APOLLO FINVEST (INDIA) LTD.

CIN: L51900MH1985PLC036991
REGISTERED OFFICE:
Unit No. 803, Morya Blue Moon,
Veera Desai Industrial Estate, Andheri West,
Mumbai, Maharashtra 400053
Email: info@apollofinvest.com
Contact No. 022-62231667 / 68

February 22, 2024

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 ended December 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 February 20, 2024 for the Quarter ended December 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: 2024.02.22 12:29:34 +05'30'

Mikhil Innani
Managing Director & CEO
DIN: 02710749

Apollo Finvest Compliance Officer:	Good morning, all. I welcome you to the investors' call of Apollo Finvest (India) Limited. We had our board meeting on February 12, 2024, for the approval of our financial results for the quarter that ended on December 31, 2023. We have with us our Managing Director and CEO, Mr. Mikhil Innani, and the Whole-time Director and CFO, Ms. Diksha Nangia, to address all your questions. So, I would like Mr. Mikhil Innani to address the investors, and we shall move ahead with the call.
Mikhil Innani (MD & CEO):	Yes, thank you so much Prachi for setting this up and we are very excited to meet all of our investors and as we like to do in, all of our investor calls this is largely about, you guys and obviously we will be sharing some updates about the company and some of the interesting stuff which has been going on and in talking about some of the stuff that we said in the last investor call, and how we are seeing that actually happen in the quarter that we're talking about, right? Which is, lot of the stuff that we said in Q3 actually is happening in so that's quite exciting any specific questions, please let us know and where we are headed, because, , internally, at least, we are very, very excited about how things are shaping up to be, and , we expect obviously future quarters to as well , go so basically, without any further delay let me maybe switch it to Diksha. and we'll take it from there.
Diksha Nangia (CFO & WTD)	Yes, thank you for that, Mikhil. Morning, everyone. What I'll be doing is giving you a quick update on what we've been up to in the past quarter. I think if he is giving you some sort of introduction, maybe I can elaborate on all the points I'm going to tell you right now. So, those few quick updates for what happened last quarter; I'm sure you realize our AUM has gone up three times, and what we've been doing this past quarter is we've actually given a lot of term loans to NBFCs. A lot of partnerships with NBFCs have happened, per se. One thing we realized is, post these guidelines, a lot of regulated entities are what we realize we could scale with and in whatever fashion we could establish partnerships with them, be it in the form of a term loan or in a co-lending fashion, co-lending being the long-term period. We've started to establish those contracts in this quarter, and this is why you're seeing a bump up in profit. We're hoping and expecting that number to increase in the coming quarter. Also, I'm sure you've noticed our revenue has not increased to the same degree that was expected considering our AUM, but that's primarily because our AUM increase just happened in the middle of last quarter. So, we are hoping to see the fruits of those come in in the coming quarter. Also, another thing we've realized is that, of course, post the guidelines, it's only better and more scalable for us to work with regulated entities, and that's been our end of our in this quarter, and even the coming quarters. We feel the most seasoned players know how lending works better than maybe LSPs. Not that we won't be working with LSPs; there are a lot of good, amazing LSPs out there. Also, we still currently working with, but it's

	just that it's a more scalable option for Apollo to work with NBFCs rather than only working with LSPs, which is what we've been doing in the past. So that's one shift in the way we've approached our lending. But one thing I can tell you for sure, after having worked with so many regulated entities in the past couple of quarters, is that we realize, and we still double down on our thinking, that tech is definitely our key strength. We've realized that a lot of NBFCs find it very difficult to start partnerships with other regulated entities that are not very strong when it comes to their technology. But clearly, Apollo's key strength when it comes to tech is helping us out there. It's helping us start partnerships way faster. It's helping us scale better because a lot of teething issues happen when both systems have to be integrated. Just to give you a more detailed overview of why systems need to integrate: in a co-lending arrangement, both NBFCs need to have the same loan aligned on both ends. And that's where we realize that our tech and our systems are really helping us make this partnership run smoother. So clearly, what we've been building from a tech standpoint is helping us. And to double down on that, we are also expanding our tech team. We're hoping to have a lot of new members join our tech team in this coming quarter. Also, the next update is some hiring update, because that's the next big thing that will be happening this quarter. I know we always talk about hiring as an update because that's a continuous thing for us at Apollo. But another key differentiator this quarter would be that we're targeting a lot of senior folks to join Apollo. We realize that our industry has reached a point where there are already people who've been there for the past 6, 7 years, and the fintech space has been around here. And we realize that we can now hire people from this base already who've been there and done that. And we want to use that experience that people have had in the industry to take Apollo to the next level. So yes, these two key updates. I think I'll let Mikhil elaborate on them further, and then maybe we can start a bit. Thank you so much. So that was a good, I think, overview from the show on a lot of stuff which is happening. Obviously, the exciting stuff, just to highlight it again, is basically number one, the ramp-up in AUM, which I think we had also spoken about in the last quarter as well, right? That we had mentioned. Now the time is kind of up for us to take it slow. We were expecting a large ramp-up, and I think some part of that has already happened with obviously the 3X jump in AUM. I think in the coming quarters as well, we will continue seeing a decent rise in our AUM. I think all that kind of goes down to basically a lot of the legwork which has already been done in establishing some of the really solid partnerships that we have right now with some of the best lenders, we believe, which are there in the ecosystem. A lot of them fit the kind of criteria that we have, which is people who are basically already lending at scale, know what they're doing, by actually us being able to thoroughly examine their financials, and making sure that they have the same ethos as us in terms of the unit economics. Be, Very, very simple. Right? Like looking at other profitable

