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IPO Report

25th Sept '25

Snapshot

Company is a telecom infrastructure solution provider with a significant focus on the telecom infrastructure industry including telecom towers and optical fibre cables. Company 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. Company generate its revenue from operations from 3 verticals i.e., telecommunications, energy, and information and communication technology (ICT). Company have 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

VALUATION

Company is bringing the issue at price band of Rs 208-219 per share at p/e multiple of approx. 17x on post issue FY25 basis. Company is an end-to-end solutions provider with integrated operations in the telecom tower sector. Company has diversified business segments with strong order book & advanced manufacturing facilities with production efficiency. Also, company has track record of financial and operational performance with profitable growth & experienced board of directors, senior management personnel and employees. Hence, we recommend "Subscribe" to the issue.

Price Band (Rs./Share)	208-219
Opening date of the issue	26th Sept '2025
Closing Date of the issue	30th Sept '2025
No of shares pre issue	17,84,42,280 Eq Shares
Issue Size	Rs 819 Cr
Fresh issue	Rs 819 Cr
Face Value (Rs/ share)	Rs 2/share
Employee Discount	Rs 20/share
Bid Lot	68

BIDDING DETAILS

QIBs (Including Anchor)	50% of the offer (Approx 1,86,56,346 Eq Shares)
Non-Institutional	15% of the offer (Approx 55,96,905 Eq Shares)
Retail	35% of the offer (Approx 1,30,59,443 Eq Shares)
Employee Reservation	Eq Sh upto Rs 2 Cr
Lead managers	Unistone Capital Pvt. Ltd
Registrar to the issue	MUFG Intime India Pvt. Ltd

WHAT WE LIKE

Company is an end-to-end solutions provider with integrated operations in the telecom tower sector

Company provide end-to-end solutions with integrated operations in the telecom tower sector, ranging from manufacturing and supply of power management systems, project execution through EPC or turnkey mode, product life cycle management services, and O&M. Passive infrastructure forms the majority at around ~70% of the capital costs of setting up a wireless network in India and includes towers, shelters, power-regulation equipment, battery back-ups, diesel generator (DG) sets, etc.

Diversified business segments with strong order book

With the acquisition of the business of GE Power Electronics India and rights over the 'Lineage Power' brand in Fiscal 2014, company commenced 'end to end' manufacturing of direct current systems which are tailored for telecom tower companies and operators and has helped company enhance company's market position in the energy management solutions. From Fiscal 2023, company have backward integrated supply of Telecom Infra products through its Subsidiary, Lineage for the projects that company undertake.

Advanced manufacturing facilities with production efficiency

Company, through Lineage, have set up 2 manufacturing facilities in Bengaluru, Karnataka, one manufacturing facility located at Plot No. 27A, 1st Phase, Industrial Estate Mysore Road, Kumbalgodu, Bengaluru-560074, Karnataka for manufacturing Telecom Infra equipments (Manufacturing Facility 1) and the other for manufacturing facility located at Plot No. 30 A-1, 1st Phase, Industrial Estate, Mysore Road, Kumbalgodu, Bengaluru, Karnataka-560074 for manufacturing lithium ion battery systems (Manufacturing Facility 2).



COMPANY BACKGROUND

Company commenced its operations as a electrical equipment product manufacturer for the telecom industry, and over the years have expanded its Telecom Infra operations to comprise products, projects, operations & maintenance (O&M), and services and solutions. With the acquisition of the business of GE Power Electronics India and rights over the 'Lineage Power' brand in Fiscal 2014, company commenced 'end to end' manufacturing of direct current systems which are tailored for telecom tower companies and operators and has helped company enhance its market position in the energy management solutions. From Fiscal 2023, company have backward integrated its supply of Telecom Infra products through its Subsidiary, Lineage Power Private Limited (Lineage) for the projects that company undertake. Company have also been undertaking projects for solarization of telecom towers (which comprises supply of solar modules and along with lithium-ion batteries and the related equipments to telecom towers, installation, commissioning and O&M) since Fiscal 2013.

