

Acme Solar Holdings Limited

IPO Note



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Acme Solar Holdings Ltd is a leading name in India's renewable energy sector, recognized for its extensive expertise in the development and management of solar energy projects. Established with a focus on sustainability, Acme Solar has built a solid reputation in the renewable energy domain, specializing in the deployment of large-scale solar power plants across the country. Known for its commitment to green energy, Acme Solar is at the forefront of India's transition to cleaner energy.

Acme Solar is committed to excellence in engineering, quality, and safety, consistently delivering projects within defined timelines and upholding the highest standards. The company's expertise spans across diverse aspects of renewable energy generation, including solar photovoltaic technology and project management, contributing significantly to India's growing solar capacity. Acme Solar is actively involved in projects that promote clean energy and environmental responsibility, aligning with national and global sustainability goals.

With a comprehensive suite of services, Acme Solar covers every stage of solar power project development, including site identification, design, engineering, procurement, and construction management. By leveraging advanced technologies and methodologies, the company delivers innovative, cost-effective solutions with high precision and efficiency.

Sustainability is at the core of Acme Solar's operations, with a strong focus on minimizing its environmental impact. The company prioritizes eco-friendly practices and continuously integrates green technologies to enhance the sustainability of its projects.

Acme Solar has established a reliable network of suppliers, subcontractors, and partners, which enables seamless execution of projects across various regions within India. Its customer-focused approach and dedication to excellence have positioned Acme Solar as a trusted entity in the renewable energy industry, playing a crucial role in advancing India's solar energy infrastructure and supporting the global push for sustainable power solutions.

Industry	Renewables
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Script Details

Listing	BSE & NSE
Open Date	Nov 06, 2024
Close Date	Nov 08, 2024
Price Band	INR 275 – 289
Face Value	INR 2.0
Market Lot	51 Shares
Minimum Lot	1

Issue Structure (%)

Issue Size (INR cr)	INR 2900
Issue Size (Shares)	100,346,022
QIB Share (%)	≥ 75%
Non-Inst Share (%)	≤ 25%
Retail Share (%)	≤ 10%
Pre Issue shares	522,207,910
Post Issue shares	605,079,883
Post Issue Market Cap (in cr)	17486.8

Shareholding (%)	Pre (%)	Post (%)
Promoter	100.0	83.4
Public	0.0	16.6
TOTAL	100	100

Key Consolidated Financial Data (INR Cr, unless specified)

	Revenue	EBITDA	PAT	EBITDA (%)	PAT (%)	Adj EPS (₹)	RoE (%)	ROCE (%)	EV/EBITDA (X)	P/E (X)	P/BV (X)
FY22	1487.9	1240.4	62.0	83.4	4.2	1.0	3.2	4.4	19.6	281.9	8.7
FY23	1294.9	1172.7	(3.2)	90.6	(0.2)	(0.1)	(0.2)	1.3	21.2	(5567.3)	9.1
FY24	1319.3	1089.2	698.2	82.6	52.9	11.5	26.9	5.5	22.3	25.0	6.7

Source: Ventura Research & Company update

Issue Structure and Offer Details

Acme Solar Holdings Limited is a book-built issue of INR 2900 cr consisting of an offer for sale of 17,474,049 shares (at a value of INR 505 cr) and a fresh issue of 82,871,973 shares (at a value of INR 2395 cr).

Issue Structure	
Investor Category	Allocation
QIB	Not less than 75.00% of the Net Issue
NII (HNI)	Not more than 15.00% of the Net Issue
Retail	Not more than 10.00% of the Net Issue

Number of shares based on a higher price band of INR 289

Source: Company Reports

Objects of the Issue

The Company intends to apply the Net Proceeds from the Fresh Issue towards the following purposes:

1. Repaying or prepaying, either in full or in part, certain borrowings taken by the Subsidiaries.
2. General corporate purposes.

