HSBC Global Investment Research

13 April 2026

ACME Solar Holdings (ACMESOLA IN)

Initiate at Buy: Putting batteries to good use

Equities
Electric Utilities

India

- One of India's fastest-growing, vertically-integrated, independent power producers of renewable energy
- c6GW contracted capacity gives long-term earnings visibility; FDRE projects and BESS to improve returns
- Initiate with a Buy (TP INR350); we forecast an EBITDA CAGR of 72% in FY26-28

Solar star. ACME Solar Holdings (ACME) is a fast-growing renewable energy independent power producer, which is fully vertically integrated in terms of engineering, procurement and construction, as well as operations and maintenance (O&M). ACME currently operates around 3GW of generation capacity and has c3.3GW contracted capacity under 25-year signed power purchase agreements (PPAs). These projects are anticipated to increase ACME's overall capacity by 2.7x over the next 2-3 years. ACME also has a further 1.8GW of awarded projects that are still awaiting conversion into PPAs. Strategically, the business is evolving from a pure-play solar provider to more complex firm and dispatchable renewable energy (FDRE) projects, which require a combination of solar, wind, and battery storage capacity.

Better with BESS. Renewable energy is already much cheaper than thermal power in India, and we believe renewables will get a further boost from BESS that captures energy from solar and wind that can be discharged later. The use of BESS enhances grid stability, reduces energy costs, and provides back-up power, especially during the evening peak period. As BESS costs fall and confidence around viability increases, we believe the adoption of renewables will increase. ACME already has 1.1GWH of BESS, which will allow it to generate additional merchant revenue before this capacity is integrated into more advanced FDRE projects.

Growth outlook. We forecast EBITDA to grow at a CAGR of 72% over FY26-28. Earnings visibility is strong as 84% of ACME's contracted portfolio with 25-year fixed tariff PPAs are backed by central government agencies. We also think the company is well placed to benefit from the early adoption of BESS and FDRE projects. Working capital improved to 23 days from 93 days in FY24 due to a fall in receivables, which increases confidence in the strength of its balance sheet.

Valuation and risks. We value ACME on FY28 run-rate EBITDA, which is based on already-signed 25-year PPAs and those which we expect to be executed by end FY28. We assign a 10x EBITDA multiple, which reflects growth, in line with the average peer multiple for FY28. Adjusting for net debt as of March 2028, we derive an equity value of INR266bn. We discount it back to June 2026 (3M forward fair value, in line with our coverage) to arrive at a TP of INR350. Our TP implies c28% upside from current levels; accordingly, we initiate coverage on the stock with a Buy rating. **Downside risks:** (1) High leverage with projects financed with a 80-20 debt equity ratio, (2) rise in equipment and borrowing costs, (3) delay in commissioning of contracted capacity, and (4) lower-than-expected generation.

INITIATE AT BUY

TARGET PRICE (INR)	PREVIOUS TARGET (INR)
350.00	–

SHARE PRICE (INR)	UPSIDE/DOWNSIDE
273.10	+28.2%

(as of 09 Apr 2026)

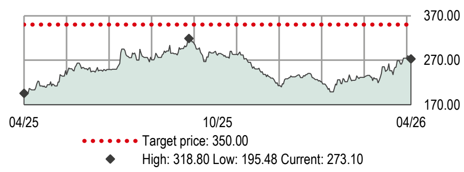
MARKET DATA

Market cap (INRm)	165,307	Free float	17%
Market cap (USDm)	1,790	BBG	ACMESOLA
3m ADTV (USDm)	4	RIC	ACMO.BO

FINANCIALS AND RATIOS (INR)

Year to	03/2025a	03/2026e	03/2027e	03/2028e
HSBC EPS	4.55	8.71	12.28	27.39
HSBC EPS (prev)	na	na	na	na
Change (%)	na	na	na	na
Consensus EPS	3.80	8.68	10.56	23.30
PE (x)	60.0	31.4	22.2	10.0
Dividend yield (%)	0.0	0.0	0.0	0.0
EV/EBITDA (x)	18.8	15.1	14.9	10.2
ROE (%)	7.1	11.0	13.7	25.1

52-WEEK PRICE (INR)



Source: LSEG IBES, HSBC estimates

Puneet Gulati*, CFA
Senior Analyst, India Energy, Property & Infra
HSBC Securities and Capital Markets (India) Private Limited
puneetgulati@hsbc.co.in
+91 82 9189 7591

Sambhav Kela*
Analyst, India Real Estate & Power
HSBC Securities and Capital Markets (India) Private Limited
sambhav.kela@hsbc.co.in
+91 22 40891464

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This report must be read with the disclosures and the analyst certifications in the Disclosure appendix, and with the Disclaimer, which forms part of it.

Issuer of report: HSBC Securities and Capital Markets (India) Private Limited

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Financials & valuation: ACME Solar

Buy

Financial statements

Year to	03/2025a	03/2026e	03/2027e	03/2028e
Profit & loss summary (INRm)				
Revenue	14,051	20,407	30,468	60,017
EBITDA	12,354	18,141	27,269	53,775
Depreciation & amortisation	-2,873	-4,951	-7,793	-12,855
Operating profit/EBIT	9,481	13,190	19,476	40,920
Net interest	-7,592	-8,207	-10,788	-21,220
PBT	3,380	7,025	9,907	22,100
Taxation	-872	-1,756	-2,477	-5,525
Net profit	2,508	5,268	7,430	16,575
Cash flow summary (INRm)				
Cash flow from operations	15,430	18,880	24,357	45,794
Capex	-32,660	-49,000	-140,000	-160,000
Cash flow from investment	-39,761	-49,000	-140,000	-160,000
Dividends	0	0	0	0
Change in net debt	6,632	40,603	133,017	142,975
FCF pre dividends	-17,190	-30,120	-115,643	-114,206
Balance sheet summary (INRm)				
Intangible fixed assets	0	0	0	0
Tangible fixed assets	136,775	183,099	321,893	476,585
Current assets	39,692	36,823	29,446	35,427
Cash & others	32,818	30,403	21,372	22,495
Total assets	184,037	227,494	358,910	519,583
Operating liabilities	34,717	34,719	34,719	34,719
Financial liabilities	104,227	142,415	266,401	410,499
Total liabilities	138,944	177,134	301,120	445,218
Net debt	71,409	112,012	245,029	388,004
Shareholders' funds	45,106	50,374	57,804	74,380

Ratio, growth and per share analysis

Year to	03/2025a	03/2026e	03/2027e	03/2028e
Y-o-y % change				
Revenue	6.5	45.2	49.3	97.0
EBITDA	13.4	46.8	50.3	97.2
Operating profit	21.4	39.1	47.7	110.1
PBT	-62.8	107.8	41.0	123.1
HSBC EPS	-63.7	91.4	41.0	123.1
Ratios (%)				
ROE	7.1	11.0	13.7	25.1
ROCE	6.3	6.7	6.0	8.0
EBITDA margin	87.9	88.9	89.5	89.6
Operating profit margin	67.5	64.6	63.9	68.2
Net debt/equity	158.4	222.4	424.0	521.7
CF from operations/net debt	21.6	16.9	9.9	11.8
Per share data (INR)				
EPS reported (diluted)	4.15	8.71	12.28	27.39
HSBC EPS (diluted)	4.55	8.71	12.28	27.39
DPS	0.00	0.00	0.00	0.00
Gross CFPS	18.69	30.45	42.99	83.70

Key forecast drivers

Year to	03/2025a	03/2026e	03/2027e	03/2028e
Installed capacity (MW)	2,540	2,982	4,510	6,020
Average installed capacity (MW)	1,789	2,761	3,746	5,265
Average PLF (%)	25.6	27.1	27.7	34.2
Generation (MUs)	4,013	6,548	9,099	15,765
Average realization per unit (INR)	3.5	3.1	3.3	3.8
Revenue (INRm)	14,051	20,407	30,468	60,017

Valuation data

Year to	03/2025a	03/2026e	03/2027e	03/2028e
EV/sales	16.6	13.4	13.3	9.2
EV/EBITDA	18.8	15.1	14.9	10.2
P/CF	14.6	9.0	6.4	3.3
PE*	60.0	31.4	22.2	10.0
FCF yield (pre div) (%)	-10.4	-18.2	-70.0	-69.1
Dividend yield (%)	0.0	0.0	0.0	0.0

* Based on HSBC EPS (diluted)

ESG metrics

Environmental Indicators	03/2025a
GHG emission intensity*	n/a
Energy intensity*	n/a
CO_2 reduction policy	Yes
Social Indicators	**03/2025a**
Employee costs as % of revenues	4.6
Employee turnover (%)	23.9
Diversity policy	Yes

Governance Indicators	03/2026a
No. of board members	6
Average board tenure (years)	5.3
Female board members (%)	16.7
Board members independence (%)	50

Source: Company data, HSBC

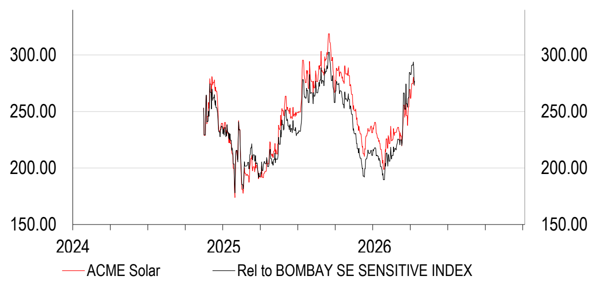
* GHG intensity and energy intensity are measured in kg and kWh respectively against revenue in USD '000s

Issuer information

Share price (INR)	273.10
Target price (INR)	350.00
RIC (Equity)	ACMO.BO
Bloomberg (Equity)	ACMESOLA IN
Market cap (USDm)	1,790

Free float	17%
Sector	Electric Utilities
Country/Region	India
Analyst	Puneet Gulati, CFA
Contact	+91 82 9189 7591

Price relative



Source: HSBC
Note: Priced at close of 09 Apr 2026

Investment summary

- The growth of India's power industry is a structural story; increasing adoption of BESS will accelerate demand for renewable energy
- ACME is one of the fastest-growing, vertically integrated renewable IPPs, and an early adopter of BESS
- Focus on execution; control over land and connectivity are key to the conversion of projects into earnings

India's power demand is a structural growth story

While India's power demand growth has been below its historical trend recently, the long-term outlook is promising. Demand for power is expected to grow at a CAGR of c5.1% between FY26 and FY42, according to projections in the 20th Electric Power Survey of India. Meanwhile, the Central Electricity Authority (CEA) of India forecasts a 7% CAGR for power demand over the next decade, with demand doubling between FY26 and FY36.

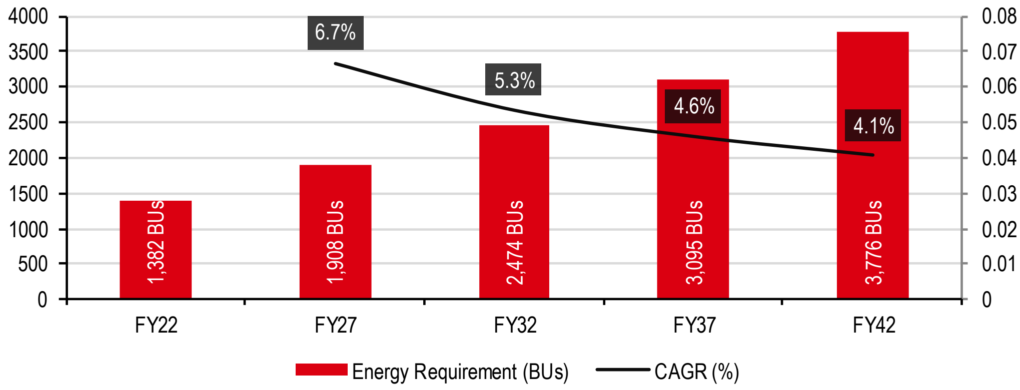
Renewables are expected to grow at a CAGR of 12% over the next 10 years

To meet power demand growth, the CEA forecasts installed power capacity to grow at a CAGR of 8% between FY26 and FY36, reaching 1,121GW by FY36 (vs 530GW for FY26e). Renewables are expected to lead this capacity addition, growing at a CAGR of 12% over the next 10 years. Given the long gestation period for thermal projects, we expect renewable energy to lead the way in meeting India's power demand needs. Our renewable energy capacity estimates are largely in line with the CEA, although we expect more solar additions with BESS acting as a catalyst as it will help manage peak demand.

