%
4 PeerLend	14-36%
5 ATL/AnyTimeLoan	18.25-36%
6 i2iFunding	12-30%
7 OML	10.99-36%
8 Finzy	10.99-27.99%
9 PaisaDukan	12-24%
10 LenDenClub	12-35%
11 LiquiLoans	Not available

Source: Based on data compiled from respective websites of P2P platforms, accessed on February 25, 2020

Table 5: Distribution of different types of loans across four P2P platforms

Type of loans	Faircent (%) (as on March 3, 2020)	i2iFunding (%) (as on March 3, 2020)	Monexo (%) (as on December, 2019)	PaisaDukan (%) (as on September, 2018)
Consumer loans/Vehicle loans	22.10	1.03	-	7.10
Personal loans	19.70	-	15.70	85.80
Healthcare loans	7.00	3.10	14.00	7.10
Education loans	4.20	2.91	6.80	-
Business loans	25.20	25.53	4.70	-
Home Renovation loans	6.80	25.31	20.10	-
Family event loans (incl. wedding)	9.20	14.60	14.40	-
Debt consolidation loans	2.30	18.21	22.60	-
Holiday/Travel loans	1.40	0.26	1.70	-
Others	2.10	9.05	-	-
Total	100.00	100.00	100.00	100.00

Source: Based on data compiled from respective websites of P2P platforms, accessed on February 25, 2020

them. The transaction price can be either at discount or at par or at premium, as decided by the seller based on factors like outstanding amount, tenure, interest rates, transaction fees, need for the funds etc., The sale of the “loan assets” gets executed when a buyer purchases those ‘loan assets’ on mutually agreed terms of the seller.

Naturally, the secondary markets require financial acumen to decide on the transaction and the price of the “loan asset” for it to be a profitable venture.

Currently, only two (out of eleven) NBFC-P2P viz., Monexo and LiquiLoans, provide “secondary market” mechanism on their platforms.

4.3.9. Auto invest

Auto invest is an option available for the lenders to automate their lending activity. Almost all the P2P platforms provide the auto-invest option, to enable the lenders automatically invest in the loans listed on the platform based on their pre-defined lending criteria.

Apart from being hassle-free to the lenders, it effectively deals with the pre-payment/pre-closure of the loans by the borrower, by investing the available funds in the loans listed. It thus ensures that the lenders funds stay invested for a maximum tenure and earn higher returns for the lender. It also ensures liquidity in the P2P platform.

4.3.10. Rural lending

While the P2P lending platforms can have a wide reach because of their operations through online mode, most of the P2Ps have confined themselves to metro cities and Tier-II cities so far. However, the rural areas hold a great demand for credit in India making it another potential opportunity for P2P lending platforms. As per RBI’s Report of the Internal Working Group to Review Agricultural Credit (2019):

- Around 30% of the agricultural households source their funds from non-institutional sources, which are notorious for their exorbitant interest rates; and
- The interest rate charged by top 10 Micro Finance Institutions (MFIs), the institutional sources for the rural credit, ranged between 19% and 24% during 2018-2019.

The high presence of informal credit and the high cost of funds, paves path for scope of P2P lending in rural areas.

“Monexo” and “PaisaDukan” have ventured into rural lending as a segment with a specific focus on women micro entrepreneurs and group loans.

- Monexo, in partnership with the MFIs, offers “Social Impact” loan products on its platform. These loans are directed towards groups of women entrepreneurs (also called Self-help groups). The lender/investor is expected to have a net XIRR of 15% p.a. out of the 26% p.a. interest rate paid by the borrower. The difference i.e., 11% p.a. would be shared between Monexo and the partnered MFI for facilitating the process.
- PaisaDukan have piloted a rural lending project in Madhubani district of Bihar in March 2019. The P2P platform wishes to focus more on rural segment by setting up physical branches.

4.3.11. Multiple investment plans

The P2P platforms are innovative in designing and selling different investment plans to attract the lenders. The following are the lenders investment plans at multiple platforms (Table 6).

4.3.12. Referral programs

Most of the P2P platforms have in place a referral program for getting introduced to new borrowers and lenders. The referrer earns a referral bonus mostly linked to the performance of the referred investor or borrower.

4.3.13. Prepayments

Most of the P2P platforms have allowed for prepayments by borrower without any charges being imposed, but with a minimum of 3 months commitment. The P2P lending differs in this aspect from the banks and other NBFCs which charges prepayment charges discouraging the pre-payment by the borrowers. This acts as an advantage to the P2P platforms over the Banks and other financial institutions.

4.4. Risk Management Strategies followed by NBFC-P2Ps in India

4.4.1. Borrower verification

The borrower’s authentication and verification, prior to the disbursal of the loans, is ensured to restrict fictitious and ghost borrowers. It’s more crucial in case of first-time borrowers.

