



## “Rikhav Securities Limited H1 FY-26 Earnings Conference Call”

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**MODERATOR:** **MR. GANESH – KIRIN ADVISORS PRIVATE LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to Rikhav Securities H1 FY26 Earning Conference Call.

As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing '\*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Ganesh. Thank you and over to you.

**Ganesh:** Thank you. Good morning, everyone. On behalf of Kirin Advisors, I welcome you all to the conference call of Rikhav Securities Limited.

From Management Team, we have Mr. Hitesh Lakhani – Chairman and Managing Director, Mr. Rajendra Shah – Whole-Time Director and CFO, and Mr. Deep Lakhani – Head of Technology. With that, now I handover the call to Mr. Hitesh Lakhani for the opening remarks. Over to you, sir. Thank you.

**Hitesh Lakhani:** Today, to discuss the Financial and Operational Performance of Rikhav Securities Limited for the First Half of Financial Year 2026. On behalf of the Management Team, I extend a warm welcome to all our investors, analysts and stakeholders participating in today's discussion. Rikhav Securities a diversified financial services company with operations spanning retail and institutional broking, proprietor trading, margin trading, depository service and market making. With nearly three decades of experience, we have built a resilient and technology-driven platform that emphasizes operational excellence, disciplined risk management and customer-centric growth.

During the first half of FY26, our total income stood at Rs. 386.67 crores, EBITDA at Rs. 25.96 crores and profit after tax at Rs. 17.75 crores. Our performance reflects steady operational progress and continued efforts to enhance efficiency, scalability and service quality. Over the past year, we have made significant progress in enhancing both our core trading infrastructure and client engagement ecosystem. Our margin trading facility, which has recently commenced operation, now has a book size of around Rs. 10 crores and witnessing healthy momentum. We expect this segment to grow by 30% to 40% every half year as we expand participation and optimizing leverage management.

On a digital front, our online account opening process has been successfully rolled out, supported by a mobile application designed for seamless portfolio access and paperless onboarding. The final stage of enhancement for the app will be completed within the next 3 months, enabling a fully integrated real-time trading and client service experience. We have also strengthened our institutional business, onboarding several institutional clients, which reinforce our position as a trusted intermediary in India's evolving capital markets. Rikhav's edge lies in the robust technology infrastructure, automated risk management and high client retention. Our trading systems are built on a low-latency, high-efficiency framework that

enables seamless execution and reliability. Our VaR-based risk management system ensures minimal human intervention while optimizing risk-return outcomes. Further, as accredited market makers on both BSE and NSE, we actively support 40 to 45 SME IPOs annually, contributing to liquidity, stability and market depth in India's SME ecosystem, an area where Rikhav has established strong leadership.

Looking ahead, we are well-positioned to leverage multiple growth levers, diversify revenue models, by onboarding our income streams beyond traditional market investment through enhanced brokerage services and structured proprietary trading, digital client acquisition, planned investments in digital marketing and analytics will strengthen client onboarding, engagement and retention. Technology upgrades, continuous enhancement to research, back-office and quantitative systems will drive efficiency and scalability. Institutional expansion, we are targeting growth in institutional brokerage through empanelment with banks and foreign institutional investors.

Geographical expansion, our focus is to extend beyond Maharashtra and Gujarat through digital channels, franchise models and sub-broker networks, driving wider retail participation. These initiatives are guided by our principles of strategic capital reallocation, channelling resources towards scalable, technology-led and high-yield business verticals. The broader financial services sector continues to benefit from rising retail participation, deepening liquidity and digital transformation. With over 150 million dividend accounts and rapidly growing mutual fund assets, India's capital market offers a strong structural foundation for sustainable growth at Rikhav we expect 20-25% year-on-year growth, driven by ongoing digital initiatives, expanding client reach and operational efficiency improvement. Our focus remains on delivering consistent performance while creating long-term value for all shareholders. In closing, I would like to express our gratitude to our shareholders, clients, partners and employees for their continuous trust and support. We remain committed to strengthening our platform, deepening client relationships and pursuing sustainable technology-driven growth in the years ahead.

With that, we now open the floor for questions. Thank you.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Kakshi Shah, an individual investor. Please go ahead.

**Kakshi Shah:** Thank you for the opportunity. My first question is, what is your expected return on capital from MTF over the next year?

**Hitesh Lakhani:** It is between 15% to 20%. Straightaway interest is about (+14%) brokerage for debt clients. With brokerage it is 15% to 20%.

