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June 07, 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 and Financial year ended March 31, 2024

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 June 06, 2024 for the Quarter and Financial year ended March 31, 2024.

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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Prachi Jain	I am Prachi Jain Company, Secretary and Compliance Officer of Apollo Finvest (India) Limited. Welcome. I welcome you all to the investors' call. Apollo conducts these investor calls every quarter to facilitate interaction with our current and prospective investors. We have Mr. Mikhil Ianani, the Managing Director and CEO, and Ms. DIksha Nangua, Whole-Time Director and CFO of Apollo, to brief you about last year's performance and the previous year's data. In case you have any questions or insights for us during the meeting, please drop your questions in the Q&A section. I will now hand it over to Mikhil to take this ahead.
Mikhil Innani, MD & CEO	Alright, thank you so much, Prachi, for getting me on stage. As usual, I am very, very happy to host our earnings call. This time we decided to do it a bit differently. We have a presentation prepared, and I would like to take you through that because I think the last year has been very, very interesting for us. Just give me a minute. I'm going to start sharing my screen, and then we can begin the conversation. Alright, is my screen visible? Yeah? Alright, so the last year has been super interesting, largely because it was, in many ways, a year of two halves. Why would I say this was a year of two halves? Largely because, as the digital lending guidelines came in from RBI around December of last year, we did take some time, as did the entire industry, to absorb all the big changes that brought about. There was no bigger change to the Apollo business model than the cap on FLDG, which was made to be 5%. The minute that 5% cap happened, we had to reevaluate the kind of people, in terms of loan service providers (LSPs), that we were working with. Many of our commercials prior to the digital lending guidelines were structured in such a way that it provided us with a lot of commercial comfort while lending to an audience that may have been traditionally viewed as slightly riskier. The result was a revaluation of which partners we wanted to continue business with and which partners we wanted to discontinue. During this evaluation, there were certain loans on our books. Even though commercially it had no impact on our profit, we had to showcase these bad loans on our books this year and discontinue those partners. Their performance in terms of the loan portfolio wasn't really in line with the 5% cap imposed by the RBI. This also made us reevaluate how we think about our business moving forward. The clear silver lining in the DLG guidelines from the RBI was that, after almost seven and a half years of operation, the RBI had validated the entire industry by providing clear guidelines. Most importantly, because there were clear guidelines, from an Apollo perspective, we decided that now is a great opportunity for us to evaluate all the different partners in the ecosystem and think about flexing our muscles and scaling big time. To talk about how we

	went about doing that, I'm going to hand over the stage to Diksha. Diksha, you want to come in?
Diksha Nangia, WTD & CFO	Hi! So, moving on to the slides, Mikhil. Yes, let me take you through what happened post DLG and what our thought process was. Of course, we realized that in our quest for searching for digital lending partners, NBFCs stood out. Our criteria for searching partners were: one, partners who can scale, and most importantly, partners who have great quality books due to the FLDG cap from RBI, which became extremely important. In this quest for finding good digital lending partners, we realized that NBFCs stood out. The reason NBFCs stood out is because they are regulated, so they are more compliant. They instill a lot more confidence in lenders, they scale better, and their quality of books is amazing. All of that made us decide that we need to strategize and move our strategy more towards the regulated space, the NBFC space. This is not to say that LSPs don’t have good quality books; we have a handful of them who are amazing as well. But honestly, VC funding also moving more towards the regulated space validated our thought process that NBFCs were the right way forward. Just to name a few partners we have on board and had in the last financial year: from an NBFC standpoint, we have Branch, Cashi, and True Credits. From an LSP standpoint, meaning non-regulated partners, we have some amazing partners like OKCredit and Jar. All of these partners are contributing to our company’s revenue at the moment. Moving on to the next slide. How did we start partnerships with these companies? Of course, with our non-regulated partners, our partnership remains the same in an LSP fashion, where 100% of the loan is on our books. To expedite our partnership with regulated entities, our digital NBFCs, we started by giving them short-term loans. Any co-lending partnership, which is primarily the route we’ve been taking with regulated entities, takes time. The integration setup time is a little longer. We need to be aligned in terms of how the loans will be shown on our LMS, the accounting practices, even the escrow mechanism. All of that takes time to set up. To ensure that all of this integration time yields us some benefit, we ended up giving them a short-term loan to get the relationship started and to generate some revenue in the meantime. Eventually, the co-lending arrangement kicks off. Now, what’s different with a co-lending arrangement compared to an LSP partner, where 100% of the loan is on our books, is that in a co-lending arrangement, it’s in a certain proportion. This affects our revenue because earlier, 100% of the interest on all the loans was coming into our books. Now,

