

REF: CIL/CC/86/2023-24

January 15, 2024

To, The Department of Corporate Services, The BSE Limited, P. J. Towers, Dalal Street, Mumbai- 400 001 Scrip Code: 531358	To, The Department of Corporate Services, The NSE Limited 5 th Floor, Exchange Plaza Plot No. C/ 1, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051 Scrip Code: CHOICEIN
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Sub: Investor Presentation

Please find enclosed a copy of Investor Presentation on the Un-Audited Financial Results of the Company for the Quarter ended December 31, 2023.

Kindly take the above document on your record.

Thanking You,

Yours Truly,

For Choice International Limited



Karishma Shah
(Company Secretary & Compliance Officer)

Connecting **PEOPLE** 
to **PROSPERITY**

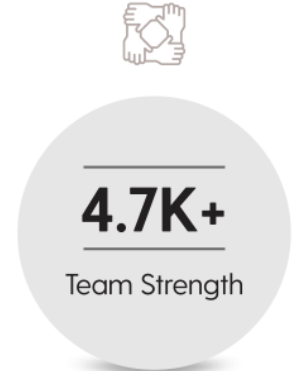
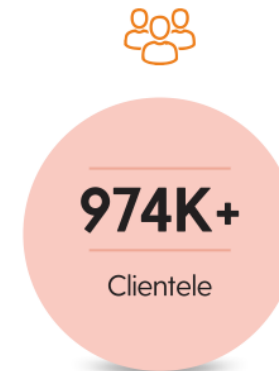
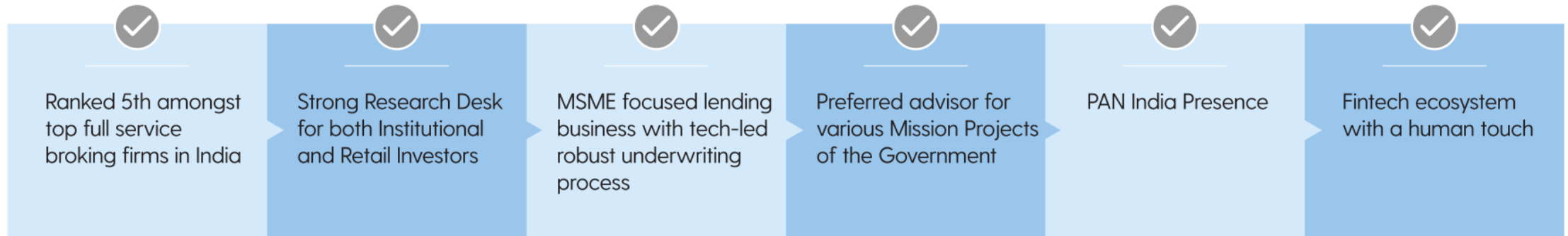


Choice International Ltd.
(BSE: 531358, NSE: CHOICEIN)

Q3 & 9M FY24 Earnings Presentation

Company Overview

One of the leading financial conglomerates with over a decade's expertise providing tech-led services

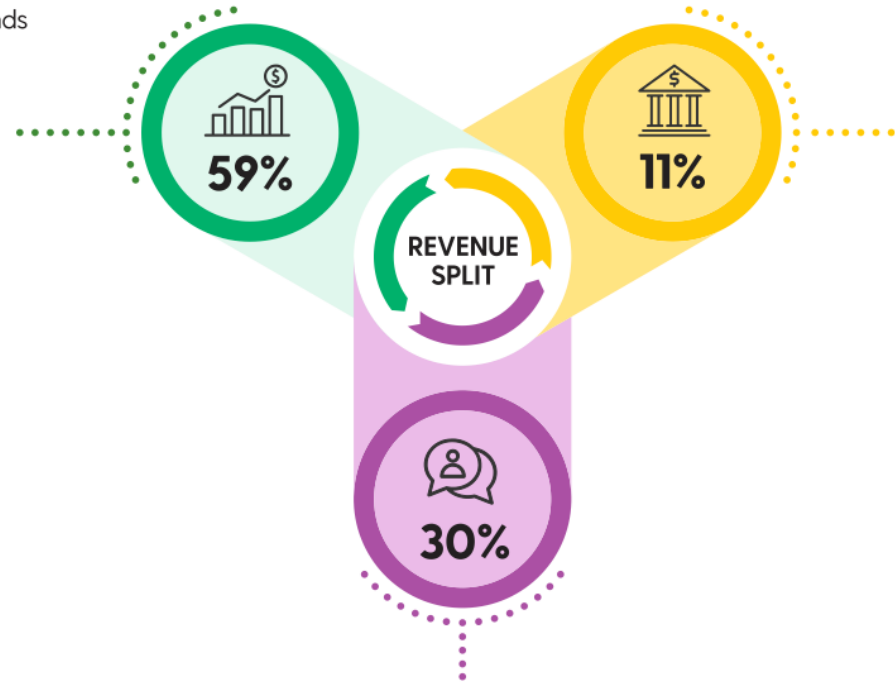
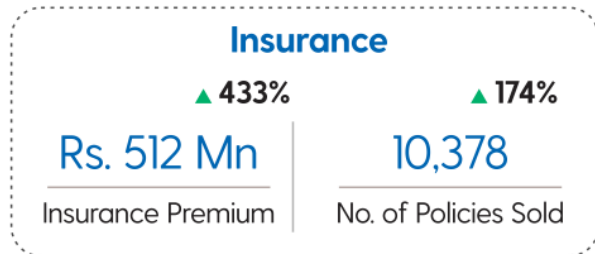
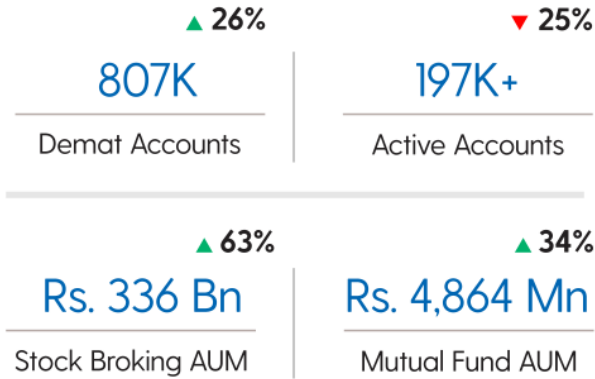


*After excluding discount brokers and bank brokers

Key Highlights

A diversified mix for sustainable business

Broking & Distribution Stock Broking, Mutual Funds

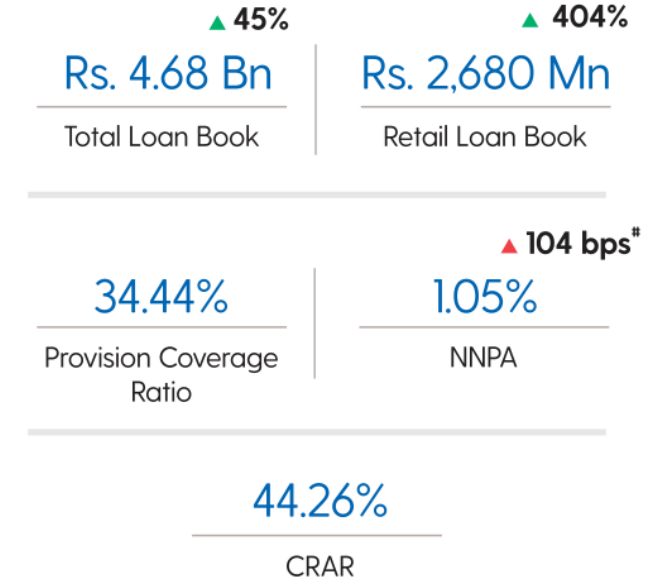


Advisory

Govt. Infrastructure Consulting,
Govt. Advisory, Investment Banking



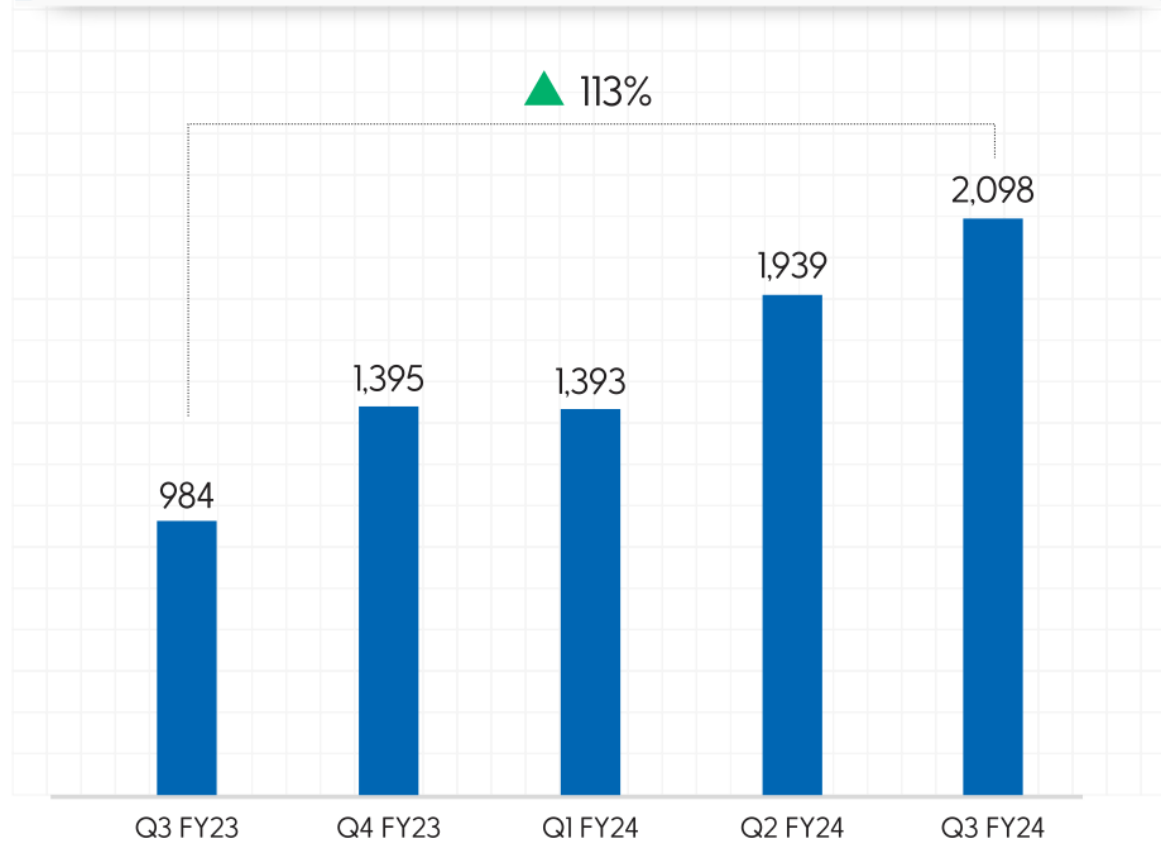
NBFC



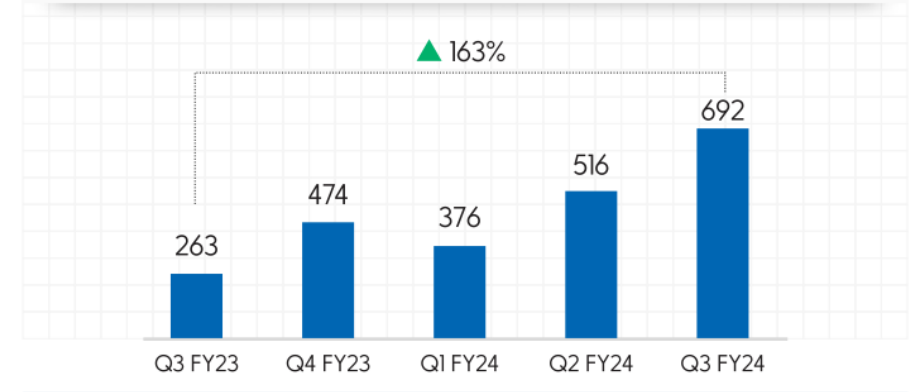
- NSE Active UCC List as on 31st Dec 2023
- Arrows and Figures indicate YoY change
- * Increase is due to seasoning of Retail Loan book (refer NBFC slide for details)

Q3 FY24 Highlights

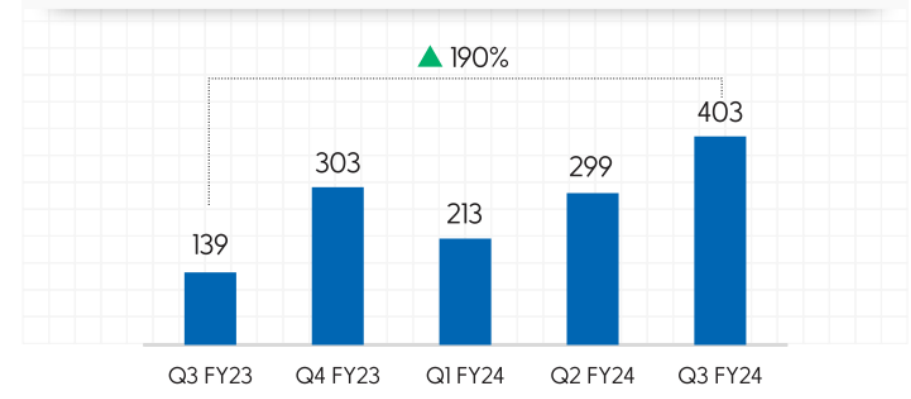
Revenue (Rs. Mn)



EBITDA (Rs. Mn)

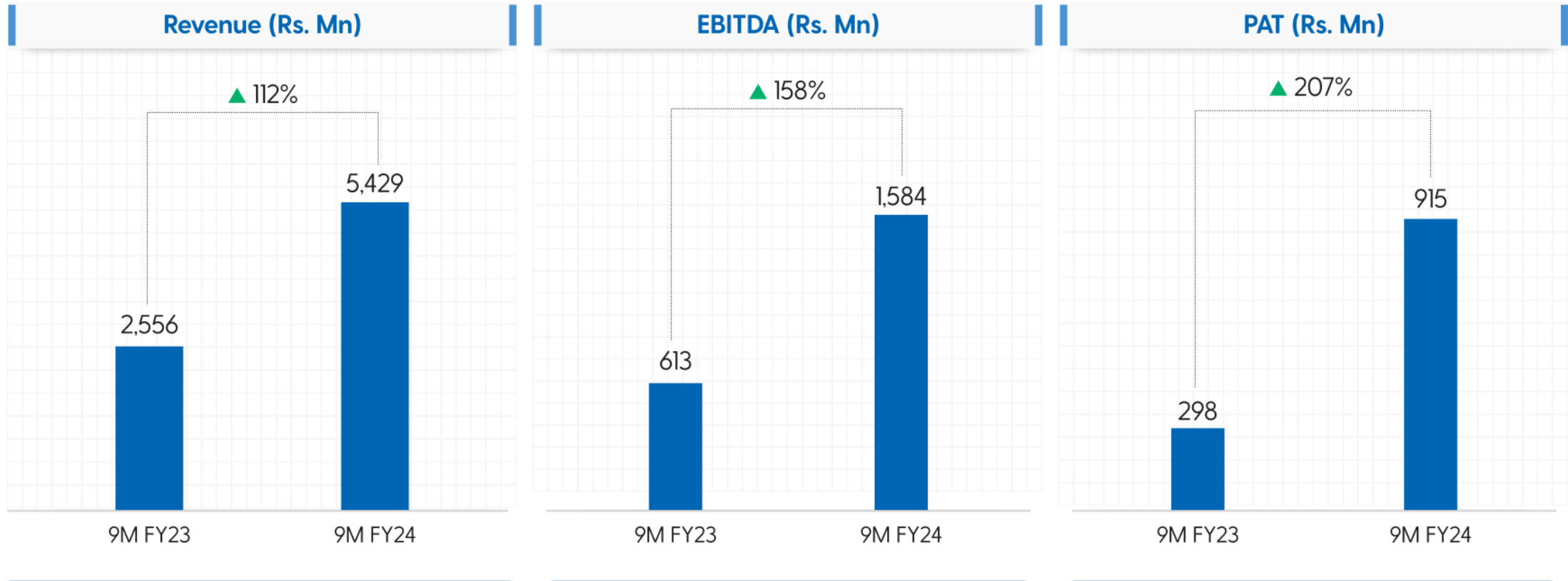


PAT (Rs. Mn)



