



IPO Details			Company Background				
<b>Opening Date</b>	Dec 14, 2023		<ul style="list-style-type: none"> <li>○ Benchmark Computer Solutions Limited was originally incorporated in the year 2002 and has its registered office in Mumbai, Maharashtra, India.</li> <li>○ The company is an IT infrastructure solutions and technology consultancy and software development company.</li> <li>○ The company provides end-to-end technology and technology-related services including IT Infrastructure and Software Development Services.</li> <li>○ The Company provides service models such as IaaS (Infrastructure as a Service) and SaaS (Software as a Service).</li> <li>○ As of 31<sup>st</sup> March 2023, the Company had 79 employees on its payroll.</li> </ul>				
<b>Closing Date</b>	Dec 18, 2023						
<b>Stock Exchange</b>	BSE SME						
<b>Lot Size</b>	2,000 Shares						
<b>Issue Price</b>	₹ 66 per share						
<b>Issue Size</b>	Aggregating up to 12.24 Cr.						
<b>Fresh Issue</b>	Aggregating up to 12.24 Cr.						
<b>Offer for Sale</b>	-						
<b>Application Amount</b>	₹ 1,32,000						
IPO Objective							
Funding Working Capital Requirement.							
Funding Capital Expenditure.							
General Corporate Purpose.							
To Meet the Issue Expenses.							
Pre-Issue Shareholding							
Category	No. of Shares	% of Total Shares					
Promoter & Promoter Group	49,59,900	99.00%					
Public	50,100	1.00%					
Promoter of the Company							
1	Dhananjay Vrindawan Wakode						
2	Hemant Muddanna Sanil						
Competitive Strengths							
1	Ability to provide customized and integrated IT solutions.						
2	Experienced Promoters and Management Team.						
3	Long-standing relationships with the customers.						
4	Wide range of Service Portfolio.						
			Market Capitalization		(In Cr.)		
			Pre-Issue	Post-Issue			
			₹ 33	₹ 45			
			Financial Summary (In Lacs)				
			For the Period Ended	Mar-21	Mar-22	Mar-23	Sep-23
			<b>Total Assets</b>	1,598.31	1,797.39	2,443.78	2,273.87
			<b>Net Assets</b>	1,000.92	1,086.64	1,289.51	1,385.18
			<b>Total Borrowings</b>	413.13	434.68	553.07	524.84
			<b>Total Revenue</b>	1,508.38	1,904.37	3,241.49	1,322.52
			<b>Profit After Tax</b>	96.76	82.66	202.87	95.67
			Tentative Timeline				
			<b>Opening Date</b>				Dec 14, 2023
			<b>Closing Date</b>				Dec 18, 2023
			<b>Basis of Allotment</b>				Dec 19, 2023
			<b>Initiation of Refunds</b>				Dec 20, 2023
			<b>Credit of Shares to Demat</b>				Dec 20, 2023
			<b>Listing Date</b>				Dec 21, 2023



### Company Background and Analysis

The Company was originally incorporated on October 31, 2002. The company is an IT infrastructure solutions and technology consultancy and software development company. The company provides end-to-end technology and technology-related services including IT Infrastructure and Software Development Services. The Company provides service models such as IaaS (Infrastructure as a Service) and SaaS (Software as a Service).

The Company is an authorised partner to multiple OEM's including HP (Under HP amplify membership programme), SafeAeon (SafeAeon Partner Ecosystem Program), Veeam, Vertiv, Lenovo, Konika Minolta Business Solutions and Dell Technologies. The company is certified with ISO 9001: 2015 and ISO 27001: 2013 from SN Registrars (Holdings) Limited, UK and Quality Control Certification, UK for Installation of Hardware of IT-related products and providing Services as per customer requirements.

The company's core business can be divided into the following categories –

1. IT Infrastructure Solutions - This segment consists of various services such as IT Equipment rental and sales, IT networking solutions, Data centre Solutions, IT Security and Data backup and recovery.
2. Software and Web-Based Application Development Services - This segment consists of building of own software as well as web-based applications and websites as per the client's requirement.
3. Annual Maintenance Contract (AMC) and Facility Management Services (FMS) - Under this segment, the company provides maintenance and support services to clients based on the formal contract executed by providing technical expertise for the same.