	only the share that is supposed to come to us is reflected in our books, leading to a dip in revenue. However, our business model from a PAT and PBT perspective remains the same, so it doesn't impact us there. That's worth noting. Moving on to the next slide, what does this mean from an evolution standpoint in terms of capital commitment? Apollo has always worked in a capital commitment model with all our intake partners. This means we ensure that our partners are highly motivated, committed, and believe in scaling with us by utilizing our capital, which has already been pre-decided for a particular year. If you compare FY23 to FY24, FY23 primarily had our entire capital commitment coming from non-regulated LSP partners. Now, most of it is coming from digital lending partners, which is a big shift for us. This is what our new business model entails post-DLG guidelines. To take you through the impact of this and what it means for Apollo, I'll hand it over to Michael. He will take you through it. Thanks.
Mikhil Innani, MD & CEO	Alright, thank you so much for that, Diksha. Yes, so, clearly, we see that there was a big shift. We went from primarily working with largely LSPs to, when you look at our capital allocation right now, almost the majority of our allocation being towards digital NBFCs. That's how we've seen the market play out. The big benefit of working with digital lending NBFCs is that they are much more compliant. The loan quality is significantly better because they are very conscious of taking any kind of poor-quality loans on their own books. What has all of this meant? Let's talk about that for a bit. As we can see, this has really been a year of two halves. When we look at our AUM growth and disbursement growth, our AUM has pretty much skyrocketed in Q3 and Q4, especially when compared to previous quarters. This really shows the result of our strategy. One of the metrics we look at closely is disbursement growth. We are in a space where the churn of loans is high, with short-term loans of 3 to 6 months duration being common. If we look at the disbursement of loans and compare Q1 and Q2, which was almost 17-18 crores, to Q3 and Q4, which combined is almost 90 crores, we see a 4x jump in the amount of loans disbursed. This shows the effectiveness of our strategy, and we expect this to grow from strength to strength. I also want to highlight the quality of the loans. With our larger exposure to NBFCs, either in an LSP or a co-lending model, we noticed that when we look at the DPDs for 90+ days, Q4 2024 stands out. This is when many of the discontinued partners' loans started disappearing from our books. Although these DPDs had no commercial impact on us due to our pre-DLG commercial setups, working with digital NBFCs has significantly improved the quality of our book. We further analyzed the 2.8% DPD for the 90+ days, and 90% of

	these DPDs in Q4 came from discontinued partners. This gives us confidence that future numbers will be much better, potentially lower than the current 2.8%. This is a positive sign for us because we at Apollo do not chase growth for the sake of growth. We want it to reflect in the bottom line and the quality of the loan book. What has all this meant? One clear observation is that, as mentioned in our last earnings call, we are very clear that our goal now is to absolutely press the pedal to the metal and scale up. We are confident that by the first half of 2025, we will reach 100 crore capital commitment from our various partners. We have already made significant progress towards this, with almost 65 to 70 crores as of today. We are confident we will comfortably reach 100 crores by H1 of FY25. Regarding the fundraise, I am sure some of you saw our announcement on the Bombay Stock Exchange about raising an NCD worth about 15 crores. We have been blown away by the response from subscribers. From a commitment perspective, it is already committed, and we believe the entire 15 crores will be allocated within the next 30 days. Post that, we will explore new cohorts of NCDs because we see tremendous growth. In summary, the digital lending guidelines have been a huge blessing for Apollo. Before, although we were scaling and had positive numbers, we were cautious about scaling rapidly due to anticipated strong supervision from the RBI. Now that the rules are clear, it is very important to scale once the variables involved are understood, especially in a regulated industry. I have done this before at PharmEasy; you can only scale once you know what the regulator wants you to do very clearly. We feel that moment is here, and we expect significant growth over the next couple of quarters. We have made moves to support this growth with the NCD commitment of 15 crores. We will be raising more and interacting with our shareholders about the NCDs. Our team will be reaching out to you, and if anyone is interested, feel free to reach out to us. With that, I'd like to pause. As we always like to do, we would now like to interact with our shareholders. If you have any questions, we would love to take them at this time. Thanks.
Investor	Hi, Mikhil, thanks for the clarity. I have one question. So, as you're indicating that we will be touching 100 crore very soon, what kind of revenue and profit margins can we expect? Let's say, in a base case of 100, on a quarterly basis or annual basis—whatever you feel is easier to give.
Mikhil Innani, MD & CEO	So, I think at this point in time, the right way I would always think about it is that it's too early to comment on the kind of profit and revenue that we would expect. To me, I feel like I don't think our margins are going to, you know—let