**Kakshi Shah:** My second question is, how many active users does your mobile app have and how fast is it growing?

**Hitesh Lakhani:** Just now only 1,500 to 1,800.

**Kakshi Shah:** My last question is, what share of new clients use digital KYC and how are you improving the funnel?

**Hitesh Lakhani:** Digital KYC has already successfully started.

**Kakshi Shah:** Thank you for this opportunity and answering my questions.

**Hitesh Lakhani:** Thank you.

**Moderator:** Thank you. The next question comes from the line of Shreya Mahajan from HNI. Please go ahead.

**Shreya Mahajan:** I have a few questions. How is the average revenue per user growing and what steps will it increase further?

**Hitesh Lakhani:** Average revenue per user just now, we calculate the active user is around 6,000 per year.

**Shreya Mahajan:** Any upcoming steps to make it grow more?

**Hitesh Lakhani:** Per user revenue?

**Shreya Mahajan:** Yes.

**Hitesh Lakhani:** It depends on the market condition. If the market is improved, it's automatically improved. Because just now we don't have any mechanism where we can improve that per user revenue. Because whenever the customer comes, we don't know how much they give us the revenue.

**Shreya Mahajan:** One more question I have. How is your brokerage rate compared to peers and how sensitive are clients to pricing?

**Hitesh Lakhani:** Our online brokerage rate is just at par with the discount brokers. And offline is a little bit higher.

**Shreya Mahajan:** And what return on equity are you targeting for the MTF business?

**Hitesh Lakhani:** Return on equity for MTF, just that answer I have already given, 15%-20%.

**Shreya Mahajan:** Thank you. That's all from me.

**Moderator:** Thank you. The next question comes from the line of Sakshi Shinde, an individual investor. Please go ahead.

- Sakshi Shinde:** Thank you for giving me this opportunity. So, my question is, how do you ensure liquidity and fair pricing in SME market when the volumes are low?
- Hitesh Lakhani:** We are providing both the side quotes. So, whenever anybody wants to buy the shares from that quote, they can buy. And if they want to sell the shares, then they can sell. So, we provide both the quotes.
- Sakshi Shinde:** My next question is, your MTF book is growing. And when it is average loan size and interest rate and the payment behavior?
- Hitesh Lakhani:** I don't understand your question.
- Sakshi Shinde:** Your MTF book is growing. What is the average loan size, interest rate and the repayment behavior?
- Hitesh Lakhani:** Which loan size? Per user?
- Sakshi Shinde:** Yes.
- Hitesh Lakhani:** Per user, it is between 20 to 50 lakhs average.
- Sakshi Shinde:** My next question is, how do you fund MTF growth and now the funds, bank lines and other securities?
- Hitesh Lakhani:** Just now, we have deployed our fund. And we have sanctioned the fund for MTF from the Tata Capital. 5 crores sanction is there. If the size is growing, then we can have additional line for the funding of the MTF.
- Sakshi Shinde:** My last question is, how do you control concentration risk in MTF by client and by stock?
- Hitesh Lakhani:** Limits we have defined in our risk management system.
- Sakshi Shinde:** Thank you.
- Moderator:** Thank you. The next question comes from the line of Ishita Patel, an individual investor. Please go ahead.
- Ishita Patel:** So, my first question is that, you have said that 99% of your clients are retention. So, what is the active number of your clients and how do you keep them engaged?
- Hitesh Lakhani:** Actually, just now, we have closed group of our clients which are known to us since last 25 years. So, that clients we have retained. Just by getting unknown clients, we don't have any experience. So, whoever the old clients are, they are with us since 25 years.

- Ishita Patel:** So, what do you think, why do clients leave the organization and what are your plans to reduce the number of them?
- Hitesh Lakhani:** I don't understand your question.
- Ishita Patel:** Actually, I am asking. So, most of your clients, they are retention. So, they are with you from past so many years. So, I am saying, whatever the number of clients they have, they left the organization. So, what steps are you taking to reduce that number?
- Hitesh Lakhani:** Means, up till today, mostly none of the clients are left. If the client wants to leave or close account, then our RN will pursue them and whatever the problem they face, we try to solve that problem and on that way, we retain the client.
- Ishita Patel:** So, what type of clients drive most of your revenue? Like, they are retail clients or HNI's or any other institutions?
- Hitesh Lakhani:** All three types of clients. Retail, HNI and institutional clients, institutional clients just we have started.
- Ishita Patel:** So, that's all from my side. Thank you so much.
- Moderator:** Thank you. The next question comes from the line of Anshul, an individual investor. Please go ahead.
- Anshul:** So, I just wanted to ask, how large is your SME market making today and how do you decide which IPO to participate in?
- Hitesh Lakhani:** For the selection of the SME market making, one, we depend on the merchant bankers. And second, we preliminary examine the company and maybe possible sometimes we visit the company and we meet the promoters. But mostly the merchant bankers who are known to us and who are working with us since last couple of years, means depending on that, we trust on that merchant bankers.
- Anshul:** And SME market making volumes are often volatile. So, how do you ensure consistent profitability and manage liquidity?
- Hitesh Lakhani:** That's why since last 6 months, we have reduced the exposure in SME segment.
- Anshul:** So, you don't usually now invest in, participate in SMEs?
- Hitesh Lakhani:** Yes. It's compared to lower participation or we exit on the opening only. Means long term investment.

