

April 01, 2026

Adani Hybrid Energy Jaisalmer Two 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	1444.00	1444.00	[ICRA]AA+ (Stable); reaffirmed
Total	1444.00	1444.00	

*Instrument details are provided in Annexure I

Rationale

The rating reaffirmation for Adani Hybrid Energy Jaisalmer Two Limited (AHEJ2L) factors in the benefits available to AHEJ2L from being part of a cash pooling mechanism and the cross-default linkages with two other SPVs of the Adani Group – Adani Hybrid Energy Jaisalmer One Limited (AHEJ1L) and Adani Hybrid Energy Jaisalmer Four Limited (AHEJ4L) – wherein surplus cash from any of the three SPVs can be used to meet the shortfall in debt servicing for any of the other SPV in this pool.

The three SPVs have set up hybrid renewable energy projects in Rajasthan, with a contracted capacity of 1,390 MW and installed capacity of 1,947 MW (AC) through a solar wind mix of 65:35. The power purchase agreements (PPAs) for this capacity have been tied up with Solar Energy Corporation of India Limited (SECI) for 690 MW and Adani Electricity Mumbai Limited (AEML) for 700 MW. The projects under these three SPVs were operationalised between May 2022 and October 2022 and commissioned between May 2022 and October 2023, and their generation performance has been satisfactory, post commissioning, resulting in healthy debt coverage metrics.

The rating for AHEJ2L factors in the limited demand and tariff risks resulting from the presence of a long-term PPA for 25 years with SECI for its hybrid project having a contracted capacity of 300 MW and an installed capacity of 376 MWac (solar: 300 MWac, wind: 76 MW) at a fixed tariff. SECI is an intermediary counterparty and has signed power supply agreements (PSAs) with the state-owned distribution utility (discom) in Punjab for supply from this project. ICRA draws comfort from the presence of a strong counterparty, SECI (rated [ICRA]AAA (Stable)/[ICRA]A1+), leading to a timely receipt of payments. Moreover, the applicable tariff of Rs. 3.24/unit under the PPA with SECI is highly competitive in relation to its average power purchase cost, providing additional comfort. Further, given the long-term PPA at a competitive tariff and the long tenure of the project debt, the debt coverage metrics of the company are expected to be healthy with the cumulative debt service coverage ratio (DSCR) on the project debt estimated at 1.30-1.35x.

The company reported a plant load factor (PLF) of 38.85% in FY2025 and 37.27% in 9M FY2026 against a P-90 PLF estimate of 38.80% for its hybrid project. While the actual PLF in 9MFY2026 remained lower than the P-90 estimate, it continued to exceed the minimum energy commitment under the PPA. At the pool level, the three SPVs reported a PLF of 41.67% in FY2025 and 40.82% in 9M FY2026, compared with a P-90 estimate of 43.82%. The moderation in PLF is primarily attributable to adverse weather conditions, including intense monsoon spells in Jaisalmer, Rajasthan.

The rating is, however, constrained by the sensitivity of the cash flow and debt protection metrics to the generation performance of the renewable capacity, given the single part tariff under the PPAs. Any adverse variation in weather conditions and solar module/wind turbine generators (WTGs) performance may adversely impact the PLF and consequently the cash flow. While all the assets are in Jaisalmer, Rajasthan, ICRA notes that the projects are spread across multiple locations in this region, providing some comfort against the geographic concentration risk.

ICRA further notes that the company's debt coverage metrics remain exposed to the interest rate movement, given the fixed tariff under the PPA and a leveraged capital structure. Further, the company's operations are exposed to regulatory risks pertaining to the scheduling and forecasting requirements of wind and solar power projects.

The Stable outlook on the long-term rating assigned to AHEJ4L reflects ICRA's opinion that the company would benefit from the long-term PPA with a strong counterparty. Also, expectations of a satisfactory generation performance resulting in healthy debt coverage metrics support the outlook.

Key rating drivers and their description

Credit strengths

Revenue visibility from long-term PPA with strong counterparty; superior tariff competitiveness - The company has signed a long-term PPA with SECI at a fixed tariff, which provides revenue visibility and limits the demand and tariff risks for its hybrid power project. Moreover, the presence of a strong counterparty is expected to result in a timely receipt of payments for the company. Further, the tariff offered by the project remains highly competitive, which is at a discount to the average power purchase cost of the offtaking discoms.