*Figures indicate YoY Increase

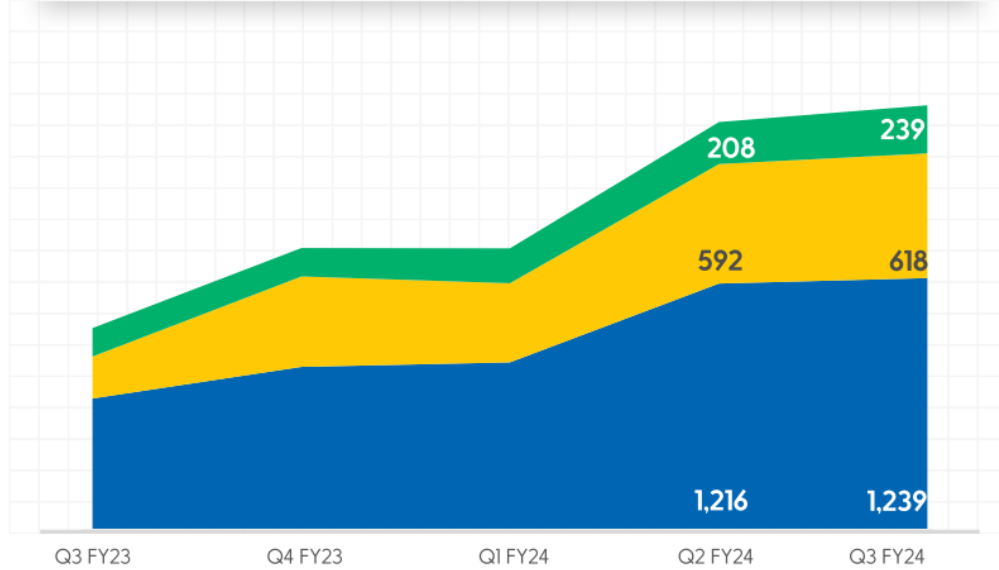
9M FY24 Highlights



*Figures indicate YoY Increase

Q3 FY24 Highlights

Segment Revenue (Rs. Mn)

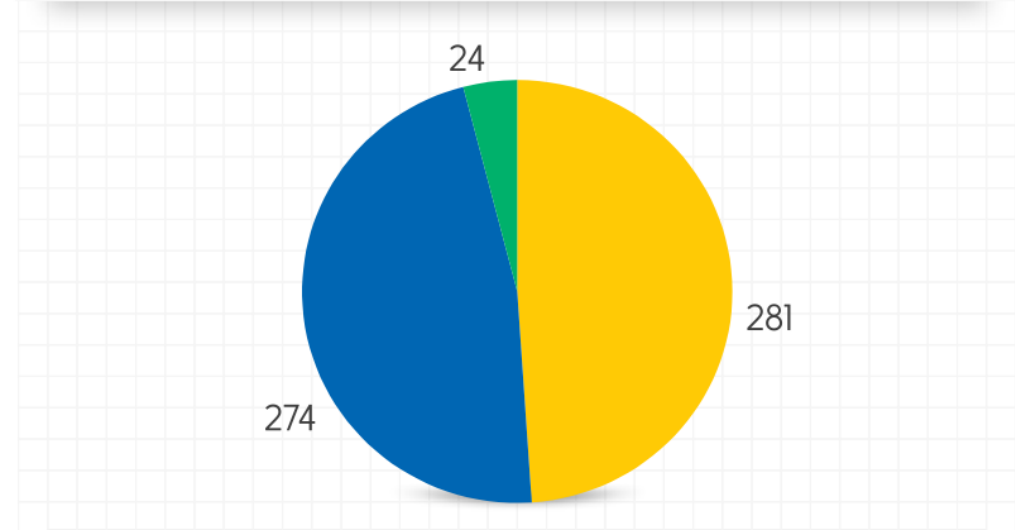


■ Broking Services ■ Advisory Services ■ NBFC Services

Excludes:

- Unallocable revenue: Q2 FY24 - 43, Q3 FY24 - 44
- Inter segment revenue elimination : Q2 FY24 - 120, Q3 FY24 - 41

Segment PBT (Rs. Mn)

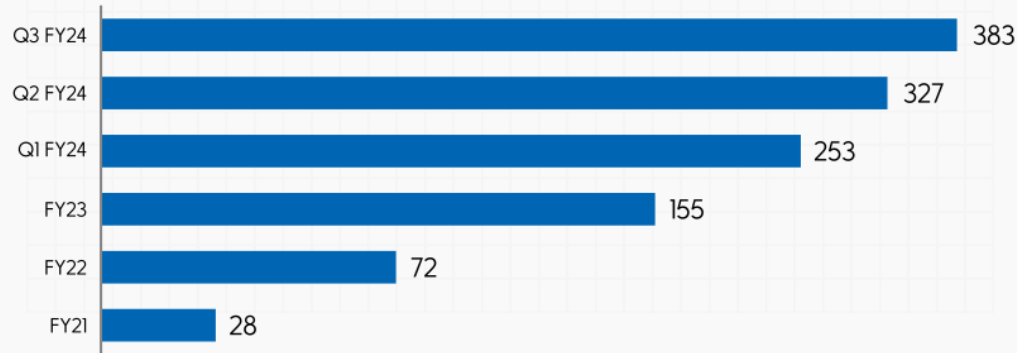


Excludes:

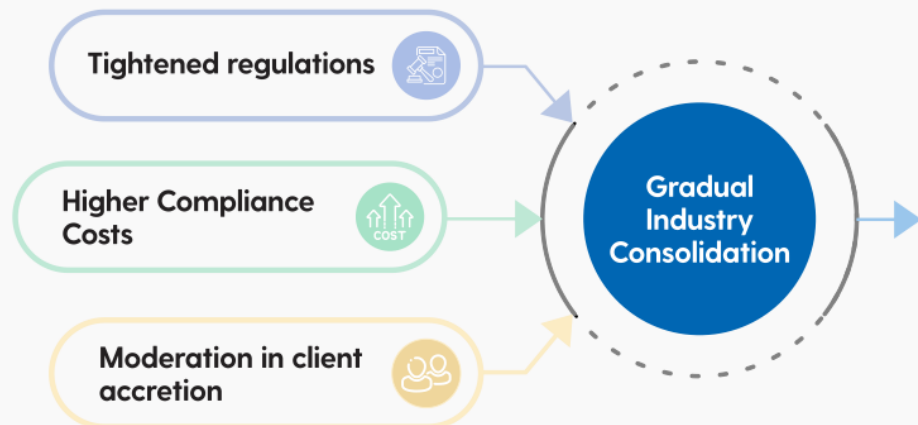
- Other Unallocable expenditure net off Unallocable income: 17

Stock Broking - Industry Overview

ADTO (Rs. Lacs Crores)



Growing Industry ADTO with increasing share from semi-urban geographies and steady growth of retail participation



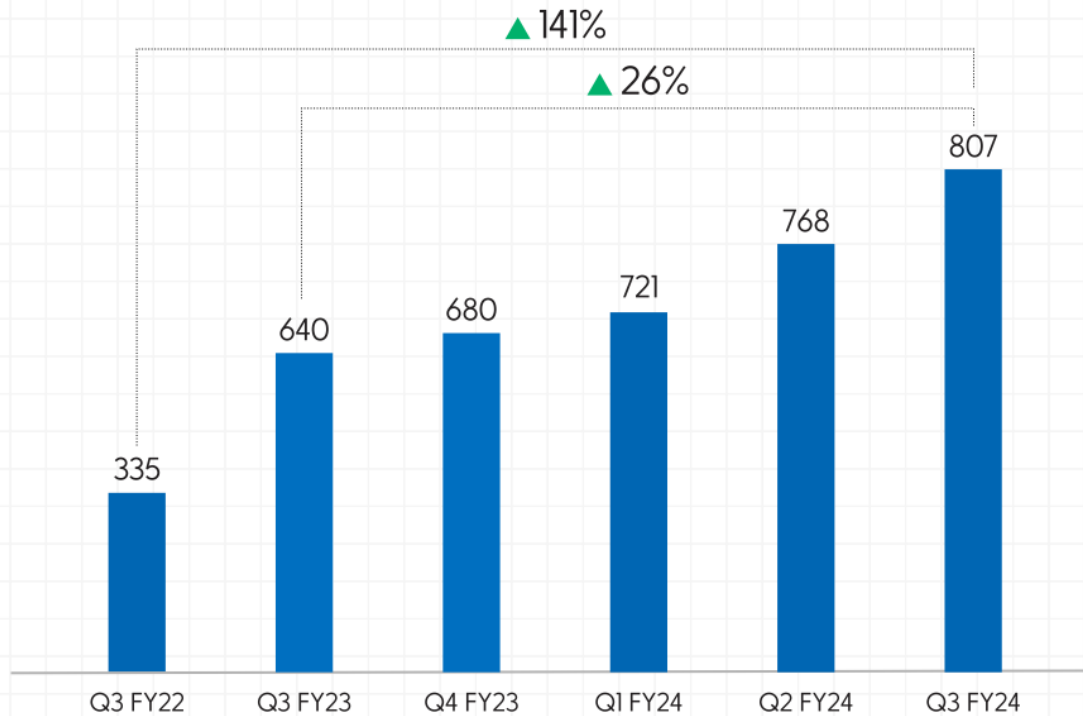
Beneficial for Choice, being industry leader with:

- Enhanced Revenue Streams through diversification
- Cross Sale Capability
- Low Acquisition Cost
- Focused on Tier 3 & below geographies
- Physical presence on ground
- Technology at core for increased operational efficiency
- Focus on Value Added Services like Wealth Management, Research, Advisory and Financial Planning to maximize Customer Engagement
- Potential Inorganic Growth

Stock Broking

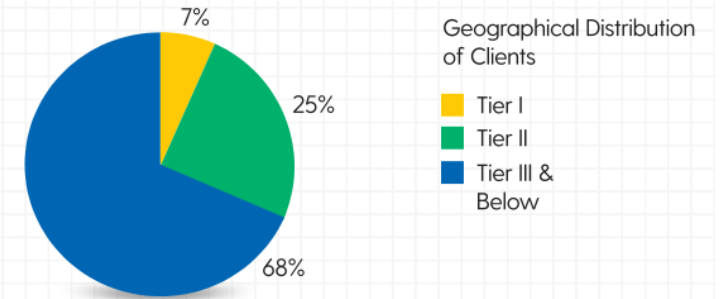
Expanding our PAN India reach and client demographic

Steadily increasing client base

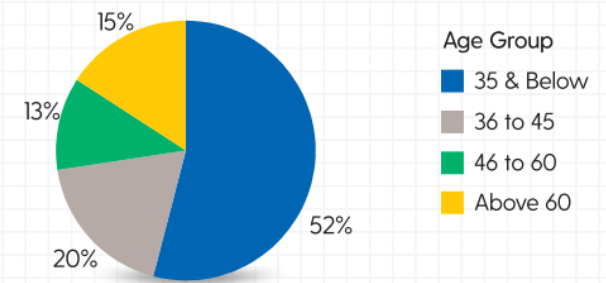


■ Demat Accounts (000)

Increased penetration in unserved & underserved locations



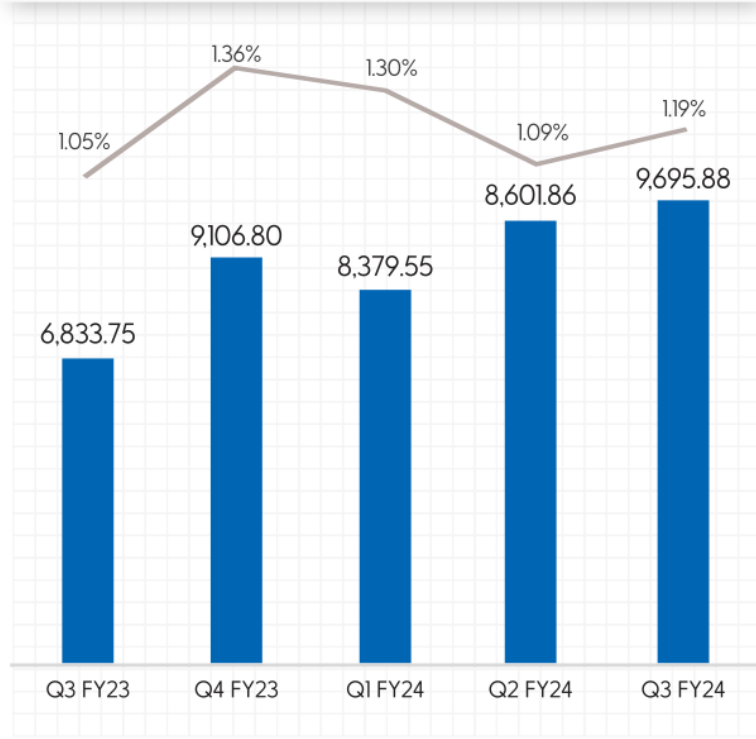
Majority young clients with more disposable income



