

## CMES Power 1 Private Limited

April 08, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	30.95 (Reduced from 34.89)	CARE A-; Positive	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The rating reaffirmation on bank facilities of CMES Power 1 Private Limited (CMES), which is operating 17.78-MW (DC) solar rooftop capacities across multiple states in India, continues to factor in weighted average operating track record of over six years where the collection efficiency has remained satisfactory from most off-takers with average collection days in the range of 30-45 days. The generation performance, though moderated marginally in FY25, remained satisfactory, as reflected by a plant load factor (PLF) of 14.2% compared to 14.5% in FY24. However, in 9MFY26, the company reported a PLF of 13.3% against 14.0% in the corresponding period of FY25. The decline in generation performance is primarily driven by lower resource availability, which in rooftop assets are usually linked to site-specific conditions. CARE Ratings Limited (CareEdge Ratings) has taken cognisance of the same and expects the generation performance to remain subdued for FY26 and has factored generation to remain in line with historical trends from FY27 onwards.

The rating continues to derive strength from the revenue visibility considering presence of medium-to-long term (10-25 years; weighted average tenor of 23 years) power purchase agreements (PPAs) with reputed commercial and industrial (C&I) customers and government and educational institutes at a weighted average tariff of above ₹4.00 per unit (with an escalation of 0.6% annually). The rating also factors in the strong parentage of Clean Max Enviro Energy Solutions Limited (CMEESL, rated 'CARE A+; Positive/ CARE A1+'), which is one of the leading renewable power producers in India with an operating capacity of 3.0 GW as of February 2026 end. CMEESL's stated posture towards CMES is strong, as exhibited by the presence of limited period corporate guarantee covering debt shortfall, which is expected to fall shortly. 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. 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.

However, the rating is constrained considering the leveraged capital structure, as reflected by total debt to earnings before interest, taxation, depreciation, and amortisation (TD/EBITDA) of 5.5x as of FY25 end. Going forward, per CareEdge Ratings' base case, the capital structure will continue to remain leveraged with TD/EBITDA remaining above 3.6x over the next two years. The receivable days continues to remain stretched considering exposure to government and educational institutes as reflected by debtor days of 160 days as of FY25 end (including ₹1 crore legacy debtors). The company remains exposed to variations in the interest rates as the debt is linked to floating rates, which is subject to half yearly reset. CareEdge Ratings also considers vulnerability of project cash flows to adverse variation in weather conditions, given the PPA tariff is single part and fixed for the full debt tenor.

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

#### Positive factors

- Sustained improvement in generation performance and timely receipt of invoices resulting in improvement in average DSCR above 1.30x per CareEdge Ratings' base case scenario.
- Faster-than-expected deleveraging of the asset.

#### Negative factors

- Significantly lower-than-envisaged capacity utilisation factor (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 150 days on a sustained basis.
- Any weakening of the credit profile of the parent, CMEESL, or change in linkages/support philosophy between the parent and CMES.

<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.

**Analytical approach:** Standalone factoring parent support, CMEESL.

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

**Outlook:** Positive

The positive outlook on the CARE A- rating of CMES considers CareEdge Ratings' positive outlook on CMEESL.

### **Detailed description of key rating drivers:**

#### **Key strengths**

##### **Strong parentage and operating track record of Clean Max Group in renewable energy segment**

CMEESL is in developing ground-mounted (solar, wind, and wind-solar hybrid [WSH]) and roof top solar power plants across locations under bilateral arrangements, with several C&I customers. Since inception, the group has developed over 3-GW capacity till February 2026. The group has investments from Brookfield Global Transition Fund (BGTF), Augment Infrastructure, and DSDG Holding APS among others.

CMEESL's stated posture towards CMES 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, expected to fall off soon, post lender's approval.

##### **Diversified asset pool in terms of geography and off-takers; long-term revenue visibility owing to capacity being tied up under PPAs with an established payment track record**

The capacity (17.78 MW-DC) of the special purpose vehicle (SPV) is spread across multiple states, Uttar Pradesh (35%), Maharashtra (24%), Karnataka (9%), Haryana (9%), Rajasthan (6%) and other states (18%), providing the company benefits considering diversification of geography. Moreover, there is a presence of a diversified off-taker pool with a mix of renowned C&I customers (Asahi, Bajaj, Amazon, Excel Rubber, and others) and educational institutes (Amity University, Deen Dayal Upadhyay University, Pune University, and others). The tenure of PPAs on a weighted average basis is 23 years. The weighted average tariff of the portfolio is above ₹4.00 per unit and presence of annual escalation of 0.6% on a combined basis.

