INVasset Corporate Insights

Choice

Nurturing Financial Excellence

25th September, 2025

INVASSET

India's Best Performing and Most Customer Centric PMS

Choice International is a rapidly growing financial services firm in India, specializing in equity broking, distribution of financial products, and wealth management solutions. With a strong foothold in retail and institutional segments, the company leverages technology-driven platforms and a diverse product suite to capture emerging opportunities in the expanding Indian capital markets. Positioned to benefit from increasing retail participation and a rising investor base, Choice International's integrated business model and scalable infrastructure set the stage for sustained growth and enhanced shareholder value.

Choice International began FY26 on a strong footing, delivering broad-based growth across its verticals while deepening its presence in underpenetrated markets. The company reported consolidated **revenue of ₹233 Cr, up 16.6% YoY,** driven by continued traction in broking, advisory, and NBFC operations. **EBITDA rose 49% YoY to ₹86.8 Cr,** with **margins expanding 462 bps YoY to 36.48%,** supported by scale leverage and a fully digitized operating model. PAT stood at ₹47.9 Cr, a 50% YoY growth, translating into a 20.16% margin.

Branch-Led Growth in Underserved Markets: Physical network expanded to 208 branches (from 149 last year) and supported by a 58,000+ strong Choice Business Associate network—a low-cost, high-penetration model leveraging local professionals to cross-sell financial products. Branches typically breakeven within six months, with revenue mix skewed 80% towards broking & distribution. This expansion is complemented by a focus on service-driven brokerage, where Choice strengthened its on-ground presence and enhanced client outreach through data-led lead generation, adapting effectively to shifting client preferences in Fy25.

Tier 3 & Below Focus: Over 65% of customers are from these geographies, where service quality and trust drive client stickiness. Physical presence and differentiated service provide a competitive moat, particularly as rising compliance costs are expected to erode discount brokers' price advantage, creating scope for industry consolidation. This local focus also ties into Choice's commitment to the Viksit Bharat Partnership, supporting economic development and social well-being through engagement with cooperative societies, agriculture, MSMEs, local governance, and entrepreneurship initiatives targeting women and students.

Government Advisory Resilience: Advisory mandates are tied to mission-mode projects in infrastructure, telecom, and rural connectivity with accelerated payment cycles, reducing working capital strain and enhancing cash flow predictability. Strong and established government partnerships remain a cornerstone of Choice's advisory business, aligning with national development goals.

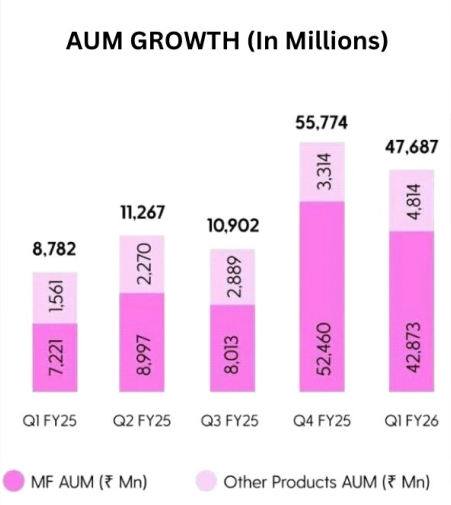
Technology-Led Scalability: Fully digitized platforms—Choice FinX, Choice Money, Choice Connect—drive operational efficiency and scalability. Opex growth is expected to lag revenue growth, sustaining high operating leverage and margin stability. This is supported by the company's highly tech-enabled operations, which are part of a distinctive fintech ecosystem combining digital convenience with a personalized human touch.

Growth Visibility: Targeting 25–30% CAGR over the next 3–4 years across all verticals, backed by physical expansion, deepening technology integration, and selective M&A opportunities.

Stock Data	
CMP (25-09-2025)	Rs. 826.30
52 Week High/Low	Rs. 836.80/ Rs. 438.45
Face Value (in Rs.)	Rs.10
Market Cap (In Crs)	Rs.16032.34 Cr
Enterprise Value (In Crs)	17,028 Cr
NSE	CHOICEIN
BSE	531358
Bloomberg	CFIS:IN
Sector	Financial Services

Shareholding Pattern (in %)		
	Jun 24	Jun 25
Promoter	58.21%	56.44%
FII	12.22%	13.97%
DII	0.07%	0.19%
Public	29.51%	29.39%

Price Performance (in%)			
(%)	1M	6M	1Yr
Nifty 50	0.06%	5.55%	-3.93%
Choice International	2.80%	64.74%	75.95%



Acquisition of Remaining Insurance Broking Stake: Entered into an agreement on June 18, 2025, to acquire the remaining 50% stake in Choice Insurance Broking India Private Limited for approximately ₹630 million, at ₹947 per share for 660,000 shares. The target reported ₹885.88 million in revenue for FY25. The transaction is expected to close within 12 months, subject to IRDAI approval, consolidating full ownership and enabling deeper integration of the insurance vertical.