**Anshul:** It is for the long-term gains. And for the business side, I wanted to ask that you are expanding digitally and geographically. So, what share of new client's acquisition is expected to come from your app versus your physical franchises which would be expecting from the next years?

**Hitesh Lakhani:** At least 25% to 30% growth in number of clients.

**Anshul:** And what revenue you are targeting for that? I mean, expected to target in coming up to 2 to 3 years.

**Hitesh Lakhani:** From the brokerage side?

**Anshul:** Yes, from overall with the...

**Hitesh Lakhani:** Overall, it's 25% to 30%, year on year.

**Anshul:** And particularly from the brokerage side, like physical franchises you are speaking about?

**Hitesh Lakhani:** Same, it is around 25% to 30%, maybe 40% to 50% depending on the market condition.

**Anshul:** Well, that's it from my side for now. If I have another question, I will join back to the queue.

**Moderator:** Thank you. The next question comes from the line of Abhishek Sharma, an individual investor. Please go ahead.

**Abhishek Sharma:** My first question is, what recent SEBI or exchange changes affect your economic most and how are you adapting?

**Hitesh Lakhani:** It is somewhat some adverse effect in overall business, but we manage very well. So, we retain the growth. The recent changes affect every broker.

**Abhishek Sharma:** And how do you handle cyber and data security and what improvements have you made lately?

**Hitesh Lakhani:** One minute, my son Deep will answer.

**Deep Lakhani:** So, for cyber security and this thing, we have a basic security patch that rolls out every three months for our app and this thing. You could see on the Logon Play Store. For the secondary trading diode system, that is kind of a vendor-based system. We have a system audit, cyber audit that is regulated by SEBI as well as some guidelines issued by the cyber cell. On the tertiary side, we have now improved our UPI handles and this thing, which will be rolling out in three months, which will have the accredited name for the brokers. So, that will also be one thing. And other than that, I guess we are not exposed in such a way to any cyber security threats, since we have a closed network loop at our end for back office and this thing. So, any view access that is going on, that is through a tunnel. So, we manage the logs and everything for that through firewall.

**Abhishek Sharma:** And my last question is, which part of your business is growing fastest in profit terms and what's the reason?

**Hitesh Lakhani:** In profit terms, definitely, PROP business is growing.

**Anshul:** Any reason?

**Hitesh Lakhani:** Because for all other business, it is a capital intensive business. Minimum 2 years is required to cover the technology and marketing expenses.

**Abhishek Sharma:** Thank you. That's it from my side.

**Moderator:** Thank you. The next question comes from the line of Rohan Gupta, an individual investor. Please go ahead.

**Rohan Gupta:** Hello, sir. I wanted a color on the current assets of your firm. So, what I can see is you are holding inventories of around 150 crores. So, that would be the market maker portion that we have and apart from that...?

**Hitesh Lakhani:** No, it is not full the market maker portion. More than 60% is a stock which we are taking for the prop business for the cash to feature or SLBM segment arbitrage business.

**Rohan Gupta:** So, I think there is no disclosure, details are not available in the balance sheet. So, it would be great for investors if you could provide details for the same. So, I think that is one thing.

**Hitesh Lakhani:** So, you want details of how much stock for the market making and what is the other stock. We will note that. I will note that and I will provide if you give me your email address then.

**Rohan Gupta:** Sure, sir. I will provide the email address. And one more thing is, sir, the company is holding around 160 crores, (+150) crore of cash as per September.

**Hitesh Lakhani:** It is not cash. Cash means it is a bank FD which was given to the exchange for the margin purpose.

**Rohan Gupta:** So, that will be maintained, right? Because we need it for market maker activity.

**Hitesh Lakhani:** Not only market, not for the market making activity. It is for the profiting and the client's margin purposes.

