



“Choice International Limited
Q4 & FY26 Earnings Conference Call”

April 24, 2026



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MODERATOR: **MS. FORUM GOSHER – ADFACTORS PR INVESTOR RELATIONS**

Moderator: Ladies and gentlemen, good day and welcome to the Q4 & FY26 Earnings Conference Call hosted by Choice International Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand over the conference to Ms. Forum Gosher from Adfactors PR, Investor Relations. Thank you and over to you, Ms. Forum.

Forum Gosher: Good evening, everyone. On behalf of Choice International Limited, I welcome you all to the earnings conference call for Q4 & FY26. Joining us today from the management team are Mr. Arun Poddar, Group CEO; Mr. Ajay Kejriwal, Executive Director; and Mr. Ayush Sharma, Head of Investor Relations.

The earnings presentation has been uploaded on the exchanges as well as on the company website. You may refer to it as we walk you through the opening remarks and the discussions during the call.

Before we begin, I would like to remind you that certain statements made during this call may be forward-looking in nature and are subject to risks and uncertainties. These are detailed in the company's Annual Report and other Investor disclosures available on the website. Choice International Limited does not undertake any obligation to publicly update these forward-looking statements.

With that, I will now hand over the call to Mr. Arun Poddar to share his opening remarks. Thank you and over to you, sir.

Arun Poddar: Good evening, everyone and thank you for joining us today. In FY26, India maintained steady progress backed by a stable policy environment and consistent execution. There is a growing confidence across sectors driven not just by expectation but by the change already visible on the ground. Continued investment by global players across industries such as technology, manufacturing, service, energy, and logistics reflect that long-term commitment to India's growth story.

In this context, our performance in Q4 FY26 reflects stable progress for Choice with continued momentum across our institutional, distribution, and product-led business. Our focus during the quarter remained on strengthening our platform, expanding our reach, and building partnerships while also growing our presence in areas such as public sector advisory.

During the quarter, our consulting subsidiary secured government mandates aggregating approximately Rs. 55 Cr. These mandates span program management, governance reform, and digital transformation indicating our growing presence in public sector advisory space.

In wealth management, we secured a digital investment platform mandate from India Post Payments Bank. This provides access to a large distribution network and support our effort to scale this business. In asset management, we expanded our offering with the launch of the Choice Nifty 50 Index Fund and Choice Nifty Next 50 Index Fund in line with our focus on long-term investing solutions.

Our business performance this quarter reflected a deliberate emphasis on building strength within each vertical rather than pushing broad-based expansion. In broking and distribution, our focus continued to be on the cash delivery segment. This has helped maintain margins and build a more stable clientele base. The segment contributed 59% to total revenue with stockbroking AUM at Rs. 52,482 Cr in Q4 FY26, growing 28% YoY. Wealth AUM stood at Rs. 4,268 Cr supported by steady client participation in delivery-led products.

Our network with 67,000 Choice Business Associates remains an important part of our distribution strategy. This model allows us to combine digital capabilities with on-ground presence, helping us expand our reach while maintaining client engagement.

During the quarter, our Demat account base grew to 13 lakhs, up 16% YoY, supported by improved onboarding and a wider product offering. In the insurance business, we saw consistent growth driven by a broader partner network and increased use of digital platforms. Premium collection stood at Rs. 84 Cr in Q4 FY26, reflecting 14% YoY growth, while policy volumes stood at 50,887 number of policies.

In our NBFC segment, we continue to focus on secured lending given the current environment in unsecured lending. Our emphasis on MSME, micro-LAP, rooftop solar financing support more stable growth. The loan book stood at Rs. 800 Cr as of FY26 with the segment contributing 13% to total revenue. Our in-house collection process continues to support asset quality with NNPA remaining stable at 1.86% as of March 31, 2026.

The advisory business continues to benefit our ongoing infrastructure and governance-related projects with an order book of Rs. 698 Cr. We are working on projects such as digital PACS, and multilateral support initiatives. This segment contributed 28% to total revenue and provides visibility over the next two to three years.

Let me pass it on to Ayush Sharma, our Head of Investor Relations, who will present the quarter's financial performance. Thank you.

