

Press Release
CHOICE FINSERV PRIVATE LIMITED
May 31, 2025
Rating Assigned and Reaffirmed



Product	Quantum (Rs. Cr)	Long Term Rating	Short T
Bank Loan Ratings	300.00	ACUITE A- Stable Assigned	-
Non Convertible Debentures (NCD)	50.00	ACUITE A- Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	350.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned the long-term rating of ‘**ACUITE A- (read as ACUITE A minus)**’ on the Rs. 300.00 Cr. Bank Loan Facilities of Choice Finserv Private Limited (CFPL). The outlook is ‘**Stable**’.

Acuite has reaffirmed the long-term rating of ‘**ACUITE A- (read as ACUITE A minus)**’ on the Rs. 50.00 Cr. Non-Convertible Debentures of Choice Finserv Private Limited (CFPL). The outlook is ‘**Stable**’.

Rationale for rating

The rating takes into account the sustained growth in revenue and significant improvements in the earning profile at the consolidated level marked by its PAT of Rs. 162.71 Cr. during FY2025 (FY2024:- Rs.130.86 Cr.) For FY2025, the total operating income of the Group stood at Rs 910.38 Cr. as against Rs 750.68 Cr. in FY 24. The rating further derives strength from healthy capital structure, experienced management and established position in its segment. The rating takes into account the group’s leveraged profile and Networth which stood at 0.70x and Rs. 960.87 Cr. for FY 25 as compared to 0.81x and Rs 563.33 Cr. for FY 24 respectively. Acuite takes cognizance of the group’s growing retail and institutional clientele, AUM growth from the NBFC segment (CFPL) which increased from Rs 481.91 Cr. in FY24 to Rs 767.94 Cr. in FY2025. On a standalone basis, Choice Finserv Private Limited has reported an improvement in PAT from Rs 1.52 Cr. in FY24 to Rs 3.67 Cr. as per Prov. FY25. The rating is however constrained on account of the group’s revenue susceptibility to the level of volatility/ turnover in the capital markets as well as highly competitive landscape in broking business as well as CFPL's ability to grow profitably in a sustained manner while maintaining its asset quality levels. Going forward, continued promoters support and ability of the company to sustainably improve its operating performance are key monitorables.

About the Company

Incorporated in 2016, Choice Finserv Private Limited is a Maharashtra based company engaged in offering diverse credit facilities to MSMEs, individuals, and others in Tier-3 and below geographies. Mr. Kamal Poddar, Mr. Ajay Rajendra Kejriwal, Mr. Vijendra Singh Shekhawat & Mr. Arun Kumar Poddar are the directors of the company.

About the Group

Choice International Limited was incorporated in 1993. Listed on BSE and NSE as Choice International Limited (Choice) is more than two decades old company under the leadership of Mr. Kamal Poddar (MD). It is an end to end financial services conglomerate. Choice Group has successfully created a FinTech ecosystem which combines a suite of platforms under one roof for all financial services. The company through its multiple subsidiaries offers financial and consultancy services catering to retail and institutional clients, corporates and state and central governments.

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuite has adopted a consolidated approach and considered the business and financial risk profile of Choice

International Limited (CIL) and its subsidiaries, (the Company and its subsidiaries together referred to as the Group) for arriving at the rating. The approach is driven by common management, shared brand, and strong operational and financial synergies between the group companies.

Key Rating Drivers

Strength

Strategic importance and ownership benefits from CIL & group synergies; experienced management

Choice Finserv Private Limited is the subsidiary of Choice International Limited (CIL), wherein CIL holds 80.60% stake in the company. CFPL benefits from common management, shared brand, and strong operational and financial synergies between the group companies. Choice International Limited was incorporated in 1993 and is engaged in providing financial services. It operates through the segments of NBFC services, Broking & Distribution, Advisory services, and IT Services Business. The company generates majority of the revenue from Broking and distribution services. It offers services like equity trading, commodity derivative trading, financial planning, currency futures trading, fund distribution, advisory, and structured products. The company conducts its business operations mainly in India. As on March 31, 2025, the group has 6 subsidiaries and 12 step down/ jointly controlled subsidiaries.