The P2P platforms undertake the verification process based on the information supplied by the borrower. The borrower’s authentication and verification are facilitated by documents such as proof of identity, proof of address, business establishment

Table 6: Lender’s investing options/criteria

P2P Platform	Lender’s investing options
Cashkumar	Initial minimum investment amount is Rs. 1000
Monexo	Initial deposit for lending is a minimum of Rs. 1 lakh. Loan funding to be made in multiples of Rs. 1000/- with a minimum of Rs. 1000/-
Faircent	Initial deposit for lending is a minimum of Rs. 5000/- Loan funding to be made with a minimum of Rs. 500/-
PeerLend	Invest a minimum of Rs. 10,000 and invest in multiples of Rs. 5000
ATL	Master Stroke: For HNIs/UHNIs with mid to long term investment goals; Growth Plan (GP): For those who invest in lump sum (Rs. 1 lac-Rs. 10 lacs); Systematic Lending Plan (SLP): For those who invest small amounts of say Rs. 1000 regularly over a period of time
i2iFunding	Minimum investment amount is Rs. 1000/- and lending in multiples of Rs. 1000/-
OML	Lender must fund minimum amount of INR 10,000/- in OML. Currently, you can start lending from as low as INR 2000/-.
Finzy	Minimum investment of ₹50,000; Portfolio funding with a minimum of ₹5000 and in multiples of ₹1000
PaisaDukan	Minimum of Rs. 1000/-
LenDenClub	Minimum of Rs. 500/-
LiquiLoans	Initial minimum investment amount of Rs. 1 lakh

Source: Based on data compiled from respective websites of P2P platforms, accessed on February 25, 2020

proofs, rental agreements, employment letters, salary slips, copies of Income Tax Returns (ITR), bank account statements, credit card statements, telephone/mobile/electricity bills, asset ownership proof, education proof etc. The documents to be submitted by the borrower also depends on the type and purpose of the loan.

The verifications may include credit verification, physical verification, confirmation from the employer or businesses (in case of Partnership programs), user authentication through e-mandates, social media activity, references from known contacts (personal or professional) etc.

In case the P2P platforms fail to authenticate or/and verify the borrowers to their satisfaction, the loan funding to the borrower is denied.

4.4.2. Assessment of credit worthiness

Assessment of credit worthiness of the borrower is a crucial step in the process of loan appraisal. Apart from assessing the risk of default, it is also a criterion in deciding loan eligibility, the amount of loan, interest rates, the processing fees to be charged, other supporting documents to be obtained etc.,

The credit score provided by the credit bureaus or CICs, are generally used to assess the credit worthiness of the loan applicant. There are currently four licensed CICs in India namely TransUnion CIBIL, Experian, Equifax and CRIF Highmark.

Almost all of the P2P platforms have their own rating mechanisms classifying the borrowers into various buckets of risk profiles

based on multiple factors like digital data, credit score, guarantees, partnership programs etc.,

For instance, i2iFunding has risk categories from 'A' to 'G' and 'X' is the ascending order of risk.

However, in cases of first-time borrowers, where the credit history of the borrower is unavailable or restricted it becomes challenging. Of late, the P2P platforms are increasingly leveraging technology and data analytics to assess the borrower's credit profile based on financial, social and psychometric data. Most of the P2P platforms have their own credit evaluation tools and algorithms to facilitate such data evaluations.

- "ATL" uses its own algorithm and robot called "LOBOT" to evaluate the loan applications.
- "Monexo" uses an additional screening process for its "My First Loan" borrowers which includes reviewing the digital behaviour of the applicant to assess his/her credit worthiness.
- "Cashkumar" has "social score" determined based on the analyses of social media activity and is inputted to decide the applicant's grade.

Selective details of eligibility criteria for loans on P2P platforms, to the extent available, is presented in Table 7.

4.4.3. Partnership programs

The partnership programs smoothen the entire P2P lending process and reduces the risk to a great extent especially in case of first-time borrowers. Apart from facilitating easy borrower's verification, they also provide an assurance and/or guarantee to the lender.

Table 7: Selective eligibility criteria for the borrowers for few P2P platforms

P2P platform	Selective eligibility criteria for the borrower
Cashkumar	CIBIL Score of 600 and above or profiles which are CIBIL 0 or -1 Monthly net income of Rs. 20,000 and above Total obligations (including EMI for requested loan) not to exceed 60% of total monthly income Average quarterly bank balance of 1.25 times the EMI amount
Monexo	(For salaried loan applicants) A monthly salary of Rs. 15,000 or above Work experience of minimum 3 months
Faircent	A minimum gross income of Rs. 2 lakhs p.a.
PeerLend	A full-time employee or a micro business A gross income of 1 lac and above p.a. Have a monthly income and a clear credit history
ATL/AnyTimeLoan	Minimum take home salary per month of ₹ 18,000/₹15,000 based on the city (for salaried loan applicants)
i2iFunding	(For salaried loan applicants) Salary: More than Rs. 20,000 if living in own home or parental home Salary: More than Rs. 25,000 if living at a rented place CIBIL Score: -1, 1-6 or More than 600 (For self-employed businessmen/professional) Income Tax Return: More than Rs. 3 Lakhs Business Establishment: More than 2 years CIBIL Score: More than 700
Finzy	Take home salary of more than Rs. 35,000 (for salaried loan applicants) An annual business income of at least 5 lakhs p.a. (for self-employed loan applicants)
LenDenClub	Salaried employees Net monthly income of at least Rs. 12,000/- Borrower staying either with family at a rented house or in own home No loans or credit cards defaults after the year 2012 Credit score of 650 or above (in case of InstaMoney loans)

Source: Based on data compiled from respective websites of P2P platforms, accessed on February 25, 2020

The chances of the loans to get funded increases in case of loans categorised under the Partnership programs.