Stock Broking

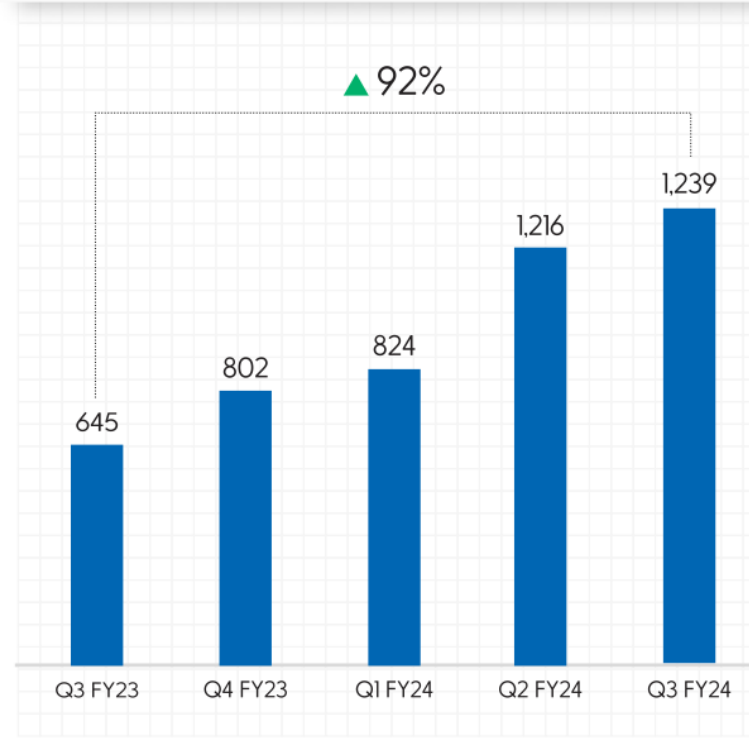
Expanding our PAN India reach and client demographic

Consistently growing Market Share & ADTO (Rs. Mn)



■ ADTO (Equity) — Retail ADTO Market Share

Broking & Distribution Segment Revenue (Rs. Mn) has peaked

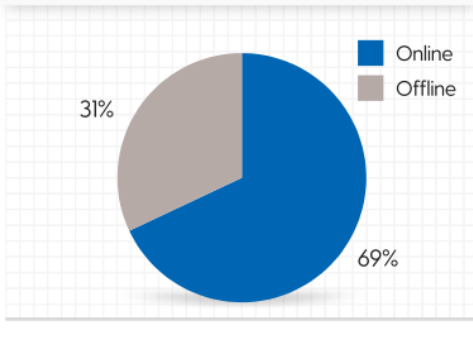


■ Segment revenue (including Mutual Funds & Insurance)

Rank amongst full service broking firms*



Rising adoption of digital platforms

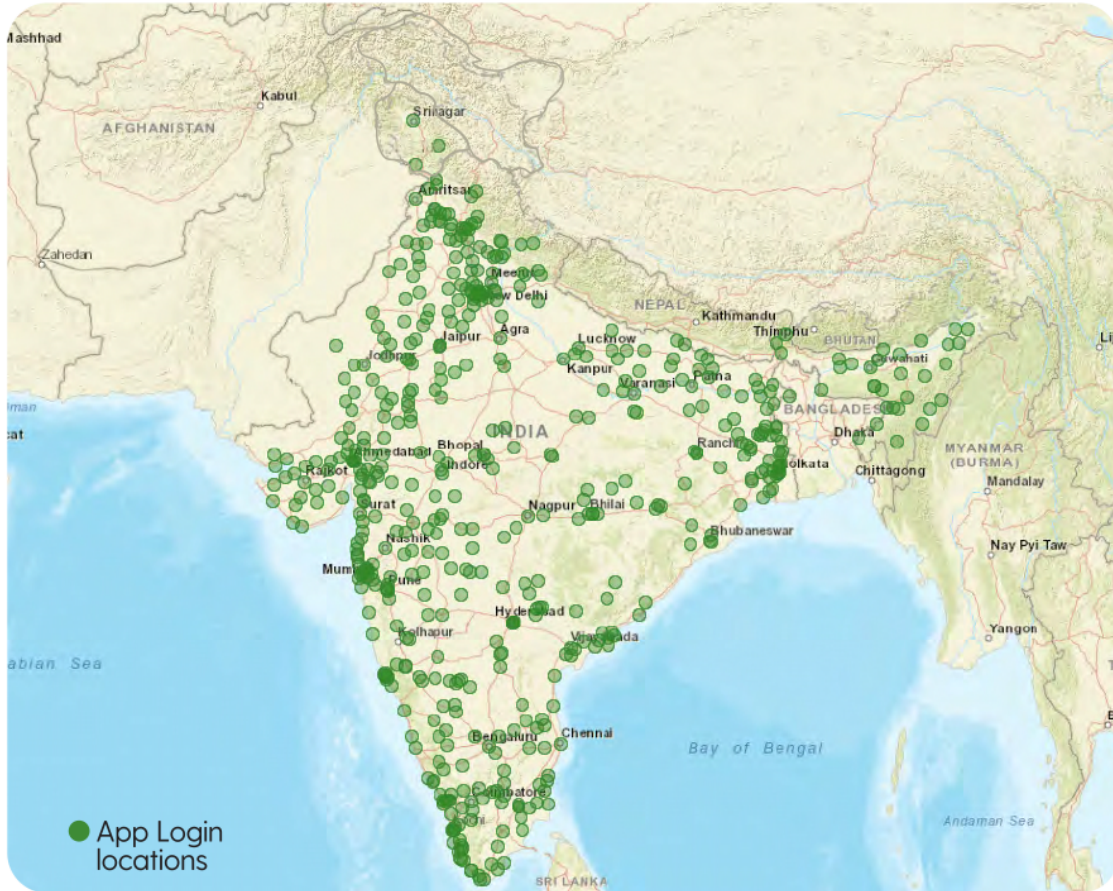


Revenue Split

*After excluding discount brokers and bank brokers

Stock Broking

Expanding our PAN India reach and client demographic



*Some features are available only on Android

Choice FinX

One Customer, One Platform - Financial Services Super App

The screenshot shows the Choice FinX app interface with the following features highlighted by callouts:

- Simple User Interface**: Represented by a smartphone icon.
- Research**: Represented by a magnifying glass icon.
- In-app Curated Baskets**: Represented by a smartphone icon.
- Diverse Investment Products**: Represented by a plant icon.
- Multi-lingual App**: Represented by the Hindi character 'अ'.
- Algo Trading**: Represented by a computer monitor icon.

The app interface includes a top navigation bar with market indices (NIFTY, BANKNIFTY, FINNIFTY), a user profile (Hi Pritam), and a main dashboard with sections for 'Diversify', 'Smart Investments', and 'Research'. The 'Diversify' section features cards for 'ETF', 'thematic baskets', 'Invest in your dreams', and 'Fundamental calls'. The 'Smart Investments' section includes cards for 'Mutual Funds', 'Insurance', 'IPO', 'Tax Saving Funds (ELSS)', and 'Secured Products'.

Stock Broking

Simple User Interface, Research, In-app Curated Baskets, Diverse Investment Products

 **User Behavior-Driven Client Engagement:**
We focused on enhancing client engagement through user behavior analysis. Leveraging insights, we have seen success in upselling other products to our clients.

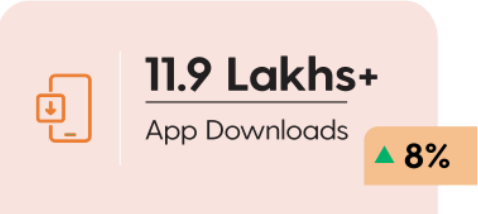
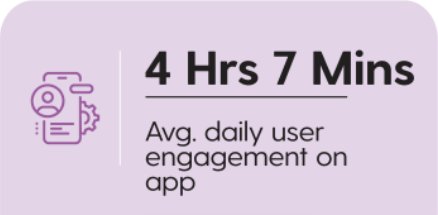
 **Scalability Enhancement:**
We achieved major scalability improvements by transitioning from a monolithic architecture to a microservices-based architecture. Additionally, we migrated our backend API architecture from a DLL framework to a cloud-based framework, enhancing system performance and reliability.

 **Auto Scalable Architecture:**
Implementing an auto-scalable architecture allowed us to increase our system's load capability from 5x to 10x, ensuring seamless service even during peak usage times.

UPCOMING ENHANCEMENTS:

Margin Trading Facility (MTF) Orders

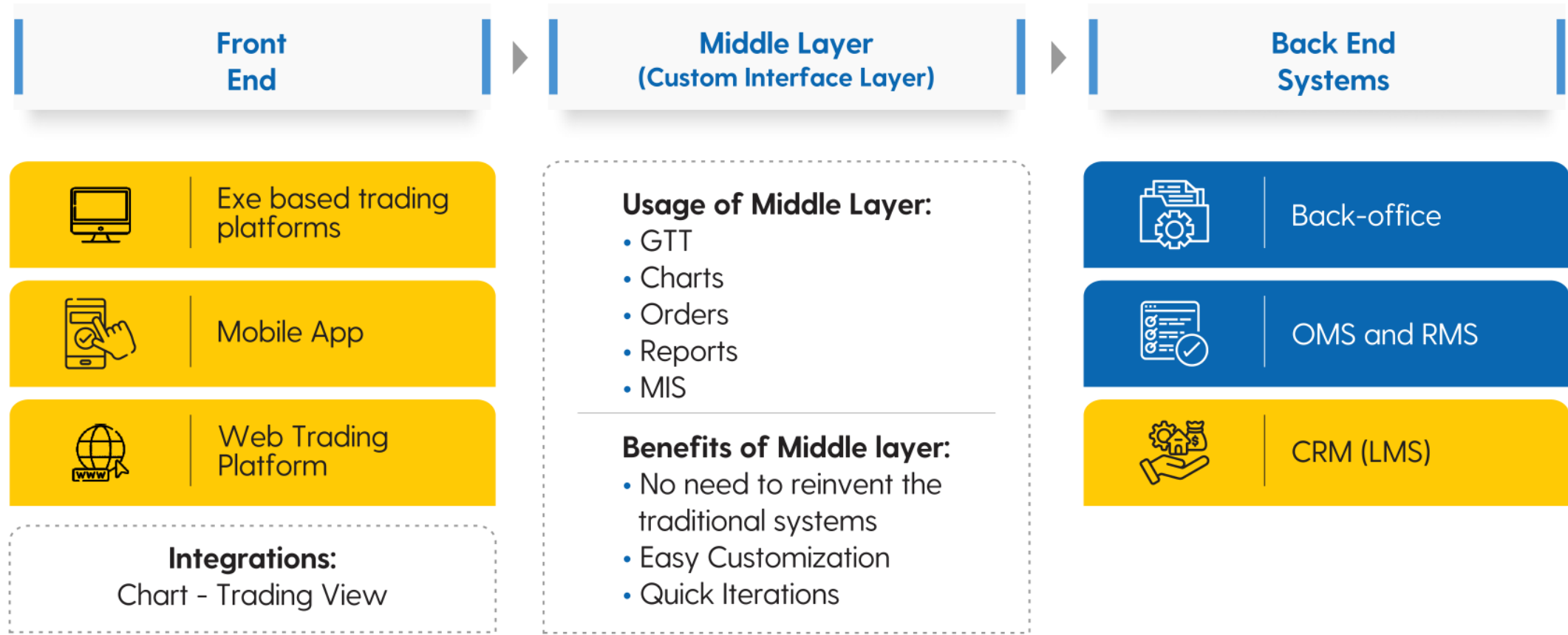
Advance Orders - Bracket Orders, GTT, Cover Orders and Icebergs



▲ Figures indicate QoQ change

Tech Insights

Seamless collaborations, Cutting-edge features

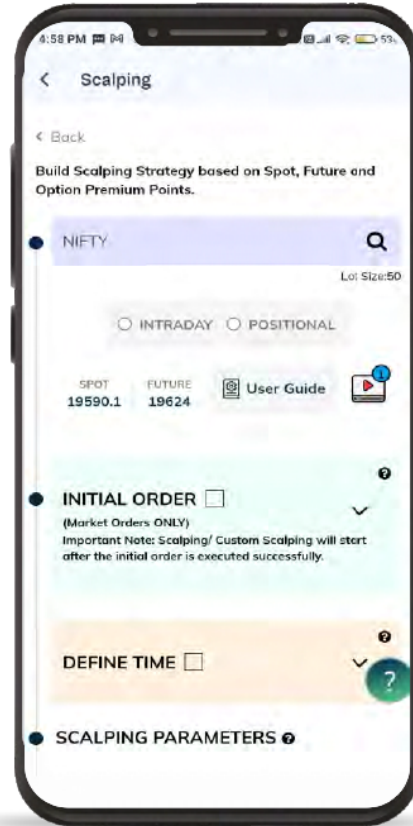


Stock Broking

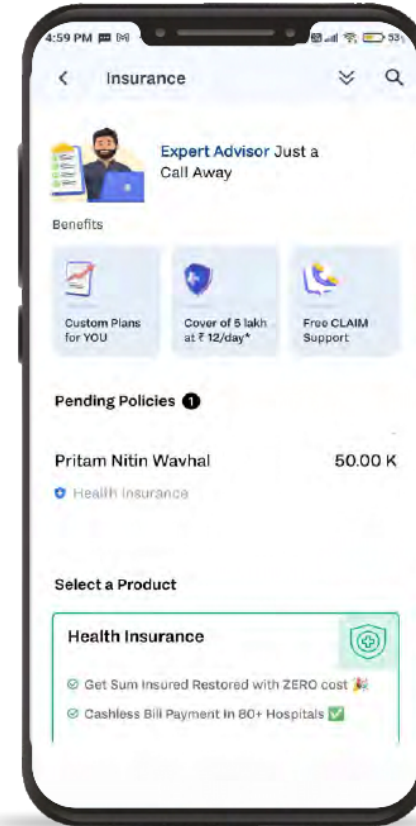
Simple User Interface, Research, In-app Curated Baskets, Diverse Investment Products



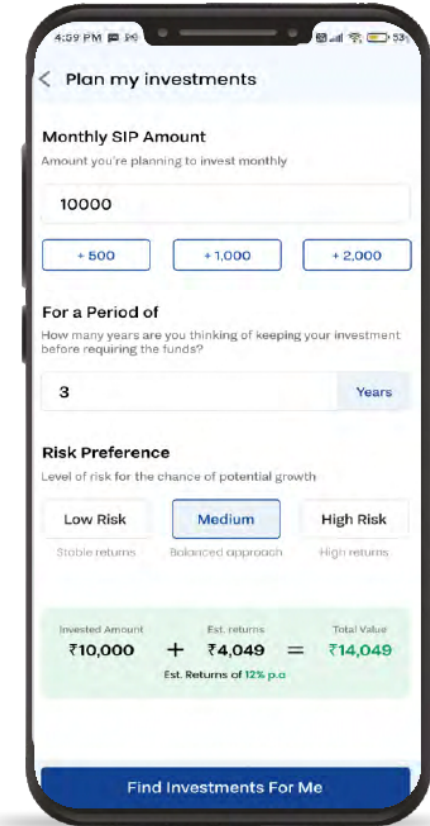
Users can now trade BSE F&O SENSEX Contracts