	NBFCs that we can work very, very closely with who value tech as well, and that makes us into a perfect partnership from both perspectives. Right? And this is what happens, essentially. From our perspective, we've got to notice that because of obviously the amazing technology that we build, it gives us a lot of variety in terms of getting them as partners, and at the same point in time, it gives us pricing power as well to not only, obviously, get attractive rates for the technology that we build, but also the capital that we're providing, and also puts us in front of the kind of people that they want to get on do integrations with it. Because, obviously, in the tech space, time is critical. Go-to-market is critical, people don't have the patience to kind of wait for like 5, 6 months, 7 months to kind of get into integrations and make sure all systems are kind of going. If people want to do this in a couple of weeks, right, if they can. And if and when that happens, it really, really kind of changes the game from their perspective, because it really almost like gives them exactly what they want from a partner, right? And a partner who's technology is very strong makes that relationship that much sweeter. So our opportunity to go fast and provide amazing technology continues to obviously be a very, very important factor for us. The second big thing, I think, which obviously Diksha mentioned again, is, I think a lot of the team members that we have right now are fantastic for us in terms of getting us to where we are today, and I think they will obviously continue contributing extremely heavily to what are the success the company is going to have over the next many years, right? But I think for us to go from being a good company to a great company, which is what we really want to do, I think we now need to hire, in my opinion, 2 to 3 people across the company, across different verticals, and try to look for people who can help us basically go to the next level, right? And from a next level perspective, I'm looking at people who obviously have relevant experience, but at the same point in time, I think now is again the right time to do this, because very honestly, we couldn't do this a few years back, right? Because at that point in time, if you were looking to get port and code experience people into the company, we would largely get people who have traditional financial services experience, which obviously has its pros. But I think it has a lot of cons, which is basically it puts people into kind of a traditional way of thinking. And if that's their career, it's very difficult for them to break out, I think. Given the fact that digital lending has matured. And now, it's been almost 7, 8 years since, it's been a pretty active space, right? I think what's really happened is a lot of people have, by default, educated themselves really well in this field over the last 7 8 years, right? So, I feel like very frankly right now is a good time for us to dive into this space and then and see if we can get some really good talent on board with the relevant experience, with a very clear mindset and understanding of what the present and the future of digital lending can look like, right? And really, basically help us go to the next level. So yeah, these are the 2 big things at least, which come to my mind. One is again the AUM bump-

	up, which I continue to foresee for the quarters coming ahead, and at the same point in time, fortifying the team with some 2 or 3 key hires across the board. These are the 2 big things that I kind of see. No, I'll kind of pause. Right? I'll pause, and we will kind of address many of the questions now so that you guys get a chance to actually ask whatever it is that you want to, and we can take it from there.
Apollo Finvest Compliance Officer:	Thank you. Diksha that was very impactful. We'll be moving ahead with the questions. We have questions from Mr. Nitin. I'll be unmuting you so that you can ask your question yourself.
Nitin	Hello, Mikhil. The first time you said that Zomato and Swiggy is using our platform for the data disbursement of loans. Are they using our platform for the data disbursement of loans or for their digital partnership?
Mikhil Innani (MD & CEO):	And at any point in time's advance, we have not been using our platform, but this is just an example of, I would say, because again, I think the thesis that we've kind of mentioned on a blog is stronger than ever today, where more and more companies are thinking about unit economics very strongly. And if you don't basically put finance into these platforms, right? I think they will kind of struggle to get to the kind of profitability numbers that, I think, all the investors today expect them to be.
Puneet Gupta	My first question is why we are listed only on BSE And not on NSE, you have a property worth a lot why is that, and my second question is and where can I find the AUM number
Mikhil Innani (MD & CEO):	Got it. So I think, to answer your first question, why BSE, not NSE? I think the answer is pretty simple. I think the company's been listed since, I think almost 30 plus years at this point in time. So I think at that point in time, the BSE was a lot more popular than the NSE. So I think back then, very frankly, I think that's how my dad decided to do that, and that was since then we've been listed on only the Bombay Stock Exchange. So I think that's some perspective on that, I think. To answer your next question regarding the flat, right? I think this is more to do with basically, I think this is not something which is a recent transaction, at least to my knowledge, this must have been a legacy transaction which is almost honestly, prior to me and Diksha basically running the show, right? So I think it may be something to do with that. But one of the things you must have noticed over the last 6, 7 years of us doing this, right? What are the legacy transactions we have? We have been liquidating all of these, all of these assets over a period of time because our business is very, very clearly only and solely into digital lending, right? So if there are assets which are remaining at this point in time, I foresee over the next few years, as and when we get the opportunity, time to exit them. You will see those exits happen, and that money being deployed towards lending. So that's a little bit about that, I think. To answer your question regarding the right, you should be expecting the exact numbers by sometime next quarter because I think the balance sheet has not been updated this quarter, but next

