

Management Discussion

Ashmi Shah - Investor Relations, Adfactors PR

Thank you. Good evening, everyone. On behalf of Choice International Ltd, I welcome you to the earnings conference call for Q1 FY27. Joining us today from the management, we have Mr. Arun Poddar, Group CEO; Mr. Ajay Kesriwal, Executive Director; and Mr. Ayush Sharma, CFO. We will begin today's call with opening remarks from the management, following which we will open the floor for Q&A.

Before we begin, I would like to remind everyone that certain statements made during this call may be forward-looking in nature. These statements are based on the management's current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied. Choice International Ltd undertakes no obligation to publicly update or revise any forward-looking statements based on subsequent events or developments.

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

Arun Kumar Poddar - Executive Director & Chief Executive Officer, Choice International Limited

Thank you, Ashwi. Good evening, everyone, and thank you for joining us today. FY27 has begun on a steady note for India's financial service ecosystem. With evolving investor behavior, greater digital participation, and increasing finalization continuing to shape the market for choice, the environment provides an opportunity to strengthen our capabilities across businesses and expand into areas of financial and professional services. Q1 FY27 marked a steady start to the new financial year. Our focus remains squarely on execution, strengthening each business vertical, improving our institutional and distribution franchising, building our product capabilities, and branding the platform through which we serve the client.

Alongside this, we continue to lay the foundation of future growth through strategic partnership and by expanding our footprint. The broking and distribution business continue to see steady traction, with cash delivery remaining a key focus and supporting revenue quality and stability. The segment contributed 59% to total revenue, while stock broking AUM stood at INR62,226 crore in Q1 FY27. It's growing 30% YOY basis. Wealth AUM increased to INR INR4,961 crore, supported by continued participation in delivery-led product.

Our 70,000 CHOICE Business Associates continue to complement our digital distribution capability and expand our reach across market. During the quarter, our DMAT account base increased from 12.94 lakhs, up 13% YoY basis, aided by improved onboarding and a broader product suite. On the institutional side, Choice Institutional Ltd hosted InsightX 2026, bringing together 100+ corporates and 150+ institutional investors and allocators. The conference provided a platform for corporate and investors to engage on business outlook, industry trend, and the growth opportunities.

We also continued expanding our asset management, CHOICEIN, receives ABE approval to act as an investment manager to Wealthware Capital Trust, a CAT II AIF sponsored by Choice International Ltd, supporting the continued development of our alternative platforms. Beyond our retail distribution business, insurance continued to see steady traction supported by an expanding partner network and the greater adoption of digital channels. Premium collections stood at INR80 crore in Q1 '27. It's up 5% YoY basis, while policy volume increased to 67,828, representing 73% growth over the same period.

I am also delighted to share that Q2 '27, we strengthened our strategic partnership with NH Investment and Securities through a INR900 crore investment Choice International Ltd. This partnership is an important milestone for us and will support our growth across broking, distribution, MTF, technology, while further strengthening our long-term expansion plan. Now coming to our NBFC business, we remain focused on secured lending with MSME micro-lap and rooftop solar financing continue to be the key area of growth.

The loan book stood at INR836 crore as on Q1 FY27, contributing 13% of total revenue. Our in-house collection capabilities continue to support the asset quality with NNPA at 2.74% as on June 30, 2026. Lastly, our consulting business continued to build on its product pipeline during the quarter. With an order book of INR777 crore across digital tax and the multiple product multilateral support initiatives. The segment contributes 28% of total revenue and provides visibility over the next 2 to 3 years.

Adding to this momentum are consulting subsidiaries Choice International Ltd and Dialogia Consulting International Ltd. Secured government mandate aggregating approximately INR191 crore across e-governance, infrastructure, project management, and the financial consulting. These engagements further add to our order pipeline and strengthen our presence in government and the infrastructure consulting. Investment banking also remained active with one IPO completed during the quarter and 30 mandates currently under execution.

The overall pipeline stands at over INR6,766 crore. With that, I will now hand over to Ayush Sharma, CFO, to take you through the financial performance of the quarter. Over to Ayush Sharma.