Launched Auto trade & Scalping features



Enhanced Advisory Model for Tailored Insurance Recommendations



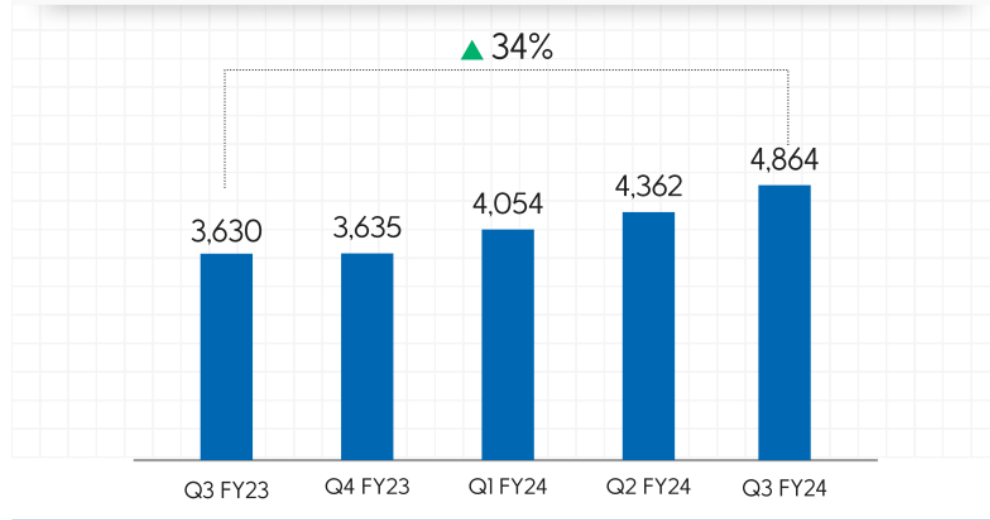
Personalized Investment Planning for Mutual Fund Users

*Some features are available only on Android

Stock Broking - Allied Products

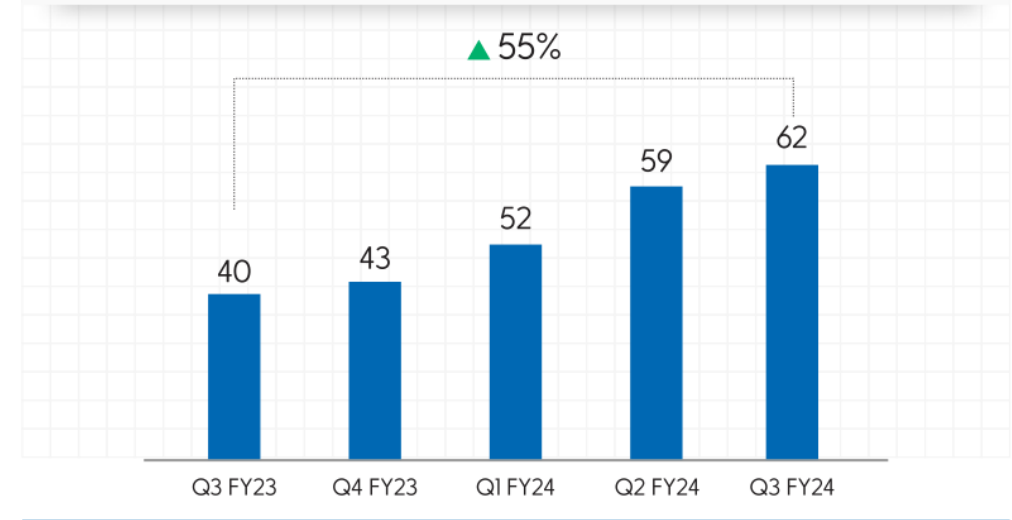
Maximizing growth of portfolio with a mix of products

Sustained Growth in Mutual Fund AUM



■ AUM (Rs. Mn)

Progressive increase in SIP Book



■ SIP Book (Rs. Mn)

• Fleet of Products •



Treasury Bills



Government Securities



State Development Loans



Sovereign Gold Bond



Bonds



Corporate Fixed Deposits



Non-convertible Debentures

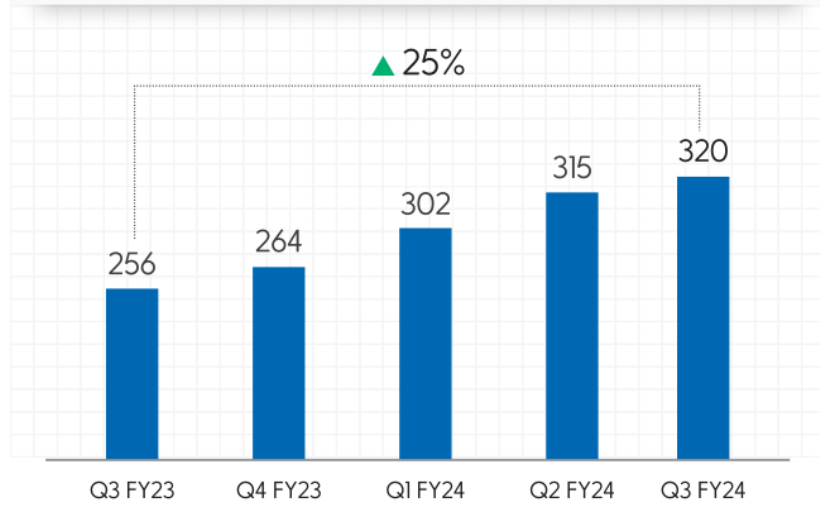


Market Linked Debentures

Stock Broking - Allied Products

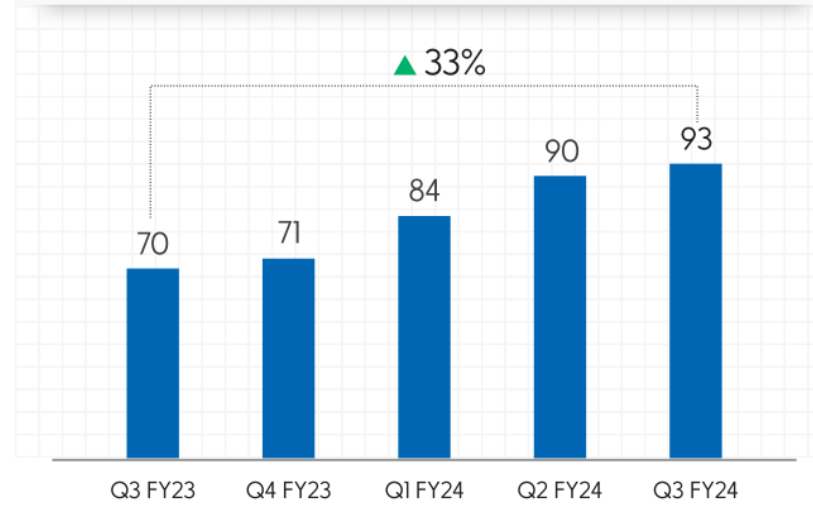
Maximizing growth of portfolio with a mix of products

Folios expanded as investor participation surged



■ No. of Folio (000)

Promising upward trend in clients



■ No. of Clients (000)

Key Technology upgradations

Implemented Assisted Order Flow to empower RMs and CBAs to assist clients in the MF investment journey

Implemented SIP Tracking for RMs and CBAs for reduced SIP failure rates

Key Services



Mutual Fund Distribution



Financial Planning



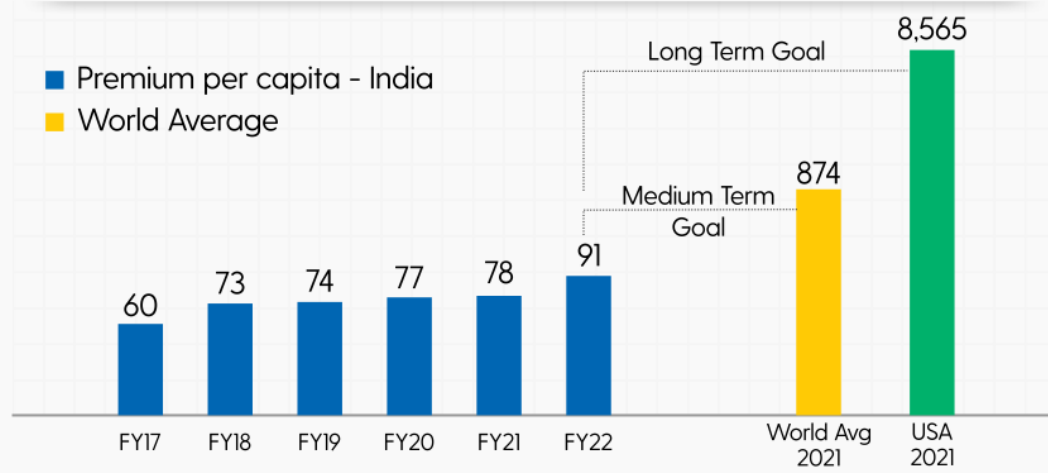
Research and Analysis



Bond Distribution

Insurance - Industry Overview

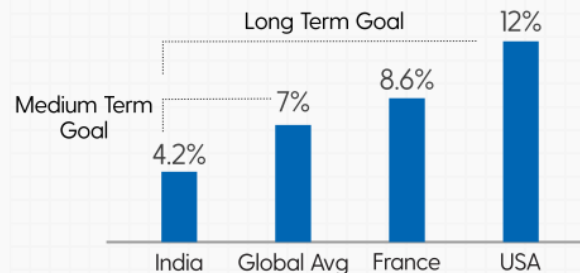
Insurance Density (US\$)



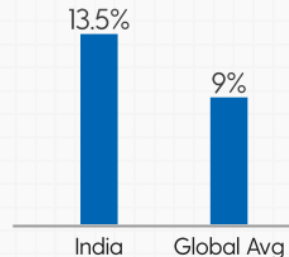
Insurance Premium Density is increasing driven by Insurance Brokers contribution yet a long way to go compared to Global Average and Leading Economies showing humongous opportunities in India in this sector



Global Insurance Penetration (As on 2021)

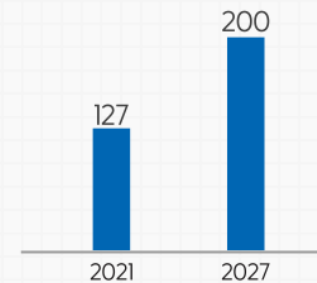


Insurance Premium Growth (2021)



Out performing global average by 4.5%


Insurance Premiums Written (Rs. Bn)




Premiums written to grow by 57% to Rs. 200Bn by 2027

Insurance - Industry Overview

Key Growth Factors in the sector

- **Myriad of Initiatives**

IRDAI has also undertaken various initiatives towards boosting the insurance penetration, such as permitting insurers to conduct video-based KYC, launching standardized insurance products and allowing insurers to offer rewards for low-risk behaviour
- **Mission Insurance**

Mission of 'Insurance for All' by 2047 which is expected to lead to a significant increase in insurance penetration and would help in bolstering the ease of doing business and will aid in making the sector more investment-friendly
- **Commission Regulations 2023**

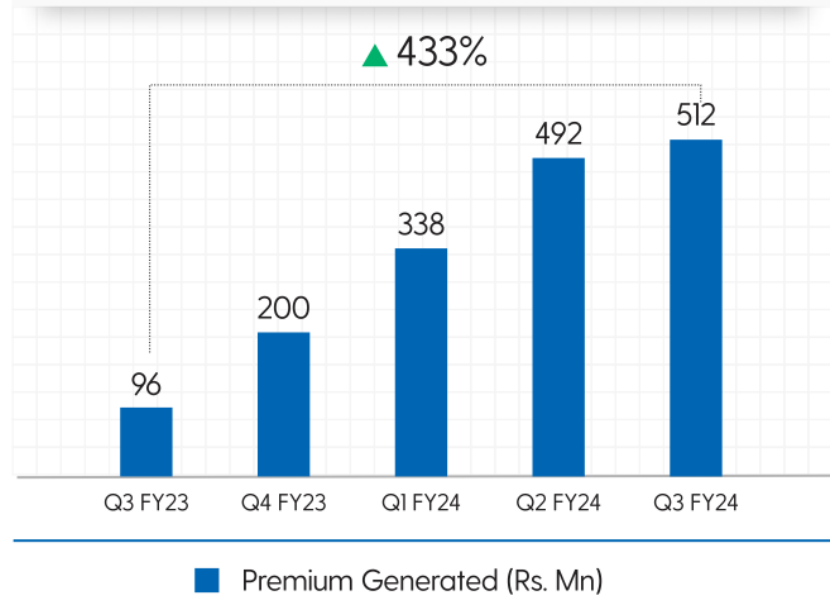
Payment of Commission Regulations 2023, the insurance regulator has replaced the earlier individual cap on commission payments on insurance products with an overall cap on expenses of management of insurers leading to higher Insurance Payouts to brokers.



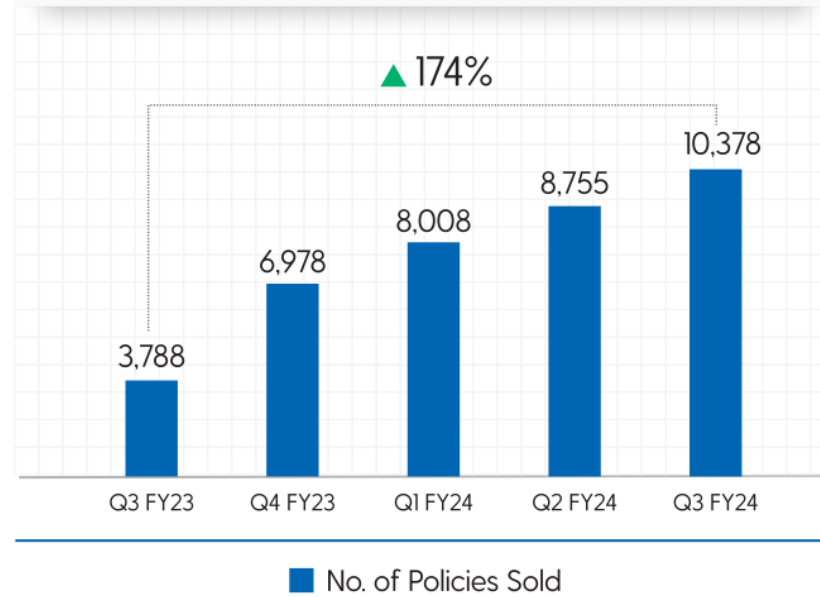
Insurance Distribution

Tapping into new territories, Propelled by surge of marquee clients

Exponential Growth in Insurance Premium



Enroute Mass Coverage



75K+ | Lives Covered

>95% | Claim Settlement Ratio

70% | Lead Conversion Rate

25+ | Preferred Partner Insurance Companies

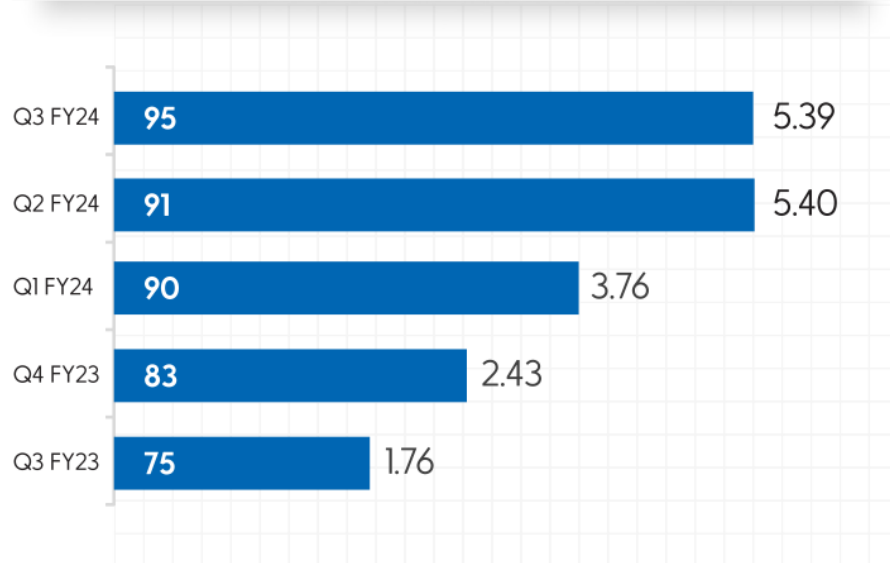
Key Partners



Insurance Distribution

Tapping into new territories, Propelled by surge of marquee clients

Significant boost in employee productivity



■ Per Employee Productivity (Rs. Mn)

xx No. of Employees

100+

Project Insurance Policies placed

37%

YoY surge in inquiries generated

Key Highlights

- During the quarter, we focussed on consolidating our institutional business and strengthening our collaborations.
- We have initiated in-house development of motor portal for a seamless online customer experience. We will be one of the few insurance brokers in the industry having an in-house portal.

