



Company Overview

Clean Max Enviro Energy Solutions Ltd. (CMEES), incorporated in 2010, is India's largest commercial and industrial (C&I) renewable energy provider, with 2.80 GW of operational, owned, and managed capacity and 3.17 GW of contracted capacity yet to be executed as of October 31, 2025. The company is an early mover in India's C&I renewable energy space and has played a significant role in shaping the sector's evolution and operating models. It accounted for 12% and 8% of annual open-access renewable energy capacity additions in FY24 and FY25, respectively, in the Indian C&I market, with a stronger presence in Gujarat and Karnataka. CMEES offers a range of renewable energy solutions across geographies through two business segments: (i) Renewable Energy Power Sales and (ii) Renewable Energy Services. The company sells electricity generated from its renewable energy plants to customers through long-term Power Purchase Agreements (PPAs) and Energy Attribute Purchase Agreements (EAPAs). Its key customer base includes companies from high-growth sectors such as data centres, AI, and technology, along with Conventional C&I customers across infrastructure, industrial manufacturing, and real estate. CMEES focuses on providing Net Zero and decarbonization solutions, including renewable power supply, energy services, and carbon credit solutions, to data centres, AI and technology companies (Technology customers), as well as C&I enterprises across sectors such as infrastructure, cement, steel, industrial manufacturing, FMCG, pharmaceuticals, real estate, and global capability centres (Conventional C&I customers). It follows a customer-specific contracting approach by designing projects tailored to corporate consumers' requirements and supplying energy generated from its solar, wind, and hybrid renewable energy farms. This model has enabled the company to build relationships with 555 customers as of September 30, 2025. CMEES aims to be a Net Zero partner to corporates, supported by a client-centric approach, execution excellence, focus on capital efficiency, and a strong organizational culture.

Objects of the issue

The net proceeds of the Fresh Issue are proposed to be utilized in the following manner:

- ⇒ Repayment and/or pre-payment, in part or in full, of all or certain outstanding borrowings of the company and/or certain of its subsidiaries; and
- ⇒ General corporate purposes.

Investment Rationale

Integrated in-house capabilities driving cost discipline and scalable growth

The company's execution of offsite STU-connected and proposed CTU-connected farms involves three key components: (i) site evaluation, for evacuation availability and land rights; (ii) EPC, focused on delivering projects on schedule and within budget; and (iii) O&M, aimed at ensuring optimal asset performance and energy generation. For its offsite farms, the company prioritizes securing adequate evacuation access and land rights during the development phase. As of September 30, 2025, it had a 38-member team for land acquisition, regulatory, and permitting, supporting its project development function. This team works to ensure timely land availability for project evacuation, with sufficient scale, appropriate resource quality (particularly for wind site micro-siting), and construction-friendly conditions. CMEES has developed in-house capabilities across key functions, including design and engineering, central procurement, construction management, and asset management. These capabilities enable it to maintain service quality, control costs, deliver projects on time, and manage construction and operational risks. The company has adopted and continues to adopt leading global technologies to reduce the levelized cost of energy and improve efficiency and reliability. It maintains a diversified supplier base for materials and equipment, supporting operational efficiency and cost control. All projects commissioned during the six months ended September 30, 2025, and between FY23 and FY25, were delivered within budgeted costs. The combination of in-house project development, execution, and management capabilities, built over time, supports timely project commissioning, delivery within budget, and optimal plant performance. This strengthens its ability to retain and attract customers while effectively managing risks.

Customer-centric platform strengthening C&I market leadership

CMEES is a market leader in the C&I renewable energy sector, with the largest customer base among C&I renewable energy players in India as of March 31, 2025 and September 30, 2025. The company offers five distinct solutions - Onsite, Offsite STU, Offsite CTU, Capex Services, and carbon

Issue Details

Offer Period	23 rd Feb. 2026 - 25 th Feb. 2026
Price Band	Rs. 1,000 to Rs. 1,053
Bid Lot	14
Listing	BSE & NSE
Issue Size (no. of shares in Crs.)	2.9
Issue Size (Rs. in Crs.)	3,100
Face Value (Rs.)	1

Issue Structure

QIB	50%
NIB	15%
Retail	35%

Axis Capital Ltd., J.P. Morgan India Pvt. Ltd., BNP Paribas, HSBC Securities and Capital Markets (India) Pvt. Ltd., IIFL Capital Services Ltd., Nomura Financial Advisory and Securities (India) Pvt. Ltd., BOB Capital Markets Ltd., SBI Capital Markets Ltd.	
BRLM	
Registrar	MUFG Intime India Pvt. Ltd.