We believe electricity demand will be driven by increasing electrification, growing per capita income, industrialisation, and urbanisation. This represents a structural growth story, which is expected to drive incremental growth across key power sectors – generation, transmission, and distribution players as well as power equipment manufacturers and service providers.

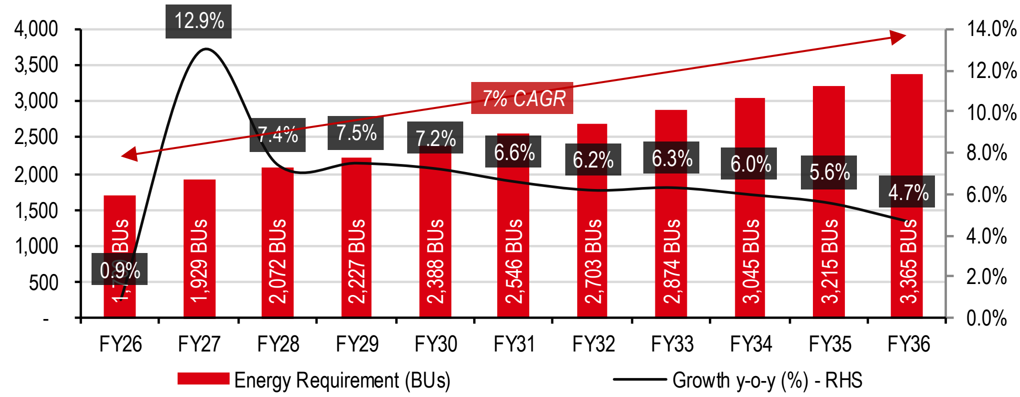
See the charts on the following page for more details.

India's long-term energy requirement (BUs) and growth (%)



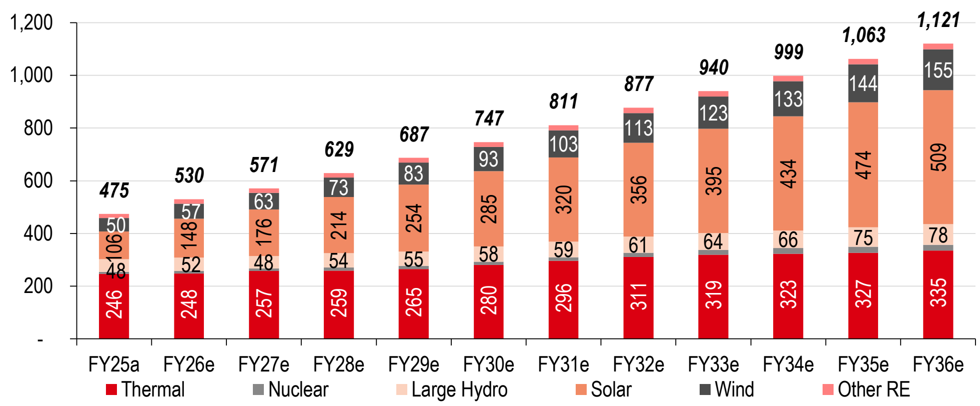
Source: CEA estimates, HSBC

CEA's energy requirement (BUs) and y-o-y growth (%) projection



Note: FY26 energy requirement based on HSBC estimates.
Source: CEA, HSBC

CEA's fuel installed capacity projections (GW)

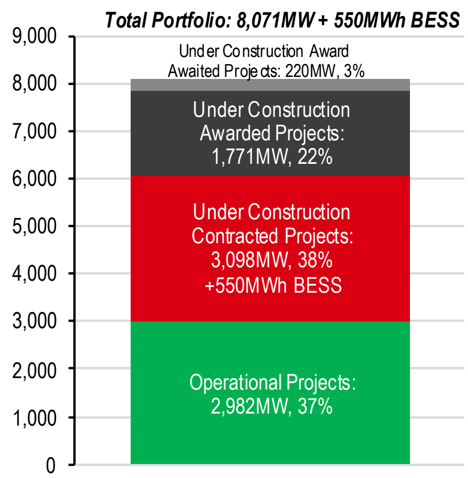


Note: FY26e numbers are HSBC estimates, FY27e onwards are CEA projections as per National Generation Adequacy Plan (2026-27 to 2035-36).
Source: CEA, HSBC

ACME: Long-term earnings visibility

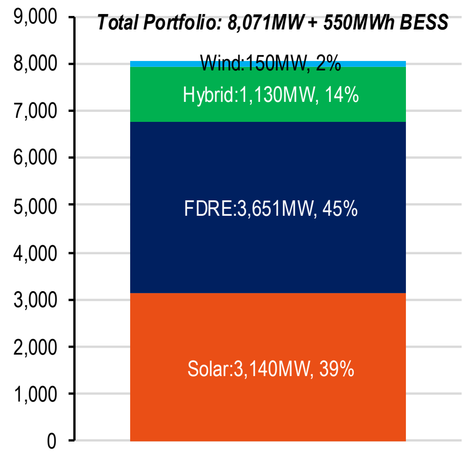
ACME has a c8.1GW portfolio with c3GW of operational capacity and 3.1GW of contracted capacity with government-owned counterparties. With 6.1GW contracted and operational capacity and PPAs lasting 25 years, ACME's earnings have long-term visibility. The current operational capacity of c3GW has earnings visibility for the next 20-25 years; of this only 0.8GW is more than five years old.

Portfolio mix: Construction status



Source: Company data, HSBC

Portfolio mix: Technology



Source: Company data, HSBC

The company is transitioning from a largely solar player to contracting more of firm and dispatchable renewable energy (FDRE) projects, which require a combination of solar, wind, and BESS capacities. The projects are typically built with installed capacity above the contracted capacity. This additional capacity helps ensure the minimum contracted level of generation can still be delivered, including during periods with limited or no sunlight (non-solar hours). BESS is used to store excess generation during solar hours and discharge the power during non-solar hours.

Portfolio contracted and installed capacity (MW)

	Contracted capacity	Installed capacity (AC)	Solar (AC)	Wind (AC)	BESS (MWh)
Operational	**2,982**	**2,982**	**2,840**	**142**	**-**
Under construction	**5,089**	**7,372**	**6,745**	**627**	**18,207**
PPA signed	3,288	4,914	4,515	399	13,155
LoA awarded	1,801	2,458	2,230	228	5,052

Source: Company data, HSBC estimates

We expect c3GW of contracted capacity to become operational over the next two years. Since a large part of the contracted capacity is FDRE, it will require the installation of 4.5GW of solar, c0.4GW of wind, and 13GWh of storage capacity.

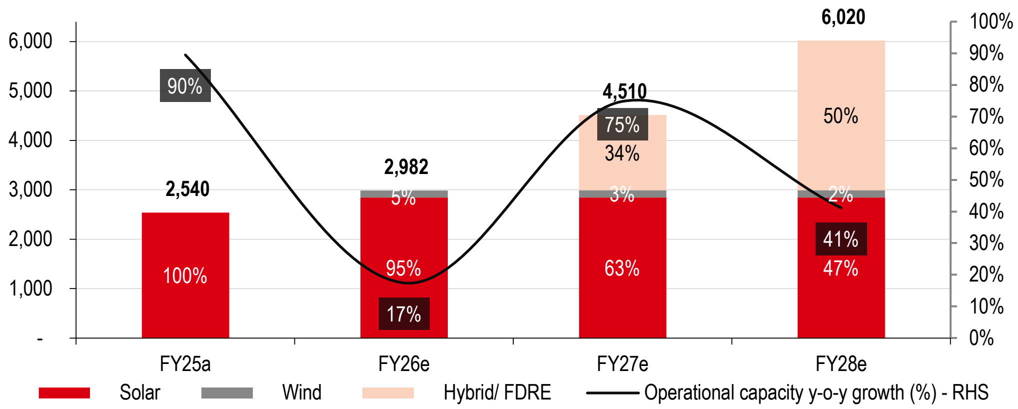
Operational capacity and average tariff realisation for ACME

	FY25a	FY26e	FY27e	FY28e
Operational capacity (MW)	**2,540**	**2,982**	**4,510**	**6,020**
Solar	2,540	2,840	2,840	2,840
Wind	-	142	150	150
Hybrid/FDRE	-	-	1,520	3,030
Capacity addition (MW)	**1,200**	**442**	**1,528**	**1,510**
Solar	1,200	300	-	-
Wind	-	142	8	-
Hybrid/FDRE	-	-	1,520	1,510
Average tariff realisation (INR)	**3.4**	**3.1**	**3.3**	**3.8**
Solar	3.4	3.1	3.1	3.1
Wind	-	3.0	3.0	3.0
Hybrid/FDRE	-	-	4.3	4.4

Source: Company data, HSBC estimates

We forecast FDRE projects to contribute c50% of the operational portfolio by FY28, with c3GW of FDRE capacity expected to be executed over the next two years.

Operational capacity by fuel type (MW) and y-o-y growth (%)



Source: Company data, HSBC estimates

The company has a high level of earnings visibility as revenue is driven by 25-year PPAs with fixed contracted capacity and tariffs. It also has a strong off-taker profile, with c95% of under-construction capacity being contracted with government-owned enterprises and only 1% exposure to non-government entities (see table on next page).

Off-take profile across operational and under-construction portfolio

	Capacity (MW)	Capacity (%)
Operational portfolio		
Central off-takers	**2,000**	**67%**
Solar Energy Corporation of India (SECI)	1,950	65%
National Thermal Power Corporation (NTPC)	50	2%
State off-takers	**982**	**33%**
Maharashtra State Electricity Distribution Company Ltd. (MSEDCL)	300	10%
Andhra Pradesh Southern Power Distribution Co. Ltd. (APSPDCL)	160	5%
Gujarat Urja Vikas Nigam Ltd. (GUVNL)	157	5%
Telangana State Northern Power Distribution Co. Ltd. (TSNPDCL)	100	3%
Telangana State Southern Power Distribution Co. Ltd. (TSSPDCL)	80	3%
Chhattisgarh State Power Distribution Company Ltd. (CSPDCL)	30	1%
Punjab State Power Corporation Ltd. (PSPCL)	30	1%
Uttar Pradesh Power Corporation Ltd. (UPPCL)	30	1%
MP Power Management Company Ltd. (MPPMCL)	25	1%
Grid Corporation of Odisha Ltd. (GRIDCO)	25	1%
South Bihar/North Bihar Power Distribution Co. Ltd. (SBPDCL/NBPDCL)	25	1%
Bangalore Electricity Supply Company Ltd. (BESCOM)	20	1%
Under-construction portfolio		
Central off-takers	**4,811**	**95%**
Satluj Jal Vidyut Nigam (SJVN)	1,621	32%
National Hydroelectric Power Corporation (NHPC)	1,180	23%
Solar Energy Corporation of India (SECI)	1,030	20%
National Thermal Power Corporation (NTPC)	850	17%
Rail Energy Management Company (REMC)	130	3%
State off-takers	**228**	**4%**
MP Power Management Company Ltd. (MPPMCL)	220	4%
Gujarat Urja Vikas Nigam Ltd. (GUVNL)	8	0%
Private off-takers	**50**	**1%**
Tata Power	50	1%
Standalone BESS portfolio (under-construction)		
Central offtakers	**550MWh**	**100%**
National Hydroelectric Power Corporation (NHPC)	550MWh	100%

Source: Company data, HSBC

Higher share of FDRE projects will ensure higher returns

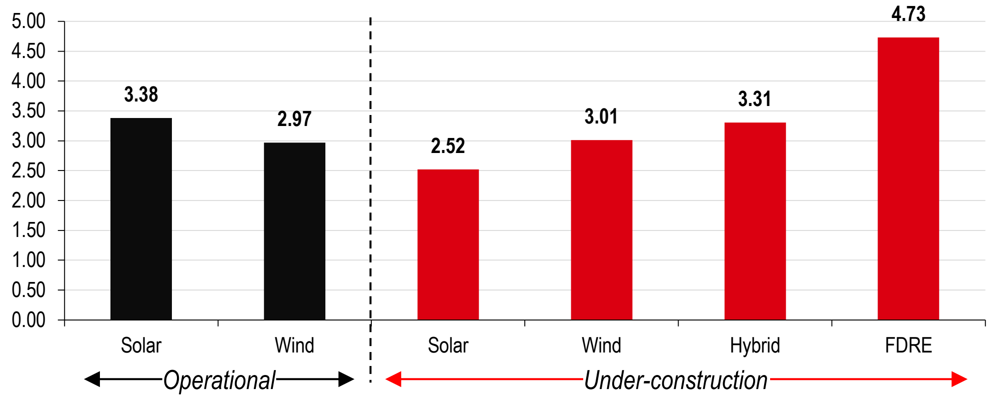
Within the company's portfolio of c8.1GW, c4.8GW of capacity is contracted for FDRE and hybrid projects, which offer better returns compared to plain vanilla wind and solar projects. As the share of these projects in the company's operational portfolio increases, we expect average realisation to increase, which will enhance incremental project returns. The average contracted tariff for FDRE projects currently in ACME's portfolio was cINR4.7 per unit, significantly higher than the cINR3.4 per unit for solar projects currently operational and cINR2.5 per unit for under-construction solar projects.

