Azure Power®

NOTICE CONVENING ANNUAL GENERAL MEETING OF MEMBERS OF AZURE POWER INDIA PRIVATE LIMITED ("COMPANY")

Notice is hereby given that the 17th **Annual General Meeting** ("**AGM**") of the Members of Azure Power India Private Limited ("**Company**"") will be held on **Monday** the 30th day of September 2024 **at 11:00 AM (IST)** at the registered office at DSC-304, Second Floor, DLF South Court, Saket District Centre, New Delhi – 110017 to transact the following businesses:

A. ORDINARY BUSINESS ITEMS

1. TO CONSIDER AND ADOPT THE ANNUAL REPORT OF THE COMPANY FOR THE PERIOD ENDED ON 31st MARCH 2024

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** the Audited Standalone and Consolidated Financial Statements for the period ended on 31st March 2024, together with the schedules and notes attached thereto, along with the Reports thereon of the Director's and the Auditor's, as circulated to the Members and laid before the meeting be and are hereby considered and adopted."

2. TO RE-APPOINT RETIRING DIRECTORS

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

2.1 "RESOLVED THAT Mr. Jaime Garcia Nieto be and is hereby re-elected as Nominee Director on the Company's Board of Directors."

2.2 "**RESOLVED THAT** Mr. Philippe Pierre Wind be and is hereby re-elected as Nominee Director on the Company's Board of Directors."

2.3 "**RESOLVED THAT** Mr. Julian Suresh Paul Gratiaen be and is hereby re-elected as Nominee Director on the Company's Board of Directors."

SPECIAL BUSINESS ITEMS:

3. TO CONSIDER AND APPROVE RATIFICATION OF THE REMUNERATION OF M/S SAURABH MISHRA & ASSOCIATES, COST ACCOUNTANTS AS COST AUDITOR OF THE COMPANY FOR THE FINANCIAL YEAR 2024-25

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, and pursuant to the recommendation of the Board of Directors, the members hereby approve

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and ratify, the appointment and remuneration payable to M/s Saurabh Mishra & Associates, Cost Accountants (Firm Registration No. 002680) as the Cost Auditors of the Company for the financial year 2024-25 as fixed by the Board of Directors."

By order of the Board of Directors
For **Azure Power India Private Limited**

New Delhi

Kapil Sharma
Company Secretary
Membership No: A37154
Address: EA-175, Second Floor
Inderpuri, Delhi-110012

Date: August 29, 2024
Place: Bangkok, Thailand

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY, SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

2. The registers maintained by the Company and other relevant documents in connection with the matters to be resolved at the meeting will be available for inspection during the meeting.

3. The explanatory statement as required under section 102(1) of the Companies Act, 2013 in respect of special business is annexed hereto and forms an integral part of the notice.

4. The members/proxies should bring their attendance slips sent herewith, duly filled in for attending the meeting.

5. Entry in the meeting hall shall be strictly restricted only to the members/valid proxies carrying the attendance slip.

6. The route map for the venue of the meeting is enclosed.

ANNEXURE – A

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3

Pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Cost Audit and Records) Rules, 2014 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications thereof, for the time being in force), the Board of Directors of the Company at their meeting held on August 29, 2024, had appointed M/s Saurabh Mishra & Associates, Cost Accountants (Firm Registration No. 002680) as the Cost Auditors to conduct an audit of the Cost Records of the Company for the Financial Year 2024-25, and authorised any Director to fix the remuneration to be paid to the Cost Auditors.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors is required to be approved and ratified by the shareholders of the Company. The Board of Directors of the Company, therefore, recommends that the Resolution No. 3 to be passed as an Ordinary Resolution by the members.

None of the Directors of the Company or their relatives are, in any way, concerned or interested in the aforesaid resolution except to the extent of their Directorship.

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Form No. MGT-11

Proxy Form

[*Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies* (Management and Administration) *Rules, 2014*]

CIN: U40106DL2008PTC174774
Name of the Company: Azure Power India Private Limited
Registered office: DSC-304, Second Floor, DLF South Court, Saket District Centre, New Delhi – 110017

Name of the Member(s):
Registered address:
E-mail Id:
Folio No/ Client ID:
DP ID:

I/ We being the member of Azure Power India Private Limited, holding ____________ equity shares, hereby appoint

1. Name:
   Address:
   E-mail Id:
   Signature:
   or failing him

2. Name:
   Address:
   E-mail Id:
   Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 17th Annual General Meeting of members of the Company for financial year 2023-24, to be held on Monday, the 30th day of September**, at 11:00 AM (IST)** at DSC-304, Second Floor, DLF South Court, Saket District Centre, New Delhi – 110017, and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Resolution No. 1

To consider and adopt Annual Report of the Company for the period ended 31 March, 2024.

Accepted ☐
Rejected ☐

2. Resolution No. 2
To re-appoint retiring Directors

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Accepted ☐

Rejected ☐

3. **Resolution No. 3**
To Consider and approve ratification of the remuneration of M/S Saurabh Mishra & Associates, Cost Accountants as Cost Auditor of the Company for the Financial Year 2024-25

Accepted ☐

Rejected ☐

Affix Revenue Stamp

Signed this ……..day of………2024

Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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ATTENDANCE SLIP

(To be presented at the entrance)

(17th Annual General Meeting for FY 2023-24 on Monday, the 30th day of September 2024 at 11:00 AM (IST) at DSC-304, Second Floor, DLF South Court, Saket District Centre, New Delhi – 110017)

Folio No./DP ID & Client ID:

No. of shares held:

Name & Address of the Member:

Signature:

Name of the Proxyholder:

Signature:

I hereby record my presence at the 17th Annual General Meeting for FY 2023-24,

____

Signature of the attending Member/Proxy

Notes:

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Notice for reference at the Meeting.

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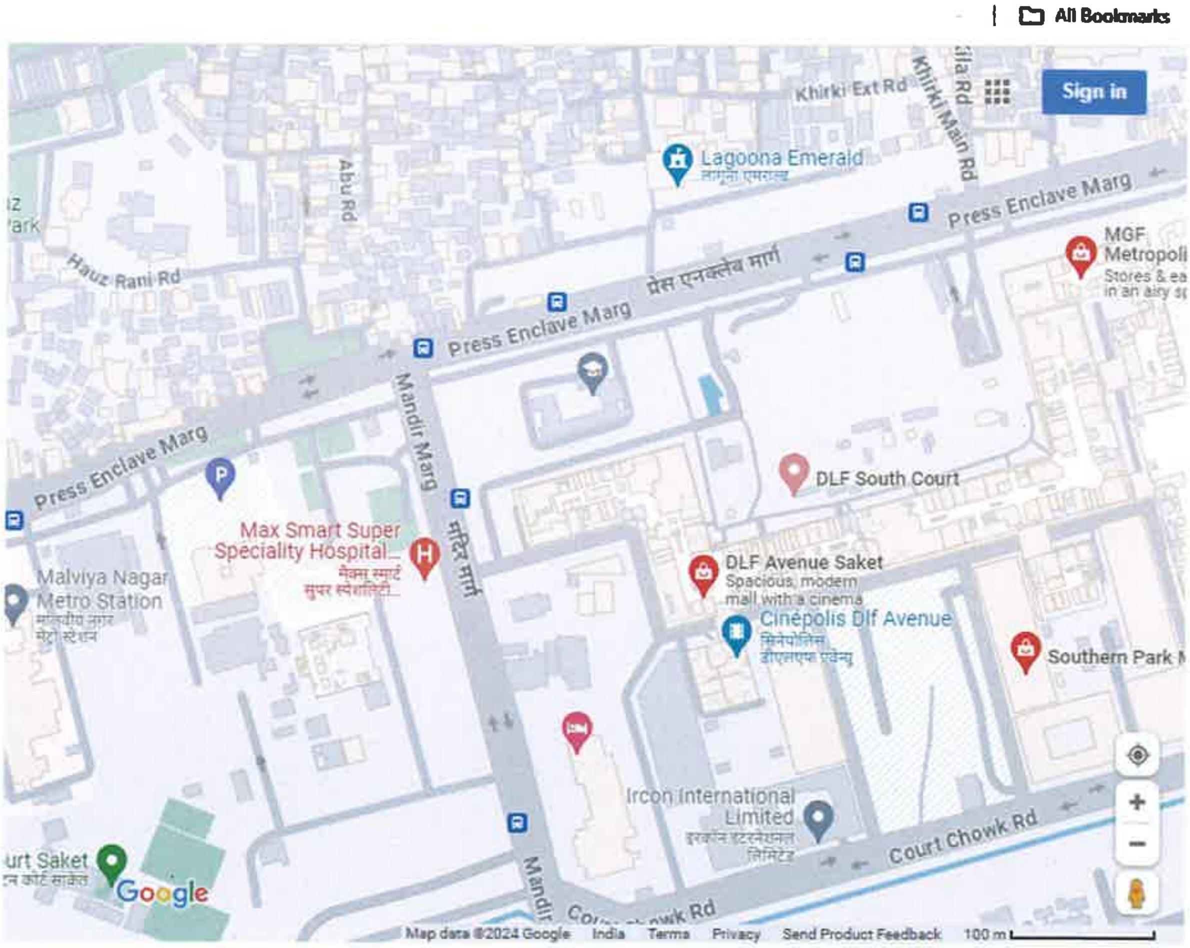
ROUTE MAP



Azure Power India Private Limited
CIN: U40106DL2008PTC174774
Corporate Office: 8th Floor, Tower A, DLF Infinity, Cyber City, Phase II, Gurugram-122002, Haryana
Regd. Office: DSC-304, Second Floor, DLF South Court, Saket District Centre, New Delhi – 110017
Corp. Off.: 0124-4155755 **Regd. Off.:** 011-49409800 cs@azurepower.com www.azurepower.com

Azure Power

Director's Report

To
The Members,
Azure Power India Private Limited

Your Board of Directors presents herewith the 17th Annual Report on the affairs of the Company together with the audited financial statements for the financial year ended on March 31, 2024 (the "**year under review**").

1. FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY

The Company's financial performance as on March 31, 2024, is summarized as follows:

Particulars	For the year ended on March 31, 2024 (INR in Lakhs)	For the year ended on March 31, 2023 (INR in Lakhs)	For the year ended on March 31, 2024 (INR in Lakhs)	For the year ended on March 31, 2023 (INR in Lakhs)
	Standalone		Consolidated	
REVENUE FROM OPERATIONS				
Sale of Power	23,740	24,622	2,08,791	2,03,874
Construction Revenue	-	-	-	-
Services Rendered	4,885	8,470		-
Other operating revenue				
Viability gap funding income	-	-	1,104	1,130
Government grants related to assets			91	90
Carbon credit emission income	-	-	428	42
Total Revenue from Operations	**28,625**	**33,092**	**2,10,414**	**2,05,136**
Other Income	936	7,045	6,017	13,526
Finance Income/Interest Income	17,830	18,557	17,670	15,452
Total Revenue	**47,391**	**58,694**	**2,34,101**	**2,34,114**
EXPENSES				
Construction, sub-contracting and other site expenses		-		-
Employee benefits expense	8,041	6,829	10,653	9,069
Depreciation and amortization expense	5,538	5,325	45,164	42,866
Impairment (reversal)/loss	-	-	8,407	4,469
Finance cost	25,849	24,010	1,23,326	1,12,225
Other expenses	31,512	40,482	44,628	57,689
Total expenses	**70,940**	**76,646**	**2,32,178**	**2,26,318**
Profit/(Loss) before tax	**(23,549)**	**(17,952)**	**1,923**	**7,796**
Total Tax expense/ (Tax Benefit)	(4,685)	4,043	15,357	23,309
Profit/(Loss) after tax	**(18,864)**	**(21,995)**	**(13,434)**	**(15,513)**
Total comprehensive income/ (expense/loss)	**(19,537)**	**(20,864)**	**(14,700)**	**(12,422)**

2. PERFORMANCE REVIEW AND STATE OF THE COMPANY'S AFFAIRS

Standalone Financial Details:

Total Revenue for the financial year 2023-24 stood at INR 47,391 lakhs, (INR 58,694 lakhs in 2022-23). Net Loss after tax for the financial year 2023-24 was INR 18,864 lakhs as compared to net loss after tax of INR 21,995 lakhs for the financial year 2022-23.

Cash and Cash Equivalent as on 31st March 2024 was INR 17,846 lakhs. The Board of Directors of your Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

Consolidated Financial Details:

Total Revenue from operations for the financial year 2023-24 stood at INR 2,34,101 lakhs, (INR 2,34,114 lakhs in 2022-23). Net loss after tax for the financial year 2023-24 was INR 13,434 lakhs as compared to loss after tax of INR 15,513 lakhs in the financial year 2022-23.

3. CURRENT SIZE OF OPERATIONS:

The Company has 54 direct Indian subsidiaries, 1 indirect U.S. subsidiary and 10 sister concerns as on date. All the Indian subsidiaries are engaged in the business of operating solar power projects.

Azure Group ((collectively "Azure Power India Private Limited" ("**Company**"), "Azure Power Global Limited" ("**Ultimate Holding Company**"), its subsidiaries and sister concerns)), is one of India's leading utility scale renewable energy project developers and operators. We build, own, and operate large grid-scale renewable energy projects across India that supply clean energy to India's power grid. We developed India's first utility-scale solar power project in 2009 and have since then grown to achieve substantial scale in the Indian renewable industry. Our Operational, Contracted and Awarded capacity now stands at 4,278 MW (excluding 3,033 MW for which the Company has decided not to continue with construction) including 86.5 MW of rooftop capacity and Contracted and Awarded capacity of 1,237 MW. We have a total operating capacity of 3,041 MW including rooftop capacity.

Pursuant to the manufacturing linked tender award of 4,000 MW, the Group executed PPAs for a capacity of 2,333 MW with SECI, for which SECI executed a Power Sale Agreement ("PSA") with the state of Andhra Pradesh during Fiscal Year 2022. In respect of these 2,333 MW projects, two PILs were filed in the High Court of Andhra Pradesh in Fiscal Year 2022, challenging various aspects of the manufacturing linked tender and seeking to quash the Andhra Pradesh Regulator's approval for procurement of capacity tied up by Andhra Pradesh Discoms with SECI pursuant to the tender. The tariff adoption for the capacities by the CERC is subject to the outcome of the PILs. We are not a party to the PILs, and the PILs currently are pending adjudication. We cannot predict the outcome of these two PILs.

Based on the economics and uncertainties associated with the PILs and ongoing Special Committee review, the Group decided to terminate the PPAs in respect of these 2,333 MW projects and filed a petition at the Andhra Pradesh High Court seeking a declaration that the Group should be discharged from performance of the obligations under the Andhra Pradesh PPAs for a capacity of 2,333 MW as a result of the absence of the unconditional tariff adoption order from the regulatory commission. Since there was a threat by SECI to revoke the Bank Guarantee of US$14.2 million, the High Court in its order dated October 16, 2023, directed SECI not to take coercive steps against the Group until the next date of hearing.

On March 18, 2024, we received two letters from SECI. In its first letter, SECI stated that it had terminated the PPAs with the Group in respect of the 2,333 MW projects and reserved its rights to take action against the Group including forfeiture of the performance bank guarantees and success charges and fees in respect of the PPAs and other 3 documentation associated with the 2,333 MW projects. In its second letter, SECI informed the Group that it was awarding the 2,333 MW projects and associated PPAs to a third-party. Further, SECI informed the Group that it had reduced Azure's capacity allocation under the manufacturing Letter of Award by 2,333MW and its corresponding manufacturing capacity of solar cells and solar modules by 583

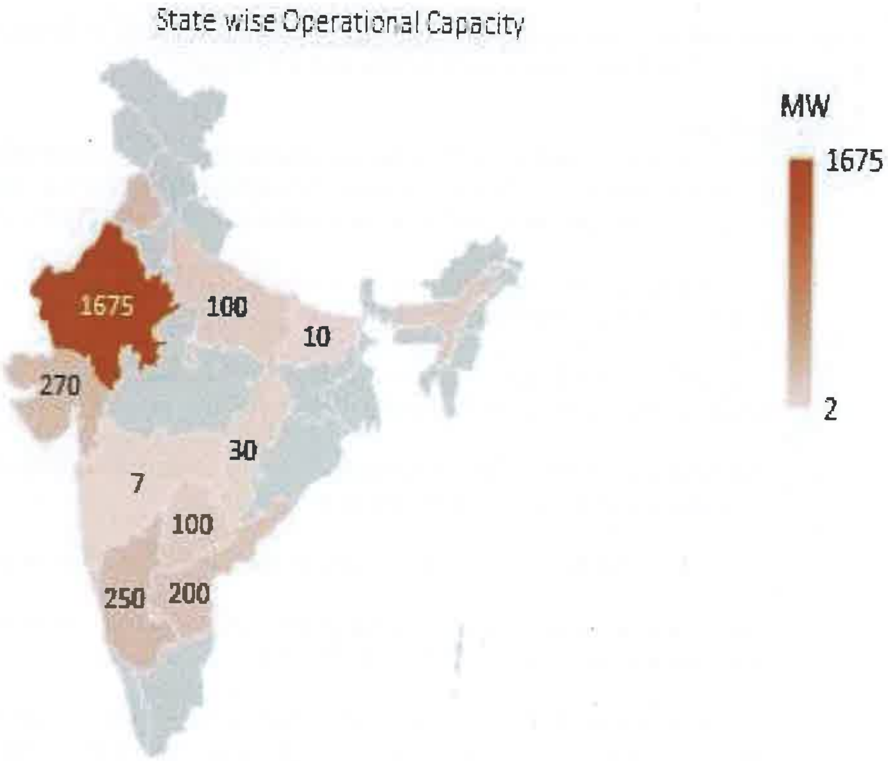
MW. In its consolidated financial statements for Fiscal Year 2023, the Group took a write-off of INR 254 million towards irrecoverable costs and a provision of INR 1232 Lakh towards Bank Guarantees.

