APOLLO FINVEST (INDIA) LTD.

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November 14, 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 Half year ended September 30, 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 November 09, 2023 for the Quarter and half year ended September 30, 2023.

We request you to kindly take the same on record.

Thanking You,
For Apollo Finvest (India) Limited

Mikhil Innani
Managing Director & CEO
DIN: 02710749

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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 November 03, 2023, for the approval of our financial results for the quarter that ended on September 30, 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, Managing Director & CEO	Thank you so much, Prachi. Firstly, thank you so much for everybody for taking out time and joining us today. We appreciate you guys being shareholders of Apollo and taking our time on Thursday to essentially join us for this. I want to start with some good piece of news, I think, for the last couple of quarters. Specifically, right. We've always been mentioning that this is a little bit of a slowdown in the industry, largely because of the changes that we brought about in the digital lending space with the new digital lending guidelines and overall. The entire industry has been trying to, to its best, to navigate waters and be compliant. As for the new guidelines, that resulted in the first little bit of a slowdown in terms of expansion plans, and even to some degree, reducing their existing lending in the ecosystem just to get everything in order, so that they are firstly compliant. And as basically, they have become more and more compliant, the next thing that basically ended up happening was stabilization, which was trying to get to, I would say, decent levels of lending which was yet a fraction of the past, but at least to some degree, doing lending such that making sure all the engine parts basically are working as expected, especially in terms of the new guidelines which came in right. But I think the good news of right now that we have is that all of that is done right going forward. We're expecting this industry to kind of grow strength to strength, and that will kind of reflect with Apollo as well because like we've always mentioned in the past, we think of Apollo as nothing but kind of like an index of what's happening in the digital lending space. Right? So we are very, very bullish for the quarters coming ahead. And all those lines about basically, the industry meeting some time to kind of figure out the changes is all now in the past, and beginning from the coming quarters, we're expecting this industry to kind of grow strength to strength. That's the one piece of good news right at the, I think the other piece of good news for us is also a couple of things which have been happening overall. I think in the global ecosystem is that there is a little bit of a shortage when it comes to equity funding overall, especially in the start-up space, right? But that's turned out to be a big boon because ultimately for us it's become much easier to evaluate companies. In terms of when we are on boarding them, we obviously do a thorough due diligence. But at this point in time when we're doing due diligences, we are finding that people are a lot more economically savvy and actually building out much more robust and stable companies and sustainable companies which makes honestly our job, shortlisting and actually working with them

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	much more easier because in the past, sometimes, we used to find these companies very, very difficult to find given the fact that sometimes our majority of the time to be honest, a lot of these companies used to be unit economics negative, right? But I think now we've been pleasantly surprised that the ratio of companies which are actually unit economic positive and actually delivering, I would say honestly, close to profitability or even highly profitable outcomes for their investors is becoming much higher than it was before. So that's a very good sign because ultimately, I think this is teaching a lot of the ecosystem that you can actually end up building financial services companies in a very financially sustainable manner. And from our perspective as well like, we are finding companies which, honestly, not only in the last 12 months, where there's been a little bit of a funding crunch, but even in the last 3 years overall have been consistently bettering the unit economics, and some of them have been delivering sustainable results, and profits as an example for the last 2, 2 and a half, 3 years right? And that kind of is a very positive sign when we look at and examine a partner. Because actually, if you think about what's all happened in the financial ecosystem, especially in digital lending in the last 3 years. A lot of stuff has happened right? Right from the NBFC prices, to the RBI changes to the equity crunches which have happened to the interest rates rising right? Everything you could imagine has in many ways happened. I've, I've been forgotten to mention the pandemic right in all of these things, right? So everything which could have happened is kind of, happened in the last 3 years, and we are kind of trying to spot out companies which have gone through all of these crazy things in the past 3 years and really performed admirably across all of these difficulties, right? And when we spot such companies, we've come very, very bullish on them. And thankfully, we've been able to find a lot of these kind of companies, especially as compared to the past right, which are actually on the right track. And we feel these companies are gonna be around for a long period of time. And obviously from our perspective, that's that's music to our ears. Because, we like having partnerships where we can really hang a hat on. And basically collaborate and work with them for a long period of time. Right? So that's a very good thing. And in the same tone, basically, what's happening now is that we're finding a lot of NBFCs basically moving into digital lending essentially right and existing digital lenders trying to go out and get licenses. And whoever has been successful, at doing that. And that segment is quite small. But whoever is actually being successful at doing that, one of the new initiatives that Apollo was basically launched and is going live in especially is Co-lending alright. And actually, the foundation of co-lending really is a tech DNA, right, because from the outset, if you think about co-lending, it's quite complicated in order to execute right, because it requires both lenders to be extremely tech-savvy? Because both systems have to really integrate really well, cause loans have to be on the both LMS's as an example, how the reporting is done, how the loan disbursement happens to the end. Customer of the collections are done, or the

