June 18, 2026

CSE Development (India) Private Limited: Ratings upgraded to [ICRA]A-(CE) (Stable)/[ICRA]A2+(CE)

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Short term—Fund based – Others	155.00	155.00	[ICRA]A2+(CE); upgraded from [ICRA]A3+(CE)
Short term – Non-fund based - Letter of credit	180.00	180.00	[ICRA]A2+(CE); upgraded from [ICRA]A3+(CE)
Long term/Short term – Non-fund based - Interchangeable limits – Bank guarantee	(50.00)	(50.00)	[ICRA]A-(CE) (Stable)/ [ICRA]A2+(CE); upgraded from [ICRA]BBB(CE) (Stable)/ [ICRA]A3+(CE)
Long term/Short term –Fund-based - Interchangeable limits – Other	(1.00)	(1.00)	[ICRA]A-(CE) (Stable)/ [ICRA]A2+(CE); upgraded from [ICRA]BBB(CE) (Stable)/ [ICRA]A3+(CE)
Long term/Short term - Unallocated limits	20.00	20.00	[ICRA]A-(CE) (Stable)/ [ICRA]A2+(CE); upgraded from [ICRA]BBB(CE) (Stable)/ [ICRA]A3+(CE)
Total	**355.00**	**355.00**	

Rating without explicit credit enhancement	[ICRA]BBB (Stable)/ [ICRA]A3+

**Instrument details are provided in Annexure II*

Note: The (CE) suffix mentioned alongside the rating symbol indicates that the rated instrument/facility is backed by some form of explicit credit enhancement. This rating is specific to the rated instrument/facility, its terms and its structure and does not represent ICRA's opinion on the general credit quality of the entity concerned. The last row in the table above also captures ICRA's opinion on the rating without factoring in the explicit credit enhancement

Rationale

For the [ICRA]A-(CE) (Stable)/[ICRA]A2+(CE) rating

The ratings are based on the strength of an unconditional and irrevocable corporate guarantee provided by Cleantech Solar Asia 2 Pte. Ltd. (CSA 2) for the rated bank facilities. The Stable outlook on this rating reflects ICRA's outlook on the credit profile of the guarantor, CSA 2.

The ratings upgrade also take into account an improvement in the credit profile of the parent entity, Cleantech Solar Asia 2 Pte. Ltd. (CSA-2), driven by the enhanced financial flexibility derived from Keppel's full ownership and support. In November 2025, Keppel Corporation acquired the balance stake from Shell Plc, thereby gaining full ownership of the Cleantech platform. Keppel has shown commitment towards growing the platform and providing the required funding support. Keppel, a global asset manager with an asset under management (AUM) of $95 billion, is present in various segments, including infrastructure, real estate and connectivity. Temasek Holdings (Private) Limited is the largest shareholder in Keppel, holding around 20.6% stake in the entity. In addition, the operational capacity of CSA 2 has improved with around ~72% of the assets operational, resulting in better revenue visibility.

CSA 2 is a wholly-owned subsidiary of Cleantech Renewable Assets Pte. Ltd., which in turn is owned by Keppel. The renewable portfolio of the Cleantech Group in India and Southeast Asia is managed under two holding entities – Cleantech Solar Asia Pte Limited (CSA) and Cleantech Solar Asia 2 Pte Limited (CSA 2). CSA has an operational renewable portfolio of 639.2 MW, with majority of the assets being operational. CSA 2 has a portfolio of 445.3 MW, wherein the operational capacity is 318.7 MW, and the balance is under construction. This capacity is being developed under the various subsidiaries of CSA 2 and the entire capacity is expected to be operational in FY2027. The company has achieved financial closure for most of the under-construction capacity and equity funding has been tied up, thus mitigating the funding risk to an extent.

The group has proposed a reorganisation exercise with the final structure expected to be formalised by the end of CY2026. The exercise is aimed at consolidating the India business within CDIPL, which is expected to improve CDIPL's credit profile. ICRA will continue to monitor the update on the exercise and will take appropriate action, as required.