Mutual Fund Business Launch: Received final SEBI approval to commence operations of Choice Mutual Fund under its AMC arm. The initial focus will be on passive products, including index funds and ETFs, marking the group's entry into the mutual fund industry ahead of the planned launch before Diwali 2025.

Social, Developmental & Sustainability Impact: Choice has made a significant socio-economic impact by reaching over 30Mn farmers through PACS computerization in six states, providing clean water access to 5.5Cr+ citizens under the Jal Jeevan Mission, partnering with 150+ government departments and leading multilateral agencies on rural development and digital governance, delivering 10L+ training hours to 15K individuals, and advancing sustainable finance with NBFC targets of ₹10Bn in Green Finance AUM and ₹25Bn in MSME Finance AUM by 2030.

Main Issues: Choice International is focusing on expanding its market reach and services, particularly through technology and partnerships. However, it faces challenges related to regulatory changes and the competitive landscape, particularly in the finance and insurance sectors. The company aims to address the underserved MSME sector while managing potential risks arising from economic factors and industry regulations.

Macroeconomic & Structural Drivers

GDP growth and low inflation bolster consumer and investor confidence : India's GDP expanded by 6.5% in FY25, with a Q4 surge to 7.4%, while the Financial, Real Estate & Professional Services segment grew 7.2%, creating a favorable environment for Choice's diverse businesses. CPI inflation in July 2025 fell to an eight-year low of 1.55%, supported by lower food prices. This macro backdrop supports higher disposable incomes and stronger investor sentiment, which in turn drive transaction volumes in Choice's broking and wealth segments, enhance loan demand for its NBFC business, and sustain fund-raising activity for its investment banking arm.

Deepening financialization of savings: Demat accounts in India have crossed the 20 crore mark, and UPI transactions reached a record 19.47 billion in July 2025, reflecting rising retail investor participation and rapid adoption of digital finance. This environment provides Choice with a growing base of digitally active customers, enabling low-cost acquisition, cross-selling opportunities, and higher engagement across its broking, distribution, and wealth platforms.

Supportive regulatory environment: Regulatory measures such as RBI's easing of NBFC funding risk-weights, SEBI's T+0 settlement pilots, and IRDAI's flexible expense regime for insurance are improving operating conditions across the financial sector. These changes enhance Choice's lending capacity, improve trading and settlement efficiency in its broking business, and offer greater flexibility in product offerings within its insurance distribution vertical.

Public capex and digital infrastructure tailwinds: Elevated government spending on infrastructure and the widespread adoption of digital public infrastructure like e-KYC and UPI are expanding opportunities in public-sector advisory and capital markets. For Choice, this translates into a stronger pipeline for government consulting mandates, capital-raising transactions, and delivery of tech-enabled financial services at scale.

Q1 Operations Highlights

- Demat Accounts: 11.5 lakh (+29% YoY)
- Branch Network: 208 branches (+40% YoY)
- Choice Business Associates: 58,000+
- Order Book (Advisory): ₹586 Cr, with key Q1 wins including a ₹52.8 Cr World Bank-backed Maharashtra Govt project (5-year execution), a ₹10.7 Cr Odisha Govt project (2–3 years), and a ₹67 Cr digitization mandate under Bharat Net.

- Wealth AUM: ₹4,769 Cr (+443% YoY)
- Loan Book (NBFC): ₹745 Cr; retail loan book at ₹596 Cr; NNPA at 2.25%
- Investment Banking Pipeline: ₹6,600+ Cr (24 mandates)
- AMC Launch: Targeting ETF before Diwali 2025 (pending final SEBI approval)

Vertical insights

Broking & Distribution

- Key Contribution: This is the company's largest vertical, accounting for 60% of total revenue.
- Strong Growth: Demat accounts are up 29% YoY to 11.5 lakh. Client assets have increased by 16% YoY to ₹47,800 Cr, and wealth products AUM has seen a dramatic rise of 443% YoY to ₹4,769 Cr.
- Competitive Advantage: The company's strategy is to focus on Tier 3 and 4 cities, a market where they feel confident and where competitors, particularly discount brokers, are facing higher compliance costs.

