Pace Digitek Ltd.

25th September, 2025

IPO Details

IPO Date	September 26, 2025 to September 30, 2025
Face Value	₹2 per share
Price Band	₹208 to ₹219 per share
Lot Size	68 Shares
Sale Type	Fresh Capital
Total Issue Size	3,74,04,018 shares (aggregating up to ₹819.15 Cr)
Employee Discount	₹20.00
Issue Type	Book building IPO
Listing At	BSE, NSE
Shareholding pre issue	17,84,42,280 shares
Share Holding Post Issue	21,58,46,298 shares
QIB Shares Offered	Not more than 50% of the Net Issue
Retail Shares Offered	Not less than 35% of the Net Issue
NII (HNI) Shares Offered	Not less than 15% of the Net Issue
Retail (Min & Max) shares	68 Shares & 884 shares
Retail (Min & Max) application amount	₹14,892 & ₹1,93,596
S-HNI (Min shares & application amount)	952 shares & ₹2,08,488
S-HNI (Max shares & application amount)	4,556 shares & ₹9,97,764
B-HNI (Min shares & application amount)	4,624 shares & ₹10,12,656
Basis of Allotment	Wed, Oct 1, 2025
Initiation of Refunds	Fri, Oct 3, 2025
Credit of Shares to Demat	Fri, Oct 3, 2025
Listing Date	Mon, Oct 6, 2025
Cut-off time for UPI mandate confirmation	5 PM on Tue, Sep 30, 2025
Promoters	Maddisetty Venugopal Rao, Padma Venugopal Maddisetty, Rajiv Maddisetty and Lahari Maddisetty
Registrar	MUFG Intime India Pvt.Ltd.

Note 1: Application made using third party UPI or ASBA A/C is liable to be rejected. For apply please click on the Link https://ipo.adroitfinancial.com/ for any kind of assistance please contact to their helpdesk team at 0120-6826800 or mail us on ipo@adroitfinancial.com

Company Profile

Pace Digitek is a telecom infrastructure solution provider with a significant focus on the telecom infrastructure industry including telecom towers and optical fibre cables. They undertake manufacturing, installation and commissioning services of products at the site and undertake operation and maintenance of site including tower erection and optical fiber cable laying as turnkey solution. The company generates its revenue from 3 verticals i.e., telecommunications, energy, and information & communication technology (ICT). It has established operational presence in Maharashtra, Gujarat, Karnataka, Andhra Pradesh, Jammu and Kashmir, Uttarakhand, Assam, Manipur, Arunachal Pradesh, Mizoram, Nagaland, Sikkim among others along with operations in Myanmar and Africa.

The company started as an electrical equipment manufacturer for the telecom industry and later expanded its Telecom Infra operations to include products, projects, O&M, and solutions. With the acquisition of GE Power Electronics India and rights to the 'Lineage Power' brand in 2014, it started end-to-end manufacturing of direct current systems, strengthening its position in energy management solutions. Since 2013, it has also been executing solarization projects for telecom towers, including supply, installation, commissioning, and O&M of solar modules, lithium-ion batteries, and related equipment. From Fiscal 2023, it has further backward integrated its Telecom Infra products through its subsidiary, Lineage Power Private Limited.

Objects of the Issue

- Funding capital expenditure requirement for investment in its Subsidiary, Pace Renewable Energies Private Limited, for setting up battery energy storage systems – Rs. 630 crore
- General corporate purposes- Rs. 189.14 Crore.

Financial Details

Particulars (Amount in Crores)	31-Mar-25	31-Mar-24	31-Mar-23
Revenue from Operations	2438.8	2434.5	503.2
Other income	23.4	25.8	11.5
Total Income	**2462.2**	**2460.3**	**514.7**
Expenses			
- Cost of material consumed	718.1	1558.9	96.2
- Engineering, Procurement and Construction Project Expenses	915.6	361.3	175.5
- Purchases of stock in trade	4.7	39.1	92.1
- Change in Inventories	85.1	-81.0	-3.0
- Employee Benefit Expenses	66.7	53.2	75.0
- Finance Cost	115.2	111.9	12.0
- Depreciation	6.1	5.1	5.6
- Other expenses	166.8	104.8	38.9
Total expenses	**2078.2**	**2153.3**	**492.4**
EBITDA	**481.8**	**398.2**	**28.5**
EBITDA Margin (%)	**19.76%**	**16.36%**	**5.65%**
Profit/(Loss) before tax	**384.1**	**307.0**	**22.3**
Tax expense/(credit)	104.8	76.8	5.6
Profit/(Loss) After Tax	**279.3**	**230.2**	**16.7**
PAT Margin (%)	**11.45%**	**9.45%**	**3.32%**
Basic EPS (in Rs.)	**16.3**	**14.63**	**0.95**

Key Metrics	Mar-25	Mar-24	Mar-23
Debt to Equity	0.13	0.87	0.57
EBITDA Margin	19.76	16.36	5.65
Net Working Capital Days	23.09	40.53	4.93

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Competitive Strengths

- **Advanced Manufacturing Facility** – The company has a total of three manufacturing facilities, two located in Bengaluru, Karnataka, and one in Bidadi, Karnataka. Manufacturing Facility 1 in Bengaluru manufactures telecom infrastructure equipment, while Manufacturing Facility 2 manufactures lithium-ion battery systems. The facility in Bidadi is dedicated to producing Battery Energy Storage Systems (BESS). Together, these three facilities span a total area of 200,000 square feet.