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	me talk about ROE, right? Because that's a metric which we look at internally very closely. Obviously, compared to last year, I'm expecting this year for us to have significantly better ROEs, largely because when I compare it to last year versus this year, obviously this year we're expecting our capital to be significantly well deployed. Last year, I would say, Q3 and Q4 were all about finding the right business model and scaling up, as we've seen. I think this year we're expecting that to continue, so obviously that will translate into significantly better ROEs. Even the kind of NCDs that we've raised so far and got commitments for, the 15 crore, I think we're securing them at very, very attractive rates. We're expecting that to continue, which will help boost our ROEs, and that should translate into profits and revenue as well. Personally, I don't look at revenue very closely; I always focus more on ROE and profits. So, that's at least my personal take on it.
Investor	So, we are a digital NBFC, right? And we are also doing a partnership with another digital NBFC. I understand that our tech stack is pretty cool and people want to tie up with us. But how do we see this relationship going forward? It's like Apple merging with another Apple, maybe. We are slightly better in terms of tech. But isn't it that we are just bringing some more capital to the existing digital NBFC, and that's why they are tying up with us? How do we see this model evolving further?
Mikhil Innani, MD & CEO	That's a great question, Raghav. In fact, I'll take this to zoom out a bit across the last, you know, seven to eight years of us building Apollo. Right? I think one of the questions that used to always get asked, you know, just to give everybody a recap over the last seven years, is the first question we used to always get asked was, you know, usually like I'm talking about the past right now, is that we used to largely work only with LSPs. Right? And the question at that point in time usually used to be from our investors: What happens if everybody gets an NBFC license? Right? Then nobody will work with you, and our answer always used to be that it's not about the NBFC license. There are 10,000 other NBFCs in the country. At this point in time, we don't think we're special because of the license. We think we're special largely because our tech is phenomenal. Right? And honestly, the answer remains more or less the same even to the current question. I think now we've clearly answered the question, at least the first part of the question, which was: What happens when mostly people have an NBFC license? Obviously, today, not everybody's got an NBFC license. But we've chosen, based on our evaluation, to work more with digital NBFCs largely because of their ability to scale and create good quality books. Now, why do they work with us? Right? I think the reason why they work with us, and you know, I interact, and our entire team constantly interacts directly with the founders, CEOs, and CXOs of those companies. Right? The constant

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	feedback that we get is that working with Apollo means basically, it takes months. Right? Because, hypothetically, if you had to contact any other NBFC like a Northern Arc or a Webriti, I think to get in touch with them it would probably take two months. Right? Then, for them to evaluate you, it would take another two months, and then for them to integrate with you will probably take another two to three months. Right? So realistically, that's incredibly painful. Right. And let's look at the process with Apollo. Right? If you had to get in touch with Apollo, I think within 24 hours somebody would get back to you. We complete our evaluation process within seven working days. Right? Because we have very clear guidelines in terms of the kind of data that we need to evaluate a company, and based on that we issue a term sheet to the partner that we want to work with. If the term sheet has been agreed to, within two weeks flat, they essentially go live with us. Right? And that's only possible when you have A-plus tech with really, really good documentation. And secondly, you have a team who's actually enthusiastic about onboarding new people and doesn't look at it as a side activity. A lot of the other NBFCs, which are in this space, right? For them, this entire business of partnership is more of a side business. Right? And what basically happens, right? When you are a business which has, say, ₹100 worth of revenue, right? If you do a partnership model, and that just contributes to ₹2 of your revenue, the biggest problem which ends up happening over there is that the entire org doesn't give it the love and attention that it deserves. So ultimately, it leads to significantly poorer and poorer experiences. And most importantly, what ends up happening is when we work with these other digital NBFCs, right? Or even LSPs at this point in time, they don't want to work with lenders with whom they feel they could be potentially competitors. That is the problem. Right? When you work with other NBFCs or other banks also potentially, who could potentially do lending directly to your own customer, that is a huge problem in the ecosystem. Because a lot of these NBFCs, right? They are spending a lot of money on customer acquisition. They're spending a lot of money to maintain relations with their customers. The last thing that they want is to work with a lender who basically uses them just purely for lead gen, and then later just takes all their customers and runs away. And we have seen this happen consistently in the digital lending ecosystem across the last seven years. In fact, that's a very big reason why today, in India, you don't see neobanking taking off. Right? Because usually what ends up happening in this relationship is that the fintech entity spends all the money, acquires customers. The lender at the backend gets the data of all the customers, and then sneakily reaches out to these customers on their own and breaks the trust. And therefore there is no long-term partnership with any of these guys which ends up being formed. Right? And we've seen very public examples of this. Paytm has done partnerships with lenders in the past, and then those partnerships have unraveled in a matter of two to three

