

BUSINESS MODEL FOR UNIP2P

Scope

UNIP2P has developed this model based on RBI guidelines mentioned above with a purpose to enable its customers to take informed decisions in respect of the platform facilities and various services offered by the Company. UNIP2P lending seeks to build an efficient financial ecosystem by allowing individuals/entities to lend directly to one another through a one – stop - shop solution. In such a construct, individuals enjoy greater autonomy over their money, higher returns by eliminating costs of intermediation and enhanced transparency in terms of their actual use of funds. The business activities of the UNIP2P does not provide any secured loans, does not carry any lending from its own book and UNIP2P also does not provide any credit guarantee for the loans on its platform nor it provides any return assurance.

What does UNIP2P do?

- UNIP2P as a platform seeks to connect investors with creditworthy borrowers and earn inflation – beating returns while keeping the risk diversified.
- All borrower loans are put through stringent credit and quality checks before being made available on the platform to ensure investors are exposed to a high- quality basket of borrowers.
- Borrowers may be sourced via multiple channels including vendor partners.
- All borrowers are mandatorily required to enter into an agreement, which captures the terms and conditions of the loan, repayment period, rate of interest etc.
- Investors/lenders invest funds through an investor dashboard, which allows them to monitor their investments and keep track of their borrower portfolio.
- To reduce the time involved in selecting/curating borrower portfolios, investors/lenders can choose only such borrowers meeting the criteria set by the lender with assistance from UNIP2P's proprietary algorithm.
- UNIP2P cannot guarantee the return of interest or principal to the investor/lender.
- In line with RBI master directions, all transactions on the platform flow via an escrow account, monitored by a bank - sponsored trustee.
- The funds brought into the escrow account are subsequently disbursed to the borrowers.
- The platform earns fee - based income from investors.

How UNIP2P works

A) Registration

Register as a borrower/investor by providing your consent, basic personal information and fulfilling KYC norms as per the RBI guidelines to create a virtual UNIP2P account. Our digitally configured risk assessment model in real time verifies the information provided and upfront validates the details provided by you. Your UNIP2P account gets activated post payment of platform registration fees as applicable.

B) Borrower Applies for the Loan

As a the qualified borrowers you can apply for personal or business loans by stating the amount required and the tenure of loan. You would have to provide your necessary additional personal and financial information and upload the required documents digitally.

C) UNIP2P Evaluation & Verification

UNIP2P risk assessment team evaluates and verifies each loan application through digital mode. Our proprietary credit score model assigns a risk category and interest rate to the loan applicant.

D) Listing of Approved Loans on Marketplace

Once loan application has been approved and the borrower agrees to the terms and conditions, the loan is listed on the UNIP2P's marketplace for investors to fund the loan. Investors then have a durational criteria if they would like to invest in the respective borrower's loan requests.

E) Investors Fund the Loans

Once the investors' registrations are verified and approved, they can invest funds from their bank account to the escrow bank account of the UNIP2P maintained for the said purpose. Post that Investors have access to all the current loan listings on the marketplace from their account and flexibly build up their own portfolio as per their financial goals and risk appetite. Investors can invest as little as Rs. 5,000 and can commit funds to single or multiple loans to diversify risk. To mitigate risks, a loan is generally funded by multiple investors.

F) Borrowers Receive The Funds

Once the loan has been 100% funded by investors, the borrower receives the funds after verification by the UNIP2P's underwriting team and the signing of an agreement between the borrower and the investor. Loan amount is then disbursed from the trustee managed escrow bank account maintained by the UNIP2P to borrower's bank account directly.

G) Monthly Returns for the Investor

Through EMI's, borrower repays the loan which reflects in the Investors virtual UNIP2P accounts as a credit. Investors receive the automated monthly returns directly into their bank account through UNIP2P's escrow bank account. Investors are also provided with an option to reinvest earnings to achieve greater benefits of compounding.

H) Collection Methodology

- Early Warning Signals are monitored for all borrowers using proprietary algorithms and in-house monitoring
- Courtesy reminder through SMS & email are sent to all borrowers before EMI date
- eNACH is taken for long tenure loans, runs to enable low-cost EMI collection
- Follow up calls and personal visits are made for failed EMI cases.
- Engaged with best-in-business external collection agencies for high-risk accounts
- Legal action if required is taken under applicable statutes to ensure recovery.

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