Revenue bifurcation for the above-mentioned services is provided for the FY ended 2021, 2022, and 2023, and September 23 are as follows.

(Amount in Lakhs)

Particulars	Mar-21		Mar-22		Mar-23		Sep-23	
	Amt	(%)	Amt	(%)	Amt	(%)	Amt	(%)
IT Infrastructure Solutions	1,183.44	80.52	1,259.90	67.58	2,603.98	81.51	1,149.35	88.57
Software and Web Based Application Development Services	165.50	11.26	200.42	10.75	346.68	10.85	125.71	9.69
Annual Maintenance Contract (AMC) and Facility Management Services (FMS)	120.75	8.22	404.01	21.67	244.03	7.64	22.58	1.74
<b>Total</b>	<b>1,469.69</b>	<b>100.00</b>	<b>1,864.33</b>	<b>100.00</b>	<b>3,194.69</b>	<b>100.00</b>	<b>1,297.64</b>	<b>100.00</b>

To conclude, the company was incorporated in the year 2002. The company is in the industry of IT. The company generates the majority of its revenue from domestic sales. The company also earns revenue from the IT Infrastructure Solutions Category. The company is raising total gross proceeds of Rs. 1,224 lakhs.



## Business Strategies

### 1. Leveraging the market skills and relationship -

Leveraging market skills and relationships is a continuous process in the organization and the skills that the company imparts in people give importance to customers. The company aims to do this by leveraging its competency in business as well as marketing skills and industry relationships.

### 2. Maintaining an edge over competitors -

The company intends to continue to enhance the scale of existing services across high-end and mid-segment to capitalize on the opportunity to cater to rising acceptance and demand.

### 3. Customer Satisfaction -

The company's marketing team approaches existing corporate customers for their feedback and based on their feedback, any changes in the products, if required, are carried out.

## Competitive Scenario and Peer Mapping

### Competition

The company faces significant competition in this Industry. The company competes with organized players in the industry with better financial position, market share, product ranges, and human and other resources. The company has a low barrier to entry. The bargaining power with the customers is high in the sector in which the company operates.

### Peer Analysis

**The comparison of the key performance indicators of the listed peers as of Mar-23 is given below -**

Particulars	Benchmark Computer Solutions Limited	Silver Touch Technologies Limited	Dynacons Systems and Solutions Limited
	31st Mar 2023	31st Mar 2023	31st Mar 2023
Net Profit Margin	6%	6%	4%
EBITDA Margin	10%	10%	1%
Return on Capital Employed	17%	11%	3%
Return on Equity	16%	11%	31%
EPS (INR)	4.05	7.66	26.30

**The comparison of the key performance indicators of the listed peers as of Mar-22 is given below -**

Particulars	Benchmark Computer Solutions Limited	Silver Touch Technologies Limited	Dynacons Systems and Solutions Limited
	31st Mar 2022	31st Mar 2022	31st Mar 2022
Net Profit Margin	4%	4%	2%
EBITDA Margin	8%	9%	5%
Return on Capital Employed	9%	10%	36%
Return on Equity	8%	7%	24%
EPS (INR)	1.65	5.07	14.59



**The comparison of the key performance indicators of the listed peers as of Mar-21 is given below -**

Particulars	Benchmark Computer Solutions Limited	Silver Touch Technologies Limited	Dynacons Systems and Solutions Limited
	31st Mar 2021	31st Mar 2021	31st Mar 2021
Net Profit Margin	6.6%	0.7%	2.1%
EBITDA Margin	10.4%	2.6%	4.4%
Return on Capital Employed	8.6%	2.2%	31.0%
Return on Equity	9.7%	1.2%	18.4%
EPS (INR)	1.93	0.78	9.10



**Industry Overview**

Exhibit 1: Indian IT and Business Service Industry (US\$ billion)