In light of the ongoing Special Committee review as well as economic and execution challenges, the Group decided to withdraw from the 700 MW projects which is part of the 4,000 MW manufacturing linked tender awarded by SECI. The Group continues discussions with SECI to ensure an orderly withdrawal from the 700 MW projects and from the obligations of the Group under the PPA, Performance Bank Guarantees and other guarantees relating to the projects. The Group recognized a provision of INR 1,053 million and INR 20 million towards irrecoverable costs/ Bank Guarantee in relation to the 700 MW projects in its consolidated financial statements for Fiscal Year 2023 and Fiscal Year 2024 respectively.

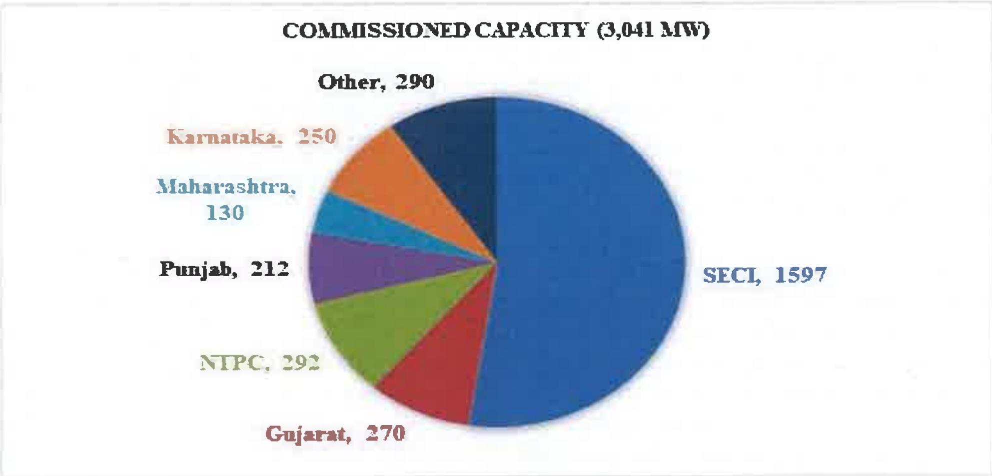
In Fiscal Year 2023, we also executed PPAs with SECI for our first 150 MW solar-wind hybrid project, and for our first wind project of 120 MW. The presently estimated scheduled commissioning timelines for these projects are July 2025 (for the 120 MW wind project), and November 2025 (for the 150 MW solar-wind hybrid project). These timelines are estimated based on dates of regulatory approvals (in case of the 120 MW wind project), and anticipated completion dates of the requisite elements of the grid's transmission/ evacuation system (in case of the 150 MW hybrid project).

In case of the 120 MW Wind Project, the tariff was adopted by CERC (in March 2024), after a delay of more than 16 months. The approval for power procurement by one of the buying states (procuring 45 MW out of the 120 MW contracted capacity) regulatory commission was granted recently – in May 2024. Because of the inordinate delay in getting these regulatory approvals (which is a Condition Precedent to be fulfilled by SECI and/ or the buying utility under the PPA), this tariff is no longer market competitive. Owing to this delay, and a few deviations in the PPA (from the standard bidding guidelines), we had written to SECI to withdraw their tariff adoption petition filed at CERC and made a submission to the same effect at CERC as well. Despite our submissions, the said tariff was adopted at CERC, owing to which we have filed an appeal against the CERC order at APTEL.

Our operational power plants are spread over 12 Indian states. Out of total operational capacity, 90% of our plants are in high irradiation zones like Rajasthan, Gujarat, Maharashtra and Andhra Pradesh. Below are outlines of our utility scale operational portfolio.



We sell renewable power under long term PPAs, typically 25 years in duration, at a fixed tariff. The strength of our off-taker customers is fundamental to our business and more than 62% of our PPAs (operational capacity) are signed with top rated Central Government owned intermediaries such as SECI and NTPC, providing predictable and consistent revenues and cash flows. Further, according to a report published by MoP in March 2024, among the state government owned Discoms that we have large capacities contracted with, Gujarat is rated A+, Punjab and Discom of Karnataka (CESCOM) are B rated, while the other Discoms of Karnataka (GESCOM, HESCOM and BESCOM), Assam and Maharashtra are C rated. Our counterparty exposure for the commissioned capacity is set out below:



During FY 2024, we generated 6,047 million units of clean and green electricity for the Indian power grid. Our goal is to remain a leader in the renewable energy market in India. All our operating assets are currently solar. We intend to explore adding wind, hybrid and storage assets over time, to complement our solar generation capacity.

4. RISK FACTORS

The Company actively assesses, monitors and seeks to mitigate risks in its business. Azure Power as a Group have categorized and organized our risk factors set forth below:-

Financial Risks

- Our cash reserves and cash flows may be insufficient to meet our working capital requirements and expansion plans absent further financing. Accordingly, our failure to obtain additional financing on acceptable terms and in a timely manner could materially and adversely affect our financial condition.

- Any downgrade of our credit rating may result in increase in interest cost or may trigger covenant defaults under our loan agreements.

- If we fail to comply with financial and other covenants under our loan agreements, our business, results of operations, financial condition and cash flows may be materially and adversely affected.

- Our substantial indebtedness and volatility in interest rates could adversely affect our business, results of operations, financial condition and cash flows.

- We were not profitable in the past two fiscal years, and we may not be profitable in the future.

- Fluctuations in foreign currency exchange rates may negatively affect our revenue, cost of sales and gross margins and could result in exchange losses.

- Our operating results may fluctuate from period to period, which could make our future performance difficult to predict and could cause our operating results for a particular period to fall below expectations.

Compliance and Project risks

- We have conducted investigations into whistle-blower claims and other allegations against persons who served as our directors, officers and employees. We reported the allegations and our findings to the SEC and the U.S. Department of Justice and continue to cooperate with these authorities.

- Our international corporate structure and operations require us to comply with anti-corruption laws and regulations of the India, United States and various other jurisdictions. If we are not in compliance with applicable legal requirements, we may be subject to civil or criminal penalties and other remedial measures.

- Any damages caused by fraud, corruption, or other misconduct by our employees and former employees could adversely affect our business, the results of operations, financial condition and cash flows.

- During the current year and previous years, we have identified material weaknesses in our internal control over financial reporting and if we fail to develop and maintain an effective system of internal controls over financial reporting or if we experience additional material weaknesses in the future, we may not be able to accurately or timely report our financial results, which may adversely affect investor confidence.
- Our construction activities may be subject to cost overruns or delays which may adversely affect our business, results of operations, financial condition and cash flows.

- Delays in obtaining, or a failure to maintain, governmental approvals and permits required to construct and operate our projects may adversely affect such projects and our business.

- There are substantial delays between making significant upfront investments in our solar and other renewable energy projects and receiving revenue.

- In Fiscal 2022, a Special Committee was convened to review certain material projects and contracts over a three-year period for anti-corruption and related compliance issues. Further, the Group will not continue with construction of 3,033 MWs manufacturing linked projects.

- We may not be able to sign PPAs for balance capacity of 967 MWs in respect of the 4,000 MWs manufacturing linked tender for which letter of award has already been received.

- Our PPAs may be terminated upon the occurrence of certain events.

- Restriction in transfer of PPAs.

Risks Related to Retention of Management and Key Employees

- The loss of our senior management or key employees may adversely affect our ability to conduct our business.

Offtaker risks related to compliance with the terms of PPAs, delay in payments, and LOAs cancelled

- Counterparties to our PPAs may not fulfill their obligations which could materially and adversely affect our business, results of operations, financial condition and cash flows.

- There are a limited number of strong credit purchasers of utility scale quantities of electricity which exposes us to risk of LOA cancellations, and our utility scale projects to risk.

Power Generation Risks

- Any constraints in the availability of the electricity grid, including our inability to obtain access to transmission lines in a timely and cost-efficient manner could adversely affect our business.

- Maintenance and expansion of power generation facilities involve significant risks that could result in reduced power generation and financial results.

Changes in the political, fiscal or regulatory environment in India.

- A substantial portion of our business and operations are located in India, and we are subject to regulatory, economic, social and political uncertainties in India.

- The regulatory and policy environment affecting the renewable energy sector in India impacts our business.

- Duties on solar equipment imports increase our costs and adversely impact our performance.

- Foreign investment laws in India include certain restrictions, which may affect our future assets sales, acquisitions or investments in India.

- Our ability to raise foreign capital may be constrained by Indian law.

- We are subject to various labor laws, regulations and standards in India. Non-compliance with and changes in such laws may adversely affect our business, results of operations, financial condition and cash flows.

Health, Safety and Environmental Risks

- Our operations have inherent safety risks and hazards that require continuous oversight and substantial insurances coverage.

- Our operations are subject to governmental, health, safety and environmental regulations, and we may have to incur material costs to comply with these regulations.

Competition Risks

- We may not be ability to acquire rights to develop and generate power from new solar projects through the competitive bidding process.

- We face significant competition from traditional and renewable energy companies.

IT and cyber security risks

- Weaknesses, disruptions, failures or cyber security events in our IT systems could adversely impact our business.

Risks related to project land and the acquisition of land

- We may not be able to find suitable sites for the development of renewable energy projects.

- Land title in India can be uncertain, and it may be subject to onerous conditions which may restrict its use.

- We do not own all the land on which we operate.

Risks of Adverse Weather Events and Natural Calamities

- The generation of electricity from solar and wind sources depends on suitable weather.

- Natural calamities could have a negative impact on the Indian economy and adversely affect our business.

Risks Related to Litigation and Legal Proceedings

- We may become involved in costly and time-consuming litigation, arbitration and other regulatory proceedings, which require significant attention from our management *(including those mentioned in Note 32 of the Stanalone Financial Statements and Note 35 of the Consolidated Financial Statements).*

- An action alleging violations of U.S. securities laws has been brought against our Holding Company in the New York.

External Risks Including the Global Economy, Unrest, Terrorism War, Downgrading of India's Debt

- Any downgrading of India's sovereign debt rating by an international rating agency could adversely impact our business, results of operations, financial condition and cash flows.

Risks Related to Our Corporate Structure, Control of our Business and Investments

- Our Company will have to rely principally on dividends and other distributions on equity paid by its operating subsidiaries and limitations on their ability to pay dividends to our Company could adversely impact your ability to receive dividends on our Company's equity shares.

- Anti-takeover provisions in our Parent Company's constitutional documents could make an acquisition of us more difficult and may prevent attempts by our Company's shareholders to replace or remove our Company's current management.

- Our Parent Company's largest shareholder owns 53.4% of its shares and may exercise control of our Company.

- You may have difficulty enforcing judgments against our Company, our Company's directors and management. Further, investors may not be able to enforce a judgment of a foreign court against our Indian subsidiaries, certain of our Company's directors, or our key management, except by way of a suit in India on such judgment.

Tax Risks for Shareholders and Investors

- You may be subject to Indian taxes on income arising through the sale of our shares.

5. CREDIT RATING OF SECURITIES

As on date of this report, the table below sets forth our ratings and downgrades with respect to various borrowings.

Borrower or Borrower Group	Borrowing	Rating Agency	Downgrade Action
Azure Power India Private Limited	Long term & Short term	CRISIL	On July 11, 2023, long term downgraded to BBB+ (from A) and short term downgraded to A2 (from A1).
Azure Power India Private Limited	Long term & Short term	CARE	On July 15, 2023, long-term downgraded to BBB+ (from A) and short term downgraded to A2 (from A1).

6. INSURANCE

Your Company has taken appropriate insurance for all assets against foreseeable perils.

7. DIVIDEND

The Board of Directors of your Company, after considering holistically the relevant circumstances, has decided that it would be prudent not to recommend any Dividend for the year under review.

8. TRANSFER TO RESERVES

The Board of Directors of your company has decided not to transfer any amount to the general reserves for the year under review.

9. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

Your company is subsidiary of Azure Power Global Limited, Holding Company (a company incorporated in Mauritius) and as at the end of the relevant financial year, had 54 Indian subsidiaries and 1 foreign subsidiary. All the Indian subsidiaries are engaged in the business of operating solar power projects.

During the year under review, no company have become or ceased to be company's subsidiaries, joint ventures or associate companies. A report on the performance and financial position of each of the subsidiaries, associates and joint venture companies as at the financial year end as per the Companies Act, 2013 in Form No. AOC-1 is attached herewith as **Annexure-I.**

10. INVESTMENT IN SUBSIDIARY COMPANIES DURING THE YEAR

As on 31st March, 2024, your Company had an investment in various subsidiary companies as per table below:

Sr. No.	Details of Investment in the Equity Shares of Subsidiaries	As at March 31, 2024 (INR in Lakhs)	As at March 31, 2023 (INR in Lakhs)
1.	1,26,523 shares (March 31, 2023: 1,26,523) equity shares of INR 10/- each fully paid up in Azure Power (Punjab) Private Limited	1,813	1,813
2.	49,12,787 shares (March 31, 2023: 49,12,787) equity shares of INR 10/- each fully paid up in Azure Power (Haryana) Private Limited	3,929	3,929
3.	10,93,521 (March 31, 2023: 10,93,521) equity shares of INR 10/- each fully paid up in Azure Solar Private Limited	10,729	10,729
4.	98,873 (March 31, 2023: 98,873) equity shares of INR 10/- each fully paid up in Azure Power (Rajasthan) Private Limited	2,591	2,591
5.	1,04,532 shares (March 31, 2023: 1,04,532) equity shares of INR 10/- each fully paid up in Azure Urja Private Limited	6,335	6,335
6.	44,898 shares (March 31, 2023: 44,898) equity shares of INR 10/- each fully paid up in Azure Surya Private Limited	1,523	1,523
7.	37,776 shares (March 31, 2023: 37,776) equity shares of INR 10/- each fully paid up in Azure Power (Karnataka) Private Limited	1,001	1,001
8.	3,40,458 shares (March 31, 2023: 3,40,458) equity shares of INR 10/- each fully paid up in Azure Photovoltaic Private Limited	8,989	8,989
9.	1,96,054 shares (March 31, 2023: 1,96,054) equity shares of INR 10/- each fully paid up in Azure Power Infrastructure Private Limited	9,460	9,460
10.	4,17,742 shares (March 31, 2023: 4,17,742) equity shares of INR 10/- each fully paid up in Azure Power (Raj.) Private Limited	9,115	9,115

11.	56,402 shares (March 31, 2023: 56,402) equity shares of INR 10/- each fully paid up in Azure Green Tech Private Limited	7,059	7,059
12.	46,354 shares (March 31, 2023: 46,354) equity shares of INR 10/- each fully paid up in Azure Clean Energy Private Limited	6,581	6,581
13.	2,16,325 shares (March 31, 2023: 2,16,325) equity shares of INR 10/- each fully paid up in Azure Sunrise Private Limited	9,100	9,100
14.	56,335 shares (March 31, 2023: 56,335) equity shares of INR 10/- each fully paid up in Azure Sunshine Private Limited	3,509	3,509
15.	4,59,770 shares (March 31, 2023: 4,59,770) equity shares of INR 10/- each fully paid up in Azure Power Earth Private Limited	17,154	17,154
16.	71,445 shares (March 31, 2023: 71,445) equity shares of INR 10/- each fully paid up in Azure Power Eris Private Limited	2,205	2,205
17.	85,374 shares (March 31, 2023: 85,374) equity shares of INR 10/- each fully paid up in Azure Power Jupiter Private Limited	3,757	3,757
18.	2,68,474 shares (March 31, 2023: 2,68,474) equity shares of INR 10/- each fully paid up in Azure Power Makemake Private Limited	7,626	7,626
19.	1,24,583 shares (March 31, 2023: 1,24,583) equity shares of INR 10/- each fully paid up in Azure Power Mars Private Limited	1,101	1,101
20.	2,38,438 shares (March 31, 2023: 2,38,438) equity shares of INR 10/- each fully paid up in Azure Power Mercury Private Limited	816	816
21.	7,76,874 shares (March 31, 2023: 7,76,874) equity shares of INR 10/- each fully paid up in Azure Power Pluto Private Limited	24,914	24,914
22.	1,26,640 shares (March 31, 2023: 1,26,640) equity shares of INR 10/- each fully paid up in Azure Power Uranus Private Limited	1,239	1,239
23.	1,65,135 shares (March 31, 2023: 1,65,135) equity shares of INR 10/- each fully paid up in Azure Power Venus Private Limited	5,028	5,028
24.	6,99,499 shares (March 31, 2023: 6,99,499) equity shares of INR 10/- each fully paid up in Azure Power Saturn Private Limited	2043	2043
25.	9,28,836 shares (March 31, 2023: 9,28,836) equity shares of INR 10/- each fully paid up in Azure Power Thirty Three Private Limited	35,713	35,713
26.	29,52,087 shares (March 31, 2023: 29,52,087) equity shares of INR 10/- each fully paid up in Azure Power Thirty Four Private Limited	15,904	15,904
27.	1,17,446 (March 31, 2023: 1,17,446) equity shares of INR 10/- each fully paid up in Azure Power Thirty Six Private Limited	6,693	6,693

