Cleanmax IPP 2 Private Limited

January 08, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	92.62 (Reduced from 102.84)	CARE A; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating reaffirmation on long-term bank facilities of Cleanmax IPP 2 Private Limited (CMIP), which is operating a 32 MW (AC)/ 46.4 MW (DC) solar power plant in Karnataka, factors in healthy operating performance. CMIP's generation stood at 22.3% in FY25 (24.0% in FY24). CARE Ratings Limited (CareEdge Ratings) in its base case assumed some moderation in generation in FY25 considering lower resource availability and actual performance has broadly been around the same. The company reported H1FY26 plant load factor (PLF) of 21.6% (21.1% in H1FY25) and going forward CareEdge Ratings has moderated its assumptions around generation. Coverage metrics are expected to remain comfortable with average debt service coverage ratio (DSCR) being upwards of 1. 25x.Collection cycle remained satisfactory with average receivable days of ~60 days in FY25.

CareEdge Ratings notes the Karnataka Electricity Regulatory Commission's (KERC) transition to a multi-year tariff (MYT) framework for FY25-26 through FY27-28, replacing the previous approach of annual tariff revisions. Under this new structure, KERC has rationalised tariff rates, including targeted reductions in energy charges for select High Tension (HT) and Low Tension (LT) industrial and commercial categories and increased components of open access charges. Even though CMPP is exempted from open access charges for 10 years from Commissioning Date (CoD) in accordance with a KERC order dated August 18, 2014, till FY28, post which, open access charges will be incorporated in the landed cost of power from an off-taker's perspective. With expected increase in landed cost of power, tariff competitiveness is bound to reduce and would remain a key monitorable from a credit perspective. CareEdge Ratings in its base case assessment has factored in an expected tariff ~₹3.5 per unit, which is in line with the prevailing renewable energy tariffs for the commercial and industrial (C&I) segment.

The rating continues to factor in the medium-term (10 years from commissioning date) power purchase agreements (PPAs) with multiple reputed C&I counterparties. CareEdge Ratings notes that the company has also been selling a portion of the generation basis either short-term arrangements or to off takers of the other entities of the CleanMax group, which resulted in variability in the realised tariff. Realised tariff remained above ₹5 per unit in the last few years with increase in realised tariff by ~₹0.20 per unit in FY25The company's ability to sustain such tariffs would be critical from a credit perspective. This apart, the rating continues to factor in the benefits CMIPL derives being a part of CleanMax Group, which is operating 2.0 GW of renewable energy assets as on July 2025.

However, rating strengths are tempered by underlying PPA renewal and tariff renegotiation risks. The company's ability to enter PPAs after the initial tenor of 10 years would be a key credit monitorable. The rating is also constrained due to leveraged capital structure as reflected by total debt to earnings before interest, taxation, depreciation, and amortisation (TD/EBITDA) of 2.9x as FY25 end. CareEdge Ratings also factors in vulnerability of project cash flows to adverse variation in weather conditions given the single part tariff for the project.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Actual generation levels better than P-90 generation on a sustained basis resulting in improvement in average DSCR.
- Extension of prevailing PPAs beyond FY28 at remunerative tariff above ₹4/unit
- Faster-than-expected deleveraging of the asset.

Negative factors

- Significant delays in payments from off-takers leading to accumulation of receivables, adversely affecting the liquidity position.
- Significant underperformance in generation and/or increase in the debt levels of the entity and/or renewal of PPAs at tariff below ₹3/unit weakening the cumulative DSCR on project debt to less than 1.20xx, on a sustained basis.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

- Regulatory changes in state policies in Karnataka, negatively impacting project cash flows.
- Weakening credit profile of parent CMEESPL; or change in linkages/support philosophy between CMEESPL and CMIP.

Analytical approach: Standalone plus parent notch up

CareEdge Ratings expects CMIP's parent, CMEESPL to be willing to extend need-based support to CMIP, given the strategic importance of CMIP for CMEESPL.

Outlook: Stable

The stable outlook on the CARE A rating of CMIP reflects CareEdge Ratings opinion that the company would benefit from its medium-term PPAs. The expectation of satisfactory generation and collection performance supports the outlook.