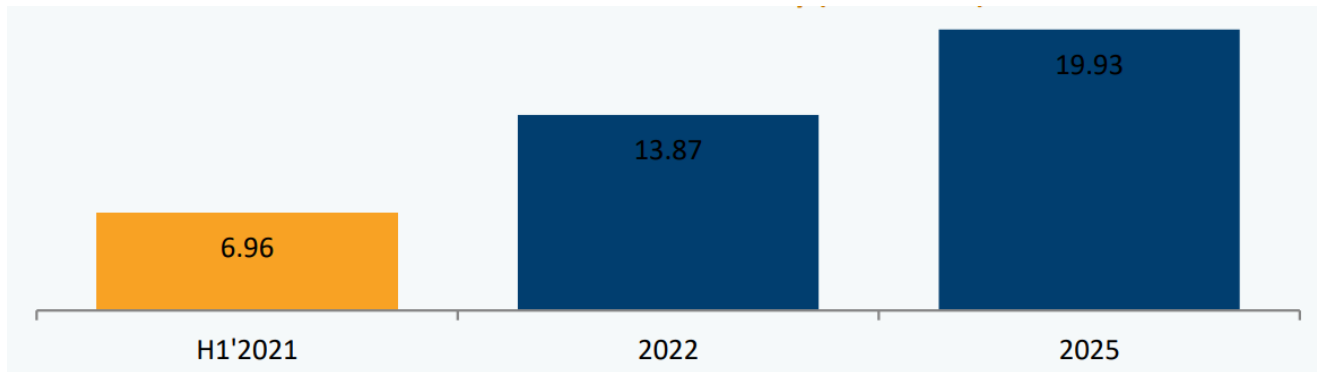
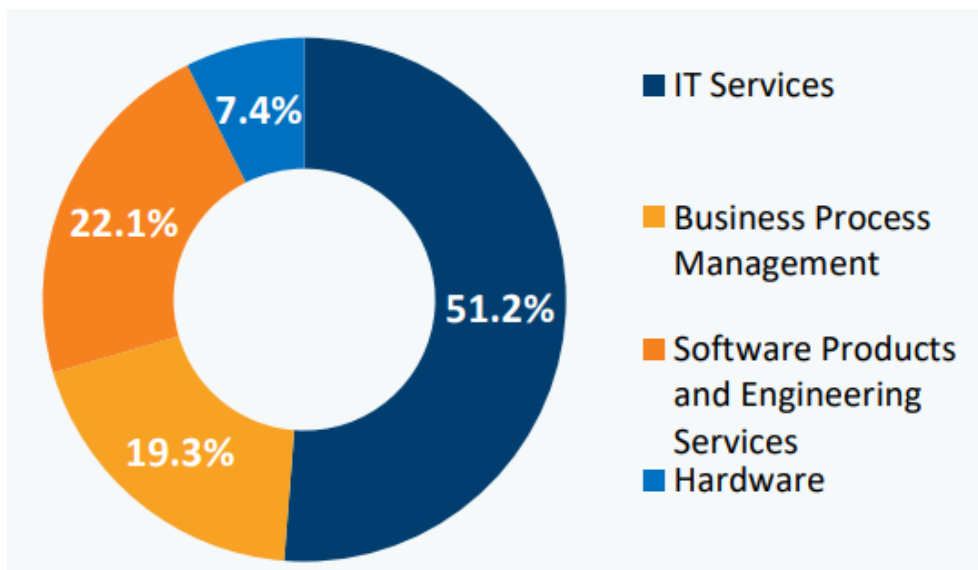


Exhibit 2: Sector-wise Break-up of the Indian IT market (US\$ billion) 2023E.



