Shah Investor's Home Ltd.

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IPO Note | **25th Sept 2026**

Company Overview

Shah Investor's Home Limited (SIHL) was incorporated in October 1994 as Shah Investors Home Private Limited and converted into a public limited company in February 1995. Over more than three decades, the company has evolved into a full-service retail stockbroking and financial services platform catering primarily to retail investors, HNIs, corporates and NRIs. The company is led by an experienced promoter-management team comprising Upendra Trikamlal Shah, Chairman & Whole-time Director with over 30 years of experience and Tanmay Upendra Shah, Managing Director & CFO with over 20 years of experience. SIHL operates across four principal verticals, namely broking, Margin Trading Facility (MTF), depository services and distribution/wealth management. Broking remains the core business and contributed 64.8% of FY26 operating revenue, with the company offering transaction-based services across equity cash, equity derivatives, currency, commodities, IPOs and Stock Lending and Borrowing Mechanism (SLBM) through its memberships of NSE, BSE and MCX. Within brokerage income, equity cash contributed 60.3% while equity derivatives contributed 39.7% in FY26, reflecting a meaningful presence across both cash and derivatives trading. The company also provides MTF, where customers can leverage eligible securities for short-term trading and SIHL earns interest income on the deployed funding book, which stood at Rs. 21 crores in FY26. Through its registration as a Depository Participant with NSDL, SIHL provides demat account services, having served over 1,00,000 demat accounts. Its distribution and wealth management business further provides access to equity, debt and hybrid mutual funds, PMS, Category-III AIFs and insurance products, with Assets Under Distribution of Rs. 54 crores in mutual funds in FY26. SIHL follows a hybrid "phygital" model, combining 11 branches across Mumbai, Ahmedabad, Rajkot, Vadodara, Junagadh and Gandhinagar with 181 Authorised Persons, alongside digital platforms including SIHL Moneymaker, its equity and options trading application; SIHL Fundspro, its mutual fund investment platform; and Algofy, an API-powered algorithmic trading platform offering automated execution, strategy development and risk management capabilities. Through its corporate structure, SIHL is supported by four subsidiaries, including SIHL Fincap Limited, an RBI-registered NBFC engaged in credit products and loans; SIHL Global Investments (IFSC) Private Limited, a SEBI and IFSCA-registered stockbroker operating from GIFT City and facilitating global trading through its referral arrangement with NSEIX Global Access; SIHL Consultancy Limited, which provides corporate finance and business consultancy services; and SIHL Strategic Advisors Private Limited, which provides management consultancy and advisory services. SIHL has built a strong regional franchise in western India, with Gujarat contributing approximately 93.7% of brokerage revenue, while its customer base stood at 85,422, including 38,189 active NSE clients in FY26.

Objects of the issue

The offer comprises an entirely fresh issue of Rs. 90 crores. The company proposes to utilise the net proceeds from the fresh issue towards the following purposes:

⇒ Funding working capital requirements of the company; and

⇒ General corporate purposes

Investment Rationale

A three-decade trust franchise is being transformed into a scalable phygital platform

SIHL's key competitive strength lies in the long-standing customer relationships and regional trust it has built over more than three decades, particularly across Gujarat and Maharashtra. Unlike a purely digital broker that primarily competes on customer acquisition and transaction pricing, SIHL has built its franchise through relationship-led distribution and local market presence. The company's promoter-led management, with over 90 years of combined experience, has helped establish a durable regional franchise, with Gujarat contributing approximately 93.7% of brokerage revenue. The strength of the franchise is reflected in the longevity of its customer relationships, with 72.61% of active NSE clients having been associated with SIHL for more than five years. SIHL is now building on this established franchise through a "phygital" model, combining its physical network of 11 branches and 181 Authorised Persons with digital platforms that extend its product and servicing capabilities beyond traditional broking. SIHL Moneymaker provides customers with a digital platform for equities and options trading, supported by live charts, option-chain analytics and technical indicators, while SIHL Fundspro enables customers to invest in mutual funds digitally. Algofy further expands the technology offering by providing API-based automated trade execution, strategy development and risk management capabilities for high-frequency traders and fintech developers. This digital infrastructure is supported by an in-house ERP system and a 17-member internal IT team, integrating trading, back-office and risk management functions. The combination of physical reach and digital capabilities allows SIHL to service customers

Issue Details	
Offer Period	28th Sept 2026 - 30th Sept 2026
Price Band	Rs. 159 - Rs. 167
Bid Lot	85
Listing	BSE & NSE
Issue Size (no. of shares in crores)	0.5
Issue Size (Rs. in crores)	90
Face Value (Rs.)	10