	months. Right? Largely because of this problem. Right? But when you think about Apollo, the DNA of Apollo is that of a platform. Right? We don't have direct branches. We don't have an app of our own that makes all of these guys believe that Apollo is an ally. Right? So, coupled with the really great user experience, we also feel strategically that Apollo is a fantastic partner to have because it is an ally. Apollo is a friend to all the lenders out there. Right? And that's a great positioning to have from a strategy standpoint. And this positioning that we've had, right? It's been for the last seven to eight years. So it's a strong belief now within the ecosystem that when you partner with Apollo, it is a truly long-term strategic partnership, and they are not somebody who's gonna compete with us. They're rather going to help us get to our end goal. Right? So all of these factors come together. Number one, the ability of us to go fast. Number two, our incredible tech stack. Number three, our strategic positioning in the ecosystem. You know, these three things combined. The last fourth one, which I really believe matters in B2B2B, is the chemistry between two teams. When we look at the DNA between Apollo and the other digital lenders out there, there is a big, big DNA match. Right? Because the kind of people working in both these institutions are very, very similar in thought process and DNA. Right? And in a B2B partnership, chemistry between the two companies is incredibly important. Right? And finally, deals are done between human beings. Right? So ultimately, that also makes the entire process of onboarding partners and getting partners so much smoother rather than, you know, when you have a 35-year-old talking to a 55-year-old. Right? That chemistry sometimes just isn't there, because sometimes the 55-year-old doesn't see value in investing in a partnership with a young company. Right? So a lot of those things kind of combine and have worked together for Apollo over the last seven to eight years now.
Investor	Sure. Yeah. Congrats on the good set of numbers. I have two questions. First is that, let's say in the last quarter's presentation, it was shown that the AUM has grown 3.7x quarter on quarter. But when I check on the revenue growth, it's around 50%, right? 50% is also pretty good, but I just wanted to know why there is that difference? That is the first question. Second, now, since we moved back to the growth phase roughly around the same time, RBI also started taking more actions on unsecured personal loans. I mean, we have seen the multiple warnings and all those things. Right? So, will that hamper our growth, or what is the take on that? Because we are primarily in that space. So, these are my two questions.
Mikhil Innani, MD & CEO	Yeah, both are actually fantastic questions. I want to definitely talk about them in detail. So, I think the first one you had a question about is, why isn't the growth in AUM kind of corresponding with the growth in revenue, right? To answer that question, I think I talked about it a bit, but I'll double-click on that a bit. When we are collaborating with digital NBFCs, the difference between an LSP collaboration and a digital NBFC collaboration is that whenever, in the

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	past, we were working with LSPs, the model used to be such that all of the interest and processing fees, etc., from the customer used to come directly into Apollo, and Apollo used to pass that back to the LSP in the form of commission. So, over there, the revenue used to be shown or the accounting over there was done in such a way that the revenue bump is definitely there. But what happens now, when we are collaborating heavily with NBFCs, is that when we collaborate with NBFCs, specifically in the co-lending model, what ends up happening is the share of commission given to them is significantly lower. The reason is because when we are co-lending with them in, hypothetically, an 80/20 proportion, 80% of the money obviously flows into us, which is the interest portion of it, but 20% of it, which is their input, flows directly to them because that's how the co-lending laws essentially work, where the interest income has to be split in the proportion of the participation in the loan itself. And any commission that we are paying the digital lending NBFC for them doing the collections on our behalf, or acquiring the customer on our behalf, is much lower than the commission that we used to pay in the past when it comes to LSPs. Therefore, in a co-lending model, the revenue which Apollo can earn is lower than the LSP model, but from a bottom-line perspective, both of them are exactly the same because in both these models, the ROI that Apollo is earning is exactly the same. So, it's purely to do with how accounting is essentially done in co-lending as to why the revenue is basically reducing. To answer the second part of your question, that RBI obviously has come out and increased the risk weightage for unsecured loans. The beautiful thing about Apollo is that today, our debt-to-equity is minimal. This heavily impacts companies whose debt-to-equity is already significantly high because then for them to borrow funds, it becomes a problem because they can't borrow as much money against unsecured loans as they could before with the risk being high. Today, the good news for Apollo is the headroom is so high. Realistically, we could go from a debt-to-equity perspective of easily 2 to 3x very smoothly from this point in time onwards. And we've seen this, by the way, across a lot of other digital NBFCs that we work with, that they're already at debt-to-equity ratios of 2 to 3x. So, the headroom for Apollo is very, very high. In fact, that has turned into a huge opportunity for us because, at this point in time, there has been a slight dearth or reduction of capital available to our potential partners. And that's also been a strong reason why they've come knocking at Apollo's door and want to even explore deeper collaborations with us because we have a lot of headroom left from a scale perspective. So, from a timing perspective, I think it's added to Apollo's growth trajectory at this point in time.
Investor	Just one bookkeeping, Christine. How much is our network and the loan book value as of now?
Mikhil Innani, MD & CEO	I think, you know, I am not 120% sure of the numbers. But last I checked, our network was about 60 odd crores. And our AUM, or I would typically track