300K+

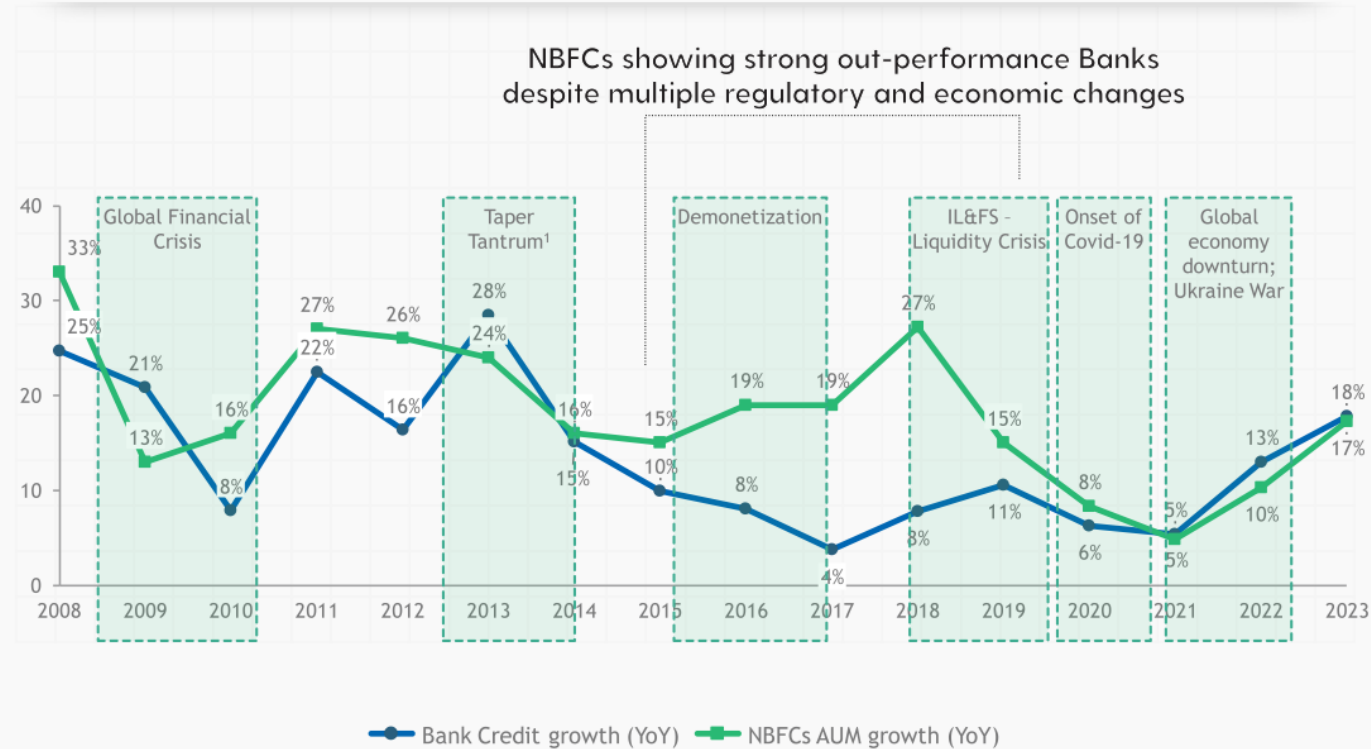
Borrowers Insured

₹ 340 Mn

Premium Generated

NBFC - Industry Overview

Banks Vs NBFCs - YoY growth in Advances



Growth Prospects for NBFCs

- Digital Transformation
- Regulatory Framework
- Wider & Effective reach
- Schemes by Government
- Robust Risk Management
- Innovative Products

NBFC

Empowering MSMEs through retail lending tailored specifically for the dynamic semi-urban and rural landscapes

Total Loan Book

Rs. 4,684 Mn

Retail Loan Book

Rs. 2,680 Mn

Our Offerings



MSME
Business
Loan



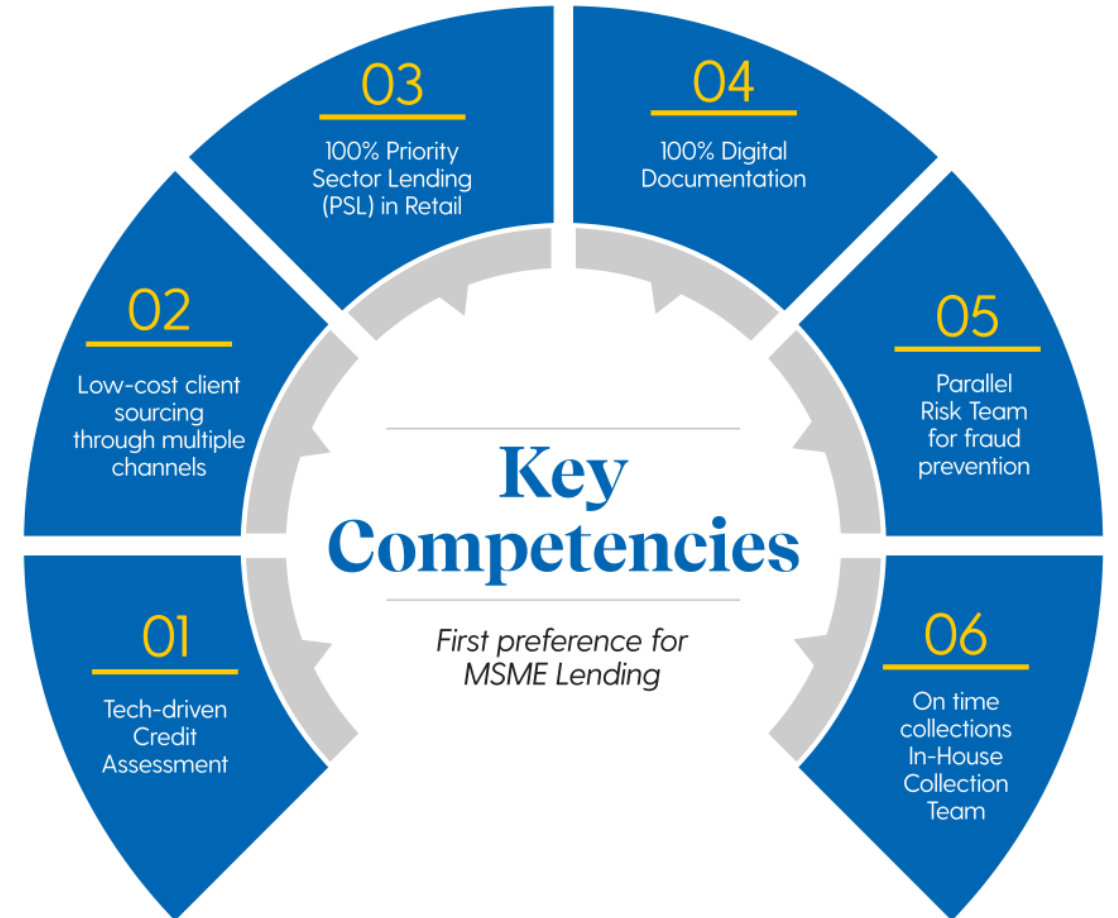
Commercial
Vehicle
Finance



Supply
Chain
Finance



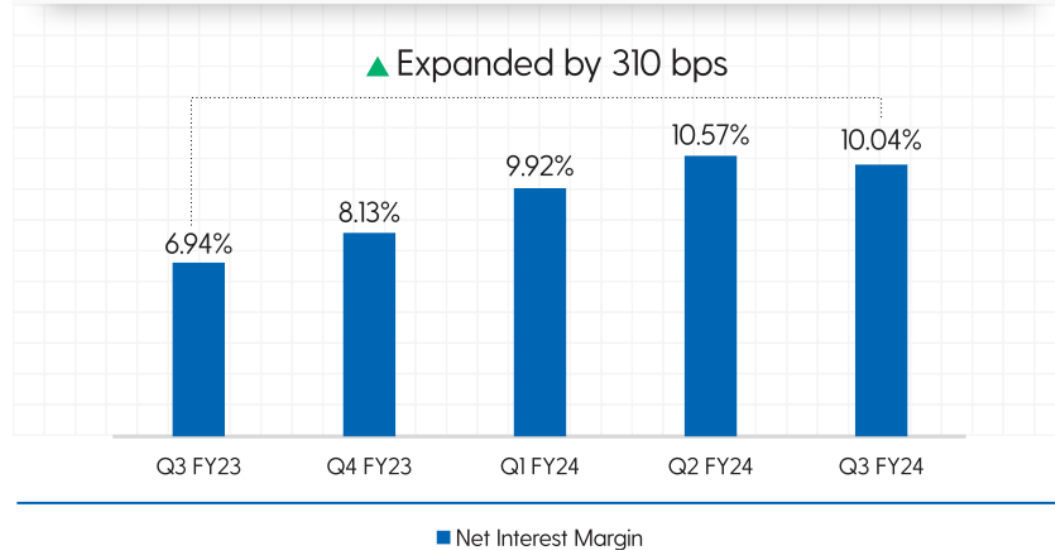
Solar
Finance



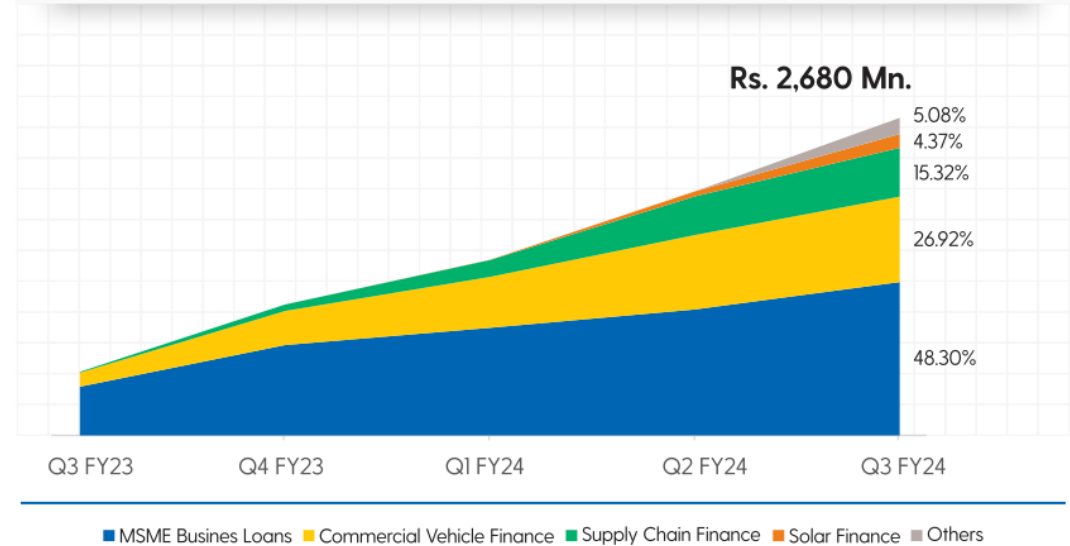
NBFC

Empowering MSMEs through retail lending tailored specifically for the dynamic semi-urban and rural landscapes

Growing Net Interest Margin



Focused Retail Portfolio Mix



AUM	Net Worth	GNPA [#]	PCR	CRAR	Borrowers	Coll. Eff.	States	Branches
Rs. 4,684 Mn	Rs. 2,241 Mn	1.18%	34.44%	44.26%	6,504	>95%	7	37

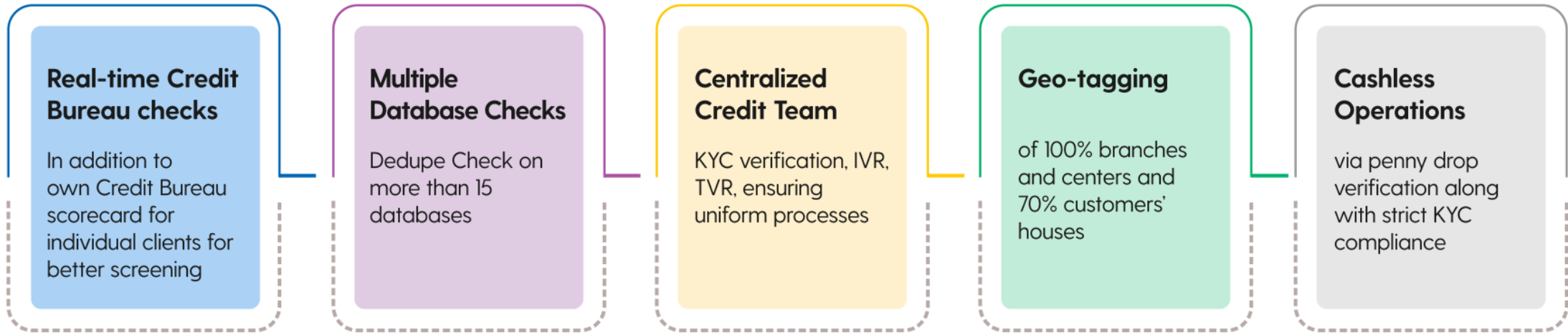
Abbreviations

- AUM - Asset Under Management
- GNPA - Gross Net Performing Assets
- PCR - Provision Coverage Ratio
- CRAR - Capital Risk Adequacy Ratio
- Coll. Eff. - Collection Efficiency

[#]The increase in GNPA is due to seasoning of unsecured Retail Loan book. The delinquency is largely concentrated towards turmoil in the garments industry.