Ayush Sharma:

Thank you, sir. I will now walk you through our financial performance for Q4 & FY26. During the quarter, Choice reported consolidated revenue of Rs. 314 Cr, representing a growth of 23% on a YoY basis. EBITDA for the quarter stood at Rs. 123 Cr with margins at 39.08% reflecting improved operating efficiency. Profit after tax came in at Rs. 68 Cr translating into a margin of 21.62% and a YoY growth of 27%.

For the full year FY26, consolidated revenue was at Rs. 1,145 Cr, up 24% compared to last year. EBITDA stood at Rs. 425 Cr with margins at 37%, while PAT was Rs. 238 Cr reflecting a

growth of 46% on a year-on-year basis. Overall, the performance reflects steady execution across businesses and continued strength in our operating model.

Looking at segment performance, the broking and distribution business reported revenue of Rs. 179 Cr in Q4 FY26 with a PBT of Rs. 55 Cr. Our Demat account base has grown to 12.63 lakhs, while we are seeing increased engagement per client supported by cross-selling of insurance and wealth products through the FinX platform.

The NBFC segment recorded revenue of Rs. 43 Cr and PBT of Rs. 2 Cr during the quarter. Asset quality remains stable with GNPA at 2.74% and NNPA at 1.86%. This has been supported by disciplined underwriting, improved collections, and a diversified loan book. Net interest margins remained healthy at 11.22% in line with our focus on secured lending.

In the advisory segment, Q4 FY26 revenue stood at Rs. 91 crores with a PBT of Rs. 31 Cr. For FY26, the segment reported revenue of Rs. 330 Cr and a PBT of Rs. 120 Cr. Performance during the period was supported by steady execution and continued inflow of mandates including repeat engagements.

With this, I would now like to open the floor for any questions.

Moderator: Thank you. We will now begin the Q&A session. The first question is from the line of Urmish Shah from Moneywisers. Thank you and over to you.

Urmish Shah: Thank you for the opportunity. My first question is on the wealth product AUM; we witnessed a 23% decline. Could you give some color on that?

Ayush Sharma: Sure. If you see, there is a decline in overall AUM, however, there is a growth of 35% in the equity MF AUM. The decline is largely driven by redemptions in the debt mutual funds, which is natural because of the market sentiment wherein people withdraw their excess capital deployed in debt and tend to invest in equities at a better price. So, that's the larger reason which is driving the reduction in the debt AUM. The margins in equity is higher for the company compared to debt mutual funds, therefore there is no larger impact on the overall revenue of the company.

Urmish Shah: As you were saying the reason, is this what we'll witness if the market conditions are not stabilized going further? Do you see that in the future?

Ayush Sharma: No, our focus product is also equity AUM. We will see a consistent growth in the equity mutual funds. So, that's largely a treasury product, that will not be our core focus product. Our core focus will be equity MF only.

Urmish Shah: On the NBFC, are we comfortable with our provision coverage ratio? In your opening comments, you did mention that NPAs are stable that way, but still, we see a 1 or 3 bps increase in the NPA. Could that be somewhat streamlined?

Ayush Sharma: On the provision coverage ratio, it is driven by an established market practice of ECL, expected credit loss as per the accounting standards. We have adopted the accounting policy defined by the accounting standards and whatever is calculated by the policy of accounting standards, we are preparing the provisions.

On the asset quality side, you can see a growth in the overall YoY numbers. However, during the year there has been certain rise in the NPA numbers, which has come down in Q4 FY26. This rise was largely driven by the overall economic impacts which we had seen in the microfinance segment, but now things seem to be normalizing starting this quarter.

Urmish Shah: My next question is on the insurance side. We see a decline in the corporate side of the business, in which we had seen previously as well. So, is that segment in a bit of a doldrum?

Ayush Sharma: Overall, there has been a growth in the insurance premium and larger contribution has come from retail insurances rather than the corporate insurances. There has not been major impact on the revenues. However, there we had seen for last two quarters slight reduction in the corporate insurance premium.

During the last year, we had got insurance premium from certain government contracts. That was the larger reason why there was higher insurance premium in the previous financial year; when we compare that number to this year's number; you see a decline. However, the corporate insurance premium is for the corporates, it is as per our expected range only.

