Management Discussion

Dhruvi Mandaviya - Analyst, EquiBridgeX Advisors
Thank you. A very good afternoon to everyone. Welcome to the H1 FY27 Earnings call of Bench Mark Infotech Services Limited. From the management team, we have with us Mr. Vineet Kumar Gupta, the Managing Director; Mr. Neeraj Bhuwalka, the Finance Director; and Mr. Laxmi Narayan Dutta, the Financial Advisor. We will have opening remarks from the management team, post which we will open the floor for Q&A session.

With that, I would like to hand over the call to Mr. Vineet Kumar Gupta for opening remarks. Over to you, sir.

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
Thank you and good afternoon, everyone. On behalf of Bench Mark Infotech, we would like to welcome you to our inaugural earning call first since our listing of NSE emerging platform. This is a very special moment for us since this company has been formed along two decades and we had doing projects by projects and we are very grateful and thankful to our customer and to our investors so that we got listed and we were subscribed and then oversubscribed. And till until we are doing -- we would like to say that we are doing good and we have ample of orders with us that we will be discussing in our presentation, whatever we are having right now.

Since IPO listing, we have raised around INR42.44 crores and our shares listed on NSE platform on October 5th, 2026 at a price of around INR110 per share. We are truly grateful to every investor who placed their trust in us. The proceeds will support our working capital and needs and general corporate purpose, which is important in our project and business what we do like this. H1 FY27 performance, now to the numbers for the half year ended September 30, 2026. Total income for the half stood at around INR14.05 crores broadly in line with the last year as the most government focused business. A large part of the revenue usually came in the second half of the year.

So we had a good operational EBITDA compared to last year. Last year, we had INR1.48 crore. This year we had INR3.36 crore and that take us in comparison, we had an 10.5% EBITDA last year. This year, we are having 23.9%. So as I said that this year had been a -- this half yearly had been a good year for us as we have an order book of around INR66.6 crores. And this as I mentioned earlier that what is our strength. We always say our strength is the basket that we offer to the client where we do data security, cyber security, networking, wireless communication. So we got orders for this only and this time, we also had some GIS mapping and audio visuals orders inculcated in entire solution what we had provided.

Second, we also made an announcement seeing the market growth and are saying that we would be heavily doing our work on GPU computing and we also set a target that we would be investing around INR100 crore in GPU computing in the phases. As per the customer demand, we will be placing the GPUs and we will be renting the services. Looking ahead, as we move forward, since we have an order book and seeing the present condition, we see that it's only the half year and the most exciting is the H2. So we have couple of more bigger orders in the pipeline, which we target to -- that orders would also come to our kitty and that will not only suffice what we are saying that the target of this year, but it will also add value to the coming years. So this other thing.

Here I end it. We look forward to your questions. Over to the moderator. Yeah.

Questions & Answers

Operator
Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. [Operator Instructions] we'll take our first question from the line of Ananya Sharma from Shah Family Office. Please go ahead.

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
Yeah, Ananya.

Ananya Sharma - Analyst, Shah Family Office
Congratulations for your excellent results.

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
Yeah, please.

Ananya Sharma - Analyst, Shah Family Office
Couple of questions. Yeah. So my first line of question is revenue for H1 financial '27 was around INR14 crores, almost similar to last year. So what were the main reasons for the flat revenue and how do you see business performance improving in H2 financial '27?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
So, hi, Ananya. Look, the first half is structurally a smaller half. Last year, it was around 23% of the full year revenue because project-based milestones and government billings cluster in the second half. Within this half, yes, the recurring service revenue has grown and we have already disclosed orders worth around INR80 odd crore including taxes, which is more than last year. So we are pretty confident of achieving the planned numbers.

Ananya Sharma - Analyst, Shah Family Office
Okay. Okay, sir, understood. So we have seen EBITDA has increasingly significantly from INR1.48 crores to INR3.36 crores despite revenue remaining larger unchanged. So what helped improve the profitability and do you think these margins are sustainable going forward?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
So if you see the projects that we are doing, as earlier also we mentioned that in the coming days, fortunately, this year, the first H1, we got the projects where the material cost was like lesser than compared to the last year. Why? Because we inculcated very complicated projects where the service cost was higher in compared to the material cost. That was the major reason you are seeing that EBITDA is going up as we are getting into some complicated projects where the service and the technology is much required and we have a very -- as you know that we have a very -- a strong technical team to support that. So whatever we bagged the orders were much into service related rather than -- that's the reason the material cost came down and EBITDA increased.

