

SCOOP

INVESTMENT



**Techd Cybersecurity
Limited**

IPO Note

About

Founded in 2017, the company provides cybersecurity solutions to help businesses stay secure online. Its offerings include managed security, cyber program management, vulnerability testing, compliance support, specialized services, and IT staffing. CERT-In empaneled, it works with clients across BFSI, NBFCs, manufacturing, healthcare, aviation, and Government in India and abroad. Key clients include Adani Group, Zensar Technologies, Astral Limited, Kedia Capital, 1Cyber Valley, ETO GRUPPE Technologies, and IQM Corporation.

Investment Rationale

International expansion and technology adoption –

The company is expanding into Southeast Asia, the Middle East, Europe, and North America, establishing partnerships while complying with regional regulations like GDPR. It is also investing in AI and automation tools to enhance threat detection, incident response, and operational efficiency, ensuring competitiveness against evolving cyber threats for clients.

Scaling operations through workforce expansion –

The company plans to hire key personnel at an estimated cost of ₹ 26.09 Cr. from IPO proceeds. This expansion across critical functions aims to support global growth, enhancing service delivery and innovation, strengthening leadership depth, and improving talent retention, ultimately driving operational scalability, client engagement, and revenue growth across domestic and international markets.

CERT-In empanelment – Since receiving CERT-In empanelment in 2022, the company has gained a competitive edge with government and large enterprise clients. This certification enhances credibility in regulated sectors like BFSI, NBFCs, and government, unlocking multiple growth avenues that the company continues to target domestically and internationally.

Experienced management and strong execution – Led by Sunny Vaghela, an industry-recognized cybersecurity expert, the management team brings deep experience in digital security, threat mitigation, and cyber investigations. Their expertise across diverse sectors has enabled the firm to scale rapidly, with revenue from operations nearly doubling from FY23 to FY24 and again from FY24 to FY25, reflecting strong execution.

Issue Details

Fresh issue of 20,20,200 equity shares aggregating up to ₹ 36.97 Cr. - ₹ 38.99 Cr.

Issue Summary

Issue Size	₹ 36.97 Cr. - ₹ 38.99 Cr.
Face Value	₹ 10
Price band (per equity share)	₹ 183 - ₹ 193
Market Lot	600 Equity Shares
Minimum Investment	₹ 2,19,600 - ₹ 2,31,600
No. of Shares pre-issue	54,59,533
No. of Shares post-issue	74,79,733
Listing	NSE Emerge

Indicative Timetable

Issue Opens on	15 September, 2025
Issue Closes on	17 September, 2025
Listing Commences on	22 September, 2025

Issue Breakup

	Up to No. of Equity Shares	(₹ in cr. upper band)
Market Makers	1,01,400	1.96
QIB	3,84,000	7.41
NII	2,88,000	5.56
Anchor Investor	5,74,800	11.09
Retail	6,72,000	12.97
Total	20,20,200	38.99

Objects of the Issue

Investment in Human Resource – ₹ 26.09 Cr.
Capital Expenditure for setting up Global Security Operation Centre at Ahmedabad – ₹ 5.89 Cr.
General Corporate Purpose – [*]
Total Gross Proceeds - ₹ 38.99 Cr.

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	86.61%	63.22%
Public & Others	13.39%	36.78%

Book Running Lead Managers

GYR Capital Advisors Private Limited

Registrar

Purva Sharegistry (India) Private Limited

Key Risks

Client concentration – Revenue from the top 10 clients contributed 66.5%, 62.0%, and 46.3% of total revenue in FY 2023–25, reflecting concentration risk that the company has been gradually reducing. While the company lacks long-term or exclusive agreements, it is diversifying its client base, though competitor incentives or more favorable terms could still influence key client decisions

Exhibit 1 : Client concentration

Particular	FY 23	FY 24	FY 25
Top 1 Customers	29.79%	31.32%	12.12%
Top 3 Customers	47.82%	44.92%	25.03%
Top 5 Customers	55.24%	52.71%	35.20%
Top 10 Customers	66.46%	62.01%	46.28%

Source: Company, Scoop Investment

Employee attrition – The company's ability to execute projects and win new clients relies on attracting, training, and retaining skilled cybersecurity professionals. Attrition stood at 23.08% in FY 2023, 13.90% in FY 2024, and 17.03% in FY 2025, in line with industry norms. Further reducing attrition could enhance talent retention and strengthen client acquisition.

Supplier concentration – The company depends on a few OEM vendors for software licenses, with the top 5 suppliers accounting for 14.4%, 35.6%, and 24.4% of purchases in FY 2023–25. Any disruption in supply, quality issues, or delays could directly affect the company's ability to deliver cybersecurity solutions.

Sectoral concentration – Revenue is heavily concentrated in a few key industries, with 84.6% in FY 2023, 86.1% in FY 2024, and 82.0% in FY 2025 derived from ITES, education, BFSI, and manufacturing. This dependence exposes the business to sector-specific demand fluctuations.

