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May 30, 2023

To,
BSE Limited
25TH Floor,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

BSE Scrip Code: 512437

Sub: Transcript of Investor Call/ Earnings Call for the Quarter and Financial year ended March 31, 2023

Dear Sirs,

Pursuant to Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the transcript of the earnings call held on May 26, 2023 for the Quarter and Financial year ended March 31, 2023.

We request you to kindly take the same on record.

Thanking You,
For Apollo Finvest (India) Limited

Mikhil Ramesh Innani
Digitally signed by Mikhil Ramesh Innani
Date: 2023.05.30 15:40:36 +05'30'

Mikhil Innani
Managing Director & CEO
DIN: 02710749

Divya Sharma:	Hi! Everyone! Welcome to the earnings call hosted by Apollo Finvest (India) Limited. I think for the quarter 4 you have already kind of seen our results as posted by our Managing Director & CEO, Mikhil Innani on Linkedin and Twitter. We can, I think, get this meeting started. I have got Diksha and Mikhil on call as well. I will just hand it over to them to continue from here.
Mikhil Innani, Managing Director	Thank you so much. Thank you so much to everybody for joining us on our quarterly call. It's been an exciting year, I would say in the Fintech world. Lots of you know, regulatory ups and downs, but you know, we are quite excited by you know where this is going. Obviously, you know, regulations in general is that you know, the minute the regulator comes in, that means that they feel like the industry is maturing, and it is, you know, waiting for, you know, going to the next phase of growth, and obviously, before going to the next phase of growth is important for everybody in the ecosystem to know what the rules are and even though there has been obviously a lot of regulatory turbulence with, you know, new guidelines coming in, you know, pretty much every few months in regards to the digital lending, our hope is that over the next, you know, 12 months or so this landscape should kind of stabilize, and you know for us as well in the last quarter especially, we are seeing, you know, positive signs that there is now you know, shoots of growth that we are basically observing amongst various players in the industry as well. So that is quite exciting and you know, as our thesis, you know, always has been right, we've not seen anything which makes us believe in any other way other than you know large internet platforms are basically positioning themselves to become large, you know Financial services platforms it's no surprise where we see companies, you know, like Amazon, Paytm, Phonepe Bharatpe, you know all of these companies, even Ola as an example, right, positioning themselves, and, you know, setting up various divisions inside their companies or doing various partnerships again, you know, thinking of themselves as financial services, distributors. And all of this comes really on the basis of the following things. Right, One is obviously their knowledge about their customers, you know, secondly, their position in the value chain when it comes to cash flow finally, obviously, they have a lot of customers and merchants that they've already acquired on their platform, and finally, and I think you know, given the current state of the ecosystem, probably the most important as well is that the requirements to basically, you know, basically generate a lot of revenue in order to justify their evaluations means that you know, all roads are going to be basically leading to the digital lending, so that's at least you know what we see about the ecosystem. What I want to basically do in this call is, you know, not have a lot of monologues, I want a lot of interaction with, you know, our shareholders , who have, you know, come in, and as I promised, you know, last time we'll have a lot more time for Q. A, So let's focus on that. So with this, you know, I'll hand it over back to Divya and you know that way we can basically