Ananya Sharma - Analyst, Shah Family Office
Okay. Okay, sir. So could you give me some understanding of margin across your different business verticals?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
So it varies from around 15%, 18%, 22%, 20%, 25%, even it reaches to 30% and even sometime it

goes down to 12%, but it depend upon what kind of projects and what kind of competitions are there. So it's nothing -- you can't paint it in a black and white. It's like a rainbow shape. It varies as per the nature of the work.

Ananya Sharma - Analyst, Shah Family Office
So where do you see the greatest opportunity for margin improvement?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
So as we are entering into some different solutions in the coming days, that are the things that will keep us apart and there we see that we can have a good margin.

Ananya Sharma - Analyst, Shah Family Office
Okay. So could you please share the parent tender pipeline? Hello?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
So it's currently -- means as on date as we speak, we have a open order pipeline of INR74 crores.

Ananya Sharma - Analyst, Shah Family Office
Okay. So what is the approximate value of projects the company is actively bidding for?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
A substantial portion of this will get recouped and monetized during this fiscal.

Ananya Sharma - Analyst, Shah Family Office
Okay. And which business areas are you seeing the strongest demand?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
The stronger demand in your data securities and what do you call complicated networking solutions where we are finding. And even in a kind of smart classrooms, not really smart classroom, but integrated audio, video solutions for various locations. So these are the area. And even if GPU is coming into our service, that will be also one of the interesting things. We are vouching that as soon as we are going to start it.

Ananya Sharma - Analyst, Shah Family Office
Okay. So the company has reported an outstanding order book of around INR86.93 crores as of November 2026. So how much of this order book do you expect to execute during the remaining part of '27?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
Substantial, I mean substantial orders, what we have gathered, we will be trying to execute it.

Ananya Sharma - Analyst, Shah Family Office
Okay. So the data center and the storage solution contributed around 6.4% of financial '26 revenue. So how do you see this segment growing over the next year?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
This will grow -- so this will grow around 20%, 25% this year, more than that. This is very less figure what I am speaking about.

Ananya Sharma - Analyst, Shah Family Office
Okay. So could it become one of the company's major business verticals?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
No. As I said, company will never make one vertical as a main vertical. Our USP is that we keep on coming up with different solutions in different years. This is how company has evolved. So the company's strength has always been to work with a new technology keeping the old technology in hand because see in technological world, you can't commit that you have this -- because now you see the GPU market, how it crashed, means how things are going in a different way. So few years back you must have heard about IoT. So it is no more there. So in technological business, if you stick to one of the solution and you say that I will do this only, then there is a challenge, then there is a problem.

Ananya Sharma - Analyst, Shah Family Office
So looking at the strong order book and recent order wins and entering into the technology, new technology areas, what kind of revenue growth and margin level should investors expect over two to three years?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
It will be like as we mentioned the PAT, we will always be something around 18% to 20%, it will be there what we are targeting. And the growth will be something around 25% to 40% growth will be there on a year-on-year basis.

Ananya Sharma - Analyst, Shah Family Office
Okay. So could you share your growth outlook for '27 and '28?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
'27 and '28, we are targeting somewhere around INR110 crore to INR120 crore with a PAT margin of around 18% to 20%.

Ananya Sharma - Analyst, Shah Family Office
Okay, sir, understood. Okay. Thank you. And once again, congratulations for your strong results.

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
Thank you. Thank you, Ananya.

Operator
Thank you. [Operator Instructions] Next question is from the line of Pakshal Jain of Axiom Research. Please go ahead.

Pakshal Jain - Analyst, Axiom Research
Hi, sir. Congratulations on your listing and performance for this result. I just had a question regarding the GPU business that we are entering into. Sir, this seems like a very good opportunity for us as we are also from the background. But from what I want to understand, sir, at this scale and this balance sheet size of our business to get into GPUs where you will be requiring a lot of capacity like capacity to rent out. So you'll have to buy a lot of products and then you will have to like put in the CapEx and then try to rent it out. So is that a model that you're looking for or are we going to do it some other way? Because in the balance sheet size, INR100 crores are very good aspiration for us to buy out the assets and try to rent them out. But then how do you look at it currently at the scale of our

business?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
Please repeat it because you have asked two, three question at a single question. So if you repeat one more -- if you segregate it, then I will be able to give an exact answer to your questions.

