Sunday, 22 February 2026

CM RATING	43 /100

Clean Max Enviro Energy Solutions

Group captive renewable power supplier

Delivers net zero and decarbonization solutions, including supplying renewable powerand energy services and carbon credit solutions

CleanMax is India‘s largest commercial and industrial (C&I) renewable energy provider, with 2799 MW of operational capacity portfolio as of 31 October 2025. Additionally, capacity of 3,044 MW was in an advanced stage, 3,172 MW contracted and 1,914 MW under development.

With 15 years of experience since inception, CleanMax specializes in delivering net zero and decarbonization solutions, including supplying renewable power and energy services and carbon credit solutions across data centres, AI and technology industries and C&I enterprises across a range of sectors, including infrastructure, cement, steel, industrial manufacturing, FMCG, pharmaceuticals, real estate, and global capability centres.

CleanMax provides end-to-end decarbonization solutions to customers. These include turnkey development, O&M solutions for renewable energy power plants and carbon credits solutions. The company is committed to being a net zero partner to corporates, driven by a client-first culture, execution excellence, focus on capital efficiency and its people and culture.

The business model is distinct from utility-scale renewable energy developers. CleanMax does not participate in competitive tenders with state-owned distribution companies or central government utilities that award projects solely based on the lowest tariff bids. Instead, it pursues customer-specific contracting by tailoring projects for corporate consumers‘ needs and sells energy generated from its solar, wind, and hybrid renewable energy farms.

CleanMax‘s expertise spans across providing energy contracting, engineering, procurement and construction (EPC) services, and operation and maintenance (O&M) services of renewable energy plants including solar, wind and hybrid plants, within the customer‘s premises (onsite) and within inhouse-developed renewable energy (solar, wind and hybrid) farms (offsite).

As of March 31, 2025, CleanMax had the largest geographic coverage of onsite solar and STU-connected farms among C&I renewable energy players in India. It offers state transmission utility (STU)-connected farms in 10 states in India, has upcoming central transmission utility (CTU)-connected farms in four states for pan-India supply, and offers onsite solar across 23 states and union territories in India, and in United Arab Emirates, Bahrain and Thailand. Of the revenue from operations about 94.39% and 94.78% was within India in H1FY2026 and FY2025 respectively and balance from outside of India.

Renewable energy power sales revenue as a percentage of revenue from operations amounted to 77.09% and 74.03% in H1FY2026 and FY 2025. Of the revenue from renewable energy power sales, the contribution from onsite was 15.15% and that of offsite was 84.85% [47.82% Karnataka, 30.94% Gujarat, 5.36% Tamil Nadu, 0.73% Maharashtra] in FY2025.

Of the 2.8 GW of operational capacity as of October 2025, 1,736 MW (or 62% of total operational capacity) was solar, 307 MW (or 11%) wind and 756 MW (or 27%) hybrid. Similarly, of the operational capacity of 2.8 GW as of end October 2025, 1,402 MW (or 50%) was STI group captive, 540 MW (or 19%) STU third-party open access, 482 MW (or 17%) onsite solar and 375 MW (or 14%) STU capex.

CleanMax is developing CTU- or ISTS-connected projects to supply power throughout India by utilizing the national grid network. It had 1,421.10 MW of CTU-connected capacity contracted as of end September 2025. Its first CTU project, a 525 MWp solar in Bikaner, Rajasthan, is expected to commence operations by 31 July 2026 and received evacuation approval for this capacity on 20 December 2024.

As of September 30, 2025, CleanMax had 1,331.1 MW of contracted capacity in Karnataka and Rajasthan which, when built, will be connected to the CTU for which it will be selling power on exchange. Under the terms of its contract with the customers, for 1,111.7 MW of the total capacity contracted, the customer is required to compensate it for any shortfalls in the price of electricity sold on exchanges. Thus, 83.52% of this portfolio is secured from risk of price fluctuations by selling on these exchanges.

In the renewable energy power sales segment, CleanMax had 312 onsite solar customers across 588 PPAs and 1,330 plants, as of 30 September 2025. It commissioned onsite solar plants with capacities of 28.83 MWp, 36.07 MWp, 34.48 MWp and 41.14 MWp in H1FY2026, FYs 2025, 2024, and 2023, respectively.

Of the 3.17 GW of contracted capacity yet to be executed as of end October 2025, firm PPAs and EAPAs were in place for 74.72% of the capacity, representing 2.37 GW, whereas the remaining 0.80 GW— representing 29 customers—is currently governed by letters of intent (LoIs).

Under the STU group captive model, all the group captive customers have invested 26% or more equity capital into its SPVs and negotiated long-term shareholder agreements that include board and shareholder approvals for equity infusions. CleanMax had 231 PPAs in the group captive model across 96 customers, with an average PPA size of 12.50 MW and an average capacity of 24.08 MW per customer as of 30 September 2025. As the power requirements of the group captive customers grow, they routinely expand their capacity by adding new PPAs within the same SPV. Revenue from STU – group captive as a percentage of revenue from operations – renewable energy power sales was 52.48% and 48.22%in H1FY2026 and FY2025, respectively.