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	capital commitments as of today, was, I think, somewhere close to 65 to 70 odd crores.
Investor	Yeah, thank you. I just wanted to know when will cross the kind of revenue that we made in Fi 2122. Yeah, okay, yeah. I just wanted to know what? What is the reason for the the reason for the revenue to come down actually, is there anything good things? Yeah.
Mikhil Innani, MD & CEO	I think, very honestly, Narin, like I mentioned, our focus really isn't on revenue, right? Our focus is more towards growing the business, and I think that will translate more into, you know, I would say the ROE and the profits. So largely, like I mentioned to Matthew as well, who asked this question before, given the new business model that we operate in from a co-lending standpoint, what will essentially end up happening is that in co-lending, the flow of commission to our partners is significantly lower. Therefore, the amount of top-down revenue which comes into Apolo is lesser than the LSP model. Though in both models, like I said, from a PBT or PAT perspective, it makes no difference to us. Yes, I think, basically I mentioned to Matthew as well before, right? It's largely to do with two big factors. One of the big factors, I would say, is the last year. Like I said, it was a year of two halves, right? I think quarter one and quarter two was more about evaluating how do you kind of process and figure out the strategy after the ID, right? Quarter three, quarter four, we figured out a strategy and absolutely ramped up. And that's why when you see in terms of loans dispersed, quarter three and quarter four combined, we did almost four to five X loans than we did in quarter one and quarter two combined. So that's a humongous ramp-up. That's, you know, point number one. But obviously, quarter one and quarter two had significantly lower revenues as compared to quarter three, quarter four. But obviously, the right way to think about it is, you know, really look at quarter three and quarter four and project that for what we expect to happen, you know, kind of going forward this year. So that's part one. Part two, obviously, is to do with our new strategy of working with digital NBFCs. And when we work with digital NBFCs, the big difference between working with an LSP who doesn't have a license versus working with an NBFC who has a license in a co-lending model is that when you work with an LSP, all of the ROI and the processing fees of the customer come into your book because Apolo is the exclusive lender over there. Any commission, etc., which is to be paid to our LSP has to be paid by Apolo itself. So what ends up happening over there? Obviously, the revenue here is much higher. But when you compare it to a co-lending model, the ROI has to be split in the proportion of the loan contribution which Apolo does, usually 80, and maybe the partner does 20, right? So 80% of the interest comes to Apolo, 20% of the interest goes to the lender directly. Usually, for an LSP, that 20% would have been given to them in the form of commission and would add to our revenue. But over here, since the 20% is going directly to the lender, it obviously doesn't add to your revenue. So, most importantly, both these models make no difference to your

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	PBT or PAT essentially. But it's just a different way of accounting between co-lending and an LSP model
Investor	Yeah, yeah, I just have a follow-up question. The reason is, they wanted to know, when these NBFCs start collaborating with us, what happens as they scale? Do they continue with us or do they change the format? Even if they become a very big NBFC, what prevents them from developing their own tech or doing it independently without relying on us? I'm not sure how to phrase it, but the question is, as they scale and potentially grow larger than they are currently, what stops them from ending our partnership and pursuing their own initiatives?
Mikhil Innani, MD & CEO	Nothing restricts them, right? To be very honest, at this point in time. Also, just to give you some perspective, we don't work with small NBFCs. Many of the NBFCs we collaborate with have AuMs upwards of 1,000 crores. That's testament to the fact that, despite being systematically important NBFCs, despite all of those things, they are choosing to work with Apolo. The reason is exactly what I've said before: it's a combination of how quickly we operate, second, the excellence of our technology, and third, the chemistry between our teams. If both teams get along well with each other, it is critical. Most importantly, I think they look at us as an ally rather than a competitor. All of these factors combined are the reasons why today, even systematically important NBFCs with AuMs upwards of 1,000 crores, some of whose names we've even presented, are continuing to work with Apolo. They are not only working with us but also making capital commitments for a year and more. So, we have no fear of losing them in any way
Investors	Hey, hi Mikhil! Congratulations! You seem to have figured out how to work with the new guidelines, and you're sounding more confident than in past calls. The details you shared are also more comprehensive than before, and I'm sure you'll continue to improve on this going forward. So, the question is about your second point regarding the growth multiples. However, when I look at your P&L, the PBT in the second half is lower than the PBT in the first half. This concerns me because you've been suggesting that what we've seen in the second half can be extrapolated to what will happen this year. Could you clarify this? The PBT in the first half was 6 crores, whereas in the second half it was around 3 crores, which is lower.
Diksha Nangia, WTD & CFO	Hi, so I think the impairment part we did cover in our presentation. But I'll just take you through it. Basically, what has happened is that our write-off policy was such that all our pre-DLG and previous year delinquent loans were reflected in the March quarter when we decided to write them off. So, just so you know, this is the first time we've truly written off loans, and the impact of that is what we are seeing in our Q4. That's not ideally how we would have liked to present Q4 to our investors.