Issue Structure	
QIB	50%
NII	15%
Retail	35%

BRLM	Beeline Capital Advisors Pvt. Ltd.
Registrar	MUFG Intime India Private Ltd.
Investor Relations Consultant	Capital Bridge Advisors

Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	84.34%	62.81%
Public	15.66%	37.19%
Total	**100.00%**	**100.00%**

(Assuming issue subscribed at higher band)

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across a broader set of investment needs while improving the scalability of its operations. Importantly, the company can leverage its established customer base to drive adoption of these additional platforms and products, providing scope to deepen customer engagement and increase wallet share over time. This positions SIHL to gradually evolve from a traditional regional broker into a more integrated, technology-enabled financial services platform.

Diversification beyond brokerage creates multiple monetisation engines and expands the earnings opportunity

SIHL is progressively evolving from a traditional stockbroker into a broader financial services platform, using its position in capital markets to build multiple sources of interest and fee income. While brokerage remains the core business, the company's exchange memberships across NSE, BSE, MCX and MSEI, along with its NSDL depository platform, provide a broad base from which it can offer customers a wider range of financial products. Its wealth and distribution business extends this offering into mutual funds, PMS, insurance and alternative investments, including the SIHL Dynamic Growth Fund, a SEBI-registered Category-III AIF. This diversification allows SIHL to participate in different stages of a customer's investment journey. The MTF business provides another growth avenue, enabling SIHL to earn interest income by financing customers against eligible securities. The MTF book reached Rs. 21 crores in FY26, with a 154% collateral coverage ratio and zero default losses, while the IPO proceeds earmarked for the MTF business provide additional capital to expand this lending book and support its growth. Beyond domestic capital markets, SIHL has also established a presence in GIFT City through SIHL Global Investments (IFSC) Private Limited, providing customers access to global equities, ETFs and thematic portfolios through NSEIX Global Access. This further broadens SIHL's product suite and enables it to address the growing demand for international investment products. The breadth of these offerings is supported by a strong financial position, with 0.10x Debt-to-Equity in FY26, giving SIHL financial flexibility to deploy capital towards its higher-growth businesses. The broader industry environment also remains supportive, with increasing financialisation of household savings and strong growth in the MTF market creating a favourable backdrop for capital-market intermediaries.

Valuation

Shah Investor's Home Limited (SIHL) is a full-service financial services platform with over three decades of operating history, combining a strong regional franchise with broking, MTF, depository and wealth services. The company is leveraging its three-decade trust franchise into a scalable phygital platform through its branch network and digital offerings, while diversification beyond brokerage creates multiple monetisation engines through MTF, mutual funds, PMS, AIFs and GIFT City services. SIHL's FY25 performance was strong, with revenue from operations and PAT growing 21.1% and 29.8% YoY, respectively, supported by higher market activity, brokerage growth and the launch of MTF. FY26 was impacted by lower trading activity, with Average Daily Turnover (ADTO) declining to Rs. 180 crores, resulting in revenue declining 24.2% to Rs. 72 crores and PAT declining 44.0% to Rs. 13 crores. However, diversification continued, with the MTF book growing 117.4% YoY to Rs. 21 crores and mutual fund Assets Under Distribution reaching Rs. 54 crores, reducing dependence on brokerage income. On a peer comparison, SIHL remains significantly smaller than the larger listed players, with FY26 revenue of Rs. 72 crores compared with Rs. 1,877 crores for SMC Global Securities, Rs. 1,470 crores for Share India Securities and Rs. 206 crores for Arihant Capital Markets. However, its operating economics remain competitive. SIHL reported 30.2% EBITDA margin and 18.2% PAT margin, compared with 20.1% and 5.4% for SMC Global and 32.2% and 15.2% for Arihant Capital. Its 0.10x Debt-to-Equity is also the lowest among the peer set, providing greater balance-sheet flexibility to scale its MTF and other businesses. Further, SIHL's active NSE client base increased 1.0% YoY to 38,189 in FY26, despite active-client declines at SMC Global and Arihant Capital. The high proportion of long-standing customers, with 27,728 active clients or 72.6% of the base associated for more than five years, further differentiates SIHL from a purely acquisition-driven brokerage model. **At the upper price band of Rs. 167, SIHL is valued at 20.1x FY26 P/E versus the peer average of 18.4x. However, on three-year weighted average EPS of Rs. 11.03, valuation stands at 15.1x P/E, implying a ~17.5% discount to peers, while P/B stands at 1.5x. The Rs. 60 crores (of the Rs. 90 crores fresh issue) is earmarked towards working capital and MTF expansion, provides additional capital to scale its growing interest-income business. Thus we recommend "SUBSCRIBE" to the issue.**

Risks

⇒ SIHL remains highly dependent on its core broking business, which contributed 64.78% of operating revenue in FY26, while Gujarat accounted for 93.7% of brokerage revenue. Any slowdown in regional trading activity or disruption in the Authorised Person network could adversely impact revenue and profitability.