	reconciliation has to be done. It is not a very, very straightforward thing to do, especially in the high-frequency world of digital lending. But again, thanks to our tech DNA, we've been able to kind of build that fairly quickly. And we're happy to say that that's kind of going to go live in as well. Right? And that's something which we are very, very bullish about. Because we really believe that the advantage of co-lending is that it's obviously technology-driven. But I think the other advantages are that it's unit economics positive for both participants essentially right, which is very, very critical, I think, for the ecosystem. And it ensures that both partners have significant skin in the game, right? Which is something which we really, really value when we look for partners, right? We want people to basically have their own capital on the line as well, and Co-lending provides us in a way that ensures that the opposite person has skin in the game, and we, from their perspective, they're happy to put skin in the game because obviously leads to good amount of returns as well, from their capital actually participating in the lending alright. So that's something which we are quite bullish about in general. Right? So I think overall, if I had to summarize the themes right? Number one, we believe that the adjustment period from the new DLG guidelines is kind of over. And now we are going to be basically seeing good amount of growth coming in, especially from onwards. So that's point number one. Point number two is given the equity crunch in the ecosystem, a lot of players basically are moving towards more financially sustainable models which is great for Apollo cause we can actually end up scaling up with these partners and doing unit economic, sensible partnerships which are sustainable. And for the long term point number three is, we're doubling down on a lot of NBFC partnerships right now, especially in the form of co-lending, largely because it's unit economics positive for both Apollo and for the opposite NBFC. For us to get into this and at the same point in time, it ensures that the opposite lender is also putting significant skin in the game which ensures that they actually go ahead and create a sustainable portfolio. Otherwise, basically, it could result in negative results for them as well. Right? So that's broadly an update. Like I basically mentioned in my previous quarterly updates as well, right? I don't want to basically make this into a one-sided monologue. The large reason why we have this is to share some of the updates that we have in the first 5-10 min of this, and largely followed with a lot of interaction with our shareholders. So I'll turn it around now to Prachi. And whatever questions you guys have, I would love to have one-to-one conversations with you guys to answer what questions you have. And take it ready from there. Thanks.
Apollo Finvest Compliance Officer:	Thank you so much, Mikhil. I would request all the participant to drop their questions in the Q&A section and we shall be addressing the same, Mr. Puneet Gupta, I'll just allow you to talk so that you can unmute yourself and ask your questions directly.
Puneet Gupta	Thank you so much for giving me the opportunity to ask my questions. I have 2 queries. First of all, since, like I am not from accounts background. I want to

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	ask about these 2 line items which I see in your this quarterly earnings. Like fees and commissions. Expense added on negative so lacks and impairment on financial instruments, also So what does these line items mean?
Diksha Nangia, Whole Time Director & CFO	Sure, I'll take that up. So just to address your question around the fee and commission expense, which you see is a reversal still happening in this quarter. What's happened with us is in the last quarter, we've done some excessive provisioning as far as fee and commission expenses are concerned. And we realized that in this quarter, those fee and commission expenses, which we did realize last quarter, are not expected to be paid out, which is why the provisioning has been reversed. So in layman's language, what that means is that last quarter, we expected to have a higher fee and commission expense, but in this quarter, we realized that we don't require to pay out that much commission to our partners, which is why we reversed that provision. It's just an accounting provisioning technique which we had to reverse. There's nothing more to that. Regarding your question around impairment of financial instruments, impairment is essentially the provisioning that we do for bad loans. So we've decided to take a more conservative approach as far as our provisioning is concerned. And that's why we have done an excess provisioning this quarter. And that's why you're seeing that line item of 2 pros as impairment and financial provision. I hope that answers your question."
Puneet	And what? What will be our like plans going 1, 2, 3 years going forward?
Mikhil Innani, Managing Director & CEO	"Yeah, sure. Alright, so thanks, , for that question. Right? I think the way we always think about it is, let me put this up in the two APIs that we kind of focus quite a lot on, right? Like one is the number of loans. Second is the number of partners that we have onboarded. Alright. So I'll talk about essentially what happens like two to three years down the line, yet feel. The industry is very, very young, and very frankly speaking, I, at least, believe that if you had asked me five years back where Apollo would be, how it would perform, my estimates would have been quite pessimistic if you compare it actually to the results which actually happened, right? So all I will tell you is this, that I can talk a little bit about the next six months, and the two numbers that we think are going to be very, very positive are, one is going to be the number of partners that we actually have onboard, and number two is going to be our EM right? And obviously, because of that, the number of loans as well are going to kind of ramp up. So I expect these three numbers to be looking really positive for the coming quarters."
Puneet	Thank you so much.
Apollo Finvest Compliance Officer:	Moving ahead, I would request the participants to drop their questions in the QA. Section. I would request Mr. Matthew Koshi to ask his questions.