Under-construction FDRE projects (31 March 2026)

SPV	PPA status	Offtaker	Capacity (MW)	Tariff (INR/unit)
ACME Surya Power Private Limited	PPA signed	SJVN	250	4.38
ACME Sun Power Private Limited	PPA signed	SJVN	320	4.38
ACME Urja One Private Limited	PPA signed	SECI	190	4.73
ACME Platinum Urja Private Limited	PPA signed	SECI	150	3.42
ACME Platinum Urja Private Limited	PPA signed	SECI	200	3.42
ACME Venus Urja Private Limited	PPA signed	NHPC	400	4.64
ACME Hybrid Urja Private Limited	PPA signed	NHPC	280	4.64
ACME Sigma Urja Private Limited	PPA signed	NHPC	250	4.56
ACME Sigma Urja Private Limited	PPA signed	Tata Power	50	4.43
ACME Urja One Private Limited	PPA signed	NHPC	250	4.33
ACME Greentech Seventh Private Limited	PPA signed	SJVN	450	6.75
ACME Urja One Private Limited	LoA awarded	SECI	190	4.73
ACME Marigold Urja Private Limited	LoA awarded	NTPC	400	4.70
ACME Solar SPV	LoA awarded	SJVN	301	6.28
ACME Marigold Urja Private Limited	LoA awarded	REMC	130	4.35
ACME Renewtech Fourth Private Limited	LoA awaited	MPPMCL	220	2.76

Source: Company data, HSBC

Average contracted tariff (INR per unit) (31 March 2026)



Source: Company data, HSBC

Adoption of BESS to boost income, accelerate FDRE projects

With a large part of contracted under-construction capacity in FDRE projects that require battery energy storage systems as part of the project's configuration, ACME is now employing an early commissioning strategy to generate merchant revenue from BESS before integrating it into the respective FDRE project.

As part of this strategy, the battery units are commissioned ahead of the scheduled commissioning date of the FDRE projects by connecting them to the inter-state transmission system (ISTS). Until the projects are commissioned, ACME uses BESS on a merchant basis, charging during non-peak hours and discharging during peak hours, making arbitrage income on the difference between peak and non-peak tariff. Since this BESS is connected to existing transmission infrastructure, it also leads to a capex savings of INR2m per MW.

The company plans to commission c2GWh of BESS by 4QFY26 under this strategy, while we expect the earliest FDRE projects to be operational by September 2026. ACME has secured c5.1GWh of BESS capacity with locked-in prices from suppliers in China such as Zhejiang Narada and Trina Energy, with a further c5GWh of capacity signed.

The benefits of vertical integration

ACME has a vertically integrated operating model spanning project development, engineering, procurement and construction (EPC) as well as O&M. This allows the company to control project delivery and optimise component sourcing and execution timelines while protecting project margins and eliminating third-party execution delay risk.

The internal EPC allows ACME to centralise the procurement of components. This in turn translates to larger orders and early ordering of long-lead items to control costs, as well as greater predictability for execution timelines and project costs, allowing the company to bid aggressively for projects while maintaining project returns.

ACME also has in-house O&M capabilities for real-time monitoring, robotic maintenance, and predictive diagnostic using drones and thermal imaging. This allows it to maintain higher plant load factors (PLFs) while optimising O&M costs.

As EPC capabilities sit at head office level and outside the special purpose vehicle created for project execution, EPC margin is treated as a project cost. This allows the company to fund the project with a higher share of debt and a lower share of its own capital, improving equity returns.

Control over land and connectivity ensures timely execution

ACME typically initiates land acquisition and secures grid connectivity ahead of project bidding, thereby maintaining an inventory for upcoming bids and giving it greater visibility over these two long-lead items. As of December 2026, the company had a connectivity inventory of c7.5GW for upcoming bids (beyond projects already secured). ACME also has more than 10,000 acres of land secured for under-construction PPA signed projects. This strategy helps ACME ensure timely execution and mitigate any commissioning delays.

ACME's connectivity inventory beyond operational and under-construction projects (GW)

	FY27	FY28	FY29	FY31-33	Total
Connectivity secured	0.6	0.4	-	0.3	**1.3**
Connectivity applied	-	0.3	2.7	3.2	**6.2**
Total upcoming connectivity	**0.6**	**0.7**	**2.7**	**3.5**	**7.5**

Source: Company data, HSBC

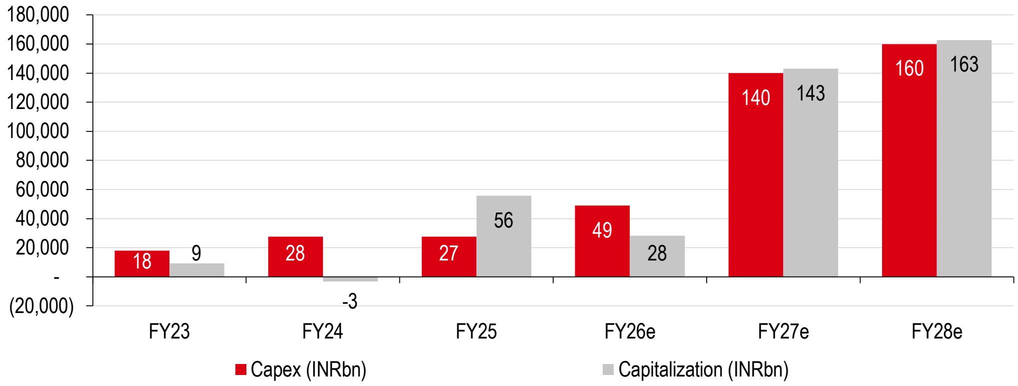
Financial analysis

- FY27 and FY28 are likely to see a c3x step up in commissioning, capex, debt, and earnings
- While these projects create 25 years of earnings visibility, projects are highly leveraged creating interest rate and refinancing risk
- Reported earnings are weak in this ramp up mode, so we focus on EBITDA yield and cash ROE

Revenue growth is driven by incremental capacity addition

Most of ACME's projects are tied to 25-year PPAs. Revenue is a function of operational capacity, PLFs, and realisation per unit of electricity sold (determined by agreed upon tariffs within PPA contracts). We expect capex and commissioning to ramp up over the next two years, which will drive incremental capacity addition as the company executes its under-construction portfolio.

Capex and capitalisation trend (INRbn)



Source: Company data, HSBC estimates

We expect c1.5GW of incremental capacity to be commissioned in both FY27 and FY28. This capacity is expected to almost entirely consist of FDRE/hybrid projects, which have a higher tariff realisation.

Operational capacity and average tariff realisation for ACME

	FY25a	FY26e	FY27e	FY28e
Operational capacity (MW)	**2,540**	**2,982**	**4,510**	**6,020**
Solar	2,540	2,840	2,840	2,840
Wind	-	142	150	150
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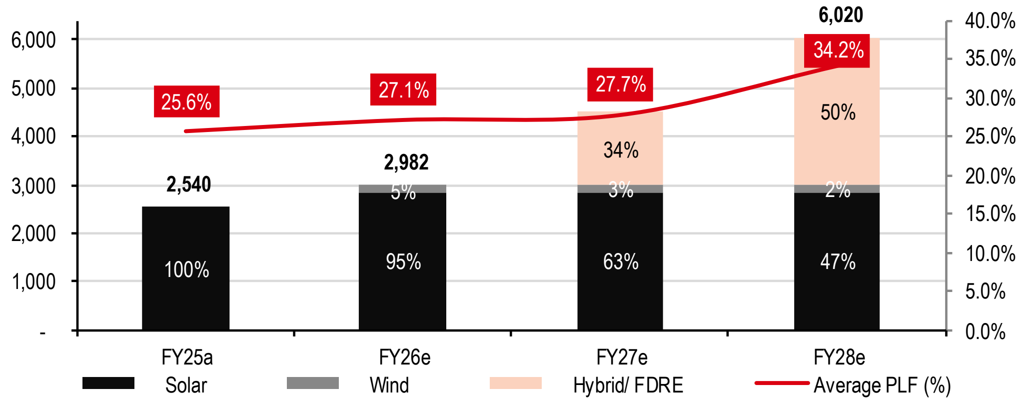
Solar	1,200	300	-	-
Wind	-	142	8	-
Hybrid/FDRE	-	-	1,520	1,510
Average tariff realisation (INR)	**3.4**	**3.1**	**3.3**	**3.8**
Solar	3.4	3.1	3.1	3.1
Wind	-	3.0	3.0	3.0
Hybrid/FDRE	-	-	4.3	4.4

Source: Company data, HSBC estimates

As the share of FDRE projects in the total operational capacity increases we expect average PLF to also increase, leading to better utilisation of installed capacity, higher generation, and greater revenue per unit of installed capacity.

Fuel-wise operational capacity (MW) and average PLF (%)



Source: Company data, HSBC estimates

The ramp up of capex and commissioning along with an increase in PLF and realisation per unit as it signs an increasing number of FDRE/hybrid contracts should lead to revenue of INR60bn by FY28, based on our estimates.

Capacity growth and revenue breakdown

	FY24	FY25	FY26e	FY27e	FY28e
Average installed capacity (MW)	1,201	1,789	2,761	3,746	5,265
PLF	24.6%	25.6%	27.1%	27.7%	34.2%
Electricity sold (MU)	2,586	4,013	6,548	9,099	15,765
Realisation per unit (INR)	5.1	3.5	3.1	3.3	3.8
Revenue from operations (INRm)	**13,193**	**14,051**	**20,407**	**30,468**	**60,017**

Source: Company data, HSBC estimates

We forecast EBITDA margin to increase marginally to 90% by FY28, leading to an EBITDA of INR53.8bn and a run-rate EBITDA of INR65.4bn by FY28e.

EBITDA and run rate EBITDA (INRm)

	FY24	FY25	FY26e	FY27e	FY28e
Revenue from operations	13,193	14,051	20,407	30,468	60,017
EBITDA margin	83%	88%	89%	90%	90%
EBITDA	**10,891**	**12,354**	**18,141**	**27,269**	**53,775**
EBITDA growth (%)	*-7%*	*13%*	*47%*	*50%*	*97%*
Run rate EBITDA	**10,530**	**17,876**	**21,464**	**42,288**	**65,373**
Run rate EBITDA growth (%)	-	*70%*	*20%*	*97%*	*55%*

Source: Company data, HSBC estimates

The expansion in capacity and earnings will also increase the company's net debt as well as net debt to EBITDA as projects are typically 75-80% debt financed. This represents a key risk for the company as we expect net debt to reach cINR388bn by FY28, with a net debt-to-EBITDA ratio of 7.0x. However, it is important to know that this ratio is exaggerated to some extent as it captures debt stuck in capital work in progress.

Debt profile (INRm)

	FY24	FY25	FY26e	FY27e	FY28e
Net debt	**67,530**	**75,070**	**112,012**	**245,029**	**388,004**
Operational net debt	54,130	62,320	86,245	226,279	366,591
CWIP net debt	13,390	12,750	25,766	18,750	21,413
Net debt to EBITDA (x)	**6.2**	**6.1**	**5.9**	**8.7**	**7.0**
Operational net debt to EBITDA (x)	5.0	5.0	4.5	8.0	6.6
CWIP net debt to EBITDA (x)	1.2	1.0	1.3	0.7	0.4
Previous year net debt to EBITDA (x)	6.5	5.5	3.9	4.1	4.6
Net debt to run rate EBITDA (x)	**6.4**	**4.2**	**5.2**	**5.8**	**5.9**

Source: Company data, HSBC estimates

Interest cost is a significant drag on cash flows as projects are typically financed with a 75:25 debt-to-equity ratio. We expect gross debt to reach cINR410bn by FY28, with a corresponding cINR21bn of finance cost expense on its P&L in the corresponding year.