4.4.4. Access to borrower credit profile

When the loans are listed for funding on the P2P platform, the lenders are provided with all the relevant details about the borrower and the loans. The details broadly include:

- Personal details like name, age, location, residence type
- Employment details like employment type, employer name, monthly income
- Loan details like loan amount sought, purpose, applicable interest rate, tenure, repayment details
- Credit details like credit bureau score, risk category of applicant, first-time or repeat borrower
- Loan listing status like the percentage of funding already received for the loan, type of loan product category
- Details of guarantor and mode of repayments, if any (in case of Partnership programs).

Based on the information provided on the platform, the investor/lender can arrive at a fair estimate of the risks involved, and thus can make a more informed decision considering their risk appetite, prior experience, existing lending portfolio, income goals, if any etc.

4.4.5. Portfolio diversification

The P2P business model allows the investors/lenders to fund multiple loans in smaller amounts rather than funding entire loans for a few borrowers. This way the P2P business model have incorporated the element of portfolio diversification for the lender, minimising the risk and maximising the return.

The P2P platforms also have restrictions for the lenders in terms of minimum and maximum investments that can be made for a single borrower. While the RBI regulations caps the maximum amount to be lent by a lender to a single borrower across platforms at Rs. 50,000/-, few P2P platforms have further restrictions.

For instance, Faircent, has a maximum permissible investment limit of 20%, 50% and 100% of the total requested loan amount, respectively for individual, HNIs and institutional lenders (subject to RBIs prudential norms). Another P2P platform, "CashKumar" limits the maximum amount to be lent to a single borrower at higher of 20% of the loan amount or Rs. 20,000 (subject to RBIs prudential norms).

On the other hand, the lending portfolio diversification can be in terms of loan product type, employment status of the borrower, borrower risk category etc.

4.4.6. Post-dated cheques and NACH¹ auto-debits

The P2P platforms mandate the borrowers to submit post-dated cheques and NACH auto debits, covering the amount of loan including interest, at the time of disbursement of loan. This assures the lender of the timely payments wherein the borrowers EMIs are deducted from the bank account based on post-dated cheques or pre-authorised NACH forms.

However, this should not be construed as total elimination of risk, as the risk of cheque bounces and NACH failure always exists. In case of such failures, the P2P platforms charge the borrower an additional fee towards incidental bank charges and other expenses.

4.4.7. High penal interests

In order to discourage delayed EMI payments and encourage timely servicing of loans as per the agreed terms, P2P platforms have provisions for late fee/delayed fee and additional interest. The penal charges vary directly with the period of overdue or default and the loan amount. The additional interest charges range from 24% to 36% p.a. across P2P platforms.

Few P2P platforms have provided for a grace period and loan extensions subject to certain conditions. ATL, for instance, provides for two loan extensions/roll overs for a period of 1-30 days for any type of loan product. It collects additional charges for the same.

4.4.8. Loan recovery assistance

The risk of default by the borrowers always vests with the lenders. However, the P2P platforms have been facilitating the process of recovery of the loan amount from the borrower.

If the loans fall overdue and runs into the risk of defaults, the P2P platforms take legal recourse by issuing a legal notice. They also facilitate the collection and recovery process, on behalf of the lender, either through an in-house mechanism or through an external collection agency.

The P2P NBFCs divide in terms dealing with the incidental expenses including legal charges and collection agency fees. In few cases the P2P platforms incur these expenses and appropriate the same from the penal charges collected from the borrowers. In other cases, the expenses are collected from the lender.

The complete information about the defaults are shared with the CICs in accordance with RBI guidelines which shall hamper the future credit score of the borrower.

4.4.9. Insurance

Most of the P2P platforms are tying up with insurance companies to obtain insurance cover for the loan amount and the borrowers to safeguard against any adverse situations. The insured events include accident or death, disability, job loss of the borrower etc., It helps in mitigating the risk for both the lenders and P2P platforms.

It is however to be noted that the insurance can be taken by the NBFC-P2P platforms by themselves, or can be sold on its platform to cover the risks associated with the loans (cross-selling of loan related insurance products is a permitted activity by RBI).

LenDenClub, PeerLend and i2iFunding have already tied up with insurance companies and provide insurance for the players on their platforms.

4.4.10. Promote credit consciousness and discipline

The P2P platforms have been promoting credit awareness among the lenders and borrowers through its website, blogs, vlogs etc., The content includes details about risks, risk mitigation through diversification, credit evaluation of first-time borrowers, the credit assessment methodology, risk-based pricing mechanism etc. This awareness brings in a sense of credit discipline to the borrowers to carefully manage their loan repayments and maintain a good credit track record. Any adverse deviation by the borrowers in terms of loan defaults etc. are communicated to the CICs which hamper their next borrowing. Hence the borrowers are encouraged to maintain a better credit worthiness.

The P2P platform, ATL, has a membership upgradation plans starting from silver, to gold, to platinum based on good credit track record of the borrower on the platform.

4.5. Financial Statements Analysis of NBFC-P2Ps

The financial statements of 10 P2P companies i.e., the P2P companies registered with RBI as on April 30, 2019, excluding NDX P2P, are analysed and presented as under:

4.5.1. Assets

The business model of the P2P companies is similar to that of the e-commerce companies. These business models of the P2P platform companies are of asset light model, with no or minimum investments in fixed assets. Few companies have intangible assets pertaining to investments in website and related software.