Ayush Sharma - Chief Financial Officer, Choice International Limited

Thank you very much, sir. Let me begin with an overview of how the business performed in the opening quarter of FY27. Choice closed Q1 FY27 with a consolidated revenue of INR319 crores, which is higher by 34% over the same quarter last year and almost 1.6% on a sequential basis. EBITDA came in at INR114 crore, holding a margin of 35.75% as cost disciplines continued to work in our favor. At the bottom line, profit after tax was INR61 crores, a margin of 19% and an increase of 26.37% on a YoY basis. It has been an encouraging opening to the financial year.

These numbers point to consistent delivery across our verticals and reaffirm the resilience that a diversified model brings. Turning to the individual businesses, Broking and Distribution brought in, uh, INR197 crore of revenue for the quarter, contributing INR48 crore at the PBT level. The DMAT base now stands at 12.94 lakh clients -- and per client activity continues to deepen as we widen the uptake of insurance and wealth offerings across the Choice International Ltd platform. On the lending side, the NBFC posted a revenue of INR45 crores.

Book quality held firm through the quarter with gross NPA numbers at 3.78% and net NPA at 2.74%, an outcome of prudent underwriting, tighter collections, and a well-spread loan portfolio. Margins stayed comfortable with NIM at 11.10%, consistent with our preference for secured exposures. The advisory business rounded the quarter with INR91 crore in revenues, uh, by way of, you know, a steady pipeline of mandates.

That covers the headline numbers. I am happy to take your questions from here.

Questions & Answers

Operator

Thank you very much. We will now begin the question-and-answer session. [Operator Instructions] The first question is from the line of Natchiket from NK. Please proceed with your question.

Nachiket Kale - Analyst, Emkay Global

Yes, hi, good evening, sir. Thanks for the insights in your opening and good progress on key initiatives you've taken. So I just wanted further information that since you've taken NH Investment as a strategic advisor, could you share some broader strategic value like beyond capital infusion? Is there any focus areas like offshore people or access to clients in Korea, or, you know, like overseas access or product distribution which we could benefit from?

Ayush Sharma - Chief Financial Officer, Choice International Limited

Sure, sure, Natchiket. Thanks, thanks for your question. This is an important question, uh, certainly. Uh, see, uh, capital infusion is one part of this particular transition, and I would say a smallest part of this particular whole transaction. The larger objective in having this transaction was to have an integration with the NHIS core strengths. NHIS is very strong in the institutional businesses globally and more importantly in Southeast Asian markets, be it Korean, Hong Kong, Singapore markets, and as well as they have their global presence across US markets as well.

So the immediate, you know, kind of synergy will be to integrate the institutional businesses or the institutional clients which they serve through their global offices. And those clients will also be having some sort of business activities here in Indian market. So we'll be looking to cater to that, and that will be the first low-hanging fruit. Secondly, they are also very active in the investment banking deals across, you know, multiple jurisdictions. So that will also be some sort of, you know, the additional integration, business integration we'll be looking at.

In the coming years as we, you know, integrate our businesses with the NHIS strengths. So these are the kind of advantages apart from the capital which we are looking at from this particular deal.

Nachiket Kale - Analyst, Emkay Global

Okay. And on this incremental capital which gets deployed, is there any internal targeting as to what kind of capital return would you target, or what kind of incremental ROE can be generated?

Ayush Sharma - Chief Financial Officer, Choice International Limited

So, uh, see, uh, I mean, the -- I'll tell you the deployment sort of thing for this particular capital which is, uh, being raised from this particular transaction. Uh, we are -- I mean, we have the sufficient internal accruals to fund our, uh, expansions, etc. The larger utilization of these funds will be towards development of MTF portfolio, as well as, you know, the settlement fund which we provide to our customers as per the regulatory guidelines. So, uh, the, the growth will be in these portfolios, and eventually the increased interest income as well as the brokerage which we will charge on the increased trading activity for the clients will result in an additional profitability for the company.