28.	36,40,673 shares (March 31, 2023: 36,40,673) equity shares of INR 10/- each fully paid up in Azure Power Thirty Seven Private Limited	5,607	5,607
29.	1,20,402 shares (March 31, 2023: 1,20,402) equity shares of INR 10/- each fully paid up in Azure Power Thirty Eight Private Limited	1945	1945
30.	86,765 shares (March 31, 2023: 86,765) equity shares of INR 10/- each fully paid up in Azure Power Thirty Nine Private Limited	604	604
31.	26,32,123 shares (March 31, 2023: 26,32,123) equity shares of INR 10/- each fully paid up in Azure Power Forty Private Limited	13,684	13,684
32.	10,82,632 shares (March 31, 2023: 10,82,632) equity shares of INR 10/- each fully paid up in Azure Power Forty One Private Limited	28,992	28,992
33.	12,22,477 shares (March 31, 2023: 12,22,477) equity shares of INR 10/- each fully paid up in Azure Power Forty Three Private Limited	34,191	34,191
34.	1,45,449 shares (March 31, 2023: 1,45,449) equity shares of INR 10/- each fully paid up in Azure Power Forty Four Private Limited	2,333	2,333
35.	27,56,629 shares (March 31, 2023: 27,56,629) equity shares of INR 10/- each fully paid up in Azure Power Maple Private Limited	21,967	21,967
36.	15,43,001 shares (March 31, 2023: 15,43,001) equity shares of US$ 1 each fully paid up in Azure Power US Inc.	951	951
37.	46,04,457 shares (March 31, 2023: 33,99,638) equity shares of INR 10/- each fully paid up in Azure Power Fifty One Private Limited	3,099	3,099
38.	13,26,537 shares (March 31, 2023: 13,26,537) equity shares of INR 10/- each fully paid up in Azure Power Fifty Two Private Limited	1,499	1,499
39.	1,10,000 shares (March 31, 2023: 1,10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Three Private Limited	11	11
40.	10,000 shares (March 31, 2023: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Four Private Limited	1	1
41.	1,10,000 shares (March 31, 2023: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Six Private Limited	11	11
42.	10,000 shares (March 31, 2023: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Seven Private Limited	1	1
43.	10,000 shares (March 31, 2023: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Eight Private Limited	1	1
44.	10,000 shares (March 31, 2023: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Nine Private Limited	1	1

45.	10,000 shares (March 31, 2023: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Sixty Private Limited	1	1
46.	10,000 shares (March 31, 2023: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Sixty One Private Limited	1	1
47.	10,000 shares (March 31, 2023: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Sixty Two Private Limited	1	1
48.	10,000 shares (March 31, 2023: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Sixty Three Private Limited	1	1
49.	10,000 shares (March 31, 2023: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Sixty Four Private Limited	1	1
50.	10,000 shares (March 31, 2023: 10,000) equity shares of INR 10/- each fully paid up in Kotuma Wind Parks Private Limited	1	1
51.	10,000 shares (March 31, 2023: 10,000) equity shares of INR 10/- each fully paid up in Two Wind Energy Private Limited	1	1
52.	10,000 shares (March 31, 2023: 10,000) equity shares of INR 10/- each fully paid up in Azure Energy Transition Private Limited	1	1
53.	10,000 shares (March 31, 2023: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Sixty Five Private Limited	1	1
54.	10,000 shares (March 31, 2023: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Sixty Six Private Limited	1	1
55.	10,000 shares (March 31, 2023: 10,000) equity shares of INR 10/- each fully paid up in Azure Green Hydrogen Private Limited	1	1

*During the year ended March 31, 2021, the Company along with its fellow subsidiary Azure Power Rooftop Private Limited (APRPL) entered into a contract with Radiance Renewables Private Limited ("Radiance") to sell certain subsidiaries (the "Rooftop Subsidiaries") with an operating capacity of 153 MW, for INR 53,500 lakhs, subject to certain purchase price adjustments (the "Rooftop Sale Agreement"). Pursuant to the Rooftop Sale Agreement, Radiance will acquire 100% of the equity ownership of the Rooftop Subsidiaries owned by the Company.

There was a restriction on transfer of 33.2 MW operating capacity that are part of the Restricted Group as defined in the Green Bond Indenture. The Company had transferred 48.6% equity ownership of these entities in financial year 2021-22 and will transfer the remaining 51.4% ownership post refinancing of the Green Bonds due in December 2024. There is also a restriction on transfer of equity ownership relating to the 16 MW project with Delhi Jal Board (DJB), wherein 49% of the equity ownership was transferred to Radiance in financial year 2021-22 and the balance 51% will be transferred on or after September 30, 2024. The transfer of ownership of 33.2 MW operating capacity forming part of Restricted Group and 16 MW project with Delhi Jal Board (DJB) is anticipated to occur within 12 months. Accordingly, the Company has presented investment in the subsidiaries as current investment in these financial statements as at March 31, 2024.

The Company has transferred 100% shareholding in relation to 17.3 MW operating capacity in earlier years.

In the event the sale of the Rooftop Subsidiaries does not occur, the Company must reimburse Radiance the equity value of the assets not transferred along with an 10.5% per annum equity return.

Further, APRPL and Radiance have mutually terminated the agreement for transfer in shareholding of the remaining un-transferred 86.5 MW portfolio to Radiance.

Investment in the Compulsorily Convertible Debentures (CCD) of Subsidiaries

Sr. No.	Details of Investment in the Compulsorily Convertible Debentures (CCD) of Subsidiaries	As at March 31, 2024 (INR in Lakhs)	As at March 31, 2023 (INR in Lakhs)
1.	3,20,758 CCDs (March 31, 2023: 3,20,758) in Azure Power Thirty Seven Private Limited	8,500	8,500
2.	1,70,183 CCDs (March 31, 2023: 1,70,183) in Azure Power Forty Three Private Limited	5,000	5,000

11. **<u>TRADEMARK & PATENT</u>**

As on the date of this report, following is the status of Trademarks & Patents registered in the name of the Company or applied for:

a) **<u>Trademarks</u>**:

Trademark	Application No.	Date of Filing	Status	Class
Azure Power	2047922	01-11-2010	Registered	7
Azure Power	2321066	24-04-2012	Registered	35
Azure Power	2047923	01-11-2010	Registered	37
Azure Power	2321067	24-04-2012	Registered	40
Solar Power Solutions Simplified	2071520	21-12-2010	Registered.	37
Solar as a Service	2071517	21-12-2010	Registered.	7
Solar as a Service	2071518	21-12-2010	Registered.	37
Azure Power	2071521	21-12-2010	Registered.	7
Azure Power	2071522	21-12-2010	Registered.	37
Solar Power Simplified	2246499	08-12-2011	Registered	7
Solar Power Simplified	2246498	08-12-2011	Registered	37
Power to be free!	2246497	08-12-2011	Registered	7
Power to be free!	2246496	08-12-2011	Registered	37
Azure Power	2321064	24-04-2012	Registered	35
Azure Power	2321065	24-04-2012	Registered	40
Azure	2321076	24-04-2012	Registered	7
Azure	2321077	24-04-2012	Registered	35
Azure	2321078	24-04-2012	Registered	37
Azure	2321079	24-04-2012	Registered	40

Azure Power	2892073	29-01-2015	Registered.	7
Azure Power	2892074	29-01-2015	Registered.	35
Azure Power	2892075	29-01-2015	Registered.	37
Azure Power	2892076	29-01-2015	Registered.	40

b) **Patents**:

Matter No./ Docket Id for Patents	Application No.	Status of Application	Title
PA00100	3910/DEL/2014	Patent granted on 30 November, 2023	System and method for remote photovoltaic power generation health monitoring

12. CHANGE IN THE NATURE OF BUSINESS AND MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes apart from those which have already been disclosed in the financial statements, have occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report.

For more information, please refer to "Note 46" of the Consolidated Financial Statement for FY'24 annexed herewith.

14. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year under review, there were no significant material orders passed by the Regulators, Courts or Tribunals impacting the going concern status and Company's operations in future.

15. INTERNAL FINANCIAL CONTROLS

The Group has a common Internal Control framework applicable to all the subsidiaries including the Company.

A. Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting includes maintaining records that, in reasonable detail, accurately and fairly reflect our transactions; provide reasonable assurance that transactions are recorded as necessary for preparation of our financial statements; provide reasonable assurance that receipts and expenditures of company assets are made in accordance with management authorization; and provide reasonable assurance that unauthorized acquisition, use or disposition of company assets that could have a material effect on our financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Management used the Committee of Sponsoring Organizations of the Treadway Commission Internal Control—Integrated Framework (2013), or the COSO framework, to evaluate the effectiveness of our internal control over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement in our annual or interim financial statements would not be prevented or detected on a timely basis. The scope of our management's assessment of the effectiveness of internal control over financial reporting includes all of our consolidated operations. Consequently, Management determined that, as of March 31, 2024, our internal controls over financial reporting were ineffective, primarily due to inadequacy of certain review controls including control failures in financial statement closing procedures, vendor reconciliation process, and completeness and accuracy of reports used. However, the Management has implemented revised design controls during the year, which were operational for a part of the year. The material weakness did not result in material misstatements to either our interim or annual consolidated and separate financial statements.

B. Enhancements to Governance and Compliance

In March 2024, the Group (including Holding Company and its Subsidiaries) established an independent Compliance and Ethics Department led by a Chief Compliance and Ethics Officer (CCEO). The Compliance and Ethics Department provides independent oversight of the Group's risk management activities, tests financial and compliance controls, and oversees the Group's compliance and ethics program. The CCEO and his staff report directly to the Group's Audit and Risk Committee ("ARC").

This department is responsible for the Group's's Compliance and Ethics Program, which is comprised of four pillars: compliance and ethics, enterprise risk management ("ERM"), internal audit, and internal controls of financial reporting ("ICoFR"). These pillars are summarized below.

Compliance and Ethics	Compliance and Ethics team is responsible for overseeing and monitoring the Group's compliance and ethics program, including enforcing the Code of Conduct and Ethics and related policies, managing the "Speak Up" program and whistleblower hotlines, conducting and supervising compliance and ethics training, and leading investigations.
Enterprise Risk Management (ERM)	Team reports on the ERM framework identify risks across the organization, tests and regularly updates its risk register, and works with Management to develop risk mitigation strategies and track Management response and action.
Internal Audit	Internal Audit team regularly audits business activities and functions and their compliance with the Code of Conduct and Ethics and related policies. Areas of the most significant risk are annually audited.
Internal Controls of Financial Reporting (ICoFR)	ICoFR team continually tests and monitors the Group's internal financial controls, seeking to identify and remediate weakness.

In March 2023, Vijay Kumar Wadhwani, a chartered accountant with over twenty-two years' experience in accounting, auditing, financial management, and compliance, joined the Group as the department head of the Management Assurance Services ("MAS"), the predecessor to the Compliance and Risk Department. When the Board adopted the Compliance and Ethics Department Charter to replace the MAS in March 2024, Mr. Wadhwani was designated by the Board as the Chief Compliance and Ethics Officer ("CCEO").

The Group has invested in and significantly enhanced its compliance program. As part of its investment, the Group's counsel provided a compliance subject matter expert whose experience includes working as an in-house compliance counsel for a publicly traded company and 17-years of service with the United States Department of Justice. This compliance counsel was embedded with the Compliance and Ethics Department for two months where he worked collaboratively worked with the CCEO, the management team, and business leaders throughout the Group to build and integrate compliance and ethics across the business and its operations. With the support of the Group's compliance counsel, the CCEO designed a program in line with the U.S. Department of Justice's ("DOJ") guidelines and best practices for effective compliance programs.

To build a best-in-class compliance and ethics program that modeled the DOJ's blueprint for effective compliance programs that also took into account the local legal and cultural framework, the Group implemented concrete measures, including:

- Publishing an upgraded Code of Conduct and Ethics and policies, including Anti-Bribery and Corruption, Conflicts of Interest, Anti-Money Laundering, Safeguarding Company Property, Maintaining Accurate Business Records, and Consequence Management, Data Privacy, and Anti-Bullying and Harassment, among others;

- Emphasizing "Speak Up" Program encouraging employees to report—even confidentially and anonymously—any actual or suspected violation of law or Company policy and strong anti-retaliation protections for employees who make such reports;

- Developing and implementing enhanced standard operating procedures in all critical areas, including land acquisition, third-party due diligence, and finance, among others;

- Upgrading compliance training, including new employee training and annual training;

- Expanding emphasis on the "tone from the top" with a strong, clear message from Management to set and reinvigorate the compliance culture of the organization;

Implementing consequence management to standardize discipline, including formation of disciplinary review committee; requiring compliance and ethics to be an essential component of hiring and performance; and implementing claw backs and other consequences for misconduct.

16. DEPOSITS

During the year under review, your Company has not accepted any deposit under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Further, there were no remaining unclaimed deposits as on 31st March, 2024.

17. AUDITORS & AUDITOR'S REPORT:

Statutory Auditors

M/s MSKA & Associates (FRN: 105047W), Chartered Accountants, were appointed as Statutory Auditor of the Company for a period of 5 years in the Annual General Meeting (AGM) of the Company held on September 25, 2019 to hold office till the conclusion of the AGM to be held for the financial year 2023-24. However, M/s MSKA & Associates, Chartered Accountants tendered their resignation on 02 February, 2024 as the Statutory Auditor of the Company. To fill the casual vacancy caused due to the resignation of /s MSKA & Associates, Chartered Accountants, the shareholders (on the recommendation of the Board) in their Extra-Ordinary General Meeting held on 16 February, 2024, approved the appointment of M/s ASA & Associates, LLP, Chartered Accountants (Firm Registration No. 009571N/N500006) as Statutory Auditors of the Company for the financial year 2022-23 and to hold the office till the conclusion of the ensuing AGM.

Further, in AGM held on 29 May 2024, M/s ASA & Associates LLP, Chartered Accountants, (Firm Registration No. 009571N/N500006) were appointed as Statutory Auditors of the Company for a period of 5 (five) years to hold the office from the conclusion of ensuing AGM held for Financial Year 2022-23 till the conclusion of the AGM of the Company to be held for the Financial Year 2027-28.

M/s ASA & Associates LLP, Chartered Accountants, have consented to their appointment and confirmed that the appointment, would be within the limits specified under Section 141(3)(g) of the companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as Statutory Auditor in terms of the provisions of Section 139 and 141 of the Act read with the applicable rules of the Companies (Audit and Auditors Rules, 2014, as amended from time to time.

The Statutory Auditors of the Company have given qualified opinion on the Consolidated and Standalone Financial Statements as illustrated in **Annexure II** attached.

Cost Auditors

Pursuant to the provision of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s Saurabh Mishra & Associates (FRN: 002680) were appointed as Cost Auditor of the Company for the financial year 2023-24.

The Cost Auditors have not given any qualified opinion on the Cost records of the Company.

The members in their extra ordinary general meeting held on 29th September 2023 approved and ratified the remuneration payable to M/s Saurabh Mishra & Associates, Cost Accountants (Firm Registration No. 002680) as the Cost Auditors of the Company for the financial year 2023-24, as fixed by the Board or CFO of the Company.

Secretarial Auditors

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the rules made thereunder, M/s Abhishek Gupta & Associates, Practicing Company Secretaries (M. No. 9857) were appointed as Secretarial Auditors to undertake Secretarial Audit of the Company for the financial year 2023-24.

Internal Auditors

For the financial year 2023-2024, Audit & Risk Committee decided to internalize the Internal audit and hence, Mr. Vishal Mittal (part of Management Assurance Team) has been appointed as an Internal auditor.

18. EXPLANATIONS OR COMMENTS ON QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE

The explanations or comments made by the Board relating to the qualifications, reservations or adverse remarks made by the Auditors in their report are furnished in ("**Annexure-II**") and are attached to this report.

19. DISCLOSURE FOR FRAUDS AGAINST THE COMPANY

During the year under review, the Auditors have not reported any fraud under Section 143(12) of the Act.

20. CAPITAL STRUCTURE

As on 31st March 2024, following was the Share Capital of the Company.

