

Clean Max Aditya Power Private Limited

March 10, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	72.57 (Reduced from 77.00)	CARE A-; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating reaffirmation on bank facilities of Clean Max Aditya Power Private Limited (CMAP), which is operating 16.02 MW (AC) solar rooftop capacities across multiple states in India, factors in the revenue visibility on account of presence of medium to long term (10-25 year; weighted average tenor of 19 years) power purchase agreements (PPAs) with reputed commercial and industrial (C&I) customers and government & educational institutes at a weighted average tariff around Rs. 4.0 per unit. The project has a weighted average track record of around three years wherein the collection efficiency has remained satisfactory from most off-takers clearing their dues within 45 days from the date of invoice during FY24 & 9MFY25. The generation performance of the project has remained satisfactory as reflected by plant load factor (PLF) of 14.6% in FY24 against 14.6% in FY23. However, during 9M FY25 the company reported PLF of 13.6% against an average of 13.9% during the corresponding periods in FY22-FY24. The decline in generation performance is due to lower irradiation. CARE Ratings Limited (CARE Ratings) has taken cognisance of the same and expects the generation performance to remain subdued for FY25 and has factored generation to remain in line with historical trends from FY26 onwards.

The rating continues to derive strength from the strong parentage of Clean Max Enviro Energy Solutions Private Limited (CMEESPL, rated CARE A+; Positive/ CARE A1+) which is one of the leading renewable power producers in India with an operating capacity of ~1.5 GW as of September 2024. CMEESPL's stated posture towards CMAP is strong, as exhibited by the presence of limited period corporate guarantee which will fall upon meeting of stipulated covenants as per the sanction letter. The debt protection metrics are expected to remain comfortable with average Debt Service Coverage Ratio (DSCR) being upwards of 1.2x for the tenor of the debt. Further, CARE Ratings notes the provision of cash sweep in the financing terms, which was exercised in FY24 resulting in a cash sweep of ~Rs. 1.1 crore. This apart, the liquidity profile of the company is expected to remain adequate supported by the presence of a debt service reserve account (DSRA) equivalent to two-quarters of debt servicing obligations.

The rating is, however, constrained on account of the leveraged capital structure, as reflected by total debt to earnings before interest, taxation, depreciation, and amortisation (TD/EBITDA) of 5.4x as on FY24 end. Going forward, per CARE Ratings' base case, the capital structure will continue to remain leveraged with TD/EBITDA multiple remaining above 5x over the next few years. CARE Ratings notes the high receivables of Rs. 9.8 Cr outstanding as of March 2024, a major portion (Rs. 6.9 Cr) of which is attributed to the group companies against sale of assets, and is expected to be cleared in FY26, and will be a key monitorable. The project's cash flows are exposed to adverse movement in interest rate, which is floating for the project debt and subject to periodic reset. The rating continues to factor in exposure of project cash flows given the single part tariff of the project & adverse variations in interest rate which is subject to periodic reset.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained improvement in generation performance along with timely receipt of invoices resulting in improvement in average DSCR above 1.30x as per CARE Rating's base case scenario
- Faster than expected deleveraging of the asset

Negative factors

- Significantly lower than envisaged CUF levels leading to deterioration in debt coverage indicators as reflected by average DSCR moving below 1.15x
- Elongation of the receivables from customers beyond 120 days on a sustained basis
- Any weakening of the credit profile of the parent, i.e., CMEESPL, or any change in linkages/support philosophy between the parent and CMAP.

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Analytical approach: Standalone plus factoring parent support

The analytical approach considers the standalone financial risk profile of CMAP and applied parent notch-up factoring in the extent of support available from CMEESPL.

Outlook: Stable

The stable outlook on the ratings of CMAP reflects CARE Ratings' opinion that the company would benefit from its long-term PPAs with C&I customers. Expectation of satisfactory generation and collection performance supports the outlook.

Detailed description of key rating drivers:**Key strengths****Strong parentage and operating track record of Clean Max Group in renewable energy segment**

CMEESPL is in the business of developing ground mounted (Solar, wind, and wind-solar hybrid (WSH)) and roof top solar power plants across various locations under bilateral arrangements, with several commercial and industrial (C&I) customers. The group had an operating capacity of ~1.5 GW as of September 2024. The group has investments from BGTF, Augment Infrastructure, DSDG Holding APS among others.

CMEESPL's stated posture towards CMAP is strong, as exhibited by the presence of limited period corporate guarantee, which will fall off upon meeting of stipulated specific covenants to be tested for three full financial years i.e. expected to be in force until FY27.