Mathew Koshi	Oh, sure, Mikhil, let's say, if the company wants to grow 10 x right from here, how will we find the funds for that, let's say, for lending, we would need the funds also right to to do right. Is there any plan or thought on it.
Mikhil Innani, Managing Director & CEO	Yeah, that's a great question, I think. The way I think about it is largely the following way, right? I think it's a combination of realistically, debt and equity, right? So I think to grow tenfold from your largely, we've done a bit of benchmarking out there, right from an industry standpoint. And usually, I think, people are able to kind of get to equity, to equity ratios of 3 to 3.5, right from our industry analysis, at least in the digital lending space. So that is largely how we think about it. I think our goal right now is to obviously ramp up our AUM to the point where we get to at least network equity levels of 2 to 3x, right from an AUM perspective. Obviously, we're a profitable company and highly so delivering, I think 20% ROIs at least from a PBT perspective. Right? So I think all of that obviously adds towards that equity fairly quickly, and we're able to ramp up. I would say much, much more efficiently than other NBFCs out there which potentially may not deliver these kind of ROIs, right? So I think, from our perspective, we feel like, if you had to ramp up even 10x from your right. Obviously, it would require debt and equity, obviously to come into the company. But the good news, essentially, we believe, is that the kind of equity that we would have to take on at any point that we would have to take it on would be significantly lesser than any other competing NBFCs out there, just because of our efficient utilization of capital. Given the ROEs that we are able to deliver in terms of the capital that we already have. Right? So that's how I would essentially think about it. Thanks, Mathew.
Nitin Sethi	Old employees are leaving us in this time, and they are associated with us for a long time around 5 years or more. Is there any specific reason for that? And my next question is, is, Diksha, what's the future?
Mikhil Innani, Managing Director & CEO	Perfect. So I'll answer the first question, and maybe the second question. Since you've asked Diksha, I'll let her answer it. I think the first question, at least, to my mind, I can't think of a team member who's been with us for 5 years, who left recently. But I think in general, to answer your question on what are my thoughts about team members leaving, right? I think 2 broad thoughts on that. And I think number one thought on that is fundamentally, sometimes people leave because they have their own personal plans, right? As an example, they may want to shift cities, they may want to shift countries, they want to maybe start their own companies. Right? So these are the 3 reasons, essentially, I think. Also, the second big thing I want to highlight is fundamentally, and this, regardless of which company, right? I think ultimately, we all, I mean especially at Apollo, right? I feel like we should do a better job at making sure our team members are happy. And they continue being with us, right? So in the past, have we lost some team members which we would have loved to continue with? Absolutely. There's no doubt about it. And that's a piece of learning for us as well that we have to do a better job ultimately of taking better care of our team members so that they stay with us and we continue