The significant portion of the assets of the companies are concentrated in various forms of investments categorised under the following line items of the balance sheet:

- Current investments (Current Assets)
- Cash and cash equivalents (Current Assets)
- Long term deposits with banks (with maturity period more than 12 months) (Non-Current Assets).

The balances with banks disclosed under the “cash and cash equivalents” are held in escrow accounts, in accordance with the RBIs directions for P2P platforms. These amounts related to the borrowers and lenders who operate on the platform and their transactions are facilitated through these escrow accounts. Corresponding to these assets, current liabilities exist on the liabilities side representing the company’s liability pertaining to these balances.

The investment avenues for the companies are mainly:

- Bank balances (in current and escrow accounts)
- Investments in fixed deposits
- Investments in mutual funds.

Only three of the ten companies stayed invested in mutual funds.

4.5.2. Equity and liabilities

Most of the capital funds of the P2P platforms are contributed by the promotor group. Following Table 8 shows the percentage of shareholding by the Promotor group in various P2P platforms.

Table 8: Equity shareholding of the P2P platforms by Promotor group

P2P NBFC	Equity shareholding by and %	% of Equity holding
Etyacol Technologies	Promotor group (individuals/HUF)	99.17
Monexo Fintech	Promotor group (foreign company)	87.25
Fairassets Technologies	Promotor group (individuals/HUF)	85.66
Finsquare Fintech	Promotor group (individuals/HUF)	58.92
	Foreign company (non-promotor)	37.78
Luharia Technologies	Promotor group (individuals/HUF)	93.15
RNVP Technology	Promotor group (individuals/HUF)	83.8
Ohmy Technologies	Promotor group (individuals/HUF)	100
Bridge Fintech Solutions	Promotor group (individuals/HUF)	100
Bigwin Infotech	Promotor group (individuals/HUF)	65.32
Innofin Solutions	Promotor group (individuals/HUF)	73.39

Source: Compiled by the author based on data submitted by the companies to MCA. There are no liabilities which are directly obtained from banks or any other financial institutions.

4.5.3. Revenue

The revenue from operations to the P2P platform NBFCs are in the form of registration fee collected at the time of on-boarding the borrowers and lenders; and transaction fees being the commission earned for facilitation the transactions.

4.5.4. Other income

The NBFC-P2P companies have earned other income in the form of interest and capital gains from their investment avenues.

The proportion of the “revenue from operations” out of total revenue stood as follows:

Item of revenue	Average proportion out of total revenue	Median proportion out of total revenue
Revenue from operations	66%	69%

The proportion of the “revenue from operations” and “other income” in the “total revenue” of the P2P companies for the years 2018 and 2019 are presented in Graph 1. For P2P NBFCs with more years of experience the mix of revenue from operations comprised of around 80-94% of the total revenue. On the other hand, for companies that have relatively lesser years of experience in the business have the share of revenue from operations 40-60%.

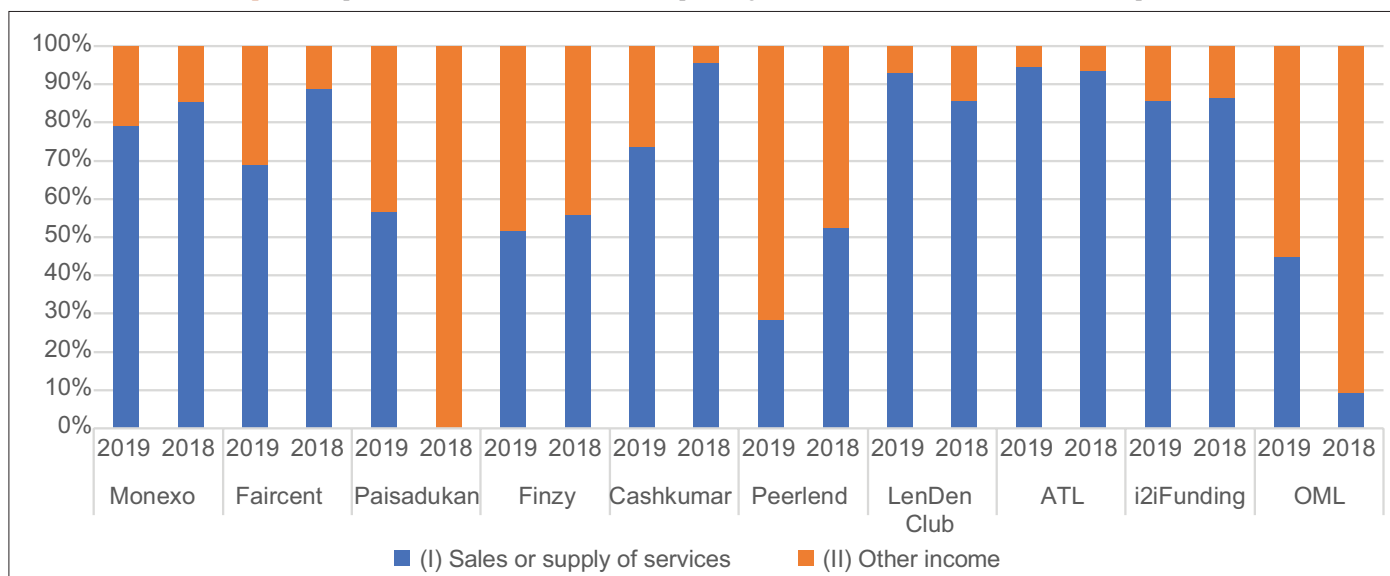
The revenue from operations have increased by 114% in 2019 over 2018 while the total revenue increased by 137% during the year.

