



“Choice International Limited
Q2 & H1 FY26 Earnings Conference Call”

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MANAGEMENT: **MR. ARUN PODDAR – GROUP CHIEF EXECUTIVE OFFICER – CHOICE INTERNATIONAL LIMITED**
MR. AJAY KEJRIWAL – EXECUTIVE DIRECTOR – CHOICE INTERNATIONAL LIMITED
MR. AYUSH SHARMA –HEAD, INVESTOR RELATIONS – CHOICE INTERNATIONAL LIMITED

MODERATOR: **MS. FORUM GOSHAR – ADFACTORS PR INVESTOR RELATION**

Moderator:

Ladies and gentlemen, good day and welcome to the Choice International Limited Q2 & H1FY26 Earnings Conference Call. 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 the 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 the conference over to Ms. Forum Goshar from Adfactors PR. Thank you and over to you ma'am.

Forum Goshar:

Good evening everyone. On behalf of Choice International, I would like to welcome you all to the Earnings Conference Call for Q2 & H1FY26. I would like to mention that the earnings presentation has been uploaded on the exchanges and the company website. So, you can access it as we take you through the opening remarks and the call. Joining us today from the management of Choice International Limited are Mr. Arun Poddar - Group CEO, Mr. Ajay Kejriwal - Executive Director and Mr. Ayush Sharma - Head of Investor Relations. We will begin the call with brief opening remarks from the management followed by a Q&A session.

Please note that certain statements made during this call may be forward looking in nature. Such forward looking statements are subject to certain risks and uncertainties that could cause the actual results or our projections to differ materially from those statements. Choice International will not be in any way responsible for any actions taken based on such statements and undertakes no obligation to publicly update these forward looking statements.

I would like to hand over the call to Mr. Arun Poddar for his opening remarks. Thank you and over to you, sir.

Arun Poddar:

Thank you. Forum. Good evening everyone and a warm welcome to our Q2 & H1FY26 Earning Conference Call. It is a pleasure to have you all with us today. The first half of FY26 has been marked by continuing economic resilience driven by strong domestic consumption, healthy investment activity and steady government expenditure. The inflation trajectory remained favorable, supported by effective GST reforms, while liquidity condition and the external sector performance stayed stable. Financial market too have reflected this underlying strength and confidence. Against this macro-economic backdrop, we remain focus on driving sustainable growth across all our businesses in the second half of the year.

FY26 has been a year of steady progress so far with Choice delivering another strong performance in Q2 & H1FY26. The first half saw consistent growth across all business segments reflecting our disciplined execution, operational excellence and the customer-first approach.

For H1 FY26, Choice reported revenue of Rs. 522 Cr and a PAT of Rs. 104 Cr, reaffirming the strength of our diversified business model. During the quarter, we also strengthened our investment banking division by successfully completing five new IPOs, raising Rs. 990 Cr for clients and further enhancing our presence in the capital market.

The group also achieved two key milestones that further enhanced our diversified financial service presence. Choice AMC Pvt. Ltd., our wholly owned subsidiary, received the final SEBI approval to operate as an asset management company for Choice Mutual Fund, marking the group's formal entry into the investment management space. Leveraging its pan-India reach and tech-led distribution, Choice Mutual Fund aims to bridge the gap between traditional advice and the modern investment solution.

In addition, Choice Consultancy Service Pvt. Ltd. secured project mandate worth Rs. 140 Cr across sectors such as housing, agriculture, MSME and urban planning, highlighting its position as a trusted partner for high-impact development initiatives nationwide.

As we move forward in the second half of FY26, our focus remains on deepening client engagement and exploring new growth opportunities to enhance efficiency and service delivery. With our team effort and a clear strategy, we aim to deliver consistent value to our stakeholders in the months ahead.

Our broking and distribution business, contributing 59% to total revenue, has continued to show strong growth. Total client asset under management in our stock broking segment reaches Rs. 57,600 Cr for Q2 FY26, reflecting a YoY growth of 25%; while AUM for our wealth product rose to Rs. 4,807 Cr, up 327% YoY. The number of Demat accounts grew to 12,05,000, a YoY increase of 29% supported by our onboarding capabilities, consistent client engagement and a wide range of product offerings.

Moving on to the insurance distribution business, it continues to grow steadily, driven by an expanding distribution network and higher digital adoption among the clients. During the quarter, insurance premium reaches Rs. 66 Cr, up 2% YoY with 68,896 policies sold.

