



IPO Note

Takyon Networks Limited

Recommendation: **Apply (only for high-risk takers)**

Business - Takyon Networks Limited is engaged in the distribution and retail of mobile phones, accessories, and electronic products. The company operates a multi-channel model comprising retail outlets, distribution networks, and an online presence to serve both retail customers and bulk buyers. It offers products across leading global mobile brands, emphasizing accessibility, affordability, and customer convenience. The company also engages in value-added services including extended warranties and product insurance, enhancing its offering across the mobile ecosystem.

Objects of the Issue –

Particulars	Amount (in ₹ Lakhs)
Meet working capital requirement	1,000.00
Repayment of Borrowings	300.00
General Corporate Purposes	-

Promoters Name –

Manish Kumar Sharma and Neeraj Kumar

Promoter Share Holding Pattern	
Pre Issue	Post Issue
100.00%	73.49%

Rationale for recommendation –

The company is primarily into the business of providing IT services to various company pre-dominantly in the PSU sector. Being established in 2015, the company has been steadily increasing its revenue and profitability and has been operating at good margins. The client base of the company are well known players but the services which it offers are highly competitive in nature and there are many players in the larger segment as well which have better opportunities to be invested in. The management profile of the company is satisfactory and also the KMPs are educated and experienced. The worry factor for the company seems to be the highly competitive market but with raising data centres demand the company can use the opportunity to capture the market. Keeping in mind of regularly tracking the company's performance and developments, **only high-risk takers** should consider to **APPLY** in this IPO.

IPO Details

Opening Date	Jul 30, 2025
Closing Date	Aug 01, 2025
Allotment Date	Aug 04, 2025
Listing Date	Aug 06, 2025
Stock Exchange	BSE SME
Lot Size	2,000 Shares
Issue Price Per Share	₹54
Issue Size	₹20.48Cr.
Fresh Issue	₹20.48 Cr.
Offer for Sale	-
Application Amt	₹ 2,16,000 (4,000 shares)

KPIs (In Lakhs)

KPI's	FY 23	FY 24	FY 25
Revenue	6,323.72	10,750.09	10,312.07
EBITDA	560.40	1,034.94	1,242.89
Net Profit	281.18	522.32	695.74
RoCE	17.28%	29.74%	30.46%
ROE	12.30%	18.48%	19.75%
P/E	20.22	10.89	8.17

Valuation Parameters

Particulars	Pre-Issue	Post Issue
EPS	6.61	4.86
BVPS	33.45	24.59
P/E	8.17	11.12
P/BV	1.61	2.20
Mkt Cap (In Cr)	56.86	77.34

Lead Managers –

Hem Securities Limited

Registrar –

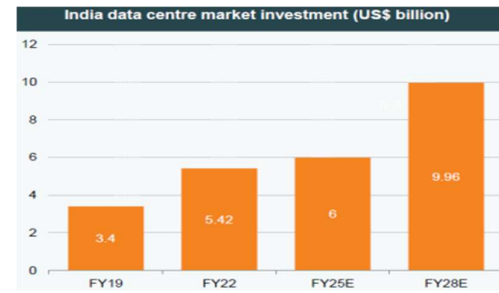
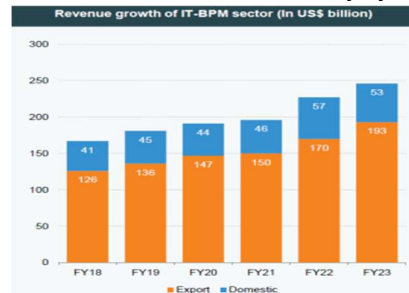
Cameo Corporate Services Limited

Industry Overview –

The IT industry accounted for 7.5% of India's GDP, as of FY23. India's IT industry is likely to hit the US\$ 350 billion mark by 2026 and contribute 10% towards the country's GDP. The IT industry added 2.9 lakh new jobs taking the industry's workforce tally to 5.4 million people in FY23. Direct employment in the IT services and BPO/ITeS segment was estimated to reach 5.4 million in FY23 with an addition of 290,000 people. Exports from the Indian IT services industry stood at US\$ 199 billion in FY24. 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. 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.

Growth Drivers and Opportunities –

- Combat Cyber-Security
- Talent Pool
- Public Cloud Market
- Infrastructure
- Policy Support



Outlook –

India's IT industry is set to grow steadily, driven by increasing global demand for digital transformation, cloud computing, AI and cybersecurity services. Rising investments in generative AI and automation will reshape service delivery models and enhance productivity. Tier 2/3 cities are emerging as new tech hubs, supported by a skilled workforce and expanding infrastructure.

(source : RHP)

Business Overview -

Takyon Networks Limited, incorporated in 2015, is engaged in the business of providing comprehensive networking and IT infrastructure solutions, serving a diverse range of clients, including government agencies and corporate enterprises. The company's services include IT networking solutions, data center solutions, IT security and surveillance, cloud and managed services. It also offers maintenance and support services to the clients through formal contracts, providing expert technical support.