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Mumbai, Maharashtra 400053
Email: info@apollofinvest.com
Contact No. 022-62231667 / 68

	quarter, the will become publicly available. So that's how you can think about that.
Puneet Gupta	In this quarterly report. I see that fee and commission has been reduced as compared to previous year quarter, we lost some clients, or what's the reason?
Mikhil Innani (MD & CEO):	I think the reason is what we kind of mentioned in the previous quarter as well, right? Like a lot of the stuff that we're expecting right now is that we're deploying a lot of our capital. So essentially, what happens in this case is that when we deploy a lot of our capital, I think the interest income is rising in exchange for that, right? So I'll give you an example, or sometimes what can be included in a fee in commission as well, right? Sometimes partners, because when they work with us, they have to make like a 12-month commitment with us, and in these cases sometimes they commit for capital, which they may not be able to utilize, but in that case, they end up paying us fees, right? So that comes under fee and commission. But, at the same point in time, if those partners end up utilizing the capital, right, like, which is actually us blending together, that actually comes up in interest. So if anything, I think it's a sign that all of our partners are going all guns blazing and basically actually lending very strongly with us, where most of the income which would have come in fee and commission is now coming as interest income. Because that shows that partners are basically properly live with us and utilizing the capital that they've committed to utilize rather than just signing agreements and being in a situation where, because they committed for capital, they're just paying sometimes the commitment fees for it.
Mathew Koshy	In the last call, you were telling, right? Maybe for the future, you might take a debt from the other institution side to scale up. And in this one, I mean the panel, I've seen interest expense as one of the expenses. So have we reached that state that our capital is completed, and we have started taking debt from others?
Mikhil Innani (MD & CEO):	Let's say, banks or NBFCs to scale up our business. Not yet. I would expect that to happen extremely soon, though. So, that is going to be a very pertinent conversation for us pretty soon. I would expect it to be an important item on the agenda, basically, right? Because that, I think, the speed at which the AUM is arising essentially. And I think it's all a function of all the hard work which has been done, I think, in the last couple of quarters to get us in a position where we feel we have very, very positive partners with whom we can scale up in a good economic, positive manner, right? I think all of those benefits we're going to be seeing. I think we started seeing that very frankly, even just to comment a little bit on the revenue and profit numbers, right? I think it's just a sign of what's to come in quarters ahead because I think realistically, the ramp-up also happened very much towards the end of the quarter, right? Probably in month 3 to be very honest, right? So I think we only saw some kind of benefits, right? Very small amount of benefits in terms of the bottom

	line, right? I think a lot of the benefits you're going to be seeing in. And I think will also be a good place for us to basically see further rising AUM, essentially, right? So I think all of those things basically mean that I think pretty soon we should be deploying more or less 100% of our equity and starting to absorb some external debt as well pretty soon. So I'm expecting that to happen, very, very soon.
Mathew Koshy	Sir Mikhil, but I see an interest expense component in the expenses rate. That's why he was asking, what is that interest expense component? And also, is there any way that you can add the AUM also, like somewhere in the panel, like I see it always from the LinkedIn post that you share, right? There. Is there any other way that you can add? These are 2 questions, I think. What was that interest expense? And can you share the AUM also in the official documents?
Mikhil Innani (MD & CEO):	Yeah. So I think the interest income, right, is that that's the interest on, yeah, that's on the income tax. Right? Basically, we have paid short-term advance tax, basically, right? Paid short advance tax. That's what we basically essentially done. And on the AUM front, what we expect essentially, is that again in right, that will show up in the balance sheet. Sometimes we purposely don't, and essentially, in the middle of a scale-up, we don't want to share these numbers, right? Once it kind of stabilizes, we'll be more confident of sharing that. It's difficult to share that in the middle of a ramp-up because the number that we share at this point in time won't really be accurate or where we are even today because, largely, we're expecting those numbers to rise essentially, right? And during this point in time, sometimes what happens is because there's a ramp-up, and at the same point in time, we're doing a lot of commercial negotiations with our partners, we really don't want them to know what part of our AUM is with them to be very honest, right? So that's a little bit of smoke and mirrors which helps our company in doing these negotiations. But I think again, to answer your question specifically right, I think, expect, in for us to display exactly what our AUM is, and that'll kind of display automatically on the balance sheet as well.
Raghav	Hi, Mikhil. So the first part of my question has been answered. I think we can expect a ramp-up in the numbers from Q4 onwards. In the last call, you said you have your own funds about 450-60 odd crores, which will be utilized. So I want to know a sense of how much we have utilized, how much we are left with, and any fundraising plans.
Mikhil Innani (MD & CEO):	So right now, if we say in one quarter, our AUM has gone 3x. So do you see the same speed going on, or do you think that it will slow down, and we'll probably settle somewhere around 6x or 10x? Just some sense on the AUM growth and the amount of capital at hand. Yeah, I would say that essentially, without diving into actual numbers, right? I think probably a fair estimate that I have is I would put it in this way, right?