Nachiket Kale - Analyst, Emkay Global

Okay, great. Thank you, sir. I'll get back.

Operator

Thank you. The next question is from the line of Samruddhi Bane from Yes Securities. Please engage with your question.

Samruddhi Bane - Analyst, YES Securities

Thank you for taking my question. Just a small question regarding our improvement in NPA. So we can see that it has improved from the last quarter. So how much of this improvement is driven by recoveries and upgrades, and I would like to know that.

Ayush Sharma - Chief Financial Officer, Choice International Limited

Sure, sure. So this is largely driven by the collections which has been done by our ground team. We have an in-house collections team which is responsible for all the collections which has been slipped from the bucket of sales team. So the initial primary collection target is for the sales team. Once the cases are out of the control from the sales team, as per our internal policy, these are allocated to our internal collections team. So the recoveries are done wholly by our internal collections team, and this is a result -- the improvement is a result of collections done by our internal collections team only.

Samruddhi Bane - Analyst, YES Securities

Oh, okay. And my second question was regarding our NBFC segment. We expect that to -- the AUM is expected to increase by 20 to 30%. On the stable interest rate environment. So how do you ensure that the credit quality will be intact? And just one small question in this, that what will be the mix of secured and unsecured lending in the incremental loan book in Q1?

Ayush Sharma - Chief Financial Officer, Choice International Limited

No, so we are fully focused on the secured loan portfolio only. So whatever loans we do are secured by way of collateral in some or other form. Format, right? So it will be largely driven by the growth in the secured loan portfolio. On the growth aspect, see, we have an in-house, you know, proprietary credit assessment engine which runs the primary credit check for the customers. Although once the machine does the credit, we have the human intervention as a mandatory check where, you know, the first, the ground physical verification is done by our credit team for the customer, and secondly, the central credit team re-verifies the output given by the machine and reconciles the same with the ground visit of the credit team guy.

Once everything is reconciled and verified at the central level, we do the final sanction to the customer. And this is what has been able to help us, you know, to maintain the asset quality and will continue to help us to maintain the asset quality over the next growth cycle as well.

Samruddhi Bane - Analyst, YES Securities

Okay. And just to confirm that the incremental loan book in Q1 will be most probably from secured side, right?

Ayush Sharma - Chief Financial Officer, Choice International Limited

Yeah, yeah, that's right, that's right.

Samruddhi Bane - Analyst, YES Securities

Okay, thank you.

Operator

Thank you. [Operator Instructions] The next question is from the line of Vivek from Jhala Family Office. Please proceed with your question.

Unidentified Participant

Thanks for the opportunity. Can you hear me?

Ayush Sharma - Chief Financial Officer, Choice International Limited

Yeah, yeah, Vivek, you are audible.

Unidentified Participant

Yeah, so I have two set of questions. One is EBITDA and PAT declined sequentially in Q1 FY27, although both remained higher year-on-year. Could you help us understand the key factors behind the sequential movement and whether this was largely due to seasonality or timing-related factors? And how should we think about the underlying profitability run rate going forward? Secondly, as the advisory order book continues to grow, how should we think about margins going forward? And do you see the changing mix of projects, including larger government-led mandates, having any meaningful impact on EBITDA margins?

Ayush Sharma - Chief Financial Officer, Choice International Limited

Sure, sure, Vivek. So firstly, you know, on the advisory order book, yes, it -- so we expect that the mix will change from, you know, currently the heavy infrastructure advisory segment. To other consulting segments as well, which is largely the governance framework development or IT and IT-related consulting assignments or other project management, you know, kind of projects which we plan to grow with the government. So that's the kind of change which we are expecting in a mix of order book in our government consulting book.

As far as the margins are, margins are expected expected. We are currently maintaining a margin of around 20% net margin in the advisory business as well, specifically the government advisory business, and we expect to maintain the similar margin levels as we grow in the size as well.

