

## Clean Max Theia Private Limited

September 22, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	386.51 (Reduced from 402.56)	CARE A-; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The rating reaffirmation on the bank facilities of Clean Max Theia Private Limited (CMTPL), which is operating a wind-solar hybrid power plant [comprising 36.3 MW wind and 25 MW (AC) solar capacity] in Karnataka under the group captive mechanism, factors in the operational track record of around two years. Despite generation remaining below the designed energy estimates, which is primarily attributable to lower resource and equipment availability, CARE Ratings Limited (CareEdge Ratings) believes that the controllable issues have been addressed. Consequently, the plant is expected to operate in line with the designed energy estimates from FY27 onwards. CareEdge Ratings continues to draw comfort from the presence of limited-period corporate guarantee and sponsor support undertaking extended by the parent, Clean Max Enviro Energy Solutions Limited (CMEESL, rated CARE A+; Positive/CARE A1+) which shall be valid till the project stabilisation date.

The rating continues to derive strength from the presence of a long term 25-year power purchase agreement (PPA) for the full capacity with a strong counterparty viz. Ultratech Cement Limited (UCL) at a fixed tariff of less than Rs 4 per unit. The debt coverage metrics of the project are expected to be comfortable as reflected by average debt service coverage ratio (DSCR) being around 1.2x as per CareEdge Ratings base case scenario. Additionally, the company has created one quarter DSRA as per the stipulated terms. Further, CareEdge Ratings takes note of the presence of adequate safeguards in the form of lengthy lock in period of 15 years and termination penalties. From an offtakers perspective, there is an adequate economic incentive on purchase of power from this plant vis-à-vis procuring power via the grid. The receivables position is healthy as reflected by the debtor days of around 60 days as on FY25 end.

However, the rating is constrained on account of leveraged capital structure as reflected by Total Debt/EBITDA ratio remaining above 7.0x till FY27. Consequently, the company remains exposed to variations in the interest rates as the debt is linked to floating rate. CareEdge Ratings takes cognizance of the increase in the interest rate by 50 bps on account of delay in security perfection, which is likely to be perfected in the next 2-3 months. Further, the cash flows of this project are vulnerable to variations in weather conditions given the single part tariff for renewable energy projects.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Actual generation levels being in-line with the P90 estimate along with receivable cycle remaining below 60 days on a sustained basis
- Faster than expected deleveraging of the project

#### Negative factors

- Significant underperformance in generation and/or any increase in the debt levels of the entity thereby weakening the cumulative DSCR on project debt to less than 1.1 times on a sustained basis
- Non-adherence to the power purchase agreement (PPA) terms by the off taker including timely receipt of payments and honouring of PPA tariff
- Any weakening of the credit profile of the parent, i.e., CMEESL, or any change in linkages/support philosophy between the parent and CMTPL

### Analytical approach: Standalone plus factoring in parent support - CMEESL

CareEdge Ratings expects CMTPL's parent, CMEESL to be willing to extend financial support to CMTPL, which is also reflected by the presence of limited period corporate guarantee and promoter undertaking.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

**Outlook:** Stable

The stable outlook on the CARE A- rating of CMTPL reflects CARE Ratings' opinion that the company would benefit from its long-term PPA with a credible counterparty, Ultratech Cement Limited. Also, the expectations of satisfactory generation and collection performance supports the outlook.

**Detailed description of key rating drivers:****Key strengths****Strong and resourceful parentage by virtue of being a subsidiary of CMEESPL**

CMTPL is a 74% owned subsidiary of CMEESL. CMEESL 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 ~2.1 GW as of February 2025. The group has investments from BGTF, Augment Infrastructure, UK Climate Investments among others.

Further, CMEESL has demonstrated strong support philosophy as exhibited by the presence of limited period corporate guarantee (a conditional guarantee which can be released subject to fulfilment of certain conditions stipulated by the lender). Furthermore, there is a limited period promoter undertaking for DSCR support which shall be valid till achievement of certain conditions as stipulated by the lender.