(Source: ibef.org)



## **Industry - IT and BPM**

### Executive Summary -

1. Large contribution to the Indian economy
  - The IT industry accounted for 7.4% of India's GDP, as of FY22.
  - India's IT industry is expected to contribute 10% to India's GDP by 2025.
  - As of FY22, the IT industry employs 5 million people.
2. . Strong Growth Opportunities
  - According to National Association of Software and Service Companies (Nasscom), the Indian IT industry's revenue touched US\$ 227 billion in FY22, a 15.5% YoY growth.
  - As per a survey by Amazon Web Services (2021), India is expected to have nine times more digitally skilled workers by 2025. This indicates that a total of ~ 3.9 billion digital skill trainings are expected by 2025. As of 2021, digitally trained employees constitute 12% of the country's workforce.
3. Export and employment growth
  - Exports from the Indian services industry stood at US\$ 254.4 billion in FY22.
  - The BPM sector in India currently employs >1.4 million people, while IT and BPM together have >4.5 million workers, as of FY21.
4. Most lucrative sector for investments
  - The computer software and hardware sector in India attracted cumulative foreign direct investment (FDI) inflows worth US\$ 88.94 billion between April 2000-June 2022. The sector ranked 2nd in FDI inflows as per the data released by Department for Promotion of Industry and Internal Trade (DPIIT).
  - Computer software and hardware make up 14.70% of the cumulative FDI equity inflows
5. Accelerating demand for cloud and digital transformation
  - This push towards cloud services has boosted hyper-scale data centre investments, with global investments estimated to exceed US\$ 200 billion annually by 2025. India is expected to gain a significant share in the global market, with the country's investment expected to hit US\$ 5 billion annually by 2025.

### **India's IT Market Size Growing -**

The IT industry added 4.45 lakh new employees in FY22, bringing the total employment in the sector to 50 lakh employees. The IT-BPM services revenue reached US\$ 194 billion in FY21. By 2025-2026, India is expected to have 60-65 million jobs that require digital skills, according to a Ministry of Electronics & IT report titled "India's trillion-dollar digital Opportunity in November 2021, Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, lauded the Indian IT sector for excelling its competitive strength with zero government interference. He further added that service exports from India had the potential to reach US\$ 1 trillion by 2030. Spending on information technology in India is expected to reach US\$ 144 billion in 2023.

(Source: prospectus)



## Key Managerial Personnel

**Dhananjay Vrindawan Wakode**, aged 54, is one of the Promoters, Chairman and Managing Director of the Company. He was appointed as a director since the incorporation of the company. He has completed his Diploma in Audio & Video Engineering. He is having experience of more than 20 years in the field of the Computer Solution Industry.

**Hemant Muddanna Sanil**, aged 58, is one of the Promoters, and Whole-Time Director of the company. He was appointed as a director since the incorporation of the company. He has completed his Bachelor of Engineering in Electronics and Communication. He is having experience of more than 20 years in the field of the computer systems industry.

**Savita Hemant Sanil**, aged 49, is the Executive Director of the Company. She has completed her bachelor's in commerce. She has more than 12 years of experience in the field of Marketing operations.

**Girishkumar Joshi**, aged 32, is the Independent Director of the Company. He has more than 7 years of experience in the field of Accounts, Audit, Finance, Taxation and Compliance.

**Satish Inani**, aged 41, is the Independent Director of the Company. He has more than 14 years of experience in the field of Accounts, Audit, Finance and taxation.

To conclude, the company has 2 promoters and has vast experience in the industry in which the company operates. The remaining Directors of the company have good knowledge in their respective fields.