Unidentified Participant

Okay. And lastly, I have one more question. Like, solar financing is a relatively new collateral-free product. What was its Q1 disbursement and outstanding AUM, and how does its yield, cost of funds, credit cost, and ROE compare with the traditional MSME book? And also, at what scale do you expect solar financing to become a meaningful contributor to NBSP earnings?

Ayush Sharma - Chief Financial Officer, Choice International Limited

Okay, so solar is a relatively very small portion as compared to the overall portfolio. Uh, I really don't have the current AUM number handy with me currently, but we can certainly share the same. I mean, we can certainly try to publish the same in the next public disclosures at the stock exchange.

However, as far as the growth of solar portfolio is concerned, let me be very clear, it is a very high price competitive market and we are very sort of profit-centric organization where, you know, we don't compromise on the cost of -- on the ROIs when we consider you know, growing the portfolio.

So we expect that we will continue to maintain an ROI of, you know, around 15% for the end customer while growing the solar portfolio. Our target is to grow this portfolio to sort of INR150 crore by the end of this financial year.

Unidentified Participant

Got it. That's all from my side.

Ayush Sharma - Chief Financial Officer, Choice International Limited

Thank you.

Operator

Thank you. The next question is from the line of Anirudh Sharma from Aekant Investments. Please proceed with your question.

Anirudh Sharma - Analyst, Ekant Investments

Hi, good evening. Am I audible?

Ayush Sharma - Chief Financial Officer, Choice International Limited

Yes, Aniket, you are audible.

Anirudh Sharma - Analyst, Ekant Investments

So yeah, I had a few questions from my side, and my first question is on the mutual fund business. Could you give us some perspective on the monetization roadmap. Given the current AUM base, how do you see the AMC revenue contribution evolving over the next 2 to 3 years, and what AUM scale would allow the business to become meaningfully profitable?

Ayush Sharma - Chief Financial Officer, Choice International Limited

Sure. So, uh, see, AMC is a longer, uh, vision for the CHOICE Group. It's not a shorter-term kind of initiative. We see this as a, uh, as a longer-term venture for CHOICE. We have recently -- we are currently focusing on the passive products to grow in our AMC business. Our target is to launch the active schemes as well by the end of this financial year. As you know, this is the -- we are currently in the setup phase. We expect this financial year to grow, I mean, to make sure that we have all the all the required skills, all the required team and manpower in place, and launch the couple of schemes in this financial year.

And our proper growth phase for the AMC business will start from the next financial year. Moreover, as we also -- we are also a distributor of mutual funds. There the AUMs have grown significantly because we have been distributing mutual fund products of other AMCs as well as part of our wealth management business. So we expect that we continue to maintain a growth rate of around 30-35% in the overall AUM on YOY basis in the mutual funds distribution business.

Anirudh Sharma - Analyst, Ekant Investments

Okay, sir, understood, understood. And so you are targeting a significant increase in the AMC AUM by the end of FY27? Could you elaborate on the product and the distribution strategy supporting this growth? And how do you see the contribution evolving across ETF, active and/or passive funds, AIF, and third-party distribution?

Ayush Sharma - Chief Financial Officer, Choice International Limited

No, in this -- so in the AMC business, this year our focus is on passive schemes only. By the end, we'll launch the active schemes, and growth in active will come in in the next year onwards. So this year, the larger focus on the AUM growth in AMC will be on the passive schemes itself.

Anirudh Sharma - Analyst, Ekant Investments

Okay, okay, understood. One last question from my side. The solar financing is a relatively new and collateral-free product. What was its Q1 disbursement and outstanding AUM, and how does its yield, cost of funds, paid cost, and ROE compare with the traditional MSME book? And at what scale do

you expect solar financing to become a meaningful contributor to the NBFC earnings?

Ayush Sharma - Chief Financial Officer, Choice International Limited

Sure. So firstly, solar is also not a collateral-free business. We do take solar equipment as collateral while financing, you know, the solar equipment to the customer. So we have certain -- some sort of collateral which can be repossessed and so in case of delinquencies. So it's a completely secured product for our NBFC business. Secondly, as I mentioned that it is a high competition business in terms when it comes to rate of interest to the end customer. We have been maintaining a weighted ROI of around 17-18% on the solar portfolio.

