

Armour Security IPO

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- The company is engaged in providing comprehensive and customized security services, facility management services, staffing services, etc. under one roof.
- It is operating in a highly competitive and fragmented segment.
- The company marked growth in its top and bottom lines for the reported periods.
- Based on its recent financial data, the issue appears aggressively priced.
- There is no harm in skipping this pricey bet.

About the Company

Armour Security India Ltd. (ASIL) is engaged in providing comprehensive and customized Security services, Facility Management services, and Recruitment and Staffing solutions across India. Founded in 1999, it has established itself as a service provider with over two decades of operational experience in delivering private security, housekeeping, fire-fighting, and security training solutions. Its offerings are designed through detailed on-site assessments and consultations to address the operational, safety, and regulatory requirements of each client.

The company also specializes in providing ancillary services like event support and branding content creation, suggesting a diversified, consultancy-oriented approach. It has over twenty-five years of experience in delivering security, facility management, and staffing solutions. Its solutions streamline operations, improve deployment efficiency, and strengthen compliance outcomes. Additionally, the company offers consulting and advisory services and provide self-service technologies that enable government organizations and corporate clients to migrate, automate, and manage customer-facing business processes through self-service channels. As of the date of this Red Herring Prospectus, it has a presence in over 12 states, including Delhi, Haryana, Uttar Pradesh, Maharashtra, Gujarat and Rajasthan.

ASIL primarily caters to government departments, public sector undertakings (PSUs), development agencies, and private enterprises across India by providing security, facility management, and staffing solutions tailored to their operational, regulatory, and safety requirements. The Company provides a comprehensive suite of services including security, housekeeping, integrated facility management, and manpower solutions. This diversity enables it to serve clients across commercial, industrial, residential, healthcare, education, and government sectors. By offering multiple services under one platform, it is able to meet varied operational requirements of clients efficiently. This integrated approach enhances client retention and positions the Company as a one-stop solution provider. The Company brings over two decades of experience in the security personnel and other

manpower services industry. The vision and strategic guidance of Promoters, have shaped the Company's processes, ensuring the adoption of best practices and operational discipline.

The Company uses its client management platform for tracking and managing deployed manpower. The tracking of personnel is carried out through systems such as punching mechanisms, tracking registers, and other modes implemented by clients, which subsequently notify it for payroll processing and other management purposes. These processes and systems may vary from client to client based on the respective contractual requirements. However, the Company plans to further enhance these capabilities in the future by implementing or developing an ERP system to improve overall efficiency, tracking, monitoring, and management of the deployed manpower. By offering value-driven services, the Company has developed a sustainable customer base across diverse industries, same can be as evident. As of September 30, 2025, it served 83 clients (including 60 repeated clients) as against 93 (including 61 repeated clients) as of March 31, 2025. As of December 09, 2025, it had 37 employees on its payroll and additional 1609 contractual employees.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 4650000 equity shares of Rs. 10 each to mobilize Rs. 26.51 cr. at the upper cap. The company has announced a price band of Rs. 55 - Rs. 57 per share. The minimum application to be made is for 4000 shares and in multiples of 2000 shares thereon, thereafter. The issue opens for subscription on January 14, 2026 and will close on January 19, 2026. The IPO constitute 27.56% of the post-IPO paid-up capital of the company. The shares will be listed on NSE SME Emerge. From the net proceeds of the IPO, it will utilize Rs. 15.11 cr. for working capital, Rs. 1.61 cr. for Capex on purchase of machinery, equipment and vehicles, Rs. 3.00 cr. for repayment/prepayment of certain borrowings, and the rest for general corporate purposes.

The IPO is solely lead managed by Sobhagya Capital Options Pvt. Ltd., and Skyline Financial Services Pvt. Ltd. is the registrar to the issue. NNM Securities Pvt. Ltd. is the market maker, as well as a syndicate member. The issue is underwritten to the tune of 15% by Sobhagya Capital, 80% by Giriraj Stock Broking and 5% by NNM Securities.

The company has issued initial equity capital at par value, and has issued further equity shares at a fixed price of Rs. 50 per share in February 2024. It has also issued bonus shares in the ratio of 542 for 1 in December 2023. The average cost of acquisition of shares by the promoters is Rs. 5.41, and Rs. 5.42 per share.

Post-IPO, company's current paid-up equity capital of Rs. will stand enhanced to Rs. 16.87 cr. Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 96.16 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total income/ net profit, of Rs. 28.97 cr. / Rs. 2.26 cr. (FY23), Rs. 33.10 cr. / Rs. 2.62 cr. (FY24), Rs. 36.56 cr. / Rs. 3.97 cr. (FY25). For H1 of FY26 ended on September 30, 2025, it posted a net profit of Rs. 2.90 cr. on a total income of Rs. 19.69 cr.

For the last three fiscals, the company has reported an average EPS of Rs. 3.54, and an average RoNW of 27.59%. The issue is priced at a P/BV of 3.78 based on its NAV of Rs. 15.08 per share as of March 31, 2025, but its post-IPO NAV data info is missing from the offer documents. Additionally, the company has suppressed the NAV data as of September 30, 2025.

If we attribute FY26 annualized earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 16.57, and based on FY25 earnings, the P/E stands at 24.15. The issue appears aggressively priced.

For the reported periods, the company has posted PAT margins of 7.82% (FY23), 7.95% (FY24), 11.14% (FY25), 14.76% (H1-FY26), and RoCE margins of 70.20%, 22.26%, 24.47%, 15.45 %, respectively, for the referred periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It will adopt a prudent dividend policy, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Kapston Services, as its listed peer. It is currently trading at a P/E of 28.2 (as of January 09, 2026). However, they are not truly comparable on an apple-to-apple basis. This comparison appears to be an eyewash, as there are many such listed companies at present.

Merchant Banker's Track Record

This is the 6th mandate from Sobhagya Capital Option in the ongoing fiscal. Out of the last 3 listings, 2 opened at discount, and 1 with premium of 6.06% on the listing date. Thus, the lead manager has a poor track record.

Conclusion / Investment Strategy

ASIL is engaged in providing comprehensive and customized security services, facility management services, staffing services, etc. under one roof. It is operating in a highly competitive and fragmented segment. The company marked growth in its top and bottom lines for the reported periods. Based on its recent financial data, the issue appears aggressively priced. There is no harm in skipping this pricey bet.

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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