Interest cost (INRm)

	FY23	FY24	FY25	FY26e	FY27e	FY28e
Gross debt	86,573	82,176	104,227	142,415	266,401	410,499
Interest paid	7,185	6,682	9,634	10,482	17,375	28,768
Implied borrowing cost on interest paid	8.5%	7.6%	10.2%	8.5%	8.5%	8.5%

Source: Company data, HSBC estimates

While finance cost will remain a drag on earnings, we forecast EBITDA margins to stabilise at 90%, and cash ROE to reach 40% by FY28.

Profitability analysis

	FY23	FY24	FY25	FY26e	FY27e	FY28e
EBITDA margin (%)	91%	83%	88%	89%	90%	90%
Depreciation as % of revenue	37%	23%	20%	24%	26%	21%
EBIT margin (%)	53%	59%	67%	65%	64%	68%
Finance cost as % of revenue	62%	58%	54%	40%	35%	35%
PAT margin (%)	0%	53%	18%	26%	24%	28%
Pre-tax ROCE (%)	7%	8%	8%	8%	6%	9%
ROE (%)	-2%	-2%	6%	10%	13%	22%
Cash ROE (%)	25%	39%	12%	20%	26%	40%
EBITDA yield on gross block (%)	-	12%	13%	13%	14%	14%

Source: Company data, HSBC estimates

Key metrics (INRm)

	FY23	FY24	FY25	FY26e	FY27e	FY28e
Gross block (PP&E)	88,832	85,620	141,444	169,712	312,817	475,517
Gross block to adjusted EBITDA	7.6	7.9	11.4	8.9	11.1	8.6
Capital work-in-progress	21,473	28,284	13,623	34,355	31,250	28,550
Shareholders' funds	19,305	25,909	45,093	50,361	57,791	74,367
Capital employed	93,627	93,439	120,163	162,373	302,820	462,370
Net working capital	9,830	9,601	1,599	1,144	2,798	7,655
Gross debt	86,573	82,176	104,227	142,415	266,401	410,499
Cash & cash equivalent	18,978	17,399	32,818	30,403	21,372	22,495
Net debt	71,284	68,153	71,409	112,012	245,029	388,004
Net debt to equity	3.7	2.6	1.6	2.2	4.2	5.2
Net debt to capital employed	0.8	0.7	0.6	0.7	0.8	0.8
Interest coverage ratio	0.9	1.0	1.2	1.6	1.8	1.9

Source: Company data, HSBC estimates

Profit and loss statement

We expect revenue growth, on account of increasing operational capacity, to more than triple EBITDA by FY28 vs the current run rate.

Profit and loss statement summary (INRm)

	FY23	FY24	FY25	FY26e	FY27e	FY28e
Revenue from operations	**12,949**	**13,193**	**14,051**	**20,407**	**30,468**	**60,017**
Less: Employee benefit expense	346	590	649	633	914	1,741
Less: Other operational expense	877	1,711	1,048	1,633	2,285	4,501
EBITDA	**11,726**	**10,891**	**12,354**	**18,141**	**27,269**	**53,775**
Less: Depreciation and amortisation	4,848	3,081	2,873	4,951	7,793	12,855
EBIT	**6,878**	**7,809**	**9,481**	**13,190**	**19,476**	**40,920**
Less: Finance costs	8,091	7,673	7,592	8,207	10,788	21,220
Other income	665	1,470	1,701	2,041	1,219	2,401
Exceptional items	394	7,487	(210)	-	-	-
Profit/(loss) before tax	**(154)**	**9,094**	**3,380**	**7,025**	**9,907**	**22,100**
Less: Tax expense (credit)	(122)	2,116	872	1,756	2,477	5,525
Profit/(loss) for the year	**(32)**	**6,977**	**2,508**	**5,268**	**7,430**	**16,575**

Source: Company data, HSBC estimates

EBITDA to cash flow movement

Cash flow summary (INRm)

	FY23	FY24	FY25	FY26e	FY27e	FY28e
EBITDA	11,726	10,891	12,354	18,141	27,269	53,775
Less: Cash taxes	(547)	(112)	(1,324)	(1,756)	(2,477)	(5,525)
Net operating profits after tax (NOPAT)	**11,179**	**10,779**	**11,030**	**16,385**	**24,792**	**48,250**
Less: Capital expenditure	(7,688)	(28,227)	(32,660)	(49,000)	(140,000)	(160,000)
Add/(Less): Change in working capital	(85)	230	8,002	455	(1,654)	(4,857)
Free cash flow for the firm (FCFF)	**3,406**	**(17,218)**	**(13,628)**	**(32,160)**	**(116,862)**	**(116,607)**
Less: Finance costs	(7,185)	(6,682)	(9,634)	(10,482)	(17,375)	(28,768)
Less: Change in net debt	10,966	(4,710)	18,675	38,188	123,986	144,098
Free cash flow for equity (FCFE)	**7,188**	**(28,610)**	**(4,588)**	**(4,454)**	**(10,250)**	**(1,277)**

Source: Company data, HSBC estimates

Balance sheet reflects strong growth phase

We expect property, plant, and equipment to grow by c4x by FY28, as the company increases the pace of capital expenditure and more power generating assets are commissioned.

Balance sheet (INRm)

	FY23	FY24	FY25	FY26e	FY27e	FY28e
Property, plant, and equipment	61,724	63,525	116,625	141,485	283,380	440,546
Investment property	-	14	14	14	14	14
Right-of-use assets	4,585	4,040	6,512	6,512	6,512	6,512
Capital work-in-progress	21,473	28,284	13,623	35,088	31,986	29,513
Financial assets	1,845	1,717	5,813	5,813	5,813	5,813
Tax assets	3,374	2,244	3,286	3,286	3,286	3,286
Other non-current assets	1,847	2,620	346	346	346	346
Total non-current assets	**94,848**	**102,445**	**146,220**	**192,544**	**331,338**	**486,031**
Investments	-	1,499	39	39	39	39
Trade receivables	6,993	4,209	3,808	3,355	5,008	9,866
Cash and cash equivalents	5,474	3,092	12,843	10,428	1,396	2,520
Other bank balances	7,910	10,057	16,318	16,318	16,318	16,318
Loans	3,439	-	-	-	-	-
Other financial assets	2,154	1,583	1,744	1,744	1,744	1,744
Other current assets	1,050	10,987	2,969	2,969	2,969	2,969
Assets held for sale	0	126	96	96	96	96
Total current assets	**27,021**	**31,553**	**37,817**	**34,949**	**27,571**	**33,552**
Total assets	**121,870**	**133,998**	**184,037**	**227,494**	**358,910**	**519,583**
Issued capital	1,044	1,044	1,210	1,210	1,210	1,210
Equity instruments	6,500	6,500	-	-	-	-
Other equity	11,461	18,364	43,896	49,164	56,594	73,169
Non-controlling interests	299	0	(13)	(13)	(13)	(13)
Total equity	**19,305**	**25,909**	**45,093**	**50,361**	**57,791**	**74,367**
Long-term borrowings	80,993	76,964	98,572	136,760	260,746	404,843
Lease liabilities	3,253	2,882	5,048	5,048	5,048	5,048
Other financial liabilities	381	1,035	1,916	1,916	1,916	1,916
Provisions	53	65	101	101	101	101
Deferred tax liabilities (net)	1,600	2,120	2,968	2,968	2,968	2,968
Other non-current liabilities	6,589	10,702	17,144	17,144	17,144	17,144
Total non-current liabilities	**92,869**	**93,768**	**125,749**	**163,937**	**287,923**	**432,021**
Short-term borrowings	5,581	5,212	5,655	5,655	5,655	5,655
Lease liabilities	309	306	482	482	482	482
Trade payables	621	738	2,247	2,247	2,247	2,247
Other financial liabilities	2,403	6,769	3,323	3,323	3,323	3,323
Other current liabilities	777	1,032	1,474	1,474	1,474	1,474
Provisions	5	5	12	12	12	12
Current tax liabilities (net)	0	260	1	3	3	3
Total current liabilities	**9,696**	**14,321**	**13,195**	**13,197**	**13,197**	**13,197**
Total liabilities	**102,565**	**108,089**	**138,944**	**177,134**	**301,120**	**445,218**
Total equity and liabilities	**121,870**	**133,998**	**184,037**	**227,494**	**358,910**	**519,583**

Source: Company data, HSBC estimates

Valuation and risks

- We use an EV/EBITDA multiple of 10x on FY28 run rate EBITDA to account for the value of contracted assets and future growth
- Most power sector peers trade on 10-11x FY28e run rate EBITDA; ACME is currently trading at 8.5x
- Timely project execution, availability of transmission connectivity, and rising equipment and borrowing costs are key risks

Valuation methodology

The valuation of ACME is essentially the valuation of the cash flows from its projects, which have a 25-year life and growth. This makes it amenable to DCF based valuation. Our reverse valuation analysis suggests that a DCF-based valuation results in 9x EV/EBITDA multiple for projects which are contracted and operational assuming cost of equity of 13.1%, cost of debt at 9%, and a debt-to-equity ratio of 75:25.

This is also the multiple at which we have seen private markets trade assets.

However, we use a 10x multiple on FY28 run rate EBITDA to arrive at a valuation of the company to account for new projects, which the company is likely to secure. The reason we use FY28 as the base is to capture the value of all the projects where contracts are signed and have very high probability of completion by FY28.

We adjust this enterprise valuation with net debt as of end FY28 to capture the full capex spend needed to achieve run rate EBITDA. This results in an equity value as of FY28e (March 2028).

We then discount this value by 21 months to arrive at the 3M forward fair value as of June 2026, which is in line with our coverage. We use 13.1% as cost of equity, which is based on HSBC's cost of equity assumptions (see *Cost of Equity 2025*, 30 June 2025) and beta of 1.4. This is consistent with what we use for our existing renewable independent power producer (IPP) coverage of RNW US to arrive at a target price of INR350. Our target price implies c28% upside from current levels; accordingly, we initiate coverage on the stock with a Buy rating.

Valuation

	(INRm)
Run rate EBITDA – FY28e	65,373
EV/ EBITDA multiple	10.0
Enterprise value (March 2028)	653,733
Net debt – FY28e	388,004
Equity value (March 2028)	265,730
Months to discount	21
Current fair value of equity (June 2026)	214,230
Number of shares	605
Current fair value target price	354.03
Current fair value target price (rounded)	**350.00**

Source: HSBC estimates

Peer comparison

The 10x multiple is also consistent with other listed power companies. While the current growth rate for ACME is significantly higher than its peers, valuing it on FY28 also brings it closer to peers as its growth rate will moderate on the then higher base compared to FY26. We still think its growth rate will be higher than peers but we factor in higher risk given the company is recently listed and has less public history.

Hence, we think a valuation of 10x FY28 EBITDA multiple is appropriate.

