Azure Power (Haryana) Private Limited

October 06, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term bank facilities	RBI	17.94 (Reduced from 21.00)	CARE AA-; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has applied a combined approach for rating bank facilities of Azure Power Infrastructure Private Limited (APIFPL), Azure Power Eris Private Limited (APEPL), Azure Power Haryana Private Limited (APHPL), Azure Photovoltaic Private Limited (APPL), Azure Power Raj Private Limited (APRPL), Azure Power Karnataka Private Limited (APKPL), Azure Sunrise Private Limited (ASPL), Azure Power Pluto Private Limited (APPPL), Azure Urja Private Limited (AUPL), Azure Clean Energy Private Limited (ACEPL), Azure Green Tech Private Limited (AGTPL), Azure Power Mars Private Limited (APMPL), Azure Power Sunshine Private Limited (APSSPL), and Azure Power Thirty-Seven Private Limited (ATSPL), herein referred to as Azure's Restricted Group (RG), considering the presence of a inter-company agreement, where these entities have agreed to jointly and severally be responsible for servicing the shortfall in debt servicing, if any, in any of these entities. The agreement is unconditional, irrevocable, valid for the full tenor of the rated debt facilities, has a well-defined T-minus structured payment mechanism and invocation mechanism and is characterised by the presence of a cross-default clause between all 14 entities. CareEdge Ratings considers common parentage of these entities, as each entity is a subsidiary of Azure Power India Private Limited (APIPL; rated 'CARE A-; Stable/CARE A2+').

The rating reaffirmation on bank facilities of the RG, which is operating a combined solar capacity of 599 MWAC (650 MWp), factors in a long operational track record of ~10 years (weighted average) with satisfactory generation performance and timely collections. The actual generation has remained in line with CareEdge Ratings previous estimates, as reflected by plant load factor (PLF) of 17.1% (AC) in FY26 compared to FY25 PLF of 17.5%. The lower generation in FY26 was primarily attributable to certain asset-specific operational issues, including inverter outages/failures and DC power cable failure at AUPL and APPPL. In addition, generation at APEPL was impacted for around two months due to severe flooding, which temporarily affected plant operations. However, the affected equipment has since been replaced/restored and the operational issues have been resolved entirely, as reflected in slight improvement in generation in current year. In 4MFY27 ended July 2026, the weighted average PLF stood at ~18.7% against ~17.9% in the corresponding period of FY26. Consequently, CareEdge Ratings' expects the generation performance to remain in line with historical trends. The collection profile of the portfolio improved materially in FY26, with average collection days reducing to 49 days from 67 days in FY25 for the pool. Improvement in the overall collection cycle was primarily driven by the sharp reduction in collection days for ASPL, which declined to 44 days in FY26 from 244 days in FY25 following the resolution of the long-standing tariff dispute and receipt of the outstanding dues, including late payment surcharge (LPS). However, a similar tariff-related matter remains under adjudication for APPPL and continues to remain a monitorable. Overall, the portfolio's collection efficiency has strengthened since the last rating exercise, supported by the resolution of key receivables issues and continued timely payments from the majority counterparties.

The rating continues to derive strength from the presence of long-term power purchase agreements (PPAs) for the entire 599-MWAC capacity with multiple central and state counterparties. However, RG is exposed to counterparty-related risks, as ~64% of the portfolio capacity is contracted with state discoms having weak to moderate credit profiles. This risk is partly mitigated by an established track record of timely payments. The RG also benefits considering geographical diversification, as assets are spread across seven states. The rating also derives strength from comfortable debt protection metrics, as reflected by cumulative debt service coverage ratio (DSCR) of over 1.3x over the debt tenor, per CareEdge Ratings' base case. CareEdge Ratings continues to recognise the strategic importance of the RG for the parent, APIPL, and the presence of operational, managerial, and governance linkages.

However, these rating strengths are tempered by leveraged capital structure, as reflected by total external debt to earnings before interest, taxation, depreciation, and amortisation (TD/EBITDA) of ~5.9x at FY26-end. Going forward, per CareEdge Ratings' base case, the capital structure is expected to remain leveraged, with TD/ EBITDA expected to remain range bound between 4.5x and 5.5x over the next few years. Consequently, the company remains exposed to interest rate variations, as the debt is linked to

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority
[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

floating rates. CareEdge Ratings also considers vulnerability of project cash flows to adverse weather variations, given the PPA tariff is single-part and fixed for the full tenor.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Achievement of generation levels better than envisaged levels per CareEdge Ratings' base case on a sustained basis, positively impacting debt coverage indicators.
- Faster-than-expected deleveraging of the portfolio.

Negative factors

- Significant deterioration in the generation profile or increase in cost of debt on a sustained basis, leading to moderation of DSCR below 1.20x.
- Elongation in receivable cycle beyond 120 days on a sustained basis.

