August 26, 2025

Cleantech Green Energy Pvt Ltd: [ICRA]BBB+ (Stable) assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term fund based – Term loan	6.23	[ICRA]BBB+ (Stable); assigned
Total	**6.23**	

**Instrument details are provided in Annexure I*

Rationale

The rating assigned to Cleantech Green Energy Pvt Ltd (CGEPL) factors in the strengths arising from the company's parentage, being a part of the Cleantech Solar Group, which has experienced management, established track record in developing solar power projects and a diversified renewable project portfolio of more than ~1083 MWp tied up with large commercial & industrial customers. The Cleantech Solar Group has reputable sponsors like Keppel Corporation and Shell Plc.

The rating favourably factors in the limited demand risk for CGEPL's rooftop project portfolio due to the long-term power purchase agreements (PPA) signed with reputed commercial and industrial (C&I) customers for its entire capacity. The tenure of these PPAs is 25years, against the debt repayment tenure of ~19 years. Moreover, the PPAs have been tied-up at highly competitive tariffs in relation to the grid tariffs for these consumers. The credit profile of the customers remains comfortable, leading to timely realisation of payments as demonstrated so far. ICRA also takes note of the asset base spread over 3 locations across 2 states, with 1.64 MW entirely commissioned as on date. The company also owns a rooftop solar asset with an installed capacity of 0.82 MWp, with offtaker as Bajaj Auto's Chakan. The project has been entirely funded through promoter contribution, with no external debt being availed.

ICRA notes that the company's debt coverage metrics are expected to be comfortable with a projected cumulative debt service coverage ratio (DSCR) of over 1.2x over the debt repayment tenure, supported by the long-term PPAs, long tenure of the project debt and competitive interest rates. However, the rating is constrained by the vulnerability of the cash flows and debt coverage metrics of CGEPL to the generation performance of its solar portfolio, given the single part tariff under the PPA. Any adverse variation in weather conditions or equipment performance or inability to ensure adequate O&M practices for the solar assets would impact generation and consequently the cash flows. The performance of the assets under CGEPL has remained below the P-90 estimate so far owing to stabilization of assets. Thus, achieving generation performance in line or above the appraised estimate on a sustained basis remains a key monitorable.

ICRA also takes note of the sensitivity of the debt coverage metrics to the movement in interest rates as the floating interest rates are subject to resets, and a leveraged capital structure. As the projects are at customer premises, the flexibility to change the customers in case of any event of default would be limited, unlike open access-based projects. However, this risk is offset by adequate termination payments under the PPAs. In such instances, the timely receipt of termination payments from the customers would be critical.

The Stable outlook assigned to the long-term rating of CGEPL factors in the steady cash flow visibility, aided by the long-term PPAs and timely cash collections expected from the customers.

Key rating drivers and their description

Credit strengths

Strengths by virtue of being part of Cleantech Solar Group – CGEPL is part of the Cleantech Solar Group, which in turn is promoted by Keppel Consortium and Shell Plc. The platform benefits from a diversified portfolio of ~1,083 MWp across seven countries in South Asia and the presence of strong shareholders, who are focused are growing their renewable energy portfolio. CGEPL is expected to receive support from the Group in case of any exigency.

Low offtake risk due to long-term PPAs with industrial customers at highly competitive tariffs – The solar capacities under CGEPL have tied up long-term PPAs with large industrial and commercial customers (Signode India Limited & Cargill India Private Limited) at pre-determined tariffs, thereby limiting the demand and pricing risks. The PPAs include a provision for termination payments which cover for the outstanding debt under the SPV. Further, comfort is drawn from the competitive tariffs offered by the projects to the customers against the grid tariff rates. Moreover, the PPAs would enable the customer to meet their renewable purchase obligations

Adequate debt coverage metrics – CGEPL's debt coverage metrics are expected to be adequate with cumulative DSCR above 1.2x over the debt tenure, supported by the availability of PPAs at attractive rates, long tenure of the debt, competitive interest rates. Also, the company's liquidity profile is supported by the presence of a DSRA equivalent to two quarters.

Credit challenges

Vulnerability of cash flows to solar radiation – Given the single-part tariff under the PPA, the revenues and cash flows of the solar power project under CGEPL remain vulnerable to the actual generation, which in turn is exposed to the variability in solar radiation. This risk is amplified by the geographic concentration of the assets. Also, demonstration of generation in line with or above the appraised estimate on a sustained basis remains a key monitorable.

Limited flexibility to change customers in case of a default – The flexibility to change customers remains limited for the projects under CGEPL as these are in the customer premises. Nonetheless, comfort can be drawn from the provision for termination payments under the PPAs, which are estimated to cover for the debt outstanding. In such instances, the timely receipt of termination payments from the customers would be critical. Also, the company's operations would remain sensitive to any adverse regulatory changes for rooftop projects

Exposed to interest rate risk – The interest rates on the term loans availed by the company for its projects is floating and subject to annual resets. Given the fixed nature of the tariffs under the PPAs and the leveraged capital structure, the company's debt coverage metrics remain exposed to the movement in interest rates and any increase in indebtedness

Liquidity position: Adequate

CGEPL's liquidity position is expected to be adequate with sufficient buffer between cash flows from operations and debt repayment obligation. Moreover, a two-quarter DSRA and timely payments from the customer is expected to support the liquidity profile. The company had cash and liquid investments of Rs. 0.25 crore as on June 30, 2025.