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	building a massive company with them. Right? So as we build a company, we also learn, and sometimes these lessons are something which you end up learning while building a company. So we're not perfect, but we hope that we continue doing a better job. We certainly hope that we are better this year as compared to last year. That's all we can basically end up doing, right? But I think internally, we have some initiatives going on to address this as well and to ensure that team members that we really want to build this company together with, are here for the long term, and they see the same value in us that we see in them. You know, so we are doing our best and hopefully, these initiatives turn out to be positive. For the second question, Diksha, I'll let you kind of take over
Diksha Nangia, Whole Time Director and CFO	So yeah, great, so honestly, my point of view and my vision is exactly the same as what everybody else is in the company, but just if you wanna hear it from me. Honestly, my background is I've come from HDFC. I've sort of seen how the old school way of lending works. So I truly, genuinely believe that the power of technology, when it comes to lending, I'm seeing that first hand, I saw that missing in an old school company like HDFC. They're amazing in many other ways, but I feel technology is the future in every industry, in every space. And I feel that is some place where we definitely will add a lot of value when it comes to lending. And I think Apollo is trying to do everything and anything when it comes to technology in digital lending, be it, building its own LMS, coming up with API products to enable other people to do digital lending in a faster fashion, and maybe, I don't know, in any prospect, any service, any additional service that is needed to enable digital lending and to make sure that people get access to credit as quickly as possible is what Apollo is trying to sort of figure out through its journey. So yeah, in short, that's what we are trying to do. I think I'd also written a blog on what Apollo means to a 13-year-old a few months back. So that also sort of outlines what I think personally, what our vision for Apollo is, and where we land up in the future. Is there something more you'd like to know? I'm more than happy to answer that as well. I'm usually that person who gives answers in very few words, but if you want to know more, I'm more than to speak more on it because one of the very old team members I've seen in the LinkedIn section, like most of the team members that are very old, like, we're also young folks trying to build our company. So we are learning on the way. We're trying our best to make sure that people stay on with us the longest possible. Some are in our control, some are not, so wherever possible, we're trying our best, but I guess our generation and the younger generation honestly such that people I feel don't like to settle in one place for too long. Also, honestly, I feel it's got a lot to do with that, too.
Mahavir Jain	Hello. I've been looking at your company, and I've been buying shares of your company, I love the energy of your company. But now, speaking from a question perspective. This is the first question that I had that we have substantial amount of cash on a balance sheet, and I would like to, mix it with the co-lending, stuff you talked about. So yeah, can you just give me a

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	perspective on how you are like, of course, a range that how we are looking forward,once we go live in third quarter. What are the ticket sizes. We could be looking forward to. And what is the growth in a range, of course, that we are expecting?
Mikhil Innani, Managing Director & CEO	Yeah, absolutely. I think that's a great question, and so let me give you a little bit of a macro-level view, and then I'll address this question. The way I talk about this industry is that very honestly, my thought process is that, in order to grow a lending company, I think it's one of the easiest things in the world. Given a few businesses in the past, one of the things I've noticed here is that if I had to get to like a hundred to 200% growth, 300% growth AUM, I think it's very easy, frankly, right? Because I think lending is one of the easiest things in the world. One of the reasons why we purposely had a very large gestation period at Apollo is that one of the things we are really trying to do is build a brand of high trust. And what does a brand of high trust mean in the financial services space? It's a brand which basically means that when we build a book, it's extremely high quality, right? So that's the number one thing, right? So I think in the last 6 years that we've been doing this, it's pretty much been since the origin of digital lending in many ways. Apollo has been there right from the start. Now, one of the big reasons why you've not seen such a big ramp-up from our perspective is really, honestly, that we've not been able to find companies which were actually companies that we felt were doing a good job with their investor money. And we're actually delivering good ROEs or building very, very sustainable models, right? I think, in fact, the last 6 years, it's actually quite disheartening for me to say this, that I think Apollo would be probably, in realistically, the top 4 or 5 companies in terms of actually delivering good ROEs in the digital lending space, specifically. But the good news right now, especially, I think you could call it a happy coincidence, that a) the DLG guidelines came out and b) there's a big equity crunch in the market. A lot of companies are now going back to the drawing board and being like, 'let us actually build sustainable companies out of compulsion.' Alright, because there is no more free, easy money coming in. So that being said, now I'm expecting Q3 and Q4 there to be a significant ramp-up from an Apollo perspective in terms of actual AUMs, right? And the reason for this is because we've been actively being able to find other fintech partners which are actually aligning with our values when it comes to building a sustainable financial services and lending company right in the digital lending space. So I'm personally quite excited with how the end is going to be looking in terms of our ramp-up in terms of lending, and for now, that's what I can kind of disclose.
Mahavir Jain	Nice. Thank you. Thank you so much. If I have any other questions, I'll come back. Sure. Thanks. Thank you so much.
Jothi Basu	Hello. Yeah. Thanks. Actually, thanks for having me actually, when I'm seeing that there are 2 commands of income, or is the interest income and free income, the interest income continues to be on declining side. So are we running down the loan book?