Particulars	No. of Shares	Face Value (INR)	Total Amount (INR)
Authorised Share Capital			
Equity Shares	4,33,33,333	10/-	43,33,33,330
Preference Shares	8,66,66,667	10/-	86,66,66,670
Issued Share Capital			
Equity Shares	69,20,619	10/-	6,92,06,190
Preference Shares	-	-	-
Subscribed Share Capital			
Equity Shares	69,20,619	10/-	6,92,06,190
Preference Shares	-	-	-
Paid Up Share Capital			
Equity Shares	69,20,619	10/-	6,92,06,190
Preference Shares	-	-	-

a) **Issue of Shares or other Securities:**

During the year under review, there was no change in the capital structure.

b) **Issue of equity shares with differential Rights:**

During the year under review, no equity shares with differential voting rights were issued by the Company.

c) **Issue of sweat equity shares:**

During the year under review, no sweat equity shares were issued by the Company.

d) **Issue of employee stock options:**

During the year under review, no employee stock options were issued

e) Issue of debentures, bonds or any non-convertible securities

During the year under review, no debentures, bonds or any non-convertible securities were issued by the Company.

f) Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees:

The company has not made any provision for the purchase of its own shares by employees or by trustees for the benefit of employees.

21. ANNUAL RETURN

The Annual Return of the Company as on 31st March, 2024 will be available on the website of the Company at http://investors.azurepower.com/

22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the relevant data pertaining to conservation of energy, technology absorption and Foreign exchange earnings and outgo is as under: -

a) Conservation of Energy

The company continuously strives to achieve all around efficiency in energy consumption. It has taken effective energy efficiency measures in all its project companies. During the year under review, this has helped it to achieve CO2 mitigation/emission of 47,13,75,924.20 Kwh through its projects.

b) Technology Absorption

The Company prioritizes cost-effective and efficient solar power implementation across its subsidiaries. This involves careful selection of technologies and capital sources to minimize power generation costs and facilitate grid parity. By emphasizing in-house development and quality assurance, we aim to optimize project performance and achieve sustainable, low-cost power generation.

c) Foreign Exchange Earnings and Outgo

The particulars relating to foreign exchange earnings and outgo during the year under review are as under:

Particulars	March 31, 2024 (amount in INR)
Foreign Exchange Earnings	-
Foreign Exchange Outgo	61,71,30,008.68

23. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company believes in the Corporate Social Responsibility ("CSR") program based on shared values, responsible business, and exposure to voluntary social activities. Through its CSR initiatives, the Company is committed to improving quality of life by making positive economic, social and environmental contributions to the communities it operates in.

Keeping all these things in consideration, Company has in place the CSR Policy & Charter and as on the date of this report, the Sustainability and CSR Committee comprises of following Directors:

1. Mr. Brijesh Mehra (Chairman)
2. Ms. Supriya Prakash Sen (Member)
3. Mr. Philippe Pierre Wind (Member)

Mr. Deepak Malhotra resigned from the membership effective October 29, 2023. Mr. Philippe Wind was appointed as a new member effective December 05, 2023. Mr. Panicker Unnikrishnan Mangalath Sukumara resigned as Chairman of the Sustainability & CSR Committee effective March 13, 2024._Mr. Brijesh Mehra was appointed as member and chairperson of the Sustainability & CSR Committee on June 27, 2024.

During the year under review, the provisions of CSR became applicable on the Company in terms of provisions of section 135 and section 198 of the Companies Act, 2013. However, due to losses on account of 2% of the average net profits of the Company made during the three immediately preceding financial years, the Company was not required to spend on CSR activities.

Detailed report of CSR is as per **Annexure – III**

24. DIRECTORS

a) Declaration from Independent Directors pursuant to Section 149(6): The provision of Section 149(6) is not applicable on our Company, being a Private Company

b) As on March 31, 2024, following were the Directors of theCompany:

1. Ms. Supriya Prakash Sen
2. Ms. Delphine Voeltzel
3. Mr. Sugata Sircar
4. Mr. Sunil Kumar Gupta
5. Mr. Richard Payette
6. Mr. Jean Francois Joseph Boisvenu
7. Mr. Jaime Garcia Nieto
8. Mr. Philippe Pierre Wind

A. During the year under review, the following changes took place in the composition of the Board of Directors:

1. On May 01, 2023, Mr. Sugata Sircar designation was changed to Executive Director Finance.
2. Appointment of Mr. Jean Francois Joseph Boisvenu as Non-Executive Additional Director on the Board with effect from April 24, 2023 and further regularized pursuant to Shareholders approval dated September 29, 2023.
3. Ms. Christine Ann McNamara resigned from the Board with effect from June 26, 2023.
4. Appointment of Mr. Richard Payette as Non-Executive Additional Director on the Board with effect from July 01, 2023 and further regularized pursuant to Shareholders approval dated September 29, 2023.
5. Mr. Rupesh Agarwal resigned from the Board with effect from July 10, 2023.
6. Appointment of Mr. Sunil Kumar Gupta as an Additional Director on the Board with effect from August 08, 2023 and subsequently as Managing Director with effect from August 08, 2023. Further regularized pursuant to Shareholders approval dated September 29, 2023.
7. Mr. Richard Alan Rosling resigned from the Board with effect from October 11, 2023.
8. Mr. Deepak Malhotra resigned from the Board with effect from October 29, 2023
9. Mr. Cyril Sebastien Dominique Cabanes resigned from the Board with effect from October 30, 2023.
10. Appointment of Mr. Philippe Pierre Wind as Nominee Director on the Board with effect from October 31, 2023.
11. Appointment of Mr. Jaime Garcia Nieto as Nominee Director on the Board with effect from December 01, 2023.
12. Mr. Mangalath Unnikrishnan resigned from the Board with effect from March 13, 2024.

B. Subsequent to year end, the following changes took place in the composition of the Board of Directors:

1. Appointment of Mr. Brijesh Mehra as Nominee Director on the Board with effect from May 08, 2024.
2. Appointment of Mr. Julian Suresh Paul Gratiaen as Nominee Director on the Board with effect from August 13, 2024.
3. Ms. Delphine Voeltzel resigned from the Board with effect from August 13, 2024.

25. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

For the financial year in review, the Board of Directors had 12 (Twelve) Board meetings i.e 26 April, 2023, 15 June 2023, 21 June 2023, 12 July 2023, 08 August 2023, 11 October 2023, 31 October 2023, 06 November 2023, 30 December 2023, 12 January 2024, 14 March 2024 and 27 March 2024 which were in compliance with the relevant provisions of all the applicable laws and rules.

26. BOARD COMMITTEE'S

A. **Finance Committee**:
As on the date of this report, the Finance Committee of the Company comprised of Mr. Sunil Kumar Gupta (CEO) and Mr. Sugata Sircar (Group CFO) as members of the Committee.

The Finance Committee of the Company met 6 (Six) times during the year whereas urgent matters were approved by the members of Finance Committee through circular resolutions.

B. **Audit and Risk Committee**:
As of the date of this report, the Audit and Risk Committee of the Company is comprised of three members including Mr. Richard Payette, Ms. Supriya Prakash Sen and Mr. Jean Francois Boisvenu respectively.

Mr. Richard Payette was appointed as new Chairperson of the Committee effective July 1, 2023 (replacing Ms. Christine Ann McNamara who had been in office from March 1, 2022 to June 26, 2023). Mr. Sugata Sircar was appointed as member of the Audit and Risk Committee with effect from October 1, 2022 but left the role on April 30, 2023 to become the Group CFO. Mr. Jean-François Joseph Boisvenu was appointed as member of the Audit and Risk Committee on March 15, 2023.

During the year under review members of the Audit Committee met 10 (Ten) times.

27. COMPLIANCE WITH SECRETARIAL STANDARDS

Your directors confirm that the Secretarial Standards i.e. SS-1 and SS-2 relating to 'Meetings of the Board of Directors' and 'General Meetings' (as amended from time to time) as issued by the Institute of Company Secretaries of India, have been complied with.

The Secretarial Auditor has not given any qualified opinion on the Secretarial records and compliances of the Company for the financial year 2023-24. The said report in form no. MR-3 is attached herewith as **Annexure-IV.**

28. PARTICULARS OF LOANS GIVEN, GUARANTEES GIVEN OR INVESTMENTS MADE UNDER SECTION 186

Your Company is engaged in the business of providing infrastructural facilities as per the provisions of Section 186(11)(a) of the Companies Act, 2013 and therefore the provisions of Section 186 of the Companies Act, 2013 except sub-section (1) are not applicable to it. Details of loans, guarantees and investments covered under the provision of section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

29. PARTICULARS OF EMPLOYEES

The Company being a private limited company is not required for any disclosure under section 197 of the Companies Act, 2013 read with rule 5(2) of the Companies (appointment and Remuneration of Managerial Personnel) Rules, 2014.

30. RISK MANAGEMENT POLICY

Group Management actively assess, monitor and seek to mitigate risks in its business. In the course of the last two years, with the support of outside advisers, Group Management have reviewed and enhanced Company's Enterprise Risk Management (ERM) process. Group Management have identified potential risks, assigned an executive to manage each risk, and analyzed the probability of each risk crystalizing, the likely impact in such an event and how the risk can best be mitigated.

31. CONTRACTS AND ARRANGEMENTS WITH THE RELATED PARTIES

Pursuant to Section 188 of the Companies Act, 2013, the Company has not entered into any contracts/arrangements/transactions during the financial year with the related parties.

The Finance Committee of the company has constituted a sub-committee called the "Related Party Transactions Committee" ("**RPT Committee**") to ensure that all the related party transactions entered by and between the Group Companies shall be carried out on arm's length basis as per the applicable laws of the State and proper approval process is followed for execution of such transactions.

RPT Committee consists of Tax Head, FP&A Head, Capital Head and FR Head.

32. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to clause (c) of sub-section (3) read with sub-section (5) of Section 134 of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the Directors had prepared the annual accounts on a going concern basis; and

e) the Directors determined that, as of March 31, 2024, our internal controls over financial reporting were ineffective, primarily due to inadequacy of certain review controls including control failures in financial statement closing procedures, vendor reconciliation process, and completeness and accuracy of reports used. However, the Management has implemented revised design controls during the year, which were operational for a part of the year. The material weakness did not result in material misstatements to either our interim or annual consolidated and separate financial statements

33. HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS

The Company believes that the development of employees is one of the most important enablers for an organization. This is being done at both individual and team levels. Sustained development of its employees, professional and personal, is the hallmark of its human resource policies. The Company values its Human Resources and is committed to ensure employee satisfaction, development and growth. The Company is working towards developing a culture of nurturing leaders, encouraging creativity and openness. Cordial industrial relations and improvements in productivity were maintained at all the Company's Plants and Offices during the year under review.

34. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Committee (IC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No cases were reported during the financial year 2023-24.

35. VIGIL MECHANISM

The Company is dedicated to fostering and maintaining the highest standards of ethics, integrity, and compliance in all aspects of our business and is committed to a work environment that is free from harassment, intimidation, discrimination and retaliation of any kind. Our commitment to these principles includes ensuring that employees have a safe and secure avenue to report any concerns. We encourage all employees and stakeholders to speak up without fear of retaliation when they observe any behavior that may violate our company policies or any applicable laws and regulations. The Company takes all complaints seriously and is dedicated to addressing them promptly and impartially to safeguard the interests of our organization and our employees.

Copies of our Whistleblower and Anti-Retaliation Policy are available on the "Investor Relations" page of our corporate website www.azurepower.com

In May 2022, we received a whistle-blower complaint that alleged health and safety lapses, procedural irregularities, misconduct by certain employees, improper payments and false statements relating to one of our projects belonging to a project subsidiary. Following extensive investigation by the Ethics Committee, supervised by the Board's Audit and Risk Committee and by external counsel and forensic professionals, we identified evidence of manipulation and misrepresentation of project data by some employees at that project site. Weak controls over payments to a vendor and failures to provide accurate information both internally and externally were found, but no direct evidence that any improper payment was made to any government official was identified. Further, in Fiscal 2023, we reported to SECI that this project had (i) shortfalls in generation and (ii) that it failed to timely complete and commission the requisite contractually required capacity. On January 3, 2023 and January 4, 2023, SECI advised us, inter alia, that the project may be liable for damages and penalties for shortfalls in generation.

In September 2022, we received an additional whistle-blower complaint primarily making similar allegations of misconduct as raised in the May 2022 complaint, as well as allegations of misconduct related to joint ventures and land acquisition, allegations of our failure to be transparent with the market and advisors and other claims. The Ethics Committee, supervised by the Board's Audit and Risk Committee, with the support of external counsel and forensic accounting professionals, investigated these September 2022 allegations. The investigation of the September 2022 complaint identified significant control issues in the process of acquiring land and land use rights in relation to one of our projects. The investigation specified that third party land aggregators may have been involved in improper payments but no improper transfer of money by the Group was identified. Further, we reviewed the entire amount paid to land aggregators to identify any similar issue and after an assessment a adjustment (decapitalisation) aggregating to INR 28 million was made in the books of account in FY 2023 on estimate, as a prudent measure, though no improper payments by the Group could be identified. In line with a review made during the earlier years, we reviewed the entire amount paid to land aggregators during the current year and made an adjustment of INR 12 million (US$ 0.1 million) during the year ended March 31, 2024 on prudent basis though no improper payments by the Group could be identified in current year as well.

Our investigation did not substantiate other portions of this September 2022 whistle-blower complaint.

As part of our investigations of the May 2022 and September 2022 whistle-blower complaints, we also widened our review to include a review of projects commissioned in Fiscal 2022 and Fiscal 2023 to ensure that similar weaknesses were not present. As part of our investigations, we identified inconsistencies in project data in certain of our projects, but we identified no improper payments made in connection with these projects.

We have taken a range of actions due to these findings, and the employees involved in the misconduct are no longer associated with us. In accordance with the recommendations of the Ethics Committee, the Board's Audit and Risk Committee and their legal and forensic advisors, we are implementing remedial measures in both project control and monitoring. Further, we reported the findings from its investigations of the May 2022 and September 2022 whistle-blower complaints to the SEC and the U.S. Department of Justice, and we continue to cooperate with these authorities.

In addition, a Special Committee of the Board (the "Special Committee") was convened in August 2022 to review certain material projects and contracts over a three-year period for anti-corruption and related compliance issues. Independent outside counsel and forensic advisors were engaged to support the Special Committee. The Special Committee's investigation has identified evidence that individuals formerly affiliated with the Group may have had knowledge of, or were involved in, an apparent scheme with persons outside the Group to make improper payments in relation to certain projects. To date, the Special Committee has not identified related improper payments or transfers by the Group. The Special Committee's investigation is still ongoing. The Special Committee's review and its findings has impacted the decision-making of the Group in connection with such projects. We have disclosed the details of the Special Committee's investigation to the SEC and the U.S. Department of Justice, and we continue to cooperate with those agencies.

Our Group including our subsidiaries with respect to affected projects could be exposed to liabilities under the relevant contractual and tender documents (including levy of damages and liquidated damages, reduction of PPA tariffs and/or short closure of capacity), administrative actions (including the risk of PPA cancellation, risk of being debarred from SECI's future contracts, withdrawal or nullification of commissioning certificates and/or revocation of commissioning extensions) and penalties from customers and other civil liabilities, all of which could adversely impact the revenue, profitability and capitalization of the affected projects. In addition, civil and/or criminal fines and/or penalties by regulatory authorities (including by the SEC, the U.S. Department of Justice and applicable Indian regulatory authorities) could be imposed on us as well as ongoing obligations, remedial corporate measures or other relief against us that could adversely impact our operations. Any such fines, penalties, ongoing obligations or other measures or relief against us could materially and adversely affect our business, results of operations, financial condition and cash flows in future periods. Further, in addition, certain of those outcomes could adversely impact our ability to maintain compliance with the covenants under our credit facilities or result in an event of default thereunder. In addition, we could be exposed to future litigation in connection with any findings of fraud, corruption, or other misconduct by persons who served as our directors, officers and employees.

36. CHANGE IN REGISTERED OFFICE OF THE COMPANY

Pursuant to approval of the Finance Committee (Sub-Committee of the Board of Directors), the Registered Office of the Company was shifted:

a) from 5th Floor, Southern Park, D-II, Saket Place, Saket, New Delhi-110017 to Unit no. 409 and 410, 4th Floor, Southern Park, D2, Saket Place, New Delhi-110 017, with effect from December 08, 2023.

b) from Unit No. 409 and 410, 4th Floor, Southern Park, D2, Saket Place, New Delhi – 110 017 to DSC-304, Second Floor, DLF South Court, Saket District Centre, New Delhi – 110017 with effect from August 8, 2024.

37. ACKNOWLEDGEMENT

Your directors wish to place on record its thanks and gratitude to the shareholders, dealers, customers, Central and State Government Departments, Organizations, Agencies and other business partners for the continued trust and co-operation extended by them. Your directors further take this opportunity to express its sincere appreciation for all the efforts put in by the employees of the Company at all levels in achieving the results and hope that they would continue their sincere and dedicated endeavor towards attainment of better working results during the current year.

38. CAUTIONARY STATEMENT

a) Statements in this Board Report describing the Company's present position, expectations or forecasts may be forward-looking within the meaning of applicable laws and regulations. Actual results may differ a little bit from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

b) As per the provision of the Companies Act, 2013, a company is required to convene the Annual General Meeting ("AGM") for adoption of its annual audited financial statements within the six months from the end of each financial year, i.e. September 30 ("Due Date"). The Registrar of Companies ("ROC") granted three months extensions to the Company to hold the AGMs for financial year 2021-22 and 2022-23 on or before December 31, 2022, and December 31, 2023, respectively. Considering the delay in closure of audit due to ongoing investigations (refer "Vigil Mechanism" above), the AGM for financial year 2021-22 and 2022-23 were held on February 2024 and May 2024 respectively, i.e. after the extension granted by ROC. The Company will apply for the compounding of the Offence for not holding the AGM within the statutory timelines as extended by ROC and is liable to pay penalties as may be imposed by ROC.