	start with any kind of Q A which is there, you know, from the various investors that we have who joined the call.
Divya Sharma:	Sure, cool, So I think you know you all have kind of going through the financials, and I'm sure you all do have a lot of questions as well, a few of you all have kind of maybe, like written to us, we do have a chat box here, you could, you know, put in your questions in the chat box, and we could probably take it one on one. We can start with that, So I just request for everyone to put their questions in the question and answer walks. And we can take each question one by one.
Anonymous Attendee: (Asked in Q & A Chat)	**Which particular segment is witnessing higher demand for lending?**
Mikhil Innani, Managing Director	All right, so that's a good question. I think you know for us the way we see the ecosystem kind of evolving right, I think I would I would categorize, you know, the kind of index that we are seeing a lot of demand from in the following kind of buckets, right! I think the first type of index of interest who are trying to basically serve a very niche audience right so I think what the entire industry is pretty much learned I think, over the last, you know, 5-6 years of digital lending is that if you're building a very generic product or a generic lending product, it doesn't work it, basically, you know, means that you become a jack of old trades and master of none. So we are seeing a lot more, you know, index in general, coming up with, you know, specific niche products which you know, allow them to become experts in underwriting a particular type of customer, or, you know, solving for a particular type of product, and you know that is giving them. I would say a very, very specific edge when it comes to doing this kind of underwriting. And you know again, this goes into the following 2 buckets, right, Either going after customers who are unserved by traditional lenders or going after, you know, the 100 million customers who are very well served by the traditional lenders, but offering them products which are not being offered today by traditional lenders. Secondly, the kind of you know lending, that we are also seeing quite a lot of nowadays is, you know, I would say, embedded, lending right, which is, you know, platforms, you know, who have a lot of merchants on their platforms basically giving them loans which are EDIs, that means, you know, EMIs are taken from them every single day from the cash flow that these platforms are basically managing right, so these are, you know, you could call them, maybe payment gateways, you know, these could be, you know, Internet platforms which are online e-commerce platforms or food delivery platforms, right All of these I have merchants for whom, you know, they are basically getting a lot of customers, to buy stuff from them, you know, why are their platforms, and as in when revenues come in from customers, What are these platforms to their merchants, They are making reductions for their respective EMIs directly from this kind of transaction, So I would, you know, broadly categorize the kind of you know

	people that are, you know, coming to our platform in these 2 buckets one is highly specialized, and specific, you know, lending products, and second, would be, you know, a largely embedded lending where, you know, there is a high degree of control in terms of, you know, cash, flow, customer data, and with the cash flow itself there are deductions being made so that it becomes, you know, a sort of in a way you know, quite a secured and product-driven lending product.
Divya Sharma:	Cool. So I think the next question that we have is
Nitin Sethi: (Asked in Q & A Chat)	**Can you provide any guidance on how long it will take for growth to come back?**
Mikhil Innani, Managing Director	Yeah, I mean, I think, you know, at least our expectation, right, Like is basically over the next couple of quarters. So you know, just to give some perspective on this right, realistically, what's basically happened across the ecosystem is that from December of 2022 right, which is last year, the new digital lending guidelines, of course, came about right, And they brought in a lot of you know, changes into the entire ecosystem, for which there were a lot of weeks which were being made by, you know the industry across the board right from, you know, the way partnerships are being done between, you know, digital lending Fintech and regulated, and NBFCs to you know, the format in which you know, these partnerships can basically proceed, right, so I would Basically, you know what's happening in the industry right now is that you know everybody's kind of adjusting to the New World, And you know, making sure that everybody's 100% compliant before you know, people put the pedal to the medal, That being said, I think, you know, the last couple of months itself are being, you know, quite good in terms of, you know, the changes that you know. At least the big players have been able to make in the format in which these partnerships are being managed, and that's a good sign, because, you know, my expectation at least is over the next couple of quarters there should be positive growth you know, which should come in and that's it is our expectation. The good news overall is that you know our, you know our thesis has helped to that you know one of the most important things that you know you have to kind of make sure of in an industry like this is that you know, you have to be the one which is absolutely regulated right, Like, I think, because one of the important lessons which we are kind of learning from, you know all of these guidelines which RBI is coming out with, They are making very, very clear distinctions between them You know what is a pure and digital company is you know, if you are a regulated entity, right, And you know at least as far as we are reading the guidelines, I think if you are a regulated digital lender right now, it puts you in a very, very powerful position you know, going forward, and it would not surprise me that if in the next, you know 12 to 24 months you know the major, large players in the industry, you know, end up either having strategic, you know, equity partnerships with regulated, you

