

June 5, 2024

To,

**Department of Corporate Relationship
BSE Ltd.**

Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai – 400 001.
Scrip Code: 539177

National Stock Exchange of India Limited

Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400051
NSE Symbol – AILL

The Calcutta Stock Exchange Limited

7, Lyons Range, Murgighata, Dalhousie,
Kolkata, West Bengal - 700 001.
Scrip Code: 011262

Dear Sir/Madam,

Subject: Business Update and Corporate Presentation

Please find attached the Business Update and Corporate Presentation for Authum Investment & Infrastructure Limited.

Kindly take the same on your record.

Thanking you,

For **Authum Investment & Infrastructure Limited**

**Hitesh Vora
Company Secretary
Mem No.: A40193**

Encl: As above



AUTHUM

MAKING THE BIG LEAP

**AUTHUM INVESTMENT & INFRASTRUCTURE
LIMITED**

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PART ONE
OVERVIEW

Who we are



Background

Incorporated in 1982

Acquired by **Alpana Sanjay Dangi** in FY2020.

Authum is a registered NBFC with core business operations focused on investing and lending.



Business

Engaged in long term equity investment across listed and unlisted space.

Recently diversified into building a fully integrated Credit Platform.



Footprint

Headquarters: Mumbai

No. of Branches: ~25

No. of People: ~425+



Strategy

Value Investor – Long Term View

Flexible and Patient Capital

Engaged Investor – Value Creation Focus



Shareholding pattern

Promoter & Promoter group – 74.72%

Public – 25.28%



Leadership

Enterprising Promoter Group with strong track record of Value Creation

Professional team with deep domain expertise



Sound Balance Sheet

Net worth – INR 10,345 cr

Market Capitalization (Mar 31, 24) ~INR 13,000 cr

Net leverage - **ZERO**

Our growth journey

2023-2024

The company continued with strong outcomes vide the investments in capital market and management focus on harvesting the acquired portfolio / turnaround of RCFL and RHFL businesses.

Net worth at INR 10,345 Cr at the end of the Year.

2022-2023

The Company acquired Reliance Commercial Finance Limited and Reliance Housing Finance Limited after emerging as the highest bidder.

With this acquisition, Authum has successfully resolved debt of over Rs 20,000 crore outstanding with consortium of over 20 Banks and Financial Institutions led by Bank of Baroda.

Net worth at INR 3,416 crores at the end of the Year.

2021-2022

Post Covid, on back of potential V shape recovery of the Indian economy, company decided to change the investment strategy towards mid and large cap companies.

Net worth at INR 3,121 crores at the end of the Year

Incorporated Authum Investment & Infrastructure Limited

1982

Acquired by Alpana Sanjay Dangi.

Net worth at INR 419 crores

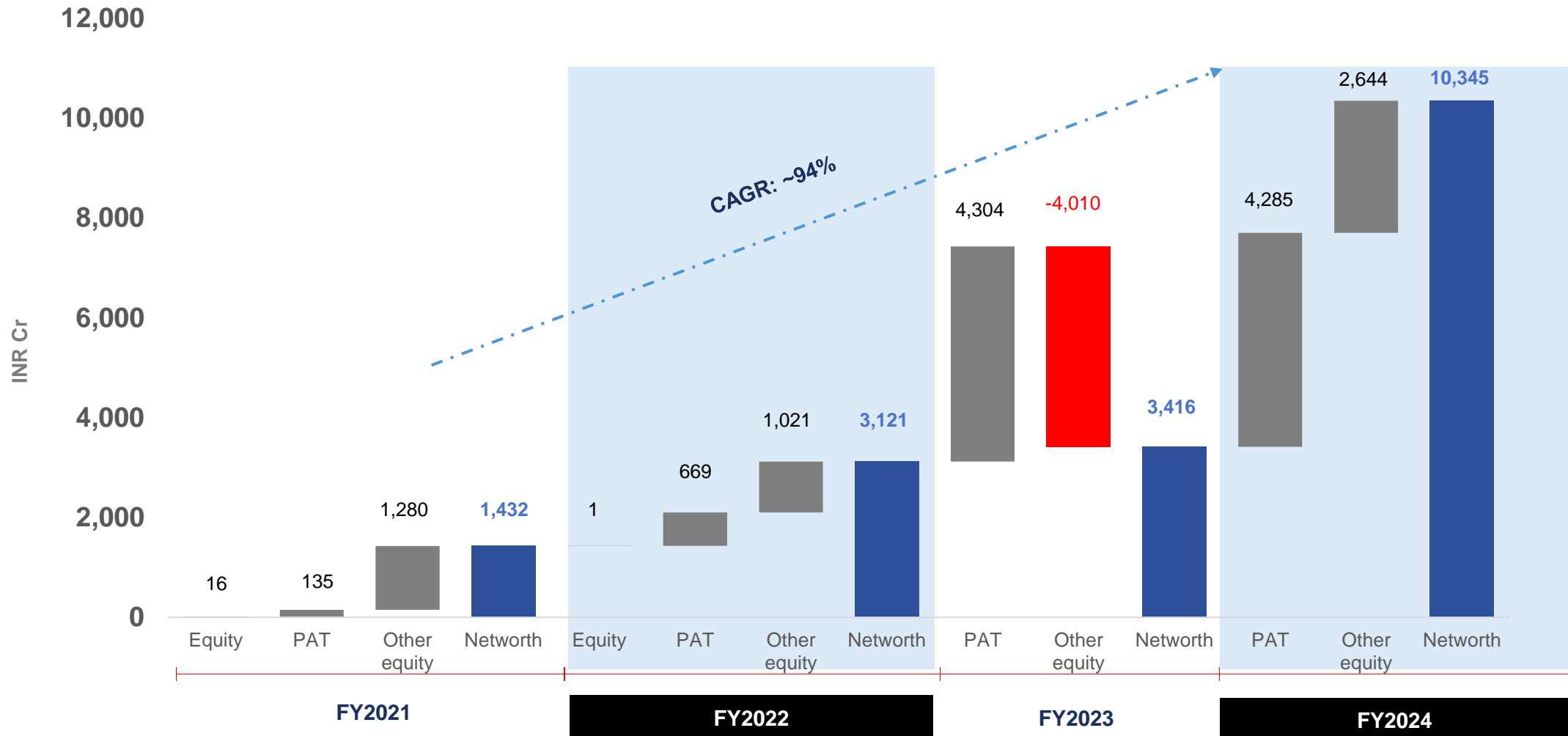
2019-2020

Despite Covid year, ended the year with continued growth

Net worth at INR 1,432 crores at the end of the year.

2020-2021

Networth Accretion (INR Cr)



Value creation from a mix of investments and the recent foray in the credit space

Notes:

1. Other Equity includes all the reserves such as OCI, Capital Reserve, Statutory Reserves, Security Premium etc.
2. In FY 23, large negative other equity is primarily reflective of RCFL acquisition and its negative net worth getting consolidated with Authum as a subsidiary

Authum's growth across the years

Particulars (Liabilities)	FY 23-24	FY 22-23*	FY 21-22	FY20-21
Net worth	10,345	3,416	3,121	1,432
Borrowings & other payables	1,277	3,484	898	536
Total Liabilities	11,622	6,900	4,019	1,968

Particulars (Assets)	FY 23-24	FY 22-23*	FY 21-22	FY20-21
Investments	8,779	3,543	3,186	1,626
Long term loans & advances	1,681	2,253	33	121
Cash & cash equivalents	455	631	542	15
Others	707	473	258	206
Total Assets	11,622	6,900	4,019	1,968

Profit & Loss

Particulars	FY 23-24	FY 22-23 #	FY 21-22	FY 20-21
Revenue	4,393	458	907	255
Finance Cost	65	281	30	21
Other cost	160	112	52	78
Profit before Tax	4,226	4,351*	826	157
Profit after Tax	4,285	4,304	669	135

Consolidated numbers on account of acquisition of Reliance Commercial Finance Limited and business of Reliance Home Finance Limited

* Exceptional income of **Rs. 4,286 cr** in FY22-23 resulting in **PAT of 4,304 cr**. Exceptional income arose from the RCFL and RHFL acquisitions / deals.