The renewable power projects under CSA 2 are spread across multiple locations in Tamil Nadu, Maharashtra and Karnataka, leading to geographical diversification and partly insulating against the PLF variations. Also, the presence of a diversified customer profile provides comfort against counterparty credit risks. The assigned ratings favourably factor in the long-term power purchase agreements (PPAs) for the solar and wind power portfolio with industrial customers at largely fixed tariffs under the captive mode, thereby limiting the demand and pricing risks. Further, the ratings draw comfort from the strong credit profile of these customers, which is expected to lead to timely realisation of payments for the projects. The CSA-2 pool is expected to have a cumulative debt service coverage ratio (DSCR) of ~1.2x for the debt tenure. The ratings also factor in the benefits of the Cleantech Solar Group's experience in developing and operating solar power projects for commercial and industrial customers in India and South-East Asia along with the presence of strong shareholders like Keppel.

However, the ratings are constrained by the vulnerability of the cash flows and debt coverage metrics of renewable power projects to their generation performance, given the single-part tariff under the PPAs. Any adverse variation in weather conditions or inability to ensure adequate O&M practices for the solar and wind assets would impact the generation and consequently the cash flow. A demonstration of generation performance in line or above the appraised estimate remains a key monitorable, given the limited track record of the portfolio. Further, as 28% of the portfolio is under construction, the commissioning and stabilisation of these assets in a timely manner and demonstration of the designed generation performance remains important. Further, the open access-based capacity in the portfolio remains exposed to the regulatory risks of implementing forecasting & scheduling regulations and revision in norms for captive projects and open access charges.

Adequacy of credit enhancement

For assigning the rating, ICRA has assessed the attributes of the guarantee issued by CSA 2 in favour of the rated instruments of CDIPL. The guarantee is legally enforceable, irrevocable, unconditional, covers the entire amount and tenure of the rated instrument and has a well-defined payment and invocation mechanism, although the same is post-default in nature. Given these attributes, the guarantee provided by CSA 2 is adequately strong to result in an enhancement of the rating of the said instrument to [ICRA]A-(CE) against the rating of [ICRA]BBB without explicit credit enhancement. In case the rating of the guarantor or the unsupported rating of CDIPL is to undergo a change in the future, it would have a bearing on the rating of the aforesaid facility as well. Further, the rating of this instrument may undergo a change in a scenario, whereby in ICRA's assessment there is a change in the strength of the business linkages between the guarantor and the rated entity, or there is a change in the reputation sensitivity of the guarantor to a default by the rated entity, or there is a change in the strategic importance of the rated entity for the guarantor.

Salient covenants of the rated facility

- On a standalone basis, fund-based external debt/(equity + quasi equity + unsecured loans from promoter group) should be below 1.5x
- Additionally, TOL/ATNW should not exceed 1.5x at all times during the currency of the bank facilities. Any debt support from the promoter and/or any entities of the promoter group to be subordinated to the facility
- Total limits enjoyed by borrower at any time not to exceed Rs. 400 crore
- Guarantor shall ensure that the borrower complies with all terms and conditions forming part of the lender's sanction at all times during the currency of the facility.

For the [ICRA]BBB (Stable)/[ICRA]A3+ ratings

The ratings of CDIPL factors in the strengths arising from the company's parentage, being a part of the Cleantech Solar Group, which has a reputed sponsor like Keppel, an experienced management, an established track record in developing solar power projects and a diversified solar project portfolio tied up with large commercial & industrial customers. CDIPL is involved in the procurement of project equipment along with the operation and maintenance of the India portfolio; the company also develops evacuation infrastructure for the renewable projects of the Group. While the execution pace moderated in FY2026 following the restructuring and change in ownership, it is expected to improve over the medium term, supported by an envisaged annual capacity addition of ~500 MW. The sustained execution pipeline is likely to augment CDIPL's scale of operations and support revenue generation through trading (including development fees) and O&M activities.