	know lenders, or, you know, somehow, get an NBFC license of their own if they can convince RBI, which is, you know, looking little bit shaky, at this point in time. But you know the space is headed towards more and more, you know, more and more towards, you know, dicing itself towards regulated players, which you know is a good sign, of course for Apollo being that we are, you know, regulated NBFC.
Divya Sharma	Got it, okay.
Vineet Jain (Asked in Q & A Chat)	**How is Apollo safeguarding itself against loan default that its partners need to face especially using our NBFC as a service model?**
Mikhil Innani, Managing Director	Yeah, I think that's a great question, Right! Fundamentally, the way we think about lending, and this is always been the case, you know, ever since the last 5 plus years of our kind of building, you know the company is that you know we are pretty conservative when it comes to, you know, lending, I think the easiest thing in the world is, for you know, to lend money, But the most difficult thing is getting the money back, and you know our thesis in general, when it comes to lending has always been that, you know, when we work with any Fintech, we ensure that there is a skin in the game from them. Right This can be in the form of you know them, you know having a very, very I would say, efficient collection team at their end right, which is taking some degree of the responsibility and if they don't, of course you know that can negatively impact the commissions in case you know, their portfolio doesn't perform. Point number 2 is, of course, you know, co-lending, I think co-lending is a great tool, which is, you know which has become incredibly sharp over the last quarter, and I'm expecting a lot of those partnerships to happen over the next. You know, couple of quarters or so, right and co-lending basically ensures again, significant skin in the game from the opposite. You know contact that you're basically working with, because, you know, you know their capital is also on the line. So you know, given the current situation of the market, I think, no sensible Fintech at this point in time would want to burn money, and also, finally, very honestly, I think one of the biggest you know secrets at all of invest now has become the access to data that we've had and we've been doing this now for 5 years, you know, we processed, I think you know, 10-20 lacs loans, I'm pretty sure, over the last, you know, 5 years of us, you know, doing this right. And all of that is digital loans, so we have now very, very good insights in terms of you know, how different business models evolve, and how different kind of products, you know, result in different kind of you know, defaults as an example and you know that allows us to basically modify our credit algorithms accordingly Such that, you know we are very, very well buffered in this situation and you know the proof is in the pudding finally, right like, even at a time, like Covid, we were able to, you know, withstand all of the Mayhem which basically happened not only, of course, in the digital ending world, but across the lending world overall. All right So for us, I think. you know, having gone through that, I think everything else would, in our opinion, be

	significantly easier given You know how, in my opinion and how crazy that situation entire thing was it was completely a black Swan Event so that's what we kind of rely on I think historically also, I think everybody must have observed with Apollo, right, we don't ever go, Congo we never basically have. you know, we never go up, you know, in lending. I don't think we can go up, you know, chasing after growth right, Because if we wanted tomorrow as an example, in the next one month we could have a thousand crore book, right1 But you know, that's not really the goal. The goal is to create a company which is. you know, highly sustainable, you know, has, you know, quality books as an example, because ultimately, you know, that's you know, the report card, which basically matters once you're you know, if you're looking to build a business which is going to last forever, and, you know, become a reputed name in the financial services world.
Divya Sharma	Got it! Yes, so I think. Next, we have a very interesting question,
Anonymous Attendee: (Asked in Q & A Chat)	**Do you see new banks like Fi. Money, neo, and Jupiter to be your competitors?**
Mikhil Innani, Managing Director	Absolutely not, I mean, I think we see them as diagnosed opposite, Right! We see them all, as you know, customers to be very honest, you know, in fact, like you know some of the names that you took. you know, we are talking to some of these players as well, because, you know, like I said earlier, I think you know everybody is thinking, you know, about lending as a way to you know, enter and really monetize the user base, You know that they've gathered and will gather in the future, Right, So for us, you know all of these Fintechs, actually, any company any honestly right, whether it's an NBFC or not, you know, looking to offer digital lending products to their merchants or end customers. All of them we look at them, you know, as our potential customers, you know whether it is in neo bank like a Jupiter, or whether it's a, you know, lending company, you know, like navi, or it is a payment gateway like cashpay or razorpay it's an ecosystem player or a platform player like an Amazon or an Ola, Right, all of them. We look at them at least as customers, Because everybody can use that technology. And of, course, you know, we're happy to, you know, deploy capital on their best, for out of customers, in order to, you know, lend to them.
Divya Sharma	Got it, The next is interesting,
Anonymous Attendee: (Asked in Q & A Chat)	**Income versus fees and commissions. Both are volatile segments for us. What is the outlook for both of our new segments opening up?**
Mikhil Innani, Managing Director	I think, you know the way I would describe it you know, I would say the changes which have been happening in this particular in our revenue in general right has been directly you know, linked to basically what's going on in the ecosystem right, In many ways I always, you know, think of you know