Analytical approach: Combined

CareEdge Ratings has applied a combined approach for rating bank facilities of RG considering the co-borrower structure arrangement for pooling of surplus cash flows from individual entities to service shortfall in debt servicing in these entities. The agreement shall be unconditional, irrevocable, and valid for the full tenor of the rated debt facilities and shall be characterised by the presence of a cross-default clause between all 14 entities. In a 'Combined Approach', CareEdge Ratings evaluates the group of entities as if it were a single entity and combines financial and business risk profiles of these entities to take a view on ratings. All 14 entities are subsidiaries of the Azure Group and are engaged in similar business (power generation). Combined entities are mentioned in Annexure-5.

Outlook: Stable

CareEdge Ratings believes the RG would continue to benefit considering long-term PPAs for the portfolio under the RG. Expectations of operational performance of the assets to remain aligned with existing trend and sustenance of timely collections from the off-takers, supports the outlook.

Detailed description of key rating drivers

Key strengths

Presence of inter-company agreement for pooling of surplus cash flows and comfortable debt coverage metrics

The 14 special purpose vehicles (SPVs) of the Azure Group have formed an RG, where these entities have entered an inter-company co-obligor agreement, under which each entity is jointly and severally liable for servicing the combined debt obligations. The co-obligor agreement is unconditional and irrevocable, valid for the full tenor of the rated debt facilities and characterised by the presence of a T-minus structure and cross-default clause among the 14 entities. Each entity is required to transfer funds from its surplus account in the event of any shortfall in debt servicing in other entities. The debt protection metrics of the RG are comfortable, with the cumulative DSCR estimated to remain upwards of 1.30x, per CareEdge Ratings' base case.

Revenue visibility considering long-term PPAs for majority capacity

CareEdge Ratings considers presence of long-term PPAs for the entire capacity under the RG pool with a weighted average tariff of ₹6.05 per unit, providing healthy revenue visibility, however, cost-competitiveness remains moderate. Around 36% of the portfolio is tied up with stronger counterparties, such as Solar Energy Corporation of India (SECI), Gujarat Urja Vikas Nigam Limited (GUVNL), and NTPC Limited, and the balance is held by state discoms, such as Southern Power Distribution Company of Andhra Pradesh Limited (SPDCAPL), Bangalore Electricity Supply Company Limited (BESCOM), and Hubli Electricity Supply Company Limited (HESCOM) among others. CareEdge Ratings notes that the collection profile of the portfolio improved materially in FY26, with average collection days reducing to 49 days from 67 days in FY25.

Long operational track record with satisfactory generation performance

The generation profile of the pool remained satisfactory, as reflected by actual generation remaining in line with designed energy estimates, as reflected by PLF of 17.1% (AC) in FY26 compared to FY25 PLF of 17.5%. The lower PLF in FY26 was primarily attributable to lower solar irradiance levels during the year. Generation was also impacted by certain asset-specific operational issues, including inverter outages/failures and DC power cable failure at AUPL and APPPL, which together account for nearly 30%

of the portfolio capacity. These incidents adversely affected generation for around five to six months in FY26. However, the affected equipment has since been replaced/restored and the operational issues have been resolved. Consequently, generation performance in FY27 is expected to benefit from normalisation of plant operations. In FY27, for the four months ended July 2026, the weighted average PLF stood at ~18.7% against ~17.9% in the corresponding period of FY26. Going forward, per CareEdge Ratings' base case, generation performance is expected to remain in line with historical trends.

Diversified asset portfolio in terms of geography, and counterparty

The entire solar capacity of 599 MWAC under RG is distributed across 14 SPVs. The asset pool is geographically diversified with projects across seven states, including Andhra Pradesh, Bihar, Gujarat, Karnataka, Punjab, Rajasthan, and Telangana. Counterparty credit profile is diversified with exposure to central (~36%) and state (~64%) counterparties. Around 36% portfolio is tied up with stronger counterparties, such as SECI, GUVNL, and NTPC, having low credit risk and an established track record of making payments to the developers in a timely manner. PPAs with SECI are stronger than PPAs with state discoms and contain provisions pertaining to compensation in case of grid unavailability, backdowns, and termination penalties among others. The remaining capacity is exposed to moderate to high counterparty credit risk as there have been instances in the past with few discoms delaying payments to developers.

