



Pace Digitek Ltd

Industry: Telecommunications and Infrastructure

Date: 25th Sept, 2025

Rating
SUBSCRIBE

Issue Highlights

Pace Digitek IPO is a book build issue of Rs. 819.15 crores. The issue is a entirely a Fresh Issue.

- The Fresh Issue consists of 3.74 crore shares aggregating to Rs. 819.15 crores at the upper end of the price band at Rs. 219 per share.

Objects of the Offer are: The net proceeds of the Fresh Issue are to be utilised in the following manner:

Particulars	Rs. Cr
Funding Capital Expenditure requirement	630
General corporate purposes	[•]
Total	[•]

The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Fresh Issue.



26th
Sep 2025
ISSUE OPENS

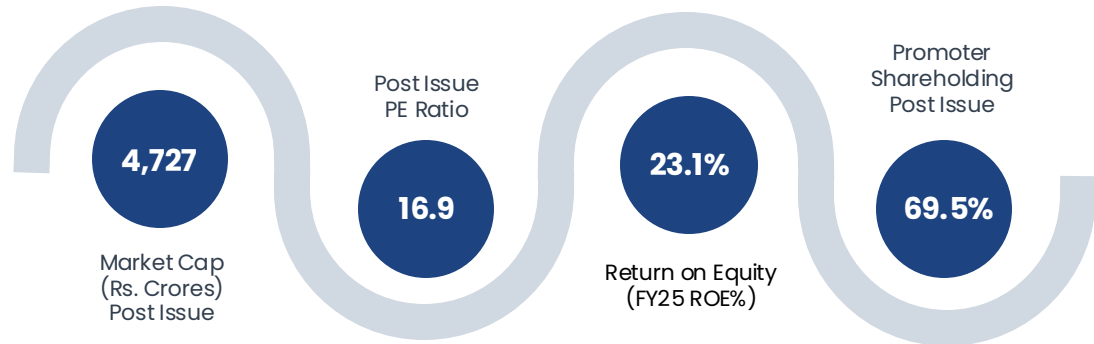
to

30th
Sep 2025
ISSUE CLOSES

ISSUE DETAILS	
Price Band	Rs. 208 to Rs. 219 per share
Face Value	Rs. 2 per share
Total Offer Size	3,74,04,018 shares (aggregating up to Rs. 819.15 Cr)
Fresh Issue	3,74,04,018 shares (aggregating up to Rs. 819.15 Cr)
Issue Type	Book-building IPO
Minimum lot	68 shares
Listing on	NSE, BSE

Outlook

- The company sits on a well diversified strong order book of Rs. 7,633.6 crore (97.8% PSU) which equates to ~3.1x FY25 revenues. The company’s bid pipeline remains healthy, with 20 bids submitted in FY25 and 14 under evaluation.
- Telecom revenues remained broadly stable at Rs. 2,323 crore in FY24 and Rs. 2,298 crore in FY25, reflecting the annuity nature of tower O&M and AMCs rather than incremental rollout growth, with the Telecom order book moderating to Rs. 3,570 crore in FY25 from Rs. 8,737 crore in FY23.
- In contrast, Energy has emerged as the growth engine, having order wins of about Rs. 2,470 crore in BESS projects and Rs. 2,402 crore in solar projects. This shift in order inflows positions ‘Pace Digitek’ to transition from a Telecom-heavy model (95% of FY25 revenues) toward a balanced 50:50 Telecom–Energy mix, with Solar and BESS driving the next phase of growth.
- Industry tailwinds remain favourable, with India’s tower count expected to grow at a 5.5–6.0% CAGR over FY24–28, the optical fibre EPC market projected to expand to Rs. 13,500–14,000 crores by FY28, supporting continued operator capex and passive-infrastructure densification.
- Renewable energy and storage are set to expand rapidly, with 137–142 GW of new solar capacity expected between FY25–29 and battery storage additions of 34,720 MWh by 2027 and 201,500 MWh by 2032, creating a significant opportunity for EPC projects and product supply.
- Government programmes such as BharatNet Phase III (Rs. 1.39 lakh crore outlay), the NHAI Digital Highways programme (10,000 km of optical fibre cable), and the Smart Cities Mission, provide runway for expanding the pipeline of tenders.
- Geographic and customer diversification initiatives, including market entry into Africa and Myanmar, expanded state-level presence, and ICT deployments in education and agriculture, aim to gradually reduce concentration in Maharashtra and dependence on PSU contracts.
- We have issued a “SUBSCRIBE” rating for Pace Digitek Ltd’s IPO for listing gains.