The company reported a revenue of approximately Rs. 350 crore in FY2026, down from over Rs. 550.2 crore in FY2025. The decline is attributable to lower execution activity during the transition phase following the restructuring-related changes which resulted in higher operating losses. While the OPBDITA losses are likely to moderate, going forward, a sustained improvement in profitability will depend on a significant increase in the operational portfolio, resulting in higher O&M income and better absorption of overhead costs. Nonetheless, ICRA notes that the borrowings at CDIPL are primarily utilized as bridge financing and to address temporary cash flow mismatches arising during the normal course of business, particularly in support of renewable energy project development activities. These borrowings are expected to be refinanced through long-term project-level debt upon achievement of requisite project milestones or repaid from operating cash flows generated by CDIPL. Accordingly, the timely execution and commissioning of underlying projects remain key monitorable factors. ICRA also notes the demonstrated financial flexibility of the promoter group and its continued willingness to provide funding support, if required, to address any interim liquidity shortfalls.

Key rating drivers and their description

Credit strengths

Improvement in credit profile of CSA 2 supported by increase in operational portfolio – The improvement in the credit profile of the parent entity, Cleantech Solar Asia 2 Pte. Ltd. (CSA-2), is driven by the enhanced financial flexibility derived from Keppel's full ownership and a scale-up in the operational portfolio. Keppel has shown commitment towards growing the platform and providing the required funding support. The projects under the SPVs of CSA 2 have tied up long-term PPAs with C&I customers under the captive mode at a fixed tariff, thereby limiting the demand and pricing risks. Further, comfort is drawn from the competitive tariff offered by the project to the customers against the grid tariff rates.

Corporate guarantee from CSA 2 towards CDIPL's bank facilities – The ratings derive comfort from the irrevocable and unconditional corporate guarantee extended by CSA 2. The corporate guarantee is legally enforceable, covers the entire amount and tenure of the rated instrument and has a well-defined invocation and post-default payment mechanism.

Strengths of being part of Cleantech Solar Group – CDIPL is a part of the Cleantech Solar Group, which in turn is promoted by the Keppel consortium. CDIPL is expected to benefit from the presence of strong sponsors, who are focused on growing their renewable energy portfolio, and the established track record of the Cleantech Solar Group.

Credit challenges

CDIPL's weak profitability indicators – CDIPL is estimated to report operating losses in FY2026 owing to lower execution activity during the transition phase following the restructuring-related changes. While the OPBDITA losses are likely to moderate, going forward, a sustained improvement in profitability will depend on a significant increase in new project development and operational portfolio that would result in higher O&M income and better absorption of overhead costs. Nonetheless, ICRA notes that currently CDIPL's debt servicing obligations are being met through a structured cash flow management from the project-level debt raised by the subsidiaries of CSA 2. However, going forward as the proposed structure emerges debt Servicing shall be done through Operating Income at CDIPL Levels and support from Keppel during the transitional phase. Consequently, the cash flow fungibility within the Group provides comfort despite the weak standalone profitability.

Credit profile of CSA 2 exposed to execution risks and generation performance of renewable power projects – The cash flow of renewable power projects is sensitive to the plant load factor (PLF), which depends entirely on wind and solar patterns that are inherently unpredictable. This could impact the cash flow generation, thereby affecting the debt servicing ability. Further, 28% of the existing portfolio is under construction, which exposes the company to execution risks.

Vulnerable to delays in achieving financial closure for under-construction projects – The Group has achieved financial closure for most of the under-construction capacity under CSA 2 with requisite equity funding already deployed and the funding risk is mitigated to a large extent. However, delays in securing financial closure for upcoming projects could influence liquidity profile of CDIPL.

Liquidity position: Adequate

For the [ICRA]A-(CE) (Stable)/ [ICRA]A2+(CE) ratings: Adequate

The liquidity position of CSA 2 is expected to be adequate, with the equity funding in place for the ongoing projects and debt tied up for majority of the projects under its subsidiaries. Also, the liquidity position is supported by timely fund infusion from the sponsor - Keppel. CSA2 had cash and liquid investments of ~Rs. 99.1 crore as on April 30, 2026.