Takyon Networks Limited is a network and IT solutions provider offering customized infrastructure design, systems integration, and managed services across sectors such as telecom, IT/ITeS, defense, education, and public enterprises. The company serves major institutional clients with turnkey networking and data center projects, and is empanelled with government bodies like BSNL, UPDESCO, UPELC, and UPRNN. It partners with leading OEMs including Ruckus, Juniper, Sophos, Nokia, and Dell. Operations are primarily based in India, with offices in Lucknow and New Delhi.

Takyon Networks Limited has steadily diversified its revenue base across India. Uttar Pradesh, once contributing 64.54% in FY23, declined to 37.22% by FY25, while Bihar's share rose sharply from 0.50% to 33.66% over the same period. Telangana also grew to 8.14% in FY25. New contributions from Karnataka and Tamil Nadu indicate expanding southern presence. The shift highlights Takyon's strategic efforts to reduce regional dependency and strengthen its nationwide footprint. A table depicting the state wise revenue bifurcation is given below -

Geographical Area	FY23 (₹ in Lakhs)	%	FY24 (₹ in Lakhs)	%	FY25 (₹ in Lakhs)	%
Uttar Pradesh	4,208.09	64.54%	3,797.74	38.02%	3,699.47	37.22%
Bihar	32.32	0.50%	2,553.61	25.56%	3,345.81	33.66%
Telangana	136.12	2.09%	169.81	1.70%	809.16	8.14%
Delhi	253.67	3.89%	597.9	5.99%	407.56	4.10%
Karnataka	35.23	0.54%	22.67	0.23%	390.15	3.92%
Tamil Nadu	-	0.00%	-	0.00%	243.63	2.45%
Other States	1,855.20	28.45%	2,847.57	28.51%	1,044.37	10.51%
Total	6,520.63	100%	9,989.30	100%	9,940.13	100%

Takyon Networks Limited's revenue is majorly driven by Public Administration, contributing 35.34% in FY25, although slightly down from 42.03% in FY24. The Telecommunication segment emerged significantly in FY25 with 20.95% share, while Energy remained consistently strong at around 15-16% across the years. IT & ITeS saw a sharp decline from 19.98% in FY24 to 5.76% in FY25. The "Others" segment, once a major contributor at 26.98% in FY23, gradually declined to 6.26% by FY25. The data reflects a shift towards core verticals like telecom and public sector-led infrastructure as given below -

Verticals	FY23 (₹ in Lakhs)	%	FY24 (₹ in Lakhs)	%	FY25 (₹ in Lakhs)	%
Public Administration	2,415.22	37.04%	4,198.10	42.03%	3,512.86	35.34%
Telecommunication	-	0.00%	-	0.00%	2,082.58	20.95%
Energy	971.06	14.89%	1,380.20	13.82%	1,549.63	15.59%
Real Estate	122.31	1.88%	154.75	1.55%	706.23	7.10%
IT & ITES	794.63	12.19%	1,995.72	19.98%	572.2	5.76%
Public Infrastructure	336.92	5.17%	835.4	8.36%	432.54	4.35%
Defense	120.96	1.86%	286.71	2.87%	261.29	2.63%
Food & Beverages	-	0.00%	188.56	1.89%	200.8	2.02%
Others (Health, BFSI, Auto, etc.)	1,759.54	26.98%	949.88	9.51%	622.02	6.26%
Total	6,520.63	100%	9,989.30	100%	9,940.13	100%

Business Strategies -

- Leveraging Existing Client Relationships – Focus on expanding service offerings to current clients to strengthen long-term relationships.
- Expand Geographical Footprint – Increase presence across India by entering new regions and states.
- Augment Solution Offerings – Broaden the range of IT infrastructure and networking solutions to meet diverse client needs.
- Build Organizational Capabilities – Invest in internal systems, processes, and team development to enhance efficiency
- Continue to Develop Brand and Reputation

FINANCIAL SNAPSHOT

(Amt. in Lakhs)

Particulars	FY 23	FY 24	FY 25
P&L Statement			
Total Income	6,396.61	10,824.54	10,347.70
Total Expenses	5,999.54	10,107.99	9,381.23
EBITDA	560.40	1,034.94	1,242.89
EBIT	501.29	964.47	1,174.42
PBT	397.07	716.55	966.47
Tax Expenses	115.89	194.23	270.73
Net Profit	281.18	522.32	695.74
Balance Sheet			
Total Equity	2,286.44	2,826.55	3,522.23
Assets			
Non-Current Assets	1,035.59	1,071.28	1,008.85
Current Assets	5,931.43	6,211.65	7,561.35
Total Assets	6,967.02	7,282.93	8,570.20
Liabilities			
Non-Current Liabilities	613.99	416.08	333.20
Current Liabilities	4,066.58	4,040.11	4,714.51
Total Liabilities	4,680.57	4,456.19	5,047.71
Cash Flow Statement			
CFO	-1,366.19	468.04	781.77
CFI	-56.65	-63.12	36.90
CFF	1,155.03	-349.56	-872.64