## Financial Snapshot

<b>Profit and Loss Statement</b>				<b>(In Lacs)</b>
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Sep-23</b>
Revenue from Operations	1,469.69	1,864.32	3,194.69	1,297.65
Other Income	38.69	40.05	46.80	24.87
<b>Total Income</b>	<b>1,508.38</b>	<b>1,904.37</b>	<b>3,241.49</b>	<b>1,322.52</b>
<b>Expenses</b>				
Purchase of Stock-in-Trade	1,081.01	1,241.28	2,200.18	878.61
Changes in Inventories of Finished Goods	-133.19	35.22	80.87	-34.76
Employee benefits expense	286.69	341.50	440.10	238.33
Finance costs	32.35	36.38	43.07	23.46
Depreciation and Amortization expense	38.32	24.67	42.33	25.12
Other expenses	81.96	98.83	160.36	65.68
<b>Total Expenses</b>	<b>1,387.14</b>	<b>1,777.88</b>	<b>2,966.91</b>	<b>1,196.44</b>
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>	<b>153.22</b>	<b>147.49</b>	<b>313.18</b>	<b>149.79</b>
<b>EBITDA Margin</b>	<b>10%</b>	<b>8%</b>	<b>10%</b>	<b>12%</b>
<b>Profit/(Loss) before tax</b>	<b>121.24</b>	<b>126.49</b>	<b>274.58</b>	<b>126.08</b>
Tax Expense				
Current tax	31.79	31.51	77.94	28.49
Excess/Short Provision of Tax of Earlier Years	-5.89	11.31	2.20	-
Deferred Tax	-1.42	1.01	-8.43	1.92
Total Tax Expense	24.48	43.83	71.71	30.41
<b>Profit/(Loss) for the year</b>	<b>96.76</b>	<b>82.66</b>	<b>202.87</b>	<b>95.67</b>
<b>Net Profit Margin</b>	<b>6%</b>	<b>4%</b>	<b>6%</b>	<b>7%</b>

<b>Balance Sheet</b>				<b>(In Lacs)</b>
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Sep-23</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1. Shareholders' funds</b>				
Share Capital	1.00	1.00	1.00	501.00
Reserve and Surplus	999.92	1,085.64	1,288.51	884.18
<b>Total Equity</b>	<b>1,000.92</b>	<b>1,086.64</b>	<b>1,289.51</b>	<b>1,385.18</b>
<b>2. non-current liabilities</b>				
Long Term Borrowings	339.18	267.05	302.51	288.10
Deferred Tax Liabilities	-	-	29.48	34.87
Long Term Provisions	3.35	4.36	-	-
<b>Total non-current liabilities</b>	<b>342.53</b>	<b>271.41</b>	<b>331.99</b>	<b>322.97</b>
<b>3. Current liabilities</b>				
Financial Liabilities				
Short-term borrowings	73.95	167.63	250.56	236.74
Trade payables				
Due to MSME	23.42	125.80	184.79	69.09
Due to Others	98.45	90.55	279.19	150.73
Other Current Liabilities	36.78	29.07	55.46	51.20
Short-term Provisions	22.24	26.28	52.28	57.96
<b>Total Current liabilities</b>	<b>254.84</b>	<b>439.33</b>	<b>822.28</b>	<b>565.72</b>
<b>Total Liabilities</b>	<b>597.37</b>	<b>710.74</b>	<b>1,154.27</b>	<b>888.69</b>
<b>Total Equity and Liabilities</b>	<b>1,598.29</b>	<b>1,797.38</b>	<b>2,443.78</b>	<b>2,273.87</b>
<b>ASSETS</b>				
<b>1. non-current assets</b>				
Property, Plant and Equipment				
Tangible Assets	184.63	163.78	250.42	227.76
Intangible Assets under development	14.10	14.10	57.19	89.69





<b>Balance Sheet</b>					<b>(In Lacs)</b>
Non-Current Investments	73.38	136.66	157.91	174.92	
Deferred Tax Assets (Net)	-	-	4.07	2.15	
Other Non-Current Assets	24.50	24.47	35.15	33.53	
<b>Total non-current assets</b>	<b>296.61</b>	<b>339.01</b>	<b>504.74</b>	<b>528.05</b>	
<b>2. Current assets</b>					
Inventories	154.43	119.21	38.34	73.10	
Trade receivables	143.1	336.08	721.36	630.44	
Cash and Bank Balances	930.60	925.18	1,104.32	943.01	
Short-term loans and advances	54.74	77.91	74.04	83.21	
Other Current Assets	18.83	-	0.98	16.06	
<b>Total Current assets</b>	<b>1,301.70</b>	<b>1,458.38</b>	<b>1,939.04</b>	<b>1,745.82</b>	
<b>Total Assets</b>	<b>1,598.31</b>	<b>1,797.39</b>	<b>2,443.78</b>	<b>2,273.87</b>	