Urmish Shah: Lastly, on the mandate with Assam Industrial Green Growth Fund; as I see on your Slide 39, could you give some color on how will be the structure and how the things will proceed and whether FY27 is the year that we are looking forward to go up about it?

Ayush Sharma: The Government of Assam has mandated Choice Capital Advisors Private Limited to assist them in setting up the AIF and then doing the roadshows for the fundraising for the AIF as well. Our role is to assist the government, although the fund management etcetera will be done by the government themselves.

Urmish Shah: Okay. Thank you, sir. I'll join back.

Moderator: Thank you. The next question is from the line of Shweta Sharma from Arihant Capital. Thank you and go ahead.

Shweta Sharma: Thank you so much. The revenue grew in FY26, but PAT margin remains probably stable. What are the key levers you are targeting to expand net margin over the next 2-3 years?

Ayush Sharma: We have expansion in the net margins as well during this particular financial year. However, to expand the margins further, the larger use of tech is going to play a role as we achieve the higher scales. Our fixed costs are not going to increase. As seen in the Q4 performance, the revenues have grown by 23%, but the profit has grown by 46% for FY26. So, that higher growth than the

revenue in profit after tax shows the higher expansion in the margins. That will continue to expand as we leverage on the technology, and the fixed cost remains stable.

Shweta Sharma: Okay. Your acquisition of Optimo Investment Adviser and the IPPB partnership seems like a push into deeper Tier-2 and Tier-3 markets. What is the projected customer acquisition cost for these channels compared to your traditional digital channels?

Ayush Sharma: Traditionally we are largely focused on semi-urban geographies, Tier-2, Tier-3, Tier-4 geographies where we acquire customers. However, at the same time, the execution is completely digital and tech-driven, which is through our mobile app or through our web trading platform etcetera. But the acquisition is still physical, which is driven by branches, CBAs.

Coming to your question on the acquisition partnership with the IPPB, their existing customer base, we will be providing the services to their existing customer base; thereby making our customer acquisition negligible or at a very low levels because we will be earning revenues from the cross-sell which we do to their existing customer base. So, we don't see much of the customer acquisition cost increase while having a partnership with IPPB.

Shweta Sharma: Okay. As you scale the book, are you seeing any compression in yields specifically? What is the current GNPA and NNPA trend in newly acquired Paisabuddy retail lending portfolio?

Ayush Sharma: The acquired portfolio is also behaving in line with our portfolio. When we had acquired, we had done a comparative study and the study stated that both the portfolios of Choice and Paisabuddy are similar in nature in terms of customer segment and geographies. Therefore, the performance is also similar. We don't see a differentiated performance in the portfolio acquired from Paisabuddy.

Shweta Sharma: Okay. Are you seeing any compression in yields?

Ayush Sharma: Definitely, as we grow further and as we originate better credits, there is going to be a rate reduction. However, that will be a marginal, not a very significant impact in the compression of the NIM. But, at the same time, the impact will be seen in the asset quality also, thereby increasing our ROE only and not having any negative impact on the ROE.

Shweta Sharma: Okay. Lastly, which segments will be the primary growth engines going forward?

Ayush Sharma: All four segments are focused segments for us. There is nothing primary or nothing secondary. There is no segment which is of non-core focus. All these are growing and all these will continue to grow in future as well. We have dedicated CEOs for all the segments and all business verticals. The day-to-day execution and business decisions are taken care of by all of them. So, all of them will continue to grow and eventually, become a larger organization.

Moderator: The next question is from the line of Suraj Shinde from Yes Securities. Thank you and go ahead.

Suraj Shinde: Thank you for the opportunity. I have few questions. Firstly, as the base grows larger, what is your realistic medium-term growth guidance across revenue and profitability?