Pakshal Jain - Analyst, Axiom Research
Yes, sir. Sir, only one question regarding the GPU business that we are looking at. Currently, we are trying to get around INR100 crores of investments to purchase GPUs and rent it out in the market, right?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
Correct. It will be phases. Yeah. So it will be on phases like as the customer demands happen, okay, and we will be doing it in phases. And as we are there in this business and for us, GPU is just a product, okay? So it's nothing new to us. And since we are doing lots of AI labs and GPU labs, we had already backed orders and we are also pursuing orders. We are doing deployment. So we know in and out how to go ahead. This is our main strategy. So how we can go ahead, how we can penetrate, how to create customer demand and how to move ahead.

Pakshal Jain - Analyst, Axiom Research
Yes, sir. Correct. So I agree with that you mentioned about the background. So I just wanted to understand that, sir, from what we see business which are listed also, somewhere the margins are very skewed in terms of GPU renting. So because I think that right now, the listed players that are already there in the industry, they have gotten cheaper GPUs and their margins are much better. I think it's in their mid 70s also for some companies. So what are we looking at in terms of margin because then it will give us a very good push in terms of the margin as well for GPUs.

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
Yeah. That actually the margin, if you say on GPU business, we haven't started and it can't be disclosed at this moment. So we are very much into that much I can say and we will be very competitive with the market and we will also have a what do you call decent margin to play around.

Pakshal Jain - Analyst, Axiom Research
Okay, sir. Got it. Thank you so much.

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
Yeah.

Operator
Thank you. [Operator Instructions] Next question is from the line of Arpit Dhamesha from Silicone Liquid. Please go ahead.

Arpit Dhamesha - Analyst, Silicone Liquid
Hi, first of all, congratulations for the result. I want to like ask a couple of questions. One is like since the token prices are falling down gradually. So the demand for compute can rise, but the following price can fall down their enterprises. So how have you thought of like managing that kind of situation, let's say, the B300 prices right now nearly $6.5 an hour, it can fall down to nearly $5 or $5.5. So your margins can cut down like at the point you bought the actual hardware. So how can you like sustain that kind of situations? And also like important is that like you are putting your

INR100 crores in CapEx in buying the compute. So like what is like the AI bubble burst your entire equity can get down. So don't you think that you should raise debt as well into this and sort of like do the risk stacking to mitigate the burst?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
So you have asked two questions that if the price -- since the market is going down, if B300 price $6.5, it comes down to $5, $5.5, what will happen. So why this price will come down? First, we need to analyze that. The cost of the GPUs, people are in threat that the cost of the GPU will come down, okay? Then if the cost of the GPU come down, then the service will come down. The -- so there if you understand this, there is Tier 1 data center, Tier 2, Tier 3, Tier 4 data centers, okay. So definitely, we will be -- whatever offers we will be giving or we will be coming up in the market will be a bit different from what is there existing, okay, might be -- we might be using a Tier 4 data where our competition is using Tier 2 or 3 datas, okay, uptime will be higher.

Bandwidth management will be very good since we have a background of that. And if the GPU margins come down, then what we have said that we will be going in phases. So if the GPU cost come down, the renting -- we will be the -- then we will have the advantage because lots of people had already booked the GPU at the price B300 at the current price, okay. Now what we are doing, we are -- that is why we are going in phases. Like if the GPU prices comes down, then we will have the added advantage over others who have already booked the GPU at a higher price.

And the second question was why not to take that? So it's a internal management decisions, policy, what is the status of the funding, whether we need to take debt because it had always been a debt-free company and what strategy we will be inculcating in our solution where if all it is needed to take debt, it will be a complete management decision and a Board decision which will be taken as in the due course.

Arpit Dhamesha - Analyst, Silicone Liquid
Okay. And like how much big capacity are you planning to make in next five years, let's say?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
Sorry, come again.

Arpit Dhamesha - Analyst, Silicone Liquid
Like how much big capacity of data center are you planning to build out?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
So at this moment, we have planned whatever is going to suffice our budget of INR100 crore, we will be investing that only because if the prices comes down, then the capacity increases. If the prices goes up, the capacity decreases, okay. So right now at the current scenario, it's very fluctuating kind of thing what we are observing in the GPU market in terms of bare sale or in hardware.

Arpit Dhamesha - Analyst, Silicone Liquid
Okay.

Operator
Thank you. [Operator Instructions] Next question is from the line of Ashish Khandelwal, an Individual Investor. Please go ahead.

Ashish Khandelwal - Analyst, Individual Investor
Yes, hi, sir. My first question is on the INR66 crores.

Operator
Ashish, can you use your handset mode please? Your audio is not very clear.