For and on behalf of the Board of Directors,
AZURE POWER INDIA PRIVATE LIMITED

Sunil Kumar Gupta	**Sugata Sircar**
Managing Director and CEO	**Director and Group CFO**
DIN: 07095152	**DIN: 01119161**
Date: August 29, 2024	Date: August 29, 2024
Place: Gurugram	Place: Gurugram

Annexure-I

Form AOC-1

Salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

PART "A": Subsidiaries

Sl. No.	Name of the subsidiary	Reporting Period	Reporting Currency	Share capital	Reserves and surplus	Total assets	Total liabilities	Investment	Turnover	Profit before tax	Provision for tax	Profit after tax	Proposed dividend	% of Share Holding
1	Azure Power (Punjab) Private Limited	2023-24	INR in thousands	1,265	1,05,507	4,17,885	3,11,113	-	43,557	12,935	8,020	4,915	-	100.00%
2	Azure Solar Private Limited	2023-24	INR in thousands	11,846	5,69,095	25,99,519	20,18,578	-	4,94,162	2,32,029	19,216	2,12,813	-	92.31%
3	Azure Power (Haryana) Private Limited	2023-24	INR in thousands	49,538	1,56,758	19,95,892	17,89,596	-	1,87,014	34,037	-28,431	62,468	-	99.17%
4	Azure Power (Rajasthan) Private Limited	2023-24	INR in thousands	989	7,123	4,69,383	4,61,271	-	97,021	35,958	6,358	29,600	-	100.00%
5	Azure Urja Private Limited	2023-24	INR in thousands	1,416	7,51,698	27,93,042	20,39,928	2,49,988	3,22,728	1,01,472	65,132	36,340	-	73.80%
6	Azure Surya Private Limited	2023-24	INR in thousands	667	5,87,480	8,14,179	2,26,032	-	1,46,303	1,06,980	17,853	89,127	-	67.32%

7	Azure Power (Karnataka) Private Limited	2023-24	INR in thousands	642	2,73,300	9,79,860	7,05,918	-	1,19,099	62,862	21,572	41,290	-	58.86%
8	Azure Power Infrastructure Pvt Ltd	2023-24	INR in thousands	2,073	14,81,521	35,46,562	20,62,968	-	5,33,918	2,92,024	57,430	2,34,594	-	94.59%
9	Azure Sunrise Pvt Ltd	2023-24	INR in thousands	2,163	-3,08,501	44,14,504	47,20,842	-	5,37,906	-20,108	55,215	-75,323	-	100.00%
10	Azure Sunshine Pvt Ltd	2023-24	INR in thousands	563	4,36,342	19,32,302	14,95,397	-	2,06,617	99,101	20,923	78,178	-	100.00%
11	Azure Power (Raj.) Pvt Ltd	2023-24	INR in thousands	4,177	13,82,869	27,84,157	13,97,111	-	4,57,009	3,32,747	42,402	2,90,345	-	100.00%
12	Azure Photovoltaic Pvt Ltd	2023-24	INR in thousands	3,405	8,54,793	35,28,385	26,70,187	-	4,27,386	1,62,181	69,422	92,759	-	100.00%
13	Azure Clean Energy Pvt Ltd	2023-24	INR in thousands	464	12,68,700	27,13,069	14,43,905	-	3,98,703	2,77,970	46,742	2,31,228	-	100.00%
14	Azure Green Tech Private Limited	2023-24	INR in thousands	564	8,96,961	36,81,664	27,84,139	-	4,00,985	2,14,943	54,964	1,59,979	-	100.00%
15	Azure Power Earth Private Limited	2023-24	INR in thousands	4,598	8,44,000	63,18,040	54,69,442	-	7,50,610	-46,412	67,722	1,14,134	-	100.00%

16	Azure Power Eris Private Limited	2023-24	INR in thousands	714	2,78,062	6,81,995	4,03,219	-	1,08,127	50,167	12,105	38,062	-	100.00%
17	Azure Power Mars Private Limited	2023-24	INR in thousands	1,246	1,19,322	4,04,289	2,83,721	-	48,895	18,819	4,903	13,916	-	100.00%
18	Azure Power Mercury Private Limited	2023-24	INR in thousands	4,639	33,131	1,74,669	1,36,899	-	17,649	-14,834	-	-14,834	-	51.40%
19	Azure Power Pluto Private Limited	2023-24	INR in lakhs	78	29,562	84,104	54,464	-	11,941	5,822	1,724	4,098	-	100.00%
20	Azure Power Saturn Private Limited	2023-24	INR in thousands	13,609	31,741	4,99,044	4,53,694	-	60,853	-23,241	-	-23,241	-	51.40%
21	Azure Power Jupiter Private Limited	2023-24	INR in thousands	1,674	3,71,410	29,24,149	25,51,065	-	3,39,878	13,565	3,796	9,769	-	51.01%
22	Azure Power Makemake Private Limited	2023-24	INR in thousands	2,685	9,69,338	20,76,423	11,04,400	2,21,312	2,96,058	96,159	45,220	50,939	-	100.00%

23	Azure Power Uranus Private Limited	2023-24	INR in thousands	1,266	25,764	3,73,903	3,46,873	-	57,648	-9,909	4,900	-14,809	-	100.00%
24	Azure Power Venus Private Limited	2023-24	INR in thousands	1,651	54,486	22,55,467	21,99,330	-	2,54,993	-92,187	15,670	-1,07,857	-	100.00%
25	Azure Power Thirty Three Private Limited	2023-24	INR in lakhs	93	7,544	1,38,723	1,31,086	-	14,569	-4,445	1,120	-5,565	-	100.00%
26	Azure Power Thirty Four Private Limited	2023-24	INR in lakhs	295	10,019	74,840	64,526	-	8,648	312	1,069	-757	-	100.00%
27	Azure Power Thirty Six Private Limited	2023-24	INR in thousands	1,174	4,24,462	30,27,882	26,02,246	-	4,25,112	48,838	49,737	-899	-	100.00%
28	Azure Power Thirty Seven Private Limited	2023-24	INR in lakhs	365	20,702	66,857	45,790	-	8,909	3,829	1,164	2,665	-	99.84%

29	Azure Power Thirty Eight Private Limited	2023-24	INR in thousands	2,361	45,620	8,02,864	7,54,883	-	66,820	-59,464	-	-59,464	-	51.00%
30	Azure Power Thirty Nine Private Limited	2023-24	INR in thousands	868	53,665	55,999	1,466	-	-	-675	24	-699	-	100.00%
31	Azure Power Forty Private Limited	2023-24	INR in thousands	26,321	14,19,549	54,88,738	40,42,868	-	5,65,725	26,320	61,865	-35,545	-	100.00%
32	Azure Power Forty One Private Limited	2023-24	INR in lakhs	108	18,915	1,74,970	1,55,947	-	17,773	-1,174	2,190	-3,364	-	100.00%
33	Azure Power Forty Three Private Limited	2023-24	INR in lakhs	122	41,502	3,11,226	2,69,602	-	36,140	1,393	166	1,227	-	100.00%
34	Azure Power Forty Four Private Limited	2023-24	INR in thousands	2,830	57,519	8,76,760	8,16,411	-	85,773	-1,00,052	-	-1,00,052	-	51.40%

35	Azure Power Maple Private Limited	2023-24	INR in Lakhs	276	6,490	1,86,079	1,79,313	-	14,107	-4,408	-1,111	-3,297	-	100.00%
36	Azure Power US Inc.	2023-24	US Dollars	15,43,001	45,07,475	61,24,772	74,297	-	-	-5,338	-	-5,338	-	100.00%
37	Azure Power Fifty One Private Limited	2023-24	INR in thousands	46,044	-2,03,306	4,15,408	5,72,670	-	-	-54,388	1,268	-55,656	-	100.00%
38	Azure Power Fifty Two Private Limited	2023-24	INR in thousands	13,265	-12,53,707	6,65,506	19,05,948	-	-	-2,49,459	-53	-2,49,406	-	100.00%
39	Azure Power Fifty Three Private Limited	2023-24	INR in thousands	1,100	-3,74,823	965	3,74,688	-	-	-1,010	-41	-969	-	100.00%
40	Azure Power Fifty Four Private Limited	2023-24	INR in thousands	100	-3,68,076	82	3,68,058	-	-	-846	-	-846	-	100.00%
41	Azure Power Fifty Six Private Limited	2023-24	INR in thousands	1100	-21,330	2,066	22,296	-	-	-19,988	242	-20,230	-	100.00%

42	Azure Power Fifty Seven Private Limited	2023-24	INR in thousands	100	-23,281	83	23,264	-	-	-23,065	-	-23,065	-	100.00%
43	Azure Power Fifty Eight Private Limited	2023-24	INR in thousands	100	-1,094	4,45,669	4,46,663	-	-	-891	-3	-888	-	100.00%
44	Azure Power Fifty Nine Private Limited	2023-24	INR in thousands	100	-3,70,327	79	3,70,306	-	-	-848	-	-848	-	100.00%
45	Azure Power Sixty Private Limited	2023-24	INR in thousands	100	-3,67,425	47	3,67,372	-	-	-849	-	-849	-	100.00%
46	Azure Power Sixty One Private Limited	2023-24	INR in thousands	100	-510	49,886	50,296	-	-	-372	13	-385	-	100.00%
47	Azure Power Sixty Two Private Limited	2023-24	INR in thousands	100	-2,58,777	313	2,58,990	-	-	-669	2	-671	-	100.00%

48	Kotuma Wind Parks Pvt Ltd	2023-24	INR in thousands	100	-2,43,809	35,082	2,78,791	-	-	-2,34,370	6	-2,34,376	-	100.00%
49	Two Wind Energy Pvt. Ltd.	2023-24	INR in thousands	100	-5,89,101	1,26,938	7,15,939	-	-	-5,58,317	22	-5,58,339	-	100.00%
50	Azure Green Hydrogen Private Limited	2023-24	INR in thousands	100	-1,051	2,067	3,018	-	-	-437	4	-441	-	100.00%
51	Azure Power Sixty Three Private Limited	2023-24	INR in thousands	100	-10,018	3,274	13,192	-	-	-30	4,041	-4,071	-	100.00%
52	Azure Energy Transition Private Limited	2023-24	INR in thousands	100	-23,814	3,551	27,265	-	-	-6,612	55	-6,667	-	100.00%
53	Azure Power Sixty Four Private Limited	2023-24	INR in thousands	100	-872	2,052	2,824	-	-	-398	20	-418	-	100.00%
54	Azure Power Sixty Five Private Limited	2023-24	INR in thousands	100	-851	2,081	2,832	-	-	-403	18	-421	-	100.00%

55	Azure Power Sixty Six Private Limited	2023-24	INR in thousands	100	-284	122	306	-	-	-278	-	-278	-	100.00%

Names of subsidiaries which are yet to commence commercial Operations.

Sl. No.	Name of the Companies
1.	Azure Power Thirty Nine Private Limited
2.	Azure Power Fifty Six Private Limited
3.	Azure Power Fifty Seven Private Limited
4.	Azure Power Fifty Eight Private Limited
5.	Azure Power Sixty One Private Limited
6.	Azure Energy Transition Private Limited
7.	Azure Power Sixty Five Private Limited
8.	Azure Power Sixty Six Private Limited
9.	Azure Green Hydrogen Private Limited

Names of subsidiaries which have been liquidated or sold during the year: None

Part "B": Associates and Joint Ventures

(Pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures)

Details of associates or joint ventures: None

Names of associates or joint ventures which are yet to commence operations: Not applicable

Names of associates or joint ventures which have been liquidated or sold during the year: None

For and on behalf of the Board of Directors
AZURE POWER INDIA PRIVATE LIMITED

Sunil Kumar Gupta	**Sugata Sircar**
Managing Director and CEO	**Director and Group CFO**
DIN: 07095152	**DIN: 01119161**
Date: August 29, 2024	Date: August 29, 2024
Place: Gurugram	Place: Gurugram

(Annexures–II)

Management replies to Independent Auditor's qualification/ remarks

Sl. No.	Independent Auditor's Qualification	Management's Reply
1.	**Paragraph (1) of Independent Auditor' Report** 1. Refer Note 48 to the standalone financial statements and Note 48 to the consolidated financial statements of the accompanying standalone financial statements, the Company, the Parent company and some subsidiaries (collectively referred to as the 'Group'), have received several complaints via the Group's common whistleblower mechanism during the previous year. In response to such whistle blower complaints, the Board of Directors and Audit and Risk Committee of the parent company appointed external legal counsels to conduct investigations into the significant issues highlighted in the said complaints. These issues include, but are not limited to, lapses in key control areas, governance issues, assets capitalization date and problems with vendor management. A special committee was constituted by the Board of Directors of the parent company ('the Special Committee'), to review certain material projects and contracts for anti-corruption and related compliance issues. Independent external counsels and forensic advisors were engaged to support the Special Committee. The Special Committee's investigation is not yet complete. As a result of above: a) there are identified design deficiencies noted in some of the key controls in significant areas. Refer to our 'Adverse Report' on Internal Control and Financial Report provided in Annexure B as referred to in para 2(g) of the Other legal and Regulatory Requirements. These deficiencies constitute material weaknesses. b) the Group has voluntarily disclosed certain matters to the U.S. Securities and Exchange Commission and the U.S. Department of Justice. Engagement and cooperation with the aforesaid authorities is continuing on those matters. We are informed that	**The matters in Paragraph 1 read along with Note 48 to the standalone financial statements and consolidated financial statements which is re-iterated below, are self-explanatory and do not require further comments:** In May 2022, a whistle-blower complaint was received that alleged health and safety lapses, procedural irregularities, misconduct by certain employees, improper payments and false statements in a project belonging to a project subsidiary. Following extensive investigation by the Holding Company's Ethics Committee, supervised by the Board's Audit and Risk Committee of the holding company and by external counsel and forensic professionals, the Parent Company identified evidence of manipulation and misrepresentation of project data by some employees at that project site. Weak controls over payments to a vendor and failures to provide accurate information both internally and externally were found, but no direct evidence that any improper payment was made to any government official was identified. Further, in Fiscal 2023, we reported to SECI that this project had (i) shortfalls in generation and (ii) that it failed to timely complete and commission the requisite contractually required capacity. On January 3, 2023 and January 4, 2023, SECI advised us, inter alia, that the project may be liable for damages and penalties for shortfalls in generation. Further, in September 2022, the Parent received an additional whistle-blower complaint primarily making similar allegations of misconduct as raised in May 2022, as well as allegations of misconduct related to joint ventures and land acquisition, allegations of our failure to be transparent with the market and advisors and other claims. The Holding Company's Ethics Committee, supervised by the Board's Audit and Risk Committee of the holding company, with the support of external counsel and forensic accounting professionals, investigated these September 2022 allegations. The investigation of the September 2022 complaint identified significant control issues in the process of acquiring land and land use rights in relation to a subsidiary Company. The investigation specified that third party land

	any potential liability or penalty from authorities cannot be assessed at this stage. In respect of the above matters, we are unable to comment whether the outcome will result in possible adjustments and/or disclosures to the standalone financial statements, and the non-compliance with the applicable laws and regulations, if any.	aggregators may have been involved in improper payments but no improper transfer of money by the Parent Group was identified. Further, we reviewed the entire amount paid to land aggregators to identify any similar issue and after an assessment a adjustment (decapitalisation) aggregating to INR 28 in Lakh was made in the books of account in FY 2023 on estimate, as a prudent measure, though no improper payments by the Group could be identified. In line with a review made during the earlier years, we reviewed the entire amount paid to land aggregators during the current year and made an adjustment of INR 12 in Lakh during the year ended March 31, 2024 on prudent basis though no improper payments by the Group could be identified in current year as well. The Parent Group's investigation did not substantiate other portions of this September 2022 whistle-blower complaint. As part of the investigations of the May 2022 and September 2022 whistle-blower complaints, the review was also widened to include a review of projects commissioned in financial year ended March 31, 2022 and financial year ended March 31, 2023 to ensure that similar weaknesses were not present. As part of our investigations, we identified inconsistencies in project data in certain of our projects, but we identified no improper payments made in connection with these projects. We have taken a range of actions due to these findings, and the employees involved in the misconduct are no longer associated with us. In accordance with the recommendations of the Ethics Committee, the Board's Audit and Risk Committee and their legal and forensic advisors, we are implementing remedial measures in both project control and monitoring. Further, we reported the findings from its investigations of the May 2022 and September 2022 whistle-blower complaints to the SEC and the U.S. Department of Justice, and we continue to cooperate with these authorities. In addition, a Special Committee of the Board of the Holding Company (the "Special Committee") was convened in August 2022 to review certain material projects and contracts over a three-year period for anti-corruption and related compliance issues. Independent outside counsel and forensic advisors were engaged to support the Special Committee. The Special Committee's investigation has identified evidence that individuals formerly affiliated with the Group may have had knowledge of, or were involved in, an apparent scheme with persons outside the Group to make improper

		payments in relation to certain projects. To date, the Special Committee has not identified related improper payments or transfers by the Group. The Special Committee's investigation is still ongoing. The Special Committee's review and its findings have impacted the decision-making of the Parent Group in connection with such projects. The Group have disclosed the details of the Special Committee's investigation to the SEC and the U.S. Department of Justice, and we continue to cooperate with those agencies. The current members of the Board of Directors of the ultimate holding Company have confirmed that none of them were aware of the apparent scheme referred to above other than through the Special Committee investigation. Our Group including our subsidiaries with respect to affected projects could be exposed to liabilities under the relevant contractual and tender documents (including levy of damages and liquidated damages, reduction of PPA tariffs and/or short closure of capacity), administrative actions (including the risk of PPA cancellation, risk of being debarred from SECI's future contracts, withdrawal or nullification of commissioning certificates and/or revocation of commissioning extensions) and penalties from customers and other civil liabilities, all of which could adversely impact the revenue, profitability and capitalization of the affected projects. In addition, civil and/or criminal fines and/or penalties by regulatory authorities (including by the SEC, the U.S. Department of Justice and applicable Indian regulatory authorities) could be imposed on us as well as ongoing obligations, remedial corporate measures or other relief against us that could adversely impact our operations. Any such fines, penalties, ongoing obligations or other measures or relief against us could materially and adversely affect our business, results of operations, financial condition and cash flows in future periods. Further, in addition, certain of those outcomes could adversely impact our ability to maintain compliance with the covenants under our credit facilities or result in an event of default thereunder. In addition, we could be exposed to future litigation in connection with any findings of fraud, corruption, or other misconduct by persons who served as our directors, officers and employees. The Parent Group remains steadfast in its commitment to upholding the principles of transparency, accountability, and ethical conduct in all areas of its operations and it will continue to monitor and assess its internal processes to ensure compliance with all relevant laws and regulations.
2.	**Paragraph (2) of Independent Auditor's Report**	