NBFC

- Loan Book: The loan book has reached ₹745 Cr, with ₹596 Cr in retail loans.
- Focus & Strategy: The primary focus is on MSME micro loans against property, along with rooftop solar and vehicle loans. The company plans to deepen its presence in current markets (Rajasthan, Gujarat, MP, Delhi NCR, and parts of Maharashtra) before expanding.
- Asset Quality: The Net NPA is 2.25%, indicating healthy asset quality.

Advisory

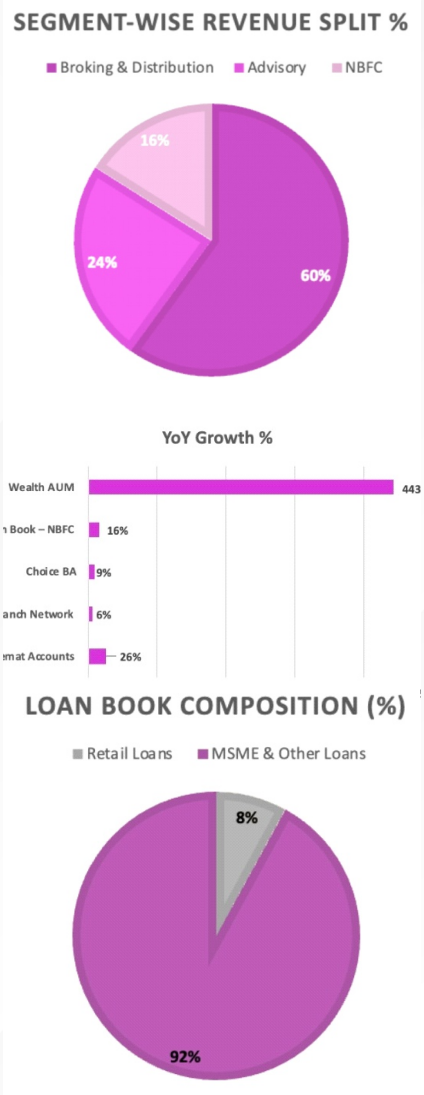
- Order Book: The order book is a strong ₹586 Cr, reflecting a robust pipeline.
- Key Wins: Major wins in Q1 include a World Bank-backed project with the Maharashtra Government and a significant digitization mandate for the Bharat Net program.
- Margins: The segment maintains strong margins of 22–25%.

Investment Banking

- Experience: The team has successfully completed 7 IPOs.
- Pipeline: There are 24 ongoing mandates with a combined value of over ₹6,600 Cr.

Mutual Fund / AMC

- Regulatory Status: The company has received in-principle approval from SEBI for its AMC.
- Launch Plan: An ETF is planned as the first fund launch before Diwali.



Peer Comparison

Name	CMP	Mar Cap (In Cr)	ROE %	Debt to Equity	3Y Sales Growth%	Cost to Income %
Choice Intl	826.30	17028.26	**18.87**	**0.45**	**47.23**	68.79
Bajaj Finserv	2056.95	328662.19	13.39	4.92	25.07	62.99
Bajaj Holdings	12977.45	144426.02	11.01	0.00	15.13	24.35
Pilani Invest	5376.05	5952.48	0.64	0.12	5.82	4.59
Kama Holdings	3024.60	9706.10	9.11	0.65	5.85	82.99
Edelweiss Fin	116.25	10997.85	8.68	4.07	9.04	65.06

Financial Analysis

- **Strong YoY growth with seasonal QoQ moderation:** In Q1 FY26, Revenue from Operations increased 16.6% YoY to ₹23,388.25 Lakhs, EBITDA grew 49.1% YoY to ₹8,680 Lakhs, and PAT rose 49.9% YoY to ₹4,796.11 Lakhs, driven by business expansion, improved efficiency, and execution of strategic initiatives. The sequential decline from Q4 FY25 reflects normal seasonality in financial services, where year-end tax planning, investment inflows, and closure of large advisory mandates make Q4 unusually strong, followed by a moderation in Q1.