4.5.5. Expenses

The major expenses for the companies are:

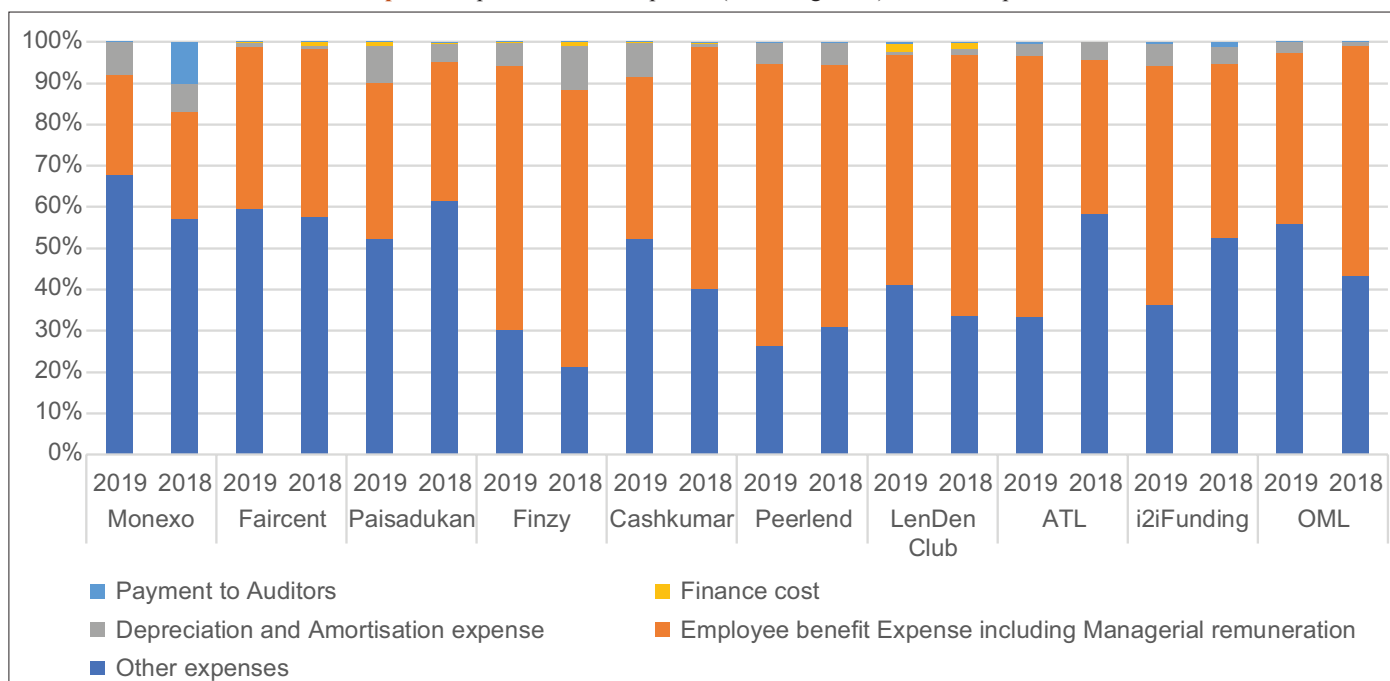
- Employee costs

Graph 1: Proportion of total revenue, between operating revenue and other income, of P2P companies



Source: Compiled by the author based on data submitted by the companies to MCA

Graph 2: Proportion of total expenses (excluding taxes) of P2P companies



Source: Compiled by the author based on data submitted by the companies to MCA

- Marketing and advertisement expenses (including call centre services, if any)
- Legal and professional charges.

The share of difference expenses out of the total expenses (excluding taxes) for the year ended 2018 and 2019 are diagrammatically represented in Graph 2. The broad heads of expenses considered are based on the Annual Accounts (Form AOC 4) filed by the companies with MCA. Other expenses include marketing and advertisement expenses, referral commissions, legal and consultancy charges, recovery expenses, website maintenance charges, and other administrative and operating expenses.

The employee costs (including managerial remuneration) have been the highest component of expenses and has increased by over 92% in 2019 over 2018. The total expenses (excluding tax expenses) have increased by 84% during 2019 over 2018.

4.5.6. Losses and taxes

All the companies, except Luharia Technologies, incurred losses in 2019 and 2018. Luharia Technologies could recover from the PBT losses in 2018 with a 4% Return on Sales in 2019. Luharia technologies has the highest share of revenue from operations i.e., 94% out of its total revenue for both the years 2018 and 2019.