Diksha Nangia, Whole Time Director & CFO	Hi, so actually, I understand why you might think so that we are running down on loan book because, as of a Qt. Financial financial, it does look like our loan book is running down. But as Nicola said, ., without revealing much hopefully, will be a much better picture. And because they would have turned now the whole restructuring and the regrouping that vintage for trying to do is a thing of the past, and lending has ramped up so hopefully that 100% won't be the case going forward. Yeah.
Jothi Basu	Okay. And what? The view on our finance side, that is, who are we going to get it from that bank or some NBFC, are we going to buy from them or any other?
Diksha Nangia, Whole Time Director & CFO	Right. So actually, for now, we have our plans, and our goals are to deploy our own internal equity which should actually exhaust very soon at the rate at which we are moving forward. But yes, we've already lined up debt providers, banks. Our conversations and loans have begun. It's not something that closes overnight. So those conversations have begun. But yes, definitely, the debt side of things has also started ramping up for us. It's not an immediate priority right now, considering we have our own equity to deploy at the moment. But that's definitely on the cards in the coming quarters. That will be our prime focus area. I would say, moving forward. Yeah. Anything else from you, Jothi? Anything else you'd like to know?
Jothi	Yeah, yeah. Recently, do we have any talk with any other bank for vintage partnership. Are we looking for any other bank, or we having any other conversation?
Diksha Nangia, Whole Time Director & CFO	Honestly, The only reason we would want to, at today. If you ask us, the only interaction, and the only relationship we would want with the bank is either to open bank accounts with them or to take debts from them. We wouldn't prefer having any sort of partnership with them where technology is involved. Because we don't think it's their strength. and we don't have the bandwidth or the patience to deal with that as of today. But I think definitely we would like to reach out to them for a lower cost of capital and things like that which we are in conversation with them for but other than that, more, the pint partnership. That is good. That is one route we would not like to take as this month.
Nilesh	So I have some background on the financial NBFC, so my question is, obviously, we have been hearing about. I mean, as I understand, Apollo, there are 2 parts to it. One is providing a platform to the pint companies, as you or anybody else providing wanting to provide the financial services to their customer or loans or stuff. And the second is also on the sonic software for NBFC I/O. So first is, I want to know the thought process. How are we going about the second part, which is providing these services as a SaaS, as we call it? In the sonic software, even reconciliation. I've been reading the blogs. Is there any service being provided on that part? Third is that when we say co-lending, I still haven't been able to understand? Are we going to be the capital provider? Are we going to tie up with NBFCs? What is the strategy around it? I mean, I'm not able to place the head around. How? How will the unit economics work for us?

	In that case? I can, as of now? These are the 2 questions which I had, so maybe it would be helpful to understand how the growth will come right when we talk about pool ending. And I've seen this seen this space closely as well. So, for example, I'll give you some example also in terms of my thought process. For example, it grows. It's there they've been doing co-lending with banks as well. They're providing capital to some smaller feedback also. So there are quite multiple models, are there. So where are we focused on? And how do we see it growing? Are we the capital providers? I hear that we obviously gonna take loan. So just needed more clarification on this whole ending piece. How we are gonna flesh it out.
Mikhil Innani, Managing Director & CEO	Perfect. I think that's a valid question. Let me answer actually both of your questions. And, in case something's not clear, you can ask me again, and we'll try to make it as clear as possible. I think the first question was around Sonic and Engine, the APIs that we basically have, right? So right now, the thought process and strategy around our software in general for us is, whenever we collaborate with a partner, we also basically end up providing our software to them. Software from a software perspective, Sonic is one part of it. So they can potentially end up using our APIs as well. Right now, in terms of what APIs are there, there can be the disbursement API, collection API, KYC API, CKYC API, credit bureau API. So there are about 10 plus APIs at this point in time, which they can actually avail from Apollo. Essentially, in order to facilitate their digital lending entire journey, right? And in a lot of cases, what ends up happening is they end up taking this from us because we are the primary capital provider for them, or in certain cases when we are partnering with LSPs, which are companies that are technology companies that don't have an NBFC license, they are also regulatory required to work with us for certain APIs, as an example, right? And what happens with other NBFCs is that some of this tech is usually done by the FinTech themselves because those NBFCs may not have built these technologies efficiently or may not have them at all, but in our case, we have the complete stack ready. So not only do people end up taking the APIs which are regularly required from us, but they also take up the entire bunch, usually from us, because that just makes their process a lot more easier in general to go live faster. So that's a little bit on the technology front. So just to address one clear thought process, we don't today allow our technology to be utilized by other lenders who aren't doing a lending partnership with Apollo. The primary criteria for using the technology of Apollo Invest is number one, you have to be lending with Apollo. Only if you're lending to Apollo, does the API and technology part of our business become available for you to kind of get access to it and obviously purchase essentially. It's not that we want to make that into a separate business, at least at this point in time, and just convert it into a pure SaaS play, right? The reason why we are not doing that is because honestly, the growth that we are seeing in the lending business itself is quite substantial, and we don't want to take any energy away from that, right? And what tends to happen is the enterprise sale of the