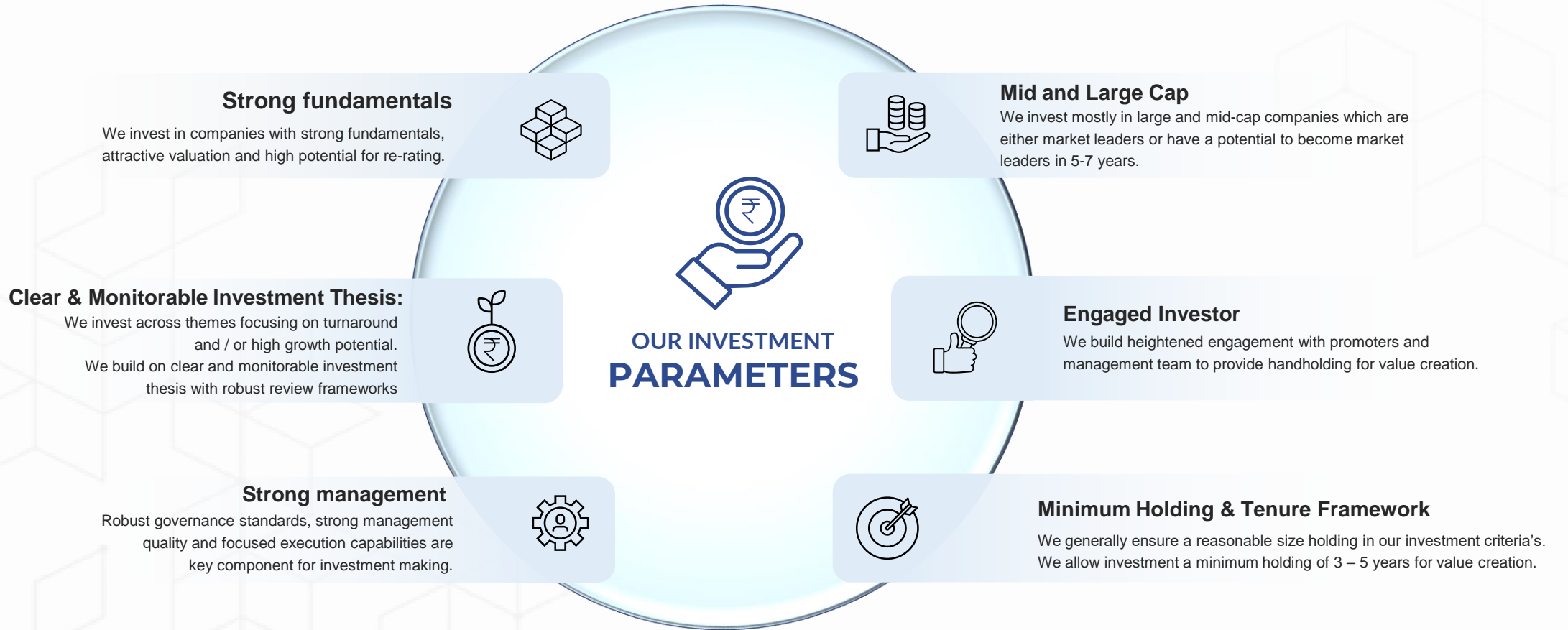


PART TWO

AUTHUM 1.0

Value Creation through Investments

AUTHUM 1.0 : Value Creation Framework



**Our
MOAT**

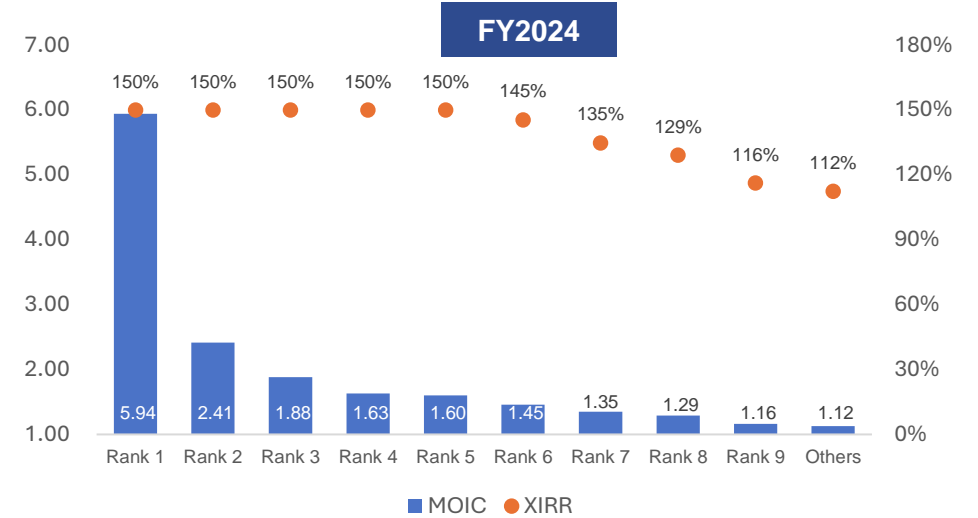
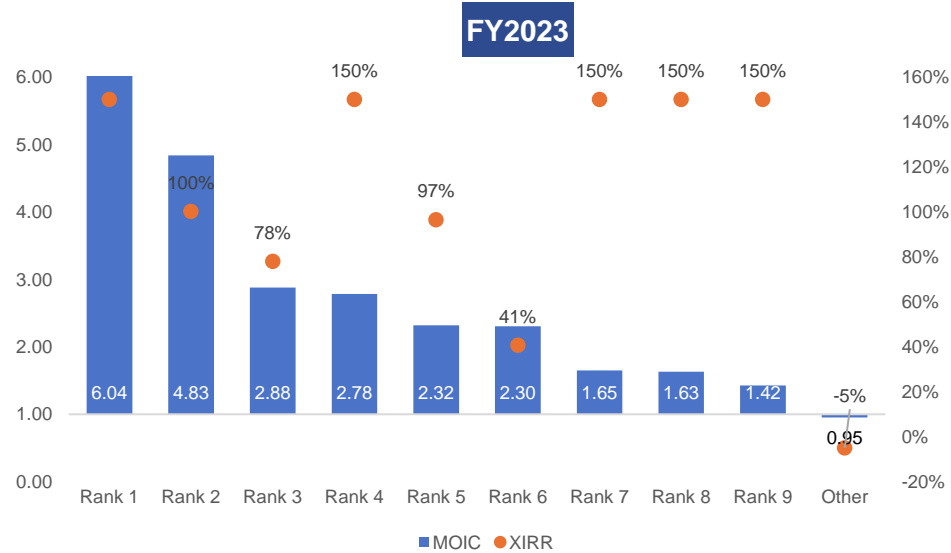
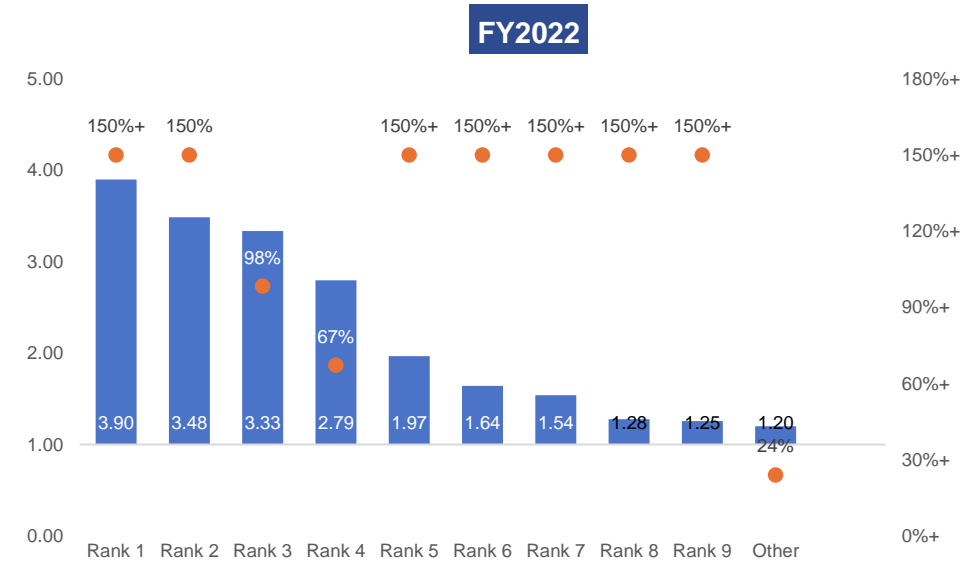
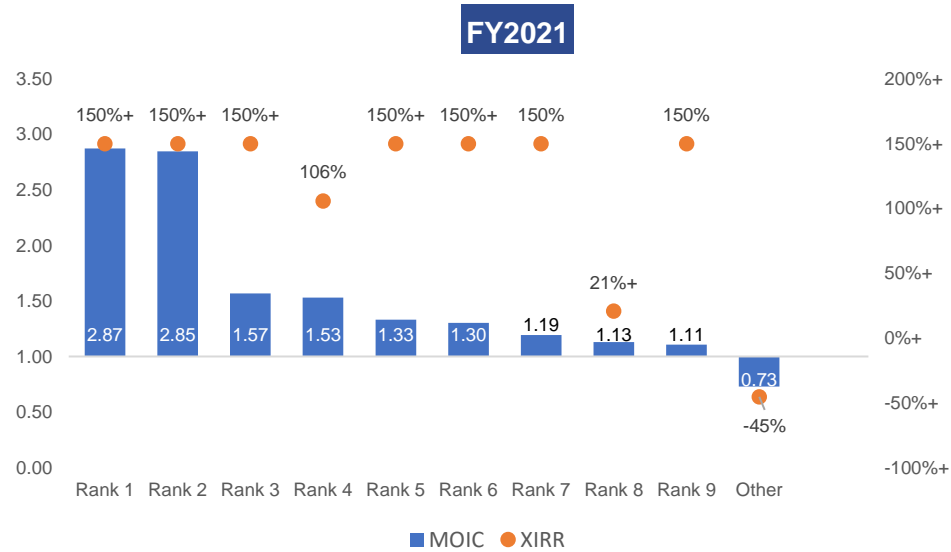
~9000 Cr of
Propriety Equity AUM