As most of the companies are incurring losses, there is no actual income tax liability (except in case of Luharia Technologies) expensed in the Statement of Profit and Loss. However, companies have accounted for the deferred taxes arising on account of accumulated losses. The “deferred taxes” are merely an accounting entry to account for the temporary differences arising between the accounting and taxation laws. However, this has an impact of reducing post-tax losses of those P2P NBFCs and resulting in lower accumulated losses. Refer Graphs 3 and 4 for the comparison of Profit after Tax (PAT) and the Profit before Depreciation and Taxes (PBDT) for the P2P platforms.

If the post-tax losses are adjusted to exclude the impact of deferred taxes, around 5 out of 10 P2P NBFCs would be under

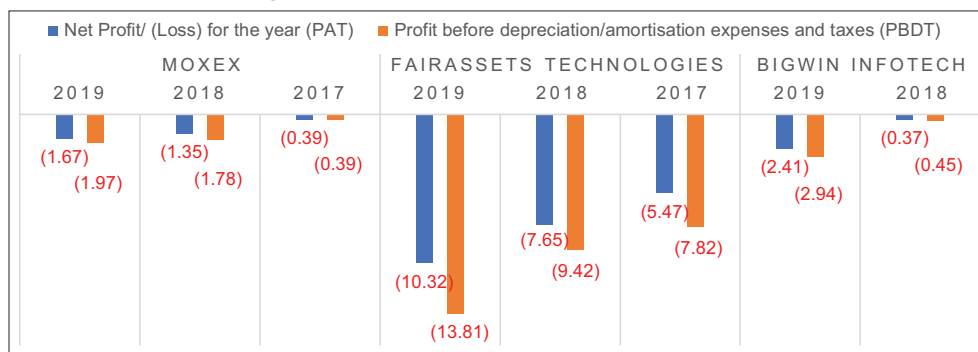
stress of breaching the ‘net-owned funds’ criteria of RBI for the P2P-NBFCs.

4.5.7. Net owned funds

RBI’s Master Directions for Peer to Peer Lending Platforms laid down the eligibility criteria for companies to be registered as P2P lending NBFCs with RBI. As per the said directions, every company seeking registration as an NBFC-P2P shall have a minimum of 2 crore rupees of net owned fund (or a higher amount) as prescribed the RBI.

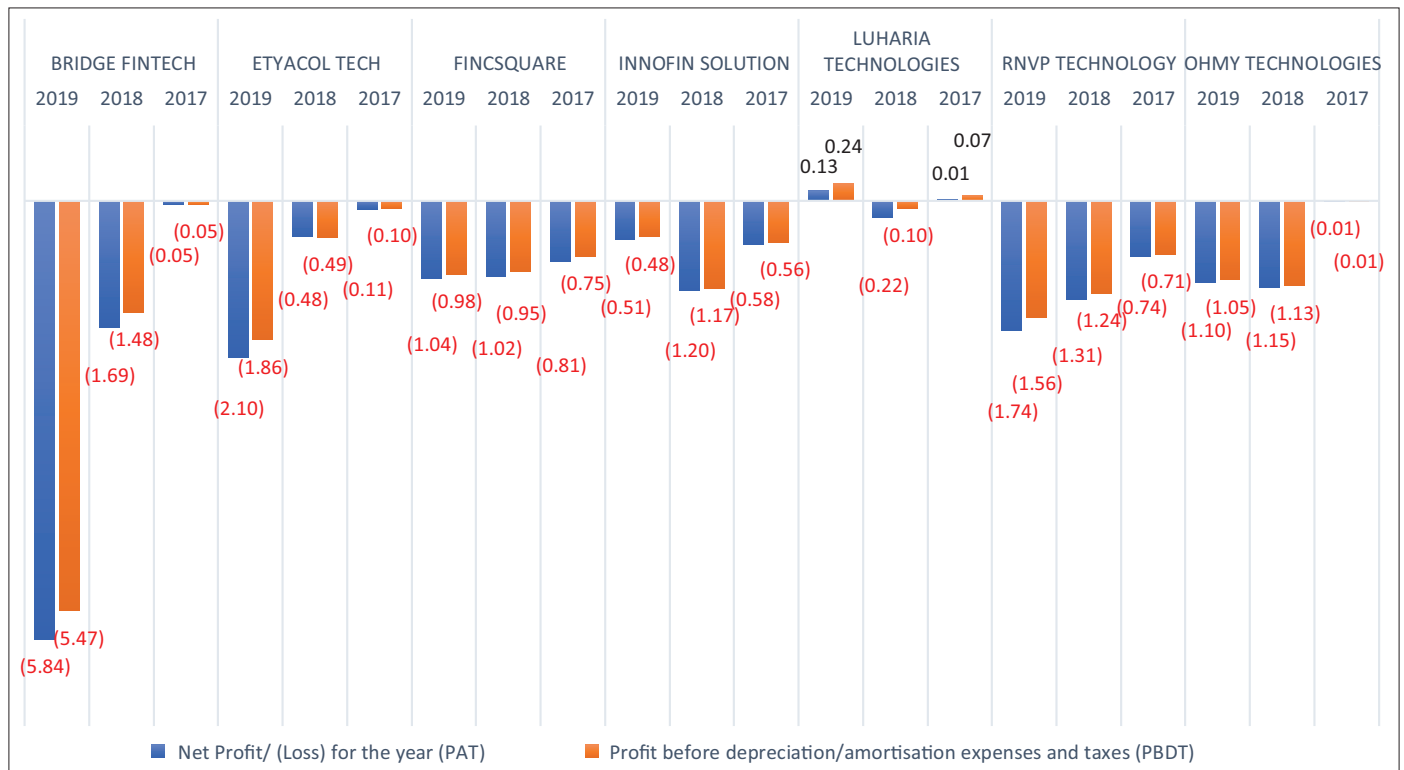
The net-owned funds have been defined in explanation to section 45 IA of the RBI Act, which is presented in the Appendix 1. The net-owned funds of the ten NBFCs for the year ended March 2018 and 2019 are presented in Table 9.