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	software that we are selling or the APIs that we are selling to the people who come to us in order to do a capital partnership, that is very organic and natural because obviously, when they come and do the lending integration with us, they realize organically that our technology is amazing. And because they're doing a few integrations with us, doing the remaining integrations for them is takes barely any time and is an absolute no-brainer for them to go live that much more faster. Alright! So that's how this entire piece kind of works together, right? So that's the first part of the business. Now, the second part which you basically asked, right is, what's the strategy behind co-lending now? In order to kind of address this extremely clearly, so I'll talk a little bit about what used to happen in the past. This is pre-DLG guidelines right now. What used to end up happening is, obviously, a lot of partnerships that Apollo used to do, they used to have some degree of effort involved, right? Which is the first loss guarantee. Now post the DLG guidelines, where there are certain restrictions around the first loss guarantees that people can end up providing, it becomes difficult for Apollo to essentially work with somebody without ensuring that the opposite person who's the sourcer of the loan, right, ends up having some degree of skin in the game, right? So what we end up doing in this situation is we partner with some other NBFCs. And before we partner with them, right, we do a lot of due diligence on them in order to understand management background, the last 3 years' financial performances from them, their runway, and also the quality of their loan book. Right now, right and out of all of these things, we decide to essentially work with them or not. Once we decide to work with them, we'll decide to work with them on a certain cohort of their loans, right? And when we work with them with a certain cohort of their loans, we work with them in a manner where essentially they will be skin in the game from them as well, right? As an example, most of the co-lending that we end up doing, maybe a 50-50 ratio, or maybe an 80-20 ratio, 70-30 ratio, things like that, where we would be putting in the majority of the money, alright? So when we put in the majority of the money, obviously we require the opposite person to also put in some money in order to ensure that they have skin in the game to ensure that that portfolio is actually of high quality, essentially, right? So that's how co-lending ends up helping us now from a commercial standpoint. It's all the same as it was before because historically, the way Apollo always works, right, and this is one of the foundational principles for us, is that whenever we partner with somebody we only do minimum one to two-year partnerships, right? And what that means is when we allocate capital to somebody, right, it's a line of capital that we allocate for a period of 12 to 24 months where we charge them interest every single month on the line of capital that we have provided to them, regardless of whether we are using it or not, right? So what this essentially ensures that all of our partnerships are at least for a period of 12 to 24 months and that even continues. By the way, when you think about co-lending, alright? So in many ways, for us, co-lending is a much more efficient version of the model that

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	Apollo basically had, I would say, 12 to 15 months ago with LSPs, right? Or even with NBFCs, which was largely a BC partnership with Freddie G. Elements to it. Now co-lending is a much more efficient version of this. Why? Because in co-lending, the beautiful thing about this is that because the opposite person has skin in the game, they don't have to block a lot of capital from an FLDG standpoint, right? So all of their money is actually getting utilized towards lending. So the unit economics for the lender, which is both Apollo and the FinTech, or can call them the NBFC, are a lot better, right? Because instead of blocking capital in the form of a bank guarantee, as an example, which are owning like 5-6% on a skin in the game for Apollo to ensure that both incentives are aligned in order to create a really high-quality portfolio rather than just creating a massive book together. Right? So this is how we think about, at least, co-lending now The part that you asked a question about, right? Where do the banks come into the picture? The banks come into the picture only and only when Apollo thinks about debt, as Diksha mentioned. We're expecting a big scale-up to happen in Q3. And essentially, when that scale-up happens to the point where we've exhausted the equity that we have with us, which is about, I think, 57 to 60 odd crores right now, I think we'll have to reach a point where we'll have to take on debt into the company in order to grow. And that's where banks, family offices, other NBFCs basically come into the picture for us to largely take on debt on Apollo's books in order for us to scale up much more efficiently and utilize our capital from an equity perspective that much more efficiently, and get to that to equity ratios of anywhere between 2 and a half to 3, 2.5 to 3.5, while obviously continuously delivering good ROEs so that we are constantly able to deliver good profits, and that also adds to our equity, and thus allows us to organically keep scaling without necessarily needing a lot of equity capital and dilution, which happens to all of our shareholders, including obviously us.
Nilesh Jain	If it's okay, I'll just take a minute, maybe more. No, this was helpful so far, and if I can summarize, and if you can concur with that, is that we are saying that we are the tech provider and the capital provider. The fintech is the sourcer for the opportunity. We haven't discussed which segment we will be more present in terms of loans, whether it's a personal loan, a 50,000 loan, or any other landscape in terms of the opportunity. The fintech, which is going to give us the source, will be the sourcer. You will be the capital and the tech provider at the back end for the capital you have. Apollo has equity plus the debt, which they are taking, right? This is what my understanding I've developed from this conversation. And obviously, this is Apollo lending along with the sourcer. Is that a fair perspective on the model?
Diksha Nangia, Whole Time Director and CFO	Yeah. So I'll give a couple more points for even more clarity. So, number one thing is you asked a question about the type of loans that we end up doing, right? The type of loans that we typically engage in could be characterized as having a ticket size anywhere between 10,000 to maybe, on average, most of the loans capped out at about one to two lakhs. A small percentage of the loans