Indicative Timeline

	On or before
Finalization of Basis of Allotment	Wed, Oct 1, 2025
Unblocking of Funds	Fri, Oct 3, 2025
Credit of shares to Demat Account	Fri, Oct 3, 2025
Listing on exchange	Mon, Oct 6, 2025

IPO Reservation

QIB Shares	Not more than 50% of the Net Issue
HNI Shares	Not less than 35% of the Net Issue
Retail Shares	Not less than 15% of the Net Issue

Lot Size

Application	Lots	Shares	Amount
Retail (Min)	1	68	Rs. 14,892
Retail (Max)	13	884	Rs. 1,93,596
S-HNI (Min)	14	952	Rs. 2,08,488
S-HNI (Max)	67	4,556	Rs. 9,97,764
B-HNI (Min)	68	4,624	Rs. 10,12,656

Company Overview

- Pace Digitek Ltd. is an integrated telecom infrastructure solutions provider operating across three verticals – Telecom, Energy, and ICT (Information, Communications and Technology) – supported by backward-integrated manufacturing, strong execution capabilities, and a diversified order book. The company's offerings span product manufacturing, turnkey EPC execution, and long-term O&M services, positioning it as a comprehensive solutions provider in the telecom and energy infrastructure value chain. Headquartered in India, Pace Digitek has a wide geographic footprint across states including Maharashtra, Gujarat, Karnataka, Andhra Pradesh, Jammu & Kashmir, Uttarakhand, and the North-Eastern region, alongside international operations in Myanmar and Africa.
- Evolution and Business Verticals: The company began as a telecom electrical equipment manufacturer and, with the acquisition of GE Power Electronics India and the "Lineage Power" brand in FY2014, expanded into DC systems for telecom tower operators. This paved the way for end-to-end integrated solutions including manufacturing, installation, commissioning, and O&M of telecom towers and OFC networks.
 - Telecom: End-to-end services comprising (i) manufacturing of power management and infra equipment, (ii) O&M and AMC of telecom towers and OFC, and (iii) turnkey EPC projects covering tower erection and OFC rollouts.
 - Energy: Twofold business model:
 - Projects – solar energy under build, own, operate and EPC models; solarisation of telecom towers; BESS projects standalone or coupled with PV; rural electrification EPC.
 - Products – lithium-ion battery systems, containerised BESS, power conversion systems (PCS) coupled with EMS software.
 - ICT: Customised solutions such as surveillance systems, smart classrooms, and agricultural smart kiosks, with increasing order inflows since FY2021.
- Facilities and Certifications: Through subsidiary Lineage Power, Pace Digitek operates three advanced facilities in Bengaluru and Bidadi, Karnataka, covering ~200,000 sq. ft. Manufacturing Facility 1 (telecom infra equipment) and Facility 2 (lithium-ion systems) are certified under ISO 9001:2015, ISO/IEC 27001:2022, ISO 20000:2018, ISO 14001:2015, and CMMi Level 3. Facility 3 at Bidadi, recently commissioned, produces BESS with an initial capacity of 2.5 GWh p.a., expandable by another 2.5 GWh. In addition, Pace Digitek has secured UL 1973, UL 1642, UL 9540A, and IEC 62619:2022 certifications for BESS and lithium-ion systems, enabling compliance with global technical and safety benchmarks.



