Dated: 6 Nov 2025

Acme Solar Holdings (ACMESOLA) – BUY

Q2FY26 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.274	**Rs.340**

Rationale:

- ACME Solar continued its strong financial performance, with 80% yoy growth in EBITDA at Rs400cr for Q2FY26.
- Strong EBITDA growth, aided by capacity addition and higher PLF.
- Earnings performance was on expected lines, even as new project wins (720 MW) and signing of PPAs (50 MW) are encouraging.
- 2,918 MW operational solar capacity and 4,472 MW/550 MWh in pipeline.
- 275 MW/550 MWh BESS project could generate Rs60-65 cr of incremental EBITDA.
- Maintain BUY with a revised FV of Rs340 (from Rs350), as we roll forward to Sept 2027E.

Positives:

- PLF of 24% during the quarter was an improvement over Q2FY25, aided by higher PLF for recently commissioned solar capacities in Rajasthan.
- Earnings were also boosted by Rs130cr of other income during the quarter compared with Rs35.6 cr in Q2FY25.
- EBITDA growth was on the back of commissioning of 1,578 MW (28 MW in Q2FY26) over the trailing 12 months, taking the operational capacity to 2,918 MW.
- We expect capacity to ramp-up significantly over 2027 and 2028.

Negatives:

- Net debt rose sequentially to Rs8920cr, as of September 2025, from Rs7840cr.

(GW: Gigawatt, MWh: Mega Watt Hour, EBITDA: Earnings before interest depreciation and tax, PPA: Power purchase agreement, PLF: Plant Load factor)

Holding Period: 12 months

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

FUNDAMENTAL RESEARCH TEAM (PRIVATE CLIENT GROUP)

Shrikant Chouhan
Head of Research
shrikant.chouhan@kotak.com
+91 22 6218 5408

Arun Agarwal
Auto/Auto Ancillary, Building Material
Cement, Consumer Durable
arun.agarwal@kotak.com
+91 22 6218 6443

Amit Agarwal, CFA
Transportation, Paints, FMCG
agarwal.amit@kotak.com
+91 22 6218 6439

Rini Mehta
Research Associate
rini.mehta@kotak.com
+91 22 6218 6433

Sumit Pokharna
Oil and Gas, Information Tech
sumit.pokharna@kotak.com
+91 22 6218 6438

K. Kathirvelu
Support Executive
k.kathirvelu@kotak.com
+91 22 6218 6427

Pankaj Kumar
Construction, Capital Goods & Midcaps
pankajr.kumar@kotak.com
+91 22 6218 6434

Amarjeet Maurya
Internet Software & Services
amarjeet.maurya@kotak.com
+91 22 6218 6427

Veer Trivedi
BFSI
veer.trivedi@kotak.com
+91 22 6218 6432

TECHNICAL RESEARCH TEAM (PRIVATE CLIENT GROUP)

Shrikant Chouhan
shrikant.chouhan@kotak.com
+91 22 6218 5408

Amol Athawale
amol.athawale@kotak.com
+91 20 6620 3350

Sayed Haider
sayed.haider@kotak.com
+91 22 62185458

DERIVATIVES RESEARCH TEAM (PRIVATE CLIENT GROUP)

Sahaj Agrawal
sahaj.agrawal@kotak.com
+91 79 66041701

Prasenjit Biswas, CMT, CFTe
prasenjit.biswas@kotak.com
+91 33 6638 8331

Karan Kulkarni
karan.kulkarni@kotak.com
+91 20 66203350

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