March 30, 2026

Kaze Renewables Private Limited: Rating upgraded

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Fund based – Term loan (Long term)	166.15	166.15	[ICRA]A- (Stable); upgraded from [ICRA]BBB+ (Stable)
Total	**166.15**	**166.15**	

**Instrument details are provided in Annexure I*

Rationale

While arriving at the rating, ICRA has taken a consolidated view of two cash pooling special purpose vehicles (SPVs) viz. Kaze Renewable Private Limited (KRPL) and Ardeur Renewable Private Limited (ARPL), collectively referred to as the pool. The rating takes comfort from the presence of a cash pooling structure with a defined payment mechanism for the sharing of surplus cash flow prior to the due date of debt servicing between the above entities. There are also cross-default linkages between these two SPVs under the co-obligor structure of project debt financing. The two SPVs together have a solar power capacity of 64.8 MW. The analytical approach differs from the earlier approach wherein ICRA had taken a consolidated view of five entities in the pool. KRPL and ARPL have not been considered now owing to the refinancing of the loans taken in those SPVs from another lenders.

The rating also takes into account an improvement in the credit profile of the parent entity, Cleantech Solar Asia 2 Pte. Ltd. (CSA-2), driven by 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 is the global asset manager with an asset under management (AUM) of $95 billion and 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.

The rating for the pool also factors in the strength arising from its parentage, being a part of the Cleantech Solar Group, having reputed sponsors and an experienced management. The Group has an established track record in developing and operating solar power projects and a diversified solar project portfolio of ~1,087 MW tied up with large commercial and industrial (C&I) customers. Of this, the capacity under the holding company of these three SPVs, Cleantech Solar Asia 2 Pte Ltd. (CSA-2), stands at ~448 MW, with ~313 MW operational and the balance ~135 MW under construction.

The rating favourably factors in the presence of long-term power purchase agreements (PPAs) with industrial customers under the group captive mode, mitigating the offtake and tariff risks for the SPVs. The competitiveness of the tariff offered by the pool SPVs remains high, with the tariff being significantly lower than the grid tariff for industrial customers. Moreover, the PPAs would enable the customers to meet their sustainability goals. Further, the rating draws comfort from the comfortable credit profile of the offtakers—DCW Limited and Orient Cement Limited—which is expected to result in a timely collection of payments. However, Kaze Renewables Private Limited witnessed a delay in commissioning beyond SCOD, resulting in liquidated damages (LDs) aggregating ~Rs. 16.5 crore, which have since been finalised and are being settled through monthly instalments. Further, Ardeur Renewables Private Limited remains exposed to the risk of additional liquidated damages from the offtaker due to commissioning delays, contingent on the execution progress.

The rating is, however, constrained by execution risks, given the under-construction capacity of ~8.2 MW (~13% of the total capacity of the cash-pooling SPVs). While the projects have witnessed delays in commissioning against the scheduled commercial operations date, the advance progress made in the construction of the transmission lines and module installations provides comfort. ICRA understands from the management that majority of the under-construction projects are expected to become operational before March 31, 2026. Going forward, the ability of the pool to commission the projects without further delays and cost overruns remains important.

Post full commissioning, the debt coverage metrics are expected to be adequate with the cumulative debt service coverage ratio (DSCR) over ~1.15x during the debt tenure for the cash pooling SPVs, supported by the long-term PPAs, the long tenure of the debt, and based on the appraised P-90 PLF estimate. However, the SPVs remain exposed to the risk of cash flow mismatch owing to the lower lock-in period under the PPAs in relation to the debt tenure. Moreover, the termination payments under the PPAs do not cover the entire debt outstanding. Nonetheless, comfort can be drawn from the competitive tariff offered by the pool and the Group's track record in securing PPAs with large C&I customers.

The rating also considers the vulnerability of the cash flows and debt coverage metrics of the solar projects under the pool to the generation performance, 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 the generation and, consequently, the cash flow. Demonstration of a generation performance in line with or above the P-90 estimate remains a key monitorable for the rating.

ICRA notes the sensitivity of the debt coverage metrics to the movement in interest rates, considering the leveraged capital structure and fixed tariffs under the PPAs. Further, the entities remain exposed to regulatory risks associated with forecasting and scheduling regulations, norms for captive projects and open access charges. While the open access charges are to be paid by the customers under the PPAs, any significant increase in these charges would impact the competitiveness of the tariffs.

The Stable outlook assigned to the long-term rating factors in the expected commissioning of the under-construction assets in the pool without further delays and the availability of long-term PPAs with strong counterparties, thereby providing revenue visibility, post commissioning.

Key rating drivers and their description

Credit strengths

Strong sponsor profile of parent Cleantech Solar Group, which is now backed by Keppel - The pool of SPVs is a part of the Cleantech Solar Group, which in turn is promoted by Keppel Corporation. Keppel Corporation has acquired the remaining 49% stake from Shell Plc, thereby gaining full ownership of the platform. The platform benefits from a diversified portfolio of ~1,087 MW across seven countries in South Asia and the presence of strong shareholders, who are focused on growing their renewable energy portfolio. Keppel has shown commitment towards growing the platform as well as providing the required funding support. Keppel is the global asset manager with an AUM of $95 billion and is present in various segments, including infrastructure, real estate and connectivity. Temasek Holdings (Private) Limited is the largest shareholder in Keppel, holding around a 20.6% stake in the entity.