<b>Cash Flow Statement</b>					<b>(In Lacs)</b>
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Sep-23</b>	
Net Cash Flow from Operating Activities	41.36	168.66	385.86	-57.65	
Net Cash Flow from Investing Activities	-104.16	-71.78	-244.84	-80.44	
Net Cash Flow from Financing Activities	-31.42	-108.51	-7.61	-51.69	

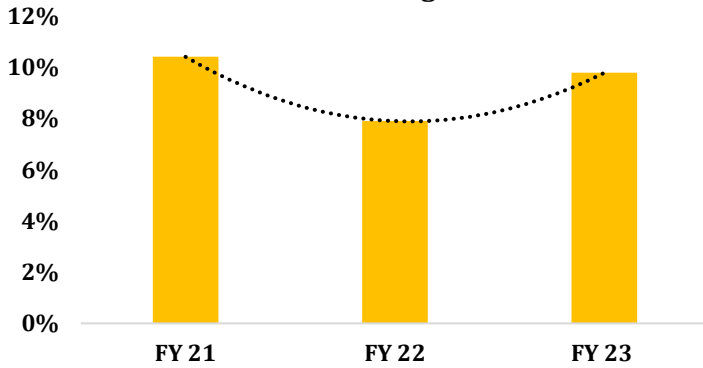
<b>Ratio Sheet</b>				
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Sep-23</b>
<b>Per Share Data</b>				
Diluted EPS	1.93	1.65	4.05	2.83
BV per share	14.58	15.83	18.79	39.44
<b>Operating Ratios</b>				
EBITDA Margins	10.43%	7.91%	9.80%	11.54%
PAT Margins	6.41%	4.34%	6.26%	7.34%
Inventory days	38.35	23.34	4.38	10.31
Debtor days	35.54	65.80	82.42	88.91
Creditor days	41.15	63.62	76.97	45.78
<b>Return Ratios</b>				
RoCE	9%	9%	17%	8%
RoE	10%	8%	16%	7%
<b>Valuation Ratios (x)</b>				
EV/EBITDA	3.16	4.04	2.36	7.59
Market Cap / Sales	3.08	2.43	1.42	1.75
P/E	34.20	40.00	16.30	23.34
Price to Book Value	4.53	4.17	3.51	1.67
<b>Solvency Ratios</b>				
Debt / Equity	0.41	0.40	0.43	0.38
Current Ratio	5.11	3.32	2.36	3.09
Quick Ratio	4.50	3.05	2.31	2.96
Asset Turnover	0.92	1.04	1.31	0.57
Interest Coverage Ratio	3.55	3.38	6.29	5.31

\*Ratio sheet for Sep-23 is annualized.