<table>
<tr><td></td><td>Refer Note 49 to the standalone financial statements and Note 51 to the consolidated financial statements, which describes the matters relating to non-compliances with certain provisions of the Companies Act, 2013 ("the Act") with respect to the adoption of the annual audited standalone and consolidated financial statements for the year ended March 31, 2023 and March 2022, before the shareholders in the Annual General Meeting within the stipulated time as prescribed under Section 96 of the Act. The consequential impact of the said non-compliance, including the liability for penal charges, if any, on the standalone and consolidated financial statements and , including the consequential impact under other applicable laws and regulations is presently not ascertainable. Accordingly, we are unable to comment on the same.</td><td>The matters in Paragraph 2 read along with Note 49 to the standalone financial statements and Note 51 to the consolidated financial statements which is re-iterated below, are self-explanatory and do not require further comments:

As per the provision of the Companies Act, 2013, a company is required to convene the Annual General Meeting ("AGM") for adoption of its annual audited financial statements within the six months from the end of each financial year, i.e. September 30 ("Due Date"). The Registrar of Companies ("ROC") granted three months extensions to the Group companies (except for 33.2 MW rooftop portfolio for which agreement for sale have been entered into with Radiance), to hold the AGMs for financial year 2021-22 and 2022-23 on or before December 31, 2022, and December 31, 2023, respectively. Considering the delay in closure of audit due to ongoing investigations (refer note 50 to the consolidated financial statements), the AGM for financial year 2021-22 and 2022-23 were held on February 2024 and May 2024 respectively, i.e. after the extension granted by ROC..

The Group Companies will apply for compounding of the Offence for not holding the AGM for financial year 2021-22 and 2022-23, on or before December 31, 2022, and December 31, 2023 respectively, and liable to pay penalties as may be imposed by ROC. Management is unable to ascertain the amount of penalties for these Offences and hence no accruals for the same has been taken in these financial statements.</td></tr>
<tr><td>3.</td><td><u>Paragraph (a) to (e) of Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")</u>

According to the information and explanations given to us and based on our audit, in previous year, the management has identified following material weaknesses in the design and operating effectiveness of internal control over financial reporting:

a) In Note no. 48 of the Company's Standalone financial statements and consolidated financial statements and paragraph 1 of the Basis for Qualified Opinion paragraph in our audit report regarding various whistleblower issues and based on the findings of independent external legal counsels engaged by the Company which highlighted the significant issues related to lapses in key control areas, governance issues, assets capitalization date and problems with vendor</td><td>Refer to the explanation as per point 15 as above "INTERNAL FINANCIAL CONTROLS".</td></tr>
</table>

	management. These findings indicate the material weakness in the Company's internal financial controls with reference to the standalone financial statements. b) We identified deficiencies in the Company's internal control systems related to land procurement processes. There were material weaknesses in selection and approval mechanisms for land aggregators. These material weaknesses could lead to material misstatements in the Company's standalone financial statements and disclosures. c) Material weaknesses were noted in the Company's financial reporting and closing process which had led to significant delays in the completion of the previous years' standalone financial statements and non-compliance with applicable provisions and other relevant legislations. d) In the course of our audit, we observed deficiencies in the Company's processes related to monitoring of management review controls inter-alia including those related to significant estimates which raises concerns about the potential for material misstatements in the standalone financial statement disclosures. e) The Company did not have an appropriate internal control system for the periodic reconciliation of Vendor balances. During the year, the Company has implemented the revised design and controls including over such material weaknesses which were operated for a part of the year, therefore, we were unable to obtain sufficient audit evidence and test about its operating effectiveness.	

4.	**Emphasis of Matters pertaining to consolidated financial statements:** a. Refer Note 49 read with Note 52 (xxv) of the consolidated financial statements includes the Financial Statements of "Azure Power Fifty Three Private Limited", which states that the Subsidiary Company has accumulated losses of INR 3,748 Lakh and its net worth has fully eroded as at March 31, 2024. The Subsidiary Company's current liabilities exceeded its current assets by INR 3,679 Lakh as at the balance sheet date. In view of Groups' decision to terminate the project as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2024. Accordingly, the financial statements of the Subsidiary Company have been prepared on not on going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. b. Refer Note 49 read with Note 52 (xxvi) of the consolidated financial statements includes the Financial Statements of "Azure Power Fifty Four Private Limited", which states that the Subsidiary Company has accumulated losses of INR 3,681 Lakh and its net worth has fully eroded as at March 31, 2024. The Subsidiary Company's current liabilities exceeded its current assets by INR 3,622 Lakh as at the balance sheet date. In view of Groups' decision to terminate the project as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2024. Accordingly, the financial statements of the Subsidiary Company have been prepared on not on going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. c. Refer Note 49 read with Note 52 (xxvii) of the consolidated financial	**Response to point (a) to (e) as per Note 49 of the consolidated financial statements which is re-iterated below, are self-explanatory and do not require further comments:** Pursuant to the manufacturing linked tender award of 4,000 MW, the Group executed PPAs for a capacity of 2,333 MW with SECI, for which SECI executed a Power Sale Agreement ("PSA") with the state of Andhra Pradesh during financial year 2021-22. In respect of these 2,333 MW projects, two PILs were filed in the High Court of Andhra Pradesh in the same financial year, challenging various aspects of the manufacturing linked tender and seeking to quash the Andhra Pradesh Regulator's approval for procurement of capacity tied up by Andhra Pradesh Discoms with SECI pursuant to the tender. The tariff adoption for the capacities by the CERC is subject to the outcome of the PILs. We are not a party to the PILs, and the PILs currently are pending adjudication. We cannot predict the outcome of these two PILs. Based on the economics and uncertainties associated with the PILs and ongoing Special Committee review, the Group decided to terminate the PPAs in respect of these 2,333 MW projects and filed a petition at the Andhra Pradesh High Court seeking a declaration that the Group should be discharged from performance of the obligations under the Andhra Pradesh PPAs for a capacity of 2,333 MW as a result of the absence of the unconditional tariff adoption order from the regulatory commission. Since there was a threat by SECI to revoke the Bank Guarantee, the High Court in its order dated October 16, 2023, directed SECI not to take coercive steps against the Group until the next date of hearing. On March 18, 2024, we received two letters from SECI. In its first letter, SECI stated that it had terminated the PPAs with the Group in respect of the 2,333 MW projects and reserved its rights to take action against the Group including forfeiture of the performance bank guarantees and success charges and fees in respect of the PPAs and other documentation associated with the 2,333 MW projects. In its second letter, SECI informed the Group that it was awarding the 2,333 MW projects and associated PPAs to a third-party. Further, SECI informed the Group that it had reduced Azure's capacity allocation under the manufacturing Letter of Award by 2,333MW and its corresponding manufacturing capacity of solar cells and solar modules by 583 MW.

	statements includes the Financial Statements of "Azure Power Fifty Nine Private Limited", which states that the Subsidiary Company has accumulated losses of INR 3,703 Lakh, and its net worth has fully eroded as at March 31, 2024. The Subsidiary Company's current liabilities exceeded its current assets by INR 3,645 Lakh as at the balance sheet date. In view of Groups' decision to terminate the project as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2024. Accordingly, the financial statements of the Subsidiary Company have been prepared on not on going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. d. Refer Note 49 read with Note 52 (xxviii) of the consolidated financial statements includes the Financial Statements of "Azure Power Sixty Private Limited", which states that the Subsidiary Company has accumulated losses of INR 3,674 Lakh and its net worth has fully eroded as at March 31, 2024. The Subsidiary Company's current liabilities exceeded its current assets by INR 3,616 Lakh as at the balance sheet date. In view of Groups' decision to terminate the project as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2024. Accordingly, the financial statements of the Subsidiary Company have been prepared on not on going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. e. Refer Note 49 read with Note 52 (i) of the consolidated financial statements includes the Financial Statements of "Azure Power Sixty Two Private Limited", which states that the Subsidiary Company has accumulated losses of INR 2,588 Lakh and its net worth has fully eroded as at March 31, 2024. The Subsidiary Company's current	Accordingly, the Group has recognised a provision of INR 12,315 lakhs towards Bank Guarantees in its consolidated financial statements for the year ended March 31, 2023. **Response to point to (9) as per Note 52 of the consolidated financial statements which is re-iterated below, are self-explanatory and do not require further comments:** During the financial year March 31, 2024, Azure Power Fifty Three Private Limited (subsidiary company) has accumulated losses of INR 3,748 lakhs and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded the current assets by INR 3,679 lakhs as at the balance sheet date. Considering these factors including the terminativon of PPA as mentioned in note 30 of these financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2024. Accordingly, the financial statements of the Company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year. During the financial year March 31, 2024, Azure Power Fifty Four Private Limited (subsidiary company) has accumulated losses of INR 3,681 lakhs and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded the current assets by INR 3,622 lakhs as at the balance sheet date. Considering these factors including the termination of PPA as mentioned in note 30 of these financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2024. Accordingly, the financial statements of the Company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their

liabilities exceeded its current assets by INR 2,587 Lakh as at the balance sheet date. In view of Groups' decision to terminate the project as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2024. Accordingly, the financial statements of the Subsidiary Company have been prepared on not on going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise.

f. Refer Note 53 read with Note 52 (xxiii) of the consolidated financial statements includes the Financial Statements of Azure Power Fifty One Private Limited, which states that the Subsidiary Company has accumulated losses of INR 4,670 Lakh and its net worth has fully eroded as at March 31, 2024. The Subsidiary Company's current liabilities exceeded its current assets by INR 4,788 Lakh as at the balance sheet date. In view of Groups' decision to withdraw from the project as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2024. Accordingly, the financial statements of the Subsidiary Company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise.

g. Refer Note 53 read with Note 52(xxiv) of the consolidated financial statements includes the Financial Statements of Azure Power Fifty Two Private Limited, which states that the Subsidiary Company has accumulated losses of INR 13,899 Lakh and its net worth has fully eroded as at March 31, 2024. The Subsidiary Company's current liabilities exceeded its current assets by INR 18,542 Lakh as at the balance sheet date. In view of Groups' decision to withdraw from the project as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption

estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

During the financial year March 31, 2024, Azure Power Fifty Nine Private Limited (subsidiary company) has accumulated losses of INR 3,703 lakhs and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded the current assets by INR 3,645 lakhs as at the balance sheet date. Considering these factors including the termination of PPA as mentioned in note 30 of these financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2024. Accordingly, the financial statements of the Company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

During the financial year March 31, 2024, Azure Power Sixty Private Limited (subsidiary company) Company has accumulated losses of INR 3,674 lakhs and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded the current assets by INR 3,616 lakhs as at the balance sheet date. Considering these factors including the termination of Power Purchase Agreement as mentioned in note 31 of these financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2024. Accordingly, the financial statements of the Company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject

	is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2024. Accordingly, the financial statements of the Subsidiary Company have been prepared on not on going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise.	to this, these financial statements have been prepared on an accrual basis and under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year. During the financial year March 31, 2024, Azure Power Sixty Two Private Limited (subsidiary company) Company has accumulated losses of INR 2,588 lakhs and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded the current assets by INR 2,587 lakhs as at the balance sheet date. Considering these factors including the termination of Power Purchase Agreement as mentioned in note 30 of these financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2024. Accordingly, the financial statements of the Company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year. During the financial year ended 31 March 2024, Azure Power Fifty One Private Limited (subsidiary company) has accumulated losses of INR 4,670 lakhs and its net worth has fully eroded. The subsidiary company's current liabilities exceeded its current assets by INR 4,788 lakhs as at the balance sheet date. Considering these factors including the decision for withdrawal from the project as mentioned in note 33 of these financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2024. Accordingly, the financial statements of the Company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and

		under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year. During the financial year March 31, 2024, Azure Power Fifty Two Private Limited (subsidiary company) has accumulated losses of INR 13,899 lakhs and its net worth has fully eroded as at March 31, 2024. The subsidiary company's current liabilities exceeded its current assets by INR 18,542 lakhs as at the balance sheet date. Considering these factors including the decision for withdrawal from the project as mentioned in note 36 of these financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2024. Accordingly, the financial statements of the Company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year. **Response to point (f) to (g) as per note 53 of the consolidated financial statements which is re-iterated below, are self-explanatory and do not require further comments:** During the previous year, a Special Committee of the Board of the Holding Company (the "Special Committee") was convened to review certain material projects and contracts over a three-year period for anti-corruption and related compliance issues. Independent outside counsel and forensic advisors were engaged to support the Special Committee. In light of the ongoing Special Committee review as well as economic and execution challenges, the Group has decided to withdraw from the 700 MW projects which is part of the 4,000 MW manufacturing linked tender awarded by SECI. The Group continues discussions with SECI to ensure an orderly withdrawal from the 700 MW projects and from the obligations of the

		Group under the PPA, Performance Bank Guarantees and other guarantees relating to the projects. Accordingly, the Group has recognied a provision of INR Nil (March 31, 2023: INR 4,077 lakhs) for impairment of assets and recognised a provision of INR 200 lakhs (March 31, 2023: INR 5,361 lakhs) towards Bank Guarantees in its consolidated financial statements for the year ended March 31, 2024.

For and on behalf of the Board of Directors

AZURE POWER INDIA PRIVATE LIMITED

Sunil Kumar Gupta
Managing Director and CEO
DIN: 07095152

Date: August 29, 2024
Place: Gurugram

Sugata Sircar
Director and Group CFO
DIN: 01119161

Date: August 29, 2024
Place: Gurugram

Annexure-III

FORMAT OF THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1.	Brief outline on CSR Policy of the Company	Your Company believes in the Corporate Social Responsibility ("CSR") program based on shared values, responsible business, and exposure to voluntary social activities. Through its CSR initiatives, the Company is committed to improving quality of life by making a positive economic, social and environmental contributions to the communities it operates in.
2.	Composition of CSR Committee (*as on the date of this report)	1. Mr. Brijesh Mehra (Chairman) 2. Ms. Supriya Prakash Sen (Member) 3. Mr. Philippe Pierre Wind (Member)
3.	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company	https://investors.azurepower.com/corporate-governance/governance-documents
4.	**Provide the executive summary along with web-link(s) of Impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.**	Not Applicable

a. **Average net profit of the Company as per sub-section (5) of section 135**	INR (5,25,00,000)
b. **Two percent of average net profit of the company as per sub-section (5) of section 135.**	**NA**
c. **Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.**	**NA**
d. **Amount required to be set-off for the financial year, if any.**	**NA**
e. **Total CSR obligation for the financial year [(b)+(c)-(d)].**	NA

a. **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)**	NA
b. **Amount spent in Administrative Overheads.**	NA
c. **Amount spent on Impact Assessment, if applicable.**	**NA**
d. **Total amount spent for the Financial Year [(a)+(b)+(c)].**	NA

e. **CSR amount spent or unspent for the Financial Year:**

Total Amount Spent for the Financial Year.	Amount Unspent (in INR)	
	Total Amount transferred to Unspent CSR Account	Amount transferred to any fund specified under Schedule VII as per second proviso to

(in INR)	as per subsection (6) of section 135.		sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount	Date of transfer
NA	NA				

f. **Excess amount for set-off, if any:** Not applicable

Sl. No.	Particulars	Amount (in INR)
(1)	(2)	(3)
i.	Two percent of average net profit of the company as per sub-section (5) of section 135	NA
ii.	Total amount spent for the Financial Year	NA
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	NA
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NA
v.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NA

2. **Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:** Not applicable

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in INR)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in INR)	Amount Spent in the Financial Year (in INR)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in INR)	Deficiency, if any
					Amount (in INR)	Date of Transfer		
1								

3. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

Yes No ✓

If Yes, enter the number of Capital assets created/ acquired: NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not applicable

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin Code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

4. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135.** Not applicable

*The provisions of CSR were applicable on the company for the FY 2023-24. However, due to losses during the three immediately preceding financial years, the Company was not obligated for spending for CSR activities. Hence the spending on CSR during the year was Nil.

