



Quarterly Result Update

ACME Solar Holdings Ltd.

13th May 2026

Reco BUY

Industry	Utilities
LTP	282
Buying Range	276-287
Add on Dips	258-265
Base Case Target	325
Bull Case Target	359
Time Horizon	4 Quarters

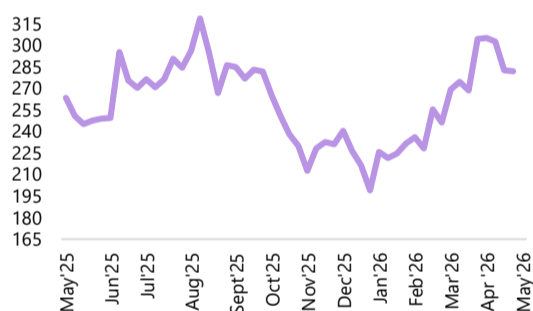
Stock Info

BSE Code	544283
NSE Code	ACMESOLAR
Bloomberg	ACMESOLA IN
Equity Capital (Rs Cr)	121.1
Face Value (Rs)	2
Equity Share O/S (Cr)	60.6
Market Cap (Rs Cr)	17,122
Book Value (Rs)	83.5
Avg. 52 Wk Volumes	15,91,974
52 Week High	324
52 Week Low	196

Share Holding Pattern (%) (Mar'26)

Promoters	83.3
Institutions	10.7
Non-Institutions	6.0
Total	100.0

One Year Price Chart



* Refer at the end for explanation on Risk Ratings

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Capacity expansion and BESS commercialization bolster earnings visibility

ACME Solar posted healthy numbers where operational revenue increased by 12.5%/10.3% YoY/QoQ to Rs 547.8 Cr. EBITDA Grew by 9.9%/7.7% YoY/QoQ to Rs 478.8 Cr, while EBITDA margins compressed to 87.4% in Q4FY26 as compared to 89.5% in Q3FY25. PAT grew 12.9%/22.5% YoY/QoQ. Net Generation grew 14% YoY from 1,514 MU to 1,720 MU as the company added 285 MW capacity over Q4FY25. CUF % dropped from 27.9% in Q4FY25 to 26.9% in the current quarter while average realisation were came in higher from new capacity additions containing higher tariff rates. In Q4, company won a project of 301 MW FDRE with SECI, taking total under construction capacity to 5,081 MW.

The operational capacity for FY26 stood at 2.99 GW and 2.3 GWh BESS. Under-construction portfolio was close to 5 GW and 14.7 GWh BESS, with PPA/LoA signed for 3.28/1.8 GW. Weighted average Tariff of operational portfolio was Rs 3.4/kWh and for under-construction portfolio is Rs 4.4/kWh. ACME has tied up over Rs 15,000 Cr in debt for 1.5 GW of new capacity and has achieved ~150 bps reduction in interest rates through refinancing, with DSO at a healthy 14 days.

We project ACME Solar to deliver expansion-driven robust earnings by the commissioning of merchant BESS assets in FY27, which should serve as a significant top-line catalyst and margin accretive driver. Furthermore, the anticipated addition of ~1.5GW in renewable capacity bolsters long-term cash flow visibility. Project COD (Commercial Operation Date) is slated for H2FY27, aligned with the operationalization and charging of key substation infrastructure. From a credit perspective, the strategic shift in the counterparty profile—migrating Central/State offtake split from 67/28 to a superior 84/14—is expected to accelerate the receivables cycle, optimize collection days, and materially enhance the firm's working capital efficiency.

Nonetheless, (i) Timely commencement of substations (ii) Grid Integration and Transmission constraints (iii) Interest rate sensitivity and refinancing lag remain key points to monitor through FY27.

We recommend investors BUY the stock with a Base/Bull case Target of Rs. 325/359 as we expect ACME to grow its Revenue/EBITDA/PAT at a CAGR of 85.8%/86.2%/87.7% over FY26-FY28E backed by capacity commissioning and improving weighted-average tariffs. We value the expected FY28 operational capacity of ~6.3GW at 9x EV/EBITDA.