- **Customers and Relationships:** The company's clientele includes leading telecom operators, state-owned optical fibre corporations, power distribution companies, and ICT customers. Relationship tenures underline stickiness – in FY2025, the top 3 customers averaged 5 years 9 months, top 5 at 4 years 2 months, and top 10 at 4 years 1 month. Over the past three years, this has steadily increased, reflecting deep integration into customer ecosystems.
- **Financially,** the company has delivered a rapid scale-up in the last three years. Revenue from operations rose from ~Rs. 503 Cr in FY2023 to ~Rs. 2,439 Cr in FY2025, a CAGR of over 120%. Profit after tax expanded from Rs. 16.5 Cr to Rs. 279.1 Cr over the same period, translating into a CAGR of ~311%. The business mix remains heavily skewed towards telecom, which accounted for over 94% of revenues in FY2025, but contributions from energy (5.6%) and ICT (0.2%) are gradually emerging. Operating leverage and margin expansion have underpinned the improvement in profitability, with EBITDA margins rising from 5.6% in FY2023 to nearly 20% in FY2025
- **Order Book and Execution Visibility:** As of March 31, 2025, the consolidated order book stood at Rs. 7,633.6 Cr (vs. Rs. 6,341.3 Cr in FY24 and Rs. 9,152.6 Cr in FY23). Segment-wise break-up of the order book is as follows:
 - Telecom: Rs. 3,570.0 Cr (of which towers Rs. 3,475.1 Cr; OFC Rs. 95.0 Cr).
 - Energy: Rs. 4,063.6 Cr (BESS Rs. 2,470.0 Cr; Solar Rs. 2,402.4 Cr; Rural electrification Rs. 191.2 Cr).
 - ICT: Nil in FY25 (vs. Rs. 156.7 Cr in FY24).
- Fresh orders received in FY2025 were Rs. 3,852.8 Cr, while pending execution was Rs. 3,780.8 Cr. Importantly, ~97.8% of FY2025 order book was from the public sector (Rs. 7,463.6 Cr), underscoring dependence on government-led projects.
- As of July 2025, the company had 1,513 employees, including a 19-member R&D team with engineering qualifications (B.Tech, M.Tech, MSc, Ph.D). The emphasis on in-house technical expertise enables end-to-end project execution, cost control, and faster delivery cycles. The R&D centre focuses on system design, intelligent power management, lithium-ion, and BESS architecture.
- **Strategic Initiatives**
 - **BESS Expansion:** Investment of Rs. 630 Cr (via IPO proceeds) into subsidiary Pace Renewable Energies Pvt. Ltd. to deliver a project awarded by MSEDCCL Facility at Bidadi targeted to scale up to 5 GWh p.a. capacity.
 - **New Growth Areas:** Recently awarded an off-grid solar water pumping project; preparing to bid for Indian Railways' "KAVACH" train protection system.
 - **Backward Integration:** Plans to manufacture solar modules and cells to strengthen the renewable energy vertical.
 - **Geographical Expansion:** Focused on extending telecom O&M and solar/BESS equipment into Africa (Kenya and other markets).
- Led by promoter Mr. Maddisetty Venugopal Rao, a technocrat with over 20 years of sectoral experience, and supported by an experienced Board and management team, Pace Digitek has combined strategic diversification, execution capacity, and financial scale-up to position itself as a credible play on India's telecom and renewable energy infrastructure build-out.

Capability Matrix

Products

• Telecom

- The company manufactures Switch-Mode Power Supply (SMPS) units with hot-pluggable rectifiers, digital controllers, and CAN bus integration, deployed across telecom towers for reliable DC power supply.
- It produces Hybrid DC Power Systems (HDCPS) integrating rectifiers, solar charge modules, and pulsar controllers, delivering up to 36 kW output across 42–58 Vdc. These hybrid systems support grid + solar + genset applications, especially in rural towers with poor grid reliability.
- Charge Control Units (CCUs) are designed for harsh B- and C-circle conditions, with MPPT + SMPS hybrid modules capable of operating at >70°C while providing 15 kW output.
- Inverters and converters convert DC to AC at ~88% efficiency, ensuring ancillary AC-dependent equipment such as site cooling, lighting, and surveillance remains operational.
- Remote Monitoring Systems (RMS) are GSM/GPRS-enabled and expandable, offering real-time monitoring of tower alarms and performance for preventive diagnostics.
- Lithium-ion battery systems of 100Ah modules are embedded with BMS functionality (voltage, SOC, SOH, current, and temperature monitoring), RS485 communication, and multi-protection features. They provide a >10-year lifecycle with zero maintenance.
- Battery and power cabinets integrate rectifiers, controllers, and lithium-ion storage into modular hubs, ensuring continuity at telecom tower sites.

• Energy

- The company manufactures containerised, liquid-cooled Battery Energy Storage Systems (BESS) with standard 12-rack configurations, PCS, and EMS integration. These are UL 1973, UL 1642, UL 9540A, and IEC 62619:2022 certified, ensuring global acceptance.
- Lithium-ion batteries are produced for both tower backup and utility-scale renewable applications, with modular design for scalability.
- The company has announced plans for backward integration into solar module and cell manufacturing, which will strengthen the renewable product ecosystem and margin profile.

• ICT:

- Pace Digitek produces customised ICT hardware solutions such as smart classrooms, smart kiosks, and digital surveillance systems. These products are tailored for contracts under state education departments, agriculture ministries, and Smart Cities Mission initiatives.





Services

• Telecom

- The company provides AMCs and lifecycle services covering rectifiers, CCUs, RMS, and batteries, ensuring equipment reliability and uptime over contract periods of 1–10 years.
- O&M services for towers and OFC networks include alarm and fault monitoring, diesel refuelling, electricity bill payments, OEM liaison, minor repairs, estate management, and site security, thereby acting as a one-stop service provider.
- Preventive O&M routines are embedded, with scheduled inspections, health checks on power systems, and RMS-based predictive maintenance. Corrective O&M involves immediate fault rectification, spares replacement, and site restoration.
- OFC O&M services cover periodic patrols, real-time fault detection, rapid restoration of connectivity, and route protection (e.g., sealing ducts, water-proofing joints).