	I would expect that in the next, maybe maximum of 3 months, I would expect that for us to basically deploy all the equity that we have. Like that's a realistic expectation that internally we have. And that's the kind of targets that we have set for ourselves, right? They are ambitious targets, but we expect them to be met, right? That's how we've primed everything towards. So, that's to answer, I think your first question. I think to think about how do you, on the capital front, right? I think our first immediate goal is going to be after that to get leverage into the company. So yeah, just to be categoric on that, like, we're not looking to basically do any kind of equity injection into the company at this point in time, it's way too early. Our valuations are, I think, very, very modest at this point in time. So I think we have a long way to go. So I think the right way for us to go about doing this will we first obviously over the next 2, 3 months, get all of our equity deployed. Second, get to some kind of leverage, essentially, minimum anywhere between one to two times, that to equity, which is, I think, a fair expectation to basically have, and then take it as it comes, essentially, right? Like at that point in time, you'll see what's the best capital which is required for the company. Given that they're also, I would say, decently profitable from an ROE perspective, we will be very, very smart about the kind of capital we take into the company because again for us, it's very important to grow sustainably with really good return on equity rather than building a company which is giving our ways, which are basically, if left reflecting. Sometimes other companies which give our ways which are like FD rates, right? Or sometimes even below that. So that doesn't really make sense to us. So we'll be very, very smart about how to take capital inside the company. But yeah, the focus will always be on delivering like really good returns.
Raghav	Thanks, Mikhil. And how about the profit margins. So any range that you have in mind based on the unit economics we have. I think last time you said that it will be in higher range. So I'll be saying it will be around 18 to 25%, or more than that.
Mikhil Innani (MD & CEO):	I think nothing really changes in terms of what I'd mentioned last time as well. I expect that to continue happening. And hopefully, our goal is that as we scale up even more, the margins expand, right? Because obviously, when I think about APIs, the more you use them, the cheaper it becomes for us. And that's where our margins expand further. And I think even when it comes to capital, the more capital that we end up raising, obviously, there will be additional gains that we get from it. So, and obviously, the bigger that we get, the cheaper the cost of capital ends up becoming for us. So a lot of those things will come into fruition and obviously will be extremely beneficial in terms of margins..
Mukesh Kothari	Yeah, just want to understand one thing. What led to the change in the thought process of moving away from the LSP model to say, lending the whole? What are the challenges you see in the LSP model? And what would the focus be reduced on LSP models that you have to take?

Mikhil Innani (MD & CEO):	Yeah, it's a great question. I mean, honestly, I'll tell you, we've been in this space for almost 6, 7 years now. And really, the thought process that we have at this point in time is that finally, from an RBI perspective, I think it's very, very clear that they see this space as something that they want very tightly regulated. So it comes down to not only seeing what the guidelines have been hinting at, but also reading the teas about what we expect to happen in the future. So like very honestly, if you ask me, I expect that over the next maybe 3, 4 years, the largest digital lenders in the country are going to be people with licenses. This is something which we internally very strongly believe. I think if you're an LSP, the right move at this point in time is to try and acquire a license, because that's going to be, or that is, in my opinion, a very, very fundamental pillar. So I wouldn't put it in some way that I don't think it's the end of LSP at all. It's not that. It's just that from our perspective, given that we are looking to scale, and why are we looking to scale? Because I think we have all of the information that we need from an underwriting perspective, from an evaluation of companies' perspective, to the collection infrastructure that we need for this to be the right moment. And also what's happened is there's been a lot of consolidation in this space over the last, again, 12 to 18 months. Given all the regulatory action, and very honestly, a lot of investors have not shown a lot of support towards LSP, all that action is moved towards NBFCs. So because of all of those things, essentially, the people who are actually looking to scale are also NBFCs. And the beautiful thing about working with regulated entities is number one, they're businesses lending, so obviously, their intent is a lot higher and number two, because they are licensed entities themselves, they keep compliance to be very, very important, and at the same point in time, because when you do co-lending, the biggest advantage, the loans are on both our books. So by default, it really fortifies the mentality in terms of both of us wanting to do a really good book, because lending is pretty simple, right? You give out money, you get back money, and as long as you do that really well, somebody comes and gives you money at a cheap cost so that you continue doing this and scaling up. So I think when you work with other NBFCs who have that same mindset, they want to basically do things right, they want to create a really good book, so that their book is really nice, our book is really nice, and both of us are profitable. Because again, if you're an unprofitable or a low ROE NBFC, I think either you will struggle from a debt perspective or either you will struggle from an equity perspective. So I think a lot of those things are coming together. And at the same point in time, I think what we've been able to do is through the brand that we've created over the last 5, 6 years, or I'd say at this point in time, 7, 8 years, how time passes. But the reality is that because of the credibility and brand that we have out there, I think everybody at this point in time, whether it's an LSP or NBFC, wants to work with an Apollo largely because they want that great experience that Apollo offers in terms of tech, the fast go-live, etcetera. So all of those things are helping us to pick