**Operational track record of around 2 years with satisfactory generation levels albeit below P90**

Care Ratings Limited (CareEdge Ratings) notes that the generation performance in FY25, being first full year of operations, was below the designed energy estimates as reflected by PLF of 29.4% as against P90 of 32.6%, primarily due to lower resource availability in the region. Further, in FY26, two wind turbines experienced blade damage which adversely impacted the plant performance evident from machine availability of ~85% in 4MFY26. The issue was resolved in Aug 2026, and since the equipment was still under warranty, majority of the repair costs were covered. The company intends to file an insurance claim to recover revenue loss once the amount is determined. Consequently, the asset is expected to operate below the designed estimates for the current fiscal year; however, generation from FY27 onward is expected to be in line with the estimates.

**Long term PPA with UCL provides long term revenue visibility**

CMTPL has low offtake risks owing to the presence of long-term (25-years) PPA with UCL at a tariff of less than Rs 4 per unit for the entire duration of the project starting from actual commissioning. Long-term PPA with a credible counterparty provides revenue visibility for the company. Further, the presence of enabling clauses such as lock in period and adequate compensation to the developer in case of an early exit by the customer act as necessary safeguards.

**Moderately comfortable debt coverage indicators**

CMTPL has moderately comfortable debt-protection metrics as reflected by average DSCR being around 1.2x for the tenure of the term debt. Further, the project has tail life of ~5 years providing financial flexibility to the project. Moreover, the company has created one quarter DSRA as per the sanctioned terms and conditions which provides comfort from the credit perspective.

**Key weaknesses****Leveraged capital structure along with exposure to interest rate risk**

The capital structure remains leveraged on account of the debt-funded capex incurred for setting up the project. The company has Total Debt/EBITDA of 7.5x as on FY25 end. Going forward, Total Debt/EBITDA is expected to remain above 6.4x over the next two years. Further, the company remains exposed to variations in the interest rates as the debt is subject to reset annually. The coverage indicators of the company are expected to be comfortable going forward, as reflected by average DSCR of around 1.2x times as per CARE Ratings' base case scenario. Further, CMTPL is maintaining DSRA as per the stipulated sanctioned terms.

**Vulnerability of cash flows to variation in weather conditions**

As tariffs are one part in nature, the company may report 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. The geographical concentration of asset amplifies the generation risk.

## Liquidity: Adequate

The liquidity position of the company is adequate as reflected by free cash and bank balances of ~7.8 crores as on June 2025 end. This apart company is also maintaining DSRA of 1 quarter as per stipulated terms. Going forward, CARE Ratings expects the generation and collection performance of the project to remain satisfactory.

As per CareEdge's base case, GCA for FY26 and FY27 is expected to be ~Rs. 18.6 cores and Rs. 19.5 cores respectively as against annual repayments of ~Rs. 14.3 crores and 13.8 crores respectively.

## 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](#)  
[Solar Power Projects](#)  
[Wind Power Projects](#)

## About the company and industry

### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power Generation

CMTPL, incorporated on May 05th, 2022, is a SPV promoted by CMEESL for setting up hybrid project of solar capacity of 25 MW AC (37.5 MW DC) and a wind capacity of 36.30 MW. The SPV has signed a 25-year PPA at a fixed tariff of less than Rs 4 per unit, with Ultratech Cement Limited (UCL, rated CARE AAA /A1+; Stable). The PPA has been signed under the group captive mechanism with CMEESL holding 74% stake in the entity and the remaining 26% is held by UCL.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2024 (A)
Total operating income	56.7	24.8
PBILDT	51.3	19.1
PAT	-2.5	-7.9
Overall gearing (times)	2.74	2.48
Interest coverage (times)	1.32	1.05

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		-	-	01-08-2043	386.51	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 2025-2026	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
1	Fund-based - LT-Term Loan	LT	386.51	CARE A-; Stable	-	1)CARE A-; Stable (30-Jul-24)	-	-

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 lender-wise details of bank facilities please [click here](#)

**Note on complexity levels of rated instruments:** CareEdge 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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