Turning to our NBFC business, which contributes 15%, we continue to support MSME and the retail borrower across semi-urban and rural India with a disciplined risk management approach. At the end of H1 FY26, our total loan book stood Rs. 716 Cr, with retail segment contributing Rs. 536 Cr. Asset quality remains healthy with NNPA at 2.79% as on Sept 30, 2025. By combining our Choice Money App with our physical branch network, we have improved customer accessibility and operational efficiency, enabling steady and prudent growth of our lending portfolio.

Our advisory business contributing 26% of total revenue in this quarter, continues to build its strong execution capabilities. The advisory order book stood at Rs. 666 Cr at the end of this quarter. Reflecting our domain expertise and effective on-ground delivery, during this period, Choice Consultancy Service secured several significant mandates, further reinforcing our leadership across multiple sectors in India.

In our investment banking business, we remain focused on assisting corporates with their capital raising needs, drawing on our execution experience and sector expertise. So far, we have successfully completed 12 IPO transactions, while 27 mandates are currently in progress with a tentative fundraising pipeline exceeding Rs. 7,000 Cr.

A key strength of Choice continues to be our Choice Business Associate Network, now over 63,000, helping us expand our reach across India. Technology remains central to our growth, with in-house teams enhancing platforms like Choice FinX, Choice Money and Choice Connect to ensure seamless client and partner experience. Supported by 211 branches, 49 project offices and our tech specialists, we are effectively serving our expanding and diverse client base nationwide.

As we look forward, our priority will be strengthening our businesses, exploring new opportunities and continuing delivering meaningful outcomes for our stakeholders. I will now hand over to Ayush Sharma, our Head of Investor Relations, who will walk you through the financial performance of the quarter. Over to Ayush Sharma.

Ayush Sharma:

Thank you very much, Arun sir. While Arun sir has already shared a comprehensive overview of our business verticals, I will now take you through our financial performance for Q2 and H1 FY26.

For Q2 FY26, Choice reported consolidated revenue of Rs. 284 Cr, reflecting a healthy YoY growth of 14%. EBITDA for the quarter stood at Rs. 99 Cr, with margins improving to 34.84%, demonstrating our continued focus on operational efficiency. PAT for the quarter came in at Rs. 56 Cr, resulting in a PAT margin of 19.87% and a YoY growth of 22%.

For H1 FY26, the company recorded a total revenue of Rs. 522 Cr, which is up by 15% on a YoY basis. EBITDA for the first half reached Rs. 186 Cr, with margins at 35.59%, while PAT stood at Rs. 104 Cr, reflecting a YoY increase of 33%. This performance underscores our consistent execution across all businesses and the strength of our scalable operating model.

Looking at our business segments, the Broking and Distribution vertical reported Q2 revenue of Rs. 161 Cr, with PBT at Rs. 43 Cr. The growth reflects both increased client participation and higher assets under management across our stock broking and wealth businesses.

In our NBFC segment, Q2 revenue was Rs. 43 Cr, with PBT at Rs. 4 Cr. The combination of digital platforms and our physical network continue to enhance reach and operational efficiency. Asset quality in this segment remains stable.

Our Advisory business delivered Q2 revenue of Rs. 79 Cr and PBT of Rs. 28 Cr, driven by strong order execution across sectors; supported by strong order book and high quality execution reinforces our position as a trusted advisor across multiple sectors in India.

With that, I would now like to open the floor for Q&A.

Moderator:

Thank you very much, sir. The first question comes from the line of Bimal Panchal from Bimal Panchal & Associates. Please go ahead.

Bimal Panchal:

Good afternoon. At the outset, heartiest congratulations for a robust performance and very good optimism you have given in this opening speech. I don't have much questions, but just wanted

to know what is the scope of the Choice Consultancy Service and the scope of activities in this Rs. 140 Cr worth projects? What we are going to do?

Ayush Sharma:

Thank you for joining in. Basically, in Choice Consultancy, there are various advisory services largely concentrated towards the government clients, where we assist government in execution of various infrastructure and non-infrastructure projects.

There are projects where we assist various state governments in developing the MSME sector for the state. For example, government has engaged Choice Consultancy Service to conduct financial awareness programs across states for the MSME sector; specifically, on how the MSMEs can take the benefit of various government schemes which are specifically aligned towards the credit availability to the MSMEs and various subsidies which are being made available by the government to the MSMEs. We conduct such programs across states and conduct this financial awareness drive where we invite the MSMEs, train them on various credit schemes, as well as subsidy schemes available to the MSMEs specifically from the state, as well as the central government and then assist them in obtaining those services as well. This is one of the examples of a project.

There are another project of project management units also where government executes large programs across states, as well as multi-state programs are also conducted by the central government. We act as the project management unit for those larger programs and provide the complete hand-holding to the government with the monthly, weekly, quarterly updates on the projects and ensuring the timely completion of those projects. So. these are the kind of projects which we conduct in line along with the government across India.