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	could be higher. So that's the rough range in terms of the loan sizes. In terms of duration, we usually don't do loans that are more than 12 months. All of them are fairly short-term in nature, usually between 3 to 12 months. That's the rough ratio you can think about. Just to provide another point of clarity, co-lending is one of the models we pursue. The other model we engage in is the old school model, where we work with other LSPs, which are technology companies wanting to lend to their retail customers or merchants. We also collaborate with them. It's just that with the NBFCs, we are very bullish about it for a variety of reasons, given the regulatory changes over the past 12 to 18 months. We're quite optimistic about this new model, which is co-lending. But in the grand scheme of things, there are two models: co-lending and our traditional model that we've been doing for the last 5-6 years, partnering with LSPs to lend to their retail or merchant customers. I hope that's clear. No, that's very, very clear. I am expecting the top line to be more interest-dominant going forward is what I would expect based on what I'm hearing from you.
Vijayaraghavan Govindaraju	hey? Hi, Mikhil. Hi, Diksha. So I just want to know. By, when will you be exhausting your equity base before you so start leveraging your balance sheet? Is it something you would have that that is something which you would have planned by now. Right.?
Diksha Nangia, Whole Time Director & CFO	I think I'll take that up. So we are planning to, honestly, without revealing much, hopefully in the next couple of quarters, be in that situation where we have exhausted our internal equity. And of course, because we're not certain if that will actually be the case, but we're also planning for the future. Our deadlines—I saw your question—you're asking about what happens after we exhaust our equity, right? So post that, we're already in conversation with a lot of family offices. And like I mentioned earlier, the longer-term relationship for us would be banks. Those are tough nuts to crack. But of course, as we move forward, we've already started talking to them. So hopefully, in the next few more quarters, we would be able to move forward with those folks as well. But yeah, as of now, our focus is our number one purpose is to utilize the existing activity for lending, and priority number two is to start debt planning to make sure that we can start leveraging more on our books. Yeah, that's the list of priorities right now.
Sagar Fulwani	Yeah. So, Mikhil, I wanted to know. How are we going to take care of credit risk? I mean, I mean, in the cold ending. The Fintech partners will bring us to the customers' right, but then, how we will ensure that the customers actually pay back. We are saying that they will have their own portfolio and money in the line. But a lot of intake go, bankrupt, just because I mean, it's not the only credit risk control that we should have. don't you think?
Mikhil Innani, Managing Director & CEO	Oh, absolutely. For this question, what I'll do is I'll take it up in two parts. First, I'll talk a little bit about the diligence that we do and the kind of folks that we're looking to partner with in the co-lending space. But on the risk front, I'll let Disha talk about it also on how we think about it at an Apollo level. So, number