##### **Weighted average operational track record of over six years with satisfactory operational performance despite lower generation in FY26**

The rooftop assets under this project were commissioned in a phased manner from June 2018 to December 2019 and have a track record of over six years on a weighted average basis. The generation performance of the project stood at 14.2% in FY25 against 14.5% in FY24, due to lower irradiation in FY25. Moreover, 9MFY26 PLF was reported at ~13.3% against 9MFY25 PLF of 14.0%. The dip in FY26 is due to lower irradiation and multiple grid failures and a temporary plant shutdown caused by an inverter fire accident. According to the management, the fire incident was covered in the insurance policy and insurance claim has been received regarding the same. Also, the grid issues have been resolved and plant is operating at normal capacity currently. CareEdge Ratings has taken cognisance of the same and expects the generation performance to remain subdued for FY26 and has factored generation to remain in line with historical trends from FY27 onwards.

##### **Satisfactory debt coverage indicators and 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. Also, as mandated by the sanction terms of the debt facility, the company is maintaining a DSRA of two quarters in the form of fixed deposits (FDs) which provides comfort through credit perspective.

## Key weaknesses

### Leveraged capital structure and exposure to interest rate risk; expiry of PPAs in FY30 triggering prepayment of debt

The capital structure of the company is leveraged considering the debt-funded capex incurred for setting up the project which is customary to the renewable sector. Subsequently, overall gearing and TD/EBITDA of the company stood at 1.5x and 5.5x, respectively, as of FY25 end. CareEdge Ratings notes the presence of prepayment clause in the financing agreement on expiry of PPAs (in FY30) in the tenor of the debt which would be funded by accumulated cash accruals and need-based funding support from CMEESL.

Going forward, CareEdge Ratings expects the gearing and TD/EBITDA of the company as to remain above 1.2x and 3.6x over the next two 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 increase in the interest rates.

### Moderate receivable cycle compared to other projects having C&I off-takers

The receivable days of company are stretched at 160 days as of FY25 end against 151 days as of FY24 end due to stretched receivable cycle from a few off-takers. Majority portion of stuck receivables pertain to the contested bills in COVID-19-induced lockdown phase where the off-take from counterparties was low considering disruption in their operations. The company is in process of recovery of these dues and would provide for them in due course if they are not collected. Adjusting for legacy debtors by the unprovided amount of ~₹1.0 crore, which are expected to be provisioned and consequently, the adjusted debtor days as of FY26 end is expected to be ~106 days. Going forward, honouring of bills by counterparties in a timely manner will be a key credit 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

As on December 31, 2025, company had free cash and bank balance of ~₹2.8 crore. This apart, the company maintains DSRA of ~₹4.8 crore equivalent to two quarters of debt servicing, in line with sanction terms.

Per CareEdge Ratings' base case scenario, the adjusted gross cash accruals (GCA) for FY26 and FY27 are expected to be at ₹3.9 crore and ₹4.7 crore, respectively, against annual repayments of ₹3.2 crore and ₹3.5 crore, 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](#)

## About the company and industry

### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power generation

Incorporated in October 2017, CMES is a wholly owned subsidiary of CMEESL (rated 'CARE A+; Positive/CARE A1+'). The SPV is currently operating a 16.02 MW AC (17.78 MW DC) solar power projects across multiple locations in India for a weighted average period PPA period of ~23 years at a tariff of above ₹4.0 per unit with 0.6% escalation over the combined capacity.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	8.9	8.5
PBILDT*	7.6	6.0
PAT	-0.1	-1.2
Overall gearing (times)	1.6	1.5
Interest coverage (times)	2.1	1.7

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	June 2034	30.95	CARE A-; Positive

#### 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	30.95	CARE A-; Positive	-	1)CARE A-; Positive (10-Mar-25)	1)CARE A-; Stable (12-Feb-24)	1)CARE BBB+; Stable (06-Feb-23)

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

<p><b>Media Contact</b></p> <p>Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a></p> <p><b>Relationship Contact</b></p> <p>Saikat Roy Senior Director <b>CARE Ratings Limited</b> Phone: 912267543404 E-mail: <a href="mailto:saikat.roy@careedge.in">saikat.roy@careedge.in</a></p>	<p><b>Analytical Contacts</b></p> <p>Jatin Arya Director <b>CARE Ratings Limited</b> Phone: 91-120-4452021 E-mail: <a href="mailto:Jatin.Arya@careedge.in">Jatin.Arya@careedge.in</a></p> <p>Prachi Gupta Associate Director <b>CARE Ratings Limited</b> Phone: 91-120-4452057 E-mail: <a href="mailto:prachi.gupta@careedge.in">prachi.gupta@careedge.in</a></p> <p>Simran Dargan Analyst <b>CARE Ratings Limited</b> E-mail: <a href="mailto:Simran.dargan@careedge.in">Simran.dargan@careedge.in</a></p>
--	---

### About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: [www.careratings.com](http://www.careratings.com)

### Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to [https://www.careratings.com/privacy\\_policy](https://www.careratings.com/privacy_policy)

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.

**For detailed Rating Report and subscription information,  
please visit [www.careratings.com](http://www.careratings.com)**