• Energy

- The company undertakes O&M services for solarised towers and BESS installations, guaranteeing uptime through remote diagnostics and scheduled preventive maintenance.
- It manages rural electrification and substation assets under EPC-linked service contracts, offering inspection, metering calibration, transformer maintenance, and corrective interventions.

• ICT:

- Pace Digitek provides maintenance and AMCs for smart classrooms deployed by state education departments, ensuring hardware, connectivity, and content systems remain operational.
- It maintains agriculture kiosks linked to rural engagement schemes, handling both hardware uptime and software updates.
- The company services digital surveillance projects under Smart Cities Mission, ensuring continuous functionality of cameras, sensors, and networks.

Projects

- **Telecom**
 - Pace Digitek executes telecom tower EPC projects, beginning with site surveys, detailed structural design, procurement of tower components, tower erection, equipment installation (rectifiers, batteries, CCUs, RMS), antenna and cable integration, followed by final testing and commissioning.
 - It carries out OFC network rollouts, deploying both aerial fibre (messenger wire suspension) and underground fibre (trenching and ducting) with appropriate protection measures against moisture and physical damage. Each rollout undergoes comprehensive testing prior to handover.
 - Long-term O&M contracts of 5–10 years are typically signed after execution, providing annuity-like revenue visibility.
- **Energy**
 - The company undertakes solarisation of telecom towers, reducing diesel genset dependence and enabling greener operations.
 - It executes canal-top and rooftop solar projects for public sector and utility customers.
 - Pace Digitek delivers utility-scale BESS projects, either as standalone storage or integrated with solar PV plants, under both EPC and BOO frameworks.
 - It is engaged in rural electrification EPC projects, which cover 33 kV and 11 kV distribution networks, substation construction, and metering solutions.
 - It also builds transmission and distribution lines up to 400 kV, offering complete EPC execution including supply, installation, testing, and commissioning of substations and transmission assets.
- **ICT**
 - The company deploys surveillance systems for Smart Cities Mission and urban security projects, delivering end-to-end design, installation, integration, and O&M.
 - It implements smart classrooms under state education department contracts, integrating ICT hardware, connectivity, and training.
 - It provides agriculture smart kiosks under state and central government programmes, enabling farmer access to digital advisory and government services.
 - Pace Digitek has also expressed its intention to participate in Indian Railways' KAVACH automatic train protection (ATP) programme, a critical ICT-driven safety initiative and potential adjacency opportunity.



Risks



- Customer Concentration:** The company's revenues remain highly concentrated, with the top three, five, and ten customers contributing 88.97%, 93.97%, and 96.25% respectively in FY25. While this is an improvement from FY24, when the corresponding figures were 92.35%, 96.14%, and 99.45%, the concentration levels remain elevated. Such dependence on a small set of customers exposes the company to revenue volatility if any one of these clients were to reduce orders, face financial stress, or shift procurement to competitors. Although the company has longstanding relationships averaging nearly a decade with its top 10 customers, high reliance on these clients continues to pose a risk to revenue stability.
- Dependence on Public Sector Clients:** In FY25, public sector undertakings accounted for 96.17% of revenues, up from 92.08% in FY24 and just 34.14% in FY23. The order book mirrors this concentration, with 97.77% of the FY25 backlog amounting to Rs. 7,463.62 crore linked to PSU clients, compared with only 2.23% from non-public sector orders. The company's trajectory is therefore closely tied to government-led spending cycles and procurement dynamics. This reliance is exemplified by the Rs. 7,568.28 crore 4G Saturation Project awarded in March 2023, which has driven both revenue growth and working capital intensity.
- Revenue Concentration in the Telecom Vertical:** Telecom projects dominate the business, contributing 94.2% of revenues in FY25, 95.4% in FY24, and 81.9% in FY23. Energy accounted for only 5.6% of revenues in FY25, while ICT contributed a negligible 0.2%. This limited diversification means that any slowdown in telecom infrastructure spending, delays in tower rollouts, or capex cuts by telecom operators could directly impact the company's topline. Emerging verticals like BESS, solar, and ICT remain at an early stage and are not yet large enough to offset downturns in the telecom business.
- Working Capital Intensity and Receivables:** Net working capital has sharply increased to Rs. 969.27 crore in FY25 from Rs. 403.73 crore in FY24 and Rs. 207.17 crore in FY23. Working capital days correspondingly stretched to 145 days in FY25, compared with 61 in FY24. Trade receivables ballooned to Rs. 1,843.12 crore in FY25 (~75% of revenue, versus 44.2% in FY24). Debtor days increased to 218 in FY25 compared with 110 in FY24, largely driven by milestone-based collections under the 4G Saturation Project. This substantial rise in receivables increases liquidity risk and necessitates higher reliance on working capital financing.
- Capacity Underutilisation:** Passive equipment utilisation fell to 38.69% in FY25, compared with 56.0% in FY24 and 65.0% in FY23. Battery utilisation has been even weaker, at just 15.32% in FY25 compared with 27.9% in FY24. It is important to note that installed capacity is calculated based on three production shifts per day, whereas actual production typically operates at one or two shifts. This disparity structurally depresses reported utilisation levels.