Graph 3: Comparison of PAT and PBDT of P2P companies for 2017, 2018 and 2019 (1/2) (Companies where significant deferred tax income is recorded in 2019)



Source: Compiled by the author based on data submitted by the companies to MCA

Graph 4: Comparison of PAT and PBDT of P2P companies for 2017, 2018 and 2019 (2/2) (P2P Companies other than those mentioned above in Graph 3)



Source: Compiled by the author based on data submitted by the companies to MCA

Table 9: Net-owned funds of P2P companies for 2018 and 2019 (Rs. In Crores)

P2P NBFC	2019	2018	% change	Change (2019 vs. 2018)
1 Etyacol Technologies	1.73	4.28	60	↓
2 Monexo Fintech	3.41	5.38	37	↓
3 Fairassets Technologies India	14.62	24.94	41	↓
4 Fincsquare Fintech	1.70	2.45	31	↓
5 Luharia Technologies	2.68	8.23	67	↓
6 RNVP Technology	2.68	4.45	40	↓
7 Ohmy Technologies	2.54	2.74	7	↓
8 Bridge Fintech Solutions	9.63	9.32	-3	↑
9 Bigwin Infotech	3.03	2.50	-21	↑
10 Innofin Solutions	2.02	2.32	13	↓

Source: Calculated by the author based on data submitted by the companies to MCA. The net-owned funds are calculated² as Shareholder's funds i.e., Share Capital and Reserves and Surplus (including share application money pending allotments, if any) reduced by intangible assets.

The net-owned funds of two P2P platform companies namely Etyacol Technologies and Fincsquare Fintech have fallen below the threshold limit of Rs. 20 million for the year ended March 31, 2019. In case of Innofin Solutions, another P2P platform, the actual net-owned funds for year ended March 31, 2019 is marginally higher than the prescribed limit.

The net owned funds of all the companies, except Bridge Fintech and Bigwin Infotech, have eroded drastically in 2019 as compared to in 2018. The main reasons for the erosion in net-owned funds of all the companies are the already accumulated losses and the losses incurred in the year 2019.

Bridge Fintech has pumped in additional funds by allotting Compulsorily Convertible Preference Shares at a premium during the year 2019 which contributed to the increase in its net-owned funds.

Bigwin Infotech also allotted additional capital in the form of equity shares at a premium during the year 2019 which lead to the increase in its net-owned funds.

Also, refer "Losses and Taxes" under "Analysis of the Financial Statements of P2P companies" above for the impact of deferred taxes on net-owned funds.

5. CONCLUSION

India is relatively new to the crowdlending business model of P2P lending. However, it has been quick in adopting it. The RBI's regulations have also instilled confidence in the various stakeholders of P2P lending. It led to an increase in the number of P2P platforms in India. The lenders/investors on the platforms have also been on the rise since then.

The P2P companies are all closely held companies with the promotor stake varying between 60% and 100%. Most of company's investments are channelized towards building intangible assets like softwares, and promotional and expansionary activities. Any other available funds are parked in mostly Bank deposits.

These investments into the P2P companies are not helping in the increase in the business on the platform, as the P2P NBFCs are barred from lending their own money on the Platform. It also means that the P2P platforms are dependent solely on the various lenders for its growth and expansion. In order to attract lenders and increase the onboarding of lenders on the platform, the P2P platforms have resorted to various operational strategies like free registration fees, zero pre-payment charges, referral bonuses, free recovery processes in case of defaults etc. These led to increased expenses like promotional and advertising expenses, legal and professional charges, recovery expenses, referral bonus etc. grouped under the financial item of 'Other expenses' of Statement of Profit and Loss, ultimately resulting in losses to most of the P2P companies. It is further to be noted that these accumulated losses are eroding the net-owned funds of most of the P2Ps which is one of the criteria for granting Certificate of Registration (CoR) by RBI for P2P platforms.

Hence there is a need for RBI to consider and soften the regulations in this regard. The relaxations could be in the form of allowing the P2P companies to lend their funds (owned or borrowed) on the platform and by monitoring the same by imposing a maximum permissible limit or by regulating through a leverage ratio. Though the RBI has prescribed a leverage ratio (Total Outside Liabilities/Owned Funds) of maximum 2, the regulation serves little purpose as long as the P2P firms are not allowed to lend their money, either owned or borrowed funds, on the platform for business growth and expansion.

The other way out is of course bringing the financial institutions on board as lenders on the platform. The RBI regulations currently provides for it. The lack of data about the classification of lenders into individual and financial companies, makes it difficult to assess the current participation levels of other financial institutions in P2P lending. However, the RBI regulations like the current prudential norms that caps the permissible lender's exposure, and other restrictions for cross-selling on the platform would hamper the role of HNIs and financial institutions in P2P lending in India.