CIN: L51900MH1985PLC036991
REGISTERED OFFICE:
Unit No. 803, Morya Blue Moon,
Veera Desai Industrial Estate, Andheri West,
Mumbai, Maharashtra 400053
Email: info@apollofinvest.com
Contact No. 022-62231667 / 68

	and choose amongst the best in terms of business, and when we're able to do this, it just makes a lot more sense for us to go in with really large NBFCs out there in the digital lending space who have proven themselves over the last 3, 4 years. They've delivered profitable years across the last 3 years. Maybe their ways aren't close to what ours are, but sometimes I can discount that, because of their cap table wanting different things. But one of the things I find it very difficult to discount is if you're building a lending company which is unicromics negative and not profitable. So I think we've been able to find a lot of companies which have been in this space and have been performing decently well over the last 3 years. Again, the standards being that of a digital lending company. And all of those factors coming together, largely the best funds, the best teams that we've been finding, the best companies that we've been finding have been NBFCs. And the beautiful thing about them is because of their focus on creating really good books and being compliant about it, and their focus being again 100% on lending, we just find them to be the most suitable partner at this point in time, and combining that with what RBI thinks, I think the future seems to be heading definitely in this direction.
Mukesh Kothari	Fine! Fine, I understand. So what sort of model are you looking at? I mean, is it distribution, date, model, or the whole lending model? This is, I'm just trying to understand, because the you are doing the goal. I mean, if you're doing, and what sort of if you can give color of what sort of Nbfc Nbfcs, I mean, are they into say, person loan, lending, unsecured lending.
Mikhil Innani (MD & CEO):	yeah, yeah, absolutely right. So number one, I would say, pretty much all of the NBFCs that we work with are absolutely, , tech first in nature. Right? So I'm not talking about any like. You see, NBFCs at this point in time. , the the DNA remains exactly the same in terms of the kind of partner that we want. We look for only companies which are tech first companies, because very honestly, only if you work with tech first companies, will they kind of value tech at the same point in time? Right? If you work with like a legacy. And Bfc, I think, given their own internal DNA. , being very manual in nature or working in a particular style, right? Like, I think, very honestly, even if they looked at Apollos. Efficient infrastructure right? Like I think maybe they will not value it right? Because only when the problem, do you value the solution? Essentially? Right? So I think that's why. For us, the focus remains exactly the same. These are all like tech first NBFCs That we are kind of working with. And and they're the ones who, honestly, , love working with us as well like, . Recently, we on somebody who today literally has worked with like 1520 different Nbfcs, right? And they're an NBFC themselves. I think they're systematically important as well, with 1,000 pro plus a and they literally said that, , working with the Porto and colending with you guys was the best experience I've ever had with any lender right? And and this person literally has the pick of the bunch right in terms of working with anybody, and at the same point in time. The portfolio that they've created with us is the best portfolio they have across. , across the table. Pretty much right, and