Deep Market Expertise
& Revered Reputation

Disciplined yet
Enterprising Management

Strong Research
Team

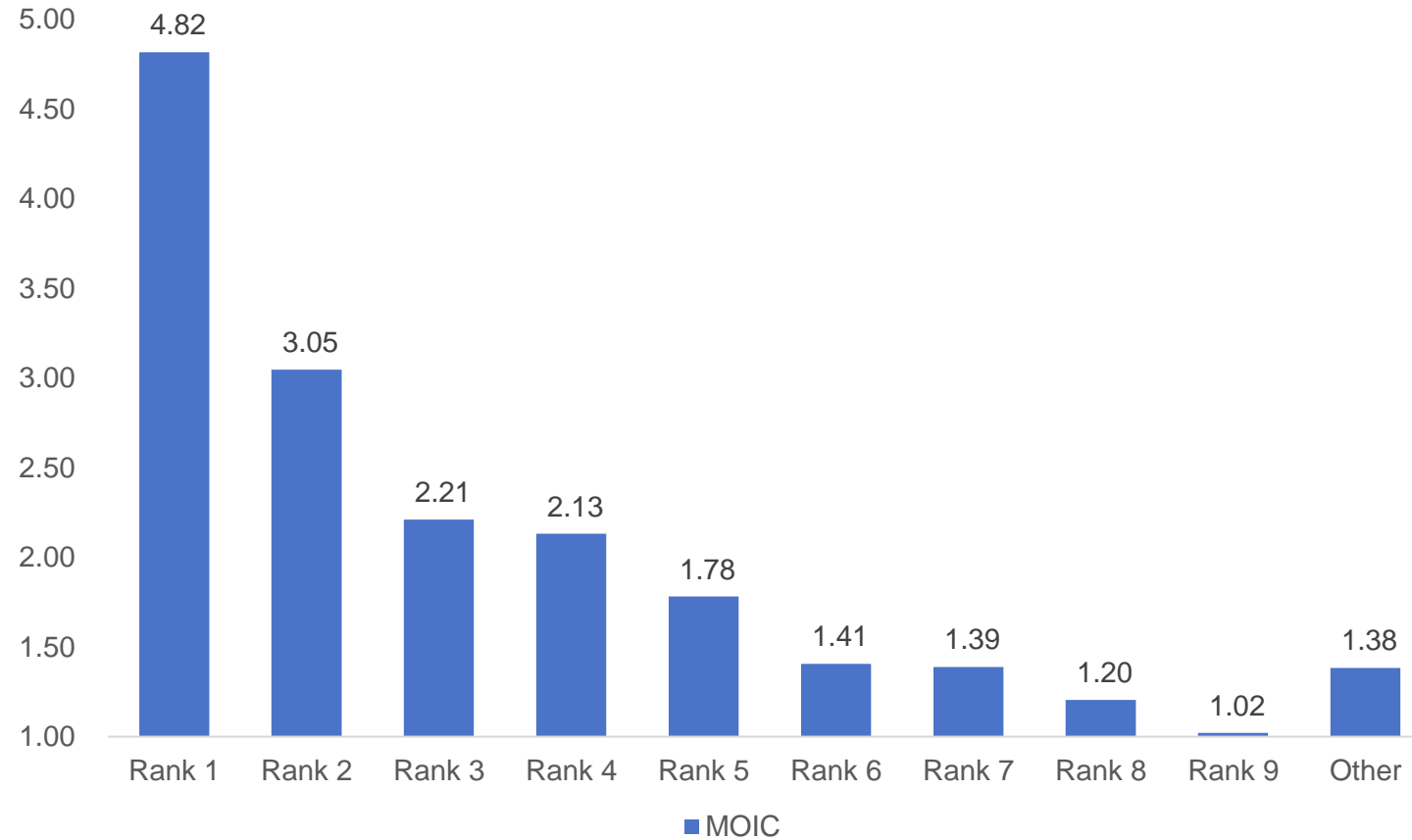
Track Record: MOIC and IRRs of Exited Investments



Note 1: Top 9 exits by MOIC are ranked 1 to 9. Others are clubbed

Note 2: IRRs capped at 150% despite being higher, for representation

Track Record: MOIC of Current Portfolio (notional basis, as on Mar 31, 2024)



Note 1: Top 9 exits by MOIC are ranked 1 to 9. Others are clubbed

Note 2: Assuming current portfolio is divested on Mar 31, 2024



PART THREE

AUTHUM 2.0

The Game-Changer NBFC
Acquisition

Deal 1 Overview: Reliance Commercial Finance Limited (RCFL)



Amongst **1st Financial Services Company** to be resolved outside IBC with lenders and court approval.

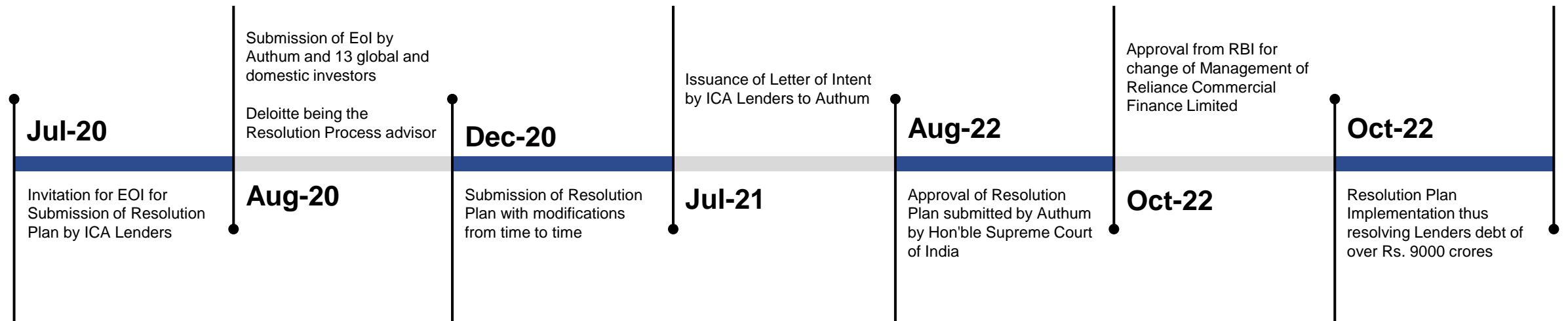


~90 % of lenders approved the transaction.



All regulatory **approvals received** for implementation of Plan / Change of Control
Honorable Supreme Court Approval – 30, Aug 2022
RBI Approval for Change of Control – 01, Oct 2022

Time Chart



Deal 2 Overview: Reliance Home Finance Limited (RHFL)



Amongst **1st Financial Services Company** to be resolved outside IBC with lenders and court approval.



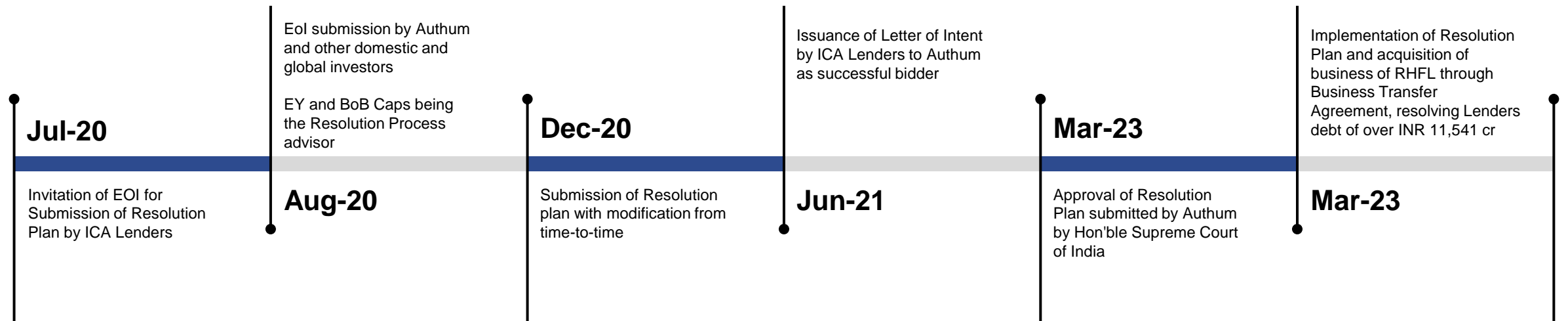
~99 % of lenders approved the transaction.



All regulatory **approvals received** for implementation of Plan / Change of Control
Honorable Supreme Court Approval – 03, March 2023

Closure of transaction – 29, March 2023

Time Chart

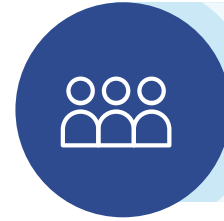


Strategic imperative for the NBFC acquisitions



1. Diversification

Significant re-pivot from Equity Led Business a Wide Ranging Credit Business



4. Customer Segment

Portfolio acquired cuts through entire spectrum of product suite; thus leapfrogging experience curve in building incremental businesses



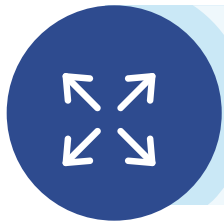
2. Growth Potential

Entry into Credit Business Provides for significant runway for Growth in Credit and Adjacencies



5. Income Stability

Credit Portfolio to significantly enhance the income stability of the Company



3. Distribution and Scale

Pan-India distribution network with ~25 Branches and 425+ Member Team with strong collections capability



6. Capital Efficiency

Rebalance of Capital from equity AUM to mix now including Credit. Gradually take moderate leverage to further strengthen returns profile

| **Capabilities:** significant geographic presence, robust systems and synergistic potential



Presence

- ✓ > 25 Branches
- ✓ **Reach** across ~**170** Locations through vendor network
- ✓ Centralized Call Centre Capacity - **100K calls /PM**



Agency Network

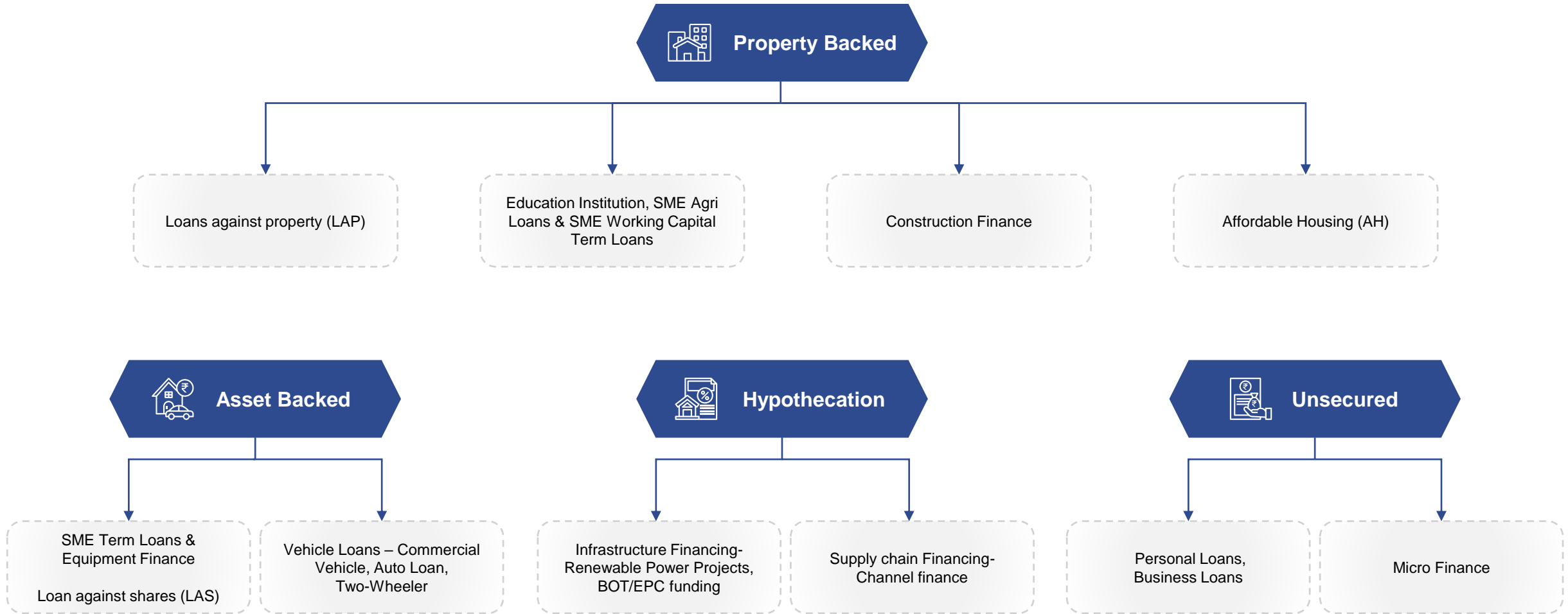
- ✓ Field Agencies - **120+**
- ✓ Repossession/ Enforcement Agencies - 30
- ✓ Tie-up with Stock Yards - **50**
- ✓ Skip Tracing Agency - 6