Key Concall Takeaways

- Company commissioned 2.3 GWh BESS projects in March 26, currently earning 2.23/Cr/day on merchant basis. Management plans on participating in Merchant BESS/ Medium-term tie-ups for supply for power during peak/night-time demand.
- CTU-connected projects will have BESS attached, where the company will reap benefits during curtailment by charging the batteries and supplying it during peak demand.
- STU Connected portfolio faced curtailment, resulting in Rs 5-6 Cr impact (3 Cr from grid curtailment and 2-3 Cr due to grid maintenance)
- ACME Solar is deferring solar CapEx, such as module installation, until Long-Term Open Access (LTO) is operational to improve returns and save on interest during construction, as modules are readily available.
- Company plans on Commissioning 1.5GW projects and 10GWh BESS in FY27, with majority of capacities operationalizing in latter end of FY27.
- Out of 10GWh of BESS, close to 8.5GWh are expected to operate on a merchant basis, with the remaining 1.5 gigawatt-hours in the FDRE format with EBITDA margins around 75-80%
- Commissioning timelines for specific projects include Neemuch substation (NHPC and Tata plants) in June, Fatehgarh (SJVN 570 MW) by FY27 end, and NTPC hybrid project by March '27.
- The Entire 3,280 MW signed portfolio will be commercialized by FY28.

Valuation & Recommendation

ACME Solar is poised to enter a high-growth phase with its ambitious goal of reaching 10 GW of contracted capacity by FY30. This expansion is expected to be executed while maintaining healthy margins, even accounting for potential delays of up to one quarter in capacity commissioning. With a seasoned management team emphasizing sustainable, margin-accretive projects, ACME Solar is well-positioned to capitalize on India's rapidly increasing demand for clean energy while preserving

operational efficiency and shareholder value. Moreover, the shift in offtaker split from state to central entities will further ease working capital constraints and improve cash flows for the company.

We recommend investors **BUY the stock with a Base/Bull case Target of Rs. 325/359** as we expect ACME to grow its Revenue/EBITDA/PAT at a CAGR of 85.8%/86.2%/87.7% over FY26-FY28E backed by capacity commissioning and improving weighted-average tariffs. We value the expected FY28 operational capacity of ~6.3GW at 9x EV/EBITDA.

Risks & Concerns

- While ACME is shifting toward a higher mix of central off-takers, the physical evacuation of power remains dependent on the Interstate Transmission System (ISTS); any grid congestion or lack of transmission infrastructure could lead to forced curtailment, directly impacting revenue realization.
- The operationalization of the FY27 capacity—specifically the merchant BESS assets—is contingent upon the timely charging and readiness of substations; any technical or regulatory delays in substation infrastructure could stall project COD (Commercial Operation Date) and defer anticipated earnings.
- ACME's capital-intensive expansion necessitates a strategic refinancing of high-cost construction debt into long-term operational debt; failure to secure tighter credit spreads or a sudden rise in the weighted average cost of debt could compress net margins and project IRRs.
- As BESS remains in the nascent stages of market integration, the inherent volatility in merchant pricing and realization poses a material risk to the company's projected financial performance.

Financial Summary

Particulars (in Rs Cr)	Q4FY26	Q4FY25	YoY-%	Q3FY26	QoQ-%	FY24	FY25	FY26	FY27E	FY28E
Total Operating Income	548	487	12.5%	497	10.3%	1,319	1,405	2,023	3,558	6,985
EBITDA	479	436	9.9%	444	7.7%	1,089	1,235	1,781	3,117	6,174
APAT	139	123	12.9%	114	22.5%	-51	272	498	707	1,755
Diluted EPS (Rs)	2.3	2.1	6.1%	1.9	21.4%	11.5	4.1	8.2	11.7	29.0
RoE %*						-2.3	7.1	10.4	13.1	26.1
P/E (x)						-	60.8	35.3	24.9	10.0
EV/EBITDA (x)						22.8	20.7	17.6	13.8	8.3

* Excludes exceptional item

(Source: Company, HDFC sec)

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This rating is given to stocks that represent large and established business having track record of decades and good reputation in the industry. They are industry leaders or have significant market share. They have multiple streams of cash flows and/or strong balance sheet to withstand downturn in economic cycle. These stocks offer moderate returns and at the same time are unlikely to suffer severe drawdown in their stock prices. These stocks can be kept as a part of long term portfolio holding, if so desired. This stocks offer low risk and lower reward and are suitable for beginners. They offer stability to the portfolio.

Yellow Rating stocks

This rating is given to stocks that have strong balance sheet and are from relatively stable industries which are likely to remain relevant for long time and unlikely to be affected much by economic or technological disruptions. These stocks have emerged stronger over time but are yet to reach the level of green rating stocks. They offer medium risk, medium return opportunities. Some of these have the potential to attain green rating over time.

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Disclosure:

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