Benefits of being part of a co-obligor structure - The company benefits from being part of a cash pooling mechanism and having cross-default linkages with two other SPVs of the group, wherein surplus cash from any of the three SPVs can be used to meet the shortfall in debt servicing of any other SPV in this pool. This three-SPV pool is a portfolio of wind and solar assets aggregating to 1,390 MW spread across multiple locations in the Jaisalmer region over a total area of 3,887.69 square km. The entire capacity is tied up with strong counterparties such as SECI and AEML.

Satisfactory generation performance since commissioning - The performance remained satisfactory as the company reported a PLF of 38.85% in FY2025 and 37.27% in 9M FY2026 against a P-90 PLF estimate of 38.80% for its hybrid project. While the actual generation in 9MFY2026 remained in lower the P-90 estimate, it continued to exceed the minimum energy commitment under the PPA. At the pool level, the three SPVs reported a PLF of 41.67% in FY2025 and 40.82% in 9M FY2026, compared with the P-90 estimate of 43.82%.

Healthy debt coverage metrics - The debt coverage metrics for the company and the pool are expected to be healthy, supported by the long-term PPAs at competitive tariffs, the long tenure of the project debt and competitive interest rates. The cumulative DSCR for the pool of three SPVs is expected to be comfortable at 1.30x-1.35x over the debt tenure.

Credit challenges

Sensitivity of debt metrics to energy generation - The debt metrics of the power projects remain sensitive to the PLF level, given the one-part tariff structure under the PPAs. Hence, any adverse variation in weather conditions and/or equipment performance may impact the PLF and consequently the cash flows. Therefore, the ability of the project to achieve the design P-90 PLF on a sustained basis remains crucial.

Exposed to interest rate risk - The company's debt coverage metrics remain exposed to the variation in interest rates because of a leveraged capital structure, the single-part nature of the fixed tariff in the PPAs and floating interest rates.

Regulatory risks - The company's operations remain exposed to regulatory risks pertaining to scheduling and forecasting requirements applicable for solar and wind energy projects, given the variable nature of energy generation. Further, ICRA notes that an indictment and civil complaint was filed by the US Department of Justice and the US Securities and Exchange Commission against the chairman and senior officials of Adani Green Energy Limited (AGEL; ultimate holding company of AHEJ1L, AHEJ2L and AHEJ4L) in November 2024. Any adverse outcome of these investigations and its impact on the financial profile of the group will remain monitorable. This is given that the debt terms for AHEJ1L, AHEJ2L and AHEJ4L include a cross-

default clause with the parent, AGEL, and other fellow subsidiaries, availing financing from the same lender. Nonetheless, the favourable business and financial profile of the three SPVs (operational project, long-term PPAs with strong counterparties and strong debt coverage metrics) and the consequent financial flexibility are the mitigating factors.

Liquidity position: Strong

The liquidity position of the company is expected to be strong, supported by healthy cash flow from operations in relation to the debt servicing obligations post refinancing and the liquidity reserve to be maintained. ICRA expects the company to generate cash flow from operations of Rs. 240-250 crore annually in FY2026 and FY2027, against an annual debt servicing obligation of Rs. 175-180 crore. The company is also expected to maintain a debt service reserve account (DSRA) equivalent to one quarter of interest and principal obligations under the term loan. Further, the company has a cash and bank balance (including DSRA) of Rs. 171.12 crore as on January 31, 2026.

Rating sensitivities

Positive factors – The rating can be upgraded if the generation performance of the pool capacity remains above the P-90 estimate on a sustained basis along with a reduction in the leverage level, thereby significantly strengthening the debt coverage metrics of the three SPVs.

Negative factors – The rating could be downgraded if the generation performance of the assets in the pool deteriorates, thereby adversely impacting their debt coverage metrics. A specific credit metric for downgrade includes the cumulative DSCR on the external debt for the pool of three SPVs falling below 1.30 times. Further, any significant delays in receiving payments from the offtakers adversely impacting the pool's liquidity profile would be a negative factor.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power - Solar and Wind
Parent/Group support	ICRA has consolidated the financials of the three SPVs – Adani Hybrid Energy Jaisalmer One Limited, Adani Hybrid Energy Jaisalmer Two Limited & Adani Hybrid Energy Jaisalmer Four Limited – to arrive at the notional group rating. The notional group rating is used to notch up the individual SPV ratings, factoring in implicit support, given the expected fungibility of surplus cash among the SPVs.
Consolidation/Standalone	The rating is based on the standalone financials of the company.