For the [ICRA]BBB (Stable)/[ICRA]A3+ ratings: Adequate

CDIPL's liquidity position is expected to be adequate in the near term. While the cash flow from operations is likely to remain negative, the ensuing debt obligations are expected to be repaid by improved operational cashflow, reimbursement of equity from proceeds of debt disbursement. Therefore, the advance progress made in achieving financial tie-up for the under-construction projects of CSA 2 provides some comfort. The funding support from the Group is another source of comfort. The company had cash and liquid investments of Rs. 95.8 crore as on April 30, 2026.

Rating sensitivities

Positive factors – The ratings would remain sensitive to any favourable impact on the credit profile of the guarantor, CSA 2.

Negative factors – CDIPL's ratings remain sensitive to any adverse impact on the credit profile of the guarantor, CSA 2. Further, the ratings could be revised downwards in case of delays in securing debt funding or delays in the commissioning of the under-construction projects of the SPVs under CSA 2, thereby impacting the payment of dues to CDIPL by these SPVs. Further, the inability of the company to improve its profitability, resulting in weak debt coverage metrics, could result in a downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Group support: The assigned ratings draw comfort from the unconditional and irrevocable guarantee extended by CSA 2
Consolidation/Standalone	Standalone

About the company

CSE Development (India) Private Limited (CDIPL), incorporated in January 2015, is the development entity of the Cleantech Solar Group. CDIPL undertakes modules/WTG procurement, O&M and preliminary project development activities for the SPVs of the group. The company changed its name from Cleantech Fuel Energy (India) Private Limited to CDIPL with effect from June

19, 2017. Cleantech Solar Development Company Pte. Ltd. holds a 99.99% stake in CDIPL, which in turn is promoted by Cleantech Renewable Assets Pte Ltd.

Key financial indicators (audited)

CDIPL (Standalone)	15MFY2024	FY2025	FY2026*
Operating income	568.1	550.2	350.2
PAT	-56.4	-84.3	-115.5
OPBDIT/OI	-0.2%	-3.5%	-11.2%
PAT/OI	-9.9%	-15.3%	-33.0%
Total outside liabilities/Tangible net worth (times)	-13.1	-8.4	-4.4
Total debt/OPBDIT (times)	-398.8	-34.9	-18.5
Interest coverage (times)	-0.0	-0.3	-0.8

*Source: Company, ICRA Research; * Estimated numbers; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation, *Estimated*

Key financial indicators (CSA 2)

Consolidated	CY2023	CY2024	CY2025*
Operating income	12.6	55.8	136.3
PAT	-7.4	-16.8	- 34.6
OPBDIT/OI	34.3%	63.2%	79.5%
PAT/OI	-59.2%	-30.0%	-25.4%
Total outside liabilities/Tangible net worth (times)	16.0	15.7	31.9
Total debt/OPBDIT (times)	177.9	45.7	17.8
Interest coverage (times)	0.5	0.9	1.2

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation,*Estimated*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2027)				Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Jun 18, 2026	Date	Rating	Date	Rating	Date	Rating
Others – Fund based	Long term	-	-	May 14, 2025	[ICRA]BBB(CE) (Stable)	Jun 17, 2024	[ICRA]BBB(CE) (Stable)	-	-
				-	-	Jul 12, 2024	[ICRA]BBB(CE) (Stable)	-	-
Others – Fund based	Short term	155.00	**[ICRA]A2+(CE)**	May 14, 2025	[ICRA]A3+(CE)	-	-	-	-
				Jan 08, 2026	[ICRA]A3+(CE)				
Letter of credit – Non-fund based	Short term	180.00	**[ICRA]A2+(CE)**	May 14, 2025	[ICRA]A3+(CE)	-	-	-	-
				Jan 08, 2026	[ICRA]A3+(CE)				