System Capabilities

- ✓ Robust systems- LOS & LMS
- ✓ E-collect Mobile application
- ✓ Branch Operations ~25
- ✓ Inbound Call Center

Capabilities: Expansive product suite



Expansive Product Suite aided in leapfrogging the learning curve across full spectrum of products

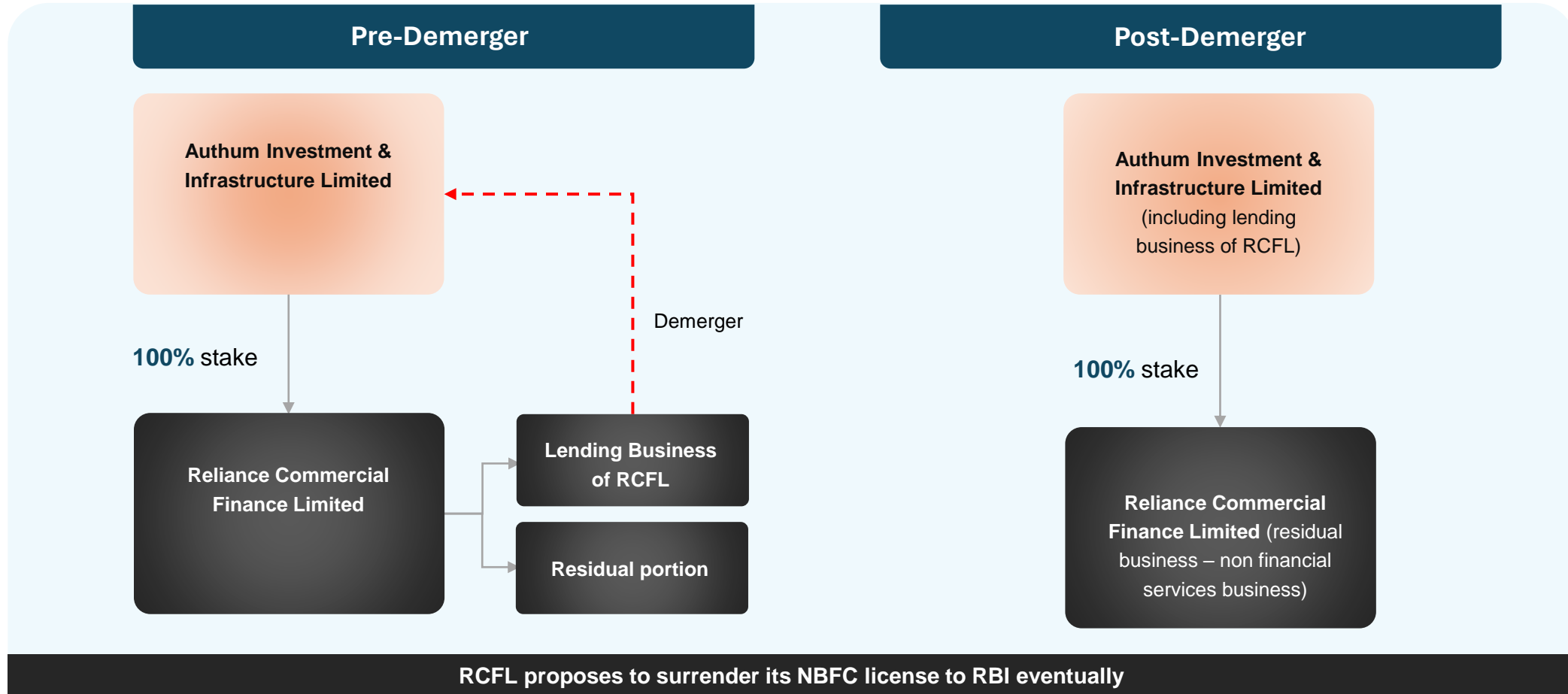


PART FOUR

STRATEGIC WAY FORWARD

Corporate Restructuring Scheme

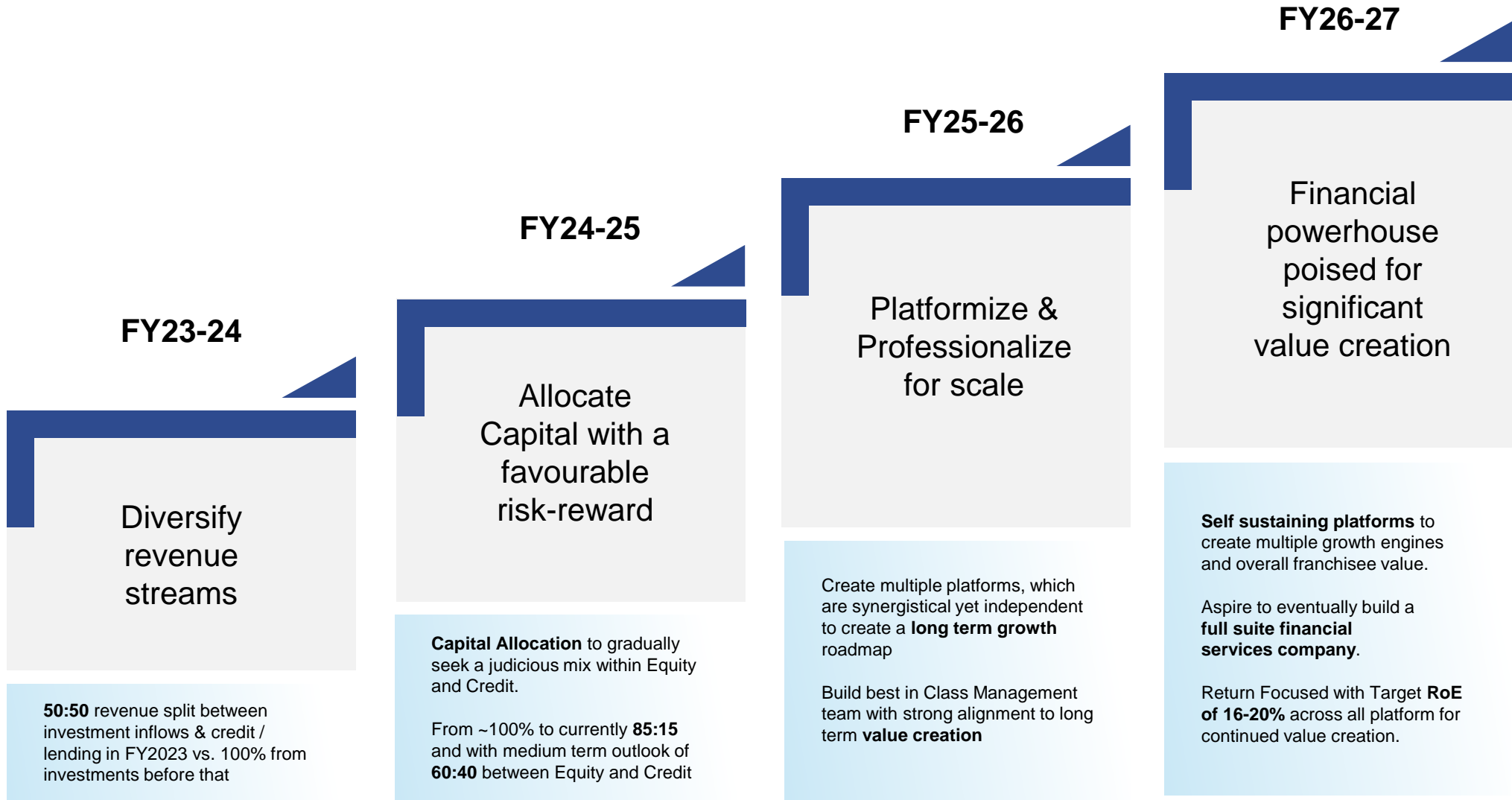
A demerger scheme was approved by **NCLT in May 2024** de-merging the identified business of **RCFL** into its Parent Company, Authum Investment & Infrastructure Limited



