

To,

The Board of Directors

Pace Digitek Limited

(Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited)

Plot # V-12, Industrial Estate, Kumbalgotu

Bangalore Mysore Highway

Bangalore, Karnataka-560074, India.

Subject : Proposed source and Deployment of funds in Company with respect to proposed initial public offering of equity shares of face value of ₹ 2 each (the “Equity Shares”) by Pace Digitek Limited (Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited) (the “Company”) comprising of a fresh issue of Equity Shares (the “Issue”).

1. This report is issued in accordance with the terms of our agreement dated April 30, 2024.
2. In connection with the proposed issue of the Company, the Company is required to obtain a report from the Statutory Auditors, with regard to the proposed sources of funds and deployment of these funds on the project (where the issuer is raising capital for a project), as required by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “ICDR Regulations”).
3. The accompanying statement of funds flow disclosing the proposed sources of funds and deployment of these funds on the project as per the requirement of the ICDR Regulations (the “Statement”) is prepared by the Management of the Company, which we have initialled for identification purposes only.

Management’s Responsibility for the Statement

4. The preparation of the accompanying Statement is the responsibility of the Management of the Company. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
5. The Management is also responsible for ensuring:
 - a) utilisation of funds for the purpose these have been raised, and
 - b) compliance with the requirements of the ICDR Regulations.

Auditor’s Responsibility

6. Pursuant to the requirements of above, it is our responsibility to obtain limited assurance and conclude as to whether the details provided in the Statement is accurately traced from the approval of the ‘Objects of the Issue’ as approved by the board of directors.
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

9. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence that vary in nature, timing and extent than a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we have performed the following procedures in relation to the Statement:
- A) Obtained list of proposed sources of funds and deployment of the fund for the project from the management;
 - B) Reviewed the board minutes dated March 27, 2025 for the approval of above mentioned details;
 - C) Traced the figures from the board minutes of the Company and its subsidiary i.e. Pace Renewable Energies Private Limited;
 - D) Reviewed the sanction letter and other document as given below:
 - Reviewed the letter of award dated October 14, 2024 issued to the Company by the Maharashtra State Electricity Distribution Company Limited (**MSEDCL**),
 - The project report dated February 26, 2024 prepared by Vriddhim Business Advisory LLP in relation to the MESDCL BESS Project, and
 - Sanction letter dated June 30, 2025 issued by Indian Renewable Energy Development Agency approving an indicative amount of upto ₹12,215.00 million for funding the MSEDCL BESS Project, and relevant documents;
 - E) Conducted relevant management inquiries and obtained necessary representation.
10. In the case of deployment of funds as mentioned in the Annexure, we have neither audited nor reviewed the amounts incurred by the Company up to August 31, 2025. We have relied upon the figures extracted and identified by the management from the books of accounts. Therefore, the management of the Company is solely responsible to identify the amount incurred in relation to the particular project.
11. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Conclusion

12. Based on our examination as above, and the information and explanations given to us, nothing has come to our attention that causes us to believe that the details provided in the Statement are not in agreement with the relevant board minutes and other documents.

Restriction on use

13. This certificate has been provided by S S Kothari Mehta & Co. LLP, Chartered Accountants, at the request of the Company and solely for the information of the Book Running Lead Manager (BRLM) to assist them in conducting their due diligence and documenting their investigation of the affairs of the Company in connection with the proposed Issue.
14. This certificate is not intended for the general circulation or publication and is not to be reproduced or used for any other purpose without our prior consent in writing, other than for the purpose stated above. Accordingly, we do not accept or assume any liability or any duty of care for any purpose or any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We, however, hereby give consent for inclusion of this information in the red herring prospectus ("RHP") and the prospectus ("Prospectus") proposed to be filed by the Company with the Securities and Exchange Board of India, Stock Exchange where Equity Shares are proposed to be listed and

Registrar of Companies, Karnataka at Bengaluru (ROC) in connection with this proposed Issue, as the case may be. Additionally, we hereby give our consent for the submission of this certificate to any other regulatory authority as required by law after prior written consent from us, in connection with the proposed Issue.

15. It should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty if care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.
16. All capitalized terms used but not defined herein shall have the meaning assigned to them in the RHP.

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No: 000756N/N500441

AMIT GOEL
Partner
Membership No: 500607

Place: New Delhi
Dated: September 19, 2025
UDIN: 25500607BMLAXO3642

Encl: As above

CC:

Legal Counsel to the Issue as to Indian Laws

Bharucha & Partners

13th Floor Free Press House
Free Press Journal Marg, Nariman Point,
Mumbai 400 021, India

Book Running Lead Manager(“ BRLM”)

Unistone Capital Private Limited

305, A Wing, Dynasty Business Park,
Andheri Kurla Road, Andheri East,
Mumbai - 400059,
Maharashtra, India

Statement showing source and deployment of the funds:

(₹ in Million)

Sr No	Objects of the Issue	Amount proposed to be deployed from Net Proceeds from the Issue
1	Funding Capital Expenditure requirements for investment in the Subsidiary of the Company i.e., Pace Renewable Energies Private Limited, for setting up battery energy storage systems for a project awarded by the Maharashtra State Electricity Distribution Company Limited (Capital Expenditure)	6,300.00
2	General Corporate Purposes	[-]
3	Total	[-]

The total estimated cost for of the project (i.e. Maharashtra State Electricity Distribution Company Limited) for Capital Expenditure is ₹ 15,689.97 million excluding GST.

Details of project cost and source of fund are given below:

Sr. No.	Source of funds	Amount (in ₹ million)
(A)	Total Capital Expenditure (excluding GST of ₹ 2,824.19 million)	15,689.97
(B)	Amount deployed as on August 31, 2025*	897.97
(C)	Amount to be funded from Net Proceeds	6,300.00
(D)	Balance amount (A-(B+C)) (Including GST)	8,492.00
(E)	Firm commitment (minimum 75% of A)	
	- MSEDCL IREDA Loan	12,215.00
	Total firm commitment	100%

**The Company has paid an amount of ₹ 59.37 million, and its Subsidiaries, Lineage Power Private Limited and Pace Renewable Energies Private Limited (whose financials are consolidated with the Company's financials) have paid an amount of ₹ 738.66 million and ₹ 99.55 million, respectively.*

For Pace Digitek Limited
(Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited)

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No: 000756N/N500441

Rajiv Maddisetty
Director
DIN: 08495070

AMIT GOEL
Partner
Membership No: 500607
Date: September 17, 2025
UDIN: 25500607BMLAXO3642