- **Subsidiary Losses and Cash Burn:** Pace Renewable Energies Pvt. Ltd. (PREPL), a wholly-owned subsidiary, reported a net loss of Rs. -14.53 crore in FY25 after recording a profit of Rs. 11.43 crore in FY24. The subsidiary has also generated negative operating cash flows in FY24 and FY25. To note, IPO proceeds of Rs. 630 crore of IPO proceeds are earmarked for investment into PREPL's BESS project awarded by MSEDCL.
- **Audit Qualifications and Governance Weaknesses:** CARO 2020 audit reports for the last three fiscal years flagged several issues, including incomplete fixed asset records, mismatches between stock statements and books, delays in statutory dues, absence of an internal audit system in FY23 and FY24, and unspent CSR obligations. These recurring qualifications highlight gaps in governance, internal controls, and compliance systems, which could undermine investor confidence.
- **Contingent Liabilities:** Contingent liabilities stands at Rs. 55.50 crore in FY25, equivalent to 19.9% of net profit of Rs. 279.1 crore. This compares with 22.5% of PAT in FY24 and a much higher 127.3% of PAT in FY23. While the ratio has declined, the absolute burden continues to present a material risk should contingent exposures crystallise.
- **Industry and Regulatory Risks:** The telecom sector continues to face structural pressures. Since 2014, operators have collectively spent nearly Rs. 3 lakh crores on spectrum auctions, including the Rs. 1.5 lakh crores 5G auction in 2022 where Reliance Jio bid Rs. 80,080 crores, Bharti Airtel Rs. 43,040 crores, and Vodafone Idea Rs. 18,800 crores. With ARPUs in India still among the lowest globally, operator profitability is constrained. Regulatory bottlenecks around Right of Way permissions, tower zoning, tenancy loading restrictions, and active infrastructure sharing further compress operator economics. For example, data from the Sugam Sanchar portal indicates that as of 2023, 53,364 Right of Way applications had been filed, of which only 27,942 were approved, 15,287 rejected, 7,553 pending, and 2,582 sent back. Such bottlenecks delay project execution and revenue recognition for vendors like Pace Digitek.
- **Creditors and Payables:** As of March 2025, the company had 1,301 creditors with total dues of Rs. 1,015.03 crore, including Rs. 343.79 crore owed to its three largest creditors. Dues to MSMEs stood at Rs. 13.90 crore. Any delays in clearing such obligations could disrupt supply chains, impair vendor relationships, and expose the company to legal disputes.
- **Cash Flow Volatility:** Cash flows have been volatile. In FY25, operating cash flow was negative at Rs. -175.89 crore, compared with a positive Rs. 214.12 crore in FY24 and Rs. -43.78 crore in FY23. The company's investing cash flow swung positive at Rs. 243.81 crore in FY25 after being negative in FY24, while financing cash flow was negative at Rs. -85.32 crore in FY25. This inconsistency underscores reliance on project milestones, debt funding, and working capital cycles, raising concerns about predictability of cash generation.

Financials

Income Statement (Rs. Cr)	FY25	FY24	FY23
Revenue from Operations	2,438.8	2,434.5	503.2
Other Income	23.4	25.8	11.5
Total Income	2,462.2	2,460.3	514.7
Expenses	1,957.1	2,036.5	474.9
EBITDA	481.7	398.0	28.3
<i>EBITDA Margin</i>	<i>19.8%</i>	<i>16.3%</i>	<i>5.6%</i>
Depreciation	6.0	5.1	5.6
EBIT	475.7	392.9	22.7
Finance Cost	115.2	111.9	12.0
Profit before Tax	383.9	306.7	22.1
Tax	104.8	76.9	5.6
PAT	279.1	229.9	16.5
EPS (In Rs.)	16.3	14.6	1.0