	and by any means of imagination, Apollo is far from the cheapest right. And the reason being very simple, right? , essentially, for them, it's not just about cost. It's about delivering a great user experience to their best customers, right? Because there's no point, delivering a crappy experience to your best customers. Because. , finally, money is a commodity. And , if you don't give a good experience this guy's gonna take his best customer to another lender, right? Or the or the best customer itself is, gonna leave this guy and go to another. digital lender, right? So they wanna make sure that they're servicing these customers really, really? Well, and that's why what they wanna really call lending for that. So definitely are focused. By the way, to answer your second question is. it is on the poll ending model. That's our big focus. , I think that's where we can basically unlock a lot of those benefits where the loan is on both books, so that , it's important, really for both people to keep really clean books, and by default, that results in a much better portfolio from a Dpd perspective. So that's that's how we think about it. I think in terms of , a margins, etc. Honestly, there's no impact on that at all, because I think,
Mukesh Kothari	Moving from a non-fee led business to an interest-led business, I think there will be an impact on margins due to the reduction in the first year. Because you're consuming capital, right? Setting aside some portion of capital, what's a cabinet presentation and all that. So I'm coming from that perspective.
Mikhil Innani (MD & CEO):	Well, this used to be there before as well, though, right? I think if anything, the only difference before, honestly, like we were not happy with the kind of distribution setup of the partners that we had at some point in time, given that poor unit economics. And that's the frank reason why we never went about and deployed the existing capital. Also, that we had, because we just weren't confident that these partners were doing stuff which made financial sense very honestly right for themselves, because they themselves weren't profitable, and at the same point in time, I think there's no point building books which are not created. Even if Apollo was financially covered, which was actually the status.
Mukesh Kothari	I mean, that's very interesting. So in terms of the co-lending model, how do you look at it today? I mean, what sort of ratio typically, if a loan is for, say, 100 rupees, what sort of participation will Apollo have with the NBFC? We typically do an 80-20 where Apollo is the 80, right? And the partner NBFC is the 20. That's how we typically go about doing this. Why would Apollo do a major part of the co-lending from their books? I mean, why? Because organizationally, it's better and basically, the risk is being undertaken by, I'm just trying to understand. I mean, how does Apollo look at this one step? And from our perspective, the underwriting, everything remains exactly the same as before. Right? Because I mean, there's a risk that the partner NBFC's loan could end up giving, say, bad credit to Apollo's loan. I mean, his loss will be restricted to 20% of the loan. That is being... higher portion of the... No, not really. Because actually, what ends up happening is a few things, right!

Mikhil Innani (MD & CEO):	Yeah. So I mean, typically, in any kind of co-lending, right? Like, this is the way we think about it: it's an industry standard. Anybody who's typically doing co-lending, whoever is usually sourcing the loan ends up putting in 20% into the loan, essentially, right? And whoever is basically being the partner lender, in these cases, ends up putting the 80%. That's usually the industry standard of how things kind of go. We haven't met a single NBFC, by the way, who wants to do any kind of bad loans on their own book, right? If any NBFC actually wants to do bad loans, it's usually in a B2C partnership. But very honestly, even in that case, we've never met an NBFC, actually, frankly, who wants to do bad loans at all, to be very blunt about it. But even if I had to think about when cycles change... I mean, not today. The cycle is good.
Mukesh Kothari	I mean, I understand nobody would look at lending bad loans I'm talking more about say, when they sustained cycle.
Mikhil Innani (MD & CEO):	But I am not understanding essentially, right? Because it really doesn't matter what kind of loans they want to do, right? Because finally, the underwriting is controlled by me. So if they end up sending me bad loans, we would just reject all of them.
Mukesh Kothari	Okay, so it's not I mean portfolio end approach, I mean, so integer load to load approaches.
Mikhil Innani (MD & CEO):	Absolutely, absolutely right. Because essentially, you have to do that, right? At any partnership, whenever we used to do partnerships even before, every single loan, it had to be approved by a policy which is jointly decided, right? So as an example, I think the only difference right now is the experience for the end customer is really good because what happens in certain cases is that the sourcing NBFC may come up with 100 loans. They may pass on 100 loans to Apollo, and on 100 loans, maybe 50 of them are approved by Apollo, and 50 are rejected. But instead of the customer being rejected, the 50 loans which Apollo rejected, the NBFC, which is the sourcing NBFC, directly ends up giving them the loan by keeping the loan 100 on their book. Because if they are bringing a loan to Apollo, that means they've approved it, right? Now, the only question is whether Apollo approves it or not. If Apollo approves it, we'll put in 80% of the money. That's point number one. If we reject it, it's rejected, and it ends up going to the sourcing NBFC. And most likely in our cases, we notice that they end up doing the loan on their book because they, as it is, want to source the loan and do the loan. I think point number 2 is also the further benefit which happens from Apollo lending perspective is that when we do 80-20 right, we actually take 4 7 receivers on the entire 100, right? So essentially, this makes sure that from a commercial perspective, all the collections which are coming, right, the 80% and the 20% Apollo has first right on that. That really makes sure that the credit policies that we set up, we also have further cover in the 20% that they have put in. And, realistically speaking, right? Like, I think we haven't come across any NBFC who's at least done portfolios with us, whose 30-day PD numbers were