Ashish Khandelwal - Analyst, Individual Investor
Yeah, is it better?

Operator
Yes, please go ahead.

Ashish Khandelwal - Analyst, Individual Investor
So my question is on the INR66 crore order book. How much we can deliver this year -- in this current year only?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
Major -- not INR66 crore. We have around INR74 crores right now.

Ashish Khandelwal - Analyst, Individual Investor
Okay. So how much can we do in this half?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
See major portion of this will be delivered, major.

Ashish Khandelwal - Analyst, Individual Investor
Okay. That's great. So what is the projection like I believe we were INR15 crores first half. And so can we assume something like INR70 crore -- INR60 crore, INR70 crores this quarter, this half?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
Come again.

Ashish Khandelwal - Analyst, Individual Investor
So can we assume something like total including H1 INR80 crore to INR85 crore this year because we already done...

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
Yeah, we will -- we have a target, we will be closing something around INR80 crore, INR81 crore, INR82 crore, we will be targeting something around that.

Ashish Khandelwal - Analyst, Individual Investor
Great. And the GPU one, which we are deploying, what is the target like when can we start the first tranche of buying and when can we start the numbers from that GPU side?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
We are targeting, means right now means we are targeting as soon as possible as the customer, we are checking about the customer demands and we are checking about the availability and everything is in pipeline, okay, like if you want to buy GPU now, it's not very easy. You can't get it right away. You have to do lots of formalities and there are lots of things that you need to do. So our complete team, one dedicated team is completely dedicated for this work, legal, technical as well as

commercial team is directly looking into it. Entire set of team is directly involved into GPU computing.

Ashish Khandelwal - Analyst, Individual Investor
So any tentative time like next fiscal next year in first half, we can assume or...

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
Yeah. You can..

Ashish Khandelwal - Analyst, Individual Investor
Within a year commercialization we can assume.

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
Yeah, commercialization will be happening in the coming years.

Ashish Khandelwal - Analyst, Individual Investor
And like let's suppose we are -- what is the IRR means the GPU which we are renting and how much time we can earn, so what is the IRR of this?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
That can't be disclosed over a call, okay, if you like you can come...

Ashish Khandelwal - Analyst, Individual Investor
Tentative range means like...

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
No.

Ashish Khandelwal - Analyst, Individual Investor
Okay. Thank you. All the best.

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
Thank you, Ashish. Yeah.

Operator
[Operator Instructions] Next question is from the line of Pakshal Jain from Axiom Research. Please go ahead.

Pakshal Jain - Analyst, Axiom Research
Hi, sir. I just had two follow-up questions. One regarding this H1, H2 split that is there currently. So as you mentioned that usually our work is that because the nature of the work is like that, that it comes majorly in H2. Will we be trying to, sir, make this better like happen like an even spread or like a 40-60 spread or is it going to be continuing in the same trend which is going on right now?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
See, everyone in this industry wants even thing, okay, like Q1, Q2, Q3, Q4. Everyone wants 25, 25, 25, 25, 100 [Foreign Speech]. But as per the situation, we are trying that every quarter should improve like even if you see the H1 result, though the revenue part hasn't increased, but the EBITDA has increased. So it's a process, it's -- as you have seen the history itself, it's an organically grown company and it's a systematic company that grows, okay. So we will not do anything where we will

harm ourselves or we are going to harm investors. Whatever we are saying, we will try our level best to maintain that. So definitely, in the coming days, we are trying to improve what you have said like H1 has to be a bit healthy compared to this year or the last year. But everything said and done, it will depend upon the situation. But we will end years -- we will have our year end whatever the data we are saying, we will try to end near to that.

Pakshal Jain - Analyst, Axiom Research
Got it, sir. Sir, one more question regarding the receivables. So sir, because of the skewed nature of H2 business, there is a lot of receivables that are still pending for the last -- I think March also and this time also around the receivables are still standing around INR50 crores. So this is a normal in the business that because this is linked to government and the orders are for them. So basically, it is a slow process to generate cash and get the cash from the government or the limited entity. So can you just highlight something that what is the normal working cycle for a government order? How much time does it take to get the money back?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
See, there are two things that we should look broadly and as I said, we can't level it that government means late. Government mean process and the projects what we do, it's a critical projects. Definitely what we deliver is a complicated solutions and government also need time to understand it, okay. So that is why it's not a desktop supply where you supply and get the payment. It's definitely a complete project end-to-end delivery of entire solution like GIS mapping, VAPT. So there are lots of things. So once government gets satisfied, then only the payment comes. Yes. But we are definitely looking how to improve it and with advice of people like you and the likes of people like you, definitely whatever you are saying, we are taking it as a suggestion and our team is dedicatedly working on it. Probably you will see the result in the coming years that, that also get improved.