NBFC

Robust Underwriting Processes



Well-diversified Liability Profile

Banks



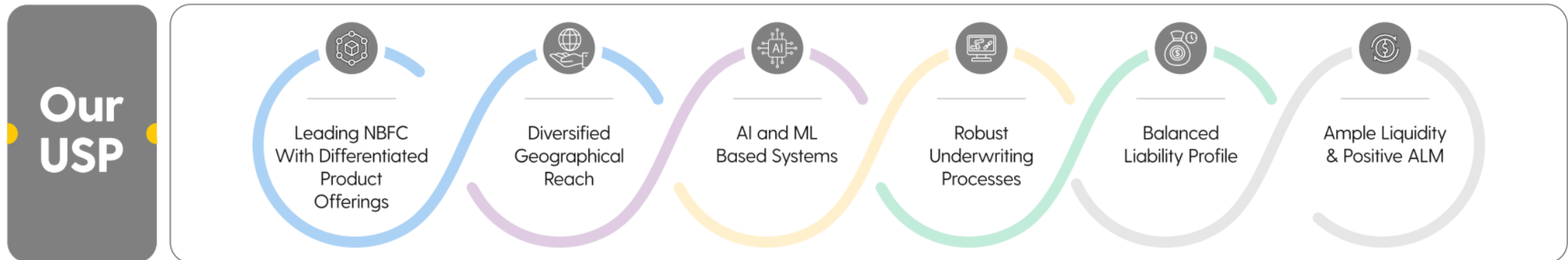
Financial Institutions



NBFC

Wide range of product offering to cater multiple customer segments in priority sector

Products Name	Business Loans (Unsecured)	Business Loans (Secured)	Supply Chain Finance	Vehicle Loans	Solar Loan
Ticket Size	Upto Rs. 750K	Upto Rs. 5 Mn	Upto Rs. 10 Mn	Upto Rs. 2.5 Mn	Upto Rs. 2.5 Mn
Tenor (in Months)	Upto 60	Upto 120	Upto 3	Upto 60	Upto 60
ROI Range	18-28%	16-20%	15-30%	15-25%	18-24%
Security Coverage (%)	NA	60-70	100	100	100
Processing Fee	Upto 2%	Upto 2%	Upto 2%	Upto 2%	Upto 2%
Average Ticket Size	Rs. 350K	Rs. 750K	Rs. 5 Mn	Rs. 400K	Rs. 800K
Repayment Frequency	Monthly	Monthly	Bullet Repayment	Monthly	Monthly



Choice Matters: Impacting Tomorrow

MSME Credit Gap:

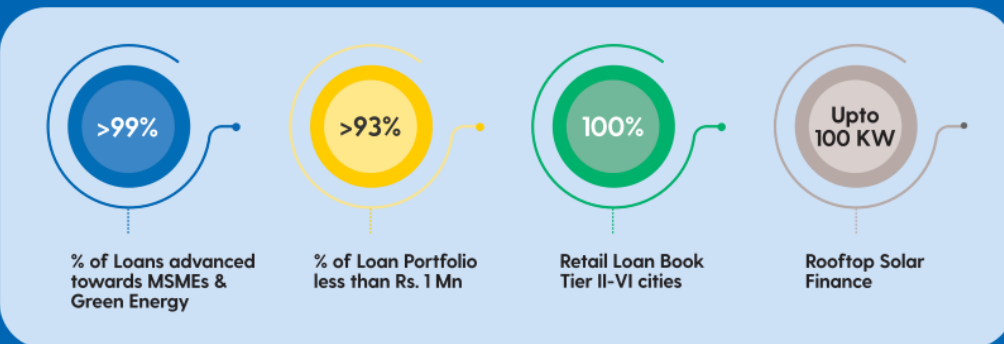
Out of over 640 lakh MSMEs in India, only 14% have access to credit & the overall credit gap in the MSME Sector is INR 25 lakh crores in India.

With our aim to serve the underserved, we have developed a robust and 100% digital process to eliminate challenges faced by MSMEs.

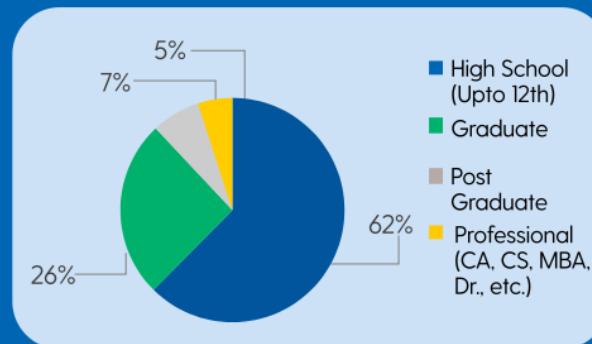
Green Energy Credit Gap:

India's energy sector is experiencing a transition but the green energy sector is getting only 25% of the annual financing it needs to meet the energy transition goals. There is a funding gap of USD 170 Bn/year through 2030.

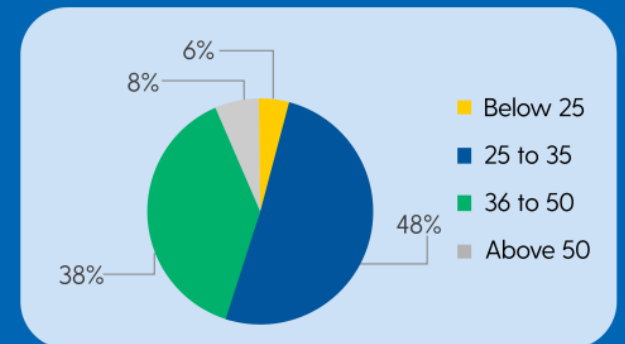
Further, the Indian EV market is also projected to USD 114 Bn by 2029.



Educational Background of Borrowers*



Age group of borrowers



*Based on a sample study conducted internally

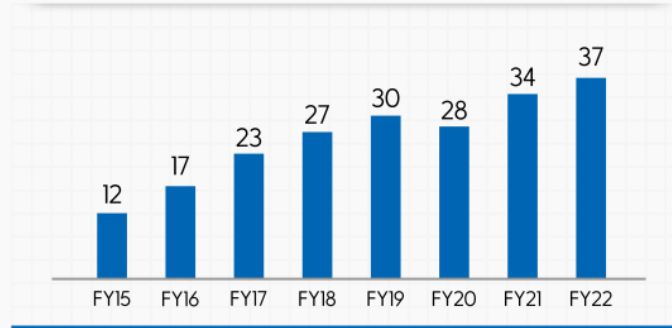
Advisory Services - Industry Overview



Infrastructure is much more than cement and concrete. Infrastructure guarantees a better future. Infrastructure connects people.

Shri. Narendra Modi
Hon'ble Prime Minister of India

Road construction per day (Kms)



National Infrastructure Pipeline

9,084
Projects

US\$ 1,806.70 Bn
Total Project Cost

1,997
Projects Under Development

57
Sub-sectors

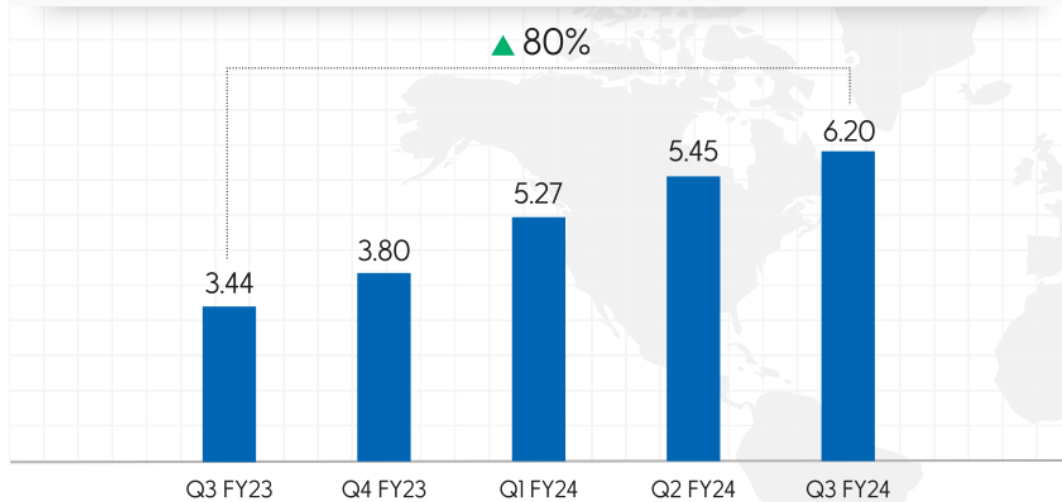
	Road & Highways	Railways	Water Resources	Logistics Infrastructure	Electricity Generation	Transmission Distribution
Projects	3,758	756	635	272	926	424
Value (US\$ Bn.)	404.08	244.72	155.81	13	325.39	119.5

Source: Invest India, National Infrastructure Pipeline website

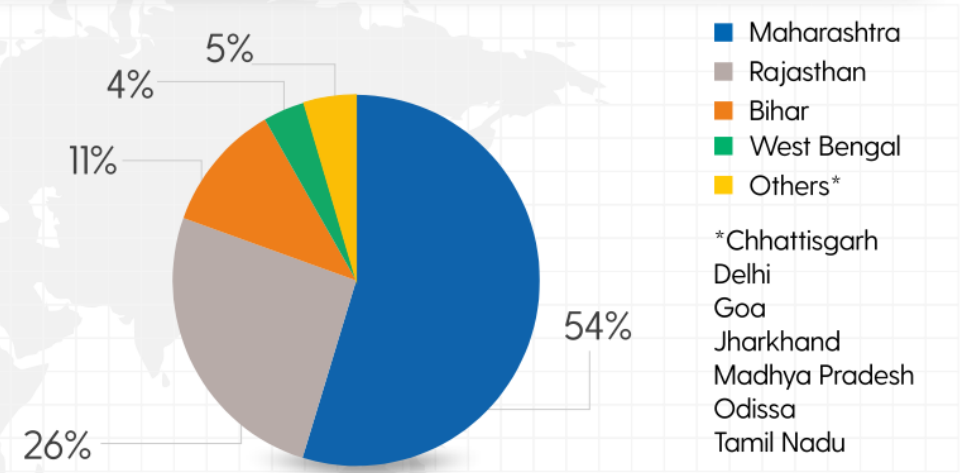
Advisory Services

Government Infrastructure Consulting, Government Advisory, Investment Banking

Order Book (Rs. Bn)



Statewise - Order Book



3K+ Km

Road Design
& Monitoring
across India

65+

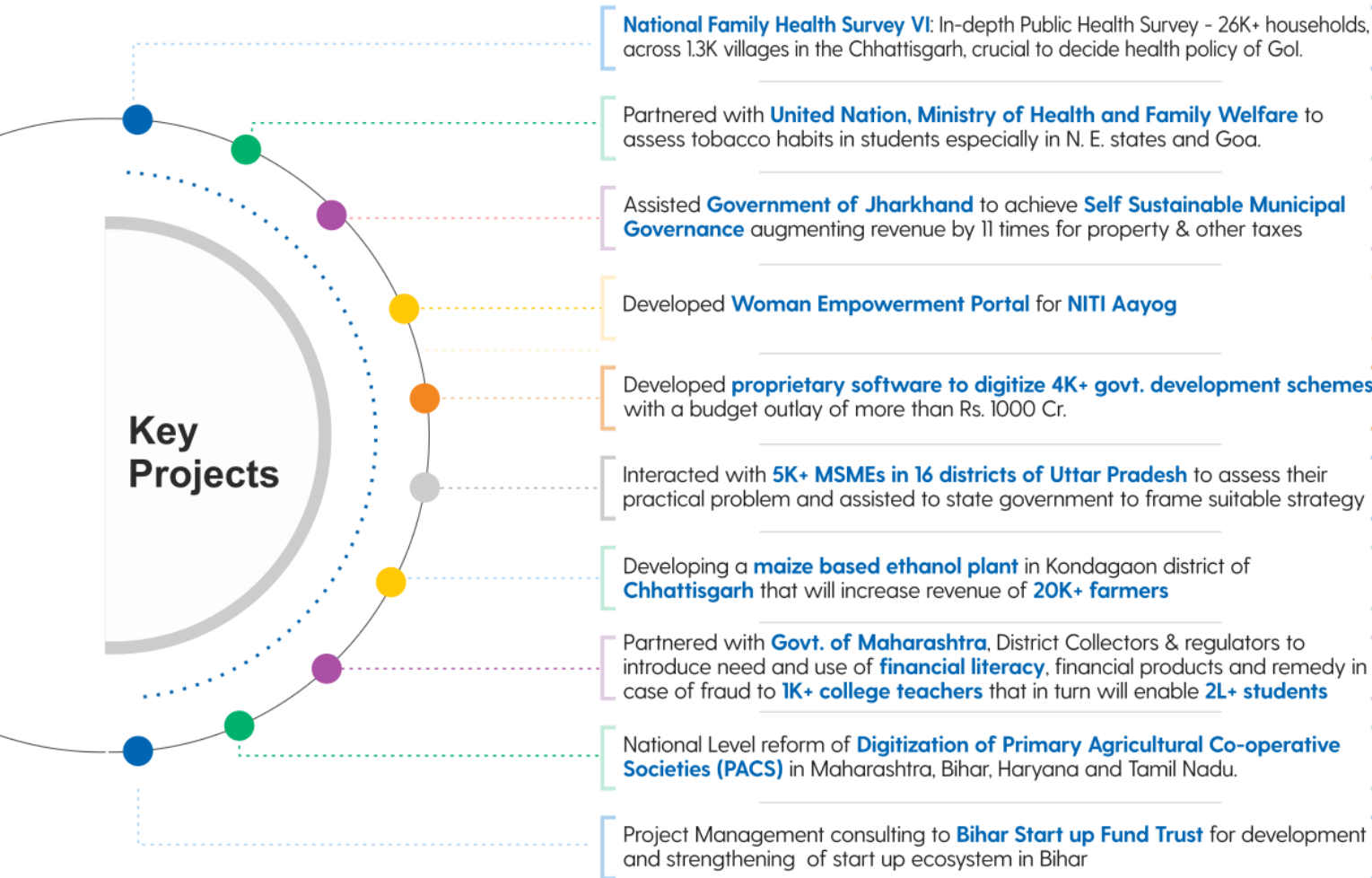
Project
Offices

200K+

PMAY
Beneficiary
Served

Advisory Services

Association with over 500 Urban Local Bodies, 25 State Departments and 10,000+ Panchayati Raj institutions.



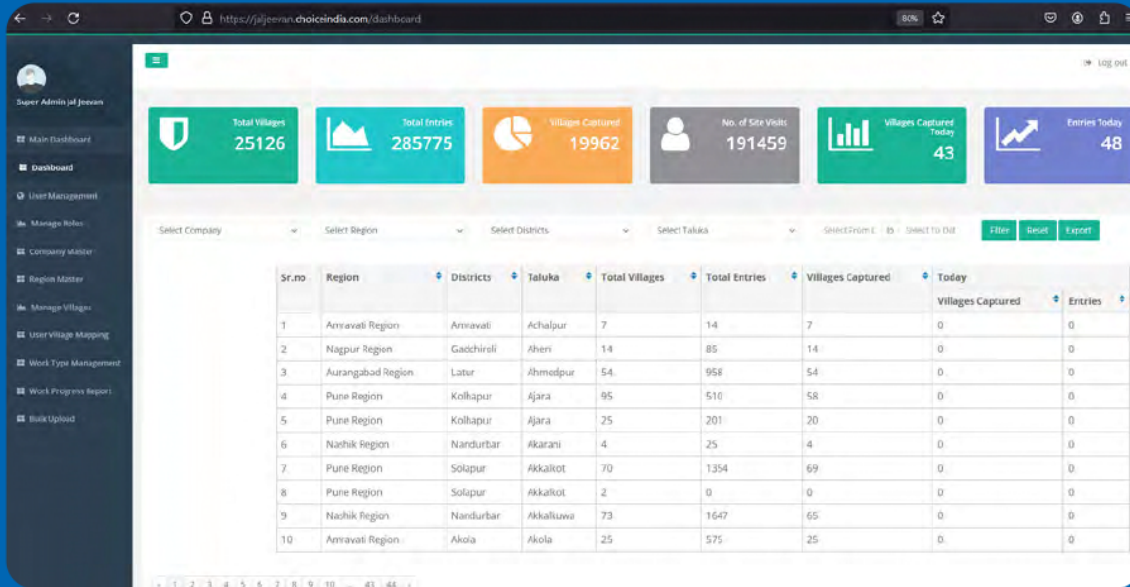
- Diverse talent pool of 1K+ professionals including Retired Beaucrats and professionals from fields like Agriculture, Health, Livelihood, Tribal, Social Sector, Public Policy, Treasury, Capacity Building and Scheme Administration area.