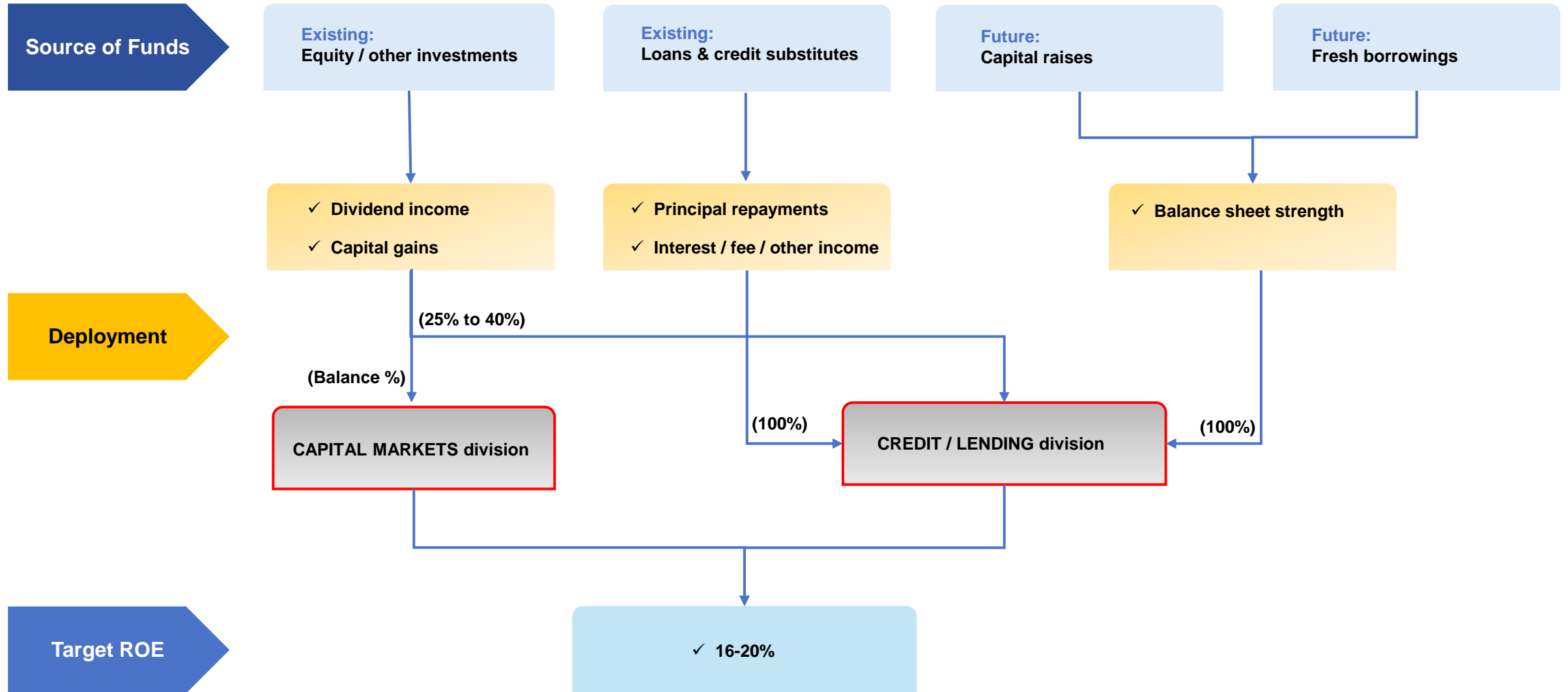
Notes:

1. Application to NCLT seeking approval for the scheme filed on December 29, 2023, after receipt of SEBI approval and intimation to RBI
2. Hon'ble NCLT has approved the demerger scheme vide order dated 10th May 2024, with Appointed Date of Oct 1, 2023.

Strategic Way Forward



Proposed Capital Allocation to Business Divisions in the Coming Years

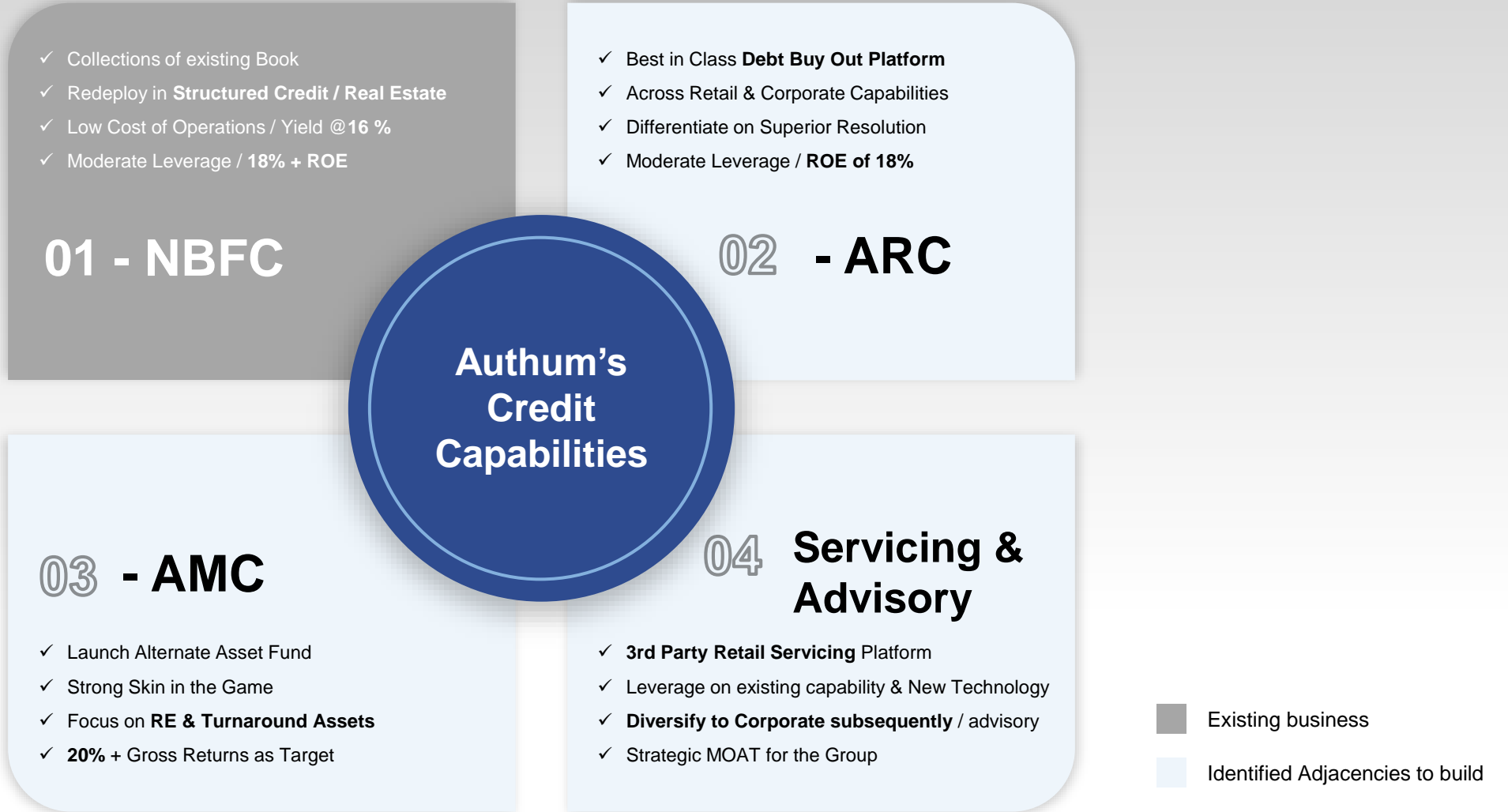


Note 1: 25% to 40% of returns generated from existing investments (equity / other) to be re-deployed into the Lending division. The balance amount to be re-deployed in equities

Note 2: 100% of collections from existing loans & credit substitutes + fresh capital raise, if any, to be re-deployed into the Lending division.

Note 3: Above picture is indicative, subject to change based on opportunities

Blueprint for Authum as an integrated credit platform



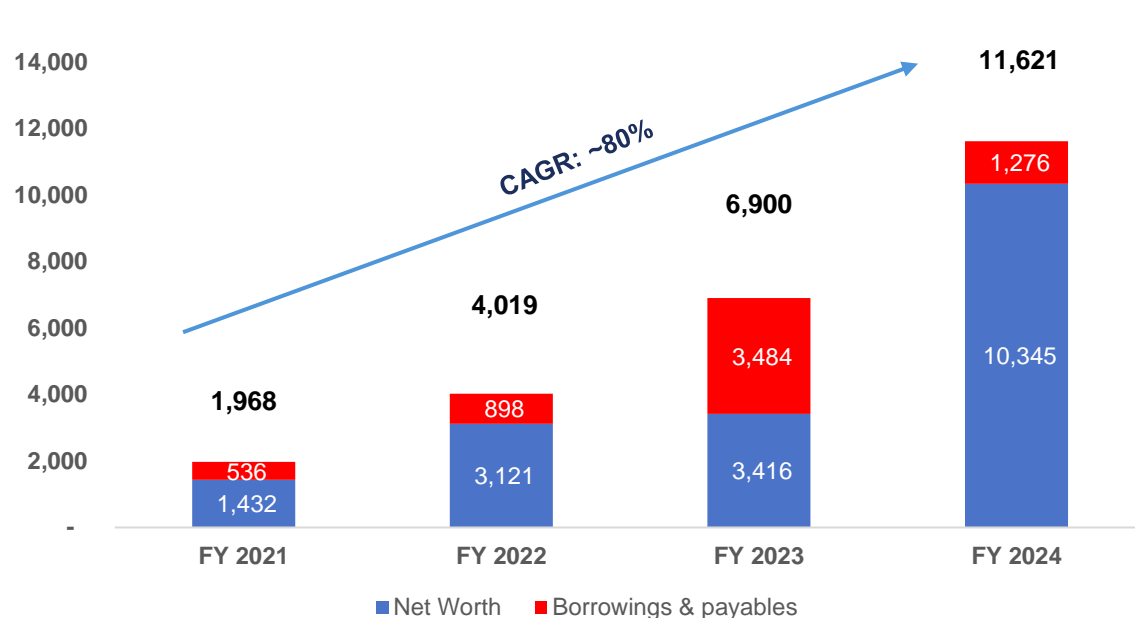


PART FIVE

FY2024 FINANCIALS

Balance Sheet Highlights

Liabilities (~INR Cr)