- **Profitability and efficiency improvements sustained:** In Q1 FY26, EBITDA margin rose to 36.48% from 28.28% a year earlier, and PAT margin increased to 20.16% from 15.54%, indicating better cost management and earnings conversion. The NBFC segment's Net Interest Margin expanded by 85 bps YoY to 11.65%, continuing its upward trajectory through the past year.

- **Sound asset quality and strong capital position in NBFC segment:** As of Q1 FY26, GNPA stood at 4.32% and NNPA at 2.25%, supported by a healthy Provision Coverage Ratio of 48.90%. The CRAR was 53.37%, well above regulatory requirements, providing ample capacity for loan book growth. Despite its focus on higher-risk MSME lending in semi-urban and rural areas, disciplined underwriting—supported by real-time credit checks, centralized oversight, and cashless operations—has kept asset quality under control while enabling expansion in priority sectors like MSME and green finance.

- **EPS growth supported by strong earnings and warrant conversions:** In Q1 FY26, basic EPS rose to ₹2.38 from ₹1.61 a year earlier, and diluted EPS increased to ₹2.34 from ₹1.59. The improvement reflects solid PAT growth, while the small gap between basic and diluted EPS stems from ongoing warrant conversions (60,00,000 from Plutus Wealth Management LLP and 8,90,200 from Choice Equity Broking Pvt. Ltd.). These conversions bring in additional capital, which, if deployed effectively, can drive future earnings growth and offset the near-term dilution impact.

Investment Rationale

- **Structural Opportunity in Financialization** – Choice International is strategically positioned to ride India's multi-year surge in financial services adoption, driven by rising investor participation, deepening credit penetration, and formalisation of savings. Its integrated presence across broking, lending, advisory, investment banking, and soon asset management provides a full-stack offering to capture wallet share across market cycles.

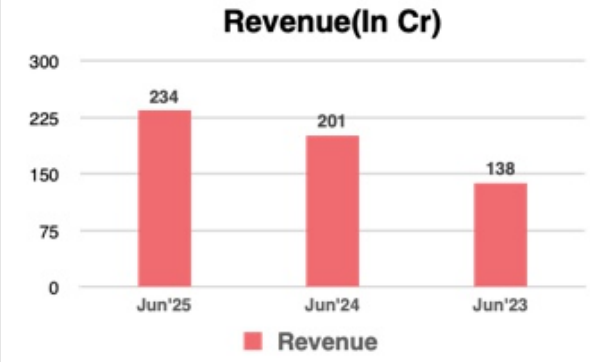
- **Underserved Market Leadership –** A deliberate focus on Tier 3–5 cities, backed by both physical expansion and digital platforms, has enabled the company to tap a fast-growing yet underpenetrated customer base. This geographic positioning, combined with tailored product offerings, builds customer stickiness and supports long-term franchise growth.

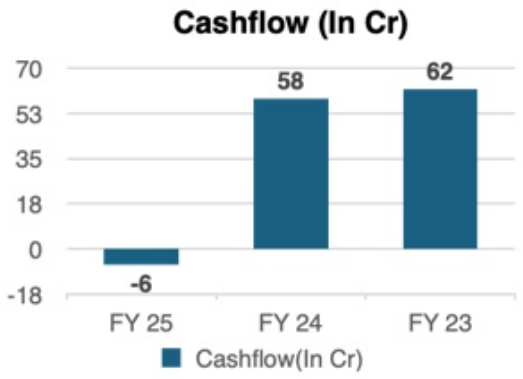
- **Prudent Lending & Asset Quality –** In its NBFC arm, Choice maintains disciplined underwriting, healthy asset quality, and selective exposure to high-yield MSME and green finance segments. This positions the lending book for profitable growth without compromising risk metrics.

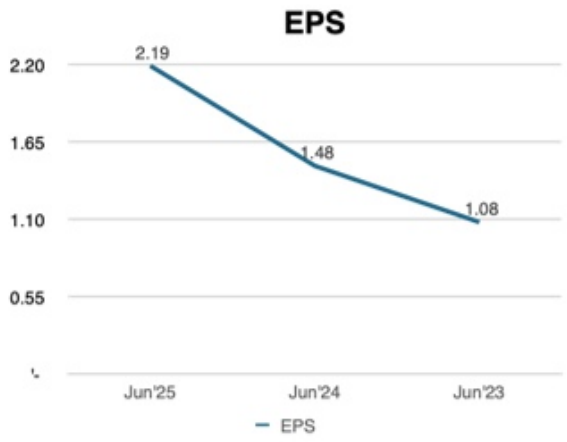
- **Execution & Diversification Strength** – Broking remains the largest revenue contributor, with sustained client acquisition momentum, while the advisory and investment banking segments provide high-margin, fee-based income. The healthy mandate pipeline offers forward revenue visibility and supports earnings stability.