Detailed description of key rating drivers:

Key strengths

Medium-term PPAs in place with reputed customers

The company has entered medium-term PPAs with multiple reputed C&I off-takers for the entire capacity for 10 years. CareEdge Ratings notes that the company has also been selling a portion of generation, basis either short-term arrangements or to off-takers of other entities of the CleanMax group, which resulted in variability in the realised tariff. The company has witnessed an increase in realised tariff over the years owing to tariff escalations embedded in PPAs. Realised tariff has remained above ₹5 per unit in the last few years with increase in realised tariff by ~₹0.20 per unit in FY25. Presence of enabling clauses such as compensation to the developer in case of an early exit by the customer is expected to be a strong safeguard.

Operational track record of over seven years with satisfactory generation levels and timely collections

The plant has a generation track record of over six years, and generation performance has been above P-90 estimates in this period. The plant reported a PLF of 22.3% in FY25 and 24.0% in FY24, as against the P-90 benchmark of 23.7% (adjusted for annual degradation). The company reported H1FY26 PLF of 21.6% (21.1% in H1 FY25) and going forward CareEdge Ratings has moderated its assumptions around generation. The company has been receiving payments from all off-takers within ~60 days.

Comfortable debt protection metrics

Coverage indicators are expected to be comfortable as reflected by average DSCR being upwards of 1.25x for the term debt tenure. CMIP is maintaining DSRA equivalent to two quarters of debt servicing in-line with sanctioned terms.

Benefits derived being part of the Clean Max Group

CMEESPL is into developing ground-mounted (solar, wind, and wind-solar hybrid (WSH)) and rooftop solar power plants across locations under bilateral arrangements, with several C&I customers. The group had an operating capacity of 2.0 GW as on July 2025. The group has investments from BGTF, Augment Infrastructure, UK Climate Investments among others.

Key weaknesses

Risks related to early termination and expiry of PPAs

CareEdge Ratings analysis notes that the project is exposed to tariff renegotiation risks, as this capacity has a waiver on the open access charges for initial 10 years, the PPA tenure, and these projects will have to incur these charges post FY28, which is likely to result in reduction in the realised tariff. However, CareEdge Ratings in its base case assessment has factored in an expected tariff of ₹3.5 per unit, which is in line with the prevailing renewable energy tariffs for the C&I segment.

Leveraged capital structure and exposure to interest rate risks; Project coverage metrics however remain at comfortable level

The portfolio's capital structure is leveraged as reflected by expected TD/EBITDA multiple remaining range bound between 3.0-3.3x in the next two years. Given the leveraged capital structure, single part nature of the fixed tariff in the PPA and floating interest rates, its profitability remain susceptible to increase in interest rates.

Vulnerability of cash flows to variation in weather conditions

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

Liquidity: Adequate

As on October 2025 end, company had cash and bank balance of Rs. 3.7 crores. The company is maintaining DSRA in the mix of FD and BG amounting to Rs. 10.58 crores equivalent to two quarters of debt servicing, in line with sanction terms. This apart, the company is maintaining other reserves amounting to Rs 2.0 crores, in line with sanction terms.

As per CARE base case scenario, GCA for FY25 and FY26 is expected to be Rs. 16.5 crores -18.3 crores as against annual repayments of Rs. 10.5 -11.0 crores.

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

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power Generation

CMIP was incorporated in August 2017, is a special purpose vehicle formed by CMEESPL. CMIP has set up a 32.0 MW AC (46.4 MW DC) solar photovoltaic power project at Ballari, Karnataka. The project was commissioned on March 21, 2018. The company has signed Power Purchase Agreements (PPAs) with nine customers for a period ranging between 10-15 years at a weighted average first year tariff of Rs. ~4.5/unit along with escalation ranging between 1% to 2% in some of the PPAs.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	36.3	34.9
PBILDT*	30.3	28.5
Profit after tax (PAT)	9.8	9.4
Overall gearing (x)	1.45	1.32
Interest coverage (x)	2.78	2.91

A: Audited UA: Unaudited; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

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		-	-	March-2036	92.62	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	92.62	CARE A; Stable	-	1)CARE A; Stable (26-Dec-24)	1)CARE A-; Stable (02-Jan-24)	1)CARE A-; Stable (23-Nov-22)

LT: Long term; ST: Short term; LT/ST: Long term/Short 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.

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