Pakshal Jain - Analyst, Axiom Research
Okay, sir. Thank you so much. I'll get back into the queue.

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
Thank you.

Operator
Thank you. [Operator Instructions] Next question is from the line of Giriraj Bora, an individual Investor. Please go-ahead.

Giriraj Bora - Analyst, Individual Investor
Good evening, sir. Sir, I have couple of questions. One you said in the H1 that the EBITDA margins have improved, but I see that the tax expense ratio has increased compared to the last half year. And so that's why the PAT margins are more or less the same or the PAT number is more or less the same. So what is the reason for that? Second question I have because we work in the government departments, do we need to get empaneled with Niti or do we have any empanelment with India AI for the new GPU business, which we are doing? And if yes, what are those empanelment and whether the audits have been done that or not?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
So to answer your second question, we haven't started -- like we have started the process of getting enlisted. But since we are doing government business, we are enlisted with lot many of the

government clients. And to answer your -- what do you call this, just the PAT one? So when you compare the PBT vis-a-vis the PAT is basically a timing difference on account of the DTA which has been created recognized in the books, it's basically a non-cash affair, which will get recruit and adjusted once we roll up the full year results. So it's a non-cash front. It's just a timing affair on account of DTAs.

Giriraj Bora - Analyst, Individual Investor
Yes, but both put together the current item and ETA generally would come to 25% of the PBT, right? So here in the first half year, the numbers are very off.

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
So it's basically the DTA which was created with the relation to 31st March of '26. So now because of that element not being there, so we have to affect that in the books for this financial. But anyways non-cash spend.

Giriraj Bora - Analyst, Individual Investor
Okay. This was a reversal of DTA which you created last time.

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
Yes.

Giriraj Bora - Analyst, Individual Investor
Okay. So timing difference not being a timing difference anymore is what I can understand. Anyway, my second question I have is the -- on the GPU side, what I understand, one is the hardware layer and also we need a software layer. So has the development been done on the software and the operations stack, whether the...

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
Yeah. That has been done API and all these things have -- API and that has been worked out, okay.

Giriraj Bora - Analyst, Individual Investor
And Kubernetes and the billing and the tenant isolation, the software has been completed.

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
Yeah, it's in the process. It's all in the process.

Giriraj Bora - Analyst, Individual Investor
Okay. And which GPUs are we targeting? There are multiple GPU available in the market right now. So can give you

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
H200, B300, H100 as per the customer -- I have said as per the customer demand, but now the customer demand is coming to B300 and H200. So we are capturing that.

Giriraj Bora - Analyst, Individual Investor
Okay, sir. And where will this GPUs be hosted in third-party data centers, which cities...

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
Yeah, it will be a co-location data center.

Giriraj Bora - Analyst, Individual Investor
So have we entered into the arrangements with them because that rule has to be done beforehand, right? So is there any --

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
No. That has to be done in the same time, okay, because the space keep on varying, okay. It means sometimes they have the space and sometime it gets loaded. So since we are already there in this establishment of data centers for like lots of equipment is getting supplied. So we know which data center are having space and who can give the better offer so that profit margin can increase as well as who can offer the best uptime.

Giriraj Bora - Analyst, Individual Investor
Okay. And what about power, sir? Any kilowatts we need to get contracted for the power and cooling side?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
That data center is going to take care. That is not our lookout. We will give our requirement. Yeah. Cooling, liquid cooling, the what do you call the power, everything will be taken care. The backup will be taken care by the data center.

Giriraj Bora - Analyst, Individual Investor
Okay. Got it. And existing which you have on the AI labs, so you would be only be doing it what they say renting or you would also provide them the inference solutions to them or only renting?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
We are already providing infra solutions to them.

Giriraj Bora - Analyst, Individual Investor
Inference solutions, you will...

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
Sorry, come again.

Giriraj Bora - Analyst, Individual Investor
Inference you will not provide inference solution to the AI lab, right, or you will provide inference solutions also.

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
Yeah. Once we deploy this, then we will be providing them.

Giriraj Bora - Analyst, Individual Investor
Okay. Thank you.

Operator
Thank you. [Operator Instructions] Next question is from the line of Pakshal Jain from Axiom Research. Please go ahead. Pakshal, your line is unmuted. Please go-ahead with your question.