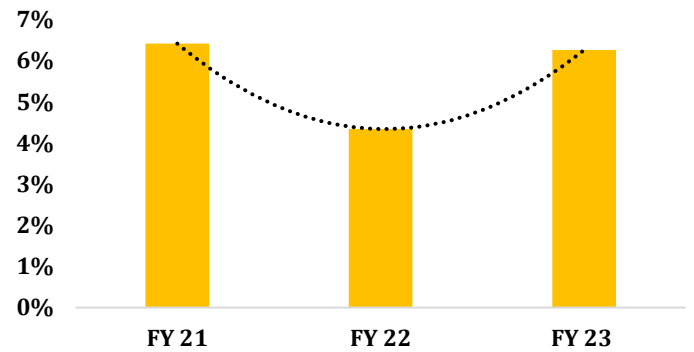


## Financial Charts

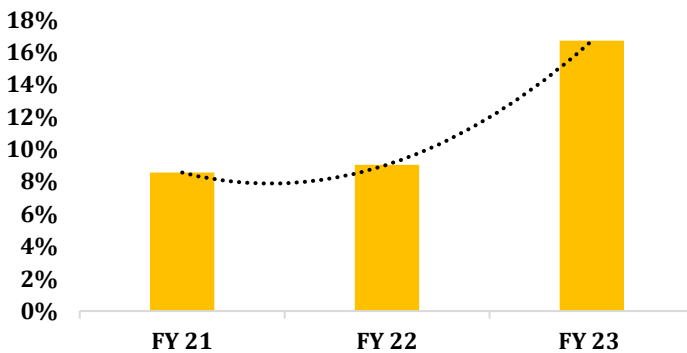
**EBITDA Margin**



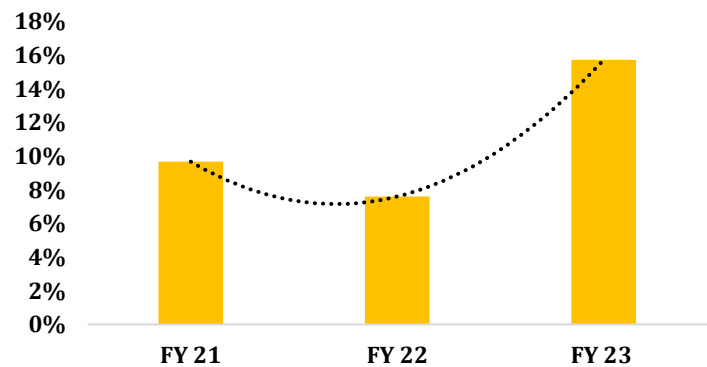
**Net Profit Margin**



**Return On Capital Employed**



**Return on Equity**



## Key Risk Factors

1. The Company, Promoters, Promoters Group and Group Companies are party to certain litigation and claims amounting to Rs. 51.08 lakhs. Any adverse decision may make the company liable to liabilities/penalties and may adversely affect the reputation, business and financial status.
2. The Company has several Contingent Liability and Commitments amounting to Rs. 115.96 lakhs which if materialize could affect the financial position.



### Track Record of Lead Manager

The lead manager to the issue is Beeline Capital Advisors Private Limited. A table has been set below highlighting the details of the IPO of the recent companies handled by the Lead Manager in recent times –

#### Beeline Capital Advisors Private Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Sheetal Universal Limited	23.80	70.00	December 11, 2023	71.0
2.	Rajgor Castor Derivatives Limited	47.81	50.00	October 31, 2023	49.0
3.	Arvind and Company Shipping Agencies Limited	14.74	45.00	October 25, 2023	56.2
4.	Karnika Industries Limited	25.07	76.00	October 12, 2023	138.0
5.	Hi-Green Carbon Limited	52.80	75.00	September 28, 2023	185.0
6.	Kody Technolab Limited	27.52	160.00	September 27, 2023	315.0
7.	Chavda Infra Limited	43.26	65.00	September 25, 2023	88.6
8.	Vinsys IT Services Limited	49.84	128.00	August 11, 2023	270.0
9.	Shri Techtex Limited	45.14	61.00	August 04, 2023	79.8
10.	Ahasolar Technologies Limited	12.85	157.00	July 21, 2023	372.0

The company has had 24 mandates in the past three years including the current Year.

\*CMP for the above-mentioned companies is taken as of 13<sup>th</sup> December 2023.

As per the offer document, from the above-mentioned mandates, all the mandates have opened at premiums on the listing date.



### **Recommendation**

The company has been in the industry since 2002 and has vast experience in the industry. The company's management overview is not satisfactory. The company also faces significant competition in the industry.

The P/E on a post-IPO basis is 23.34 times which seems to be slightly highly priced by looking at the performance of the company.

The company has seen a sudden surge in the top and bottom line of its financials. The company's financial outlook is not attractive. The company is in the industry of IT service which is highly competitive. The company does not provide any unique services. The company is also not utilizing its debt opportunity well. As the company has good experience, we believe we would need to look at the future results to conclude. Thus, we recommend **AVOID** applying to this IPO.



### **Disclaimer**

We are not registered research analysts with SEBI and are not subject to the regulations governing research analysts. This research report is for educational purposes only and should not be construed as investment advice. The information contained in this report is based on publicly available information and is believed to be reliable, but no representation or warranty, express or implied, is made as to its accuracy or completeness. Also, some of the employees of

organization may have or may in the future hold investments in the company that is the subject of this research report. This may create a conflict of interest, and you should be aware of this when considering the information contained in this report. You should consult with your financial advisor before making any investment decisions.