Balance Sheet (Rs. Cr)	FY25	FY24	FY23
Equity and Liabilities			
Share Capital	35.7	5.0	5.0
Non Controlling Interests	1,134.2	534.6	313.3
Other Equity and Reserves	39.1	27.6	16.8
Borrowings	222.4	579.2	262.4
Other Liabilities	1,217.6	1,107.5	242.6
TOTAL EQUITY AND LIABILITIES	2,649.0	2,253.9	840.1
Assets			
Fixed Assets	146.5	138.9	138.5
CWIP	32.1	9.8	9.6
Cash & Cash Equivalents	216.4	494.4	124.3
Other Assets	2,254.0	1,610.8	567.7
TOTAL ASSETS	2,649.0	2,253.9	840.1

Operational metrics and KPIs

Particulars	Unit	FY25	FY24	FY23
EBITDA Margin	%	19.8%	16.3%	5.6%
Net Profit Margin	%	11.4%	9.4%	3.3%
Return on Equity (RoE)	%	23.1%	40.5%	4.9%
Return on Capital Employed (RoCE)	%	37.9%	40.9%	7.0%
Telecom towers installed	# (No.)	3,740	2,305	Nil
OFC network laid	Km	6,619	11,827	197
Telecom Power equipment	# (No.)	4,234	6,126	7,109
Lithium-Ion Battery Racks	# (No.)	3,308	6,026	Nil

Revenue from operations and PAT bifurcation

Vertical	FY25			FY24			FY23		
	Rs. Cr	% of Rev	PAT (Rs. Cr)	Rs. Cr	% of Rev	PAT (Rs. Cr)	Rs. Cr	% of Rev	PAT (Rs. Cr)
Telecom	2,298	94.2%	275	2,323	95.4%	224	412	81.9%	12
Energy	136	5.6%	4	89	3.7%	4	18	3.6%	1
ICT/Others	5	0.2%	0	23	0.9%	2	73	14.5%	3
Total	2,439	100.0%	279	2,434	100.0%	230	503	100.0%	17

Revenue from operations bifurcation - Clients

Vertical	FY25		FY24		FY23	
	Rs. Cr	% of Rev	Rs. Cr	% of Rev	Rs. Cr	% of Rev
Top 3 customers	2,170	89.0%	2,248	92.4%	351	69.8%
Top 5 customers	2,292	94.0%	2,340	96.1%	398	79.2%
Top 10 customers	2,347	96.3%	2,421	99.5%	464	92.2%

Revenue from operations bifurcation - Geography

Vertical	FY25		FY24		FY23	
	Rs. Cr	% of Rev	Rs. Cr	% of Rev	Rs. Cr	% of Rev
Maharashtra	1,114	46%	828	34%		
Andhra Pradesh	261	11%	375	15%	44	9%
Arunachal Pradesh	149	6%	177	7%		
Gujarat	142	6%	165	7%		
Jammu & Kashmir	133	5%	162	7%		
Uttar Pradesh	109	4%			1	0%
Uttarakhand	108	4%	149	6%		
Himachal Pradesh	67	3%	175	7%		
Karnataka	18	1%	80	3%	324	64%
Nagaland			131	5%		
Tamil Nadu			117	5%	112	22%
Bihar					12	2%
Telangana					5	1%
Jharkhand					2	0%
Orissa					1	0%
Assam					1	0%
Kerala					1	0%
Others	333	14%	146	6%	1	0%
Sub Total	2,434	100%	2,429	100%	498	99%
Revenue from operations outside India						
Myanmar	3	0%	5	0%	5	1%
Africa	1	0%				
Sub Total	4	0%	5	0%	5	1%
Total	2,439	100%	2,434	100%	503	100%

Orderbook break up (Rs. Cr)

Particulars	FY25	FY24	FY23
Telecom:			
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 Projects	2,402	10	9
Rural electrification projects	191	319	340
Sub-total (B)	4,064	329	349
ICT (C)		157	67
Total	7,634	6,341	9,153

Break-up of orders received and orders which are pending execution

Particulars	FY25	FY24	FY23
Fresh orders received during the Fiscal / period	3,853	157	8,060
Orders pending execution	3,781	6,185	1,093

Order book across customers

Vertical	FY25		FY24		FY23	
	Rs. Cr	% share	Rs. Cr	% share	Rs. Cr	% share
Public Sector	7,464	98%	6,185	98%	9,086	99%
Private Sector	170	2%	157	2%	67	1%
Total	7,634	100%	6,341	100%	9,153	100%