Clients

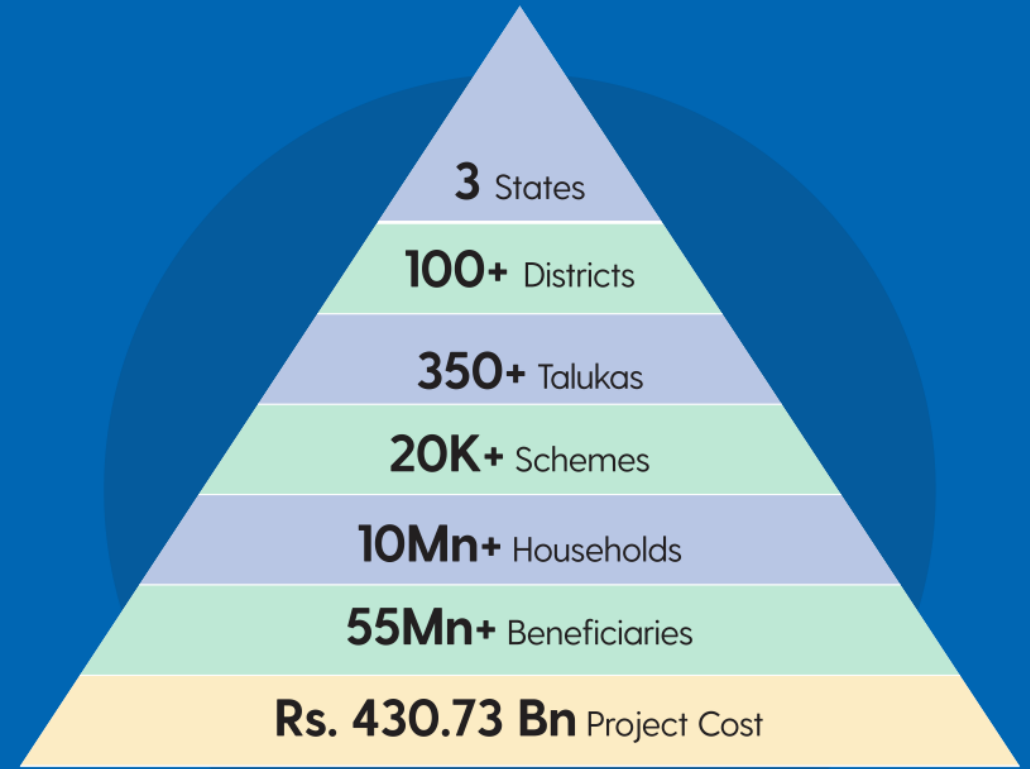


Choice Matters: Impacting Tomorrow

Proprietary platform for real time monitoring and to ensure timely completion of projects



• Projects •



Impact of our
Flagship Projects

Choice Matters: Impacting Tomorrow

Choice is committed to actively participate in India's remarkable growth story and leveraging our resources, expertise, and innovative solutions to make a meaningful impact on various aspects of Indian life, from economic development and employment opportunities to social well-being and environmental sustainability.

We aim to be a catalyst for positive change, aligning our success with the progress and prosperity of the nation and its people.



Key Initiatives:

Partnership with Rajasthan State Govt.:

Developing and executing a comprehensive strategy to bolster the state's investment ecosystem, drive economic growth and foster social inclusivity.

System Integration for computerization of PACS in Bihar, Maharashtra, Haryana & Tamil Nadu:

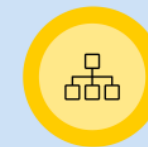
With our commitment to driving innovation and positive change in the rural financial landscape, we are set to digitize PACS (Primary Agricultural Credit Societies) in 70 Districts.

7,500
PACS to be computerized

Advantages of PACS computerization



Increased
Transparency



Nodal centre
for Schemes

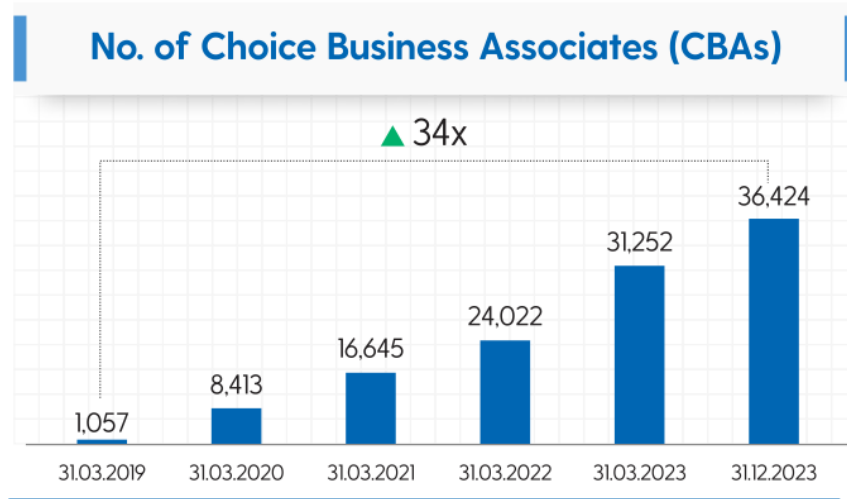


Employment
Generation

Advisory Services - Key Clientele

Choice Connect

To enable individual agents to become financial advisors with the help of proprietary engine, engaging trainings and digital execution of services



75+ | CBA Trainings Conducted during the Quarter

7.5K+ | CBAs received Payouts

7K+ | CBAs trained

8K+ | CBAs generated Business Leads

Array of Financial Products for CBAs

								
Stock Broking	Mutual Fund	Retail Loan	Insurance	Government Securities	Credit Card	Corporate Fixed Deposits	Saving Bank Account	Market Linked Debentures

Choice Connect

To enable individual agents to become financial advisors with the help of proprietary engine, engaging trainings and digital execution of services

Helping Agents

- Web, Android and iOS platform to work from anywhere
- Wide range of product basket
- Both recurring and non-recurring revenue stream
- Start with zero investment
- Unlimited Earnings
- Subject Matter experts to support and guide
- Complete Digital process to do business
- Use of Proprietary algos to support CBAs and generate business opportunities

Focus on CBA Experience

Business Support

- Dedicated RM for each product helping them on each step
- Easy to use web and app platform helping them to track all the business on the go
- Regular product trainings with Industry experts and Subject matter experts
- Ready available MIS to understand business momentum

Future Focus

- Technological enhancement focusing on reducing efforts on CBAs
- Development of Proprietary Algos for suggesting suitable products
- Adoption of Regulatory changes



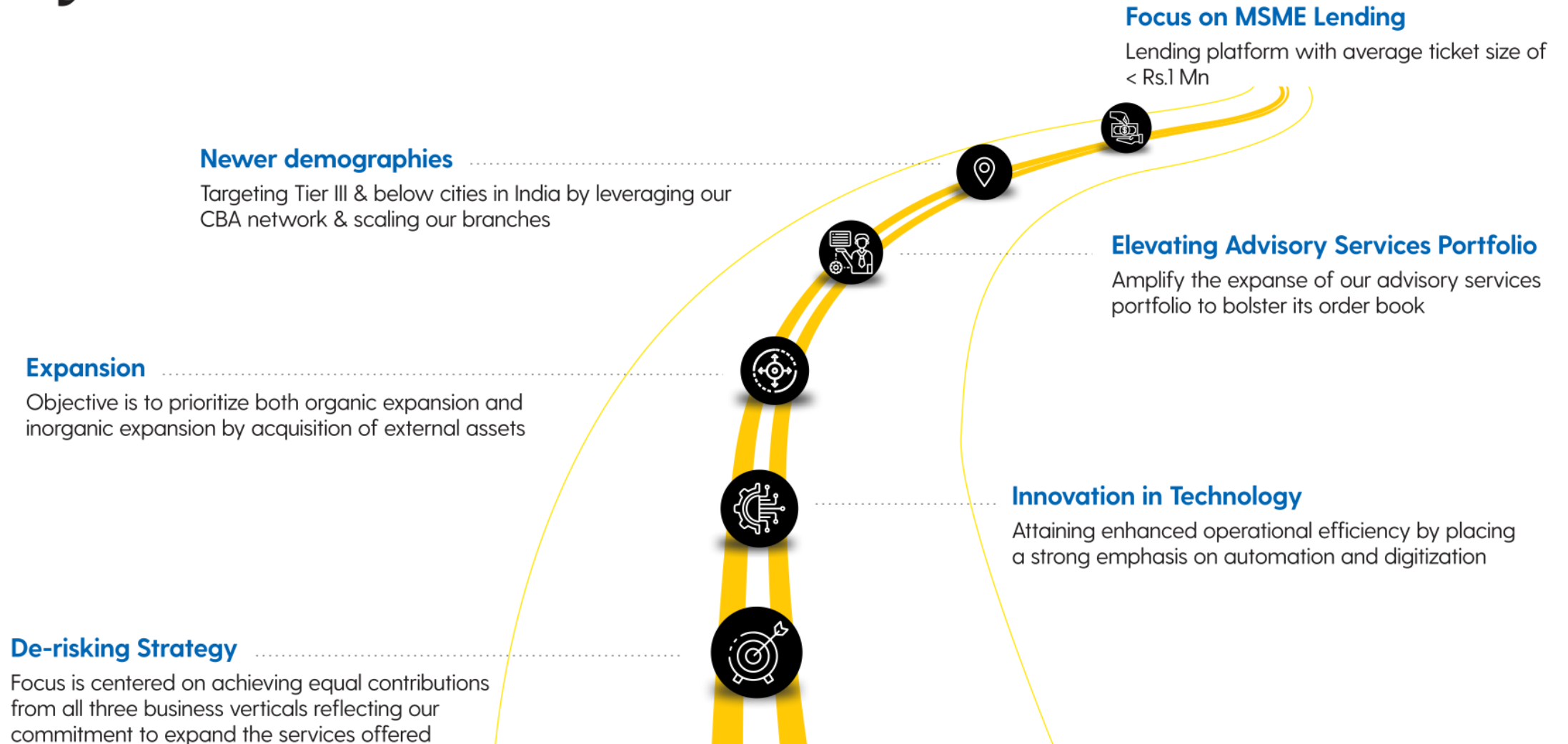
CBA Onboarding

- 100% Digital on-boarding process: Allowing them to start business on the fly
- Sarvashreshtha Aarambh Program: Providing detailed induction to CBAs to increase familiarity with the company

Growth Support

- Research Reports on all the major products along with details of suitable clients: For better prospect identification and conversion
- Personalised marketing materials including whatsapp shares: To help in lead generation
- Regular Reward and recognition programs including Product contests: To increase motivation
- Zero Cost Web and App platform
- Regular reminders on Leads including renewals, SIP dues, Quarterly settlements, etc

Way Forward



Consolidated Financial Performance - Quarterly

Particulars (Rs. Lakhs)	Q3 FY24	Q3 FY23	Y-o-Y Growth (%)	Q2 FY24	Q-o-Q Growth (%)
Revenue from Operations	20,728	9,634	115%	19,095	9%
Other Income	250	209	20%	293	(15%)
Total Income	20,978	9,843	113%	19,388	8%
EBITDA	6,923	2,631	163%	5,158	34%
EBITDA Margin	33%	27%		27%	
EBIT	6,758	2,499	170%	4,983	36%
EBIT Margin	32%	25%		26%	
PBT	5,621	1,841	205%	4,000	41%
PBT Margin	27%	19%		21%	
PAT	4,028	1,390	190%	2,992	35%
PAT Margin	19%	14%		15%	

Consolidated Financial Performance - Quarterly

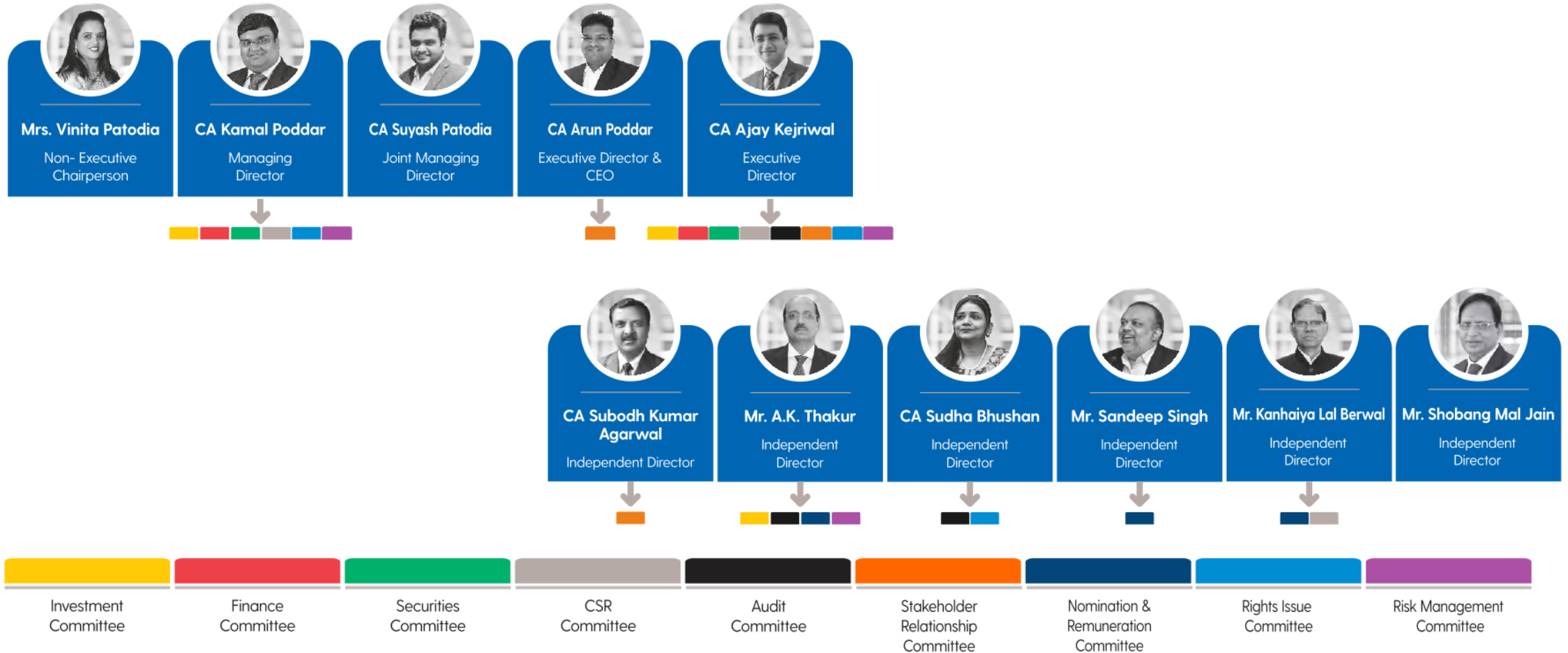
Particulars (Rs. Lakhs)	Q3 FY24	Q2 FY24	Q-o-Q (%) Growth	Q3 FY23	Y-o-Y (%) Growth
Revenue from Operations	20,728	19,095		9,634	
Other Income	250	293		209	
Total Income	20,978	19,388	8%	9,843	113%
Employee Benefit Expenses	5,729	5,399		2,852	
Finance Costs	1,137	984		658	
Depreciation and Amortisation Expenses	165	175		133	
Administrative and Other Expenses	8,326	8,830		4,359	
Total Expenses	15,357	15,388	0%	8,002	92%
PBT	5,621	4,000	41%	1,841	205%
Tax Expenses	1,593	1,008		451	
PAT	4,028	2,992	35%	1,390	190%
Other Comprehensive Income	(8)	(8)		1	
Total Comprehensive Income	4,020	2,984		1,391	