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	one, the kind of people that we are partnering with from an NBFC perspective and co-lending perspective are those with a good amount of vintage in the digital lending world. These are people who have built quality portfolios. We've done our due diligence on them in the past in terms of detailed utilization and understanding the code of loans they've done in the past. We're ultra-selective about the kind of partnerships we want to form with them. Secondly, what ends up happening is that because these are NBFCs which build sizable books in the digital lending world, they aren't really volatile in nature. As I was mentioning in this particular call, we are now seeing a lot of these kinds of companies emerge which we feel are going to be companies that are here to stay. This is a shift we've observed in the last 12 months. In the digital lending world or actually any lending world, it's about seeing how a lender performs across different cycles. Everyone appears successful when the markets are up and interest rates are low. However, now, in the last 12 months, we're starting to see what happens when these things reverse, when equity is dry and interest rates are high. The lenders who continue to perform well during these challenging times are the ones likely to remain in the market for a long time. That's the same benchmark we hold for Apollo and the partners we bring on, especially in co-lending. In my opinion, the quality of people that we are bringing on from a co-lending perspective far exceeds the quality of the lenders that we have collaborated with over the last 6 years. That's how positive I am about the folks we are bringing to the table from a co-lending perspective to the team at Apollo. Regarding how we think about risk, etc., I'll hand it over to Disha. Maybe she can talk a little bit more about how we think about this at a company level as well.
Diksha Nangia, Whole Time Director & CFO	Yeah, hi. So honestly, as far as risk is concerned, there are two layers of risk that we assess when we get any fintech or any co-lending partnership on board. As Michael mentioned, we do a very thorough due diligence on the company with whom we are interacting—the entity providing us with the leads. It could be another NBFC or a fintech. We need to make sure that this entity knows who their customer is very well. In this example, because we are not directly sourcing out to the customer and are going via a middle person or outsourced agent, we want to ensure the stability of this company and their deep understanding of their customers. The other layer involves us doing our own level of due diligence. Since we've been doing lending for a while, we've gathered enough information to understand who repays and who doesn't. We've developed that kind of experience. So, we underwrite these loans ourselves now. The true challenge with digital lending is that you don't speak to the customer; you have to make a quick, instant decision. That's what differentiates us from the other old-school lenders. To safeguard ourselves, we don't provide very high ticket-size loans. We can't offer someone a loan of, say, 2 or 3 lakhs at the click of a button. The reason why traditional home loan lending companies take a month to give you a loan is due to the very last ticket size loan. We're able to provide loans at a click of a button because of smaller

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	ticket sizes and shorter tenures. We take a bet on their ability and intent to pay, knowing that the risk involved is much lower. And of course, we do take their details, their information that we can gather in the Bureau reports or whatever other information that we have access to help us assess the creditworthiness. So essentially, these are the two levels of credit risk assessments that we have about in our case. I hope that answers your question. Regarding the concerns raised from Google Reviews where some customers were unhappy and had difficulty connecting with the company, addressing these issues promptly and improving communication channels can rectify this situation. It's crucial to ensure customers feel heard and have accessible ways to connect with the company for any issues they encounter. I'm completely on the same page with you. In fact, we've started resolving the issue, making sure, honestly, firstly, I wanna tell you this, that all our complaints are resolved almost the same day, if not the next working day. That's one thing I wanna let you know. We might not be the most efficient in terms of resolving them on Google, which is why it might look like we're a very quiet company in terms of not addressing our customer complaints. That's 100% not the case. We are extremely particular. We actually have a Paris from our team who works on this. He gets hyper and ventilates when he sees a customer complaint. He makes sure that we respond to them immediately, so we are very particular when it comes to customer complaints as a company. But other than that, the reason why sometimes that happens, if you'd like an answer for that too, is that, like I mentioned, we do short-term lending. You might give a loan to someone for 3 months now. We, of course, have tech APIs to make sure that the moment this customer repays, we report it to the bureaus. But not everyone in the ecosystem who we deal with are as efficient when it comes to making sure that the reporting is done on time. We might do our job at our end, but the customer's reporting might not happen. Or sometimes what happens is that customers aren't aware a lot of free reports are available everywhere, and those reports are not updated. So if that's a report that was pulled out, say 3 months back, it might show Apollo's loan as an open loan, but if they pull out a new or fresh report, they might realize that Apollo has closed their loan. So a lot of customers unknowingly complained to us because they feel their loan is open, but it's actually been closed. But then they're referring to a very old report so all these things, it's probably a lack of awareness at the bureaus' end. And sometimes the Bureau is not reporting on time. We are very diligent, and later guys, whether you believe. But yeah, we will address the complaints part on Google and make sure that we look like a more responsive company for sure.
Sagar Fulwani	Thank you so much, guys, thank you so much. I believe in you guys. And we'll be waiting for the next phone calls and happy that you're doing phone calls regularly now.

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Apollo Finvest Compliance Officer:	Yes, thank you, Mikhil and Diksha. We're so glad that we got so many questions. And this was such an interactive session, which was that basic intention and I thank all the investor coming in. And if there any other questions. Please drop it us on mail, and our team will look after it and address it. Thank you all. Thank you for joining the investors. Call will see you in the next investor call. Have a good day.