For and on behalf of the Board of Directors

AZURE POWER INDIA PRIVATE LIMITED

Sunil Kumar Gupta
Managing Director and CEO
DIN: 07095152

Date: August 29, 2024
Place: Gurugram

Sugata Sircar
Director and Group CFO
DIN: 01119161

Date: August 29, 2024
Place: Gurugram

ABHISHEK GUPTA & ASSOCIATES
COMPANY SECRETARIES

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New Rohtak Road, Near MTNL Office,
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Mobile : +91 99 1085 9837 (India)
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FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Azure Power India Private Limited
DSC-304, Second Floor, DLF South Court,
Saket District Centre, Saket (South Delhi),
New Delhi, India, 110017

I have conducted the Secretarial Audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Azure Power India Private Limited (CIN: U40106DL2008PTC174774)** (herein after referred to as 'the **Company'**), having its Registered Office at DSC-304, Second Floor, DLF South Court, Saket District Centre, Saket (South Delhi), New Delhi, India, 110017. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 ('Audit Period') generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

A. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder **(Not applicable to the Company during the Audit Period)**;

Abhishek Gupta & Associates * Delhi * Company Secretaries

(iii) The Depositories Act,1996 and Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and Bye-laws framed thereunder**(Not applicable to the Company during the Audit Period);**

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, if any.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(Not applicable to the Company during the Audit Period);**

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **(Not applicable to the Company during the Audit Period);**

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the Audit Period);**

d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable to the Company during the Audit Period);**

e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not applicable to the Company during the Audit Period);**

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client to the extent of securities issued **(Not applicable to the Company during the Audit Period);**

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during the Audit Period);**

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period);**

i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(Not applicable to the Company during the Audit Period);**

Abhishek Gupta & Associates Delhi Company Secretaries

(vi) Laws specifically applicable to the industry to which the company belongs, as identified by the management, that is to say:

Legislation Name:

a) Payment of Wages Act, 1936
b) The Payment of Bonus Act, 1965
c) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
d) Employees' State Insurance Act, 1948
e) The Minimum Wages Act, 1948
f) Payment of Gratuity Act, 1972
g) Employee Taxation as per Income Tax Act, 1961
h) Employee Group Insurance Scheme and Maternity Benefits.
i) Shops and Establishment Act & Rules thereunder.
j) The Contract Labour (Abolition & Repeal) Act & and Rules thereunder
k) Environment (Protection) Act, 1986
l) The Air (Prevention and Control of Pollution) Act, 1981
m) The Water (Prevention and Control of Pollution) Act, 1974
n) The Noise Pollution (Regulation and Control) Rules, 2000
o) Hazardous Wastes (Management and Handling) Rules, 1989
p) Factories Act, 1948

For the compliances of Environmental Laws, Labour Laws & other General Laws, our examination and reporting is based on the documents, records and files as produced and shown to us and the information and explanations as provided to us, by the officers and management of the Company and to the best of our judgment and understanding of the applicability of the different enactments upon the Company, in our opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable Environmental Laws, Labour Laws & other General Laws.

The compliance by the Company of applicable financial laws, like Direct and Indirect Tax Laws, has not been reviewed in this audit since the same have been subject to review by the statutory auditor and other designated professionals.

B. I have also examined compliance with the applicable clauses of the following:

a. Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

b. The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015. **(Not applicable to the Company during the Audit Period)**;

C. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to filing of certain e-forms with additional fees.

Abhishek Gupta & Associates Company Secretaries Delhi

D. **I further report that**

a) The Board of Directors of the Company is duly constituted and the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

c) There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

d) As per the information and explanations as provided to me, by the officers and management of the Company during Secretarial Audit, the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 were applicable on the Company during the Financial Year. I have relied on the representation made by the Company and its officers for system and mechanism framed by the Company for compliances of the said laws.

e) As per the minutes of the meetings of the Board and Committees of the Board signed by the Chairman, all the decisions of the Board were adequately passed and the dissenting members' views, if any, was captured and recorded as part of the minutes.

f) As per the records, the Company filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies and other authorities and all the formalities relating to the same is in compliance with the Act.

E. **I further report** that during the audit period the company has:

a. M/s. ASA & Associates, LLP, Chartered Accountants (Firm Registration No. 009571N/N500006) appointed as Statutory Auditors of the Company in the Extra-Ordinary General Meeting held on 16th February, 2024 to fill the casual vacancy caused due to the resignation of M/s. MSKA & Associates, Chartered Accountants, for the financial year 2022-23 and to hold the office till the conclusion of the Annual General Meeting (AGM) held on 29th May, 2024.

Further, in terms of provisions of Section 139 of the Companies Act, 2013, M/s. ASA & Associates LLP, Chartered Accountants, (Firm Registration No. 009571N/N500006) were re-appointed as Statutory Auditors of the Company for a term of 5 consecutive years in the AGM held for the Financial Year 2022-23 on 29th May, 2024 to hold the office till the conclusion of AGM to be held for the Financial Year 2027-28.

Abhishek Gupta & Associates
Delhi
Company Secretaries

b. The company has convened Annual General Meeting (AGM) after the due date prescribed under Companies Act, 2013 for the financial year 2021-22 and 2022-23 i.e. after six months from the end of each financial year. Further, The Company will apply for the compounding of the offence for not holding the AGM within the statutory timelines.

c. The Company has material weakness in internal financial controls system. Material weaknesses were noted in the Company's financial reporting and closing process. These weaknesses have necessitated restatements to account in previous financial years for adjustments in income tax provisions for prior years and intercompany transactions.

d. During the previous financial year, the Group received whistle-blower complaints on various matters, including lapses in internal controls for certain key areas, governance and vendor management. The Board of Directors of the Company have engaged external counsel to undertake investigations on the allegations thereof.

e. The Registered Office of the company was shifted from 5th Floor, Southern Park, D-II, Saket Place, Saket, New Delhi 110017 to Unit No. 409 and 410, 4th Floor, Southern Park, Bearing No. D2, Saket (South Delhi), New Delhi 110017. Subsequent to year end, the registered office of the company was further shifted to DSC-304, Second Floor, DLF South Court, Saket District Centre, Saket (South Delhi), South Delhi, New Delhi, Delhi, India, 110017 w.e.f. 08th August, 2024.

For Abhishek Gupta & Associates
Company Secretaries

29/08/2024

Abhishek Gupta & Associates Company Secretaries Delhi

Abhishek Gupta
Proprietor
M. No.: 9857; C.P. No.: 12262
UDIN: F009857F001071148
Peer Review Certificate No. 2375/2022

Place: New Delhi
Date: 29.08.2024

NOTE: THIS REPORT IS TO BE READ WITH **'ANNEXURE I'** IS ATTACHED HEREWITH AND FORMS AN INTEGRAL PART OF THIS REPORT.

Annexure - I

The Members,
Azure Power India Private Limited
DSC-304, Second Floor, DLF South Court,
Saket District Centre, Saket (South Delhi),
New Delhi, India, 110017

My Secretarial Audit Report for the financial year ended 31st March, 2024 of even date is to be read along with this letter:

Management's Responsibility

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operating effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances as produced before us.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
7. We have conducted verification & examination of records, as facilitated by the Company, for the purpose of issuing this Report.

For Abhishek Gupta & Associates
Company Secretaries

Abhishek Gupta & Associates Company Secretaries Delhi

29/08/2024

Abhishek Gupta
Proprietor
M. No.: 9857; C.P. No.: 12262
UDIN: F009857F001071148
Peer Review Certificate No. 2375/2022

Place: New Delhi
Date: 29.08.2024

ASA & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT

To the Members of Azure Power India Private Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of Azure Power India Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its Loss and other comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. Refer Note no. 48 of the accompanying standalone financial statements, the Company, the Parent company and some subsidiaries (collectively referred to as the 'Group'), have received several complaints via the Group's common whistleblower mechanism during the previous year. In response to such whistle blower complaints, the Board of Directors and Audit and Risk Committee of the parent company appointed external legal counsels to conduct investigations into the significant issues highlighted in the said complaints. These issues include, but are not limited to, lapses in key control areas, governance issues, assets capitalization date and problems with vendor management.

   A special committee was constituted by the Board of Directors of the parent company ('the Special Committee'), to review certain material projects and contracts for anti-corruption and related compliance issues. Independent external counsels and forensic advisors were engaged to support the Special Committee. The Special Committee's investigation is not yet complete.

   As a result of above:

   a) there are identified design deficiencies noted in some of the key controls in significant areas. Refer to our 'Adverse Report' on Internal Control and Financial Report provided in Annexure B as referred to in para 2(g) of the Other legal and Regulatory Requirements. These deficiencies constitute material weaknesses.

   b) the Group has voluntarily disclosed certain matters to the U.S. Securities and Exchange Commission and the U.S. Department of Justice. Engagement and cooperation with the aforesaid authorities is continuing on those matters. We are informed that any potential liability or penalty from authorities cannot be assessed at this stage.

   In respect of the above matters, we are unable to comment whether the outcome will result in possible adjustments and/or disclosures to the standalone financial statements, and the non-compliance with the applicable laws and regulations, if any.

ASA & Associates LLP Chartered Accountants

2. Refer note no. 49 to the accompanying standalone financial statements, which describes the matters relating to non-compliances with certain provisions of the Companies Act, 2013 ("the Act") with respect to the adoption of the annual audited standalone financial statements for the year ended March 31, 2023 and March 2022, before the shareholders in the Annual General Meeting within the stipulated time as prescribed under Section 96 of the Act. The consequential impact of the said non-compliance, including the liability for penal charges, if any, on the standalone financial statements, including the consequential impact under other applicable laws and regulations is presently not ascertainable. Accordingly, we are unable to comment on the same.

The above matters were also the subject matter of qualification in previous year's report.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone financial statements Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report including Annexures to Director's Report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. The other information included in the Director's Report have not been adjusted for the impacts as described in the Basis for Qualified Opinion paragraph mentioned above. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of Management and Board of Directors for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

ASA & Associates LLP Chartered Accountants *

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Materiality is the magnitude of misstatement in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

ASA & Associates LLP Chartered Accountants

Report on Other legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

(d) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) In our opinion, the matters described in the Basis for Qualified Opinion paragraph above, the Adverse Opinion on adequacy of internal financial controls in Annexure B of our report, may have an adverse effect on the functioning of the Company.

(f) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

(g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note no. 32(b) to the standalone financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

   iv.

      a. The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note no. 47(iv) to the accompanying standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or

ASA & Associates LLP Chartered Accountants

entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 47(v) to the accompanying standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement;

v. The Company has neither declared nor paid any dividend during the year.

vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

3. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company as it is a private Company.

For **ASA & Associates LLP**
Chartered Accountants
Firm Registration No: 009571N/N500006

ASA & Associates LLP Chartered Accountants

K Nithyananda Kamath
Partner
Membership No. 027972

UDIN: 24027972BKCRNM3359

Place: Gurugram
Date: August 29, 2024

Annexure A to Independent Auditor's Report referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report of even date.

i.

(a)

A. According to the information and explanations given to us and audit procedures performed by us, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (excluding right-of-use assets), except for which details are given as below:

Description of Property, Plant and Equipment	Written Down Value as at March 31, 2024 (INR in Lakhs)
Plant and Machinery	638

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) The physical verification of the Property, Plant and Equipment are being verified by the Management according to a phased programme designed to cover Inverter, Transformer and Modules (forming part of Property, Plant and Equipment) over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, the physical verification of the Property, Plant and Equipment is under process by the management during the year. Accordingly, the discrepancies, if any, could not be ascertained and therefore, we are unable to comment on whether the discrepancies, if any have been properly dealt with in the books of account. Also, Refer Annexure B to the Independent Auditor's Report.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the standalone financial statements are held in the name of the Company except for immovable properties aggregating to INR 48 Lakh (excluding incidental charges capitalized in books of accounts) for which original copy of tittle deeds was not made available by the Company to us for verification purposes. Hence, we cannot comment upon the same.

(d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment (including right-of-use assets) during the year. Accordingly, the requirements under paragraph 3(i)(d) of the order are not applicable to the Company.

(e) According to the information and explanations given to us and audit procedures performed by us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii.

(a) The Company does not hold any inventory. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable to the Company.

(b) According to information and explanations given to us and on the basis of our examination of the records, the Company has not sanctioned any working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable.

iii.

(a) According to the information and explanation provided to us, the Company has granted unsecured loans to any other entity. However, the Company has not made any investments, given guarantee, provided advances in the nature of loans or provided security to any other entity.

ASA & Associates LLP Chartered Accountants

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The details of such loans to subsidiaries/fellow subsidiaries are as follows:

	Guarantees (INR in Lakhs)	Security (INR in Lakhs)	Loans (INR in Lakhs)	Advances in the nature of loans (INR in Lakhs)
Aggregate amount granted/provided during the year.				
- Subsidiaries	-	-	11,870	-
- Fellow Subsidiaries	-	-	1,495	-
Balance Outstanding as at balance sheet date in respect of above cases				
- Subsidiaries	-	-	11,870	-
- Fellow Subsidiaries	-	-	1,495	-

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to loans are not prejudicial to the interest of the Company. However, the Company has not made any investments, given guarantee, provided advances in the nature of loans or provided security to any other entity.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of loans given by the Company, the repayment of principal and payment of interest has been stipulated and the repayments or receipts of principal amount and interest have been regular except for the following:

Name of the Entity	Amount (INR in Lakhs)	Due Date	Date of Payment	Remarks, If any
Azure Power (Rajasthan) Private Limited	379	December 31, 2023	Payment is still outstanding	No Remarks
Azure Power (Karnataka) Private Limited	36	August 11, 2023	March 28, 2024	No Remarks
Azure Power Infrastructure Private Limited	2	More than 2 years	Payment is still outstanding	No Remarks
Azure Power (Raj.) Private Limited	1	More than 2 years	Payment is still outstanding	No Remarks
Azure Power Jupiter Private Limited	6	January 28, 2024	Payment is still outstanding	No Remarks
Azure Power Jupiter Private Limited	53	March 28, 2024	Payment is still outstanding	No Remarks
Azure Power Jupiter Private Limited	24	December 29, 2023	Payment is still outstanding	No Remarks
Azure Power Jupiter Private Limited	10	February 25, 2024	Payment is still outstanding	No Remarks
Azure Power Jupiter Private Limited	997	March 31, 2024	Payment is still outstanding	No Remarks
Azure Power Thirty Three Private Limited	223	March 31, 2024	Payment is still outstanding	No Remarks
Azure Power Thirty Four Private limited	1,439	June 06, 2023	Payment is still outstanding	No Remarks
Azure Power Thirty Four Private limited	2	March 31, 2024	Payment is still outstanding	No Remarks
Azure Power Thirty Nine Private limited	10	March 31, 2024	Payment is still outstanding	No Remarks

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Name of the Entity	Amount (INR in Lakhs)	Due Date	Date of Payment	Remarks, If any
Azure Power Forty Private limited	1,157	August 07, 2023	Payment is still outstanding	No Remarks
Azure Power Forty One Private limited	221	April 04, 2023	Payment is still outstanding	No Remarks
Azure Power Forty One Private limited	197	May 20, 2023	Payment is still outstanding	No Remarks
Azure Power Forty One Private limited	1,449	May 05, 2023	Payment is still outstanding	No Remarks
Azure Power Forty One Private limited	555	June 21, 2023	Payment is still outstanding	No Remarks
Azure Power Forty One Private limited	134	January 28, 2024	Payment is still outstanding	No Remarks
Azure Power Forty Three Private limited	696	September 09, 2023	Payment is still outstanding	No Remarks
Azure Power Forty Three Private limited	857	September 30, 2023	Payment is still outstanding	No Remarks
Azure Power Forty Three Private limited	1,953	October 04, 2023	Payment is still outstanding	No Remarks
Azure Power Forty Three Private limited	205	January 11, 2024	Payment is still outstanding	No Remarks
Azure Power Forty Three Private limited	156	January 12, 2024	Payment is still outstanding	No Remarks
Azure Power Rooftop Private Limited	15	More than 2 years	Payment is still outstanding	No Remarks
Azure Power Rooftop (GenCo.) Private Limited	30	October 06, 2023	Payment is still outstanding	No Remarks
Azure Power Rooftop (GenCo.) Private Limited	10	March 01, 2024	Payment is still outstanding	No Remarks
Azure Power Rooftop (GenCo.) Private Limited	31	April 07, 2023	Payment is still outstanding	No Remarks
Azure Power Rooftop (GenCo.) Private Limited	5	April 28, 2023	Payment is still outstanding	No Remarks
Azure Power Rooftop One Private Limited	49	October 07, 2023	Payment is still outstanding	No Remarks
Azure Power Rooftop One Private Limited	8	April 07, 2023	Payment is still outstanding	No Remarks
Azure Power Rooftop One Private Limited	6	April 28, 2023	Payment is still outstanding	No Remarks
Azure Power Rooftop Three Private Limited	13	October 06, 2023	Payment is still outstanding	No Remarks
Azure Power Rooftop Five Private Limited	13	October 06, 2023	Payment is still outstanding	No Remarks
Azure Power Rooftop Five Private Limited	1	March 04, 2024	Payment is still outstanding	No Remarks
Azure Power Rooftop Five Private Limited	6	April 07, 2023	Payment is still outstanding	No Remarks
Azure Power Rooftop Five Private Limited	2	April 28, 2023	Payment is still outstanding	No Remarks
Azure Power Maple Private Limited	435	May 11, 2023	Payment is still outstanding	No Remarks
Azure Power Maple Private Limited	436	May 06, 2023	Payment is still outstanding	No Remarks