We have to bring it down to around 15%, which is already there in the pipeline. Line. And by the end of this financial year, we expect the AUM to reach at around INR150 crore for the solar financing product itself.

Anirudh Sharma - Analyst, Ekant Investments

Okay, understood, sir. That's it from my side. Thank you for the opportunity.

Ayush Sharma - Chief Financial Officer, Choice International Limited

Sure.

Operator

Thank you. [Operator Instructions] The next question is from the line of Mann from North Star Investments. Please proceed with your question.

Mann Dhadhi - Analyst, North Start Investments

Hi and good evening everyone, and thanks for the opportunity. So actually, sir, I wanted to have an update on the current merchant banking pipeline across your main board, your IPO, let's say SME IPO, and all the other capital market transactions, and What do you think all these opportunities to start and convert into your revenue?

Ayush Sharma - Chief Financial Officer, Choice International Limited

Okay, so man, uh, firstly on the conversion to revenue side, we have the hybrid kind of arrangement with the customers for whom we, you know, raise funds by way of IPOs. So it is, uh, some, some portion of fees is during the preparatory phase and portion of VCs post the completion of the IPO. So revenues are ongoing. We are continuously generating revenues from the current mandates. We have the -- as, as mentioned previously, we have the current mandates for the fundraising size of around INR6,600 crore approximately, which we expect to complete over the next 1.5 -- I mean, 1 to 1.5 years' time as the market provides the suitable timeline for the industry-specific IPOs to come up.

Having said that, a couple of IPOs are ready. As we get the suitable opportunity from the market sentiment perspective, we'll immediately, you know, come up with the opening of the, you know, the IPOs in the investment banking business.

Mann Dhadhi - Analyst, North Start Investments

Okay, okay, that's really good to hear. And another question was on your new Category 2 AIF approvals. They are in place right now, and I just want your -- what's the corpus and the broad investment strategy, and how quickly do we expect this business to start generating revenue and meaningful in your AMC?

Ayush Sharma - Chief Financial Officer, Choice International Limited

So it's part of building our internal capabilities for the alternative -- in the alternatives space. Uh, this is the first AIF, uh, which is sponsored by Choice International Ltd, and our AMC is going to act as fund manager for this. As we build the sizable AUMs under this AIF business, we'll come up with further alternative investment options for the investors. Currently, this is a pre-IPO-focused fund, largely focused on the pre-IPO opportunities where we invest in the pre-IPOs in the companies are coming up with the IPOs. We are working on other investment strategies as well. As soon as we are ready with those, we will come up with more alternative investment options for the investors.

Mann Dhadhi - Analyst, North Start Investments

Okay, okay, okay. That's -- I mean, that's good to hear. Thank you a lot, sir.

Ayush Sharma - Chief Financial Officer, Choice International Limited

Thank you.

Operator

Thank you. The next question is from the line of Dhanraj from Kuber Advisors. Please proceed with your question.

Dhanraj Tolani - Analyst, Kuber Advisors

Hello?

Ayush Sharma - Chief Financial Officer, Choice International Limited

Yeah, hi. Hello?

Dhanraj Tolani - Analyst, Kuber Advisors

Am I audible?

Ayush Sharma - Chief Financial Officer, Choice International Limited

Yes, yes, you are audible, Dhanraj.

Dhanraj Tolani - Analyst, Kuber Advisors

Yeah, hi, sir. Thank you for the opportunity. So I just have a couple of questions with me. I'll just start with the first one. So Considering the -- hello?

Ayush Sharma - Chief Financial Officer, Choice International Limited

Yeah, yeah, you are audible, please go.

Dhanraj Tolani - Analyst, Kuber Advisors

Okay, so considering the current pace of AM growth, so what would you expect the AMC to reach the -- I mean, when would you expect the AMC to reach the EBITDA breakeven? And once the business reaches breakeven, what kind of margin profile would we can expect over the medium term?