- Ayush Sharma:** We have been constantly communicating as well as projecting internally to maintain a growth rate of around 30% on YoY basis across revenues and profitability.
- Suraj Shinde:** Okay. What are we doing to convert dormant demat holders into active traders and what is the target activation ratio over the next 12 months?
- Ayush Sharma:** When we talk about the dormant demat holders, there are different types of customers which we segregate internally. These are classified into investors, traders and somewhat followers. So, these are the three categories which we classify in and accordingly for each category a different set of actions are taken to activate the dormant demat holders.
- The larger push for activation is through our digital channels by understanding their other investments, by understanding their kind of investment philosophy and then sending the nudges and sending the attractive opportunities to invest in the market. So, these are the steps which we take depending on the customer investment philosophy and customer behavior.
- Suraj Shinde:** Okay. My last question is that digital adoption is something that is rising right now. What percent of revenue is now coming from digital channels and how do we see this evolving?
- Ayush Sharma:** Around 70% is coming from digital channels. When I say digital channels, these are trades executed on the platform. It can be our mobile app, it can be web trading platform. The offline channels include the call & trade facility and dealer terminals. So, you can see 70% of the revenue is generated through trades placed on the online modes.
- Suraj Shinde:** Okay, sir. That helps. Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Shruti Sharma from Family Office. Thank you and over to you.
- Shruti Sharma:** My first question is could you share your near-term AUM target for the AMC segment for FY27 and also provide some colour on the cost structure for running the AMC business?
- Ayush Sharma:** Okay. Our one-year target in the AMC business, is to reach at Rs. 1,000 Cr of AUM at the close of FY27.
- Shruti Sharma:** Okay. In the insurance distribution segment, how is the corporate versus retail mix expected to evolve going forward? What is the target mix management is working on much?
- Ayush Sharma:** Okay. On the insurance side, we plan to keep 50-50 mix between corporate and retail in future as well.
- Shruti Sharma:** Okay. That answers my questions. Thank you so much and all the best for next quarter.
- Ayush Sharma:** Thank you.

Moderator: Thank you. The next question is from the line of Nikita Mehta, an Investor. Thank you and go ahead.

Nikita Mehta: Thank you for the opportunity. I have a couple of questions. Q4 growth looks strong. Did you see any slowdown in March and April due to market volatility or has the momentum continued in FY27?

Ayush Sharma: Thank you, Nikita, for this question. Of course, there has been the volatility in the market. However, since our business is largely driven by the volumes, even in the in the volatile market, the volume has remained on an upward trajectory and therefore our revenues have grown and in line with the growth in the overall volumes. So, we didn't face any much of the impact because of the market volatility and same we are expecting for FY27 until and unless a larger geopolitical issue comes up, we don't foresee a major impact on the overall revenues.

Nikita Mehta: Okay. What kind of ROCE and ROE thresholds do you target for the new investments?

Ayush Sharma: There are no new investments we are making and there are no new segments in which we are expanding as of now. So, it's the existing businesses which we will continue to grow.

Nikita Mehta: I think it answers my question, sir. All the best for the future.

Ayush Sharma: Thank you.

Moderator: The next question is from the line of Rohan Mehta, an individual investor. Thank you and go ahead.

Rohan Mehta: Thank you for this opportunity. Sir, if you could touch upon the India Post Payments Bank partnership for us, it is quite compelling with over 1,50,000 post offices and 12 Cr odd customers. But it would be safe to assume that most of these would be relatively low income or financially underserved customers who might have a limited capacity into SIPs. Could you shed some light on what your average SIP ticket size you would expect for this segment and how the unit economics would pan out for us, compared to our existing wealth client base?

Ayush Sharma: Thanks Rohan, for this question. Our arrangement with India Post Payments Bank is to provide a platform to the existing customers to invest in the mutual funds. That's the core role. There will be multiple activities which we will be doing while ensuring the goals of this partnership. The largest would be providing a digital platform, integrating our platform with the India Post Payments Bank's platform. Number two, will be to conduct an extensive training for the front office team of the India Post Payments Bank. Then number three is the providing the services to the customers.

Now in this case, as your question is on the size of the SIP and assumptions on the low income category, I would like to clarify here that the partnership is with India Post Payments Bank and not the post office. So, although Post Payments Bank leverage the distribution platform distribution channels which is created by the post office, but the customers which are there on

the India Post Payments Bank have are not the same customers as of the post office. They have a higher investment capability because normally people tend to invest in the post offices in terms of recurring deposits model.