	anything beyond 7, right? Because the math only doesn't make sense for them, and it becomes a completely loss-making proposition from their perspective. While we obviously have the 20%, which ends up being a first receiver that we take.
Mukesh kothari	I mean, what's your product are these? I mean, that's just what the product is, I mean? Are these secure loans, or say, consumer loans, or what sort of products are these?
Mikhil Innani (MD & CEO):	So these are largely only unsecured loans, right? What we've kind of noticed is it's very difficult for us at this point in time to do secured lending on a large scale because by default when you do secured lending, the cost of capital has to obviously be much lower for the borrower. So we have really not gotten into that space while we are keeping an eye on it. If we find some interesting product over there which we feel is worth for us to obviously go in, learn, and do some pilots over there, we will. And we are actually actively looking at that space as well. We've evaluated as well 2-3 partners in that space whose cost of capital matched what our expectations were. But so far, we've not really found somebody who could do secure lending very honestly in a highly scalable manner, using technology, right? Because obviously, the ticket sizes there tend to be larger. And, I don't know, so far we've not been able to find where technology could play a defining factor in secure lending and the capital matching the rates that we're expecting.
Mukesh Kothari	That's a good suggestion. In terms of disclosure, along with your single-page details that you give, you can probably disclose more things like the number of loans, ticket sizes of these loans growing, and how the business is performing overall.
Mikhil Innani (MD & CEO):	I understand your perspective. It's indeed a challenge for us as investors in a public company, especially one that is also a start up. The reason we don't disclose certain numbers is strategic, as displaying them could lead our partners to negotiate harder with us. We aim to disclose as much as possible without negatively impacting shareholders. Being publicly listed means all information becomes available to everyone, potentially putting us at a competitive disadvantage. So, we strive to strike a balance between sharing information and safeguarding the company's interests in the long term.
Mukesh Kothari	Fine, I mean, you can discuss whatever to the extent the competition allows you to. I mean, that has been the wrong request from my side that is pushed. This I mean, that will increase the data distribution, and they meet the company since 2018 been very patient in terms of lack of data that being sent out anyways, I mean, all the best. You grow faster.
Mikhil Innani (MD & CEO):	Thank you. Appreciate it.
Naren	So my my question is regarding this fee and commission expense is narrowed in both the partners and the last partner. Can I know the reason for the same?

Mikhil Innani (MD & CEO):	Okay, I just checked with the team, and it seems that the negative figure is due to some additional provisioning we did in the previous quarter. We don't anticipate this trend to continue. The reason for the negative number is the extra provisioning we made. Provisioning is typically an approximation, and because we tend to be somewhat conservative, this reflects in our figures.
Nitin	And how? What's the culture at Apollo? And how is the compliance ensure that up to the
Mikhil Innani (MD & CEO):	Yeah, I mean, I think, to answer, at least, these questions. I think maybe I'll start with the compliance question, because that's a little bit of a shorter answer. I think, in any company, right? The thought process, I think, always comes from, what are we trying to optimize for? So like, I think whenever anybody tries to optimize for the short term, that's when you take a lot of shortcuts, right? And especially when it comes to compliance, ethics, and things like that, right? Like, I think if you want to build anything for the short term, and you're looking to maximize short term profits, I think a lot of those things get butchered along the way. Right? I think, for us, the thought process is always that this is like a very, very long term project. Right? Like this company has existed for the last 35 plus years, it's going to exist for the next 100 plus years. That's how we are building this. So, by default, it's not such a big thing for us to basically, essentially, go on the conservative side of compliance or ethics and things like that, right? To make sure that we're on the right side of history. Essentially, right? So I don't think that's something which comes at a very, very big cost or in any kind of it. Just our mind-set is basically long term, right? So I think by default, by having that mindset, I think it helps us basically build with the right fundamentals, essentially, right? So that answers that question a bit. I think from a culture perspective, what we try to do right is essentially, we try to build, basically, first, and I mean literally, yesterday I was having this conversation with one of the team members, right? And, I think, to me, at least, what's the most important thing is, number one, we want obviously want to build a great company, and a great company obviously is defined by things like phenomenal desires, and your growth, and things of that, right? But I think the most important thing for me is number one, like, building a company which has people inside it which are happy, right? Which are happy inside it, and where people are treated nicely and at the same point in time, the teammates actually love each other and like each other, where they enjoy working with each other. Right? So I think to me that's like foundational, right? Once you have that, you combine that with like a really, really good team, which is full of ambitious people, really smart people who want to achieve big things in life, because I think you require that in any start up, right? Like, very honestly. I really strongly believe this, right? If you don't have a good team, most start-ups, right? Are destined to fail largely because they're competing against players which are much larger than them, have

APOLLO FINVEST
(INDIA) LTD.
CIN: L51900MH1985PLC036991
REGISTERED OFFICE:
Unit No. 803, Morya Blue Moon,
Veera Desai Industrial Estate, Andheri West,
Mumbai, Maharashtra 400053
Email: info@apollofinvest.com
Contact No. 022-62231667 / 68