The management team is led by Mr. Kamal Poddar, a Fellow Member of the Institute of Chartered Accountants of India, is the Managing Director of Choice International Limited. He is involved in all the strategic decisions of the group. Mr. Ajay Kejriwal (Executive Director- CIL), who has experience of more than 15 years in financial markets. He possesses extensive experience in understanding the financials of companies and fund management within division. The BoD consists of 12 members, out of which 7 are independent members. The management team has more than two decades of experience in capital markets and has developed strong expertise in securities market trends, compliance and business development strategies.

Acuité believes, that the company's consolidated business profile will be supported by expertise of seasoned professional managing the operations and established track record of operations.

Comfortable capital structure

At group level, Choice group's capitalization levels were comfortable marked by tangible Networth of Rs. 563.22 Cr. as on March 31, 2024 (excluding revaluation reserve and intangible assets), the networth has increased to Rs. 960.87 Cr. in FY2025. Gearing of the Group stood at 0.70x during FY2025 as compared to 0.81x during FY2024. CFPL (standalone) also has adequate capitalization levels marked by Networth of Rs. 355.23 Cr. as per Prov. FY 2025 (Rs 230.16 Cr. as on March 31, 2024) and a gearing of 1.33 times for Prov. FY 25 (1.29 times as on March 31, 2024). At a Standalone basis, the CRAR for CFPL stood at 38.62% for FY 2025 (46.85% for FY24). For the period 9MFY2025, the networth of CFPL stood at Rs 232.34 Cr. with a gearing of 2.00 times respectively. The CRAR for the same period stood at 37.19%. Acuité believes that the company's comfortable capitalization levels will support its growth plans over the medium term.

Earnings profile and AUM growth

Choice Group reported total operating income of Rs.910.38 Cr. in FY 2025 from key business verticals as compared to Rs.750.68 Cr. in FY2024. The company reported a PAT of Rs 162.71 Cr. for FY25. The businesses at Group level are categorized as Equity & Broking, Insurance Broking, Wealth Management, Retail Loan Distribution, Management Consulting, Government Advisory and Others. For FY2025, the Broking business contributed Rs 551.18 Cr. followed by Advisory services (Rs 250.28 Cr.), NBFC services (Rs 114.80 Cr.) and others (Rs 33.10 Cr.). The group reported total revenue (not adjusted for inter segment revenue) of Rs. 921.66 Cr. for FY2025. In FY 24, the group reported total revenue (not adjusted for inter segment revenue) of Rs. 759.33 Cr. for FY2024, where Broking business contributed Rs. 454.59 Cr. followed by Advisory services (Rs. 225.93 Cr.), NBFC services (Rs. 86.84 Cr.) The Group reported PAT of Rs. 130.86 Cr. for FY2024 as compared to Rs. 60.07 Cr. for FY2023. At the Standalone level, CFPL had a AUM of Rs 767.94 Cr. for Prov.FY25 as against Rs 481.91 Cr. for FY24 mainly through its on book portfolio. In Q3FY25, CFPL acquired the retail lending portfolio of Paisabuddy Finance Private Limited and Sureworth Financial Services Private Limited, the corresponding AUM of CFPL for 9MFY2025 stood at Rs 822.95 Cr. CFPL reported a PAT of Rs. 3.67 Cr. for Prov. FY2025 as compared to Rs. 1.52 Cr. for FY2024. For 9MFY2025, CFPL had reported a decline in PAT of Rs 0.21 Cr. The decline in the PATY-o-Y from FY22 was on account of large scale branch expansion which significantly increased the operating expenses. Hence, Acuité believes that despite an improvement in Choice Group earning profile, the ability of the CFPL to sustain profitability will depend on its operational efficiencies and ability to grow without impacting the asset quality levels significantly.