**Rohan Gupta:** Got it, sir. And also any plans of the company going to merchant banking?

**Hitesh Lakhani:** No.

**Rohan Gupta:** Thank you so much. Hope you can maintain the run rate. Congratulations.



- Hitesh Lakhani:** Thank you.
- Moderator:** Thank you. Next question comes from the line of Sakshi Shinde, an individual investor. Please go ahead.
- Sakshi Shinde:** Good morning, everyone. I am new to the company but I am following the company since few weeks. So, you have given a guidance of 20%-25% growth. I just want to understand and with curiosity, how you plan to achieve this? Because this is a very competitive market and you are guiding that 20%-25% growth.
- Hitesh Lakhani:** Basically, our size is small. So, we can easily achieve 20% to 25%. If the size is bigger, then it is difficult to achieve. Second, our young generation comes with us and we have more than 35 years of experience in this market. Just one year till today, we don't have any expansion plan. But now, we are having very good expansion plan with the technology, upgradation and marketing. We can help and that 20%-25% growth easily comes from the prop trading business.
- Sakshi Shinde:** So, as you are talking, you are very ambitious and positive. Which we also want to see in Rikhav. So, where I can see Rikhav in next 5 years?
- Hitesh Lakhani:** Next 5 years, we can have more than 100 crores profit after tax.
- Sakshi Shinde:** This is such a big guidance.
- Hitesh Lakhani:** We have targeted that.
- Sakshi Shinde:** Good to hear. I wish that Rikhav reaches there. I just wanted to understand few more things. How much growth do you expect from broking, market making, proprietary trading and MTS?
- Hitesh Lakhani:** One thing. Immediate growth from the proprietary trading first. Second is the market making. Which is our strength till today. And then brokerage along with the MTF. And after 2 years, institutional business.
- Sakshi Shinde:** It came to my attention that Rikhav is planning for quantitative and institutional growth. How will you build this credibility among institutional investors? Which I think is a big thing to build that credibility. And seeing this competitive market, how do you plan to do that?
- Hitesh Lakhani:** For the institutional business, we have networking. Our business networking and we have also started little bit research also. And we have enough network and enough infrastructure. So, we can definitely grow the institutional business within 1.5 to 2 years in a profitable model.
- Sakshi Shinde:** Good to hear. Any risks you think there will be?

- Hitesh Lakhani:** Any risks? That risk is whatever the stock market is there. There is some risk. But we have 25 to 30 years of experience. And we are there in the stock market since 30 years. So, we have confidence to overcome any risks.
- Sakshi Shinde:** Good to hear. All the best.
- Hitesh Lakhani:** Thank you.
- Moderator:** Thank you. The next question comes from the line of Anshul, an individual investor. Please go ahead.
- Anshul:** Thank you, sir. So once again, I just have a follow up question. You said you are dependent, I mean you are trusting your merchant bankers for selecting SMEs and all, SMEs and IPOs for that. That makes sense. But there are a lot of merchant bankers who internally assess parameters like fundamentals or post-listing liquidity or promoter quality before committing to mandate.
- Hitesh Lakhani:** One thing is that merchant bankers want to work permanently with us. So, they are a little bit more transparent with us.
- Anshul:** But do you have any framework to manage the exposure for different merchant bankers or sectors? To say avoid concentration risk if multiple IPOs from the same network perform poorly or something like that.
- Hitesh Lakhani:** We have some experience. So, for that thing, we are not choosing all the merchant bankers. We are choosing five to six merchant bankers very well. And if we don't trust the merchant bankers, then we deeply examine the company's management and company's profitability.
- Anshul:** Just one another thing I just wanted to ask that, have you faced any cyber security incident in the past year or something?
- Hitesh Lakhani:** No.
- Anshul:** And how much of you are using, integrating in your system that AI use in finance like exploring any AI tools for customer support, fraud detection, trade analytics and...
- Deep Lakhani:** So, for fraud detection and this thing, there have been certain guidelines that have been placed in. So, let's say UPI handles are now being accredited by the banks and itself, which will give us a brokering, what do you say, extension at the end. So that will be implemented within 2 to 3 months out. Secondly, for cyber security and this thing, major fraud detection and that thing comes out through calls and this thing. But we have an internal software which kind of manages and recognizes the calls coming in. And we verify the details before the trade has been placed. And there are certain known relationship with the sub brokers itself. Third side, as in majorly for cyber security purposes, the exposure is through app and the back office. So

back office, we have a firewall view only access. So, there is no push entry or that thing coming in. It's a bit technical, but on the basis of that, what happens is we have a break point at the start of the maintenance of back office itself. And secondly, for app and this thing, there is a certain vendor which kind of rolls out regular updates for cyber security. And other than that, I don't think we have any exposure till now for like client exposure or any outside exposure where we could have a threat on it.