CleanMax had a market share of 8% and 12% of the annual open access renewable energy capacity additions in FYs 2025 and 2024, respectively, for C&I in the Indian market, with a higher market share in Gujarat and Karnataka, where most operational capacity was present in FY2024.

CleanMax sells electricity generated at its renewable energy plants to customers through long-term PPAs and EAPAs. Through its contracting practices, the company has built a portfolio of PPAs and EAPAs, with a weighted average tenure of 22.85 years and a weighted average lock-in period of 16.86 years, as of 30 September 2025. The PPAs typically provides a minimum supply guarantee, where by the company is required to supply a minimum contracted electricity generation. Failure to do so requires the customers to be compensated or supply of renewable energy arranged from other sources. The contracts with customers often specify a minimum savings guarantee in contracts linked to grid prices. If the company breaches the minimum savings guarantee, pricing for contracts can be renegotiated. The contracts typically provide a floor, i.e., a reduced tariff below which neither party can reduce pricing. Most of its PPAs have fixed tariffs. The company does not have the flexibility to charge more if its production costs increase.

The business model has enabled CleanMax to foster relationships with 555 customers. Its technology customers include Amazon, Apple, CISCO, Equinix and Google, among others. Conventional C&I customers include Apar Industries, Bajaj Auto, Bangalore International Airport, BASF India, Concord Biotech, Grasim Industries (Birla Paints division), Sansera Engineering, Sona Comstar and Welspun Living, among others.

CleanMax has built global credibility by partnering with international majors such asApple, Osaka Gas Co and Toyota Tsusho Corporation, who have come in as financial co-investors. These companies have individually entered joint ventures with CleanMax to co-develop renewable energy projects that supply clean power to Indian corporates.

As of September 2025, CleanMax did not have any operational energy storage projects. To evolve operating practices and strategies to address the changing needs of its customers and the evolving energy landscape, it plans to incorporate battery energy storage systems (BESS) in its portfolio in the renewable energy power sales segment.

The issue and object of the issue

The issue comprises fresh equity shares, aggregating Rs 1,200 crore, and an offer-for-sale (OFS) of equity shares, aggregating Rs 1900 crore.The OFSby the promoters include equity shares, aggregating Rs 216.799 crore by Kuldeep Jain, Rs 903.898 crore by BGTF One Holdings, and Rs 73 crore by KEMPINC LLP. The OFS by selling shareholders aggregate Rs 541.921 crore and by DSDG Holdings Rs 164.382 crore.

Of the net proceeds, Rs 1122.674 crore will be used for repayment and/or pre-payment, in part or full,of all or certain outstanding borrowings and/or certain of subsidiaries, and balance for general corporate purposes.

Total borrowings stood at Rs 10121.46 crore as of 30 September 2025.

Strengths

India's largest C&I renewable energy provider

Distinct business model from utility-scale renewable energy developers, with customer-specific contracting.

A marque customer base, with long-term relationships with key customers.

Operational capacity of PPAs had tenures of more than 10 years (MW) as of end September 2025 and stood at about 2287.7 MW. Moreover, the weighted average tenure of its PPAs of the portfolio was 22.85 years and the average lock-in period of 16.86 years as of September 2025.

No single customer contributed more than 10% of its revenue in H1FY2026, FY 2025 or FY 2024.

Weaknesses

Operates in a capital-intensive industry, requiring significant upfront investment for project development.

The amount of energy generated depends on environmental (wind conditions and solar irradiance) and physical conditions at each project site and is subject to seasonality that can cause quarter-to-quarter fluctuations in operating results.

Supply of electricity to various counterparties requires the availability of and access to evacuation infrastructure and transmission systems that are largely state owned. Load dispatch centres may order the curtailment of renewable power generation despite their being accorded `must-run' status.

Business depends on the regulatory and policy environment affecting the renewable energy sector in India.

Revenue from top 10 customers was 34.95% of revenue from operations in H1FY2026.

Counterparties to the PPAs may not fulfil their obligations.

Some promoters had encumbered certain equity shares in favor of 360 One Prime Limited pursuant to loans availed by one of itspromoters, KEMPINC LLP, from 360 One Prime by way of pledge. Further, one of thepromoting groups, BGTF Four Holdings (DIFC) Limited, has pledged its entire shareholding. As on date of thered herring prospectus, all the pledged shares have been released. Except for the shares offered by the promoter selling shareholders. These will be transferred and allotted to allottees in the OFS. All or a portion of the remaining pledged shares will be re-pledged post creation of statutory lock-in in accordance with regulation.

Selling electricity on exchanges carries inherent risks due to the variability and unpredictability of market prices. Limited experience in selling power through exchange.

The carbon business is a newer business and there is no assurance that it will be able to grow this business or achieve expected returns.

Has been unable to comply with applicable rules and regulations for NCDs listed on the BSE. Contravened certain provisions of the Companies Act, 2013, related to the term of appointment of certain directors.

Failure to comply with conditions under captive/group captive norms as per the Electricity Rules, 2005, could lead to imposition of cross-subsidy surcharges and additional surcharges on commercial and industrial customers and result in the termination of their PPAs.