Diversified asset pool in terms of geography and offtakers; long-term revenue visibility owing to capacity being tied up under medium to long term (15-25 years) PPAs with an established payment track record

The capacity (30.4 MW-DC) of the SPV is spread across 44 rooftop solar assets which are located across multiple states viz, Tamil Nadu (24%), Maharashtra (21%), Andhra Pradesh (17%) and other states (37%) thereby providing the company benefits on account of diversification of geography. Moreover, there is a presence of a diversified offtaker pool with a mix of various renowned commercial and industrial (C&I) customers (e.g., HCL, Bajaj Auto, Kajaria Ceramics, Mahindra etc.) and government & educational institutes (College of Veterinary & Animal Sciences, Shaheed Hasan Khan Mewati Government Medical College etc.). The tenure of PPAs range between 10 to 25 years with the weighted average being 19 years. The weighted average tariff of the portfolio is ~Rs. 4.0 per unit along with a presence of annual escalations clause in few PPAs (1-3%). The company has been receiving payments from majority of its offtakers within stipulated timelines in the range of 30-45 days. The trade receivable days stood at 63 days as on FY24 end against 73 days as on FY23 end.

Weighted average operational track record of around three years with satisfactory operational performance

The rooftop assets under this project were commissioned in a phased manner from March 2020 to December 2023 and have a track record between 15 to 60 months. On weighted average basis, the operating track record of the portfolio is around three years. The generation performance of the project has remained satisfactory as reflected by plant load factor (PLF) of 14.6% in FY24 against 14.6% in FY23. However, during 9M FY25 the company reported PLF of 13.6% against an average of 13.9% during the corresponding periods in FY22-FY24. The decline in generation performance is due to lower irradiation. CARE Ratings Limited (CARE Ratings) has taken cognisance of the same and expects the generation performance to remain subdued for FY25 and has factored generation to remain in line with historical trends from FY26 onwards.

Satisfactory debt coverage indicators along with presence of two quarter DSRA

The coverage indicators of the project are expected to be satisfactory as reflected by average DSCR for the tenor of the debt being upwards of 1.2x. Further, as mandated by the sanction terms of the debt facility, the company is maintaining a DSRA of two quarters in the form of FDs which provides comfort through credit perspective.

Key weaknesses

Leveraged capital structure along with exposure to interest rate risk

The capital structure of the company is leveraged on account of the debt-funded capex incurred for setting up the project which is customary to the renewable sector. Subsequently, Total Debt/EBITDA of the company stood at ~5.4x, as on FY24 end. Going forward, CARE Ratings expects Total Debt/EBITDA of the company as to remain over 5.0x over the next few years. Given the leveraged capital structure, single-part nature of the fixed tariff in majority PPAs and floating interest rates, its profitability remains exposed to any increase in the interest rates.

Delay in dues receivable from holding company on account of sale of capacity

The company receivables position is stretched on account of high receivables of Rs. 9.8 Cr outstanding as on March 2024, a major portion (Rs. 6.9 Cr) of which is attributed to the group companies against sale of assets. Project assets to the tune of 1.8 MW was sold by CMAP to its holding company (CMEESPL) in FY23. The amount due from CMEESPL as of March 31, 2024, was Rs. 6.9 Cr and is expected to be cleared in FY26, the timely recovery of same would remain a monitorable.

Vulnerability of cash flows to variation in weather conditions

As tariffs are one part in nature, the company may book lesser revenues in the event of non-generation of power due to variation in weather conditions and/or equipment quality. This, in turn, would affect its cash flows and debt servicing ability.

Liquidity: Adequate

The company's liquidity is adequate, as reflected by cash and bank balance of ~₹ 7.5 crore as on January 31, 2025. This includes DSRA covering two quarters of debt service obligations of Rs. 5.6 Cr.

Per CARE Ratings' base case scenario, the adjusted gross cash accruals (GCA) for FY25 and FY26 are expected to be at ₹6.5 crore and ₹7.5 crore, respectively, against annual repayments of ₹4.6 crore in both the years.

Applicable criteria

[Definition of Default](#)

[Factoring Linkages Parent Sub JV Group](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Infrastructure Sector Ratings](#)

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About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power Generation

CMAP, incorporated on May 29, 2020, is a wholly owned subsidiary of CMEESPL. The SPV is operating a capacity of 30.4 MW (DC) rooftop solar power projects across multiple locations in India for a weighted average period power purchase agreement period of ~19 years at a tariff of ~Rs. 4.0 per unit with 1%-3% escalations in a few PPAs. The rooftop assets under this project were commissioned in a phased manner from March 2020 to December 2023.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	12.5	16.1
PBILDT	9.4	13.5
PAT	-0.1	1.9
Overall gearing (times)	1.2	1.1
Interest coverage (times)	2.0	2.2

A: Audited Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	31-03-2038	72.57	CARE A-; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	72.57	CARE A-; Stable	-	1)CARE A-; Stable (12-Feb-24)	1)CARE BBB; Stable (06-Feb-23)	1)CARE BBB; Stable (19-Nov-21)

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:

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