



Press Release
CHOICE GREEN ENERGY MH-2 PRIVATE LIMITED
December 29, 2025
Rating Assigned

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|------------------------------------|------------------|---------------------------------|-------------------|
| Bank Loan Ratings | 120.00 | ACUITE BBB- Stable Assigned | - |
| Total Outstanding Quantum (Rs. Cr) | 120.00 | - | - |
| Total Withdrawn Quantum (Rs. Cr) | 0.00 | - | - |

Rating Rationale

Acuite has assigned the long-term rating of '**ACUITE BBB-**' (read as **ACUITE Triple B Minus**) on the Rs.120.00 Cr. proposed bank facilities of Choice Green Energy MH-2 Private Limited (MH-2). The outlook is '**Stable**'.

Rationale for rating

The assigned rating takes into account strong parentage and financial flexibility from parent company i.e Choice Consultancy Services Private Limited (CCSPL) which in turn is an advisory and consulting arm of Choice International Limited (CIL). Additionally, rating draws comfort from the strong market position, improving earning profile and healthy financial position of CIL. Further, the rating factors low offtake risk of the solar project on account of long-term power purchase agreement with Maharashtra State Electricity Distribution Company Limited (MSEDCL). However, rating remains constrained on account of nascent stage of operations of the project, timely completion/execution of which remains a key rating monitorable.

About the Company

Incorporated in May, 2025; Choice Green Energy MH-2 Private Limited (MH-2) is a 100% subsidiary, SPV formed by CCSPL for executing a solar power plant project of 27 MW capacity at multiple locations in the state of Maharashtra. The company is promoted by Mr. Kamal Poddar and Mr. Arun Poddar.

Unsupported Rating

Not applicable.

Analytical Approach

The team has considered standalone business and financial risk profile of Choice Green Energy MH-2 Private Limited (MH-2). Further, rating factors in the parentage and financial support from CIL group.

Key Rating Drivers

Strengths

Strong parentage and financial flexibility from CIL group

Choice Green Energy MH-2 Private Limited (MH-2) is the wholly owned subsidiary of Choice Consultancy Services Private Limited (CCSPL) which in turn is an advisory and consulting arm of Choice International Limited (CIL). MH-2 benefits from common management, shared

brand, and strong operational and financial synergies between the group companies. The tangible net-worth for CIL stood at Rs.960.87 Cr as on 31st March, 2025. Further, of the total

project cost of Rs.129.28 Cr, equity infusion to the extent of ~Rs.32 Cr will be done by CIL group and going ahead the project is expected to receive the required security support towards the debt tie up.

Acuité believes that MH-2 will continue to derive benefits from strong market position, improving earning profile and financial position of CIL.

Low offtake risk

MH-2 has a Power Purchase Agreement tie-up with MSEDCL for total capacity of 27MW for 25 years at a tariff rate of Rs.3.08 with incentive of Rs.0.25 for timely project completion for the first three years; which mitigates the offtake risk. Further, the lock in period of 25 year reduces the demand risk in longer term.

Weaknesses

Project implementation risk

The project implementation is currently at very nascent stage with infusion of both debt and equity funding pending. The total project cost is estimated at around Rs.129.28 Cr which is to be funded in 70:30 debt & equity portion. Currently, land parcels are being accumulated, and debt tie is also pending. Further, project has target timeline of September 2026. Therefore, timely completion with no cost overruns remains a key rating monitorable.

Assessment of Adequacy of Credit Enhancement under various scenarios including stress scenarios (applicable for ratings factoring specified support considerations with or without the "CE" suffix)

Choice Green Energy MH-2 Private Limited (MH-2) receives parentage as well as financial support from Choice International Limited (CIL) group.

Stress Case Scenario

Acuité believes that, owing to the strong parentage support and financial linkages with CIL, MH-2 is expected to service its debt obligations on time, even in stress scenarios.

Rating Sensitivities

- Timely project completion without any cost overruns.
- Continued financial support and flexibility from CIL group.

Liquidity Position

Adequate

The liquidity position is marked adequate basis the strong parentage and financial flexibility from CIL and expected support from them in case of any exigencies.

Outlook: Stable

Other Factors affecting Rating

None.

Key Financials :

The company is incorporated on May 14, 2025, financial statements for the year are not available.

Status of non-cooperation with previous CRA (if applicable)

None.

Any other information

None.

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Group And Parent Support: <https://www.acuite.in/view-rating-criteria-47.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History :

Not applicable.

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Quantum (Rs. Cr.) | Complexity Level | Rating |
|----------------|----------------------|----------------------------------|----------------------|----------------------|----------------------|-------------------|------------------|--|
| Not Applicable | Not avl. / Not appl. | Proposed Long Term Bank Facility | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 120.00 | Simple | ACUITE BBB- Stable Assigned |

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

| Sr. No | Name of the company |
|--------|---|
| 1 | Choice Green Energy MH-2 Private Limited |
| 2 | Choice Consultancy Services Private Limited |

Contacts

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About Acuité Ratings & Research

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