Peer returns profile

	EBITDA margin				ROE			
Company	**FY25a**	**FY26e**	**FY27e**	**FY28e**	**FY25a**	**FY26e**	**FY27e**	**FY28e**
JSW Energy Ltd	44.8	58.2	64.0	61.8	8.1	7.8	9.0	9.9
Tata Power Co Ltd/The	21.5	21.3	22.0	23.7	11.6	11.0	12.2	12.1
Torrent Power Ltd	18.4	18.9	20.2	21.7	20.1	14.0	14.3	14.4
SJVN Ltd	74.3	69.9	63.3	64.9	6.9	6.6	11.4	12.0
NHPC Ltd	53.2	53.2	58.4	62.6	7.7	8.6	11.2	12.9
NTPC Ltd	27.2	28.8	29.3	29.1	12.6	12.0	12.3	12.2
Power Grid Corp of India Ltd	85.6	84.4	84.3	83.8	17.1	16.1	16.6	16.6
NTPC Green Energy Ltd	89.4	87.6	84.5	85.1	na	3.3	4.9	8.6
CESC Ltd	15.8	22.0	22.7	23.7	11.7	12.3	12.1	12.4
Adani Power Ltd	37.9	37.5	38.5	40.6	25.8	18.2	17.5	17.4
Adani Green Energy Ltd	7.7	82.1	84.4	86.1	7.5	13.2	17.3	19.2
Adani Energy Solutions Ltd	35.3	32.3	33.1	35.9	6.1	9.7	10.4	11.0
ReNew Energy - HSBCe	73.3	65.6	64.4	59.7	3.6	6.9	8.4	17.8
ACME Solar - HSBCe	87.9	88.9	89.5	89.6	6.0	10.5	12.9	22.3
CleanMax - HSBCe	63.0	65.5	70.1	76.0	0.8	1.4	2.9	7.2
Peer average	49.0	54.4	55.2	56.3	10.4	10.1	11.6	13.7

Source: Bloomberg, Company data, HSBC estimates

Valuation comparison

		M. cap	ADTV	EV/EBITDA				EV/Run rate EBITDA				Price to book			
Company	**Price**	**(USDbn)**	**(USDm)**	**FY25a**	**FY26e**	**FY27e**	**FY28e**	**FY25a**	**FY26e**	**FY27e**	**FY28e**	**FY25a**	**FY26e**	**FY27e**	**FY28e**
JSW Energy Ltd	489.15	9.3	35.6	23.0	13.1	12.0	10.8	15.9	12.8	11.3	10.1	3.1	2.8	2.6	2.3
Tata Power Co Ltd/The	394.70	13.6	54.5	12.2	12.6	11.3	10.5	12.3	11.9	10.9	8.7	3.5	3.2	2.9	2.6
Torrent Power Ltd	1446.00	7.9	20.0	15.4	14.2	12.7	11.8	14.5	13.2	12.2	10.9	4.1	3.8	3.4	3.1
SJVN Ltd	70.68	3.0	11.3	17.0	17.1	13.3	0.0	15.0	16.2			1.9	1.9	1.8	1.7
NHPC Ltd	77.11	8.4	29.2	20.0	17.5	12.3	10.7	18.6	14.4	11.5	9.5	2.0	1.9	1.8	1.6
NTPC Ltd	378.65	39.7	109.2	12.0	10.9	10.7	10.6	11.1	10.9	10.6	10.5	2.3	2.1	1.9	1.8
Power Grid Corp of India	298.10	30.0	110.6	11.6	10.5	10.2	10.1	11.0	10.3	10.1	10.4	3.0	2.8	2.6	2.4
NTPC Green Energy Ltd	96.15	8.8	27.6	49.3	38.9	20.5	12.8	39.3	28.0	15.0	11.8	4.4	4.4	3.3	3.2
CESC Ltd	156.61	2.2	8.0	12.5	8.4	8.2	7.7	10.0	8.2	7.9	7.4	1.7	1.6	1.5	1.4
Adani Power Ltd	172.33	35.9	93.3	17.0	18.0	15.9	13.5	17.4	16.8	14.5	11.9	6.2	5.0	4.1	3.4
Adani Green Energy Ltd	1044.55	18.6	86.7	125.7	19.1	16.5	14.6	29.0	18.3	15.4	14.2	20.1	9.0	7.7	6.5
Adani Energy Solutions	1078.75	14.0	43.7	19.6	19.5	16.4	14.5	19.1	17.6	15.6	14.9	5.9	5.4	4.7	4.2
ReNew Energy - HSBCe	4.80	1.9	8.2	8.4	7.6	6.9	5.8	9.7	7.6	7.2	6.1	1.4	1.3	1.2	1.0
ACME Solar - HSBCe	273.10	1.8	8.2	19.0	14.2	12.6	9.0	13.3	12.9	9.7	8.5	3.7	3.3	2.9	2.2
CleanMax - HSBCe	858.80	1.1	12.5	15.4	14.3	11.2	9.1	14.8	10.9	8.6	8.0		2.7	2.7	2.5
Peer average		**13.1**	**43.9**	**25.2**	**15.7**	**12.7**	**10.1**	**16.7**	**14.0**	**11.5**	**10.2**	**4.5**	**3.4**	**3.0**	**2.7**

Note: EV based on Bloomberg market capitalisation. For EV/EBITDA – EV is based on Bloomberg market capitalisation and average net debt of current year and previous year and is divided by current year EBITDA. For EV/Run rate EBITDA – EV is based on Bloomberg market capitalisation and current year net debt; Run rate EBITDA taken as average of current year and next year EBITDA for non-covered companies and HSBC estimates for covered companies
Priced as of 9 April 2026.
Source: Bloomberg, Company data, HSBC estimates

Downside risks

Availability of transmission infrastructure
The availability of adequate transmission infrastructure to connect ACME's under-construction projects remains a key risk. Transmission build-out has lagged due to execution challenges faced by transmission developers, particularly right-of-way (RoW) constraints. As per CEA data, India added c9,100 circuit-km (ckm) of transmission lines in FY25 versus a target of c17,700 ckm.

This risk is compounded by the concentration of renewable energy capacity additions in just a few states – especially Rajasthan and Gujarat – where transmission expansion has not kept pace with rapid capacity growth.

Curtailment trends underscore the impact of these constraints. According to the Grid Controller of India, c2.8TWh of renewable energy generation was curtailed between 25 May 2025 and 25 March 2026. Curtailment has been particularly pronounced in Rajasthan, where 76% of ACME's current operational projects are located.

While ACME has secured connectivity for all under-construction projects – and has an additional 1.3GW of secured connectivity and 6.2GW under application – the timely execution of the associated transmission lines remains a key risk.

Rising equipment cost
ACME's revenues are largely underpinned by long-term, fixed-tariff PPAs. Tariffs are set through competitive auctions where IPPs bid based on their internal assumptions for capital cost, operating cost, financing terms, and target returns.

Because the tariff is fixed once awarded, ACME has limited ability to pass through increases in equipment prices after bid submission. As a result, any capex inflation directly compresses project margins and reduces equity IRRs – making equipment cost escalation a material risk to project economics and portfolio returns.

Recent pricing trends indicate inflation across the solar PV supply chain, driven by:

- Commodity price increases, particularly silver and aluminium, which feed through into higher component costs.
- Regulatory changes, notably the expected implementation of ALMM List II for solar cells from June 2026, which is likely to tighten eligible supply and increase procurement costs, potentially pushing module prices higher.
- The module-related capex is dollar denominated. Hence, INR depreciation will impact project IRRs.

Rising borrowing cost
ACME operates with high financial leverage, as projects are typically financed at a 75:25 debt-to-equity ratio. This makes returns highly sensitive to interest rate movements. As of March 2025, c80% of the company's borrowings were on variable rates; management estimates that a 100bp change in interest rates would impact finance costs by cINR812m.

While the interest rate environment has remained broadly favourable in FY26, India's 10-year government security yield has increased to c7.1% as at 2 April 2026 (from c6.6% at the start of the year), driven by heightened geopolitical tensions. Any further rate hikes would increase ACME's finance costs and pressure profitability. Interest rate risk therefore remains a key variable that needs monitoring.

Related party transactions

ACME Solar had numerous related party transaction with its group companies during FY25, including:

- The company has mortgaged immovable properties of the promoter and used guarantees of the promoter to secure credit lines for itself. While this shows support from the promoter, it also exposes the company to the risk of it not being able to secure its credit independently.
- The promoter owned entity has commenced manufacturing of modules. This will likely provide support to the company in securing its raw materials but it also exposes the company to pricing risks associated with buying from the promoter.

Employee turnover

ACME Solar Holdings has seen a notable level of senior leadership turnover from mid-2025 through early 2026, which may indicate challenges around integration or strategic alignment at the top of the organisation.

In parallel, the company also undertook C-suite restructuring. Purushottam Kejriwal stepped down as Chief Financial Officer in May 2025 to move into a different leadership role, with Rajat Kumar Singh subsequently appointed as Group CFO.

However, management has taken swift steps to address these challenges. At the corporate level, ACME Solar currently reports an employee retention rate of 76.1%.

About ACME

- One of the fastest growing D2D renewable energy IPPs
- It is a part of the MKU Group, which has a presence in green hydrogen and module manufacturing
- While the current operational portfolio is 3GW, it has a total portfolio of 8GW, including letters of award

Company profile

ACME Solar Holdings Limited (ACME) is a renewable IPP in India, which develops, builds, owns, operates, and maintains utility-scale renewable energy projects and generates revenue primarily through the sale of power to various off-takers, including central and state government-backed entities, mainly through long-term PPAs. The company employs a fully integrated business model, managing the entire project lifecycle from bidding and land acquisition to in-house EPC and O&M.

As of 31 March 2026, the company had a total generation portfolio of 8.1GW across 53 projects – with 2,982MW operational, 3,288MW under-construction contracted, and 1,801MW under-construction awarded. It also has an under-construction contracted BESS portfolio of 550MWh. In terms of technology, its portfolio includes 3.4GW of solar projects, 150MW of wind projects, and 4.8GW of hybrid and FDRE projects.

Company history

The company was originally incorporated as ACME Solar Holdings Private Limited and subsequently converted to a public limited company in May 2017. It reverted to a private limited company in January 2020 and then changed again to its current form as a public limited company named ACME Solar Holdings Limited in June 2024.

Timeline

Calendar year	Particulars
2015	Incorporation of the company.
2017	Acquisition of operational portfolio of 494MW renewable energy plants from ACME Group, along with EPC capabilities to become a vertically integrated renewable energy power developer.
2017	Achieved installed capacity of 1GWp of renewable energy till December 2017.
2017	Expanded presence to commission renewable energy plants across 10 different states in India.
2018	Developed 299.5MWp solar power plant at Bhadla, Rajasthan.
2018	Commissioned over 2GWp of renewable energy.
2018	Commissioned 50th solar energy power plant.
2020	400MW & 100MW of solar plants sold to ACTIS & AMPLUS, respectively.
2021	260MW & 250MW of solar plants sold to Renew & Ayana, respectively.
2021	Refinanced debt of certain project SPVs through green bonds - project SPVs issued unlisted NCDs in FY22 of INR24,855.25m to India Cleantech Energy, whose green bonds are listed on Singapore Stock Exchange.
2022	Commissioned over 3GWp of renewable energy.
2023	Awarded first wind energy project for the company of 150MW by GUVNL.
2024	369MW of solar plants sold to Blupine.
2024	Diversified into complex renewable energy projects with award of 570MW FDRE project from SJVN & 680MW FDRE project from NHPC.
2024	Awarded hybrid project with peak power of 830MW.
2024	Awarded solar project of 300MW and solar & BESS of 350MW.
2025	Expanded portfolio to 2540MW of operational and 4430 of under-construction capacity.

Source: Company data

Promoters

Manoj Kumar Upadhyay, Mamta Upadhyay, Upadhyay Family Trust, MKU Holdings Pvt. Ltd., and ACME Cleantech Solutions Pvt. Ltd. are the promoters of the company.

Manoj Kumar Upadhyay is the Chairman and Managing Director of the company as well as the founder of the ACME Group. He holds a diploma in electronics engineering from Government Polytechnic, Shahjanpur and has experience in power, telecommunications, energy management, and storage sectors.

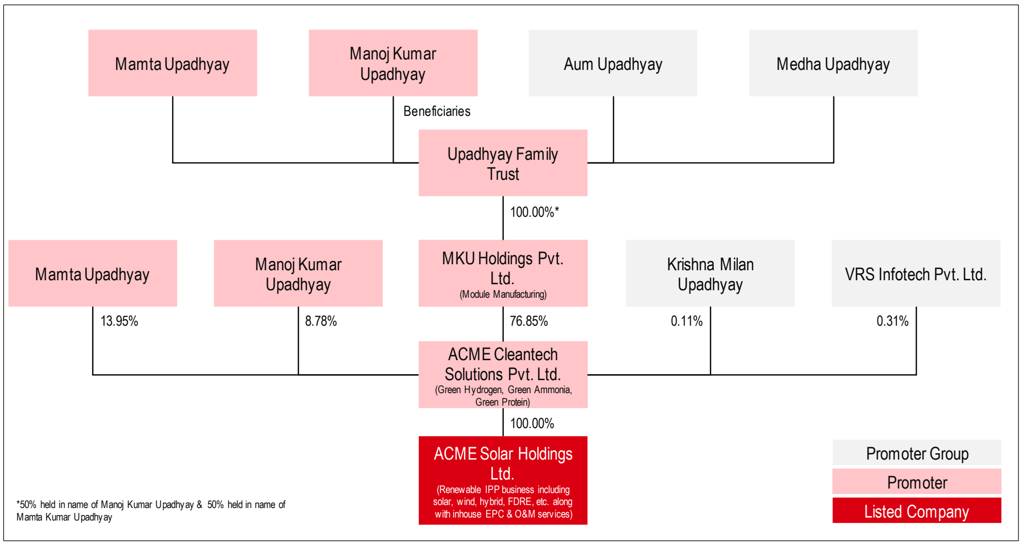
Mamta Upadhyay, born on 6 June 1974, is one of the promoters. She holds a bachelor's degree in commerce from Vikram University.