Ayush Sharma - Chief Financial Officer, Choice International Limited

Okay, so, uh, on the AMC business specifically, then that we haven't, uh, we have a plan to bring the business to BEP in the next 2 to 3 years timeline. As the AUM grows to a certain size, we will achieve the BEP numbers. We are not currently, uh, you know, giving a guidance on that, what that AUM number will be, because the size is small currently. So as the size grows, we will certainly start

discussing about the guidance on the AUM numbers as well.

Dhanraj Tolani - Analyst, Kuber Advisors

Okay, okay. Also, um, some lights on recent collaboration with, uh, NH Securities, and what is the nature of this, uh, tie-up, and how this will reflect on our business?

Ayush Sharma - Chief Financial Officer, Choice International Limited

So as I mentioned previously, this transaction is, uh, is more than just a fundraise for Choice Equity Broking Private Limited. So Choice has commanded a strong hold in the retail business across India. Now the idea was to, uh, one, uh, to expand into institutional business space, and second, to, uh, have the global presence as well. This strategic partnership with the NHIS will help us to expand our institutional businesses across India as well as the global markets. And also we will be able to provide global access to our Indian customers also through this particular partnership.

So these are the kind of advantages which we see, and this will certainly help us to have a multifold growth in our revenue and the profit numbers in the broking space specifically.

Dhanraj Tolani - Analyst, Kuber Advisors

Okay, okay, got it, sir. Okay, so that's all from my side, sir.

Ayush Sharma - Chief Financial Officer, Choice International Limited

Thank you.

Operator

Thank you. [Operator Instructions] Thank you. The next question is from the line of Raghav from Raghavan Company. Please proceed with your question.

Raghav - Raghav & Co., Analyst

[Foreign Speech] Hello?

Ayush Sharma - Chief Financial Officer, Choice International Limited

So, uh, yeah, yeah, Raghavji, I heard your question. So see, this is currently at the integration stage. We are integrating our systems with the IPPB systems. As soon as that is completed, we will go ahead -- I mean, we are expecting to complete this by end of this month only. As soon as the integration is complete, we will initiate onboarding customers through the IPPB platform. Depending on the initial volume which we see from the month of September onwards, we will be able to give some guidance on the overall impact in the PAT and revenue numbers through this partnership. However, we are very confident that given the exclusive nature of this partnership with the IPPB, we'll be able to onboard a large chunk of customers from the IPPB platform on our wealth management platform.

Raghav - Raghav & Co., Analyst

Actually, I think Arun sir has already said a couple of months back, from 1st July the revenue will start kicking I think you are already late by 3 months, right?

Ayush Sharma - Chief Financial Officer, Choice International Limited

No, it's, uh, by end of this month we will complete, uh, the integration, and from 1st of September we will start onboarding customers.

Raghav - Raghav & Co., Analyst

So what kind of revenue number can we expect from it? Like, just a hint, say for example, for Q4 only, since Q2 would be gone. Q3 and Q4, any idea?

Ayush Sharma - Chief Financial Officer, Choice International Limited

Sir, it's little early to give a guidance on the revenue number from this partnership. Once we start onboarding customer, we will be able to probably give you some guidance. Okay. And, and

Raghav - Raghav & Co., Analyst

About the 900 crores, that NH investment, when that amount will be received by you?

Ayush Sharma - Chief Financial Officer, Choice International Limited

In this quarter itself.

Raghav - Raghav & Co., Analyst

Sir. Probably this quarter, this month.

Ayush Sharma - Chief Financial Officer, Choice International Limited

In this quarter, uh, Q2 itself, we will get the money.

Raghav - Raghav & Co., Analyst

So means from Q3 onwards, the real growth will kick in in the numbers, right? Because from the Q4, like the Q3 last year, Q4 last year, and this Q1. The sales have been flat around 300 CR and the profit have been flat around 60 CR. QoQ, there is hardly any growth; it's normally flat. So that's why I'm asking, since the company is saying 50% CAGR for next couple of years, but QoQ there is no growth since last 3 quarters.