	much more capital than them, have probably more people than them, have more smarter people than them. Right? I think the only way to beat or to be successful as a start up, is to have like a really small team, go after a very specific problem, solve it really, really well. But the team is the most important thing, right? And in order, people keep saying it's important to have a smart team, and I think it's most important to have a happy team, right? A team which is actually happy to work with them, work with each other, and has a positive mind-set. And that can really change the game. Because that's how one of the questions that we always get is like, how you guys doing this with like 30 people, right? Where are there? There are people in our industry who, trying to copy us, who have like, I don't know, 300, 400, 500, 600 people, right? And they're struggling at this, right? And then the answer is this, right? Like that? Basically, we try and basically hire people who are really smart, at the same point, time, we most importantly hire good people. I think that's the first characteristic that we look for in people that are they good human beings? Right? I know sometimes people say that it's fine to work with people who may not be nice people, or who may be like me, really rude, but very smart. So it's fine. At least we don't have that mindset at all. Like the first, most important thing that we look for a person is, is this person like a good human being, right? If that person is a good human being, then we try to make sure that that person is smart, and then when that person comes in, we try and make sure that we are giving them the perfect environment to basically be super successful, right? Because our jobs, basically, and every manager's job, I think in life should be very simple. Once you hire really smart people and work good human beings just get out of their way and basically give them the right environment to succeed. So we try to do these things basically right. And thankfully, that's how magic always ends up happening. We built, I think, it. It feels like over the last 6, 7, or I don't know, 7, 8 years at this point time, we built multiple teams, but every single time we built a team, it feels like the latest team always seems to be the best team, right? And I don't think that's an accident. Right? That's just because obviously across us building this, we also do on about ourselves, we learn our sense and weaknesses, we try to improve, and we had also very, very young, right? Me and the shale like just 35, 36, that's very, very young. For an entrepreneur, we have obviously a lot more to go. I think our team is also very, very young, at some point in time. We inside the company, we used to be people who probably the rest of the team had, like maybe a 3, 4 year gap your age gap right. But now that age gap has just become wider and wider, right where we sometimes now notice that one of the days where we were interacting with people who are just 3, 4 years younger to us. But now there's a much larger age gap, right? Sometimes, 10 plus years right? But we sometimes forget that right, because we're just used to working with people. And honestly, it also, it also shows the matter of fact that people who are much younger nowadays, if you find the right people, they're way more

APOLLO FINVEST
(INDIA) LTD.
CIN: L51900MH1985PLC036991
REGISTERED OFFICE:
Unit No. 803, Morya Blue Moon,
Veera Desai Industrial Estate, Andheri West,
Mumbai, Maharashtra 400053
Email: info@apollofinvest.com
Contact No. 022-62231667 / 68

	mature, and they have a lot more knowledge and experience, than people used to be able to find before right? Because I think the Internet and just people who want to. Basically be great. Right? There's so many resources for them to kind of learn without actually doing a job that sometimes they can come into a job really ready to go right? So a lot of these characteristics are there. But I think, yeah, just to answer your question in one simple line. I think it all comes from, having good human beings who are really smart. If you have that, I think all of the stuff like culture, etc. takes care of itself. Essentially right. That's how I kind of answer that question. I mean, it's the, it's the most personal company I've done, because obviously it's a company which was started by my dad right like in the 1980s. So this isn't like. I mean, I don't know how more to describe it. Right? Like that's the most important thing, it. It becomes kind of like. It's not only his legacy right? But then, now it's going to become, our legacy as well. So it's very important for us to. Obviously, do our best, and deliver value to all its participants. Right? Right from obviously, the team members to its, the shareholders basically have. And to the partners that we have right? We want to give, good experience to everybody, right? Because again, this isn't the company where we're doing this for a full, few years. And disappearing right? This is going to be always there. Right? So like. You want to do the best job you ever can, because this is how you'll be remembered. So that's why it's very important. And that's why, every time we do really well, it, I think, makes us, me, and make sure that much happier, because, again, I think it's very. It's very nice to build on something which I think somebody that was very obviously important, to me in my life, has obviously, and built in his life. So if I can add to it. And when do a good job that'll be really nice.
Nitin	So in that state, if you want to, as you are seeing a lot of start-ups that are around you, will you take any stake in that? Any start up that you think is it going to be multiple or something like that, so that we can be benefited in the polls.
Mikhil Innani (MD & CEO):	Right now, we are not thinking in that direction, I think. One of the things that we try to do at Apollo is we do limited things, but we try to do it really, really well. The problem with doing those things is that you need a very different kind of risk appetite, mind-set, and skill set. Apollo is a well-oiled machine, supercharged with tech. Our technology is a differentiator that allows us to leverage a very small group of people to do things that even 300 people couldn't accomplish. That's our focus area. We want to continue excelling in this space. Honestly, I see so much opportunity in this space itself that I wouldn't want to dilute what we do and venture into other areas where perhaps there are others who are much smarter than us to tackle. I'd never want to dilute our vision or compromise on what we excel at. I'd rather be known for doing just one thing, but doing it amazingly well, rather than attempting 10 things and being average at them. That's not our goal. We

	want to be exceptional. And the price of greatness is focus. That's how we think about it.
Apollo Finvest Compliance Officer:	Thank you. Thank you so much. That was an interactive session. And further, if there are any questions from any of the investors, our team would be acknowledging them. You can drop an email to our team at compliance@apollofinvest.com. So yeah, that's it. Thanks, Mikhil. Thanks, Diksha. I thank all the investors who have ever joined us. Looking ahead to more fruitful collaborations in the future. Thanks.