IPO REVIEW

Bench Mark Infotech Services IPO

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- The company is an integrated IT and digital infrastructure solutions provider.
- It largely works with Government Departments, PSUs, institutional customers across India.
- Its higher trade receivable against its revenues raises major concern.
- Based on its recent average financial data, the issue appears fully priced.
- Well-informed investors may park moderate funds for medium 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

Bench Mark Infotech Services Ltd. (BMISL) is an integrated IT and digital infrastructure solutions company with over 19 years of experience in providing technology infrastructure solution to government departments, public sector undertakings, institutional customers and private sector clients across India. Operating as a single-window partner, it designs, supplies, installs, commissions and maintains the networks, communication systems, surveillance and connectivity backbone on which customers rely to build, manage and scale their technology ecosystems.

Its service offerings include local and wide area networking (LAN & WAN), wireless communication systems, installation of active network devices, Structured cabling, multimedia and audio-visual systems, smart classrooms, e-classrooms and professional AV, Access control solutions, safety and security surveillance, and allied infrastructure services. During the current year, it has expanded service offerings by entering the data storage and data centre solutions segment.

BMISL’s services under this vertical include supply, deployment and integration of servers, storage systems, virtualization, data backup and recovery solutions, cloud-based services such as Infrastructure as a Service (IaaS) and Software as a Service (SaaS), and cloud security solutions. It has also initiated offerings towards Artificial Intelligence (AI) Lab Solutions, including setting up of AI labs and providing edge computing nodes and related infrastructure for AI, machine learning and other computing applications, including AI laboratories, GPU-enabled computing platforms, enterprise storage, high-performance networking, and AI-ready data infrastructure.

Further, the company has expanded its offerings in the areas of cybersecurity and data security by providing solutions such as Next-Generation Firewalls (NGFW), Unified Threat Management (UTM),

endpoint security, identity and access management, and managed security services and NOC (Network Operations center) for centralized monitoring and handling the challenges related to managing, monitoring, and controlling the networks in customer IT ecosystem.

In addition to project execution, it provides annual maintenance contracts (AMC) and support services under contractual arrangements, including technical assistance, operational support, and 24x7 support services to help ensure business continuity and timely resolution of customer requirements. It also provides fibre optic solutions as part of its service offerings, including renting and provisioning of fibre optic lines wherever required under project contracts, thereby supporting the connectivity requirements of customers. The company also undertakes fibre optic infrastructure execution activities such as trenching, digging, ducting, laying of fibre cables, integration of fibre networks and restoration work.

It is empaneled with Bharat Sanchar Nigam Limited (BSNL) as a National Level System Integrator, enabling it to undertake turnkey solutions for customer private networks across India, including WAN, LAN, IT, wireless, IoT and CCTV solutions. The company is also empaneled with RailTel Corporation of India Limited as a Business Partner for providing Information and Communication Technology (ICT) solutions through its pan-India network. These empanelment’s enable it to access procurement opportunities of central government departments and public sector undertakings beyond individual tender-based engagements.

Through its comprehensive “under one roof” service model, it acts as a single-point solutions provider, enabling seamless coordination and efficient execution across all stages of a project. This integrated approach helps customers reduce implementation complexity, improve operational efficiency, and ensure timely project delivery. It works closely with customers to understand their operational and project requirements and deliver technology solutions tailored to their specific needs. As of June 30, 2026, it had 54 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route combo IPO of 3858000 equity shares of Rs. 10 each to mobilize Rs 42.44 cr. at the upper cap. The IPO constitutes 3400000 equity shares (worth Rs. 37.40 cr. at the upper cap), and an Offer for Sale (OFS) of 458000 equity shares (worth Rs. 5.04 cr. at the upper cap). The company has announced a price band of Rs. 104 – Rs. 110 per share. The minimum application to be made is for 2400 shares and in multiples of 1200 shares thereon, thereafter. The IPO opens for subscription on September 25, 2026, and will close on September 29, 2026. The IPO constitute 27.03% of the post-IPO paid-up capital of the company. The shares will be listed on NSE SME Emerge. From the net proceeds, it will utilize Rs. 30.00 cr. for working capital, and the rest for general corporate purposes.

The IPO is solely lead managed by GYR Capital Advisors Pvt. Ltd., while KFin Technologies Ltd., is the registrar to the issue. Giriraj Stock Broking Pvt. Ltd., is the market maker. GYR Capital Advisors is a

syndicate member, and Intellect Stock Broking Ltd. is a sub-syndicate member.

The company has issued initial equity capital at par value, and issued further equity shares at a fixed price of Rs. 20 per share between March 2012, and March 2014. It has also issued bonus shares in the ratio of 100 for 1 in May 2026. The average cost of acquisition of shares by the promoters is Rs. 0.08, and Rs. 0.20 per share.

Post-IPO, company's current paid-up equity capital of Rs. 10.87 cr. (10872650 equity shares) will stand enhanced to Rs. 14.27 cr. (14272650 equity shares). Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 157.00 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has reported a total income/net profit of Rs. 34.76 cr. / Rs. 1.48 cr. (FY24), Rs. 50.80 cr. / Rs. 5.83 cr. (FY25), and Rs. 63.99 cr. / Rs. 10.22 cr. (FY26). It marked growth in its top and bottom lines for the reported periods. Boosted margins in pre-IPO year appears window dressing for fancy valuations of the IPO. Year-on-year rising trade receivable raises concern. For FY26 its trade receivable was at Rs. 54.98 cr. against total revenue of Rs. 63.99 cr. Its contingent liability stood at Rs. 1.51 cr. as of March 31, 2026.

For the last three fiscals, the company has reported an average EPS of Rs. 6.71, and an average RoNW of 33.49%. The issue is priced at a P/BV of 4.50 based on its NAV of Rs. 24.42 per share as of March 31, 2026, but its post-IPO NAV data is missing from the offer documents.

If we attribute FY26 super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 15.36, and based on FY25 earnings, the P/E stands at 26.89. The issue appears fully priced, based on its average earnings.

For the reported periods, the company has posted PAT margins of 4.34% (FY24), 11.65% (FY25), 16.88% (FY26), and RoCE margins of 18.51%, 48.08%, 47.74%, respectively, for referred periods.

Dividend Policy

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

Comparison with Listed Peers

As per the offer document, the company has shown Dynacons Systems, Xtranet Techno., Esconet Techno., as its listed peers. They are currently trading at a P/E of 15.4, 37.2, and 46.9 (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 43rd mandate from GYR Capital, in the last three fiscals (including the ongoing fiscal. Out of the last 12 listings, 1 opened at par, and the rest with premium ranging from 4.92% to 90.00% on the date of listing.

Conclusion / Investment Strategy

BMISL is an integrated IT and digital infrastructure solutions provider. It largely works with Government Departments, PSUs, institutional customers across India. Its higher trade receivable against its revenues raises major concern. It is working in a highly competitive and fragmented segment. Based on its recent average financial data, the issue appears fully priced. Well-informed investors may park moderate funds for medium 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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