Company's business can be broadly classified into the following verticals:

- **Telecom** - Company provide end-to-end integrated solutions in the telecom tower infrastructure and optical fibre cables (**OFC**). Company's telecom towers vertical is the mainstay of its business and under this vertical company is engaged in (i) product manufacturing of equipments for telecom industry; (ii) providing O&M services for telecom towers, and annual maintenance of OFC and other ancillary services; and (iii) undertaking turnkey projects including erection of towers network, and OFC network;
- **Energy** - (i) *projects*: company undertake solar energy projects on a 'build, own and operate' model, and solarization of telecom towers (which comprise supply of solar modules along with lithium-ion batteries and the related equipment to telecom towers, installation, commissioning and O&M). Company also undertake BESS projects in either standalone mode or coupled with solar PV plants, floated through both 'build, own, and operate' and 'engineering, procurement, and construction' models. In addition, company undertake rural electrification projects under engineering, procurement and construction (**EPC**) model; and (ii) *products*: company manufacture and supply lithium-ion battery systems (which act as an energy storage device for the telecom towers) larger containerized, liquid-cooled battery energy storage systems, power conversion systems (PCS) coupled with energy management systems (EMS) software.
- **Information, communications and technology (ICT) sector** – company offer customized surveillance systems, smart classrooms and smart kiosks for agricultural initiatives to the ICT sector.

Company through Lineage, have set up 2 manufacturing facilities in Bengaluru, Karnataka, one manufacturing facility located at Plot No. 27A, 1st Phase, Industrial Estate Mysore Road, Kumbalgodu, Bengaluru-560074, Karnataka for manufacturing Telecom Infra equipments (Manufacturing Facility 1) and the other for manufacturing facility located at Plot No. 30 A-1, 1st Phase, Industrial Estate, Mysore Road, Kumbalgodu, Bengaluru, Karnataka-560074 for manufacturing lithium ion battery systems (Manufacturing Facility 2). Company, through Lineage, have recently commenced operations at its manufacturing facility at 73-P, Bidadi Industrial Area, 2nd Phase, Sector-2, Bidadi, Karnataka which is being used for manufacturing BESS (Manufacturing Facility 3). Company's 3 manufacturing facilities are spread across 200,000 square feet. Company's Manufacturing Facility 1 and Manufacturing Facility 2 are accredited with 14001:2015 (Environmental Management Systems), ISO/IEC 27001:2022 (Information Security Management System), ISO 20000:2018 (Service Management Systems), ISO 9001:2015 (Quality Management Systems). Additionally, company have obtained CMMi Level 3 certification.

OBJECTS OF OFFER

Company proposes to utilise the Net Proceeds towards the following objects:

1. Funding capital expenditure requirement for investment in company's Subsidiary, Pace Renewable Energies Private Limited, for setting up battery energy storage systems (BESS) for a project awarded by the Maharashtra State Electricity Distribution Company Limited (MSEDCL) (Capital Expenditure); and
2. General Corporate Purposes.

RISKS

Company's business is significantly reliant on certain key customers, and 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 company's top 10 customers. Further, company's business, results from operations, and financial condition are dependent on maintaining relationship with its customers. Further, company's business, results from operations, and financial condition are dependent on maintaining relationship with its customers. Loss of any of these customers or loss of revenue from any key customers could have a material adverse effect on company's business, financial condition, results of operations and cash flows.

Source:RHP



Consolidated Financials

(Rs in Mn)

Financials	FY23	FY24	FY25
Total Revenue (A)	5031.96	24344.89	24387.80
Total Expenditure (B)	4749.12	20365.21	19570.74
EBIDTA	282.84	3979.68	4817.06
EBIDTA Margin	5.62	16.35	19.75
Other Income	114.63	257.77	234.22
Depreciation	55.67	50.92	60.49
EBIT	341.80	4186.53	4990.79
Interest	120.49	1119.07	1151.50
PBT	221.31	3067.46	3839.29
Share of profit in Asso	0.00	0.00	0.00
PBIT	221.31	3067.46	3839.29
Exceptional	0.00	0.00	0.00
PBT	221.31	3067.46	3839.29
Tax	55.98	768.75	1048.27
PAT	165.33	2298.71	2791.02
NPM	3.29	9.44	11.44
ROE%	4.49	40.67	22.87
EPS	0.95	14.63	16.30
Eq Cap	50.00	50.00	356.88
Net Worth	3,183.07	5,395.77	11,698.95

(Source: RHP)



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