Details of manufacturing facilities including the installed capacity and capacity utilization

Particulars as on and for the Fiscal	Capacity details	Manufacturing Facility 1 (Passive equipment)	Manufacturing Facility 2 (Battery)
31-Mar-25	Installed capacity (in Nos.)	10,944	21,590
	Actual production (in Nos.)	4,234	3,308
	Capacity utilisation (%)	38.7%	15.3%
31-Mar-24	Installed capacity (in Nos.)	10,944	21,590
	Actual production (in Nos.)	6,126	6,026
	Capacity utilisation (%)	56.0%	27.9%
31-Mar-23	Installed capacity (in Nos.)	10,944	Nil
	Actual production (in Nos.)	7,109	Nil
	Capacity utilisation (%)	65.0%	Nil

Peer Comparison

Company	Market Cap (Rs. Cr)	PE Ratio	ROE% (FY25)	ROCE% (FY25)	EBITDA Margin (FY25%)	Revenue from Op (FY25 Rs. Cr)	PAT (FY25 Rs. Cr)	Net Capital Turnover Ratio (in times)
Pace Digitek Ltd	4,727 (Post Issue)	16.9	23.1%	37.9%	20.7%	2,439	279	2.5x
HFCL Ltd	10,922	322	4.2%	8.2%	12.5%	4,065	173	1.6x
Exicom Tele-Systems Ltd	2,100	-	-17.9%	-9.6%	-0.7%	868	110	2.1x
Bondada Engineering Ltd	4,384	39.2	24.2%	27.4%	11.7%	1,571	115	5.0x

Industry Outlook



The operating environment for Pace Digitek Ltd. spans multiple infrastructure segments—telecom networks, passive towers, fibre EPC, renewable energy, storage, and ICT. Each industry vertical is experiencing structural growth, supported by digitalisation, energy transition, and government initiatives.

Telecom Industry

- India is the second-largest telecom market globally, with 119.93 crore subscribers as of FY24, of which 116.55 crore (97.2%) were wireless. Between FY14 and FY24, wireless subscribers grew at a 2.6% CAGR, while wireline remained broadly flat at ~3.4 crore. Rural markets have grown faster than urban, expanding at a 3.5% CAGR over FY14–FY23 compared with 1.8% for urban. Teledensity improved from 75.2% in FY14 to 84.7% in FY24, with rural teledensity rising from 44.0% to 59.2%.
- India's internet base surged from 23.3 crore in FY14 to 91.6 crore in FY24, representing a 14.6% CAGR. Data subscribers now account for 79% of the total base, compared with just 26% in FY14. Average monthly data consumption rose from 11.3 GB in FY20 to 23.1 GB in FY24, driven by affordable tariffs and video streaming adoption.
- Industry ARPU has improved modestly from ~Rs. 110 in FY20 to ~Rs. 145–150 in FY24, but remains among the lowest globally. CRISIL projects ARPU to reach ~Rs. 200 by FY28, supporting sector EBITDA improvement and funding network expansion. Telecom operators in India have spent ~Rs. 3 lakh crore on spectrum since 2014, including Rs. 1.5 lakh crore in the 2022 5G auction (Reliance Jio Rs.80,080 Cr, Bharti Airtel Rs. 43,040 Cr, Vodafone Idea Rs. 18,800 Cr).
- The sector contributes ~6.5% of India's GDP and directly or indirectly supports over 40 lakh jobs, underscoring its strategic importance. Globally, mobile subscribers reached 889 crore in 2023, up from 862 crore in 2022. Data traffic per user increased 35x over a decade, from 0.6 GB/month in 2013 to 21 GB/month in 2023. 5G covered 38% of the global population by 2023, with India's rollout since October 2022 set to accelerate densification and fibre demand.

Tower Industry

- Passive tower infrastructure forms the backbone of India's mobile network. The number of towers rose from 5.96 lakh in FY20 to ~7.54 lakh in FY24, a 7.8% CAGR. CRISIL forecasts 5.5–6.0% CAGR growth between FY24–FY28, supported by 5G deployment, small-cell densification in metros, and rural expansion.
- As of FY24, tenancy distribution was ground-based towers (53%), rooftop towers (25%), and ground-based masts (22%). Ground-based towers cost Rs. 25 to 30 lakh each, over double rooftop towers, but offer greater tenancy capacity. India's tenancy ratio of ~1.9 is below the global average of 2.2–2.3, highlighting upside potential. With rural tele-density at only 59.2%, incremental tower rollout remains critical to closing the digital divide. suppliers.