Maintaining competitive edge risk – The company operates in a dynamic and competitive cybersecurity market. Inability to continuously enhance service offerings, pricing strategies, or technological capabilities could result in client attrition, potentially affecting revenue growth and market positioning. Maintaining differentiation and innovation is critical to sustaining its competitive edge.

Regional concentration – Revenue was highly concentrated in Gujarat and Maharashtra, contributing 88.8% in FY 2023, declining to 81.0% in FY 2024 and 73.3% in FY 2025, reflecting efforts to reduce dependency. Domestic operations accounted for 90.65%, 94.92%, and 83.95%, with international sales growing from 9% (FY 2023) to 16% (FY 2025), led by the USA. The company continues to expand its international client base, mitigating geographic concentration risk.

Exhibit 2 : Revenue split

Particular	FY 23	FY 24	FY 25
Gujarat	72%	76%	51%
Maharashtra	9%	13%	22%
Haryana	3%	0%	1%
Others states	6%	6%	10%
Total Domestic	91%	95%	84%
USA	6%	3%	4%
Germany	2%	1%	–
UK	1%	0%	2%
UAE	–	–	6%
Other countries	–	1%	4%
Total International Revenue	9%	5%	16%
Total Revenue	100.00%	100.00%	100.00%

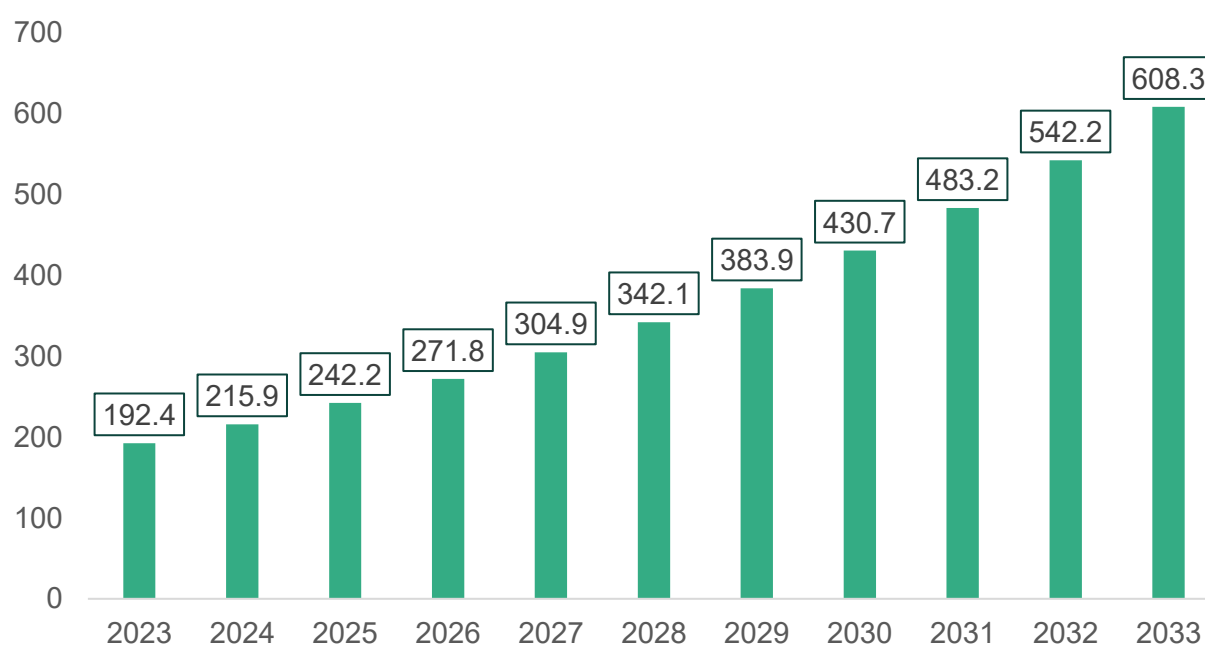
Source: Company, Scoop Investment

Exhibit 3 : Service wise revenue split

Particular	FY 23	FY 24	FY 25
Service Segments			
VAPT	50%	18%	20%
Cyber Program Mgmt	10%	43%	19%
Security Operation	0%	9%	24%
Compliance Services	4%	4%	8%
Staff Augmentation	19%	13%	8%
Specialized Service	9%	0%	5%
Total (A)	85%	86%	83%
Training Segments			
University Partnership	14%	13%	14%
Corporate Training	1%	1%	2%
Total (B)	15%	14%	17%

Source: Company, Scoop Investment

Exhibit 4 : Global cyber security market forecast (in \$ Billion)