Upadhyay Family Trust was formed pursuant to a trust deed dated 18 June 2024. Its trustees are Mamta Upadhyay and Manoj Kumar Upadhyay, while Krishna Milan Upadhyay, the father of promoter Manoj Kumar Upadhyay, is the settlor. The beneficiaries of the trust are Mamta Upadhyay, Manoj Kumar Upadhyay, Medha Upadhyay, and Aum Upadhyay.

MKU Holdings Private Limited was incorporated as Green Shelters (India) Private Limited on 4 January 2005 as a private limited company under the Companies Act, 1956. It is held 50% in the name of Manoj Kumar Upadhyay and 50% in the name of Mamta Kumar Upadhyay.

ACME Cleantech Solutions Private Limited was incorporated as ACME Tele Power Private Limited on 14 January 2003, as a public limited company under the Companies Act, 1956. It is owned 76.85% by MKU Holdings, 13.95% by Mamta Upadhyay, 8.78% by Manoj Kumar Upadhyay, 0.31% by VRS Infotech Pvt. Ltd., and 0.11% by Krishna Milan Upadhyay.

ACME Group: Holding structure



Source: Company data

Board of directors

Manoj Kumar Upadhyay is the Chairman and Managing Director and one of the promoters of the company. He holds a diploma in electronics engineering from Government Polytechnic, Shahjanpur and has experience in power, telecommunications, energy management and storage sectors. He is also the founder of ACME Group.

Shashi Shekhar serves as Vice-Chairman and Director and has been associated with the company since 9 April 2018. He holds a B.Sc. (Geology) from Patna University and is a former Indian Administrative Service (IAS) officer. Prior to joining the company, he has held positions as Joint Secretary in the Ministry of New and Renewable Energy, Additional Secretary at the Ministry of Environment, Forests and Climate Change, and Secretary in the Ministry of Water Resources, River Development and Ganga Rejuvenation. He has also served as Managing Director of PTC Energy Limited and Indian Energy Exchange Limited. At ACME, he oversees policy advocacy, business strategy, and regulatory issues.

Nikhil Dhingra has been associated with the company since February 2023, and currently serves as a Director and Chief Executive Officer. He holds a PGDM from IIM Bangalore and B.E. Electrical from Kurukshetra University. His previous experience includes roles as CEO of Oriental Tollways and Vice President − Corporate Finance at ICICI Securities. He is responsible for ACME's long-term growth strategy and oversees business operations.

Atul Sabharwal is an Independent Director and has been associated with the company since September 2017. He holds an MBA from University of New South Wales and B.Sc. from University of Calcutta. He serves as founder and CEO of Snipp Interactive Inc. with prior roles at America Online Inc., News Television (India) Private Limited, and Boston Consulting Group. He has experience in management & consulting.

Anuranjita Kumar is an Independent Director and has been associated with the company since April 2024. She holds a post-graduate diploma in personnel management and industrial relations from XLRI Jamshedpur and B.A. (Psychology) from University of Delhi. She serves as co-founder and CEO of We-Ace, a platform empowering women in the workplace. Previously, she has served as Managing Director of Human Resources at Royal Bank of Scotland and positions at Citi Group. She is also a part of the council of advisors for the American India Foundation.

Hemant Sahai is an Independent Director and has been associated with the company since 19 January 2025. He holds an L.L.B. degree from Delhi University and is the founding partner of HAS Advocates. He has experience in complex legal matters, regulatory advisory, corporate and M&A transactions, finance, commercial and regulatory disputes. He also serves on the Board of SAEL Industries Limited, MB Power (Madhya Pradesh) Limited, Akzo Nobel India Limited, Simon India Limited, Polyplex Corporation Limited, Longshorex Impex Private Limited, and Elements Infra Consulting Private Limited.

Management team

The following are also key managerial personnel:

Rajat Kumar Singh is the Group Chief Financial Officer and has been associated with the company since May 2025. He holds an MBA degree from Xavier Institute of Management, Bhubaneswar and a B.Tech. in Chemical Technology from Harcourt Butler Technological Institute, Kanpur. He has prior experience across the energy, transport, infrastructure, and real estate sectors and has served as President Finance at Lodha Group, CFO of Adani Group, Senior Executive VP at Reliance Infrastructure Ltd., AGM Business Development at GMR Infrastructure, Junior Manager – Finance at SAIL and Assistant Engineer – Plant Operations at DCM Shriram.

Rajesh Sodhi is the Assistant Vice President, Company Secretary, and Compliance Officer of the company. He has been associated with the company since January 2017, and was associated with ACME Cleantech since September 2010. He holds a B.Com. degree from Delhi University, an L.L.B. from Chaudhary Charan Singh University, Meerut and is a fellow of the Institute of Company Secretaries of India. Previously, he was associated as company secretary at NKG Infrastructure Ltd., Surya Food & Agro Ltd., Essel Shyam Technologies Ltd., BLS Polymers Ltd., Padmini Polymers Ltd., and Shri Vardhman Overseas Ltd.

Shareholding of directors and key managerial personnel

		Fully paid up		Diluted	
	Shareholders	# of shares	% holding	# of shares	% holding
Directors and their relatives	2	3,570	0.00%	1,358,320	0.22%
Key managerial personnel	1	714	0.00%	322,039	0.05%

Source: Company data, HSBC

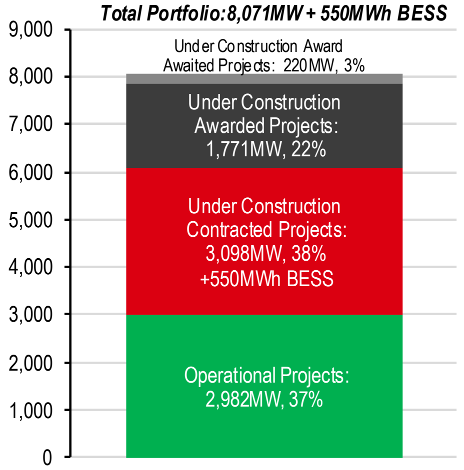
Shareholding structure

	# of shares	% shareholding
Promoter and promoter group	**504,733,862**	**83.3%**
Acme Cleantech Solutions Pvt. Ltd.	504,733,842	83.3%
MKU Holdings Pvt. Ltd.	5	0.0%
VRS Infotech Pvt. Ltd.	5	0.0%
Manoj Kumar Upadhyay (Promoter)	5	0.0%
Mamta Upadhyay (Promoter)	5	0.0%
Public shareholders	**100,562,865**	**16.6%**
Domestic Institutional Investors (DIIs)	41,614,633	6.9%
Foreign Institutional Investors (FIIs)	24,462,589	4.0%
Non-Institutional Investors	34,485,643	5.7%
Non-promoter non-public	**675,077**	**0.1%**
Shares held by employee trust	675,077	0.1%

Source: NSE, HSBC

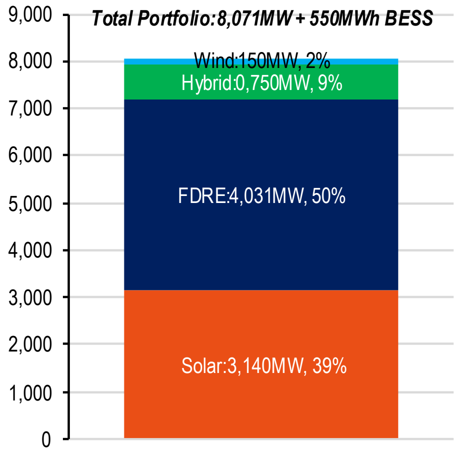
Asset overview

Portfolio mix: Construction status



Source: Company data, HSBC

Portfolio mix: Technology



Source: Company data, HSBC

Portfolio snapshot (31 March 2026)

Particulars	# of projects	Capacity (MW)	Battery (MWh)
Operational Projects	31	2,982	
Under Construction Contracted Projects	13	3,098	550
Under Construction Awarded Projects	8	1,771	
Under Construction Award Awaited Projects	1	220	
Total	**53**	**8,071**	**550**

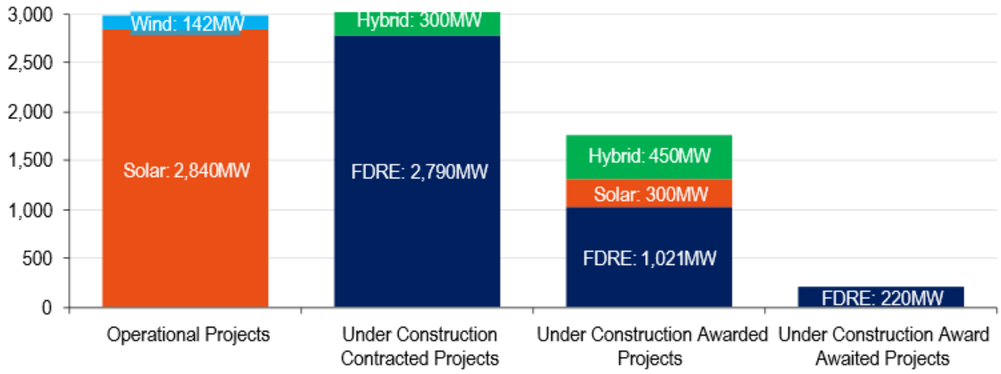
Source: Company data, HSBC

Portfolio mix (31 March 2026)

Project status	Solar	%	Wind	%	Hybrid	%	FDRE	%	*Total*
Operational	2,840	95%	142	5%	-	-	-	-	**2,982**
Under Construction Contracted	-	-	8	0%	300	10%	2,790	90%	**3,098**
Under Construction Awarded	300	17%	-	-	450	25%	1,021	58%	**1,771**
Under Construction Award Awaited	-	-	-	-	-	-	220	100%	**220**
Total	**3,140**	**39%**	**150**	**2%**	**750**	**9%**	**4,031**	**50%**	**8,071**

Source: Company data, HSBC

Portfolio mix (31 March 2026)



Source: Company data, HSBC

Off-taker profile across operational and under-construction portfolio

	Capacity (MW)	Capacity (%)
Operational portfolio		
Central Government off-takers	**2,000**	**67%**
Solar Energy Corporation of India (SECI)	1,950	65%
National Thermal Power Corporation (NTPC)	50	2%
State off-takers	**982**	**33%**
Maharashtra State Electricity Distribution Company Ltd. (MSEDCL)	300	10%
Andhra Pradesh Southern Power Distribution Co. Ltd. (APSPDCL)	160	5%
Gujarat Urja Vikas Nigam Ltd. (GUVNL)	157	5%
Telangana State Northern Power Distribution Co. Ltd. (TSNPDCL)	100	3%
Telangana State Southern Power Distribution Co. Ltd. (TSSPDCL)	80	3%
Chhattisgarh State Power Distribution Company Ltd. (CSPDCL)	30	1%
Punjab State Power Corporation Ltd. (PSPCL)	30	1%
Uttar Pradesh Power Corporation Ltd. (UPPCL)	30	1%
MP Power Management Company Ltd. (MPPMCL)	25	1%
Grid Corporation of Odisha Ltd. (GRIDCO)	25	1%
South Bihar/ North Bihar Power Distribution Co. Ltd. (SBPDCL/NBPDCL)	25	1%
Bangalore Electricity Supply Company Ltd. (BESCOM)	20	1%
Under-construction portfolio		
Central off-takers	**4,811**	**95%**
Satluj Jal Vidyut Nigam (SJVN)	1,621	32%
National Hydroelectric Power Corporation (NHPC)	1,180	23%
Solar Energy Corporation of India (SECI)	1,030	20%
National Thermal Power Corporation (NTPC)	850	17%
Rail Energy Management Company (REMC)	130	3%
State off-takers	**228**	**4%**
MP Power Management Company Ltd. (MPPMCL)	220	4%
Gujarat Urja Vikas Nigam Ltd. (GUVNL)	8	0%
Private off-takers	**50**	**1%**
Tata Power	50	1%
Standalone BESS portfolio (under-construction)		
Central Offtakers	**550MWh**	**100%**
National Hydroelectric Power Corporation (NHPC)	550MWh	100%