Non-fund based - Bank guarantee - Interchangeable	Long term/ Short term	(50.00)	**[ICRA]A-(CE) (Stable)/ [ICRA]A2+(CE)**	May 14, 2025	[ICRA]BBB(CE) (Stable)/ [ICRA]A3+(CE)	-	-	-	-
				Jan 08, 2026	[ICRA]BBB(CE) (Stable)/ [ICRA]A3+(CE)				
Others – Fund based - Interchangeable	Long term/ Short term	(1.00)	**[ICRA]A-(CE) (Stable)/ [ICRA]A2+(CE)**	May 14, 2025	[ICRA]BBB(CE) (Stable)/ [ICRA]A3+(CE)	-	-	-	-
				Jan 08, 2026	[ICRA]BBB(CE) (Stable)/ [ICRA]A3+(CE)				
Unallocated limits	Long term/ Short term	20.00	**[ICRA]A-(CE) (Stable)/ [ICRA]A2+(CE)**	Jan 08, 2026	[ICRA]BBB(CE) (Stable)/ [ICRA]A3+(CE)	-	-	-	-

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA-rated instruments that fall under the regulatory purview of various Financial Sector Regulators (FSR) are as under:

Sr. No.	Instrument	FSR
1	**Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)**	SEBI
2	**Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)**	MCA
3	**Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)**	SEBI
4	**Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)**	SEBI
5	**Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)**	RBI
6	**Listed Commercial Paper and NCDs with original maturity less than 1 year**	RBI
7	**Unlisted Commercial Paper and NCDs with original maturity less than 1 year**	RBI
8	**Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ($)**	RBI
9	**External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings**	RBI
10	**Certificates of Deposit**	RBI
11	**Fixed Deposits raised by NBFCs, Banks, HFCs, FIs**	RBI
12	**Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs**	MCA
13	**Inter Corporate Deposits/Loans extended by Corporates**	MCA
14	**Listed Security Receipts**	SEBI
15	**Unlisted Security Receipts**	RBI
16	**Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)**	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) *Includes securitisation transactions involving assignee payout, acquirer's payout.*

($) *Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.*

(%) *These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.*

Other activities offered by ICRA that fall under the regulatory purview of various Financial Sector Regulators (FSR) are as under:

Sr. No.	Activity Name	FSR
1	**Credit Ratings for Capital Protection Oriented Schemes (by Mutal Funds and AIFs)**	SEBI
2	**Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs**	SEBI
3	**Independent Credit Evaluation (ICE)**	RBI
4	**Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)**	RBI
5	**Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))**	SEBI
6	**Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))**	MCA
7	**Credit Rating of Borrowing programme**	(@)

8	**Issuer Ratings**	(#)
9	**Monitoring Agency**	SEBI
10	**Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)**	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instrument

Instrument	Complexity indicator
Short term—Fund based – Others	Simple
Short term – Non-fund based - Letter of credit	Simple
Long term/Short term – Non-fund based - Interchangeable limits – Bank guarantee	Simple
Long term/Short term –Fund-based - Interchangeable limits – Other	Simple
Long term/Short term - Unallocated limits	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure II: Instrument details

ISIN	Instrument name	Date of issuance/ Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
NA	**Fund based – Others**	NA	NA	NA	155.00	[ICRA]A2+(CE)
NA	**Non-fund based - Letter of credit**	NA	NA	NA	180.00	[ICRA]A2+(CE)
NA	**Interchangeable limits – Bank guarantee**	NA	NA	NA	(50.00)	[ICRA]A-(CE) (Stable)/ [ICRA]A2+(CE)
NA	**Fund based - Interchangeable limits – Other**	NA	NA	NA	(1.00)	[ICRA]A-(CE) (Stable)/ [ICRA]A2+(CE)
NA	**Unallocated limits**	NA	NA	NA	20.00	[ICRA]A-(CE) (Stable)/ [ICRA]A2+(CE)

Source: Company

Please click here to view details of lender-wise facilities rated by ICRA

Annexure III: List of entities considered for consolidated analysis – Not Applicable

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ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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