



IPO Report

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Digilogic Systems Limited

IT

Price Band: ₹98 to ₹104 per share**Bidding:** Jan 20 to Jan 22, 2026**Listing At:** BSE SME**Listing Date:** Jan 28, 2026

Details of the Issue

Lead Manager	Indorient Financial Services Ltd.
Market Maker	Pace Stock Broking Services Pvt. Ltd.
Registrar	Kfin Technologies Ltd.

Promoter Holding

Pre-Issue	88.50%
Post-Issue	64.26%

Offer Structure

Market Maker	3,90,000 shares
QIB	Not more than 50% of the Net Offer
Retail	Not less than 35% of the Net Offer
NII	Not less than 15% of the Net Offer
Fresh Issue	63,09,596 shares
Offer For Sale	10,89,600 shares
Total Issue	₹81.01 Cr

Financial Summary (₹ in Lakhs)

Particular	FY25	FY24
Revenue	7,205.98	5,155.93
EBITDA	1,339.96	544.45
PAT	811.35	239.96

Minimum Application

Category	Lots	Shares	Amount
Retail	2	2,400	₹ 249,600
S-HNI	3-8	3,600-9,600	₹3,74,400-₹9,98,400
B-HNI	9	10,800	₹ 1,123,200

Customer concentration (% of Revenue)

Particulars	FY23	FY24	FY25
Top 3 Customers	70.91	65.22	54.58
Top 10 Customers	94.70	93.83	88.25

Valuations

NAV(FY25)	15.04
EPS(Pre Issue)	3.89
P/E(Pre Issue)	26.74

Promoters

Mr. Madhusudhan Varma Jetty, Mrs. Radhika Varma Jetty, Mr. Shashank Varma Jetty and Mr. Hitesh Varma Jetty

Company Overview

Incorporated in 2011, Digilogic Systems Limited, operates in the defence and aerospace sector, providing end-to-end solutions in Automated Test Equipment (ATE), radar and electronic warfare simulators, application software, and embedded signal processing. The Company's offerings span test systems, application software, and services, covering design, development, manufacturing, system integration, upgrades, and lifecycle support. It serves defence and aerospace clients across the full project lifecycle, from concept development to deployment and maintenance, with limited exposure to industrial automation.

Object of the Issue

- Capital expenditure towards setting up of Proposed New Facility: ₹5,173.78 Lakhs
- Pre-payment/ re-payment, in part or full, of certain outstanding borrowings availed by our Company: ₹800.00 Lakhs
- General corporate purposes

Price Band Analysis

At the upper price band of ₹104, the Company is valued at a post-issue P/E of 37.11x and a P/B of 6.91x, indicating a fair to mildly premium valuation. Industry outlook remains favourable, supported by demand for test systems, embedded solutions, and software across automotive and allied electronics applications. Relative to peers, valuations are reasonable to slightly higher, with return potential hinging on margin sustainability, execution strength, and cost control.

Peer Comparison

Company Name	EPS (₹)	NAV (₹)	P/E	RONW (%)
Digilogic Systems Limited	3.89	15.04	26.74	34.57
DCX Systems Limited	3.49	103.64	53.65	3.14
Zen Technologies Limited	32.07	187.09	40.31	27.85
Data Patterns (India) Limited	39.62	269.37	66.91	15.66
Apollo Micro System Limited	1.86	19.85	132.45	10.02

Risk Measures:

- The company's business is highly dependent on a limited number of customers, with the top three customers accounting for 84.47% of revenue from operations and the top ten customers contributing 96.95% for the six months ended September 30, 2025. Any loss of, or reduction in business from, these key customers could materially and adversely affect our business, financial condition and results of operations.
- The company's business is significantly dependent on contracts from the Government of India and government-controlled entities such as DRDO and ISRO, and any reduction in defence or space budgets, changes in government policies, or delays in procurement could materially and adversely affect our revenues and results of operations.