Particulars	Pre Issue %	Post Issue %
Promoters and promoter group	65.4	49.4
Public	34.6	50.6
Total	100.0	100.0

(Assuming issue subscribed at higher band)

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Clean Max Enviro Energy Solutions Limited

services - enhancing its ability to support customers in achieving their Net Zero objectives. These diversified offerings, tailored to specific customer requirements, enable clients to meet their carbon neutrality mandates or Net Zero targets. As of March 31, 2025, CMEES had the largest geographic presence among C&I renewable energy players in India for Onsite Solar and STU-connected farms. It operates STU-connected farms across 10 states, has upcoming CTU-connected farms in 4 states to enable pan-India supply, and provides Onsite Solar solutions across 23 states and union territories in India, as well as in the United Arab Emirates, Bahrain, and Thailand, as of September 30, 2025. This broad footprint allows the company to serve customers with a presence across multiple states/geographies. Its business model focuses on smaller, customer-centric engagements, thereby diversifying risk across clients, sectors, and geographies. Unlike utility-scale renewable energy developers, the company does not participate in competitive tenders with state-owned distribution companies or central government utilities that award projects solely on the basis of the lowest tariff bids. As a result, CMEES prices its offerings at a premium compared to large utility-scale IPPs, due to differentiated project economics and risk profiles. For FY23, FY24, and FY25, as well as, the six months ended September 30, 2025, the company has achieved high customer repeat rates. Its ability to retain and expand relationships with existing customers enables deeper insights into client ecosystems, informing business strategy, driving cross-selling opportunities, and enhancing long-term visibility in its contracted pipeline.

Valuation

Clean Max Enviro Energy Solutions Ltd. (CMEES) is a renewable energy provider focused on commercial and industrial (C&I) customers, operating through a fully business-to-business model. With 15 years of experience, the company delivers decarbonization solutions, including renewable power supply, energy services, and carbon credit offerings. Its capabilities extend to EPC and O&M services for solar, wind, and hybrid plants, both at customer premises and at CleanMax-developed farms. India is expected to experience rapid growth, with its annual solar and wind capacity additions increasing from 35 GW in 2024 to 61 GW in 2030. The company is set to capitalize on favorable macroeconomic growth, supported by its in-house expertise across key functions, enabling it to maintain service quality, manage costs, ensure timely project delivery, and mitigate construction and operational risks. The integration of project development, execution, and management capabilities supports timely commissioning, delivery within budget, and optimal plant performance, thereby strengthening its ability to attract and retain customers. CMEES' broad geographic presence among C&I renewable energy players in India allows it to serve customers across multiple states and geographies. Its diversified offerings, tailored to specific client requirements, and its focus on smaller, customer-centric engagements help diversify risk across clients, sectors, and regions. The company's ability to retain and expand relationships with existing customers provides deeper insights into client ecosystems, supporting strategic planning, cross-selling opportunities, and long-term visibility in its contracted pipeline. On the financial front, the company's revenue and EBITDA grew at CAGRs of 26.8% and 55.1%, respectively, over FY23-25. During the same period, its EBITDA margin grew from 40.3% to 60.2%. **At the upper price band, the company is valued at an EV/EBITDA multiple of 21.2x. Given the company's position within the industry, improving financials and favorable macroeconomic conditions, we recommend a "SUBSCRIBE" rating to the issue from a medium-to long-term perspective.**

Key Risks

- ⇒ The company may be unable to develop and secure rights to suitable land for the development of solar and wind projects, including the conversion of agricultural acquired or leased land for non-agricultural use. This could adversely impact its operations, limit its ability to generate electricity and mortgage such land, or result in loan recalls.
- ⇒ The company's PPAs or EAPAs may be terminated by counterparties upon the occurrence of certain events. If these agreements are terminated and the company is unable to secure replacement PPAs or EAPAs on a timely basis or on similar terms, its business, results of operations, cash flows, and future prospects could be materially affected.
- ⇒ The company's operational projects located in the States of Karnataka and Gujarat contribute to a major portion of its revenue from Renewable Energy Power Sales. Any adverse developments in these states, including changes in the regulatory environment, could have a heightened impact on the company's business, cash flows, financial condition, and results of operations.