	what's happening within our revenue really, as an almost like you know index fund generally of what's happening in the ecosystem in the Fintech world. Right, So I think it's really purely a reflection of, you know the regulatory uncertainty which has been there and of course, I think in you know, as I mentioned basically from December first onwards You know, there was clarity, and after that there has been a lot of work which the entire industry has been doing, you know, to make you know, align their business models with the new World basically right, And I think that's what is reflected essentially, you know, in our revenue as well, going forward, our open aspiration is that, you know, over the next couple of quarters we are pretty excite, there are a lot of conversations that you know are happening right now, you know, which makes us believe that you know the industry is, you know, at least now headed in the right direction, because there is a lot of, you know, regulatory clarity, which was very important. Right. You know, I always felt that you know, whatever growth and whatever numbers the entire industry has seen in the last 5 years, in my opinion, is nothing. Its baby steps, I think you know the real, you know Tsunami of capital, you know as I like to kind of see, it is really going to come over the next you know, 2 to 3 years, because, you know, this happens in every field, right. Even when you know I was building Pharmeasy right, I think even there, you know, we really couldn't put the pedal on the medal and grow at all costs, you know, until we got some degree of regulatory certainty. I think the situation is more or less the same, exactly in the Fintech world, We are in the regulated world, and you know, until December first Everybody was kind of operating under no special digital ending guidelines, right Which was never, you know, going to sustain, because the way this industry was growing. obviously, there needed to be, you know, rules which were specifically in place, you know, just for you know, digital ending. And now that those rules have come in, you know our expectation is many, many large players are going to enter. You know this industry, and you know they are obviously going to bring in humongous ambitions and bags of capital, you know, to take basically you know the entire industry to a different stratosphere. Right, So I think, in my opinion, What has happened Post December first is that the ceiling of the entire industry has the next right, So you know, that leaves huge scope of growth over the next. You know, a few years as in when you know, the large companies basically align themselves and you know, start basically offering financial services as a lever, you know, to basically drive their own revenues and monetization.
Divya Sharma	Okay, there is another question.
Chirag Mahawar (Asked in Q & A Chat)	**Has the interest, rate cycle impacted the business? What profit margins have been better with low interest rates?**

Mikhil Innani, Managing Director	I mean to us at this point in time we are quite insulated from that, largely because our Debt equity ratio is 0 like we don't have any debt on our books at all, you know, I think you know the way I think about interest rates, of course, you know, in very generic terms, of course, is lower interest, rates are great for consumption. All right, because the lower the interest rates, Of course you know more and more people will, you know, buy stuff borrow, you know. In general, it's great, you know, to basically generate demand right, I think, but at the same point in time, I think all that has to be balanced with inflation. So that's really what you know, Obviously, the regulator has been trying to manage at their end, but fundamentally at this point in time, thankfully like, it's not really back in the business in any particular way, in fact, in any. In many ways, it does help us sometimes in negotiations because you know, we are able to basically, you know, drive up, you know, our own interest you know, requirements, you know, with our partners, Because obviously, you know, today, our debt equity is 0. But I'm pretty confident that at some point in time, obviously, these numbers won't be 0, it will start, you know, borrowing in order to scale up at some point in time, and you know we have to prepare ourselves, you know, for the eventual cost of capital which may come in at some point in time. So for today, it's not really been a bother, but I think, yeah, eventually, you know, as long as basically, you know, we when we start as in when we do start borrowing, you know, it may basically have some impact on our margins, but you know, at this point in time. It is I have not seen that to be very, very apparent, because, you know, more or less. I think what tends to happen is, you know, when interest rates do go up, All lenders tend to, you know, increase their rates of interest as well. Somebody confident that's what's going to happen even with those Fintech partners who will then, obviously, you know, pass on that extra cost, obviously towards the and borrow. And you know to make sure that margins are intact.
Divya Sharma	Okay. So we have one question,
Anonymous Attendee: (Asked in Q & A Chat)	**Which is the AWS of lending models still relevant after all the regulatory changes where the Fintech is being nudged to get their own NBFC license?**
Mikhil Innani, Managing Director	OK, I think it's more relevant now than ever, frankly, right, because I think, you know that. You know, you are absolutely right where I'm expecting there is going to be a huge boom, you know, basically in digital ending from regulated entities, And that's fantastic, because ultimately, that means, you know, once you get an NBFC license, I think you know, you become a bona fide lender right, That means, you know, you have really kind of anchored a good part of your business on lending, which is great for us, because, you know, then you know, it basically becomes a deterrent for I would say, you know, flaky people to enter the industry right. It means that, you know, once you check in and you get a you know NBFC license you are anchored into lending so it. Make sure that only see these people. They enter the industry and be, I think, when