Low offtake risk with presence of long-term PPAs with industrial customers at highly competitive tariff for the pool capacity – The solar capacity under the pool has tied up long-term PPAs with multiple offtakers under the captive mode at a fixed tariff, thereby limiting the offtake and tariff risks. Further, comfort is drawn from the competitive tariffs offered by the projects under the pool to the customers against the grid tariff rates. Moreover, the PPAs would enable the customers to meet their renewable purchase obligations.

Comfortable credit profile of customers expected to result in timely payments – The SPVs under the pool have signed PPAs with reputed industrial customers, such as DCW Limited and Orient Cement Limited. While there have been temporary delays in the receipt of payments owing to commissioning-related issues, the payments are expected to be received in a timely manner given the comfortable credit profile of the offtakers.

Adequate debt coverage metrics and liquidity profile – The debt coverage metrics of the pool are expected to be adequate after full commissioning, with the cumulative debt service coverage ratio (DSCR) over 1.15x during the debt tenure, supported by the long-term PPAs and the long tenure of the debt. Also, the liquidity profile of the pool is supported by a DSRA equivalent to two quarters.

Credit challenges

Execution risk for under-construction capacities in the pool – The pool is exposed to execution risks given the under-construction capacity of ~8.2 MW (~13% of the total capacity of the cash-pooling SPVs). While the projects have witnessed delays in commissioning against the scheduled commercial operations date, the advance progress made in the construction of transmission lines and module installations provides comfort. ICRA understands from the management that a majority of the under-construction capacities are expected to become operational before March 31,2026. The ability of the pool to commission the projects without further delays and cost overruns remains important.

Vulnerability of cash flows to solar radiation – Given the single-part tariff under the PPAs, the revenues and cash flows of the pool would remain vulnerable to the actual generation, which in turn is exposed to the variability in solar radiation. Therefore, the ability of the projects to achieve the design P-90 PLF, post commissioning, on a sustained basis, remains crucial. This remains a key monitorable, considering the limited track record of operations for the commissioned capacity and the presence of sizeable under-construction capacity in the pool.

Risk of cash flow mismatch owing to lower lock-in period under the PPAs in relation to debt tenure - The PPAs signed by the SPVs under the pool have a weighted average lock-in period of ~18 years, which is lower than the debt repayment tenure of ~20 years, leading to the risk of cash flow mismatches. Nonetheless, comfort can be drawn from the significant discount offered by the company to its customers against the grid tariff as well as from the track record of the sponsor in securing PPAs with large C&I customers, which is expected to enable the SPVs to continue the PPAs beyond the lock-in period, or tie up new PPAs at similar tariffs.

Exposure to interest rate risk – The interest rates on the term loans availed by the company for its projects are floating and subject to regular resets. Given the fixed tariffs under the PPAs and the leveraged capital structure, the company's debt coverage metrics remain exposed to the movements in interest rates.

Regulatory risks – The operations of the SPVs remain exposed to regulatory risks pertaining to scheduling and forecasting requirements applicable for solar power projects. However, the risk of variation is relatively low for solar power projects compared to wind power projects. Also, the projects are exposed to any revision in policies and regulations for captive projects as well as changes in open access charges, which could impact the competitiveness of the tariff offered.

Liquidity position: Adequate

The liquidity of the pool is expected to remain adequate, with sufficient buffer between the cash flow from operations and debt repayment obligation, post the commissioning of all the assets under the pool. The SPVs have tied up the required funding for the under-construction capacity. Moreover, the parent is expected to bring in additional funds in case of any cost overruns for the under-construction capacity. Post commissioning, the liquidity of the pool is expected to be supported by the presence of a two-quarter DSRA.

Rating sensitivities

Positive factors – ICRA could upgrade the rating upon the successful commissioning of the entire assets in the pool, and if the projects demonstrate a generation performance in line with, or higher than the P-90 estimates, along with timely payments from the customers, leading to healthy credit metrics. Also, the rating would remain sensitive to the credit profile of the parent, Cleantech Solar Asia 2 Pte Ltd, CSA-2.

Negative factors –Pressure on the rating could arise if the generation performance of the solar assets remains below the appraised estimate on a sustained basis, thereby adversely impacting the debt coverage metrics. Also, any significant delay in the commissioning of the under-construction capacity, affecting the cash flow generation and liquidity position would be a credit negative. In addition, any delay in payments from counterparties adversely impacting the liquidity position could result in a downgrade. Further, the rating would remain sensitive to a deterioration in the credit profile of the parent, CSA-2. A specific credit metric for downgrade is the cumulative DSCR on the project debt falling below 1.10x.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	[Corporate Credit Rating Methodology](#) [Power-Solar and Wind](#)
Parent/Group support	The rating assigned factors in the presence of a cash pooling structure with a defined payment mechanism for the sharing of surplus cash between the SPVs prior to the due date of debt servicing. In view of this, ICRA has taken a consolidated view of the two SPVs and then further notching up the pool rating based on the expectation of implicit support from the parent company, CSA-2
Consolidation/Standalone	For arriving at the rating, ICRA has considered the consolidated financials of two cash pooling SPVs listed in Annexure II