Pakshal Jain - Analyst, Axiom Research
Yeah, hi. Sorry, am I audible now?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
Yeah. You are there.

Pakshal Jain - Analyst, Axiom Research
Yes, sir. Sir, I just had to ask everything on the balance sheet and this has been -- I tried to ask this in the IPO time as well. Sir, why are our fixed assets in such a manner that we don't see a lot of fixed assets or maybe deployments or maybe just IP solutions, computers? When I see your balance sheet, sir, I do not see a major chunk, which is -- so for example, I understand it's software company. There are not a lot of fixed assets required. But therefore, I cannot see like if I see currently on the balance sheet, PP, I'm checking, it's about INR84 lakhs or something like that. This includes -- I cannot seek detail of what exactly which part of that is. But I cannot see computers value, sir, I cannot see. So sir, [Foreign Speech]

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
That is the beauty we are asset-light company. So if we invest in this thing, that is how we are doing. That is our strategy, that is our strength.

Pakshal Jain - Analyst, Axiom Research
Okay. Sir, [Foreign Speech]

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
Like if in the light of if GPU coming in, then the asset will increase. We are just holding back. If the GPU comes, then the asset will increase definitely.

Pakshal Jain - Analyst, Axiom Research
Sir, but we can't increase...

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
Go ahead.

Pakshal Jain - Analyst, Axiom Research
Currently, I just wanted to ask you right now we'll be doing executing an order of say INR70 crores in H2. So [Foreign Speech]

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
What asset-base do you require? Just for space [Foreign Speech] that's there, that is the expense that is coming. So that is fair. You don't need anything. You need just technical brain to execute it. And that brain you can see that we have the technical person is there.

Pakshal Jain - Analyst, Axiom Research
Yes, sir. That is quite visible [Indecipherable]

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
Yeah.

Operator
Thank you. [Operator Instructions] Next question is from the line of Neha Gupta, an individual Investor. Please go ahead.

Neha Gupta - Analyst, Individual Investor
Congratulations for your results. I had couple of questions, sir. Sir, around 73% of your FY26 revenue came from government-related business. So are you looking to increase your presence among private sector customers to create a more diversified revenue base?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
I think we will try to do this. I have in the first call also I have explained this. We are trying to give solutions to private also. Since our solutions are a bit complicated, if the privates are ready to take it, we are there. We are targeting private clients also.

Neha Gupta - Analyst, Individual Investor
Got it, sir. Sir, the company has experienced executing projects across multiple states. Are there any new geographical markets or customer segments where you are planning to expand your presence over the next one or two years?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
Yeah. As we said, we will be targeting Delhi and other part of Northeast and western part of India. We are targeting this in coming one, two years.

Neha Gupta - Analyst, Individual Investor
Got it. Sir, with your operating cash flow turning positive during H1 FY27, how does management expect the cash conversion ratio to evolve going forward, particularly as the company scales this revenue and profitability?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
Yeah, we will try to maintain in the similar fashion and we will try to improve only on that.

Neha Gupta - Analyst, Individual Investor
Okay. Got it, sir. I also have one last question. As the company scales its operation, how does management expect operating leverage to play a meaningful role in improving profitability and margins over the medium-term?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
Come again.

Neha Gupta - Analyst, Individual Investor
Sir, as the company scales its operations, does management expect operating leverage to play a meaningful role in improving profitability and margins over the next year over the medium-term?

Vineet Kumar Gupta - Managing Director, Bench Mark Infotech Limited
See, that is a part of the game. That is the part what we are doing. Definitely every -- on every order we try how we are going to improve the margin, how we are going to reduce the time of deployment, how we are going to reduce the cost of manpower. So it's a holistic solution that we are trying to increase the margin, reduce the time of deployment. So that is how we are doing it.

Neha Gupta - Analyst, Individual Investor
Thank you, sir, for your questions. That's it from my end.

Operator
Thank you. As there are no further questions, I now hand the conference over to Dhruvi Mandaviya from EquiBridgeX Advisors for closing comments. Over to you.

Dhruvi Mandaviya - Analyst, EquiBridgeX Advisors
Thank you. On behalf of Bench Mark Infotech Services Limited and EquiBridgeX Advisors, I thank everyone for taking the time to join today's earnings call. If you have any further queries, you can connect to us at info@equibridgex.com. Once again, thank you everyone for joining the conference.

Operator
[Operator Closing Remarks]