Source: Company, Scoop Investment

Exhibit 5 : Peers

KPI	TechD Cybersecurity Limited			TAC Infosec Limited			Satrix Information Security Ltd		
	FY23	FY24	FY25	FY23	FY24	FY25	FY23	FY24	FY25
Revenue from Operations (in Cr.)	8	15	30	10	12	31	35	40	45
Growth in Revenue from Operations (%)	214%	99%	98%	96%	16%	163%	53%	15%	11%
Other Income (in Cr.)	0	0	0	0	0	2	1	1	0
Total Income (in Cr.)	8	15	30	10	12	32	36	41	45
EBITDA	1	5	12	5	7	17	6	3	7
EBITDA Margin (%)	18%	32%	40%	53%	57%	53%	16%	8%	16%
Net Profit for the Year (in Cr.)	1	3	8	5	6	15	4	2	4
PAT Margin (%)	12%	22%	28%	51%	54%	49%	11%	4%	9%
Net worth (in Cr.)	2	5	22	8	14	55	12	14	37
Return on Net worth	60%	68%	38%	66%	45%	26%	32%	13%	11%
Return on Equity Ratio (%)	86%	102%	62%	99%	58%	43%	39%	14%	16%
Return on Capital Employed (%)	40%	72%	54%	64%	41%	29%	41%	27%	18%
Debt-Equity Ratio	1.05	0.38	0.01	0.05	0.12	0.03	0.17	0.02	0.05

Source: Company, Scoop Investment

Exhibit 6 : Profit & loss statement

INR Cr	FY23	FY24	FY25
Revenue	8	15	30
Revenue Growth (YoY, %)		99%	98%
Operating Expenses	6	10	18
Operating Profit (Excl. OI)	1	5	12
OPM %	18%	31%	40%
Other Income	0.0	0.3	0.4
Interest	0.1	0.4	0.5
Depreciation	0.1	0.1	0.4
Profit Before Tax	1	4	10
Tax	0	1	3
Net Profit	1	3	8
NPM %	12%	17%	26%

Source: Company, Scoop Investment

Exhibit 7 : Balance sheet

INR Cr	FY23	FY24	FY25
Share Capital	0.0	0.0	5.5
Reserves and Surplus	1.6	4.8	16.7
Total Equity	1.6	4.8	22.1
Long Term Borrowing	1.0	0.3	0.0
Other Non-Current liabilities	0.1	0.2	0.3
Total Non-Current Liabilities	1.1	0.5	0.3
Trade Payables	2.3	0.7	3.4
Short Term Borrowings	0.6	1.5	0.3
Other Current Liabilities	1.4	1.7	3.0
Total Current Liabilities	4.4	3.9	6.7
Total Liabilities and Equities	7.0	9.1	29.1
ASSETS			
Non-Current Assets			
PP&E	0.4	0.4	2.8
Capital Work in Progress	0.0	0.0	0.0
Other Non Current Assets	0.1	0.1	0.2
Total Non-Current Assets	0.5	0.5	3.0
Inventories	0.0	0.0	0.0
Total Receivables	0.7	2.1	12.6
Cash and Bank	5.2	3.6	9.4
Other Current Assets	0.6	2.9	4.2
Total Current Assets	6.5	8.6	26.1
Total Assets	7.0	9.1	29.1

Source: Company, Scoop Investment

Management

Exhibit 8 : Key personnel

Name	Designation	Background
Mr. Sunny Piyush Kumar Vaghela	Chairman & MD	He is a recognized cybersecurity expert with over a decade of experience in cybersecurity, digital forensics, and threat mitigation. He has been instrumental in high-profile investigations, including cyber espionage, data theft, and cases such as the Ahmedabad serial bomb blasts and the 26/11 Mumbai attacks.
Mr. Piyush Rasiklal Vaghela	Executive Director	He holds a Bachelor of Commerce from Gujarat University and brings over 38 years of banking experience, having spent his entire career at Bank of Baroda. His extensive expertise supports strategic decision-making in investment and finance
Mr. Khileshwar Sahu	CFO	He holds a Bachelor's Degree in Commerce from Krantiguru Shyamji Krishna Verma Kachchh University and has over 10 years of experience in audit, taxation, and accounting. Prior to joining, he worked as an Account Manager at Raj Kripal Lumbers Limited and with various chartered accountancy firms.

Source: Company, Scoop Investment

Valuation & View

At an implied market capitalization of ₹ 144 Cr., the IPO is valued at **18.9x FY25** earnings, which seems reasonable compared to its peers. The cybersecurity industry itself is experiencing robust growth, providing significant headroom for the company's expansion. However, while the international expansion and execution will need to be closely monitored, the company's experienced management and established channels for talent acquisition from universities ensure a continuous flow of required resources, which strengthens its prospects.

We therefore assign a “**Subscribe for Long Term**” rating.

Disclaimer

Details of terms used

Investment Rating	Definition
Buy	Expected absolute returns of more than 20% over specified time period
Hold	Expected absolute returns between 20% and -15% over specified time period
Sell	Expected absolute returns of less than -15% over a specified time period
Entry Price	Price at which stock was recommended
Target Price	Expected price of stock at end of specified time period
Potential Upside	Expected absolute returns from entry price over a specified time period
Upside Left	Expected absolute returns from current price to Target price

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