Bimal Panchal:

Okay. Thank you, sir. One more question for Choice AMC, what is the likely date of launching our mutual funds and what kind of a scheme that we are going to do? Are we doing all kinds of mutual schemes or some hedge funds or pricing funds? What kind of scope we are going to launch?

Ayush Sharma:

In Q3, we are launching Gold ETF and the date for the first NFO is 24th of October 2025. In the next quarter, we are planning to go for Silver ETF and in FY27, we will come up with the passive strategies, as well as active strategies both. So. that is the way forward on the timelines. Obviously, these timelines are subject to various market factors and the regulatory approvals which are required.

Moderator:

The next question comes from the line of Rahul Sharma with Fininvest.

Rahul Sharma:

I just want to know, what is your vision for the AMC business that we have recently got the license for and how are we planning to enter the market with already established players? A follow-up question to that like can you just elaborate on the strategy further as in what kind of AUM are you targeting from the Gold ETF this year?

Ayush Sharma:

I request Ajay Sir to take up this question, please.

- Ajay Kejriwal:** Yes, Good evening. As per the target of the Gold ETF, initially we are targeting at least around Rs. 200 Cr in NFO and then as the market grows and we penetrate to the branch network and digital marketing channels, we'll expand this going forward.
- Rahul Sharma:** Okay, sir. Thank you so much. That was it from my side.
- Ayush Sharma:** Okay. Thank you, Rahul.
- Moderator:** Thank you. The next question comes from the line of Urmish Shah from Moneywisers. Please go ahead.
- Urmish Shah:** Yes, I had one question on the insurance business. If I see your presentation in the corporate vertical, we have seen a decline YoY of 31%. Any reason could you give?
- Ayush Sharma:** Corporate business is with limited number of clients and there has been one contract which we could not renew during the quarter because of which we have seen a decline; but on an overall strategy perspective, when we look our pipeline for the further corporate policies which we are going to issue and where we are at the advanced stage, we are very much confident that we will fill this gap in the Q3 FY26 in the corporate insurance.
- Urmish Shah:** Okay. In the NBFC business also a slight drop in NIM has been observed. Is this NIM margin maintainable for the full year?
- Ayush Sharma:** On the NBFC, the NIM has slightly dropped largely because we have not been doing the unsecured loans where higher rate of interest is earned. Largely, our focus is on the secured loan portfolio which has lower rate of interest. So, because of which there has been a slight reduction. However, we are hopeful that we will be able to maintain 10% - 11% kind of NIM numbers in the medium term timelines.
- Urmish Shah:** Right. One final question, Sir. The revenue per branch for H1, if you could give some color?
- Ayush Sharma:** We have the revenue numbers and we have the branches numbers as well. I do not have that number handy with me right now.
- Urmish Shah:** Okay. Since in the presentation it is mentioned that we are going to open 100 new branches by end of FY26, where we are currently standing after H1 and how is it going forward, the pipeline?
- Ayush Sharma:** Specifically on the broking business, we have opened 35 new branches during this particular half of the year. We are very much on track to complete the 100 new branches target for this remaining half of the year. I mean the 100 total for this financial year.
- Urmish Shah:** Yes. Okay, Sir. Thank you and all the best.
- Ayush Sharma:** Thanks a lot.

- Moderator:** The next question comes from the line of Jayshree Bajaj with Trinetra Asset Managers. Please go ahead.
- Jayshree Bajaj:** Good afternoon, sir. Thank you for the opportunity. My question is the company secured new strategic projects worth Rs. 1,303 Mn in Q1 FY26, including the MahaSTRIDE Program in Maharashtra and mandates for PACS in Bihar and Karnataka. What is the anticipated revenue recognition timeline for these specific projects and how will they enhance future recurring business?
- Ayush Sharma:** Okay. These projects have an average timeline of 24 months to 36 months' time. So, this revenue will be staggered over the 24 months to 36 months timeline. All these projects have a mixed kind of invoicing pattern where we are eligible to raise some amount as monthly invoicing and some are milestone based invoicing. However, the complete project cycle is 24 months to 36 months' time where these will be completed and complete revenue will be recognized as revenue in our profit and loss account. Moreover, on the pipeline perspective, we have already bid on multiple projects, similar projects, where we are expecting the outcomes of tenders during Q3. We are hopeful that we'll keep on adding to our overall order book during this quarter and the next quarter as well.
- Jayshree Bajaj:** Thank you, Sir. That's all from my side.
- Moderator:** Thank you. The next question comes from the line of Shreyansh an Individual Investor. Please go ahead.
- Shreyansh:** Hi, everyone. Congrats on the quarter. My question was on the brokerage front. From an industry perspective, what more could get worse from here; say weekly expiring pending could be one. What else could go wrong? We also saw Nithin Kamath also voicing his concerns on the same. If you could also highlight what the corresponding impact on Choice can be?
- Ayush Sharma:** Okay. From the Choice's perspective first, we are largely on to retail segment. Specifically in retail, we have a higher cash contribution instead of derivatives contribution when we compare ourselves to the industry numbers, because of which we do not foresee a major impact of the regulatory changes.
- Of course, there are certain impact in the overall industry and we will also face certain headwinds. However, we are very much confident that we will be at a better position compared to the industry while looking at our business model.
- Shreyansh:** Just as a follow up there, what else do you think could get bad from here, from an industry perspective?
- Ayush Sharma:** I mean, we don't foresee anything going wrong from here. It's only a positive upward trend which we foresee from here.
- Shreyansh:** Got it. Thanks.

