



IPO Note

PACE DIGITEK LIMITED

Sep 26th, 2025



Sep 26th, 2025**Details of the Issue**

Price Band	₹ 208 - ₹ 219
Issue Size	₹ 819.15 Cr
Face Value	₹ 2
Bid Lot	68
Listing on	BSE,NSE
Post Issue Mcap	₹ 4,727.03 Cr
Investment Range	₹ 14,144 - ₹ 14,892

Important Indicative Dates (2025)

Opening	26 - Sep
Closing	30 - Sep
Basis of Allotment	01 - Oct
Refund Initiation	03 - Oct
Credit to Demat	03 - Oct
Listing Date	06 - Oct

Lead Manager

Unistone Capital Pvt Ltd

Offer Details

Offer Size	₹ 819.15 Cr
Fresh Issue	₹ 819.15 Cr
OFS	-

Type	In Rs Cr	No of Shares (Mn)		% of Issue
		Upper	Lower	
QIB	410	18.70	19.69	50
NII	123	5.61	5.91	15
Retail	287	13.09	13.78	35
Em- ploy.	-	-	-	-
Total	819	37.40	39.38	100

Invest Now**Company Profile**

Pace Digitek Limited is a multi-disciplinary solutions provider primarily serving the telecom infrastructure sector. The company operates across three key verticals: Telecom, offering passive equipment manufacturing, tower O&M services, OFC maintenance, and turnkey network projects; Energy, focusing on solar projects under BOO models, telecom tower solarisation, rural electrification EPC projects, and lithium-ion battery manufacturing for energy storage; and ICT, providing surveillance systems, smart classrooms, and agricultural smart kiosks. Through its subsidiary Lineage Power Pvt Ltd, Pace Digitek delivers power management and solar solutions for telecom towers, including Switch-mode Power Supplies, Hybrid DC Power Systems, and Charge Control Units. The company has two manufacturing facilities in Bengaluru and, as of July 31, 2025, employs 1,513 permanent staff.

GEPL's Insights & Investment Thesis:

- Pace Digitek Limited is the end-to-end solutions provider in India's telecom tower and optical fibre infrastructure sector, offering passive equipment manufacturing, tower O&M services, OFC maintenance, and turnkey network projects.
- The company generated 93% of its revenue from top 10 customers in FY2025. This creates client concentration risk for the company, as a loss of single client can significantly impact its financial performance.
- Based on the FY25 earnings, relative to the company's post-IPO paid up capital, the issue is priced at a P/E ratio of 16.9x. We believe that the company faces client concentration risk, intense working capital requirements, and had negative operating cash flow over the last two years. Therefore, we recommend a “Avoid” rating for the issue.

Business Highlights & Services

Pace Digitek Limited has evolved into a leading end-to-end solutions provider in India's telecom tower and optical fibre infrastructure sector, offering integrated capabilities across manufacturing, turnkey projects, product life cycle management, and O&M services. Initially a manufacturer of telecom tower equipment, the company has strategically expanded to deliver intelligent power management systems, SMPS, IPMUs, IPMS, UPS, inverters, battery and power cabinets, and solar solutions through its subsidiary Lineage Power Pvt Ltd, which also enables backward integration for projects. With passive telecom infrastructure constituting 70% of network setup costs in India, the market is estimated at ₹1,650-1,700 billion for FY20 to 24 and projected to reach ₹2,000-2,100 billion by FY2028, while the optical fibre EPC segment is expected to grow from ₹84 billion in FY2024 to ₹135 to 140 billion by Fiscal 2028 (CAGR 12.5-13.5%). The company's holistic business model spans products, services, and turnkey execution, serving telecom operators, network vendors, BOL operators, TSPs, enterprises, and industrial clients. Strategic initiatives, including the acquisition of Lineage Power in 2014, solarisation of telecom towers since 2013, and diversification into ICT, combined with a diversified order book, position Pace Digitek to capitalize on accelerating digital infrastructure demand and deliver sustainable, scalable growth across its business verticals.

Pace Digitek, through its subsidiary Lineage Power, operates three strategically located manufacturing facilities in Karnataka, spanning a combined area of 200,000 sq. ft., supporting its growth and diversification strategy in telecom infrastructure, energy storage, and advanced power solutions.