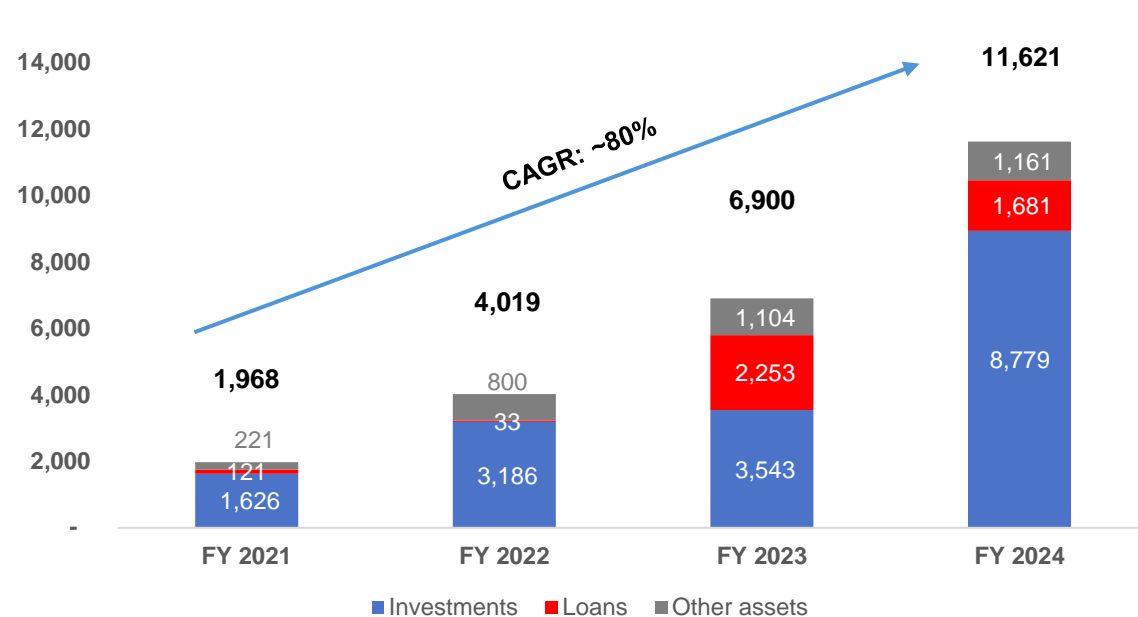
Liabilities: Details	FY 2021	FY 2022	FY 2023	FY 2024
A. Networth	1,432	3,121	3,416	10,345
B. Borrowings & Payables	536	898	3,484	1,276
-PTC borrowings	-	-	1,040	492
-Dissenting creditors	-	-	734	177
-Third-party credit line	294	669	768	352
-Redeemable pref. shares	210	202	202	107
-Other payables	33	27	739	148
Grand Total (A+B)	1,968	4,019	6,900	11,621

Notes:

1. FY2023 PAT was **INR 4,304 cr**, however, the networth remained flattish. This is because of acquisition of Reliance Commercial Finance Limited (RCFL) which had a negative net worth of **~INR 3,249 cr**
2. Dissenting creditors (*less than 10% of total creditors*) includes lenders of RCFL; their entitlement as per plan has been set aside.
3. Third-party credit line includes lines provided by financial institutions other than banks
4. Other Payable includes deferred tax liability and provision for tax
5. PTC borrowings has a corresponding value of assets

Balance Sheet Highlights

Assets (~INR Cr)



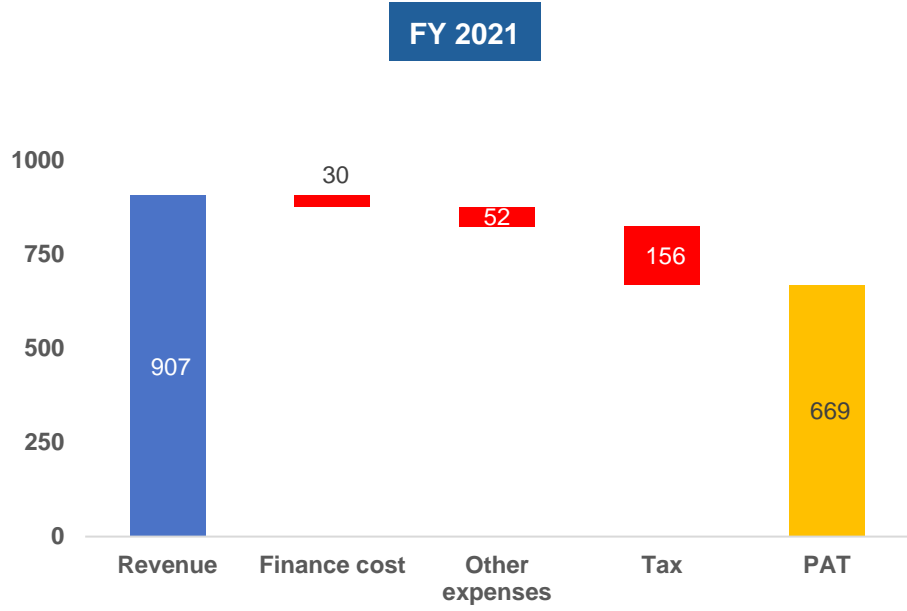
Assets: Details	FY2021	FY2022	FY2023	FY2024
A. Investments	1,626	3,186	3,543	8,779
B. Loans / credit substitute	121	33	2,253	1,681
-Legacy book from RCFL	-	-	2,162	607
-PTC assets	-	-	-	473
-Fresh business o/s	121	33	91	602
C. Other assets	221	800	1,104	1,161
-Cash & cash equivalents	15	542	631	455
-Fixed assets	176	142	315	356
-Receivables & misc.	30	116	158	350
Grand Total (A+B+C)	1,968	4,019	6,900	11,621

Notes:

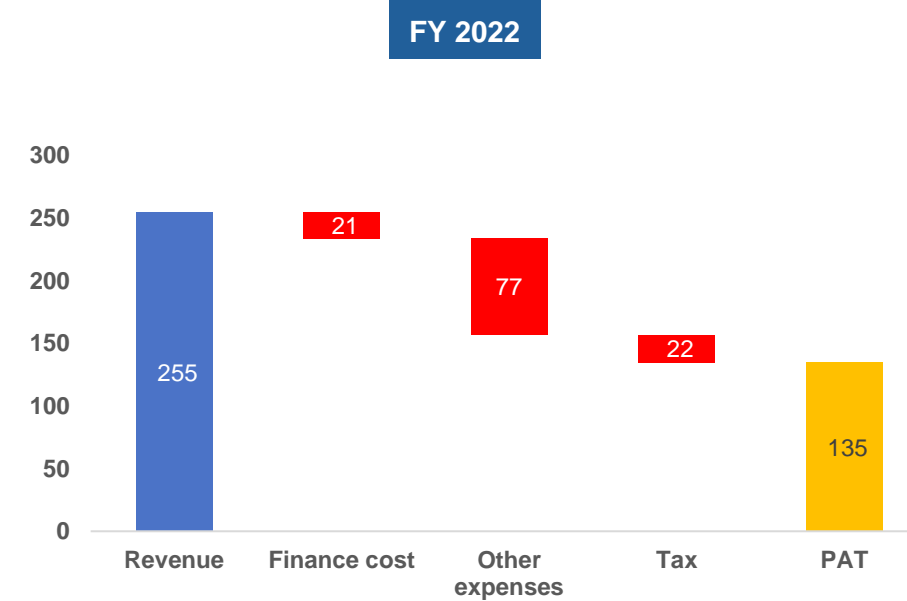
- Investments include stocks held for sale, other tradable securities and Mutual funds.
- Legacy book from RCFL means the acquired business portfolio of RCFL and RHFL
- PTC Asset correspond to the PTC borrowings (slide 24); these pertain to underlying loans originated by RCFL
- Fixed assets include Property, Plant & Equipment (PPE), Investment property.
- Receivables include balance with Govt authorities (GST / Income Tax), and other assets including interest accruals on investments, Receivables against securitisation, security deposit etc.

P&L Statement Highlights (INR Cr)