- Moderator:** Thank you. The next question comes from the line of Mandira with Investo. Please go ahead.
- Mandira:** Thank you for the opportunity, sir. The NBFC business is growing very rapidly. How are we managing collection when entire industry is suffering?
- Ayush Sharma:** Thank you, Mandira. In the NBFC specifically we have a dedicated in-house collections team. So, our business is also on the physical model where we have the physical branches and we source the clients through physical branches channel only. Therefore, it is inevitable that we have a physical collections team as well on the ground, which is completely in-house, where we keep a close track to ensure the timely collections.
- There are various initiatives which we have taken, which includes the pre-EMI calling and awareness calling to the customers, which starts three days in advance from the EMI due date to make sure that the customer is aware that EMI is going to hit and he maintains the bank balance in their bank account. So, these are the kind of initiatives which we are taking to ensure the timely collections in the NBFC business.
- Mandira:** Got it, Sir. How are we different compared to other players?
- Ayush Sharma:** There are various initiatives where we don't have any physical kind of movement of papers except the original property papers, everything is done through a digital journey which is helping us in keeping our operating costs low compared to other companies at our size, which is something which is different.
- Secondly, our customer segment is that where, in truest sense we are doing the financial inclusion where people are having low documented income proofs and low access to the credit. So, that's how we separate ourselves from the other companies in the market.
- Mandira:** That's very helpful. Thank you.
- Ayush Sharma:** Thank you, Mandira.
- Moderator:** Thank you. The next question comes from the line of Shruti Sharma, an Individual Investor. Please go ahead.
- Shruti Sharma:** Thank you for the opportunity. So, I have two questions. What is the vision with respect to demerging the broking entity?
- Ayush Sharma:** Thank you, Shruti. Currently we don't have any immediate plans to demerge the broking business. It is going to continue as a subsidiary of Choice International in the medium term from here.
- Shruti Sharma:** Okay. My next question is which locations do we intend to expand in this year like we are looking at more acquisitions?

- Ayush Sharma:** Yes. On the expansion phase, we have already discussed that branch expansion is one of the targets and on the acquisition also, we are open to discuss opportunities with various other players in the industry who wants to consolidate with Choice and we are currently right now also, we are actively in discussion with a couple of such companies.
- Shruti Sharma:** Okay. Thank you so much, sir. That's all from my side.
- Ayush Sharma:** Thanks, Shruti.
- Moderator:** Thank you. The next question is from the line of Sanaya Jain, an Individual Investor. Please go ahead.
- Sanaya Jain:** I just had like two questions. First, how are you all planning to phase out the passive and active strategy launches in FY27?
- Ayush Sharma:** I will request Ajay Sir to take over this question.
- Ajay Kejriwal:** Yes. On the passive strategy, first we are targeting the passive strategies only. So, once we are settled down with passive in the next one year, we will start active also in FY27. The initial phase through we are going with passive only.
- Sanaya Jain:** Okay. When do you expect the AMC business to break even?
- Ajay Kejriwal:** We expect not more than three years. In two to three years, we will come on the break even.
- Sanaya Jain:** Okay. Great sir. Thank you so much.
- Moderator:** Thank you. As there are no further questions from the participants, I would now like to hand the conference over to the management for their closing comments.
- Arun Poddar:** Thank you for joining us today. The first half of FY26 has been steady and we remain focused on sustaining this progress while serving our customer and strengthening our operations. We appreciate your continuing interest in Choice International and look forward to connecting with you again next quarter. Wishing a very good day and a very happy and prosperous Diwali to all of you. Thank you.
- Moderator:** Thank you. On behalf of Choice International Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.

(This document has been edited for readability purposes.)