Weakness

Moderate Asset Quality levels

CFPL has reported an on time portfolio of 91.63% for FY 24 as against and on time portfolio of 99.25% for FY23. The same stood at 87.98% for the period 9MFY2025, for Prov.FY 25 the on-time portfolio stood at

87.32%. The Gross NPA and Net NPA both stood at 0.04% in FY23, these have deteriorated to 2.17% and 1.92 % respectively in FY24. The Gross NPA and Net NPA for 9MFY2025 stood at 2.81% and 0.0% respectively. However, there has been slight improvement in Asset quality with the GNPA and NNPA at 2.44% and 0.54% respectively for Prov. FY25. However, Acuité believes that CFPL's ability to sustain the growth in its loan book, while maintaining sound asset quality level in the near to the medium term will be key rating monitorable.

Risks involving general economic and market conditions

Broking is a highly volatile and cyclical business with the presence of a large number of established players who provide significant competition to the other fragmented and small players. The company's operating performance is linked to the capital markets, which are inherently volatile as they are driven by economic and political factors as well as investor sentiments. Also, revenues generated from businesses like broking, wealth management, private client broking and investment advisory business, are directly related to the volume and value of the transactions. Any adverse market movement (downturn) would result in decline in transaction volumes leading to a decline in the group's revenues received from commissions earned from such businesses. While the Group continues to benefit from its business model the level of activity in the equity, commodities and F&O markets will be key determinant of its revenue profile and future growth trajectory. Given the competition from larger brokerages and technology-focused new entrants, the ability of the group to grow its brokerage revenues on a sustainable basis will be a key monitorable. Acuité believes that the level of activity in the capital markets will continue to be a key determinant of its revenue profile and future growth trajectory.

ESG Factors Relevant for Rating

Incorporated in 1993, Choice International Limited is a Maharashtra based company. It is involved in Activities auxiliary to financial intermediation, except insurance and pension funding. Mr. Suyash Sunil Patodia & Mr. Kamal Poddar are the managing directors of the company. The group ensures that it takes up initiatives towards sustainability and reduction in carbon emissions and promotes eco- friendly practices. The group is committed to upholding strong governance practices and drive value for its stakeholders while fostering an ethical and transparent work environment. The board of Choice International Limited comprises of 12 members including executive, non-executive, and independent directors and adheres to all applicable regulations to maintain integrity, excellence and responsible growth. Further the group is dedicated to ensure an inclusive and encouraging work environment. dedicated to work towards employee development through skills training programs, coaching and mentorship, ensuring as well as employee wellness programs.

Rating Sensitivity

- Changes/ dilution in shareholding and promoter support
- Movement in Business volumes & operating performance
- Change in profitability metrics due to sharp movement in capital market
- Changes in regulatory environment & regulatory actions against the company

All Covenants

Financial Covenants:

1. GNPA shall not exceed 5% of total AUM
2. NNPA shall not exceed 4% of total AUM
3. CAR to be maintained at 20% or as per applicable RBI regulation, whichever is higher
4. Total Debt to Networth shall not exceed 4x

Liquidity Position

Adequate

Business growth of Choice Group has been supported by the group's internal accruals, the company's dependence on debt is very low as reflected in low gearing of 0.70 times as on March 2025. The group has Cash and bank balance of Rs. 138.79 Cr. as on March 31, 2025. CFPL has cash and Bank balances of Rs. 106.78 Cr for Prov. FY 25. Acuité believes the liquidity position will remain adequate in the near to medium term.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials - Standalone / Originator

Particulars	Unit	FY25 (Prov)	FY24 (Actual)
Total Assets**	Rs. Cr.	908.08	551.03

Total Income*	Rs. Cr.	71.25	54.66
PAT	Rs. Cr.	3.67	1.52
Net Worth	Rs. Cr.	355.23	230.16
Return on Average Assets (RoAA)	(%)	0.50	0.33
Return on Average Net Worth (RoNW)	(%)	1.25	0.68
Debt/Equity	Times	1.33	1.29
Gross NPA	(%)	2.44	2.17
Net NPA	(%)	0.54	1.92