About the company

KRPL, incorporated in March 2023, is an SPV promoted by Cleantech India OA 2 Pte. Ltd., Singapore (CSIOA2), which in turn is held by CSA-2. KRPL owns and operates two solar power projects of 20-MW and 24.5-MW capacity, in Tamil Nadu. The company has signed a 25-year, long-term PPA with DCW Limited for the full capacity. As required under the group captive regulations, the customer has subscribed to the shareholding of the company. The capacity is partially commissioned and is expected to be fully commissioned by 31st March 2026.

About the cash pooling SPVs

The SPVs under the cash pooling arrangement have an aggregate solar power capacity of 64.8 MW in Maharashtra, Karnataka and Tamil Nadu. They have signed 25-year, long-term PPAs with DCW Limited and Orient Cement Limited for the projects and have subscribed to the shareholding of the company as required under the group captive regulations.

Key financial indicators (audited) – The standalone and pool financials are not meaningful as most of the assets were under construction in FY2025.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
	Type	Amount rated (Rs. crore)	Mar 30, 2026	Date	Rating	Date	Rating	Date	Rating
Fund based – Term Loan	Long term	166.15	[ICRA]A- (Stable)	Mar 31, 2025	[ICRA]BBB+ (Stable)	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
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**	NA	NA	FY2045	166.15	[ICRA]A- (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

Company name	Ownership of CSA-2	Consolidation approach
Ardeur Renewables Private Limited	71.48%	Full consolidation
Kaze Renewables Private Limited	71.04%	Full consolidation

ANALYST CONTACTS

Girishkumar Kashiram Kadam
022-61143406
girishkumar@icraindia.com

Ankit Jain
01244545865
ankit.jain@icraindia.com

Sumit Jhunjhunwala
03365216814
sumit.jhunjhunwala@icraindia.com

Soumya Satapathy
03365216809
soumya.satapathy@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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.

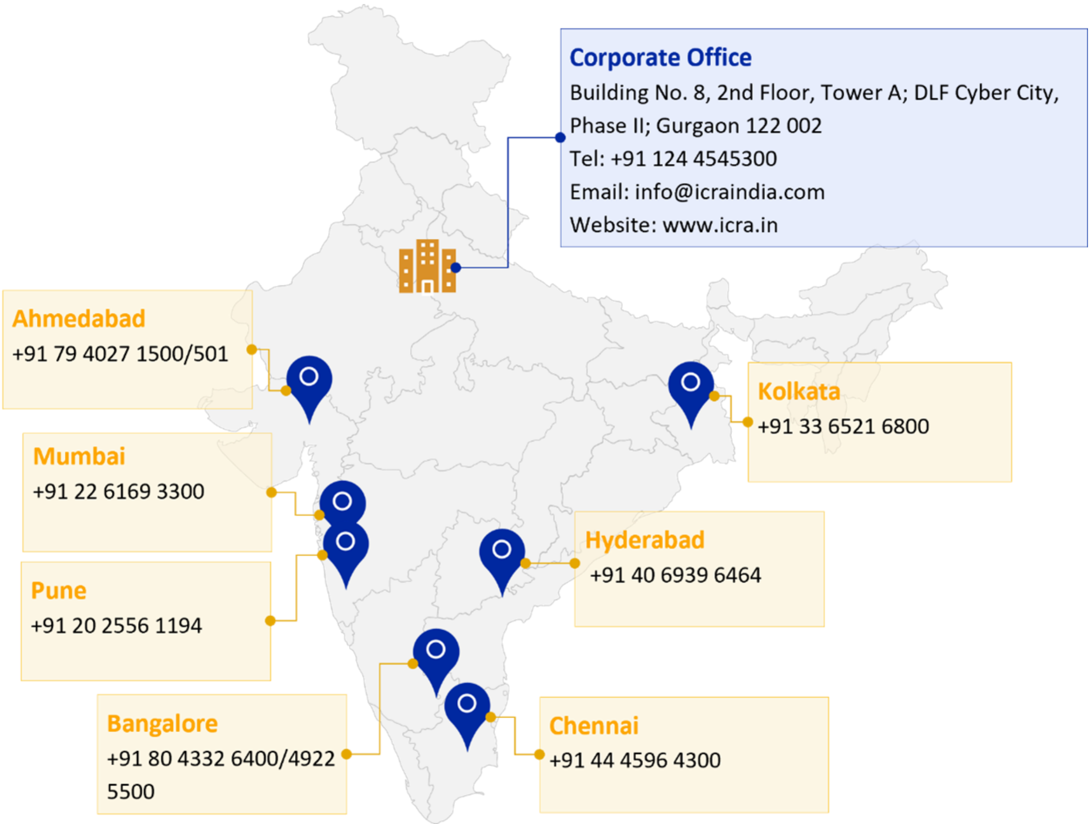
For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches



ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.