Particulars	FY 23	FY 24	FY 25
Per Share Data			
Diluted EPS	2.67	4.96	6.61
BV per share	65.14	80.53	33.45
Operating Ratios			
EBITDA Margins	8.86%	9.63%	12.05%
PAT Margins	4.45%	4.86%	6.75%
Inventory days	100.70	40.19	29.36
Debtor days	176.54	134.06	212.73
Creditor days	159.95	119.36	178.20
Return Ratios			
RoCE	17.28%	29.74%	30.46%
RoE	12.30%	18.48%	19.75%
Valuation Ratios (x)			
EV/EBITDA	7.35	4.42	3.78
Market Cap / Sales	0.300	0.176	0.55
P/E	20.22	10.89	8.17
Price to Book Value	0.829	0.671	1.61
Solvency Ratios			
Debt / Equity	0.82	0.65	0.34
Current Ratio	1.46	1.54	1.60
Quick Ratio	1.03	1.25	1.43
Asset Turnover	0.91	1.48	1.20
Interest Coverage Ratio	2.83	2.99	4.82

Financial Analysis –

- **Total Income** – The company's total income has grown at a CAGR of 27.40% from FY23 to FY25, increasing from ₹6,396.61 lakhs in FY23 to ₹10,347.70 lakhs in FY25.
- **EBITDA and PAT Margins** – EBITDA margin improved from 8.86% in FY23 to 12.05% in FY25, while PAT margin strengthened from 4.45% to 6.75%, reflecting improved cost control and profitability.
- **RoCE and RoE** – Return on capital employed increased from 17.28% to 30.46%, and return on equity rose from 12.30% to 19.75%, indicating enhanced capital efficiency and profit generation.
- **Operating Cash Flow** – The company reported negative CFO of ₹ (1,366.19) lakhs in FY23, but turned positive to ₹468.04 lakhs in FY24 and ₹ 781.77 lakhs in FY25, showing gradual improvement in working capital management.
- **D/E Ratio and Interest Coverage** – The debt-to-equity ratio declined from 0.82 to 0.34 over the three years, while interest coverage ratio improved from 2.83x in FY23 to 4.82x in FY25, reflecting better solvency and reduced leverage.

Outlook – Takyon Networks has shown healthy revenue and margin expansion along with improved capital returns and solvency metrics. However, receivables remain high and the FY25 debtor days spike suggests continued working capital pressure despite improving operating cash flows.

Lead Manager –

The lead manager of the issue is Hem Securities Limited. This is the 55th mandate handled by Hem Securities over the past three financial years. Among the most recent 11 listings, 10 debuted at a premium while 1 at par.

Risk Factors -

- More than 70% of the supply is made from the top 10 suppliers/vendors and the supply is an important part in this business.
- Majority of the revenue comes from Government and PSU sector, difficulty to get bids would impact the revenue and profitability
- The company has contingent liabilities amounting to Rs. 1,143.22 Lakhs.
- The company operates in a highly competitive industry, exposing it to pricing risks.

Key Management

- Manish Kumar Sharma is the Chairman and Managing Director of the company. He has more than 23 years of experience in industry. There is an evidence of dual chairmanship in the company.
- Neeraj Kumar is the Chief Executive Officer and Whole-time Director of the company. He has 26 years of experience in business development implementation and execution of the company's strategy.
- Nikhil Laxman Buran and Paresh Goyal are the Executive Directors of the company and each of them have more than 20 years of experience.
- The Independent Directors have moderate experience in their respective fields.
- The Chief Financial Officer of the company possesses over 17 years of professional experience in finance, taxation and accounts.
- The Company Secretary and Compliance Officer has around 3 years of experience in the field of secretarial and corporate law compliances.

Outlook – The overall management of the company is satisfactory with some observations.

Peer Analysis

Particulars	Takyon Networks Limited			Allied Digital Services Limited			Synoptics Technologies Limited		
	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25
NP Margin	4.45%	4.86%	6.75%	1.06%	6.70%	3.97%	13.00%	13.93%	9.34%
EBITDA Margin	8.86%	9.63%	12.05%	13.33%	12.08%	6.69%	30.33%	31.73%	25.93%
RoCE	17.28%	29.74%	30.46%	13.00%	10.00%	10.00%	27.53%	15.42%	8.53%
ROE	12.30%	18.48%	19.75%	1.31%	7.94%	5.32%	26.10%	9.14%	5.78%
EPS (INR)	2.67	4.96	6.61	1.26	8.29	5.70	9.47	7.09	4.76
P/E	20.22	10.89	8.17	6.80	18.60	19.50	0.00	11.60	11.10

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