The huge accumulated losses and depleting net-owned funds also calls for close-monitoring by RBI.

The P2P platforms are also looking at different spectrum of loan types to cater to different types of customer needs and increase their revenues. However, most of these loan products are focused on lending to salaried employees. Few P2P firms have actually ventured into MSME (businesses and professionals) lending and rural lending to monetize the opportunity of huge potential of these segments. *This arena is to be closely monitored as P2P platforms enter into the micro-finance activities (expanding from the existing personal finance) giving rise to Shadow Banking. At this level the regulators must take into account the possible collaborations and competitions between other NBFCs and P2P platforms, to codify them into the next set of regulations*

to ensure healthy nurturing of a financial eco-system from the very beginning.

On the risk management front, the P2P companies have adopted and inculcated a number of risk mitigation strategies in the P2P lending processes to keep up the trust of the lenders without actually assuring the repayment of the loans by the borrowers. The impact, results and efficiency of the credit evaluation by the P2P platforms using their propriety algorithms and digital data creates an interesting case for the future credit mechanism in India. The P2P platforms should ensure that they build a foolproof P2P lending ecosystem by resorting to myriad strategies ranging from simple to complex processes.

So far, the RBI's regulations have been both boon and bane for the P2P lending in India. As the hopes of regulatory easing stays alive, the fin-tech story of P2P lending in India is still unfolding to address India's never-ending problems of financial literacy and financial penetration.

REFERENCES

Khatri, P. (2019), An overview of the peer to peer lending industry of India. *International Journal of Business and Management Invention*,

8(3), 1-11.

Kumar, H.C., Johnson, B. (2019), P2P lending in India: A comparative analysis of trust, product and price of select platforms. *International Journal of Business and Management Invention*, 8(1), 31-37.

Pushpa, B.V., Phani, S. (2016), Prospects of non-conventional sources of credit-a case study on peer to peer lending in India. *IOSR Journal of Business and Management*, 2016, 79-85.

Shettar, R.J. (2019), An overview study on P2P lending. *Quest Journal of Research in Business and Management*, 7(2), 56-61.

Shivangi, D. (2019), Online P2P lending platforms in India: Performance and growth. *International Journal of Research and Analytical Reviews*, 6(1), 685-693.

Vinod Kothari Consultants. (2017), P2Ps in India-tightrope Walking. Available from: <http://www.vinodkothari.com/wp-content/uploads/2017/10/India-P2P-report-brochure.pdf>.

FOOTNOTE REFERENCES

¹NACH stands for National Automated Clearing House implemented by National Payments Corporation of India (NPCI)

²The calculation is made based on RBI format available at <https://rbidocs.rbi.org.in/rdocs/Forms/PDFs/NBFC17062016.PDF> accessed on February 25, 2020)

APPENDIX 1

Definition of Net Owned Funds as per Explanation to section 45IA of the RBI Act

“Net owned fund” means–

- (a) The aggregate of the paid-up equity capital and free reserves as disclosed in the latest balance-sheet of the company after deducting therefrom–
 - (i) Accumulated balance of loss;
 - (ii) Deferred revenue expenditure; and
 - (iii) Other intangible assets; and
- (b) Further reduced by the amounts representing–
 - (1) Investments of such company in shares of–
 - (i) Its subsidiaries;
 - (ii) Companies in the same group;
 - (iii) All other non-banking financial companies; and
 - (2) The book value of debentures, bonds, outstanding loans and advances (including hire-purchase and lease finance) made to, and deposits with, –
 - (i) Subsidiaries of such company; and
 - (ii) Companies in the same group, to the extent such amount exceeds ten per cent of (a) above.

(Source: https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/RBIAM_230609.pdf, accessed on February 25, 2020)

NBFC - P2P Companies Registered with RBI as on October 31, 2019

(Name of the P2P NBFC, Regional Office)

1. Etyacol Technologies Private Limited - Bengaluru
2. Micrograam Marketplace Private Limited - Bengaluru
3. Rang De P2P Financial Services Private Limited - Bengaluru
4. Monexo Fintech Private Limited - Chennai
5. Dipamkara Web Ventures Private Limited - Hyderabad
6. Fincsquare Fintech Private Limited - Hyderabad
7. Luharia Technologies Pvt Ltd - Hyderabad
8. SRS Fintechlabs Private Limited - Hyderabad
9. RNVP Technology Private Limited - Kanpur
10. Bigwin Infotech Private Limited - Mumbai
11. Bridge Fintech Solutions Private Limited - Mumbai
12. Fair Vinimay Services Pvt. Limited - Mumbai
13. Fintelligence Data Science Private Limited - Mumbai
14. Innofin Solutions Private Limited - Mumbai
15. NDX P2P Private Limited - Mumbai
16. Ohmy Technologies Private Limited - Mumbai
17. Visionary Financepeer Private Limited - Mumbai
18. Antworks P2P Financing Private Limited - New Delhi
19. Fairassets Technologies India Private Limited - New Delhi
20. Transactree Technologies Private Limited - New Delhi

(Source: https://www.rbi.org.in/Scripts/BS_NBFCList.aspx, accessed on February 25, 2020)