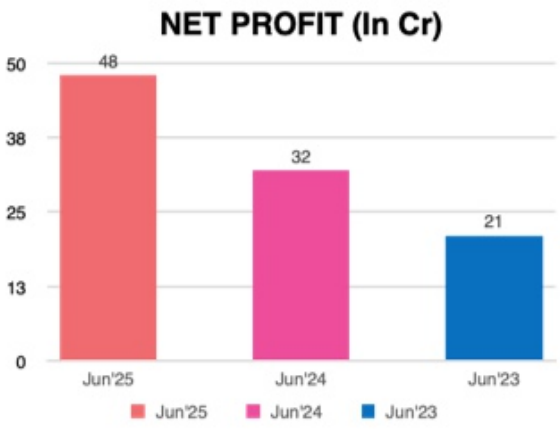
- **Strategic Growth Catalysts** – The consolidation of its insurance broking business, launch of an AMC (ETF planned before Diwali), and scaling of digital platforms will deepen client engagement, unlock cross-sell potential, and enhance recurring revenues.

- **Financial Resilience & Long-Term Outlook** – A strong balance sheet, scalable business model, and focus on technology-led efficiency provide the foundation to sustain 25–30% CAGR over the medium term, making Choice International a compelling play on India's expanding financial ecosystem.

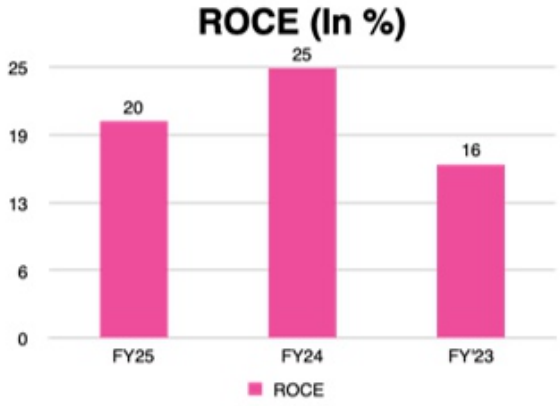

Revenue(In Cr)
300
225
150
75
0
234
201
138
Jun'25
Jun'24
Jun'23
Revenue


Cashflow (In Cr)
70
53
35
18
0
-18
-6
58
62
FY 25
FY 24
FY 23
Cashflow(In Cr)


EPS
2.20
1.65
1.10
0.55
2.19
1.48
1.08
Jun'25
Jun'24
Jun'23
EPS


NET PROFIT (In Cr)
50
38
25
13
0
48
32
21
Jun'25
Jun'24
Jun'23
Jun'25
Jun'24
Jun'23


Compounded Growth(In %)
70
52.5
35
17.5
0
68
48
45
48
5 Years
3 Years
Profit
Sales


ROCE (In %)
25
19
13
6
0
20
25
16
FY25
FY24
FY'23
ROCE

Technical Outlook



The daily chart for Choice International Ltd. highlights a consistent upward trajectory within a rising channel. Over the past several weeks, the stock has respected the lower trendline support near ₹760 and faced resistance close to the ₹840 zone, with multiple touches at both ends. This structure indicates a well-established trend with clearly defined boundaries.

In recent sessions, the stock has witnessed a steady climb from the lower end of the channel, accompanied by a rise in volume — suggesting improving momentum. It is now approaching the upper end of the range, where previous supply was seen. A breakout above this level could confirm renewed strength and open up further upside in the short term.

The price currently trades around ₹828, maintaining bullish bias as long as it stays above the ₹800 mark. Any near-term dips may find support at the lower channel, reinforcing the positive trend. A strong close above ₹840 on volume expansion could signal trend acceleration, making this zone a key level to watch in the coming sessions.

Moving Averages Days	Simple Moving Average	Exponential Moving Average
5	817.48	821.75
10	819.59	816.64
20	804.43	807.86
50	783.79	780.45
100	738.92	732.48
200	632.09	653.33

Pivot Levels : FIBONACCI		
R1 831.17	Pivot 822.78	S1 814.40
R2 836.35		S2 809.22
R3 844.73		S3 800.83

	Daily	Weekly
Relative Strength Index (RSI)	65.54	75.64

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