Rating sensitivities

Positive factors – ICRA could upgrade the rating if the company is able to demonstrate generation performance in line or higher than the appraised estimate along with timely payments from the customers, leading to improvement in credit metrics. Also, the ratings would remain sensitive to the credit profile of its parent, CSA-2.

Negative factors – Pressure on the rating could arise if the generation performance of CGEPL remains below the appraised estimate on a sustained basis, adversely impacting the debt coverage metrics. Also, delays in payments from counterparties adversely impacting the liquidity profile is a negative trigger. A specific credit metric for downgrade is the cumulative DSCR on project debt falling below 1.10x. Also, any deterioration in the credit profile of the parent, CSA-2 would be credit negative.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	[Corporate Credit Rating Methodology](#) [Power - Solar and Wind](#)
Parent/Group support	The rating is based on the implicit support from the parent company, Cleantech Solar Asia 2 Pte Ltd
Consolidation/Standalone	Standalone

About the company

Incorporated in July 2022, Cleantech Green Energy Pvt Ltd (CGEPL) is a special purpose vehicle (SPV) promoted by Cleantech Solar Asia 2 Pte. Ltd., Singapore. CGEPL has developed 1.64 MW (DC Capacity) solar power projects in Telangana & Andra Pradesh location. The projects were fully commissioned on December 2022 and Feb/April 2024 respectively, and the company has signed a 25-year long-term power purchase agreement (PPA) with Signode India Limited & Cargill India Private Limited.

Key financial indicators (audited)

Standalone	FY2024
Operating income	0.2
PAT	0.0
OPBDIT/OI	55.0%
PAT/OI	-1.5%
Total outside liabilities/Tangible net worth (times)	-173.0
Total debt/OPBDIT (times)	0.0
Interest coverage (times)	NM

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current (FY2026)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Aug 26, 2025	Date	Rating	Date	Rating	Date	Rating
Term loan	Long term	6.23	[ICRA]BBB+ (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund based – Term loan	Simple

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 I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	**Term loan**	FY2025	NA	FY2044	6.23	[ICRA]BBB+ (Stable)

Source: Company

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

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

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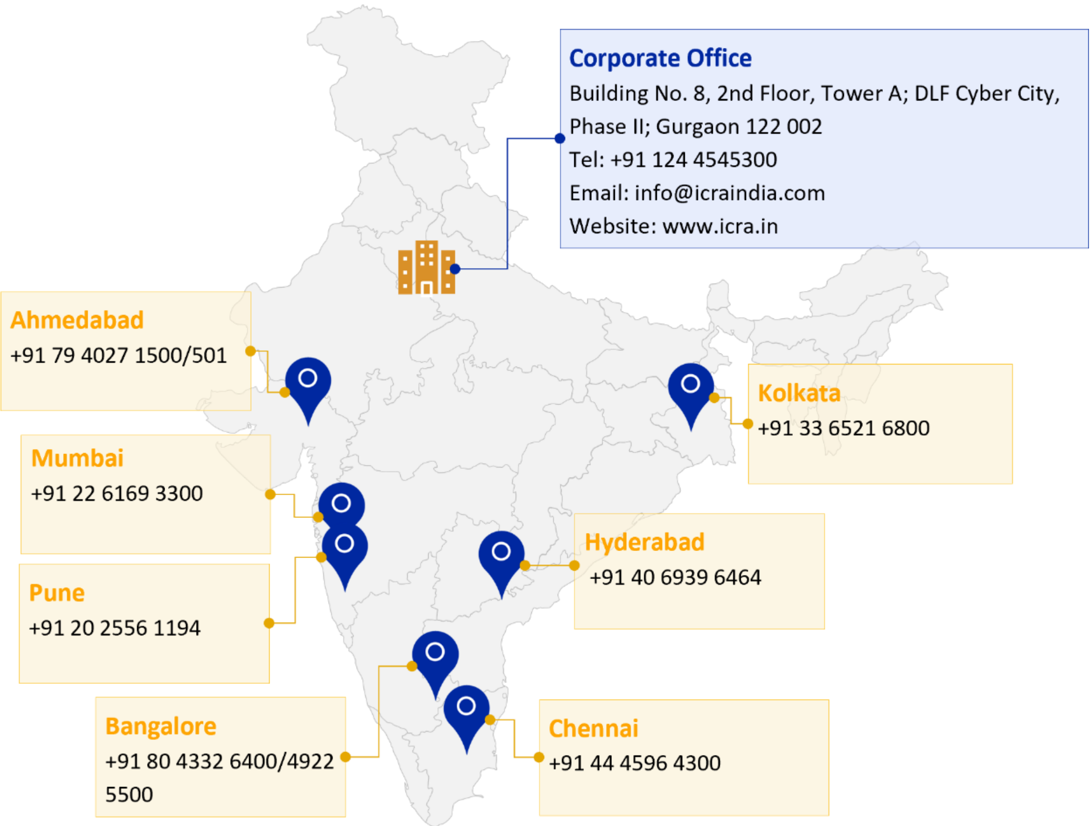

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