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	people enter the industry, Ultimately, you know, it's about choosing the best in class platform right, and I think, obviously, the platform that we built over the last 5 years is clearly in my opinion, and it is proven ourselves to be, you know, head and shoulders, you know, above, you know, other, You know, NBFC technology platforms which are available, you know, just because, you know, we have a really you know, I think a fantastic tech team and a fantastic you know, tech DNA as well. Right, So I think more now than ever. I think this model completely makes sense, because when people do get their NBFC licenses they do want, you know, software basically to support them. And obviously, they are looking for technology partners and NBFC licenses and partners basically to work with right, and in our case, they end up getting both right, they end up getting obviously A plus technology, But they also end up getting an NBFC partner who has an A plus platform where there can, you know, do integrations in 5 days, and basically go at going and start lending a right and offer best in class user experiences to their end customers which sadly, you know, they can't do a traditional end us today Right. Yet the experience of traditional vendors is broken where you know, given the new guidelines, obviously a lot of the regulators You know a lot of the old school traditional that, you know, lending companies are not so keen to partner with, you know, digital ending players because they haven't made these changes in there, you know platform already, because 99.9% of their business is direct lending right, So in their business, they haven't really channelled their resources to manoeuvre themselves to be rightly aligned to the new digital lending guidelines as an example, right? So that it, you know, tells the story right where their priority isn't, you know, basically partnering with, you know, digital players, And even if you know one in 10 partners that they agree to partner with, you know, the experience is pretty broken because what tends to happen in those situations is, you know, the entire funnel is broken right, Because you know, the digital lending partners will acquire customers, But you know, at the same point in time, the traditional lenders are not very open to doing the partnerships and telling them that these are the kind of customers I want to underwrite, which leads to a very broken tunnel, Right., interest, basically go in and acquire customers, And then there is like an 80% rejection rate. You know, for the customers that they're requiring, which means a unit. Economics goes for a toss. Right, You're spending ₹100 on customer acquisition, and you know, out of 10 customers are actually being, you know, linked to this doesn't last right, and this is why, by the way. We've seen many, many casualties which you know now very, very apparent, right? You know, people like, you know, zest money is an example or a classic example where the market-based model just doesn't work right, You cannot work in a model where you have 5 lenders at the back end, and you know you pay to board every time you acquire a customer that you know, one of them will basically give you a node. You have to do very, very deep partnerships with specific lenders, where you and they are on the same page which leads to like a very,

