IPO REVIEW

Acme Universal Safezone 9 IPO

By **Dilip Davda** · SEBI Registered Research Analyst · Reg. No. INH000003127 Reviewed on 28 September 2026

- The company is engaged in the manufacturing and supply of industrial safety footwear under the brand name “ACME”
- It is operating in a highly competitive and fragmented segment.
- Though it posted steady growth in its top lines for the reported periods, it marked severe setback in bottom lines for FY25.
- Based on its recent average financial data, the issue appears aggressively priced.
- Only well-informed/risk seeker/cash surplus investors may park moderate funds for medium term.
- IN VIEW OF THE LIKELY BANK STRIKE FROM 28.09.26 TO 30.09.26, THE IPOS/PRIMARY OFFERS THAT ARE FALLING BETWEEN THESE THREE DAYS, IPOS SCHEDULE TIME LINE MAY CHANGE AND THE REVISED DATES WILL GET EFFECTIVE FOR OPENING AND / OR CLOSING SCHEDULES, AS THE CASE MAY BE. INVESTORS ARE REQUESTED TO MAKE A NOTE OF THIS.

About the Company

Acme Universal Safezone 9 Ltd. (AUSL) is engaged in the manufacturing and supply of industrial safety footwear under the brand name 'ACME'. The Company operates in the Personal Protective Equipment (PPE) segment, specifically in the industrial safety footwear sub-segment. Safety footwear use is mandated under applicable occupational health and safety regulations across sectors including construction, oil and gas, mining, heavy engineering, automotive, pharmaceuticals, chemical processing, foundry, and power generation.

The Company serves end users across all these sectors through 15 product lines covering EVA-rubber, Nitrile Rubber, and PVC sole types, addressing hazard categories including impact and compression protection, penetration resistance, electrical shock resistance, anti-static protection, heat and fire resistance, chemical resistance and slip resistance.

It collects data from the customers, analyses the data and then design a customized product which cater to the needs of customers. The company undertakes manufacturing and supply of finished products for customers depending upon the demand of Product. Design and visualization are carried out using ICad3D technology. The Company has implemented SAP S/4 HANA for enterprise resource planning across its manufacturing units, covering finance, operations, and logistics. CRM systems are used for customer management and HRMS platforms for workforce management and employee data analytics.

As on the date of this Red Herring Prospectus, the Company operates four manufacturing facilities, located in the state Madhya Pradesh and Uttar Pradesh. The Company distributes its products through direct institutional sales, regional distributors & dealers and digital & e-commerce channels with channel-partner warehousing at more than 40 locations across India covering cities including New Delhi, Mumbai, Pune, Hyderabad, Bengaluru, Chennai, Kolkata, Ahmedabad, Indore and Bhopal among others. Export sales are made to the United Arab Emirates, Bahrain, Saudi Arabia, Nigeria, Israel, Netherlands, Hong Kong, Cameroon, Mauritius and other markets. As of March 31, 2026, it had 1073 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 5060800 equity shares of Rs. 10 each to mobilize Rs. 35.93 cr. at the upper cap. The company has announced a price band of Rs. 65 – Rs. 71 per share. The minimum application to be made is for 2400 shares and in multiples of 1200 shares thereon, thereafter. The issue opens for subscription on September 28, 2026 and will close on September 30, 2026. The shares will be listed on BSE SME. The IPO constitute 26.50% of the post-IPO paid-up capital of the company. From the net proceeds of the issue, the company will utilize Rs. 8.00 cr. for working capital, Rs. 3.62 cr. for capex on installation of solar power plant, Rs. 8.96cr.capex on installation of additional machinery, and the rest for inorganic growth / general corporate purposes.

The IPO is solely lead managed by Expert Global Consultants Pvt. Ltd., while Maashitla Securities Pvt. Ltd. is the registrar to the issue. JSK Securities & Services Pvt. Ltd. is a market maker.

After issuing/converting initial equity capital at par value, the company also issued further equity shares at affixed price of Rs. 190 per share (based on Rs. 10 FV) in October 2024. It has also issued bonus shares in the ratio of 2 for 1 in February 2026. The average cost of the acquisition of shares by the promoters is Rs. 3.53, and Rs. 6.21 per share.

Post-IPO, company’s current paid-up equity capital of Rs. 14.03 cr. (14032620 equity shares) will stand enhanced to Rs. 19.09 cr. (19092620 equity shares). Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 135.56 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total income/ net profit, of Rs. 181.67 cr. / Rs. 7.56 cr. (FY24), Rs. 191.31 cr. / Rs. 0.80 cr. (FY25), Rs. 211.16 cr. / Rs. 5.86 cr. (FY26). The company posted steady growth in its top lines for the reported periods, but marked sharp setback for FY25, and lower net on higher top line for FY26. Rising trade receivables year-on-year, raise concerns. Its contingent liability stood at Rs. 0.49 cr. as of March 31, 2026.

For the last three fiscals, the company has reported an average EPS of Rs. 3.22 (basic) and an average RoNW of 9.78%. The issue is priced at a P/BV of 1.89 based on its NAV of Rs. 37.60 per share

as of March 31, 2026 , but its post-IPO NAV data is missing from the offer documents

If we attribute FY26 earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 23.13, and based on FY25 earnings, the P/E stands at 169.04. The issue appears aggressively priced based on its recent average earnings.

The company has posted PAT Margins of 4.23% (FY24), 0.43% (FY25), 2.84% (FY26) and RoCE margins of 12.48%, 2.52%, 5.54%, respectively for referred periods.

Dividend Policy

The company has not paid any dividends since its incorporation. It will adopt a prudent dividend policy, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Liberty Shoes, Superhouse, Mallcom (India), as its listed peers. They are currently trading at a P/E of 47.2, 23.3, and 22.1 (as of September 25, 2026). However, they are not truly comparable on an apple-to-apple basis. This comparison appears as an eye-wash.

Merchant Banker's Track Record

This is the 16th mandate from Expert Global, in the last three fiscals (including the ongoing one). Out of the last 10 listings, 2 opened at discount, and the rest listed with a premium ranging from 6.31% to 90.00% on the listing date.

Conclusion / Investment Strategy

AUSL is engaged in the manufacturing and supply of industrial safety footwear under the brand name “ACME”. It is operating in a highly competitive and fragmented segment. Though it posted steady growth in its top lines for the reported periods, it marked severe setback in bottom lines for FY25. Based on its recent average financial data, the issue appears aggressively priced. Only well-informed/risk seeker/cash surplus investors may park moderate funds for medium term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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