Assets being part of the Azure Group, having long operating track record in renewable energy segment

The entities under the RG are wholly owned subsidiaries of APIPL, which is a subsidiary of Azure Power Global Limited (APGL). The group develops and operates renewable power capacity and has experience of over 10 years in this segment. APGL's shareholders include Caisse de dépôt et placement du Québec (CDPQ), which holds 53.4%, followed by Ontario Municipal Employees Retirement System (OMERS), which holds 21.4%, and the balance is owned by multiple financial investors, such as mutual funds and hedge funds. APIPL is one of the leading players in the renewable energy sector with an operational portfolio of ~3.0 GW and ~1.0 GW of capacity under pipeline. CareEdge Ratings also notes that APIPL's stated posture towards these entities is strong, as reflected by presence of an unconditional and irrevocable corporate guarantee (CG), which will remain valid until the project achieves stabilisation per terms stipulated by the lender. However, these linkages are not considered credit-enhancing for the purpose of the rating.

Key weaknesses

Leveraged capital structure for RG with exposure to interest rate risks

The RG's capital structure is leveraged, as reflected in total external debt/EBITDA of ~5.9x at FY26-end. Going forward, per CareEdge Ratings' base case, the capital structure is expected to remain leveraged, with total debt/ EBITDA expected to remain range bound between 4.5x and 5.5x over the next few years. Consequently, the company remains exposed to interest rate variations, as the debt is linked to floating rates.

Moderate financial risk profile of off-takers

The RG is exposed to counterparty-related risks, as ~64% of the portfolio capacity is contracted with state discoms, having weak to moderate credit profiles. Current receivable cycle remains comfortable as payments are being cleared within 60-90 days of raising an invoice for almost off-takers and clearance of past dues. CareEdge Ratings expects the collection cycle to remain rangebound within 60-90 days for regular billing, and significant deterioration will be a key credit monitorable.

Vulnerability of cash flows to variation in weather conditions

As tariffs are single part in nature, the company may report lower revenue if power generation declines due to variation in weather conditions or equipment quality. This would affect its cash flows and ability to service debt.

Liquidity: Adequate

As of August 2026 end, on a combined basis, the liquidity position of the pool is adequate, as reflected by total free cash and bank balance of ~₹353.5 crore, with a restricted cash balance of ~₹138.2 crore, equivalent to one quarter of debt servicing obligations per the stipulated terms.

Per CareEdge Ratings' base case, gross cash accruals (GCA) for FY27 and FY28 is expected to be ~₹222.4 crore and ~₹230.7 crore, respectively, against annual repayments of ~₹170-190 crore.

Applicable criteria

Definition of Default
Consolidation & Combined Approach
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Infrastructure Sector Ratings
Solar Power Projects

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power generation

APHPL is a wholly owned subsidiary of APIPL. The company operates a 10-MWAC solar power plant in Gujarat, India, and has entered a long-term PPA with Gujarat Urja Vikas Nigam Limited (GUVNL) for a duration of 25 years at a fixed tariff of ₹5.00 per unit. The project was commissioned in November 2011, and thus, has an operational track record of over 11 years.

Brief Financials: Combined

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)
Total Operating Income	547.5	539.9
PBILDT	437.8	454.1
PAT	386.6	44.5
Overall Gearing (times)	1.4	1.7
Interest Coverage (times)	1.7	1.5

A: Audited UA: Unaudited; Note: these are latest available financial results

Brief Financials: Standalone

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)
Total Operating Income	17.7	18.3
PBILDT	16.2	16.2
PAT	9.1	-7.5
Overall Gearing (times)	2.95	4.11
Interest Coverage (times)	0.79	0.60

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan	RBI	Not applicable	-		-	31-03-2033	17.94	CARE AA-; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Fund-based - LT-Term Loan	LT	17.94	CARE AA-; Stable	-	1)CARE AA-; Stable (11-Mar-26) 2)Provisional CARE AA-; Stable (22-Dec-25)	-	-

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable

Annexure-4: Lender details

To view lender-wise details of bank facilities please click here

Annexure-5: List of entities consolidated

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
1.	Azure Power Infrastructure Private Limited	Full	Operational and financial linkages
2.	Azure Power Eris Private Limited	Full	Operational and financial linkages
3.	Azure Power Haryana Private Limited	Full	Operational and financial linkages
4.	Azure Photovoltaic Private Limited	Full	Operational and financial linkages
5.	Azure Power (Raj) Private Limited	Full	Operational and financial linkages
6.	Azure Power Karnataka Private Limited	Full	Operational and financial linkages
7.	Azure Sunrise Private Limited	Full	Operational and financial linkages
8.	Azure Power Pluto private limited	Full	Operational and financial linkages
9.	Azure Urja Private Limited	Full	Operational and financial linkages
10.	Azure Clean Energy Private Limited	Full	Operational and financial linkages
11.	Azure Green Tech Private Limited	Full	Operational and financial linkages
12.	Azure Power Mars Private Limited	Full	Operational and financial linkages
13.	Azure Sunshine Private Limited	Full	Operational and financial linkages
14.	Azure Power Thirty-Seven Private Limited	Full	Operational and financial linkages

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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