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	But one learning for us from an accounting standpoint is that in the coming year, we need to ensure our ECL provisioning and write-off policies more accurately reflect our true PBT. So that we can describe the true PBT to our investors in a better fashion. This sort of misalignment has not given you a clear idea of our true PBT. Honestly.
Investor	Okay, so Mikhil, I have two questions. The capital commitment that you have mentioned, is it the additional capital or the total capital? Totally capital, right? So we expect that by each, you know, 1st half of 2025, we should be at 100 crores of capital commitment. So that would be total. Okay, okay. And one more question: the capital that we are planning to raise, is it through the same NBFCs that we have been using or through new NBFCs that we are planning to onboard? And if it's the same existing NBFCs, is it because our technology is superior?
Mikhil Innani, MD & CEO	I think, no, it's a combination. I mean, we are definitely onboarding even more partners as we speak, right? So we expect the number of partners to definitely go up. So it will be allocated across our existing and future partners. I think on the technology front, very honestly, I feel from an experience perspective, right, I don't think it's a far stretch to say that from a fintech perspective, Apollo's technology is the best in the country. A testament to our technology team and the way we build products. We do it with an incredible amount of focus and efficiency. This also translates into the fact that we are able to achieve the kind of numbers we do with just 30 people in the company. There's no way you can do any of this stuff unless you have great technology. Even going forward, this momentum is something you will continue seeing. Despite the ramp-up in terms of AUM, which will continue this year, the number of employees will not change much. Maybe we'll go from 30 to 35 people, but I don't foresee a significant change in terms of employees. All of this goes back to how well our product and technology team plans and builds solid, highly scalable products. This has always been what Apollo does. Whenever we talk about capital commitment, this is all on our book. This is all our capital getting 100% committed towards them. This is not any other number.
Investor	"So I just had one or two questions. Firstly, you earlier used to get some transaction fees on your tech with your LSPs. Do you continue to get that, or is it only the co-lending fees now? Secondly, in co-lending, it's generally 80-20, right? 80% to one partner and 20% to the other partner. So, will you be the 20% partner or the 80% partner?

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	Also, the credit evaluation model—is it yours and is it similar across all the partners, or can it differ? How does that work?
Mikhil Innani, MD & CEO	The credit model definitely is ours, that's point number one. In fact, I think in the last couple of days, we also wrote a blog on this, as to how our credit engine is becoming smarter and smarter. Now that we've done almost 20 lakh-plus loans and have millions of customers, specifically in digital lending, we've really ramped up in terms of high quality. This is largely because we have a massive database that tells us which customers actually repay and which ones don't. We also have geographical-specific data on PIN codes where we've associated high risk versus lower risk, given our lending across India. So, we have a lot of data. Today, our credit rule engine is just becoming stronger and stronger. Finally, very honestly, this year we started to flex our data muscles because we wanted to reach statistical significance. With the new model of working with other lenders and NBFCs, we've started to deploy data heavily, and it's paying dividends. When you look at our DPD numbers, which I've shown in the slides, they're at an all-time low. I expect even lower numbers in the next quarters because, as I mentioned earlier, almost 2.8% of that is coming from discontinued partners. Going forward, we expect our numbers to be even lower. So yes, from a credit rule engine perspective, the performance is in the numbers, and you'll see that in the coming quarters. What was the second part of your question?
Investor	If I can just squeeze in one more, do you have a specific profile of your borrowers or size that you're looking at, or does it basically depend on the partner and you go along with them?" Let me know if there's anything else you'd like to add or adjust!
Mikhil Innani, MD & CEO	Not really. I think we have a sweet spot, right? So we like to do loans which are probably less than a couple of lakhs in terms of ticket size, and we also like to keep the duration usually in the 3 to 12-month range. That's our sweet spot, you know? That's what we know really well and also, very honestly, we believe that's the sweet spot in general for digital lending, right? I think anything above and beyond those kinds of numbers, you know, it's questionable whether doing digital lending is really the best way forward. At least for us, that's our take at this point in time. We always keep it ideally within these kinds of parameters.
Investor	It seems like you're asking about the term "capital commitment" and how it's defined in the context of our financials. When we refer to capital commitment, we're actually talking about the total amount of funds that are committed to us by our partners, including both equity and debt. So, this encompasses not just our own funds or borrowed funds, but also the additional funds that are