Coming to the size, it will be lower as compared to the metro customer, but not as low as a post office customer as well. It will be lying somewhere in between. On a realistic target, we are expecting it will remain somewhere between Rs. 2,000 to Rs. 2,500 per customer per month.

Rohan Mehta: Okay. Got it, sir. Would you be looking at a sort of a break-even period by when the investment in this partnership will start contributing to our bottom line?

Ayush Sharma: Currently the tech integration is going on and we'll go live in this quarter. We expect that from 1st of July, we will start having revenues in our balance sheet and the profitability will start coming in.

Rohan Mehta: Got it. That is helpful. if I could ask touch upon the advisory segment also; our order book on that front seems to have declined QoQ, which is a first in many of the historical quarters. So, this order execution running ahead of fresh order wins, is that the case or are we seeing any slowdown in government project tendering which might run into the next financial year's advisory revenues?

Ayush Sharma: There isn't any slowdown in the business per se. Being Q4, the larger target was on executing the projects and completing this, within this the previous financial year itself and that is why you see a decline in this quarter for the first time. Until now, you must have seen the growth in the overall order book only. As the orders are executed, you could see a decline, but in this quarter, we are very confident and the pipelines looks very strong and we will get more contracts which will enable us to grow the order book, compared to the previous quarter as well.

Rohan Mehta: Got it. Within this segment itself, would you be concerned about the concentration of orders that we have, particularly from the infrastructure consulting part or within Maharashtra as a state, accounting for a fair share of our exposure? Is concentration a risk and would we be looking to diversify and reduce these percentages?

Ayush Sharma: Of course the contribution of these states and sectors are high, but we don't see a major risk immediate risk of this concentration. However, the focus of the management is definitely to expand to other states as well. The others which you see in the earnings presentation includes 22 other states where we have the current orders live and where we are expanding our businesses as well. So, as the other states grow, this contribution will come down.

Rohan Mehta: Okay. Got it. Within the next financial year?

Ayush Sharma: Yes

Rohan Mehta: Lastly, on the AMC business; if we are going to be moving from passive to active strategy in the next fiscal year in terms of active fund management and the sort of talent profile that might

be required, are we looking at some new hiring in terms of fund managers and if you have any threshold in terms of what kind of AUMs we should be dealing in in the AMC business?

Ayush Sharma: On the team side, we are in talks with the industry experts and we are on-boarding new people to expand the team. That is the first activity which we are we have been doing for some time now to build the base for the active strategies. This financial year we will come up with the active schemes as well.

Rohan Mehta: In terms of the AUM threshold, do we have any or are we going to have any minimum AUM that would contribute positively to our overall consolidated ROEs?

Ayush Sharma: For the AMC business, we are targeting an AUM of Rs. 1000 Cr for FY27.

Rohan Mehta: That's very helpful. Thank you for taking my questions and all the best, sir.

Ayush Sharma: Thank you very much.

Moderator: Thank you. The next question is from the line of Nishita from Crown Capital. Thank you and please go ahead.

Nishita: I just had a follow-up on the previous participant's question. You mentioned that the order pipeline is quite strong and we see good orders coming in Q1. So, if you can quantify what is our current order book and how does the pipeline look like?

Ayush Sharma: The current order book is Rs. 698 Cr and the current projects that we have submitted our bids as these orders are awarded by way of tendering and are more than Rs. 400 Cr.

Nishita: Okay. What is generally our like winning ratio?

Ayush Sharma: It depends on location to location and there cannot be a generalized winning ratio, but it all depends on various factors. So, that is not a relevant kind of metric.

Nishita: Okay. Got it. Thank you so much.

Ayush Sharma: Thanks.

Moderator: The next question is from the line of Rutvi Gandhi, an investor. Thank you and go ahead.

Rutvi Gandhi: My first question is that how does the management expect the revenue mix to evolve over the next three years as the AMC, NBFC, and IB business scale?

Ayush Sharma: All these businesses are classified into three segments: broking and distribution, advisory, and NBFC. We expect all of them to grow at a faster pace and the mix will remain somewhere between, 50-40-10 kind of ratios. 50% for broking and distribution, 40% for advisory, and 10% for the NBFC.