Ayush Sharma - Chief Financial Officer, Choice International Limited

So, uh, on the, uh, if you will see the quarterly number from, uh, from Q1 FY, uh, '26 versus FY '27, revenue has already grown by 34%.

Raghav - Raghav & Co., Analyst

No, I'm not saying YOY, I am saying QOQ. Q3 last year, Q4 last year, and Q1 of this current year -- last 3 quarters, the sales have been flat around 300 crores and profit has been around 60-70 crores. So I'm asking, last nine months, the sale and PAT has been normally in a particular range. There is not a like QOQ massive growth of 30%, 40%. I'm talking about that. When we can expect as a shareholder that QOQ growth will come, not about YOY.

Ayush Sharma - Chief Financial Officer, Choice International Limited

Yeah, yeah. So, Raghav ji, one thing is that some portion of this growth is attributable to the seasonality of the markets, but you can certainly see a tremendous growth after this money coming in because the money will also get to work in the business. So that growth will certainly start coming in from Q3 onwards.

Raghav - Raghav & Co., Analyst

So probably from Q3 onwards, that 50% CAGR can be maintained, ah? Q2 will be slightly similar like Q1 only, that's what I'm just guessing.

Ayush Sharma - Chief Financial Officer, Choice International Limited

Q2 will also have a certain amount of growth, uh, but it is difficult to give some guidance on the, uh, on the Q2 numbers at this moment because of the regulations. But, uh, growth will definitely be there.

Raghav - Raghav & Co., Analyst

The real growth will kick in from Q3 onwards, right?

Ayush Sharma - Chief Financial Officer, Choice International Limited

I am telling you specifically on the money coming in in Q2 and the growth because of that money coming in will start -- you will start in Q3 onwards.

Raghav - Raghav & Co., Analyst

Yeah, that would be the big movement, that's what I'm trying to guess.

Ayush Sharma - Chief Financial Officer, Choice International Limited

Yes, sir. Yes, sir.

Raghav - Raghav & Co., Analyst

And, uh, just I want to understand, like, we are talking a top line around 1,200-1,300 crores, like, on an annual basis average. Okay, so after this money comes in, that 900 crore and IPP partnership, when it starts kicking, for example, 2 months later, November-December roughly. So for next year, what can be a massive growth you could expect from the top line and bottom line for next year? Just keeping in mind two points. First, IPPB partnership rollout. Second, the 900 crores investment comes in. So what kind of real growth can we expect for next financial year? Just like, just an idea.

Ayush Sharma - Chief Financial Officer, Choice International Limited

So sir, once -- I mean, firstly, the base is going to grow from this financial year itself, from the last year's PAT of around 236-237 crores. This number will grow for, you know, tremendously in this financial year itself because of the two transactions or two events which you just mentioned. And over and above that, we expect another 50% growth in the next financial year as well.

Raghav - Raghav & Co., Analyst

So this CAGR will be maintained because of these two transactions?

Ayush Sharma - Chief Financial Officer, Choice International Limited

Yes, yes,

Raghav - Raghav & Co., Analyst

Sir. And another thing I want to ask, since your main, like, major chunk comes from your booking business, 50 to 60%, sale pack, okay. And 25 to 30 comes from your consultancy, which are the two best segments. Then what about the NBFC? Doesn't you think like it comes as a drag on your top line, bottom line? It consumes the working capital and doesn't generate that much of, uh, return which these other two segments generate.

Ayush Sharma - Chief Financial Officer, Choice International Limited

On the, uh, profitability side, uh, definitely the ROE is higher in the broking business, and that is why the highest capital is also allocated to the, uh, broking business. From the diversification perspective, uh, you know, relatively smaller capital is allocated to the -- No, no, I got your

Raghav - Raghav & Co., Analyst

Point, but in simple words, [Foreign Speech]

Ayush Sharma - Chief Financial Officer, Choice International Limited

[Foreign Speech] As soon as we achieve certain milestones in the NBFC business, this will also start giving a higher ROI as compared to what it is currently giving. So it's just a matter of another -- we expect another one year, and within a year we will start seeing the higher ROE in the NBFC business as well.