- **End-to-End Solution Provider** – The company offers end-to-end solutions with integrated operations in the telecom tower sector, covering the manufacturing and supply of power management systems, project execution through EPC or turnkey models, product life cycle management services, and O&M. It initially started as a manufacturer of equipment product for the telecom tower sector. Over the years, the company has significantly expanded its scope of operations and transitioned into a complete end-to-end solutions provider for telecom tower operators

- **Strong R&D Capabilities and Experienced Leadership** - The industry is highly technical and requires strong R&D and skilled professionals. The company has built a strong research culture to drive growth and innovation. Its focus is on improving product design, expanding solutions, and strengthening the R&D team. The company has a dedicated R&D center at the head office with 19 specialists. It is led by the Promoter, Mr. Maddisetty Venugopal Rao, a technocrat with over 20 years of experience in telecom and energy, supported by an experienced board and senior management team.

- **Diversified Business Segments with Strong Order Book** – Initially, the company focused on manufacturing electrical equipment for the telecom industry, but over the years it has expanded its Telecom Infra operations to include products, projects, O&M, services, and solutions. The company now operates across three business segments: telecommunications, energy, and information & communications technology. While the telecom vertical has traditionally been the largest source of revenue, the other business segments are witnessing significant growth. The diversity of its businesses is a key factor enabling consistent revenue growth and profitability.

- **Strong Track Record of Growth** – Pace Digitek has shown consistent growth in its revenue from operations, EBITDA and profit after tax over the last three Fiscal years. The company's revenue was ₹2438.7 crore, ₹2434.5 crore and ₹503.2 crore in FY25, FY24 and FY23 respectively, reflecting 384.6% growth in revenue from FY23 to FY25.

Key Risk Factors

- **Reliance on Key Customers:** The company derived 96.25%, 99.45% and 92.16% of its revenue from operations during the Fiscal 2025, Fiscal 2024 and Fiscal 2023 respectively, from their top 10 customers. Further, the business is dependent on maintaining relationship with their customers. Loss of any of these customers or loss of revenue from any key customers could have a material adverse effect on the business, financial condition, results of operations and cash flows.

- **Revenue Concentration Risk in Telecom Sector -** The company is significantly dependent on demand from the end-use industries / sectors, in particular telecom sector. They derived 94.22%, 95.40% and 81.92% of its revenue from operations during the Fiscal 2025, Fiscal 2024 and Fiscal 2023, respectively, from the telecom sector. Any downturn in the end-use industries / sectors could have an adverse impact on the Company's business and results of operations.

- **Reliance on Western India for Revenue Growth** - The company's source of revenue is concentrated in states such as Maharashtra, Karnataka, Jammu and Kashmir, Andhra Pradesh and Tamil Nadu. They have derived 46.05%, 40.62% and 0.13% of its revenue from operations during the Fiscal 2025, Fiscal 2024 and Fiscal 2023, respectively, from Western region of India. Their inability to operate and grow the business in such locations may have an adverse effect on the business, financial condition, result of operation, cash flow and future business prospects.

- **Revenue from Government:** The significant portion of the company's orders are from government related entities. Out of the total revenue, the company has derived 96.17% , 92.08% and 34.14% of the revenue from government related entities in FY25, FY24 and FY23 respectively, through bidding. The company's performance could be adversely affected if they are not able to successfully bid for the contracts.

Comparison with Listed Peers

Name of the Companies	Market Price	Face Value (per Share)	P/E Ratio	EPS (Basic)	EPS (Diluted)	RoNW	NAV (per Share)
Pace Digitek Limited	NA	2.00	16.93*	12.93**	12.93**	22.87%	71.24
Peers:							
HFCL Limited	75.7	1.00	60.07	1.23	1.23	4.35%	28.28
Exicom Tele-systems Limited	150	10.00	NA	-9.11	-9.11	-17.93%	64.35
Bondada Engineering Limited	390	2.00	37.76	10.33	10.28	25.05%	41.24

*P/E calculated based on upper band price.
**EPS calculated including fresh issue shares..

Summary

India has emerged as the world's second-largest telecommunications market, witnessing significant expansion over the past decade. The total subscriber base, wireless subscriptions as well as wired broadband subscriptions have grown consistently. As of March 2025, tele-density stood at 85.04%. Key drivers for India's telecom industry growth include strong government support through investor-friendly policies, the rapid rollout of 5G networks, increasing internet penetration and affordable smartphones driving demand for data, significant investments in fiber optic infrastructure, and the expansion of AI and IoT to enhance network services and create new opportunities.

Pace Digitek Limited is a multi-disciplinary solutions provider with a primary focus on the telecom infrastructure industry. The company operates in 3 business segments (i) telecommunications, (ii) energy and (iii) information & communication technology. They derive 94% of their revenue from the telecom sector. They have set up 3 manufacturing facilities, two located in Bengaluru, Karnataka, and one in Bidadi, Karnataka.

The company will deploy ₹630 crore to fund the 1,500 MW BESS project it has won. Management has guided for 5–7% growth over the next two years, supported by a large order book and projects currently at the bidding or evaluation stage. The company has an order book of ₹3,200 crore in the telecom sector and ₹4,700 crore in energy storage projects, which are expected to be executed over the next 18 months.

A 5,000 MW plant is already operational, and the energy business is expected to grow at a much faster pace. Management has indicated that by FY27 around 50% of the revenue will be coming from energy storage, and the balance from telecom.

Therefore, it is recommended to "**Subscribe**" to the IPO for long-term investment, considering its growth potential.

DISCLAIMER

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