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	committed to us by our partners, which includes the NCDs that you mentioned. This figure gives us a comprehensive view of the financial resources available to us for our operations and growth initiatives. If you need further clarification or have more questions, feel free to ask
Mikhil Innani, MD & CEO	It sounds like you're referring to the commitment of capital in terms of how much is allocated and for how long it's committed when partnering with LSPs or NBFCs. When we discuss capital commitment, it essentially means that when we agree with a partner on a specific amount of capital, say one crore or two crores, that amount is dedicated for lending purposes over a minimum period of one year. This commitment is beneficial for us in several ways: Firstly, it ensures that our capital is utilized effectively for a significant duration, allowing us to earn interest on it consistently. Secondly, it attracts partners who are serious and capable of managing the funds responsibly, thereby fostering trust and stability in our partnerships. This approach typically appeals to mature companies that are confident in their ability to handle their lending operations efficiently and scale up as needed. Our strategy has always been to secure commitments like these from partners, ensuring that the allocated capital is actively deployed and generating returns over a sustained period.
Investor	So, if you look at the current loan book, which is about 60 odd crores, this could grow to 100 crores. So you're saying your loan book by H1 will be close to 100 crores, is what I understand.
Mikhil Innani, MD & CEO	Absolutely right. As of today, we have a scoreboard inside the company. The capital commitment that we have is almost 65 crores. We expect that by the first half of this year, H1, we expect that number to be 100 crores. So 100 crores of capital commitment means we'll be earning interest on 100 crores for a period of 12 months. Yes, when I say 100 crores of capital commitment, I mean 100 crores of capital drawn. The loan book, however, can be slightly lower because the money keeps churning. But the way Apollo earns is that we earn on the lines which are committed. So it is hypothetically possible that somebody takes a capital commitment from us for 10 crores and maybe their utilization is only 8 crores because they're inefficient and not able to deploy the full 10 crores. But for Apollo, it doesn't matter because we earn interest on the full 10 crores. That's what I mean by capital commitment — the money that Apollo will be earning interest on.
Investor	Okay, so you have in your presentation for the first time disclosed the five NBFCs that you're partnered with. One of the names is missing. Can you disclose the name of the fifth one? The companies that have been disclosed are great. Great, great.

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	Okay, the second question I had was, if I look at the Branch website, which is one of your partners, they typically give out loans at 11% to 13% depending on the tenure of the loan, 3 to 12 months. So what would be the yield that you'll be earning, right? And if I understand that correctly, that is the yield that you are getting, basically 11% to 13%.
Mikhil Innani, MD & CEO	Got it! So, honestly, now thanks to the new RBI guidelines, there's a dedicated page on our website that discusses all of our partners. RBI requires us to disclose that, right? So it's not a problem. Just to give you more clarity, I know we've covered a lot of information in this call, but for the benefit of all our shareholders, we'll be posting a blog either today or tomorrow. It will include all this information, so your request will be fulfilled in that blog.
Investor	Great, great, great. Okay, second question I had was: If I look at the Branch website, which is one of your partners, they typically give out loans at 11% to 13%, depending on the tenure of the loan, which is 3 to 12 months. So, what would be the yield that you'll be earning, right? And if I understand that correctly, that is the yield that you are getting, basically 11% to 13%.
Mikhil Innani, MD & CEO	11 to 30. No, no, I think that number seems too small. I'm not sure if you're on the right Branch website. But typically, to my knowledge, Branch is not a P2P or NBFC; Branch is a San Francisco-based company. I think it's funded by really top-tier investors like Andreessen Horowitz. So if you just type Branch Andreessen Horowitz, you should be able to go to their website. Typically, they lend at upwards of 24% in terms of ROI per year that they charge their end customers.
Investor	Okay, what would be your typical cost of funds then?
Mikhil Innani, MD & CEO	So the capital commitment, you know, ROI that we basically typically charge could be anywhere between 16.5% to 18%. That's typically the range of ROI that a polo charges.
Investor	So the capital commitment, you know, ROI that we basically typically charge could be anywhere between 16.5% to 18%. That's typically the range of ROI that a polo charges.
Mikhil Innani, MD & CEO	So today, very honestly, you know, our debt is insignificant, right? Like we are not even at 0.5 debt-to-equity. So, you know, that's not the right metric to kind of look at. I think, you know, going forward, we are hoping to raise debt, and I think once we have more information on that, we'll obviously share. But I think today, as of now, in terms of NCDs, at least when we've raised, right? It's all been below 12-13%, right? But I think once we raise a significant amount, right? We'll get a better understanding of what's the kind of ROI that we are looking at over here. But as of today, it's in the 12% and below mark.
Investor	Okay, I understand. I mean, just two final metrics that I want to understand: What is the current NPL (Non-Performing Loan) ratio? And what is your current capital?
Mikhil Innani, MD & CEO	I think in terms of NPAs, right? As you disclosed in the presentation, Q4 90-plus DPD numbers were about 2.8%. But as we spoke about before, right? Over there also, 90% of those DPDs are actually coming from discontinued partners.