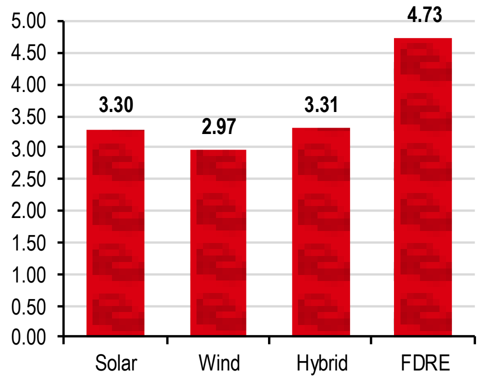
Source: Company Data, HSBC

Operational portfolio location split

	Capacity (MW)	Capacity (%)
Solar portfolio	**2,840**	**95%**
Rajasthan	2,250	75%
Telangana	230	8%
Andhra Pradesh	160	5%
Uttar Pradesh	30	1%
Punjab	30	1%
Chattisgarh	30	1%
Bihar	25	1%
Madhya Pradesh	25	1%
Odisha	25	1%
Karnataka	20	1%
Gujarat	15	1%
Wind portfolio	**142**	**5%**
Gujarat	142	5%

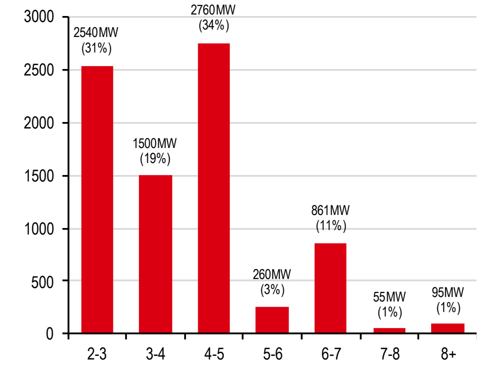
Source: Company data, HSBC

Tariff distribution across technology (INR/kWh)



Source: Company data, HSBC

Portfolio tariff distribution



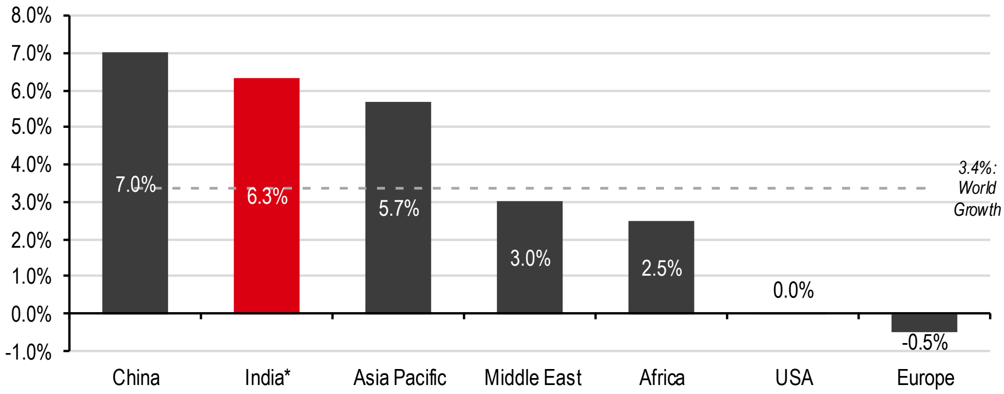
Note: Tariff in INR/Kwh.
Source: Company data, HSBC

Industry outlook

- India is projected to be the fastest growing country in terms of power demand
- Renewables leading capacity addition to cater to growing demand; we expect c279GW of green capacity to be added in six years
- Auctions are shifting to hybrid/FDRE projects from vanilla solar and wind, with BESS being a key catalyst

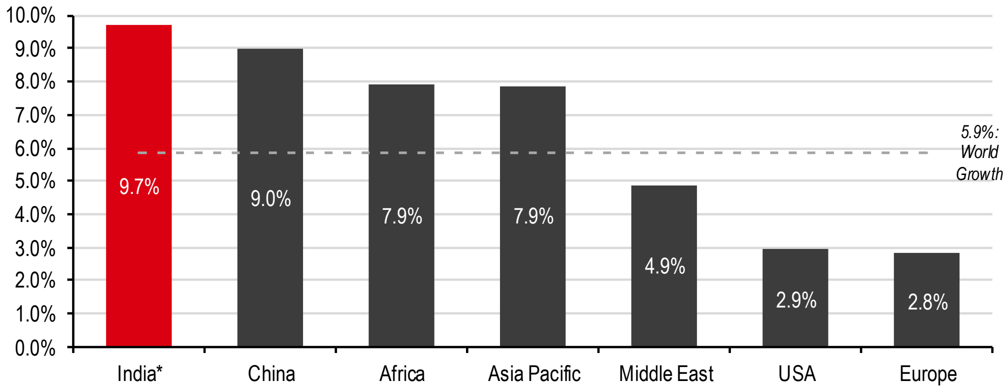
India power demand growth is projected to outpace other countries

Global electricity demand growth (%) – CY22-24 (CAGR)



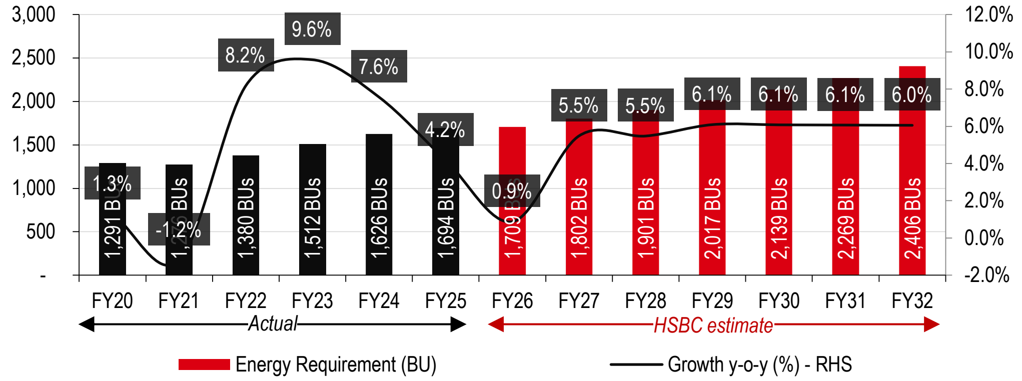
Note: India's demand is based on CEA data.
Source: IEA, CEA, Crisil Intelligence, HSBC calculations

Global electricity demand growth (%) outlook – CY24-27 (CAGR)



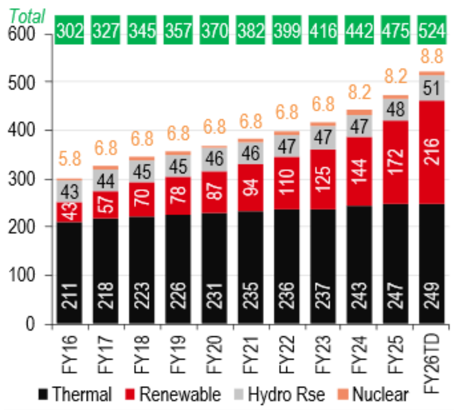
Note: India's demand is based on CEA data and Crisil projections and CY27 is substituted by FY28.
Source: IEA, CEA, Crisil Intelligence, HSBC calculations

India power demand (BUs) and y-o-y growth (%)



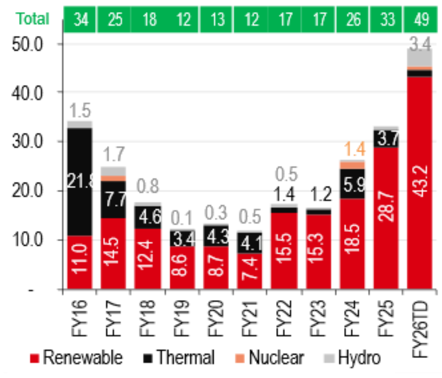
Source: CEA, HSBC estimates

Total capacity trend (GW), by type



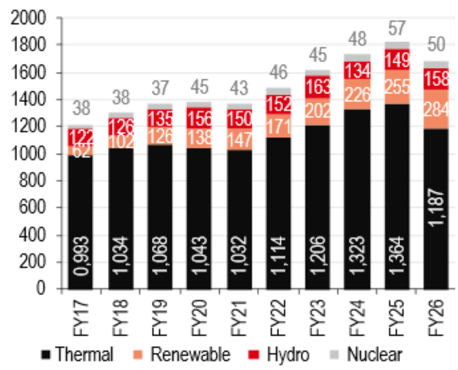
Note: Fiscal year is from April-March.
Source: Elekore, HSBC

Net capacity additions (GW), by type



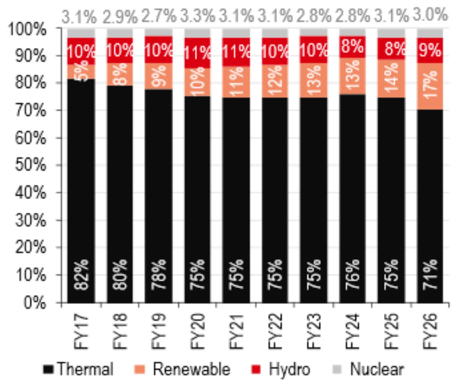
Note: Data as of February 2026. 2.5GW of coal, 4.4GW of gas has been temporarily removed by CEA as they've been under outage for very long.
Source: Elekore, HSBC

Power generation, by fuel type (BUs)



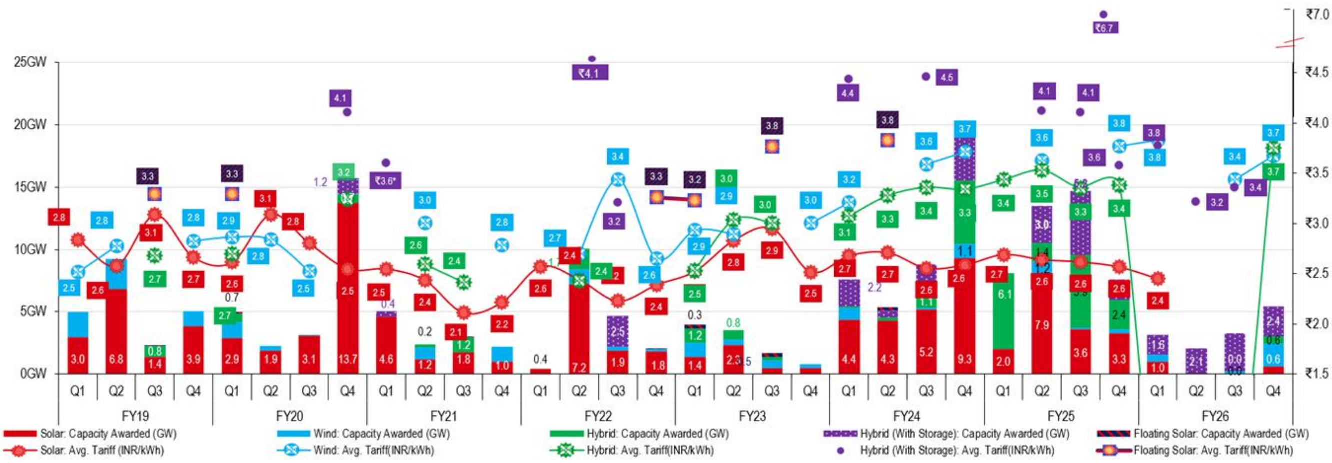
Note: Data as of February 2026. FY26 is y-t-d.
Source: Elekore, HSBC

Power generation, by fuel type (%)



