

January 18, 2021

## Clean Max Enviro Energy Solutions Pvt. Ltd.: Rating reaffirmed and withdrawn

### Summary of rated instruments

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-Convertible Debentures (NCD)	62.00	62.00	[ICRA]BBB (Stable); reaffirmed and withdrawn
<b>Total</b>	<b>62.00</b>	<b>62.00</b>	

\*Instrument details are provided in Annexure-1

### Rationale

The outstanding rating of [ICRA]BBB (Stable) on Rs. 62.00 crore Non-Convertible Debenture Programme of Clean Max Enviro Energy Solutions Private Limited (CMES or the company) has been reaffirmed and withdrawn. The rating has been withdrawn in accordance with ICRA's policy on withdrawal and suspension, and as desired by the company, as the rated amount has been fully redeemed before its maturity date of January 31, 2021 and there are no dues outstanding.

### Key rating drivers and their description

Not captured as the ratings are being withdrawn

### Liquidity Position: Adequate

As on December 31, 2020, on consolidated basis, the company's liquidity remained adequate as reflected by free cash balance of Rs 45.97 crore and restricted cash balance of approximately Rs 170 crore (comprising margin money against non-fund based limits, and balances in DSRA, Escrow, TRA accounts etc.). The company also had undrawn fund based working capital limits of Rs 40.00 crore providing additional liquidity cushion.

### Rating Sensitivities:

Not captured as the ratings are being withdrawn.

### Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Rating Methodology for Solar Power Producers</a> <a href="#">ICRA Policy on Withdrawal and Suspension of Credit Rating</a>
Parent/Group Support	Not applicable
Consolidation / Standalone	For arriving at the rating, ICRA has considered the consolidated financials of CMES. The list of entities considered for consolidation are listed in Annexure-2

### About the company:

CMES was incorporated in September 2010 by Mr. Kuldeep Jain. Prior to forming CMES, Mr. Jain was a global partner at McKinsey & Company, heading its Energy and Corporate Finance unit in India. CMES is involved in the development of

onsite/rooftop solar power projects for industrial customers. Key customers of the company include some of the reputed Indian companies, MNCs and leading university and institutes including Tata Communications Ltd, Tata Motors Ltd, Tata Reality & Infrastructure, NBC Group, Gabriel India Ltd., SKF, HCL, Manipal Group, Tata Coffee, GE, Pune University, and Institute of Public Enterprises. The company has set up solar power plants in key industrial clusters of the country including Pune, Delhi, Chennai, Bangalore, Hyderabad, Jaipur, Ahmedabad, Baroda, Hyderabad, Hosur etc. The company has also set up wind and wind-solar hybrid capacities, in the recent past. As on September 30,2020, the total capacity set up by the company stood at 570 MW (Rooftop of ~215 MW and Ground Mounted of ~355 MW) of which 398 MW was owned capacity (CMES and its SPVs) while the remaining was down sold to investors.

In FY2020, the company on a consolidated basis, reported a net loss of Rs 20.78 crore on an operating income (OI) of Rs 304.33 crore as compared to a net loss of Rs 29.33 crore on an OI of Rs 228.55 in FY2019.

In FY2020, the company on a standalone basis, reported a profit after tax (PAT) of Rs 1.34 crore on an operating income (OI) of Rs 386.91 crore, compared to a net loss of Rs 14.26 crore on an OI of Rs 332.99 crore in FY2019.

### Key financial indicators (Audited)- Consolidated

	FY2019	FY2020
Operating Income (Rs. crore)	228.55	304.33
PAT (Rs. crore)	-29.33	-20.78
OPBDIT/OI (%)	53.63%	58.11%
RoCE (%)	6.28%	7.66%
Total Debt/TNW (times)	1.99	1.54
Total Debt/OPBDIT (times)	8.60	6.94
Interest Coverage (times)	1.06	1.22

Source: CMES, ICRA research

### Key financial indicators (Audited)- Consolidated

	FY2019	FY2020
Operating Income (Rs. crore)	332.99	386.91
PAT (Rs. crore)	-14.26	1.34
OPBDIT/OI (%)	7.40%	7.51%
RoCE (%)	2.05%	3.33%
Total Debt/TNW (times)	0.41	0.25
Total Debt/OPBDIT (times)	9.55	7.38
Interest Coverage (times)	0.79	0.99