**Anshul:** That's a good thing. Thank you for explaining that. And second thing is, how do you plan to monetize inactive or low trading clients while maintaining high retention levels? Because most of the times that happens, more people try to go for another broker and something like that. So that's why I am asking.

**Hitesh Lakhani:** Actually, up till now, we have very good relations with the existing clients, one to one relation, either from the management team or from our employees and sub brokers. So, there is a retention in the clients. But now, if we expand further, then that challenge is to be there. And we have confidence that we overcome that challenge and we will try to retain maximum our clients in future.

**Anshul:** But any guidelines, any plan for any steps for that part that you would be taking? I just wanted to know about it.

**Deep Lakhani:** So given this, I will just add to a technical point over here. So, since the new generation of clients now comes in, so we have like we did not have app when I started out the company. So now we have an app, we have an automated back office, we are coming out with new features, which the client and the new generation of clients need. So just to that is one point to retain them. Second point is we have a personal as in touch with them. So, each of the sub broker or dealer knows the client personally and communicates with them. So, what happens is where you get an automated call from discount brokers, we have a personal, a real human kind of calling him. So that becomes a secondary touch for him. So that way, we have both the sides covered.

**Anshul:** Are you exploring any new asset classes like bond, PMS, AIFs to serve H&I better?

**Hitesh Lakhani:** PMS, just now, we don't have any planning, but in future, definitely we will think over it. All our main business is purely a broking side.

**Anshul:** Got it. Thank you. That's it from my side. All the best.

**Hitesh Lakhani:** Thank you.

**Moderator:** Thank you. The next question comes from the line of Dhanraj, an individual investor. Please go ahead.

- Dhanraj:** Good morning, sir. I just wanted to know the mutual fund part. So, you basically offer mutual fund distribution. So how are you planning to grow this business? Are we seeing any marginal opportunities to grow in future?
- Deep Lakhani:** So, for the mutual fund part, we have just started out. So, I will say that we have a basic empanelment system that has been going on with all the mutual fund houses right now to give accessibility to every investor out. Then on the second stage, we are kind of moderating and making an online platform where the client could directly attain those mutual funds and like start SIPs, SWPs and everything out online. So that would be the second stage that we are still on the implementation stage. Third would be since we have our own client base, it will be kind of reachable in the direct sense that we will be giving first access to them. Then we will kind of go to a marketing forward stage where we will kind of acquire clients beyond what our reach is.
- Dhanraj:** So, are we expecting any marginal opportunities to grow only because of this new segment, you can say?
- Deep Lakhani:** Yes. That would be a parallel you could say that we are expecting it to grow with institutional business as well.
- Dhanraj:** Also, I just joined a bit late, so I think this might be a very big question, I just wanted to know the H1 revenue has increased by 300% but the profits have fallen. So, can you explain the reason behind that?
- Hitesh Lakhani:** Where the profit has fallen?
- Dhanraj:** The revenue has increased, but the profit has fallen.
- Hitesh Lakhani:** No, profit is not fallen. Profit margin or profit is fallen?
- Dhanraj:** Profit margin.
- Hitesh Lakhani:** In that we have combined that revenue includes brokerage and turnover of the self-purchase and the F&O business. So, revenue is not the exact parameter, only profit is a parameter. If you want, it is not just like manufacturing or any business that net profit to revenue ratio will be same because it is a stock market business. So, it is not the service industries or that business. So, it includes prop trading and brokerage, both it includes. That's why it's not consistent. We assured for the overall net profit because many times if the market is like so in prop business, maybe possible turnover is high or many times turnover may be low also. But actually, what is the net profit is the main thing.
- Anshul:** That's all.

**Moderator:** Thank you. As there are no further questions, as there are no further questions, I would now like to hand the conference over to Mr. Ganesh for closing comments.

**Ganesh:** Thank you everyone for joining the conference call of Rikhav Securities Limited. If you have any further queries, you can write us at [research@kirinadvisors.com](mailto:research@kirinadvisors.com). Once again, thank you everyone for joining the conference call.

**Hitesh Lakhani:** Thank you everyone.

**Moderator:** On behalf of Kirin Advisors Private Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.