** Excluding deferred tax assets

* Total Income is equal to Net Interest Income plus other income

Key Financials (Consolidated)

Particulars	Unit	FY25 (Actual)	FY24 (Actual)
Operating Income	Rs. Cr.	910.38	750.68
PAT	Rs. Cr.	162.71	130.86
PAT Margin	(%)	17.87	17.43
Total Debt/ Networth	Times	0.70	0.81
PBDIT/ Interest	Times	4.48	5.65

*Ratios as per Acuite's calculations

*Tangible Networth is been considered for FY24 calculations

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any Other Information

Provisions of Chapter IV, Regulations 15 to 27 of SEBI (LODR) Regulations, 2015 apply to a listed entity which has listed its non-convertible debt securities and has an outstanding value of listed non-convertible debt of Rupees Five Hundred Crore and above.

Applicable Criteria

- Banks And Financial Institutions: <https://www.acuite.in/view-rating-criteria-45.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
02 Apr 2025	Proposed Non Convertible Debentures	Long Term	50.00	ACUITE A- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	INE0S7Q07016	Non-Convertible Debentures (NCD)	31 May 2024	13.65	25 Nov 2027	10.00	Simple	ACUITE A- Stable Reaffirmed
Not Applicable	INE04SE07103	Non-Convertible Debentures (NCD)	28 Apr 2025	12.00	25 Nov 2027	5.00	Simple	ACUITE A- Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	105.46	Simple	ACUITE A- Stable Assigned
Not Applicable	Not avl. / Not appl.	Proposed Non Convertible Debentures	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	35.00	Simple	ACUITE A- Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	19 Sep 2022	Not avl. / Not appl.	10 Jan 2027	11.12	Simple	ACUITE A- Stable Assigned
A U Small Finance Bank	Not avl. / Not appl.	Term Loan	23 Feb 2023	Not avl. / Not appl.	18 Mar 2026	6.67	Simple	ACUITE A- Stable Assigned
Indian Overseas Bank	Not avl. / Not appl.	Term Loan	29 Mar 2025	Not avl. / Not appl.	29 Dec 2028	20.00	Simple	ACUITE A- Stable Assigned
A. K. CAPITAL FINANCE LIMITED	Not avl. / Not appl.	Term Loan	26 Mar 2025	Not avl. / Not appl.	24 Mar 2027	25.00	Simple	ACUITE A- Stable Assigned
ICICI Bank Ltd	Not avl. / Not appl.	Term Loan	31 Dec 2024	Not avl. / Not appl.	31 Dec 2025	3.75	Simple	ACUITE A- Stable Assigned
ICICI Bank Ltd	Not avl. / Not appl.	Term Loan	31 Aug 2023	Not avl. / Not appl.	11 Aug 2025	2.08	Simple	ACUITE A- Stable Assigned
Real Touch Finance Limited	Not avl. / Not appl.	Term Loan	17 Jun 2023	Not avl. / Not appl.	05 Jan 2026	1.12	Simple	ACUITE A- Stable Assigned
Vivriti Capital Limited	Not avl. / Not appl.	Term Loan	30 Mar 2024	Not avl. / Not appl.	05 Apr 2027	17.36	Simple	ACUITE A- Stable Assigned
Vivriti Capital Limited	Not avl. / Not appl.	Term Loan	30 Sep 2023	Not avl. / Not appl.	30 Oct 2026	5.28	Simple	ACUITE A- Stable Assigned
Vivriti Capital Limited	Not avl. / Not appl.	Term Loan	02 Sep 2024	Not avl. / Not appl.	02 Sep 2027	10.00	Simple	ACUITE A- Stable Assigned
Vivriti Capital Limited	Not avl. / Not appl.	Term Loan	09 Jan 2024	Not avl. / Not appl.	09 Jan 2026	2.29	Simple	ACUITE A- Stable Assigned
Vivriti Capital Limited	Not avl. / Not appl.	Term Loan	01 May 2023	Not avl. / Not appl.	29 May 2025	1.67	Simple	ACUITE A- Stable Assigned
Electronica Finance Ltd.	Not avl. / Not appl.	Term Loan	28 Mar 2025	Not avl. / Not appl.	05 Apr 2028	9.00	Simple	ACUITE A- Stable Assigned
Nabsamruddhi Finance Limited	Not avl. / Not appl.	Term Loan	17 Mar 2023	Not avl. / Not appl.	30 Jun 2026	9.79	Simple	ACUITE A- Stable Assigned
	Not avl. / Not		30 Sep	Not avl.	25 Sep			ACUITE