	very sustainable business model, where the customer acquisition and the underwriting are in sync, such that the unit economics overall makes sense for both partners. Right? So ever since all of these things are right, I think one a lot more people have been starting to look for technology suits, you know, to basically power their entire technology. And you know, platform for their NBFC in order to enter the world of digital ending and point number 2 is, of course, you know, as it when more and more people are entering the digital ending world in order to, you know, make sure their revenues are basically showing they are looking for digital savvy, you know Fintech NBFC, whose value, in my opinion, has just skyrocketed ever since the digital ending guidelines came out which is very, very apparent with the kind of, you know, equity deals which have happened you know, with the Bharatpe or a cred, you know, or even an Amazon you know, or even with what phonepe was trying to do with zest money, right I think a lot of these are examples just showing, you know what you know, having a digital first, you know, NBFC, today, which is having a plus technology platform, you know how valuable it is.
Divya Sharma	Thank you, so I think we have covered a lot of questions already. Maybe we will take like one last question, and then if there are any additional questions. Maybe we could look at that. I think one questions that.
Anonymous Attendee: (Asked in Q & A Chat)	**What is sonic revenue? And is it included in the fees? Is it Saas kind of revenue one**
Mikhil Innani, Managing Director	Hmm, okay. So you know, our thought process basically is, you know, on sonic in general, like the way we work on that right is we never disclose that as a separate you know, revenue channel, right, just purely from competitive reasons, Right and on point number 2, I think the way we think about sonic in general as a strategy, right, Is it proprietary software which is obviously helping us, you know, do what we do, and we only offer Sonic, you know, 2 partners who are doing lending with us as well. Right, So it all becomes a value added service in the end of the day, right, Because it's a win-win for both. Because fundamentally, whenever we work with, you know, digital partners, they obviously do require best in class, you know software as well in order to scale up right, Usually, when these people are starting, they start with, you know, very base level excel sheets, you know, you'll be surprised with you know how many people we know that I have books of more than 1,000 crores. But you know, actually running on excel sheets, it sounds impossible, but you know, that's the state of many, many lenders in the industry today, and some very, very prominent teams you know that we of course, do not disclose. But the reality is that you know what ends up happening is a lot of these guys when they look to scale up right, And then they partner with us. You know, we are both highly incentivized for them to have Streamline software in order to run their books very, very efficiently and at that point in time is really when they start looking for you know, software to support their growth. And that's where

	we open up sonic to them. And you know, give them our software so that you know both them and us are on the same page, and most importantly, you know, we are very confident that when they're scaling up you know their accounting compliance you know, risk is very, very well managed, right? And that's where we kind of exposed only to them. We've had lot of inquiries come in from, you know, traditional vendors, cooperative banks, you know, to just to independence Saas, as you know, sonic partnerships right where they don't do any kind of lending with us. But just take sonic even though a couple of them we did entertain, you know, back in the day, I think maybe a couple of years back. But you know, we don't entertain those anymore largely because we feel like it's a huge distraction in terms of you know, the amount of time it actually takes to on board these Enterprise customers, where you know the effort isn't, you know, worth it, given that we have, We feel like if you put in the same amount of effort into obviously focusing on digital ending and offering, So only because the solution there, you know the net result, and ROI that we basically foresee, you know, over the next few years is significantly higher right, So that's really a thought process when it comes to, you know, sonic, and a general strategy there.
Divya Sharma	Awesome. So I think we've covered a lot of questions. So in instance, you know, there are more questions that are you know, required. I mean, there are more questions we could definitely answer them, or otherwise. Maybe we could be on an ending note, if there are no more questions.
Mikhil Innani, Managing Director	All right., you know, I just like to thank everybody who has taken out the time to, basically, you know, Come and attend this call you know as promised, you know, last time as well, We will be doing this every quarter, and you know, looking forward to basically meeting you guys in our next meeting as well. In the meanwhile, you know, like Divya basically mentioned in case you have any questions please feel free to, you know, Write to us, and we'll be happy to answer these questions, and other than that looking forward to seeing you guys next quarter, and thank you again for coming in Goodbye, and have a great upcoming weekend. See you bye, thank you all bye.

Apollo Finvest's Q4 & FY23 Results

Key Metrics :

Rs. 46.15 Cr	**Rs. 7.48 Cr**
REVENUE (FY23)	REVENUE (Q4 23)
Rs. 14.53 Cr	**Rs. 2.92 Cr**
PROFIT (FY23)	PROFIT (Q4 23)
145 Cr	**5,00,000**
AMOUNT DISBURSED (FY23)	NO. OF LOANS DISBURSED(FY23)
70.73%	**31**
PROMOTER HOLDING	NO. OF EMPLOYEES

*Numbers have been rounded off for pr