About the company

AHEJ2L is an SPV promoted by Adani Green Energy Limited. The company has set up a 300-MW hybrid power project with an installed capacity of 376 MW (solar: 300 MWac, wind: 76 MW) in Jaisalmer, Rajasthan. The hybrid project under AHEJ2L was commissioned in September 2022 and has tied up a long-term PPA of 25 years with SECI.

Key financial indicators (audited):

AHEJ2L Standalone (Audited)	FY2024	FY2025	H1FY2026*
Operating income	272.6	264.7	146.9
PAT	15.9	9.0	26.0
OPBDIT/OI	93.7%	94.3%	94.6%
PAT/OI	5.8%	3.4%	17.7%
Total outside liabilities/Tangible net worth (times)	2.5	3.4	3.2
Total debt/OPBDIT (times)	6.2	6.7	5.9
Interest coverage (times)	1.5	1.5	1.8

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, *Provisional

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current rating (FY2027)				Chronology of rating history for the past 3 years					
		Type	Amount rated (Rs. crore)	FY2027		FY2026		FY2025		FY2024	
				Date	rating	Date	rating	Date	rating	Date	rating
1	Term loan	Long term	1444.00	April 01, 2026	[ICRA]AA+ (Stable)	May 22, 2025	[ICRA]AA+ (Stable)	Jan 31, 2025	Provisional [ICRA]AA+ (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	Feb 2025	-	Jul-2042	1444.00	[ICRA]AA+ (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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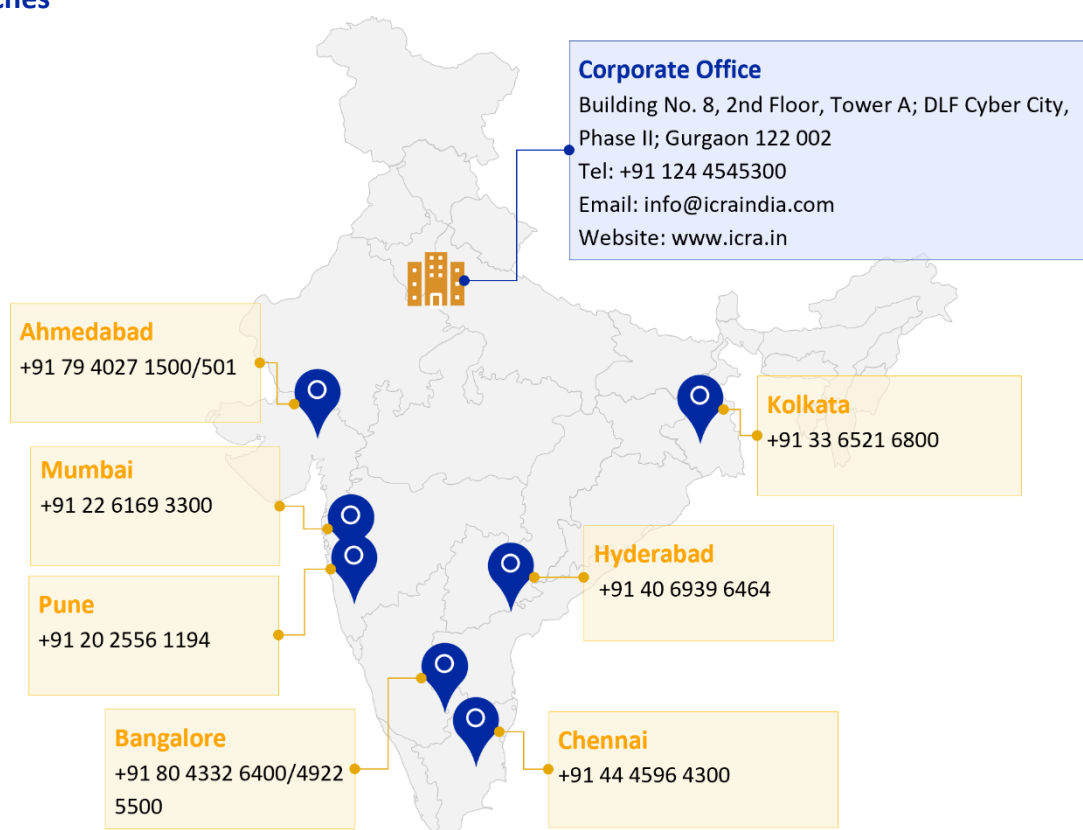
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