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	So, you know, we expect going forward, right? In the coming quarters, the DPD numbers should be significantly lower than even that. Right? I think I don't have the capital adequacy numbers at the top of my head. Maybe you could send us an email, and our team can get back on that.
Investor	As our credit engine requires a lot of data for better credit underwriting, we need more data. Can we give access to other NBFCs for this software as a service, so that we can get more data about more borrowers? Another question: Do you think that AWS will be a problem if RBI comes and says that AWS, as a data server, is outside the country and not based in India?
Mikhil Innani, MD & CEO	Yeah, that's a great question. Honestly, we did think about this in the past as well, right? I think there are a few problems with that. I think, very honestly, if you ask me, I think it's very difficult in India to be a SaaS company, right? Because I don't think anybody wants to pay for software. You know, I think the reason why the only caveat I would say to that is the reason why a polo makes money today, you know, using our tech and APIs is largely because it's combined with capital. Right? So that's a very good combination, right? Because people, you know, will take that combination, right? But if you go out in India to try and, you know, just purely sell, you know, software, I don't think that's a very high ROI adventure, right? And I've not seen any evidence to the contrary to that, at least in the ecosystem that I've been evaluating, right? So we definitely don't want to go into that because we don't think that our energy is well spent in that direction. Second point, even if, you know, magically we were able to get NDFCs to start using our LMS, I think the biggest challenge will be that they will not be okay with us using their data, right? Because obviously, they want that data to be completely there and they would want it to be hosted on their data servers. So I think that's another big blocker. And I think, finally, number three, I think the biggest reason why we've also not pursued something like this is, you know, we really believe technology is our secret sauce, right? And we are not at all interested in actually giving it out to any other NDFC because honestly, it would make them as efficient as us. And you know, why would you give away your secret sauce, right? Essentially, so we don't have any motivation to do that at all. It doesn't fit our overall strategy, and we strongly believe that our technology is what sets us apart from all the other probably 1,000-2,000 NDFCs which are active in this country, right? And that always kind of shows through our ways, right? Even when I compare our ways right now to other digital lending and PFCs and we evaluate like, we are evaluated pretty much most of them at this point in time, you know, we are, you know, I who it's not an exaggeration to say that, you know, our ROEs are the best or the best in class for sure. So I think all of that kind of goes down to how efficient a polo really is, right? In terms of, you know, the amount of money that we spend to generate the kind of revenue and profits that we do, right? So I think all of that kind of comes from our tech, and you know, it doesn't make sense to give away

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	your secret sauce. So you know, that's not something we would actively pursue. So actually, to answer your question, like, actually, this is a problem which has already been solved. I think, you know, as of today, AWS itself has opened up a lot of their servers actually located in India, if I'm not wrong. RBI actually already came out with this in their original digital lending guidelines that you cannot store data outside India. So everybody pretty much in the fintech space has already, I mean, whatever server they're using, right? They're using the India version of that, right? So even our data, by the way, is stored inside India, in AWS servers which they've hosted inside India, specifically. So that is something which has already happened, and you know, fortunately, the entire industry has already kind of dealt with that very efficiently. We do have backups, right? We do have backups that we keep, obviously, right? Like, you know, that's something which is incredibly important, right? So we do have backups. We obviously don't want to disclose a lot of information about how we do our backups. But yeah, rest assured that all the important data inside the company is backed up on multiple different servers. So there is no single point of failure that we have to be worried about.
Prachi Jain	This was very insightful. Since there are no further questions, yeah, I think this is the end of this investor call. It has been very insightful. Thank you, Michael. Thank you, Richard, and thank you to all the investors and prospective investors for joining us. If there are any further questions, please drop them to our email ID, which is compliance@apollofinvest.com, and we'll be happy to answer all your queries. Thanks a lot. We'll see you in the next investor call. Thanks, Mikhil and Diksha.