

April 09, 2026

Cleantech Solar Energy (India) Private Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term fund based – Term loan	46.77	46.77	[ICRA]A (Stable); reaffirmed
Long-term-Fund-based-Term loan	99.00	99.00	[ICRA]A (Stable); reaffirmed
Total	145.77	145.77	

*Instrument details are provided in Annexure I

Rationale

The rating for Cleantech Solar Energy (India) Private Limited (CSEIPL) factors in the strengths of the company's parent, Cleantech Solar Group, which has reputed sponsor like Keppel Corporation, along with an experienced management, established track record in developing and operating renewable power projects and a diversified project portfolio of over ~1,087 MWp across Southeast Asia tied up with large commercial & industrial customers. Keppel has shown commitment towards growing the platform and providing the required funding support. Keppel is a 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, with a 20.6% stake in the entity.

The rating favourably factors in the limited demand risk for CSEIPL's rooftop project portfolio due to the long-term power purchase agreements (PPAs) with reputed commercial and industrial (C&I) customers for its entire capacity. The tenures of these PPAs vary from 12 to 25 years across projects, with a capacity weighted average tenure of over 15 years against the debt repayment tenure of ~18 years. Moreover, the PPAs have been tied up at highly competitive tariffs in relation to the grid tariffs for these consumers. Further, ICRA draws comfort from a diversified customer base across various sectors, including fast-moving consumer goods (FMCG), IT services, auto components, food products, beverages and building materials. The credit profile of the customers remains comfortable, leading to timely realisation of payments, as demonstrated so far. ICRA also takes note of the fully operational diversified asset base across 12 states.

The company has availed an additional term loan of ~Rs. 80 crores to support further investments in its ongoing projects. The additional debt moderated the company's debt coverage metrics. However, the same is expected to remain comfortable with a projected cumulative debt service coverage ratio (DSCR) of over ~1.27x over the debt repayment tenure, supported by the long-term PPAs, long tenure of the project debt and competitive interest rates. While the debt tenure is higher at ~18 years, the company would be using surplus cash flows to prepay the debt under the cash sweep mechanism.

The rating is, however, constrained by the vulnerability of CSEIPL's cash flows and debt coverage metrics to the generation performance of its solar portfolio, given the single-part tariffs under the PPAs. 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 flows. While the generation risk is partially mitigated by the geographic diversity of the assets spread across 12 states, ensuring effective O&M of the small-sized solar assets at multiple locations remains important. The performance of the assets under CSEIPL has remained below the P-90 estimate so far. Achieving a 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, a timely receipt of termination payments from the customers would be critical.

The Stable outlook assigned to the long-term rating of CSEIPL 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

Comfortable debt coverage metrics and liquidity profile despite moderation, post refinancing – While the top-up term loan availed during the debt refinancing is likely to adversely impact the company's debt coverage indicators, CSEIPL's debt coverage metrics are expected to be comfortable with the cumulative DSCR above ~1.27x over the debt tenure, supported by the availability of PPAs at attractive rates, long tenure of the debt, competitive interest rates and use of surplus cash flows to prepay the debt. Also, the company's liquidity profile is supported by the presence of a DSRA equivalent to two quarters.

Strong sponsor profile of parent, Cleantech Solar Group, backed by Keppel – CSEIPL is a part of the Cleantech Solar Group, which in turn is promoted by the Keppel Consortium. 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 a 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, with a 20.6% stake in the entity.

Low offtake risk due to long-term PPAs with industrial customers at highly competitive tariffs – The solar capacities under CSEIPL have tied up long-term PPAs with large industrial and commercial customers 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 rates. Moreover, the PPAs would enable the customers to meet their renewable purchase obligations.

Diversified customer base with satisfactory credit profile – The presence of a diversified customer base with a satisfactory credit profile mitigates the counterparty risk to a large extent. While the payment track record varies across operational projects, the company has been receiving payments from majority of its customers in a timely manner since commissioning.

Credit challenges

Vulnerability of cash flows to solar radiation – Given the single-part tariff under the PPAs, the revenues and cash flows of the solar power projects under CSEIPL remain vulnerable to the actual generation, which in turn is exposed to the variability in solar radiation. While comfort is drawn from the geographical diversion of assets and improved performance seen in the current year, demonstration of a generation performance in line 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 CSEIPL 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, a 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 are 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

CSEIPL's liquidity position is expected to be Adequate, with sufficient buffer between the cash flows from operations and debt repayment obligation. Moreover, a two-quarter DSRA and timely payments from the customers are expected to support the liquidity profile. The company had cash and liquid investments of Rs. 13.50 crore as on January 31, 2026, including DSRA of Rs. 11.49 crore.

Rating sensitivities

Positive factors – ICRA could upgrade the rating if the company is able to demonstrate a generation performance in line or higher than the appraised estimate along with timely payments from the customers, leading to an improvement in credit metrics.

Negative factors – Pressure on the rating could arise if the generation performance of CSEIPL 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 the project debt falling below 1.25x.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power- Solar and Wind
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

Cleantech Solar Energy (India) Private Limited (CSEIPL), incorporated on January 19, 2015, is engaged in the development, construction and operation of solar roof-top systems in India for companies in the commercial and industrial segments. The CSEIPL rooftop portfolio consists of 97.20-MW (DC capacity) solar power assets, commissioned between August 2015 and January 2023. These assets are located at 47 sites across 12 states, namely Andhra Pradesh, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh and West Bengal. The company has signed long-term power purchase agreements (PPAs) with reputed C&I customers for the assets.

Key financial indicators (audited)

Standalone	15M FY2024	FY2025
Operating income	67.5	50.1
PAT	-5.9	-2.8
OPBDITA/OI	83.7%	82.0%
PAT/OI	-8.7%	-5.5%
Total outside liabilities/Tangible net worth (times)	2.8	3.0
Total debt/OPBDITA (times)	6.2	7.0
Interest coverage (times)	1.7	1.7

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

Note: The company shifted its financial reporting from calendar year to financial year in FY2024. As a result, the company is reporting 15M financials for FY2024

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current (FY2027)		Chronology of rating history for the past 3 years					
		Amount rated (Rs. crore)	Apr 09, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Term loans	Long-term	99.00	[ICRA]A (Stable)	Sept 22, 2025	[ICRA]A (Stable)	Jan 22, 2025	[ICRA]A (Stable)	Oct 27, 2023	[ICRA]A (Stable)
Term loans	Long-term	46.77	[ICRA]A (Stable)	Sept 22, 2025	[ICRA]A (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	September 2025	-	FY2043	99.00	[ICRA]A (Stable)
NA	Term loan	March 2025	-	FY2044	46.77	[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- Not Applicable

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