IPO REVIEW

Shah Investor's Home IPO

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- The company primarily a retail broking company currently provides a range of security market services.
- It conducts operation through its 11 branches in India with major clients from the western region.
- The company is a dividend paying company with a profitable track record.
- It marked down trend in its top and bottom lines for FY26 in line with the general industry trends.
- Based on its recent average financial data, the issue appears aggressively priced.
- Only well-informed/cash surplus investors may park moderate funds for long term.
- In View Of The Likely Bank Strike From 28.09.26 To 30.09.26, The Ipos/Primary Offers That Are Falling Between These Three Days, Ipos Schedule Time Line May Change And The Revised Dates Will Get Effective For Opening And / Or Closing Schedules, As The Case May Be. Investors Are Requested To Make A Note Of This.

About the Company

Shah Investor’s Home Ltd. (SIHL) is a retail brokering company that offers a range of services covering equity brokerage services and derivatives brokerage services, with over three decades of experience. Its services facilitate the buying and selling of financial products such as equities, IPO investing, mutual funds distribution, and other securities. While its core operations include equity and derivatives brokerage, the company primarily focuses on providing secondary market brokering services to retail customers, comprising both resident and non-resident Indians. In addition to executing buy and sell orders, its business extends to offering mutual fund distribution, margin funding, and stock lending and borrowing services, which are carried out under the brand name “Shah Investors”.

As of March 31, 2026, it has served over 1,00,000 demat accounts, with more than 38,000 active clients and partnerships with over 181 authorized persons. The company conducts operations through 11 branches in India, located in Mumbai, Ahmedabad, Vadodara, Junagadh, Gandhinagar and Rajkot. Its multi-channel presence, through various branches, and network of authorized persons enables it to service clients across Gujarat and Maharashtra. Its focus on these two key geographies can be attributed to the efforts at diversifying the clientele by garnering new opportunities from HNIs & retail customers.

In the year 1995, the company started its operations as Trading Member (Stock Broker) of National Stock Exchange of India Limited. After completion of two years of its trading operations as a Stock Broker, in the year 1997, it Registered as Depository Participant Member of National Securities Depository Limited (NSDL). The Company by taking steps towards integrating technology has digitalized its business operations. In the year 2007, it implemented a VMWare-based virtualized environment to streamline trading and back-office operations. In the year 2023, the Company launched its digital app-based platform 'SIHL Moneymaker'.

SIHL had commenced its operations as a Trading Member (Stockbroker) of National Stock Exchange of India Limited in 1995 and had subsequently in 1997, registered itself as a depository participant member of National Securities Depository Ltd (NSDL). It acquired the membership of the capital market segment of the Bombay Stock Exchange Limited in 2004. It became a trading member of the F&O segment of BSE and of the currency derivative segment of NSE, in 2007 and 2008 respectively.

As on March 31, 2026, the app has over 12,452 active registered users. The company has developed an in-house ERP system, rolled out across branches and franchises with a dedicated module for client interaction such active steps help it to enhance client engagement and extend a broader range of services to the clients. Further, in Fiscal 2026 it launched 'ALGOFY', an API-powered algo trading platform enabling algorithmic trading through an integrated ecosystem of strategy development, market data, technology infrastructure, risk management and trade execution capabilities. The platform facilitates the development, testing, deployment, automation and management of algorithmic trading strategies through APIs, pre-built and expert-designed strategies, and a no code interface. The platform allows traders, developers, fintechs, brokers, and algo platforms to build, test, automate, and manage strategies.

SIHL has served over 100,000 demat accounts, with more than 37,810 active clients and partnerships with over 184 authorized persons and conducts operations through 11 branches in India, located in Mumbai, Ahmedabad, Vadodara, Junagadh, Gandhinagar and Rajkot. As of July 31, 2026, it had 167 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 5399200 equity shares of Rs. 10 each worth Rs. 90.17 cr. at the upper cap. The company has announced a price band of Rs. 159 – Rs. 167 per equity shares of Rs. 10 each. The issue opens for subscription on September 28, 2026, and will close on September 30, 2026. The minimum application to be made is for 85 shares and in multiples thereon, thereafter. Post allotment, shares will be listed on BSE and NSE. The issue constitutes 25.52% of the post-IPO paid-up equity capital. From the net proceeds of the fresh equity issue, the company will utilize Rs. 60.00 cr. for working capital, and the rest for general corporate purposes.

The sole Book Running Lead Manager (BRLM) to this issue is Beeline Capital Advisors Pvt. Ltd., while MUFG Intime India Pvt. Ltd. is the registrar to the issue. Spread X Securities Pvt. Ltd. is a syndicate member.

After issuing initial equity shares at par value, the company has issued further equity shares at a fixed price of Rs. 150.00 per share, in February 2008. The company also issued bonus shares in the ratio of 1 for 1 in November 2007 and November 2017. The average cost of acquisition of shares by the promoters/selling stakeholders is Rs. 0.65, Rs. 2.39, Rs. 2.51, and Rs. 4.11 per share.

Post-IPO, its current paid-up equity capital of Rs. 15.75 cr. (15754000 equity shares) will stand enhanced to Rs. 21.15 cr. (21153200 equity shares). Based on the upper cap of the price band, the company is looking for a market cap of Rs. 353.26 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has (on a consolidated basis) posted a total income/net profit, of Rs. 79.05 cr. / Rs. 18.05 cr. (FY24), Rs. 94.47 cr. / Rs. 23.42 cr. (FY25), and Rs. 72.40 cr. / Rs. 13.11 cr. (FY26). While it marked growth in its top and bottom lines for FY24and FY25, FY26 posted degrowth with lower top and bottom lines. This is attributed to geopolitical tension, spiraling Dollar / Crude oil prices and cascading global economy and meltdown in stock markets. Its contingent liabilities stood at Rs. 64.25 cr. as of March 31, 2026, and surge in trade receivables year-on-year raise concern.

For the last three fiscals, the company has posted an average EPS of Rs. 11.03 and an average RoNW of 10.30 %. The issue is priced at a P/BV of 1.46 based on its NAV of Rs. 114.07 as of March 31, 2026, and at a P/BV of 1.31 based on its post-IPO NAV of Rs. 127.58 per share at the upper cap.

If we attribute FY26 super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at P/E of 26.94. Based on FY25 earnings, the P/E stands at 15.09. The issue appears aggressively priced based on its recent average performance.

For the reported periods, the company has reported PAT Margins of 22.69% (FY24), 24.76% (FY25), 18.24% (FY26), and RoCE margins of 16.77%, 20.35%, 10.61%, respectively, for the referred periods.

Dividend Policy

The company has paid dividends of 10% for FY24 to FY26 and 15% for FY27 till the filing of this offer document. It has already adopted a dividend policy in September 2025, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown SMC Global Securities, Share India Securities, Arihant Capital Markets, as its listed peers. They are currently trading at a P/E of 16.5, 12.6, and 25.6 (as of September 25, 2026). However, they are not truly comparable on an apple-to-apple basis. This

comparison appears to be an eyewash.

Merchant Banker's Track Record

This is the 40 th mandate from Beeline Capital Advisors in the last three fiscals. Out of the last 15 listings, all opened with premium ranging from 1.28% to 146.91% on the date of listing.

Conclusion / Investment Strategy

SIHL primarily a retail broking company currently provides a range of security market services. It conducts operation through its 11 branches in India with major clients from the western region. The company is a dividend paying company with a profitable track record. It marked down trend in its top and bottom lines for FY26 in line with the general industry trends. Based on its recent average financial data, the issue appears aggressively priced. Only well-informed/cash surplus investors may park moderate funds for long term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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