Investment Rationale:

- The company has demonstrated strong growth momentum, with revenue rising 39.76% from FY24 to FY25. Profitability has improved significantly, as PAT increased by over 238% during the same period. Healthy efficiency metrics, including ROE of 34.57% and ROCE of 34.27% in FY25, reflect effective capital utilization and strengthen the investment case.
- A key objective of the issue, amounting to ₹5,173.78 lakhs, is to establish a new facility in Hyderabad for in-house environmental testing. This initiative is expected to reduce reliance on outsourcing, strengthen quality control, and enhance profit margins, supporting long-term operational efficiency and growth.
- The company is well-positioned in the high-growth Critical Test, Measurement, and Simulation (TMS) market, projected to grow at a CAGR of 13.8% through FY30. It benefits from India's "Atmanirbhar Bharat" and "Make in India" initiatives, which promote domestic defense production and have driven record defense spending of ₹1,26,887 crore in FY24. Leveraging its expertise in ATE systems, radar and electronic warfare simulators, application software, and embedded solutions, the company is poised to capture strong long-term demand, making it an attractive investment in the defense technology sector.

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Financials (₹ in Lakhs, Except for Percentage & Ratios)

Particular	FY23	FY24	FY25
Revenue From Operations	5,596.23	5,155.93	7,205.98
EBITDA	527.65	544.45	1,339.96
EBITDA Margin (%)	9.43	10.56	18.60
PAT	217.51	239.96	811.35
PAT Margin (%)	3.89	4.65	11.26
EPS	1.09	1.20	3.89
Return on Equity (RoE%)	21.76	19.53	34.57
Return on Capital Employed (RoCE%)	20.68	19.10	34.27
Debt to Equity Ratio	0.98	0.60	0.40

Source: RHP

Segment Wise Revenue Bifurcation (₹ in Lakhs)

Particulars	FY23	FY24	FY25
Government	5,546.23	4,997.07	6,124.45
Non-Government	50.00	158.86	1,081.53
Total	5,596.23	5,155.93	7,205.98

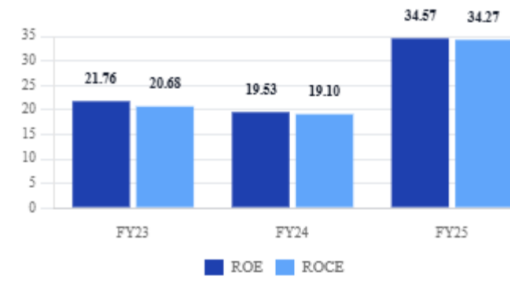
About The Founder



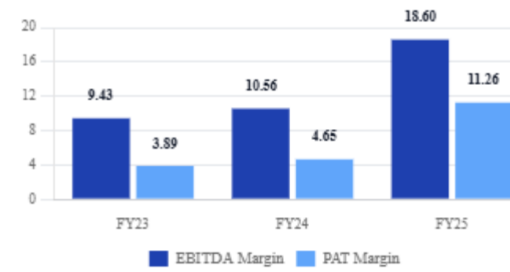
Mr. Madhusudhan Varma Jetty is a Promoter and serves as the Chairman and Managing Director of the Company. He holds a Bachelor's degree in Arts, a Diploma in Business Administration, and a postgraduate degree in Public Administration. He served in the Indian Air Force for 15 years, retiring in 1994 with the rank of Sergeant, and completed specialized training in radar fitting along with qualifications equivalent to diplomas in technology and electronics, radio, and communication engineering.

FINANCIAL HIGHLIGHTS

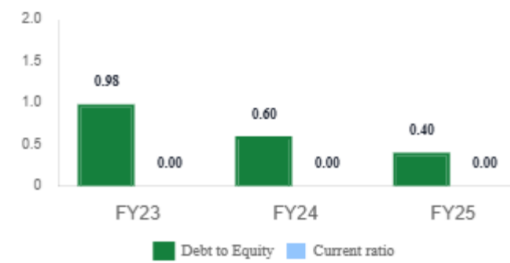
Profitability Ratios



EBITDA and PAT Margin



Key Ratios:



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