Clean Max Enviro Energy Solutions Limited

Income Statement (Rs. in crores)

Particulars	FY23	FY24	FY25	H1FY26
Revenue				
Revenue from Operations	930	1,390	1,496	933
Total revenue	930	1,390	1,496	933
Expenses				
Cost of materials consumed and cost of services	427	450	407	195
Purchase of traded goods	0	1	3	8
Employee benefits expenses	68	158	105	61
Other expenses	60	74	81	68
Total operating expenses	555	684	595	331
EBITDA	375	706	900	601
Depreciation, impairment and amortization expenses	118	222	300	172
EBIT	257	485	600	429
Finance costs	217	504	663	416
Other income	31	35	115	36
Exceptional items	89	11	0	0
PBT & shares of profit	-18	5	52	50
Share of profit of joint ventures and associate (net of taxes)	2	1	8	4
PBT	-16	6	60	53
Tax expense	43	44	40	34
Net Profit	-59	-38	19	19
Diluted EPS	-9.0	-3.9	2.8	1.1

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in crores)

Particulars	FY23	FY24	FY25	H1FY26
Cash Flow from operating activities	928	86	1,404	1,376
Cash flow from investing activities	-3,011	-1,939	-3,617	-3,238
Cash flow from financing activities	2,144	1,789	2,481	1,750
Net increase/(decrease) in cash and cash equivalents	61	-64	268	-112
Cash and cash equivalents at the beginning of the period	52	113	50	329
Cash and cash equivalents at the end of the period	113	50	329	216

Source: RHP, BP Equities Research

Clean Max Enviro Energy Solutions Limited

Balance Sheet (Rs. in crores)

Particulars	FY23	FY24	FY25	H1FY26
Assets				
Non-Current Assets				
Property, plant and equipment	2,901	6,610	7,916	9,350
Capital work in-progress	2,682	677	1,913	3,575
Goodwill	0	0	20	21
Other intangible assets	28	39	124	161
Intangible assets under development	0	2	0	0
Investments accounted for using the equity method	44	69	21	25
Financial assets				
(i) Investment	1	21	55	51
(ii) Loan	33	30	3	0
(iii) Other financial assets	157	293	443	449
Income tax assets (net)	21	38	50	54
Deferred tax assets (net)	128	225	255	381
Other non-current assets	44	66	610	736
Total Non-Current assets	6,041	8,070	11,410	14,803
Current Assets				
Inventories	77	40	52	32
Financial assets				
(i) Investments	3	3	0	0
(ii) Trade receivables	169	252	188	219
(iii) Cash and cash equivalents	113	50	329	216
(iv) Bank balances other than (iii) above	417	333	861	928
(v) Loan	1	1	3	25
(vi) Other financial assets	64	143	155	204
Other current assets	114	185	282	519
Total Current Assets	959	1,007	1,869	2,143
Total Assets	7,000	9,077	13,279	16,946
Equity and Liabilities				
Equity Share Capital	4	4	5	10
Other Equity	1,207	1,829	2,558	2,657
Total equity attributable to the owners of the company	1,211	1,833	2,563	2,667
Non-controlling interests	258	401	641	733
Total Equity	1,469	2,234	3,205	3,399
Non-Current Liabilities				
Financial liabilities				
(i) Borrowings	3,619	5,195	7,127	9,667
(ii) Lease liabilities	28	50	98	168
(iii) Other financial liabilities	31	1	13	38
Provisions	4	5	5	8
Deferred tax liabilities (net)	127	208	264	385
Other non-current liabilities	93	98	117	135
Total Non-Current Liabilities	3,902	5,557	7,624	10,401
Current Liabilities				
Financial Liabilities				
(i) Borrowings	225	319	847	454
(ii) Lease payable	4	5	15	18
(iii) Trade Payables	1,119	788	1,295	2,217
(iv) Other financial liabilities	131	58	165	82
Current tax liabilities (Net)	49	27	12	60
Other current liabilities	101	88	116	315
Total Current Liabilities	1,629	1,285	2,451	3,146
Total Liabilities	5,531	6,843	10,074	13,546
Total Equity and Liabilities	7,000	9,077	13,279	16,946

Source: RHP, BP Equities Research

Disclaimer Appendix**Analyst (s) holding in the Stock : Nil****Analyst (s) Certification:**

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