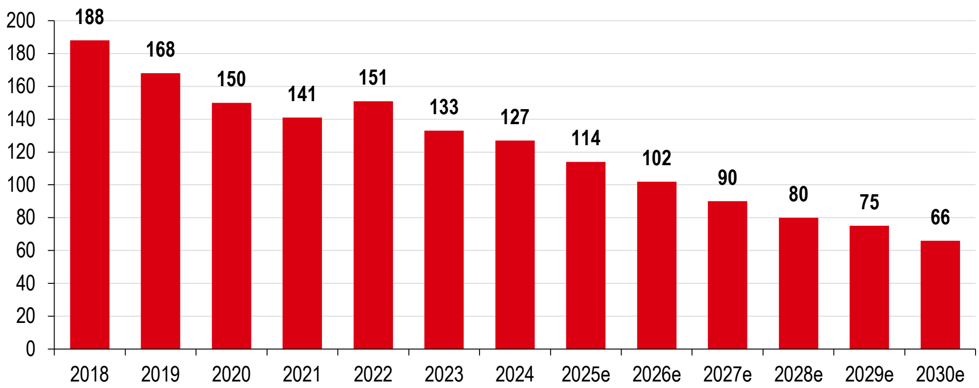
Note: Data as of February 2026. FY26 is y-t-d.
Source: Elekore, HSBC

India renewable auction trends over the years



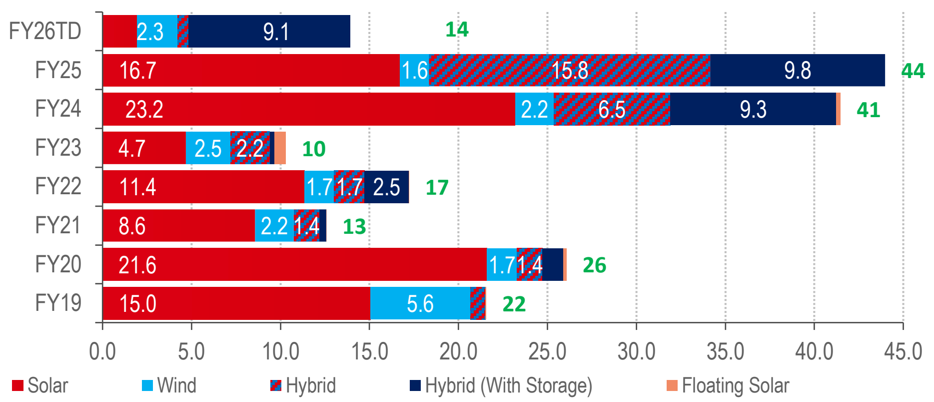
Note: The Round-The-Clock (RTC) Tender won by ReNew, a tariff of INR2.90/unit, will have annual escalation of 3% until 15 years from start of contract (levelized tariff at cINR3.55-3.60). We have not included storage tenders in this chart.
Source: Elekore, HSBC calculations

Lithium-ion battery pack price trend (USD per KWh)



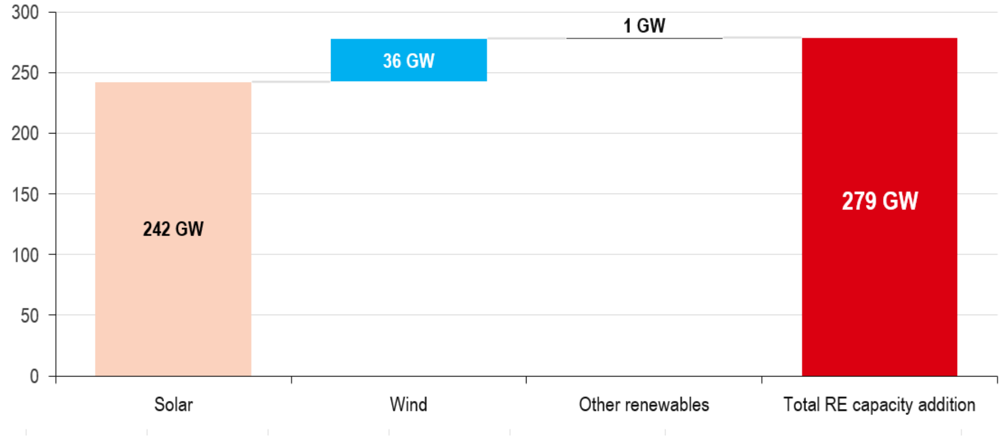
Source: HSBC estimates

Renewable energy capacity auction trend (GW)



Source: Elekore, HSBC

Estimated renewable capacity addition by FY32



Source: CEA, HSBC estimates

Valuation and risks

		Valuation	Risks to our view
ACME Solar Holdings ACMESOLA IN **Buy**	Current price: **INR273.10** Target price: **INR350.00** Upside: **28.2%**	**Methodology:** FY28e target EV/EBITDA multiple **Assumptions:** We value the company on FY28 run-rate EBITDA, which is based on already-signed 25-year PPAs and those which we expect to be executed by end FY28. We assign a 10x EBITDA multiple, which reflects growth (c9x multiple reflects no growth as per our analysis) and is also in line with average multiple for FY28 for peers. **Valuation:** Assigning a 10x target EV/EBITDA multiple on FY28e run-rate EBITDA, we derive an EV of cINR654bn. Adjusting for net debt as of March 2028, we derive an equity value as of March 2028 of INR266bn. We discount it to June 2026 (3M forward fair value, in line with our coverage) to arrive at a target price of INR350. Our target price implies c28% upside from current levels; accordingly, we initiate coverage on the stock with a Buy rating.	**Downside risks:** (1) High leverage with projects financed with a 80-20 debt equity ratio, (2) rise in equipment and borrowing costs, (3) delay in commissioning of contracted capacity, and (4) lower-than-expected generation.

Note: Priced as of 9 April 2026.
Source: Bloomberg, HSBC estimates

Disclosure appendix

Analyst Certification

The following analyst(s), economist(s), or strategist(s) who is(are) primarily responsible for this report, including any analyst(s) whose name(s) appear(s) as author of an individual section or sections of the report and any analyst(s) named as the covering analyst(s) of a subsidiary company in a sum-of-the-parts valuation certifies(y) that the opinion(s) on the subject security(ies) or issuer(s), any views or forecasts expressed in the section(s) of which such individual(s) is(are) named as author(s), and any other views or forecasts expressed herein, including any views expressed on the back page of the research report, accurately reflect their personal view(s) and that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation(s) or views contained in this research report: Puneet Gulati, CFA and Sambhav Kela

Important disclosures

Equities: Stock ratings and basis for financial analysis

HSBC and its affiliates, including the issuer of this report ("HSBC") believes an investor's decision to buy or sell a stock should depend on individual circumstances such as the investor's existing holdings, risk tolerance and other considerations and that investors utilise various disciplines and investment horizons when making investment decisions. Ratings should not be used or relied on in isolation as investment advice. Different securities firms use a variety of ratings terms as well as different rating systems to describe their recommendations and therefore investors should carefully read the definitions of the ratings used in each research report. Further, investors should carefully read the entire research report and not infer its contents from the rating because research reports contain more complete information concerning the analysts' views and the basis for the rating.

From 23rd March 2015 HSBC has assigned ratings on the following basis:

The target price is based on the analyst's assessment of the stock's actual current value, although we expect it to take six to 12 months for the market price to reflect this. When the target price is more than 20% above the current share price, the stock will be classified as a Buy; when it is between 5% and 20% above the current share price, the stock may be classified as a Buy or a Hold; when it is between 5% below and 5% above the current share price, the stock will be classified as a Hold; when it is between 5% and 20% below the current share price, the stock may be classified as a Hold or a Reduce; and when it is more than 20% below the current share price, the stock will be classified as a Reduce.

Our ratings are re-calibrated against these bands at the time of any 'material change' (initiation or resumption of coverage, change in target price or estimates).

Upside/Downside is the percentage difference between the target price and the share price.

Prior to this date, HSBC's rating structure was applied on the following basis:

For each stock we set a required rate of return calculated from the cost of equity for that stock's domestic or, as appropriate, regional market established by our strategy team. The target price for a stock represented the value the analyst expected the stock to reach over our performance horizon. The performance horizon was 12 months. For a stock to be classified as Overweight, the potential return, which equals the percentage difference between the current share price and the target price, including the forecast dividend yield when indicated, had to exceed the required return by at least 5 percentage points over the succeeding 12 months (or 10 percentage points for a stock classified as Volatile*). For a stock to be classified as Underweight, the stock was expected to underperform its required return by at least 5 percentage points over the succeeding 12 months (or 10 percentage points for a stock classified as Volatile*). Stocks between these bands were classified as Neutral.

*A stock was classified as volatile if its historical volatility had exceeded 40%, if the stock had been listed for less than 12 months (unless it was in an industry or sector where volatility is low) or if the analyst expected significant volatility. However, stocks which we did not consider volatile may in fact also have behaved in such a way. Historical volatility was defined as the past month's average of the daily 365-day moving average volatilities. In order to avoid misleadingly frequent changes in rating, however, volatility had to move 2.5 percentage points past the 40% benchmark in either direction for a stock's status to change.

Rating distribution for long-term investment opportunities

As of 31 December 2025, the distribution of all independent ratings published by HSBC is as follows:

Buy	57%	(12% of these provided with Investment Banking Services in the past 12 months)
Hold	37%	(13% of these provided with Investment Banking Services in the past 12 months)
Sell	6%	(5% of these provided with Investment Banking Services in the past 12 months)

For the purposes of the distribution above the following mapping structure is used during the transition from the previous to current rating models: under our previous model, Overweight = Buy, Neutral = Hold and Underweight = Sell; under our current model Buy = Buy, Hold = Hold and Reduce = Sell. For rating definitions under both models, please see "Stock ratings and basis for financial analysis" above.

For the distribution of non-independent ratings published by HSBC, please see the disclosure page available at *http://www.hsbcnet.com/gbm/financial-regulation/investment-recommendations-disclosures*.

To view a list of all the independent fundamental ratings/recommendations disseminated by HSBC during the preceding 12-month period, and the location where we publish our quarterly distribution of non-fundamental recommendations (applicable to Fixed Income and Currencies research only), please use the following links to access the disclosure page:

Clients of HSBC Private Bank: *www.research.privatebank.hsbc.com/Disclosures*

All other clients: *www.research.hsbc.com/A/Disclosures*

HSBC & Analyst disclosures

Disclosure checklist

Company	Ticker	Recent price	Price date	Disclosure
ACME SOLAR	ACMO.BO	273.10	09 Apr 2026	–

Source: HSBC

1 HSBC has managed or co-managed a public offering of securities for this company within the past 12 months.

2 HSBC expects to receive or intends to seek compensation for investment banking services from this company in the next 3 months.

3 At the time of publication of this report, HSBC Securities (USA) Inc. is a Market Maker in securities issued by this company.

4 As of 31 March 2026, HSBC beneficially owned 1% or more of a class of common equity securities of this company.

5 This company was a client of HSBC or had during the preceding 12 month period been a client of and/or paid compensation to HSBC in respect of investment banking services.

6 This company was a client of HSBC or had during the preceding 12 month period been a client of and/or paid compensation to HSBC in respect of non-investment banking securities-related services.

7 This company was a client of HSBC or had during the preceding 12 month period been a client of and/or paid compensation to HSBC in respect of non-securities services.

8 A covering analyst/s has received compensation from this company in the past 12 months.

9 A covering analyst/s or a member of his/her household has a financial interest in the securities of this company, as detailed below.

10 A covering analyst/s or a member of his/her household is an officer, director or supervisory board member of this company, as detailed below.

11 At the time of publication of this report, HSBC is a non-US Market Maker in securities issued by this company and/or in securities in respect of this company.

12 As of 03 April 2026, HSBC beneficially held a net long position of more than 0.5% of this company's total issued share capital, calculated according to the SSR methodology.

13 As of 03 April 2026, HSBC beneficially held a net short position of more than 0.5% of this company's total issued share capital, calculated according to the SSR methodology.

14 HSBC Qianhai Securities Limited holds 1% or more of a class of common equity securities of this company.

HSBC and its affiliates will from time to time sell to and buy from customers the securities/instruments, both equity and debt (including derivatives) of companies covered in HSBC Research on a principal or agency basis or act as a market maker or liquidity provider in the securities/instruments mentioned in this report.

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Issuer of report
HSBC Securities and Capital Markets (India) Private Limited
Registered Office
52/60 Mahatma Gandhi Road
Fort, Mumbai 400 001, India
Telephone: +91 22 2267 4921
Fax: +91 22 2263 1983
Website: www.research.hsbc.com
SEBI Reg. No. INH000001287
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