Source: CMES, ICRA research

### Status of non-cooperation with previous CRA: Not applicable

### Any other information: None

### Rating history for last three years:

SN	Instrument		Current Rating (FY2021)				Chronology of Rating History for the past 3 years				
		Type	Amount Rated (Rs crore)	Amount Outstanding (Rs crore)*	18-Jan-21	1-Oct-20	FY2020	FY2019		FY2018	
							24-Dec-19	19-Nov-18	4-May-18	8-Mar-18	12-Jan-18
1	NCD	Long term	62.00	0.00	[ICRA]BBB (Stable), reaffirmed and withdrawn	[ICRA]BBB (Stable); outstanding	[ICRA]BBB (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	-
2	Term loans	Long term	-	-		[ICRA]BBB (Stable), withdrawn	[ICRA]BBB (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)
3	Non-fund based	Short term	-	-	-	[ICRA]A3+; withdrawn	[ICRA]A3+	[ICRA]A2	[ICRA]A2	[ICRA]A2	[ICRA]A2
4	Proposed	Long term	-	-	-	-	-	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)

\* As on January 15,2021

### Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

## Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
INE647U07015	NCD	01-Feb-18	13.5%	Jan 31, 2021	62.00	[ICRA]BBB (Stable); reaffirmed and withdrawn

Source: CMES

## Annexure-2: List of entities considered for consolidated analysis:

Company Name	Ownership	Consolidation Approach
<b>Subsidiaries</b>		
Cleanmax Cogen Solutions Private Limited	100%	Full consolidation
Cleanmax Energy Ventures Private Limited	100%	Full consolidation
Cleanmax Power Projects Private Limited	100%	Full consolidation
KAS Onsite Power Solutions Private Limited	73%	Full consolidation
Clean Max IPP1 Private Limited	100%	Full consolidation
Cleanmax Solar Mena FZCO	100%	Full consolidation
Clean Max IPP2 Private Limited	100%	Full consolidation
Clean Max Photovoltaic Private Limited	100%	Full consolidation
Clean Max Mercury Power Private Limited	100%	Full consolidation
Clean Max Jupiter Private Limited	100%	Full consolidation
CMES Power 1 Private Limited	100%	Full consolidation
KPJ Renewable Power Projects LLP	100%	Full consolidation
CMES Power 2 Private Limited	100%	Full consolidation
CMES Infinity Private Limited	100%	Full consolidation
Clean Max Pluto Solar Power LLP	74%	Full consolidation
Clean Max Deneb Power LLP	74%	Full consolidation
Clean Max Vega Power LLP	100%	Full consolidation
Chitradurga Renewable Energy India Private Limited	100%	Full consolidation
Clean Max Auriga Power LLP	100%	Full consolidation
Clean Max Orion Power LLP	100%	Full consolidation
Clean Max Regulus Power LLP	100%	Full consolidation
Clean Max Scorpius Power LLP	100%	Full consolidation
Clean Max Suryamukhi LLP	100%	Full consolidation
Clean Max Venus Power LLP	100%	Full consolidation
CMES Animo Private Limited	100%	Full consolidation
CMES Rhea Private Limited	100%	Full consolidation
CMES Saturn Private Limited	100%	Full consolidation
CMES Universe Private Limited	100%	Full consolidation
CMES Urja Private Limited	100%	Full consolidation
Clean Max Fusion Power LLP	100%	Full consolidation
Clean Max Solstice Power LLP	100%	Full consolidation
Clean Max IPP 3 Power LLP	100%	Full consolidation
Clean Max Power 3 LLP	100%	Full consolidation
Clean Max Apollo Power LLP	100%	Full consolidation
Clean Max Light Power LLP	100%	Full consolidation
Clean Max Agni 2 Power LLP	100%	Full consolidation
Clean Max Helios Power LLP	100%	Full consolidation
Clean Max Charge LLP	100%	Full consolidation

Clean Max Actis Energy LLP	100%	Full consolidation
Clean Max Vital Energy LLP	100%	Full consolidation
Clean Max Proclus Energy LLP	100%	Full consolidation
Clean Max August Power LLP	100%	Full consolidation
Clean Max Hyperion Power LLP	100%	Full consolidation
Clean Max Circe Power LLP	100%	Full consolidation
Clean Max Hybrid Power LLP	100%	Full consolidation
Cleanmax IHQ (Thailand) Co.Ltd	100%	Full consolidation
Clean Max Alpha Lease Co FZCO	76.92%	Full consolidation
Sunroof Enviro Solar Energy Systems LLC	49%	Full consolidation
<b>Joint Ventures</b>	100%	Full consolidation
Clean Max Harsha Solar LLP	50%	Equity method

Source: CMES

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