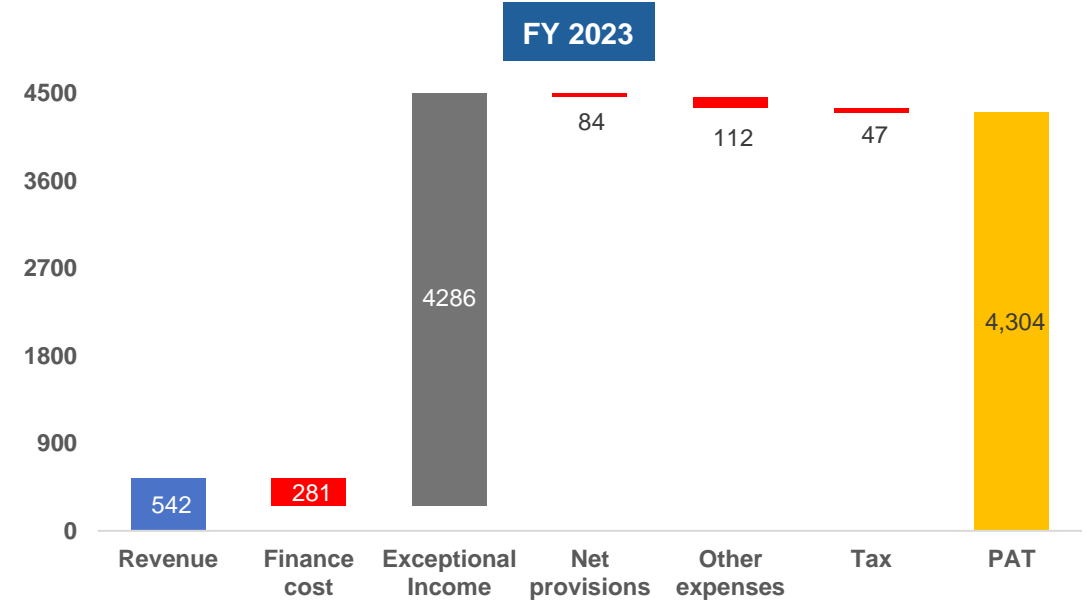
FY 2021



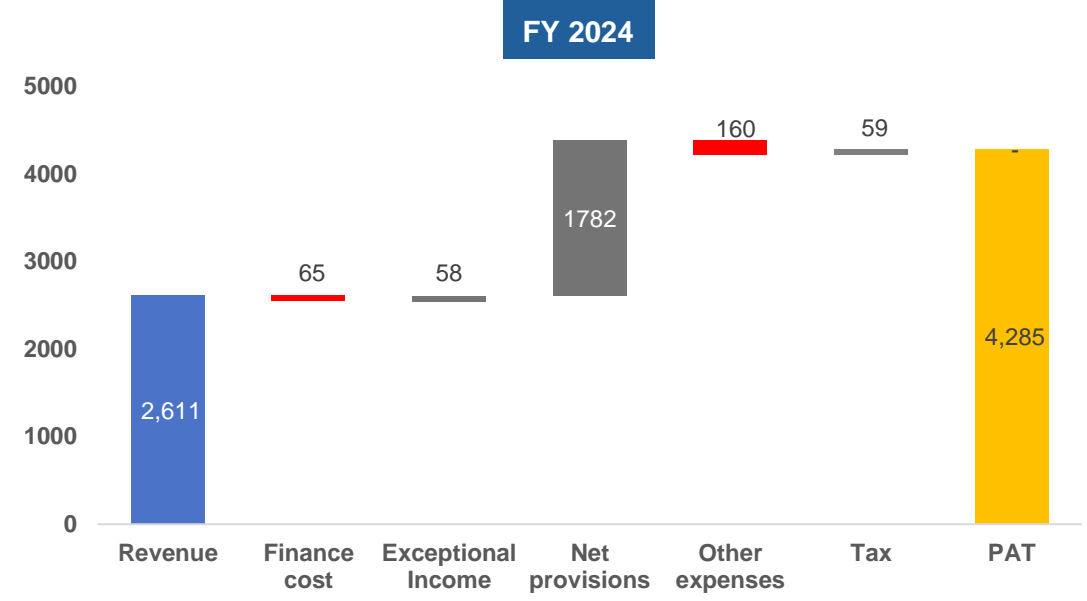
FY 2022



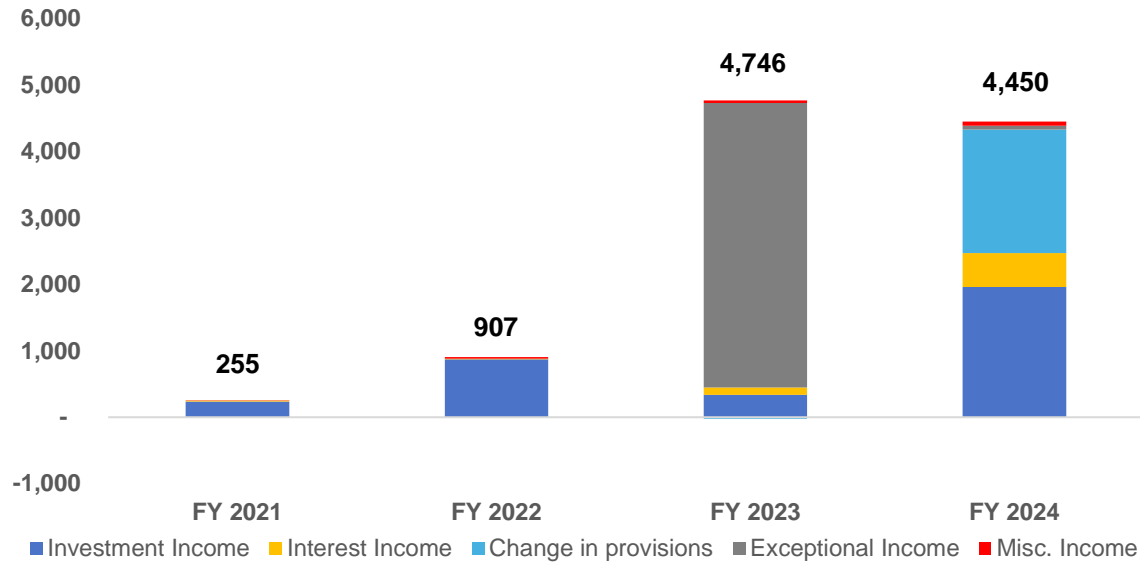
FY 2023



FY 2024



Revenues Mix (Cr)

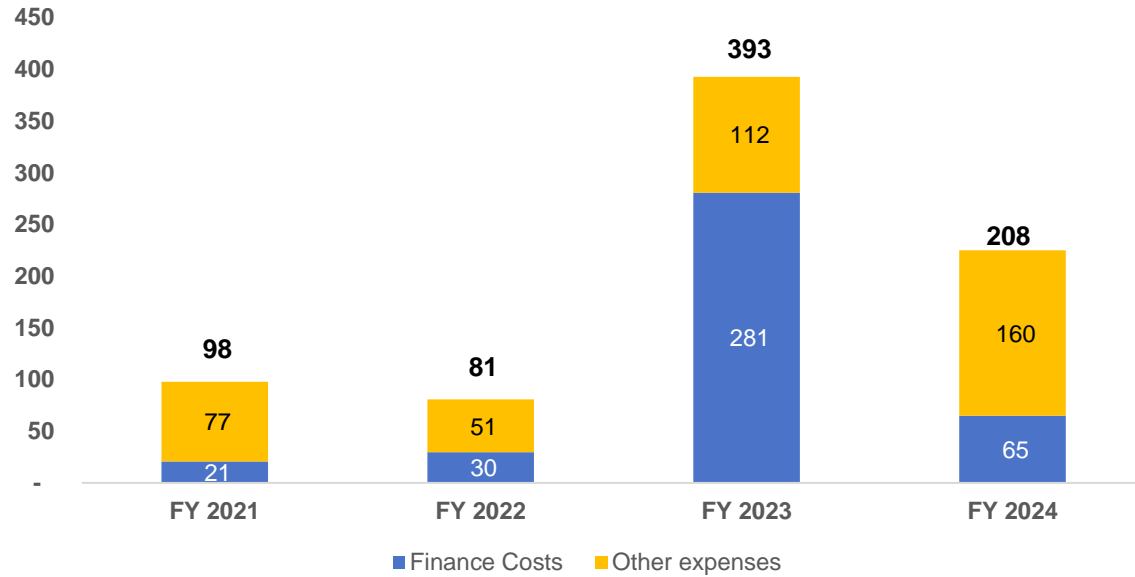


Revenues Detail (Cr)	FY2021	FY2022	FY2023	FY2024
Investment Income	237	873	339	1,959
Interest Income	14	8	107	513
Change in provisions & bad debts recovery	-	-	(23)	1,860
Exceptional Income	-	-	4,286	58
Miscellaneous Income	4	26	37	61
Grand Total	255	907	4,746	4,450

Notes:

1. One time Exceptional income in FY 2023 owing to acquisition of **RCFL** and **RHFL**.
2. Acquisition of NBFC business of RCFL and RHFL has led to a diversification in income – consistent and growing Interest income in **FY23 (INR 107 cr) & FY24 (INR 144 cr)**.
3. Management Focus on Recoveries is reflected in other Income in FY2024 - recoveries from bad debts and write back of provisions from acquired portfolios.

Expenses Mix (Cr)



Expenses split (%)	FY2021	FY2022	FY2023	FY2024
Finance costs	21%	36%	71%	29%
Other expense	79%	64%	29%	71%
Total	100%	100%	100%	100%

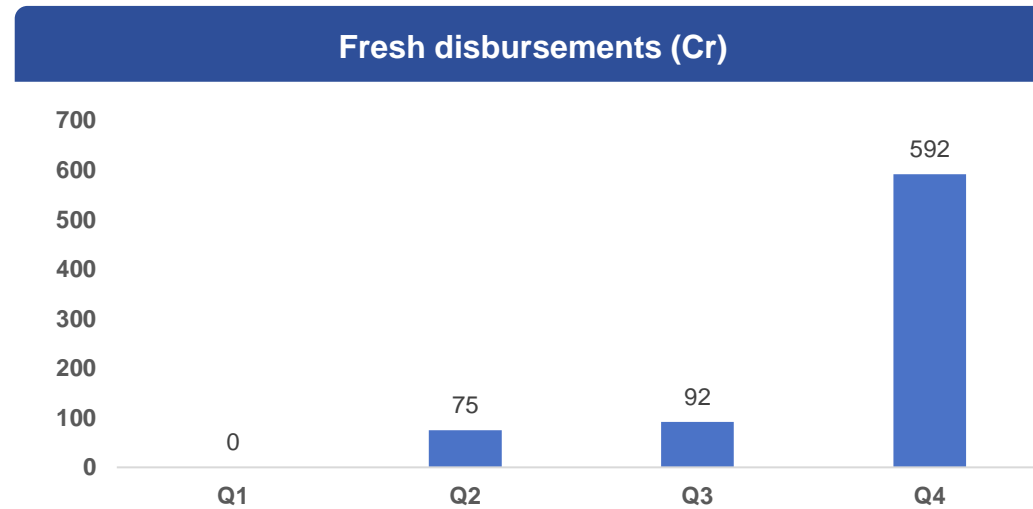
Notes:

1. Steep increase in FY 23 is owing to one time expense because of Acquisition being completed in FY 23.
2. FY2023 Finance cost of INR 281 cr includes ~INR 234 cr interest payable to parent company against debt taken for RCFL / RHFL acquisition
3. Other Expenses includes Employee Benefit cost, IT cost and Operational expenses.