Raghav - Raghav & Co., Analyst

It will take 1 year.

Ayush Sharma - Chief Financial Officer, Choice International Limited

Yeah, yeah.

Raghav - Raghav & Co., Analyst

Okay, thanks, sir.

Ayush Sharma - Chief Financial Officer, Choice International Limited

Thank you.

Operator

Thank you. [Operator Instructions] The next question is from the line of Ajay from Oxygen. Please proceed with your question.

Unidentified Participant

Uh, hello, am I audible?

Ayush Sharma - Chief Financial Officer, Choice International Limited

Yes, yes, yes, sir.

Ajay Badgujar - Analyst, Oxygen XL

Yeah, yeah. Hi, sir. Uh, congratulations on good set of numbers. So actually, my one part of my question was already answered. Just wanted to get your guidance on the segmental businesses for like your broking, NBFC, AMC, investment banking, etc. So just could you give me a guidance of next 2 years and how you plan to, you know, implement the same and achieve the same?

Ayush Sharma - Chief Financial Officer, Choice International Limited

Okay, so currently, as we rightly discussed during the course of this call, we have, you know, almost 60% revenue coming from broking, 30% from advisory, and roughly around 10-12% from NBFC business. We expect the mix to be around 50%, 40%, and 10% over the next couple of years. It's not because the advisory will grow, you know, advisory will only grow and broking will not grow. Broking will also grow, but advisory, because investment banking is also clubbed with the overall advisory segment only. So that will have an overall added edge over the growth of the NBFC. So therefore, 50-40-10 is the kind of ratio which we expect to see in the future in the segmental mix.

Ajay Badgujar - Analyst, Oxygen XL

Okay, thank you.

Ayush Sharma - Chief Financial Officer, Choice International Limited

Thank you.

Operator

Thank you. [Operator Instructions] The next question is from the line of Raghav from Raghav & Company. Please proceed with your question.

Raghav - Raghav & Co., Analyst

Another question I was asking, I think 6 months ago the CEO, sir, I think I said on the television that we are opening 100 branches this year. What's the update? Like 6 months have gone this calendar year and hardly, I think, 10 branches hardly had opened. What's the update on that?

Ayush Sharma - Chief Financial Officer, Choice International Limited

Sir, we have finalized good teams. It is more important that we grow with the right set of people. So we have already finalized, you know, teams at various locations. As soon as their current employment with their existing employers get over, we will open our dedicated branches at those locations and start doing businesses in those locations.

Raghav - Raghav & Co., Analyst

But realistic number...

Ayush Sharma - Chief Financial Officer, Choice International Limited

We are on track with our, uh, with our growth target of, you know, uh, 800 branches over the next 4 years, 3 to 4 years time. So that we will certainly achieve.

Raghav - Raghav & Co., Analyst

Like, we are around 210-220 branches, I think, if I'm not wrong. So by end of this financial year, for the, for example, March, what kind of number can we expect? Just idea.

Ayush Sharma - Chief Financial Officer, Choice International Limited

So for March, we can, we can expect somewhere between 300 to 350 kind of branches.

Raghav - Raghav & Co., Analyst

Nearly 100 branches we will open next 6 months.

Ayush Sharma - Chief Financial Officer, Choice International Limited

Yes, sir.

Operator

Thank you. Ladies and gentlemen, that was the last question from the participants. I would now like to hand over the conference to Mr. Aish Sharma for closing comments. Over to you, sir.

Ayush Sharma - Chief Financial Officer, Choice International Limited

Thank you. Thank you very much for your questions and your interest in Choice International Ltd. Let me close this with a brief thought. FY26 was focused on building the businesses steadily and strengthening our fundamentals. We have carried this approach into FY27, with the first quarter showing continued progress across our businesses while maintaining a disciplined approach to growth. Thank you once again for joining us today. And for your trust and support. We look forward to staying engaged with you throughout the year. Thank you. Thank you very much.

Operator

[Operator Closing Remarks]