Optical Fibre EPC

- The Indian optical fibre EPC market was valued at Rs. 8400 crores in FY24 and is expected to reach Rs. 13,500 –Rs. 14,000 crores by FY28, representing a 12.5–13.5% CAGR.
- BharatNet is the flagship programme, with Phases I and II connecting 212,778 gram panchayats and laying 686,963 km of OFC by July 2024. Phase III has Cabinet approval for an outlay of Rs. 1.39 lakh crore, targeting fibre to every village. This scale positions BharatNet as the world's largest rural broadband programme.
- The National Broadband Mission aims to fibre-connect 70% of base transceiver stations (BTSS) by FY25, up from just 35.1% in June 2022. The NHA's Digital Highways project is deploying 10,000 km of OFC along highways by FY25, integrating transport and digital infra. Together, these initiatives create sustained multi-year demand for EPC contractors and product

Renewable Energy

- India is targeting 500 GW of renewable energy by 2030, making it the third-largest RE market globally. Solar additions were 55–60 GW during FY19–24 and are projected to rise to 137–142 GW in FY25–29.
- Rooftop solar stood at 12.5 GW in May 2024 and is expected to add 5.5–6.5 GW annually by FY28, led by commercial and industrial consumers seeking cheaper power. Rooftop tariffs average Rs. 3.5–4.5/unit, compared with grid tariffs of Rs. 8–9/unit in high-cost states such as Maharashtra and Tamil Nadu. Module prices fell to USD 0.18/Wp in June 2024, improving project economics. Government support includes a ₹24,000 crore PLI scheme for high-efficiency solar modules and ISTS waivers for RE projects commissioned before June 2025.

Battery Energy Storage Systems (BESS)

- Battery storage is emerging as a critical grid enabler. The National Electricity Plan 2023 projects 8,640 MW (34,720 MWh) of BESS between 2022–27, and 38,564 MW (201,500 MWh) between 2027–32.
- The government has launched multiple incentives: Rs. 9,400 crore viability gap funding covering up to 40% of project costs, a Rs. 18,100 crore PLI for 50 GWh of ACC capacity, and ISTS charge waivers for RE + BESS projects until June 2025.
- Globally, the BESS market is forecast to grow at a 25–30% CAGR through 2030, with installed capacity projected to exceed 500 GWh by 2030, compared with less than 100 GWh in 2020. Lithium-ion remains the dominant technology, with battery pack costs declining from USD 1,200/kWh in 2010 to ~USD 150/kWh in 2023, and expected to fall below USD 100/kWh by 2030.
- In India, BESS demand is also amplified by electric mobility. The FAME scheme targets EV penetration at ~30% of vehicle sales by 2030, creating dual demand for lithium-ion cells from both stationary storage and automotive markets.



ICT & Digital Infrastructure

- ICT investments are rising through Smart Cities, e-governance, education, agriculture, and data centres. India's Smart Cities Mission has approved 100 projects with an outlay of Rs. 2 lakh crore, focused on surveillance, command-and-control centres, and urban connectivity.
- Digital education is being scaled via smart classrooms under state education departments, while agricultural kiosks are deployed to provide farmers with digital advisory services. These ICT initiatives, though smaller in scale, offer long-term service-linked revenue streams.
- India's ICT market size is projected to reach USD 25–30 billion by 2028, supported by government digitalisation and enterprise IT spending.
- Data centres represent a particularly strong adjacency. Capacity stood at 870 MW in FY23 and is projected to exceed 1,700 MW by FY28, a CAGR of ~15%. Hyperscale facilities dominate additions, while edge computing is expected to emerge as an incremental growth driver. The draft Data Centre Policy and state-level incentives are expected to attract both global and domestic hyperscale players.

Across segments, the opportunity set for Pace Digitek aligns with multi-year secular tailwinds. Telecom remains the backbone, with India's subscriber base at 117 crore, ARPUs projected to rise toward Rs. 200 by FY28, and 5G driving densification. Towers are expanding at 5.5–6.0% CAGR, with tenancy ratios still below global benchmarks. Fibre EPC is growing at 12.5–13.5% CAGR, supported by BharatNet's Rs. 1.39 lakh crore Phase III and highway fibre deployment. Renewables are scaling with 137–142 GW solar additions over FY25–29 and rooftop adoption driven by C&I customers. BESS represents a high-growth frontier, with 201,500 MWh additions between 2027–32, underpinned by Rs. 27,500+ crore in central schemes and global cost deflation. ICT infrastructure, Smart Cities, and data centres (CAGR ~15%) provide additional diversification. Together, these trends provide a multi-year runway of growth across the exact verticals Pace Digitek participates in.



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