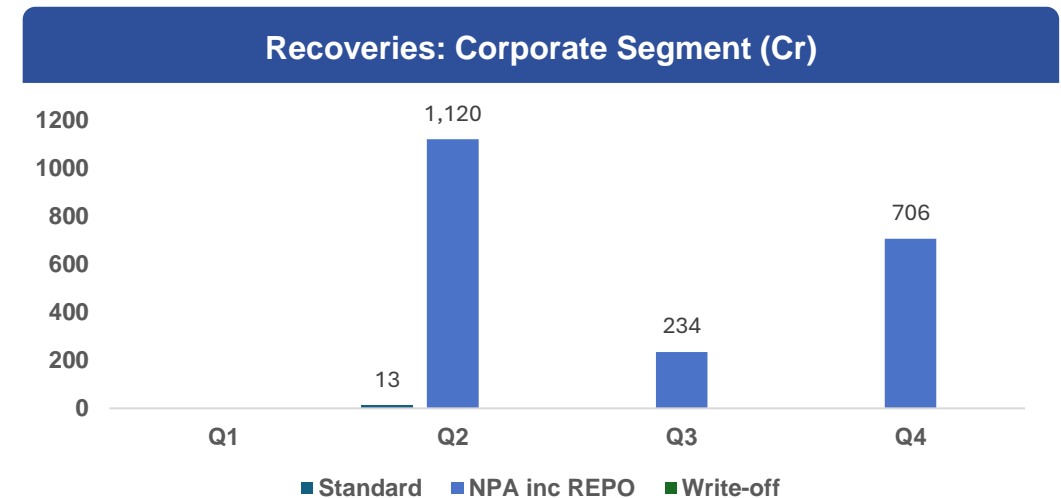
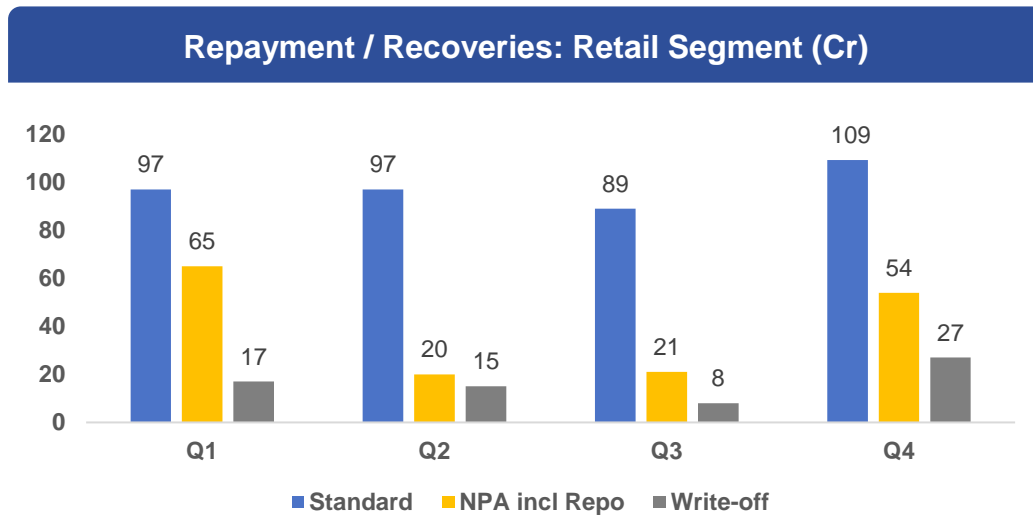
Assets Breakdown

Particulars	Amount	Remarks
✓ Investments in equity shares	✓ ~INR 8,778 cr	<ul style="list-style-type: none"> ✓ Market value of listed shares: ~8,700 cr ✓ Book value: unlisted / MFs: ~200 cr
✓ Loans & credit substitutes: standard	✓ INR 1,199 cr	✓ ~50% is from legacy RCFL / RHFL and the rest is from fresh disbursal
✓ Loans & credit substitutes: NPA	<ul style="list-style-type: none"> ✓ Gross NPA - INR 1,218 cr ✓ Net NPA - ZERO 	<ul style="list-style-type: none"> ✓ 100% provision created ✓ 90% of this book is mortgage backed
✓ Property Investments	✓ INR 355 cr	✓ Acquisition price: INR 355 cr
✓ Other assets	✓ ~INR 1,289 cr	✓ Includes PTC assets (~INR 473 cr) cash & cash equivalents & others
Total: ~INR 11,621 cr		
✓ Off-balance sheet assets (100% <u>written off retail mortgage loans</u>)	✓ ~INR 200 cr	✓ Mortgage-backed book
✓ Off-balance sheet assets (100% <u>written off retail other loans</u>)	✓ INR 1,800 cr	✓ Includes vehicle, CV, other loans with low recoverability
✓ Off-balance sheet assets (100% <u>written off corporate loans</u>)	✓ INR 6,835 cr	✓ Negligible security available

FY2024 Business Done at RCFL (lending business)



FY2024 Debt Recoveries at RCFL (lending business)





PART SIX

**GOVERNANCE &
MANAGEMENT**

Governance at Authum

Promoters



- ✓ Enterprising and first-generation bold entrepreneurs
- ✓ Track record of **consistent value creation** in capital market
- ✓ Recently diversified to **credit products** vide acquisition of RCFL and RHFL
- ✓ Turned around the NBFCs post acquisition
- ✓ Commitment to build an **integrated credit platform** as the next driver of value creation

Board



- ✓ Strong Board of Directors encompassing various backgrounds and skill sets
- ✓ Adequate Mix of Promoter Director, Professional Executive Director and Independent Directors
- ✓ Majority of the Board comprises of Independent Directors.

Management



- ✓ Top quality management team with specialization in the areas of build out
- ✓ Owner-Manager framework being built to create co-ownership with the professional management towards **creating long-term shareholder value**.
- ✓ Young management teams with a focus on creating **value in a contrarian / differentiated business build out**.

Balance Sheet



- ✓ Fortress Balance Sheet with **Rs 10,350 Cr**, net worth, zero leverage and **Rs 13,000** crore market capitalisation
- ✓ Low to moderate leverage outlook with **less than 1x** leverage on the credit book and less than **0.5 times** on an overall basis.
- ✓ Rating process and borrowing program to be initiated and graduated on a step-by-step basis.

| Leadership Team: Non Executive & Independent Directors



Mr. Rahul Bagaria | *Independent Director*

B.com & CA with over a decade of Industry experience. Currently a Partner with Bagaria & Co..
Experienced in the field of assurance, consulting, taxation & financial advisory service.



Mr. Haridas Bhat | *Independent Director*

CA with around 4 decades of Industry Exp.,
Previously associated with WIRC & Member of ICAI Central Council
Experience in Income Tax matters & ITAT matters



Mrs. Asha Agarwal | *Independent Director*

Former Principal Chief Commissioner of the Income Tax in the IRS, Ministry of Finance ,Central Govt. of India with over 4 decades of IRS experience.

| Leadership Team: Non Executive & Independent Directors



Mr. Vimal Ajmera | *Independent Director*

B.com & CA with around 2 decades of Industry Exp., in Corporate Accounting, Taxation Laws, Tax Audit etc.



Mrs. Bhaviika Jain | *Independent Director*

CS with around a decade of Industry Exp., in Compliance & secretarial field etc.

Leadership Team: Promoter Director and Executive Director

Promoter Management



Mrs. Alpana Dangi
Non-Executive - Director



Mr. Sanjay Dangi
Non-Executive - Director



Mr. Amit Dangi
Whole Time Director

Enterprising and **First Generation Bold Entrepreneurs** with exemplary track record of value creation.

Strong capital position with Net worth of **10,350 Cr**, **minimal leverage** and **Market Capitalization of ~15,000 Cr**.

Lead and Manage the Equity Portfolio.

Commitment to build an integrated Credit Platform as the next driver of value creation.

Group Management Authum



Mr. Akash Suri
Group CEO & Whole Time Director

B.E & PGDM with over 2 decades of Industry Experience. Alumni from INSEAD Previously associated with JC Flower ARC, Yes Bank, HSBC and Genpact.

Specialist in **Corporate Banking, Stressed Asset, Real Estate and High Yield**. Strong track record in Asset Management, Resolution and P&L Management.

Responsible for building and scaling up the Credit and Alternate Asset Business

| Leadership Team: Management Team



Mr. Rohit Bhanja | *Chief Executive Officer – RCFL*

B.com & MBA with over 2 decades of Industry Exp. Previously associated with **Reliance Group & Tata Steel Ltd.** Experience across **sales & product management** roles in both Secured and Unsecured loans. From high ticket corporate loans to micro loans.



Mr. Shiva Prasad Das | *Head – Collections Unsecured & Vehicle*

B.com & MBA with around 3 decades of Industry Exp., in Credit, Sales & Collection Previously associated **Standard Chartered Bank & GE Countrywide Consumer Finance** , GE Capital Transportation Financial Services



Mr. Amit Kumar Jha | *Chief Finance Officer - RCFL*

B.COM & CA with around 2 decades of Industry Exp.,

Previously associated with **Deloitte Haskins, HSBC Bank, Karvy Financial Services, SBFC, Cox & Kings Financial, Edelweiss Finance.**

Experience in financial controllership, tax planning, business planning & analysis, audit, compliance, due diligence and internal financial controls.

| Leadership Team: Management Team



Mr. Rajkumar M | *Chief Compliance Officer, RCFL*

B.E & MBA with over 2 decades of Industry Exp.,

Previously associated with **Orange Retail Finance, Unimoni Financial Services, Reliance Capital Group, ICICI Bank, and BPL Ltd.**

Experience in Banking/NBFC Operations, Credit & Risk Management, Compliance & Customer Relationship



Mr. Paresh Narvekar | *Head – Legal*

B.com & LLB with around 2 decades of Industry Exp.,

Previously associated with **Magma, IndusInd, Mahindra Finance and Tata Motors**

Experience in Corporate laws, Compliance and Litigation & Non-Litigation sector



Mr. Deepak Dhingra | *Chief Finance Officer*

B.COM.,CA & PGD in Treasury and Forex Management with over 24 years of Industry Exp

Previously associated with **Incred Capital Financial Service Private Ltd ,Tata Group, Reliance Group.**

Experience in Planning & Cost Control, Working Capital Management, Strategic Planning, Process Automation & SAP Implementation, etc..

I Leadership Team: Management Team



Mr. Savneet Chopra *Head – Operations & Customer Service*

B.SC & PGDBM with over 2 decades of Industry Exp

Previously associated with **Reliance Group, Aircel, Vodafone, Wipro, Philips India.**

Experience across Operations, Sales, Marketing & Product.



Mr. Nimesh Chonkar *Head – Talent & Compensation*

B.com & Executive Program in HR with around 2 decades of Industry Exp.

Previously associated with **Reliance Group, TCS, L&T Infotech, ICICI Bank.**

Experience in Executive Hiring, Compensation Mgt, HR Compliance, Payroll, Rewards, HR Operations & HR Technology.



Mr. Bittu Upadhyaya *Chief Information Officer, RCFL*

Diploma in Computer Technology with over 23 years of Industry Exp

Previously associated with **Mauj, Telesoft Neutek Pvt. Ltd ,ACCEL ICIM, Reliance Group.**

DISCLAIMER

Certain statements made in this document may constitute forward -looking statements. These forward -looking statements are subject to certain risks and uncertainties which are customary to investment and lending business. Authum Investment & Infrastructure Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward -looking statements to reflect subsequent events or circumstances.



Thank You