⇒ The MTF book stood at Rs. 21 crores in FY26, exposing SIHL to credit and collateral risks. Sharp market corrections could reduce the value of pledged securities, while client defaults or failure to meet margin requirements could result in losses. The top 10 MTF clients accounted for 16.3% of the MTF book.

⇒ SIHL's earnings remain sensitive to equity and derivatives trading volumes and market sentiment. Lower retail participation, subdued volatility or prolonged market corrections could reduce ADTO and brokerage income. Treasury and derivative positions also expose the company to mark-to-market volatility, resulting in a net fair value loss of Rs. 0.9 crores in FY26.

⇒ SIHL operates under extensive SEBI and stock exchange regulations, with changes in MTF, derivatives, transaction fees or other capital-market rules potentially affecting trading volumes, compliance costs and business economics. The company also faces intense competition from discount and technology-led brokers, which could put pressure on brokerage rates and customer acquisition.

Income Statement (Rs. in crores)

Particular	FY24	FY25	FY26
Revenue from operations			
Interest Income	16	25	24
Dividend Income	1	1	1
Rental Income	0	0	0
Fees and commission Income	58	68	47
Net gain/(loss) on fair value changes	2	1	-1
Sale of products	0	0	0
Sale of services	0	0	0
Other operating income	0	0	0
Total revenue	**78**	**94**	**71**
Expenses:			
Employee benefit expenses	11	12	12
Fees and commission expense	34	38	29
Other Expenses	8	9	9
Total operating expenses	**53**	**59**	**50**
EBITDA	**25**	**35**	**22**
Depreciation & amortization	1	2	2
EBIT	**24**	**34**	**20**
Finance costs	1	2	2
Other Income	1	0	1
PBT	**24**	**31**	**18**
Taxes	6	8	5
PAT	**18**	**23**	**13**
Diluted EPS	**11.4**	**14.8**	**8.4**

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in crores)

Particulars	FY24	FY25	FY26
Cash Flow from operating activities	110	-32	-20
Cash flow from/(used in) investing activities	-2	-11	-10
Net cash flows (used in) / from financing activities	-7	-2	9
Net increase/(decrease) in cash and cash equivalents	**102**	**-45**	**-21**
Cash and cash equivalents at the beginning of the period	**28**	**130**	**85**
Cash and cash equivalents at the end of the period	**130**	**85**	**64**

Source: RHP, BP Equities Research

Shah Investor's Home Ltd.

Balance Sheet (Rs. in crores)

Particulars	FY24	FY25	FY26
Assets			
Non-Financial Assets			
(a) Current tax assets (Net)	2	2	3
(b) Investment Property	1	1	1
(c) Property, Plant and Equipment	21	21	23
(d) Capital work-in-progress	0	1	2
(e) Intangible assets under development	0	0	0
(f) Other Intangible asset	0	0	0
(g) Goodwill on Consolidation	1	1	1
(h) Other non-financial assets	2	2	5
Total Non-Current Assets	**27**	**28**	**35**
Financial Assets			
(a) Cash and Cash Equivalents	130	85	64
(b) Bank Balance other than (a) above	45	73	60
(c) Receivables	8	17	27
(d) Loans	13	19	33
(e) Investments	72	77	83
(f) Other Financial assets	3	3	3
Total Financial Assets	**272**	**274**	**270**
Total Assets	**299**	**303**	**305**
Equity and Liabilities			
(a) Equity Share capital	16	16	16
(b) Other Equity	135	152	164
(c) Non-Controlling Interest	1	1	1
Total Equity	**151**	**169**	**181**
Liabilities			
Non-Financial Liabilities			
(a) Current tax liabilities (Net)	0	0	0
(b) Deferred tax liabilities (Net)	4	1	1
(c) Provisions	2	2	1
(d) Other non-financial liabilities	1	1	0
Total Non-Financial Liabilities	**7**	**3**	**3**
Financial Liabilites			
(a) Trade Payables	137	124	103
(b) Borrowings (Other than Debt Securities)	4	6	18
(c) Other financial liabilities	0	0	0
Total Current Liabilities	**140**	**130**	**121**
Total Liabilities	**147**	**134**	**124**
Total Equity and Liabilities	**299**	**303**	**305**

Source: RHP, BP Equities Research

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Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

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