Consolidated Financial Performance - 9 Months

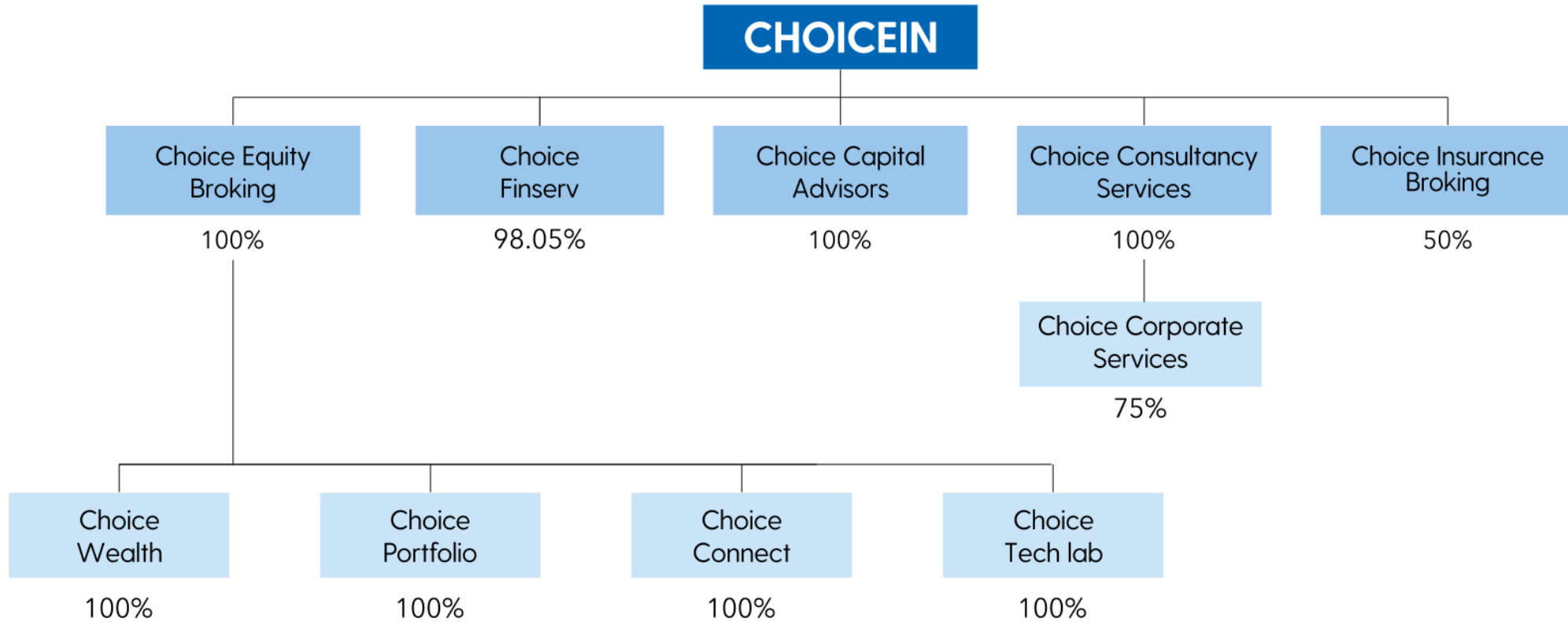
Particulars (Rs. Lakhs)	9MFY24	9MFY23	Y-o-Y (%) Growth
Revenue from Operations	53,614	24,914	
Other Income	678	649	
Total Income	54,292	25,563	112%
Employee Benefit Expenses	15,832	7,186	
Finance Costs	2,794	1,616	
Depreciation & Amortisation Expenses	487	342	
Administrative & Other Expenses	22,619	12,250	
Total Expenses	41,732	21,394	95%
PBT	12,560	4,169	201%
Tax Expenses	3,413	1,189	
PAT	9,147	2,980	207%
Other Comprehensive Income	(21)	2	
Total Comprehensive Income	9,126	2,982	

Board Members

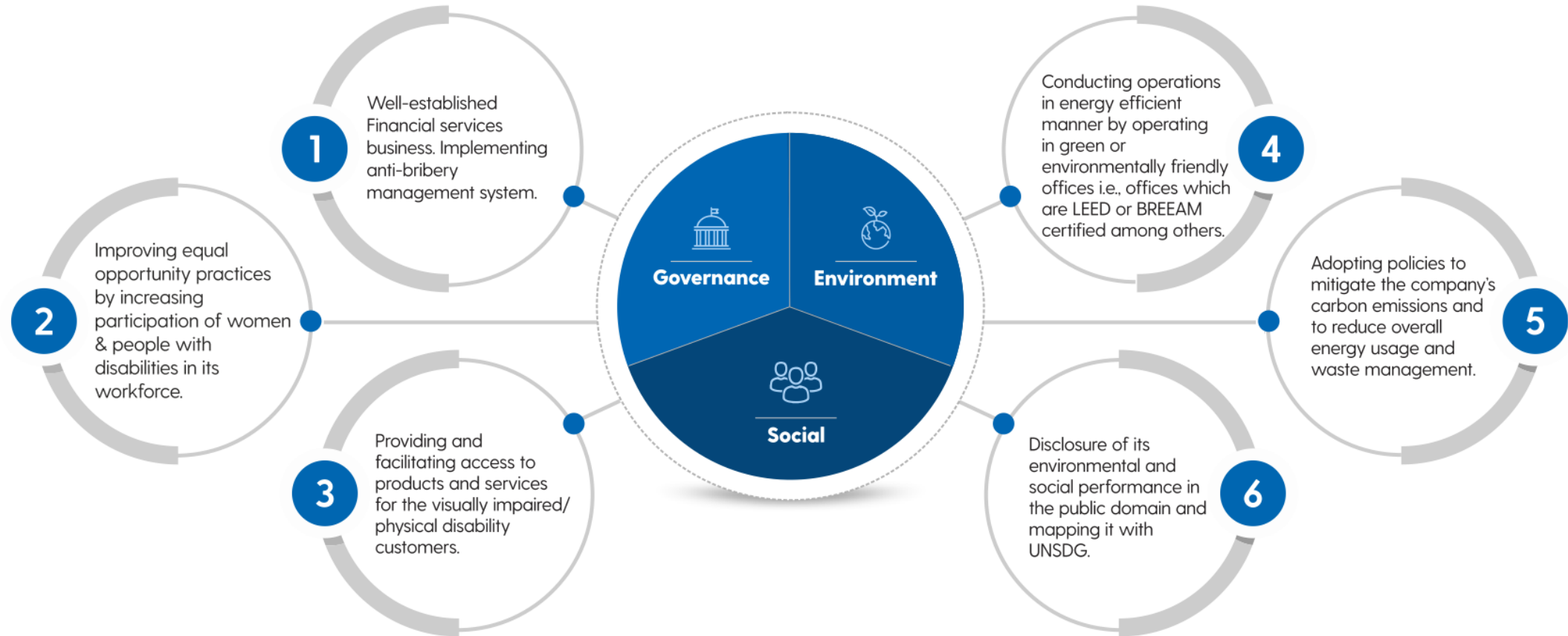
Board with extensive experience across businesses



Current Entity Structure



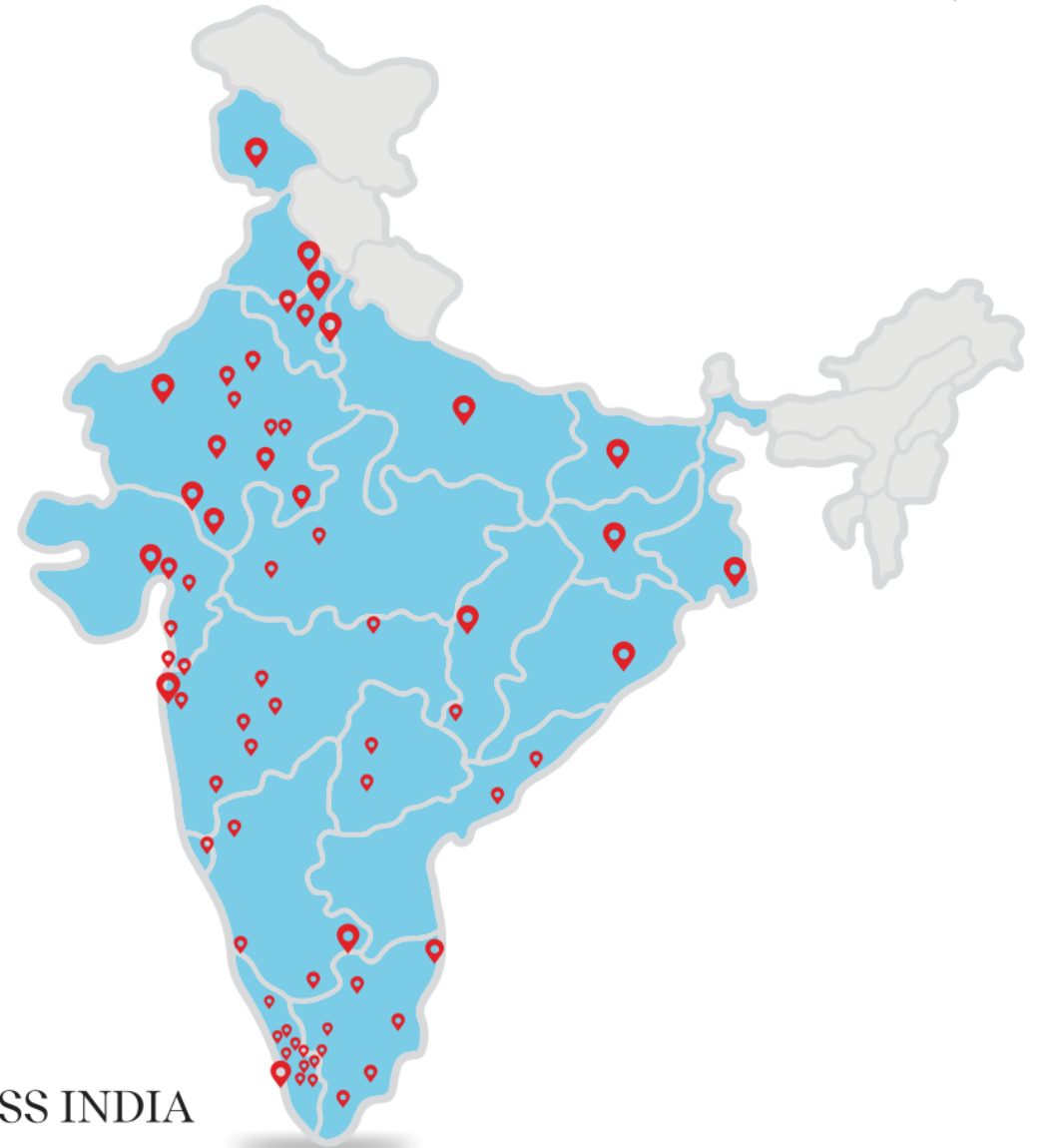
Environmental, Social and Governance



Geographical Presence

Mumbai - (Head office)

Agra	Chittorgarh	Jammu	Mandsaur	Rajsamand
Ahmedabad-1	Cochin	Jamshedpur	Mangalore	Ranchi
Ahmedabad-2	Coimbatore	Jhalawar	Mehsana	Ratlam
Ahmedabad-3	Dehradun	Jhunjhunu-1	Morbi	Salem
Ahmednagar	Dhanbad	Jhunjhunu-2	Mumbai-Marol	Secunderabad
Ajmer	Erode	Jodhpur	Mysore	Sikar-1
Aluva	Faridabad	Kaloor	Nagpur	Sikar-2
Ambala	Gandhinagar	Kalyan	Neemuch	Surat
Angamaly	Gurugram	Kanjirappally	New Delhi-1	Thiruvalla
Aurangabad	Gwalior	Kannur	New Delhi-2	Thrissur
Bangalore	Himmat Nagar	Kanpur	New Delhi-3	Tirunelveli
Belgaum	Hubli	Kochi	New Delhi-4	Trichy
Bhagalpur	Indore	Kolhapur	Noida	Trivandrum
Bhilai	Jabalpur	Kolkata-1	Pala	Udaipur
Bhilwara-1	Jaipur-1	Kolkata-2	Palakkad	Ujjain
Bhilwara-2	Jaipur-2	Kota-1	Panaji	Vadodara-1
Bhopal	Jaipur-3	Kota-2	Panipat	Vadodara-2
Bhubaneswar	Jaipur-4	Kottaramattom	Patna	Varanasi
Bundi	Jaipur-5	Kottayam	Pune	Vijayawada
Chandigarh	Jaipur-6	Kozhikode	Raipur-1	Visakhapatnam
Chennai-1	Jalandhar	Lucknow	Raipur-2	Warangal
Chennai-2	Jalgaon	Madurai	Rajahmundry	








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Extensive coverage by Television, Digital, Print and Social Media

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Q3 FY23
345

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Registered across exchanges in India

Memberships And Registrations



Certifications



Auditors

MSKA & Associates

Chartered Accountants

· A Member firm of BDO

Disclaimer

Certain statements in this presentation concerning our future growth prospects are forward looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements.

The company's results may be affected by factors including, but not limited to, the risks and uncertainties in research and development; competitive developments; regulatory actions; the extent and duration of the effects of the COVID-19 pandemic; litigation and investigations; business development transactions; economic conditions; and changes in laws and regulations.

Choice International will not be responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

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Thank you