Manufacturing Facility 1 at Kumbalgodu, Bengaluru, produces telecom infrastructure equipment, while Manufacturing Facility 2, also at Kumbalgodu, focuses on lithium-ion battery systems. Recently, operations commenced at Manufacturing Facility 3 in Bidadi, Karnataka, dedicated to Battery Energy Storage Systems (BESS), enabling the company to capture emerging opportunities in renewable and hybrid power solutions. Facilities 1 and 2 are accredited with multiple global standards, including ISO 9001:2015 (Quality), ISO 14001:2015 (Environmental Management), ISO/IEC 27001:2022 (Information Security), ISO 20000:2018 (Service Management), and CMMi Level 3, reflecting Pace Digitek's commitment to quality, sustainability, and operational excellence. These state-of-the-art manufacturing capabilities not only enhance backward integration and supply chain control but also position the company to scale efficiently, meet rising market demand, and drive long-term, sustainable growth across its telecom, energy, and ICT verticals.

Pace Digitek, through its subsidiary Lineage Power, is strategically positioned to capitalize on the growing demand for lithium-ion batteries and Battery Energy Storage Systems (BESS) in India's telecom and renewable energy sectors. Lithium-ion batteries offer high energy density, superior load capabilities, and round-trip efficiencies of 88-90%, making them ideal for both telecom power and renewable energy storage. The company provides containerized, liquid-cooled BESS with modular racks, integrated Battery Management Systems (BMS), Power Conversion Systems (PCS), and Energy Management Systems (EMS), manufactured to global standards including UL 1973, UL 1642, UL 9540A, and IEC 62619:2022. The recently operational BESS facility in Bidadi, Karnataka, has an annual capacity of 2.5 GWh, expandable by an additional 2.5 GWh, aligning with India's renewable energy transition and National Energy Policy 2023 projections for large-scale BESS deployment.

Pace Digitek's BESS solutions combine high efficiency (93.5% round-trip for LFP systems), long life cycles (8,000 charging cycles), wide operating ranges, and advanced safety features, while PCS units ensure >96% efficiency and flexible operation in standalone or grid-connected modes. Complementing this, the company offers lifecycle management services including warranty, AMC, O&M, and upgradation contracts, generating recurring revenues. With planned investments of up to ₹630 Cr through Pace Renewable Energies Pvt Ltd for strategic projects, including one awarded by Maharashtra State Electricity Distribution Company, the company is well-positioned to drive sustainable growth, consolidate its leadership in telecom and renewable energy infrastructure, and capture India's expanding energy storage market.

Pace Digitek aims to strengthen and expand its services across telecom tower and optical fibre operations, particularly in high-growth geographies such as Maharashtra, Gujarat, Karnataka, North East India, and Jammu & Kashmir. The company plans to capitalize on emerging opportunities in renewable energy by entering projects for the supply and installation of solar pumps, having recently secured a project for off-grid solar photovoltaic water pumping systems. Additionally, Pace Digitek intends to participate in the Indian Railways' 'KAVACH Project,' an automatic train protection system, by setting up supporting tower networks. The company is also pursuing international expansion, targeting markets in Kenya and other African countries, with its subsidiary Lineage supplying telecom infrastructure equipment and BESS solutions. In the energy sector, Pace Digitek is focused on driving revenue growth through large-scale solar and energy storage projects. The company has been awarded a 100 MW solar power project with a 50 MW/100 MWh energy storage system on a Build-Own-Operate model for 25 years and is exploring backward integration in the manufacturing of solar modules and cells. These initiatives align with the company's broader growth strategy of leveraging technology-driven solutions, expanding geographic reach, and integrating manufacturing and project execution capabilities, positioning Pace Digitek to capture significant opportunities in telecom infrastructure, renewable energy, and energy storage markets while driving sustainable, long-term business growth.

[Order Book Details](#)

Order Book		FY25	FY24	FY23
Telcom	Tower	3,475	5,665	8,378
	OFC	95	191	359
Sub-Total (A)		3,570	5,855	8,737
Energy	BESS	2,470	-	-
	Solar Project	2,402	10	9
	Rural Electrification Project	191	319	340
Sub-Total (B)		4,064	329	349
ICT (C)			157	67
Total (A+B+C)		7,634	6,341	9,153