Financial Summary

Fig in INR Cr (unless specified)	FY22	FY23	FY24	Fig in INR Cr (unless specified)	FY22	FY23	FY24
Income Statement				Per share data & Yields			
Revenue	1,487.9	1,294.9	1,319.3	Adjusted EPS (INR)	1.0	(0.1)	11.5
<i>YoY Growth (%)</i>	<i>(12.0)</i>	<i>(13.0)</i>	<i>1.9</i>	Adjusted Cash EPS (INR)	10.1	8.0	16.6
Raw Material Cost	0.0	0.0	0.0	Adjusted BVPS (INR)	33.2	31.9	42.8
<i>RM Cost to Sales (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	Adjusted CFO per share (INR)	15.8	20.9	23.6
Employee Cost	38.2	34.6	59.0	CFO Yield (%)	5.5	7.2	8.2
<i>Employee Cost to Sales (%)</i>	<i>2.6</i>	<i>2.7</i>	<i>4.5</i>	Adjusted FCF per share (INR)	1.8	10.9	(12.9)
Other Expenses	209.2	87.6	171.0	FCF Yield (%)	0.6	3.8	(4.5)
<i>Other Exp to Sales (%)</i>	<i>14.1</i>	<i>6.8</i>	<i>13.0</i>	Solvency Ratio (X)			
EBITDA	1,240.4	1,172.7	1,089.2	Total Debt to Equity	3.8	4.5	3.2
<i>Margin (%)</i>	<i>83.4</i>	<i>90.6</i>	<i>82.6</i>	Net Debt to Equity	3.4	3.8	2.6
<i>YoY Growth (%)</i>	<i>(20.1)</i>	<i>(5.5)</i>	<i>(7.1)</i>	Net Debt to EBITDA	5.5	6.2	6.2
Depreciation & Amortization	545.3	484.8	308.1	Return Ratios (%)			
EBIT	694.2	687.9	781.1	Return on Equity	3.2	(0.2)	26.9
<i>Margin (%)</i>	<i>46.7</i>	<i>53.1</i>	<i>59.2</i>	Return on Capital Employed	4.4	1.3	5.5
<i>YoY Growth (%)</i>	<i>(25.4)</i>	<i>(0.9)</i>	<i>13.6</i>	Return on Invested Capital	8.0	7.5	8.4
Other Income	404.4	66.5	147.0	Working Capital Ratios			
Bill discounting & other charges	995.1	809.2	767.3	Payable Days (Nos)	67	18	20
Fin Charges Coverage (X)	0.7	0.9	1.0	Inventory Days (Nos)	0	0	0
Exceptional Item	0.0	39.4	749.1	Receivable Days (Nos)	228	197	116
PBT	102.4	(15.4)	909.9	Net Working Capital Days (Nos)	162	180	96
<i>Margin (%)</i>	<i>6.9</i>	<i>(1.2)</i>	<i>69.0</i>	Net Working Capital to Sales (%)	44.3	49.2	26.3
<i>YoY Growth (%)</i>	<i>(9,335.0)</i>	<i>(115.0)</i>	<i>(0,007.9)</i>	Valuation (X)			
Tax Expense	40.4	(12.2)	211.6	P/E	281.9	(5,567.3)	25.0
<i>Tax Rate (%)</i>	<i>39.6</i>	<i>79.4</i>	<i>23.3</i>	P/BV	8.7	9.1	6.7
PAT	62.0	(3.2)	698.2	EV/EBITDA	19.6	21.2	22.3
<i>Margin (%)</i>	<i>4.2</i>	<i>(0.2)</i>	<i>52.9</i>	EV/Sales	16.3	19.2	18.4
<i>YoY Growth (%)</i>	<i>307.6</i>	<i>(106.1)</i>	<i>(22,098.3)</i>	Cash Flow Statement			
Min Int/Sh of Assoc	0.0	0.0	0.0	PBT	102.4	(15.4)	909.9
Net Profit	62.0	(3.1)	698.2	Adjustments	978.4	1,245.4	440.5
<i>Margin (%)</i>	<i>4.2</i>	<i>(0.2)</i>	<i>52.9</i>	Change in Working Capital	(85.5)	21.2	290.1
<i>YoY Growth (%)</i>	<i>307.8</i>	<i>(106.1)</i>	<i>(22,320.4)</i>	Less: Tax Paid	(40.4)	12.2	(211.6)
Balance Sheet				Cash Flow from Operations	955.0	1,263.5	1,428.8
Share Capital	104.4	104.4	104.4	Net Capital Expenditure	(1,450.7)	(768.8)	(2,796.5)
Total Reserves	1,904.7	1,826.0	2,486.9	Change in Investments	1,076.7	(641.1)	1,071.8
Shareholders Fund	2,009.2	1,930.5	2,591.3	Cash Flow from Investing	(374.1)	(1,409.9)	(1,724.7)
Long Term Borrowings	6,950.9	8,099.3	7,696.4	Change in Borrowings	378.4	1,024.6	982.2
Deferred Tax Assets / Liabilities	(69.6)	(87.5)	19.1	Less: Finance Cost	(996.1)	(809.2)	(767.3)
Other Long Term Liabilities	588.0	1,022.3	1,461.9	Proceeds from Equity	62.0	0.0	0.0
Long Term Trade Payables	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0
Long Term Provisions	2.4	5.3	6.5	Dividend Paid	0.0	0.0	0.0
Total Liabilities	9,480.9	10,969.8	11,775.3	Cash flow from Financing	(555.8)	215.4	214.8
Net Block	6,177.1	6,630.9	6,756.5	Net Cash Flow	25.1	69.0	(81.0)
Capital Work in Progress	1,272.8	2,147.3	2,822.8	Forex Effect	0.0	0.0	0.0
Intangible assets under development	0.0	0.0	0.0	Opening Balance of Cash	503.8	478.5	547.4
Non Current Investments	24.5	22.7	0.0	Closing Balance of Cash	478.5	547.4	308.9
Long Term Loans & Advances	879.1	360.5	447.6				
Other Non Current Assets	33.5	75.8	17.7				
Net Current Assets	1,093.8	1,732.5	1,730.7				
Total Assets	9,480.9	10,969.8	11,775.3				

Source: Ventura Research

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