- Rutvi Gandhi:** Understood. Do we have any plans to monetize our advisory capabilities separately?
- Ayush Sharma:** What do you mean by monetizing the capability separately?
- Rutvi Gandhi:** As you said earlier that we do not have any preferences as in our primary and secondary categories business-wise, but other than that, do we have any plans to go aggressively on the advisory wing?
- Ayush Sharma:** Advisory is a core function of the company and there is a dedicated team of roughly around 2,000 people in the government advisory business. There is a team of more than 150 employees in the investment banking team. We have dedicated teams, dedicated leadership, dedicated, business and execution heads. All of them are taking care of the businesses very well and these are going to grow at a higher pace. So, there is no specific preference per se to give primary focus to any business from the hold-co management side.
- Rutvi Gandhi:** Understood. Thank you so much.
- Ayush Sharma:** Thanks.
- Moderator:** The next question is from Ramesh Thorani from Mehta Brothers. Thank you and please go ahead.
- Ramesh Thorani:** Good evening, sir, and thank you for the opportunity. Just wanted to understand, what steps are we taking or what initiatives we are undertaking on the AI part of the business? How do we plan to implement AI in generating additional revenues and generating additional benefit to our customers?
- Ayush Sharma:** We have separate established and dedicated team to implement AI across all business verticals. There have been specific sections where we have automated with the use of AI across all businesses already. Largely the AI's use is on the data analytics and preparing the summarized outcome or the actionable for a particular activity. We have established that currently for the back office and data analytics kind of functions. So, that is there in place. As we develop new models on the AI, we will keep implementing on the front-end customer-facing activities as well subject to regulatory compliance.
- Ramesh Thorani:** From what we understand from few of the competitors on the broking side, they have been building some AI layers and some capabilities in terms of their strategies as well. How are we planning to give something different to our customers? Just wanted to understand your thoughts around that as well.
- Ayush Sharma:** In our case, as I mentioned that analytics is the larger part which we are doing for the broking business also. Take an example; that now AI decides that which customer should get which notification at what time; so that he gets the right information at the right time. So, these are the kind of activities which we have piloted with the use of AI and will be implementing in the due course as the models mature.

- Ramesh Thorani:** Got it. Just wanted to understand, on the capital allocation side, since we have multiple businesses and we have an AMC, we have a broking business, we have NBFC, and we have an advisory business. So, how do you plan to allocate the capital requirements? On the bandwidth of the management; are there separate heads and how the structure works if you can just elaborate on that?
- Ayush Sharma:** On the bandwidth of management side, we have dedicated CEOs for each of the businesses who takes care of the day-to-day business operations and the growth strategies. At the hold-co level, we decide an AOP i.e. annual operating plan, at the beginning of the year and then we do a tracking on a regular month-on-month basis. So, there is no challenge in the from the management bandwidth or management availability side. That's on the on the manpower aspect.
- On the capital aspect, we have the enough internal accruals as well to support all businesses. Although all of our businesses are self-sufficient now, they don't need much of the capital. However, as far as the growth capital is required, the hold-co is sufficiently capable to support any of the business required. There is no preference there as well and as and when required, any business needs growth capital, we are capable to support the business in terms of capital aspect.
- Ramesh Thorani:** Good to understand that part. Any thoughts around demerging these businesses and listing them separately in the near term?
- Ayush Sharma:** Not immediately. Of course, the value unlock will be one of the target, but there are there are no immediate plans to do so.
- Ramesh Thorani:** Okay. Thank you for the opportunity and all the best and looking forward to interacting with you next quarter.
- Ayush Sharma:** Thank you very much.
- Moderator:** As there are no further questions from the participants, I now hand the conference over to Mr. Arun Poddar for closing comments.
- Arun Poddar:** Thank you. all the participants. Thank you for your questions and continued engagement. In FY26, our effort have been centered on growing the business in a balanced and disciplined way. As we move forward, our priorities will be the strengthen our technology capabilities and further expand our presence. Thank you everyone.
- Moderator:** On behalf of Choice International Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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