Segmental Revenue breakup

Particular		FY25		FY24		FY23	
Segment	Type	Amount	%	Amount	%	Amount	%
Telecom	Power Supply						
	Product	29	1.21	73	3.01	103	20.47
	Project	2,249	92.2	2,188	89.89	129	25.58
	Services	20	0.82	61	2.5	181	35.87
	Sub Total (A)	2,298	94.22	2,323	95.4	412	81.92
Energy	Power Supply	8.7	0.36	9.21	0.38	8.89	1.77
	Product						
	Project	128	5.24	73.74	3.03		
	Services			6.199	0.25	9.036	1.8
	Sub Total (B)	136	5.59	89.18	3.66	17.93	3.56
ICT/ Other	Power Supply						
	Product			13.26	0.54	21.14	4.2
	Project	0.029	0	2.91	0.12	30.10	5.98
	Services	4.469	0.180	5.15	0.21	21.14	4.2
	Sub Total (C)	4.499	0.180	21.32	0.87	72.38	14.38
	Sale of Scrap	0.013	0	1.47	0.06	0.66	0.13
	Sub Total (D)	0.013	0	1.47	0.06	0.66	0.13
Total (A+B+C+D)		2,439	100	2,434	100	503	100

Public vs Private Sector Revenue breakup

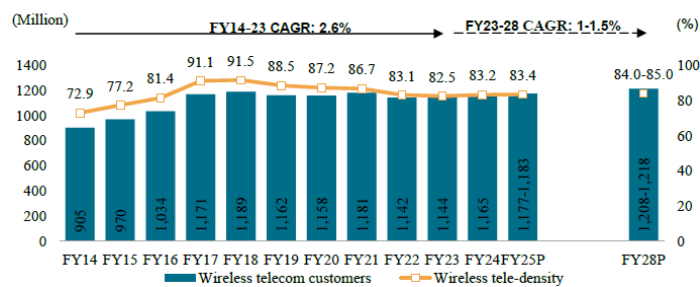
Particular	FY25		FY24		FY23	
	Amount	%	Amount	%	Amount	%
Public Sector	7,464	97.77%	6,185	97.53%	9,086	99.27%
Private Sector	170	2.23%	157	2.47%	67	0.73%
Total	7,634	100%	6,341	100%	9,153	100%

Product Portfolio

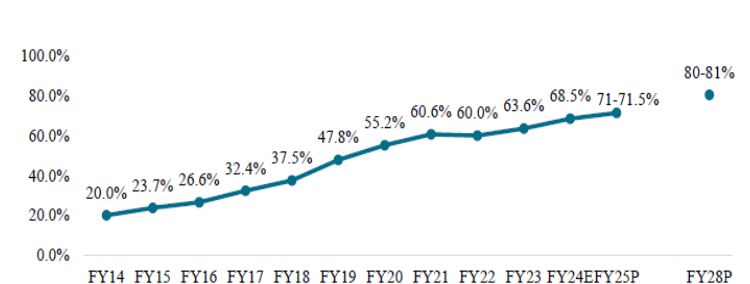


Industry Outlook

Wireless telecom customer base



Wireless internet penetration in India (%)





Peers Comparisons

Name of the company	Face Value (₹)	Total Revenue (In Cr)	EPS	P/E (x)	RoNW(%)
Pace Digitek Ltd	2	2,439	16.3	NA	22.87
Peers Group					
HFCL	1	4,065	1.23	60	4.35
Exicom Tele-System Ltd	10	868	-9.11	NA	-17.93
Bondada Engineering Ltd	2	1,571	10.28	38	25.05

Company's Competitive Strength

- It Provide end-to-end solutions with integrated operations in the telecom tower sector.
- Diversified business segments with strong order book.
- Experienced Board of Directors buttressed by technically proficient and qualified senior management personnel and employees.
- Advanced manufacturing facilities with production efficiency.
- Track record of financial and operational performance with profitable growth.

Key Strategies Implemented by Company

- It have recently commenced manufacturing battery energy storage system (BESS) and undertake projects and intend to grow these operations.
- Deepen its existing products and services offerings and expand our geographical reach.

Particular (INR in Cr)	FY25	FY24	FY23
Equity Capital	36	5	5
Reserves and Surplus	1,173	562	330
Net Worth	1,209	567	335
Revenue	2,439	2,434	503
Growth (%)	0.17%	384%	
EBITDA	482	421	28
EBITDAM (%)	19.7%	17.3%	6%
PAT	279	230	17
PATM (%)	11.4%	9.4%	3.3%
ROE (%)	23%	41%	5%



Notes

GEPL Capital Pvt. Ltd

Head Office: D-21/22 Dhanraj Mahal, CSM Marg, Colaba, Mumbai 400001

Reg. Office: 922-C, P.J. Towers, Dalal Street, Fort, Mumbai 400001

Research Analyst – Mr. Vidnyan Sawant | + 022-6618 27687 | vidnyansawant@geplcapital.com

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