Federal Bank	appl.	Term Loan	2023	/ Not appl.	2026	10.00	Simple	A- Stable Assigned
Small Industries Development Bank of India	Not avl. / Not appl.	Term Loan	28 Mar 2024	Not avl. / Not appl.	10 Jun 2026	8.10	Simple	ACUITE A- Stable Assigned
Small Industries Development Bank of India	Not avl. / Not appl.	Term Loan	28 Jun 2024	Not avl. / Not appl.	10 Sep 2026	4.68	Simple	ACUITE A- Stable Assigned
Capital Small Finance Bank Ltd.	Not avl. / Not appl.	Term Loan	19 Dec 2024	Not avl. / Not appl.	11 Dec 2028	14.11	Simple	ACUITE A- Stable Assigned
Ambit Finvest Pvt. Ltd.	Not avl. / Not appl.	Term Loan	31 Dec 2024	Not avl. / Not appl.	05 Oct 2026	3.34	Simple	ACUITE A- Stable Assigned
Ambit Finvest Pvt. Ltd.	Not avl. / Not appl.	Term Loan	03 Oct 2024	Not avl. / Not appl.	05 Oct 2026	6.24	Simple	ACUITE A- Stable Assigned
Ambit Finvest Pvt. Ltd.	Not avl. / Not appl.	Term Loan	31 Jul 2023	Not avl. / Not appl.	05 Aug 2025	3.46	Simple	ACUITE A- Stable Assigned
Suryoday Small Finance Bank Limited	Not avl. / Not appl.	Term Loan	30 Jan 2024	Not avl. / Not appl.	05 Feb 2026	4.90	Simple	ACUITE A- Stable Assigned
ESAF Small Finance Bank	Not avl. / Not appl.	Term Loan	28 Mar 2024	Not avl. / Not appl.	31 Mar 2027	7.61	Simple	ACUITE A- Stable Assigned
Capital Small Finance Bank Ltd.	Not avl. / Not appl.	Term Loan	27 Mar 2024	Not avl. / Not appl.	11 Dec 2028	3.50	Simple	ACUITE A- Stable Assigned
DCB Bank Limited	Not avl. / Not appl.	Term Loan	30 May 2023	Not avl. / Not appl.	31 Aug 2026	3.47	Simple	ACUITE A- Stable Assigned

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr. No	Name of the companies
1	Choice International Limited
2	Choice Equity Broking Private Limited ("CEBPL")
3	Choice Consultancy Services Private Limited
4	Choice Finserv Private Limited
5	Choice Capital Advisors Private Limited
6	Choice Insurance Broking India Private Limited
7	Arete Capital Services Private Limited
8	Choice AMC Private Limited
9	Choice Trustees Services Private Limited
10	Choice Wealth Private Limited
11	Choice Tech Lab Solutions Private Limited
12	Choice Connect Private Limited
13	Choice Corporate Services Private Limited
14	Thoughts Consultants Jaipur Private Limited
15	SKP Green Ventures Private Limited
16	CCSPL-I&R
17	Mars Planning and Engineering
18	CCSPL- PD& EX JV

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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