Changes in technology may render current technologies obsolete or require substantial capital investments. Limited experience in operating new technology, such as new wind turbines of 5 MW.

Valuation

Consolidated re-stated sales stood higher by 8% to Rs 1495.70 crore in FY 2025. With the OPM expanding a whopping 940 bps to 60.2%, OP jumped 28% to Rs 900.43 crore. PBT before EO was up 5% to Rs 52.20 crore. Finally, profit after MI was Rs 27.84 crore against loss of Rs 30.99 crore.

Sales were up 38% to Rs 932.95 crore in H1FY2026 over a year ago. Net profit after MI was up 228% to Rs 11.06 crore.

Sales were Rs 1752.19 crore and the net profit after MI was Rs 35.53 crore in the TTM period ended September2025.

On expanded equity (at the upper price band) the EPS for FY2025 was Rs 2.4 and for TTM period ended September 2025 it was Rs 3.0.

The P/E at the upper price band works out to 438.8 times its FY2025 EPS and351 times its EPS for the TTM period ended September 2025. The sharesare offered at a P/BV of 3.2 times and EV/sales of 14.3 times of FY2025 revenue.

As of September 30, 2025, total consolidated borrowings stood at Rs 10121.46 crore. The company proposes to utilize Rs 1122.674 crore of the net proceeds from fresh issue towards prepayment of the borrowing. Repayment of Rs 1122.674 crore will bring the borrowings down by 12.5% resulting in lower interest outgo and boosting the net-profit substantially. The EPS for TTM period ended September 2025 works out to Rs 6.6 if 12.5% of its interest cost is removed, keeping all other items, including tax rate, same. The re-worked P/E at the upper price band moderates to 159.5 times.

In comparison, Orient Green Power Company operating 380 MW of wind power capacity across key Indian states, 10.5 MW wind farm in Croatia and 7MW solar capacity with significant group captive renewable power capacity quotes at a PE of 19 times of its TTM EPS for the period ended December 2025.

Similarly, other power generation companies with significant presence in renewable power with assets under captive, regulatory and merchant such as Adani Green Energy and NTPC Green Energy quote at a PE of 111.32 times and 136.11 times of their EPS for TTM period ended December 2025. ACME Solar Holding and KPI Green Energy quote at a PE of 27.94 times and 18.29 times of EPS for the TTM period ended December 2025. NHPC, Tata Power and JSW Energy quote at PE of 33.92 times, 31.93 times and 38.15 times, respectively, of their EPS for TTM period ended December 2025.

Adani Green Energy, NTPC Green Energy, ACME Solar Holdings, Orient Green, KPI Green Energy, Tata Power, and JSW Energy quote at a P/BV of 8.2 times, 4.1 times, 2.9 times, 1 time, 3 times, 3.2 times and 3 times, respectively. Similarly, Adani Green Energy, NTPC Green Energy, ACME Solar Holdings, Orient Green, KPI Green Energy, Tata Power, and JSW Energy quote at EV/sales of 21.7 times, 44.2 times, 16.8 times, 5.7 times, 5.5 times, 2.8 times and 12.8 times.

Clean Max Enviro Energy Solutions: Re-stated Consolidated Financials					
	2303 (12)	2403 (12)	2503 (12)	2409 (6)	2509 (6)
Sales	929.58	1389.84	1495.70	676.47	932.95
OPM (%)	40.3	50.8	60.2	67.9	64.5
OP	374.52	706.10	900.43	459.36	601.47
Other income	31.40	35.47	114.64	29.38	36.39
PBIDT	405.92	741.57	1015.07	488.74	637.86
Interest	217.22	504.38	662.89	305.58	416.08
PBDT	188.70	237.19	352.19	183.16	221.78
Depreciation	117.62	221.53	299.99	136.15	172.26
PBT	71.08	15.66	52.20	47.01	49.53
EO Exp	89.19	10.77	0.00	0.00	0.00
PBT after EO	-18.11	4.89	52.20	47.01	49.53
Tax	43.32	43.84	40.32	43.55	34.09
PAT	-61.43	-38.95	11.88	3.45	15.44
Share of Profit from Associates	1.95	1.31	7.55	3.07	3.57
Minority Interest	5.80	-6.66	-8.41	3.14	7.94
Net profit after MI	-65.27	-30.99	27.84	3.38	11.06
EPS (Rs)*	20.3	-10.0	2.4	0.6	1.9
* on post IPO fully dilluted equity (on upper price band) of Rs 11.70 crore. Face Value: Rs 1					
EPS is calculated after excluding EO and relevant tax					
Figures in Rs crore					
Source: Capitaline Corporate database					

Clean Max Enviro Energy Solutions : Issue Highlights	
Fresh Issue (Rs crore)	1200
Offer for sale (Rs crore)	1900
Price band (Rs.) **	
Upper	1053
Lower	1000
Post-issue equity (Rs crore)	
in Upper price band	11.70
in Lower Price Band	11.77
Post-issue promoter (including promoter group) stake (%)	49.37
Minimum Bid (in nos.)	14
Issue Open Date	23-02-2026
Issue Close Date	25-02-2026
Listing	BSE, NSE
Rating	43/100