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Name of the Entity	Amount (INR in Lakhs)	Due Date	Date of Payment	Remarks, If any
Azure Power Maple Private Limited	1,047	July 03, 2023	Payment is still outstanding	No Remarks
Azure Power Maple Private Limited	236	July 04, 2023	Payment is still outstanding	No Remarks
Azure Power Maple Private Limited	1,815	March 03, 2024	Payment is still outstanding	No Remarks
Azure Power Maple Private Limited	436	September 22, 2023	Payment is still outstanding	No Remarks
Azure Power Maple Private Limited	231	December 20, 2023	Payment is still outstanding	No Remarks
Azure Power Fifty One Private Limited	31	October 04, 2023	Payment is still outstanding	No Remarks
Azure Power Fifty One Private Limited	80	November 10, 2023	Payment is still outstanding	No Remarks
Azure Power Fifty Two Private Limited	35	June 27, 2023	Payment is still outstanding	No Remarks
Azure Power Fifty Two Private Limited	199	November 10, 2023	Payment is still outstanding	No Remarks
Azure Power Fifty Three Private Limited	7	March 31, 2024	Payment is still outstanding	No Remarks
Azure Power Fifty Three Private Limited	1	March 04, 2024	Payment is still outstanding	No Remarks
Azure Power Fifty Four Private Limited	7	March 31, 2024	Payment is still outstanding	No Remarks
Azure Power Fifty Four Private Limited	1	March 04, 2024	Payment is still outstanding	No Remarks
Azure Power Fifty Six Private Limited	14	March 31, 2024	Payment is still outstanding	No Remarks
Azure Power Fifty Seven Private Limited	11	September 12, 2023	Payment is still outstanding	No Remarks
Azure Power Fifty Seven Private Limited	14	March 03, 2024	Payment is still outstanding	No Remarks
Azure Power Fifty Eight Private Limited	24	March 03, 2024	Payment is still outstanding	No Remarks
Azure Power Fifty Eight Private Limited	70	April 06, 2023	Payment is still outstanding	No Remarks
Azure Power Fifty Eight Private Limited	104	June 30, 2023	Payment is still outstanding	No Remarks
Azure Power Fifty Eight Private Limited	34	February 06, 2024	Payment is still outstanding	No Remarks
Azure Power Fifty Nine Private Limited	7	March 31, 2024	Payment is still outstanding	No Remarks
Azure Power Fifty Nine Private Limited	1	March 04, 2024	Payment is still outstanding	No Remarks
Azure Power Sixty Private Limited	7	March 31, 2024	Payment is still outstanding	No Remarks
Azure Power Sixty Private Limited	1	March 04, 2024	Payment is still outstanding	No Remarks
Azure Power Sixty One Private Limited	2	July 07, 2023	Payment is still outstanding	No Remarks
Azure Power Sixty Two Private Limited	2	July 07, 2023	Payment is still outstanding	No Remarks

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Name of the Entity	Amount (INR in Lakhs)	Due Date	Date of Payment	Remarks, If any
Azure Power Sixty Two Private Limited	1	March 04, 2024	Payment is still outstanding	No Remarks
Kotuma Wind Parks Private Limited	28	July 07, 2023	Payment is still outstanding	No Remarks
Two Wind Energy Private Limited	42	July 07, 2023	Payment is still outstanding	No Remarks
Azure Green Hydrogen Private Limited	2	July 07, 2023	Payment is still outstanding	No Remarks
Azure Power Sixty Three Private Limited	14	July 07, 2023	March 11, 2024	No Remarks
Azure Power Sixty Three Private Limited	120	July 07, 2023	March 11, 2024	No Remarks
Azure Energy Transition Private Limited	14	July 07, 2023	Payment is still outstanding	No Remarks
Azure Power Sixty Four Private Limited	2	July 11, 2023	March 30, 2024	No Remarks
Azure Power Sixty Five Private Limited	2	July 11, 2023	March 30, 2024	No Remarks

(d) According to the information and explanations given to us and audit procedures performed by us, there is no overdue amounts for more than ninety days in respect of the loans given by the Company except, the amounts which are overdue for more than ninety days are follows:

No. of Cases	Principal Amount overdue (INR in Lakhs)	Interest overdue (INR in Lakhs)	Total Overdue (INR in Lakhs)	Remarks
43	Nil	12,549	12,549	Company is in the process of recovering the outstanding amount.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, following instances of loans or advance in the nature of loan falling due during the year were renewed or extended:

Name of the parties	Aggregate amount of loans or advances in the nature of loans granted during the year (INR in Lakhs)	Aggregate overdue amount settled by renewal or extension or by fresh loans granted to same parties (INR in Lakhs)	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Azure Power (Rajasthan) Private Limited	-	900	-
Azure Power (Karnataka) Private Limited	-	350	-
Azure Sunrise Private Limited	-	1,350	-
Azure Power Jupiter Private Limited	-	2,766	-
Azure Power Thirty Three Private Limited	-	344	-
Azure Power Thirty Four Private Limited	-	3,470	-

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Name of the parties	Aggregate amount of loans or advances in the nature of loans granted during the year (INR in Lakhs)	Aggregate overdue amount settled by renewal or extension or by fresh loans granted to same parties (INR in Lakhs)	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Azure Power Forty Private Limited	-	3,930	-
Azure Power Forty One Private Limited	-	11,467	-
Azure Power Forty Three Private Limited	-	12,190	-
Azure Power Rooftop (Genco) Private Limited	779	737	95%
Azure Power Rooftop One Private Limited	450	457	102%
Azure Power Rooftop Three Private Limited	-	67	-
Azure Power Rooftop Five Private Limited	167	195	117%
Azure Power Maple Private Limited	5,200	34,352	661%
Azure Power Fifty One Private Limited	-	1,400	-
Azure Power Fifty two Private Limited	5,150	3,000	58%
Azure Power Fifty-Three Private Limited	20	60	300%
Azure Power Fifty Four Private Limited	-	60	-
Azure Power Fifty Six Private Limited	-	150	-
Azure Power Fifty Seven Private Limited	-	160	-
Azure Power Fifty Eight Private Limited	-	3,075	-
Azure Power Fifty Nine Private Limited	-	60	-
Azure Power Sixty Private Limited	-	60	-
Azure Power Sixty One Private Limited	-	25	-
Azure Power Sixty Two Private Limited	-	35	-
Kotuma Wind Parks Private Limited	400	400	100%
Two Wind Energy Private Limited	1,100	600	55%
Azure Green Hydrogen Private Limited	-	25	-
Azure Power Sixty Three Private Limited	-	1,925	-
Azure Energy Transition Private Limited	-	200	-

Name of the parties	Aggregate amount of loans or advances in the nature of loans granted during the year (INR in Lakhs)	Aggregate overdue amount settled by renewal or extension or by fresh loans granted to same parties (INR in Lakhs)	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Azure Power Sixty Four Private Limited	-	25	-
Azure Power Sixty Five Private Limited	-	25	-

(f) According to the information and explanation provided to us, the Company has granted loans during the year. These are not repayable on demand / have stipulated the schedule for repayment of principal and interest. Hence, the requirements under paragraph 3(iii)(f) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of Section 185 of the Companies Act, 2013 are applicable. Further, there are no reportable matters under Section 186(1) of the Companies Act, 2013. Furthermore, since the Company is an infrastructure Company within the meaning of Schedule VI of the Companies Act, 2013, the other provisions of Section 186 of the Companies Act, 2013 is not applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii.

(a) According to the information provided and explanations given to us and based on our examination of the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it.

There are no outstanding statutory dues existing as on the last day of the financial year which is outstanding for more than six months from the day these becomes payable.

(b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub Clause (a) above which have not been deposited as on March 31, 2024 on account of any dispute, are as follows:

Name of the Statute	Nature of the Dues	Amount Demanded (INR in Lakhs)	Amount Paid (INR in Lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
South Delhi Municipal Corporation	Property Tax	846	-	From FY 2004-05 to FY 2020-21	High Court of Delhi	No Remarks
Andhra Pradesh Act on Entry of Goods Act, 2001	Entry Tax	1,130	843	Financial Year 2016-17	High Court of Andhra Pradesh	No Remarks

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Name of the Statute	Nature of the Dues	Amount Demanded (INR in Lakhs)	Amount Paid (INR in Lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Andhra Pradesh Act on Entry of Goods Act, 2001	Entry Tax	2,246	-	Financial Year 2017-18	High Court of Andhra Pradesh	No Remarks
Goods and Service Tax Act, 2017	Goods and Service Tax	193	19	Financial Year 2017-18	Appellate Authority	No Remarks
Goods and Service Tax Act, 2017	Goods and Service Tax	382	34	Financial Year 2018-19	Appellate Authority	No Remarks
Goods and Service Tax Act, 2017	Goods and Service Tax	109	11	Financial Year 2019-20	Appellate Authority	No Remarks

viii. According to the information provided and explanations given to us, and on the basis of our examination of the records, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessment under the Income Tax Act, 1961 as income during the year and accordingly reporting under clause 3(viii) of the Order is not applicable.

ix.

(a) According to the information and explanations given to us and audit procedures performed by us, the Company has not defaulted in repayment of loans and borrowings or in the payment of interest thereon to the lenders during the year, except those mentioned below.

Nature of borrowing including debt securities	Name of Lender	Amount not paid on due date (INR in Lakhs)	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
Unsecured Term Loans	Subsidiaries	3,169	Interest	Unpaid	No Remarks

(b) According to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.

(d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds during the year from an entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures.

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(f) According to the information and explanation given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, reporting under the Clause 3(ix)(f) of the order is not applicable to the Company.

x.

(a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable.

(b) According to the information provided and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable.

xi.

(a) According to the information and explanations given by the management and based upon the audit procedures performed for the purpose of reporting on the true and fair view of the financial statements, we report that no fraud by the Company or any fraud on the Company has been noticed or reported during the year.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, report under Section 143(12) of the Act, in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books of accounts and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Group has received several whistle blower complaints during the year and subsequent to the year end, which has been considered by us in determining the nature, timing and extent of the audit procedures.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards. Further, the Company is not required to constitute an Audit Committee under Section 177 of the act.

xiv.

(a) The internal audit of the Company is covered under the group internal audit pursuant to which an internal audit is carried out every year. In our opinion, read with our opinion in Annexure B to the Independent Auditor's Report, the Company has an internal audit system commensurate with its size and nature of its business.

(b) The reports of the Internal Auditor available at group level for the period under audit have been considered by us.

xv. According to the information and explanations given to us, in our opinion the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

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xvi.

(a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi) (a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in regulations made by Reserve Bank of India. Hence, the reporting under paragraph 3 (xvi)(c) of the Order is not applicable to the Company.

(d) The group does not have CIC as part of its group. Hence, the provisions stated in paragraph 3(xvi)(d) of the order are not applicable to the company.

xvii. Based on the overall review of the standalone financial statements, the Company has incurred cash losses in the current financial year and in the immediately preceding financial year. The details of the same are as follows:

Particulars	**March 31, 2024 (Current financial Year) INR in Lakh**	**March 31, 2023 (Previous financial Year) INR in Lakh**
Cash Losses	5,710	7,829

xviii. There has been no resignation of the statutory auditor during the year and accordingly this clause is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report, that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the information and explanation as made available to us by the management of the Company up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act are applicable to the Company. However, the Company is not required to make any contribution during the year as per the provisions of Section 135 of the Act read with schedule VII. Accordingly, reporting under Clause 3(xx)(a) and Clause 3(xx)(b) of the Order is not applicable to the Company.

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xxi. The reporting under clause 3(xxi) of the order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in the report.

For **ASA & Associates LLP**
Chartered Accountants
Firm Registration No: 009571N/N500006

ASA & Associates LLP
Chartered Accountants

K Nithyananda Kamath
Partner
Membership No. 027972

UDIN: 24027972BKCRNM3359

Place: Gurugram
Date: August 29, 2024

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Annexure – B to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Adverse Opinion

We have audited the internal financial controls with reference to the standalone financial statements of Azure Power India Private Limited (hereinafter referred to as "the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date. The Group works on a common control environment accordingly, the controls have been designed to operate at a group level irrespective of whether certain controls in respect of particular process may not be applicable during the year for a particular subsidiary.

In our opinion, because of the possible effects of the material weaknesses described below in the Basis for Adverse Opinion Section of our report on the achievement of the objectives of the control criteria, the Company has not maintained adequate internal financial controls with reference to standalone financial statements and such internal financial controls were not operating effectively as of March 31, 2024, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Basis for Adverse Opinion

According to the information and explanations given to us and based on our audit, in previous year, the management has identified following material weaknesses in the design and operating effectiveness of internal control over financial reporting:

a) In Note no. 48 of the Company's financial statements, and paragraph 1 of the Basis for Qualified Opinion paragraph in our audit report regarding various whistleblower issues and based on the findings of independent external legal counsels engaged by the Company which highlighted the significant issues related to lapses in key control areas, governance issues, assets capitalization date and problems with vendor management. These findings indicate the material weakness in the Company's internal financial controls with reference to the standalone financial statements.

b) We identified deficiencies in the Company's internal control systems related to land procurement processes. There were material weaknesses in selection and approval mechanisms for land aggregators. These material weaknesses could lead to material misstatements in the Company's standalone financial statements and disclosures.

c) Material weaknesses were noted in the Company's financial reporting and closing process which had led to significant delays in the completion of the previous years' standalone financial statements and non-compliance with applicable provisions and other relevant legislations.

d) In the course of our audit, we observed deficiencies in the Company's processes related to monitoring of management review controls inter-alia including those related to significant estimates which raises concerns about the potential for material misstatements in the standalone financial statement disclosures.

e) The Company did not have an appropriate internal control system for the periodic reconciliation of Vendor balances.

During the year, the Company has implemented the revised design and controls including over such material weaknesses which were operated for a part of the year, therefore, we were unable to obtain sufficient audit evidence and test about its operating effectiveness.

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We have considered the material weaknesses identified and reported in point no (a), (b) and (c) above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended March 31, 2024, and these material weaknesses have affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements with respect to these matters.

We have considered the material weaknesses identified and reported in point no (d) and (e) above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2024, and these material weaknesses do not affect our opinion on the standalone financial statements of the Company with respect to these matters.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls With reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

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Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **ASA & Associates LLP**
Chartered Accountants
Firm Registration No: 009571N/N500006

ASA & Associates LLP
Chartered Accountants

K Nithyananda Kamath
Partner
Membership No. 027972

UDIN: 24027972BKCRNM3359

Place: Gurugram
Date: August 29, 2024

Azure Power India Private Limited
Standalone Balance Sheet as at March 31, 2024
(All amount in INR lakhs, unless otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	3	1,37,409	1,40,954
Capital work-in-progress	3	431	823
Intangible assets	3.1	36	6
Right-of-use assets	31	5,048	4,802
Non-current investments	4.1	3,27,184	3,27,701
Financial assets			
- Investments in equity shares and compulsorily convertible debentures	5.1	4,550	4,550
- Trade receivables	5.2	39,710	40,240
- Loans	5.3	12,730	15,929
- Other financial assets	5.4	46,327	43,769
Deferred tax assets (net)	16	12,851	7,804
Other non-current assets	6	10,798	10,912
Income tax assets (net)	7	2,330	30
Total non-current assets		**5,99,404**	5,97,520
Current assets			
Current investments	4.2	50	-
Financial assets			
- Trade receivables	8.1	20,494	23,746
- Cash and cash equivalents	8.2	17,846	18,158
- Other bank balances	8.3	15,077	42,961
- Loans	8.4	86,252	79,258
- Other current financial assets	8.5	40,687	37,826
Other current assets	9	6,601	4,005
Total current assets		**1,87,007**	**2,05,954**
Total assets		**7,86,411**	8,03,474
Equity and liabilities			
Equity			
Equity share capital	10	692	692
Other equity	11	4,76,036	4,95,591
Total equity		**4,76,728**	4,96,283
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	12.1	1,35,321	1,99,554
- Lease liabilities	31	3,320	3,200
- Other financial liabilities	12.2	170	6,292
Provisions	13.1	1,344	1,137
Other non-current liabilities	13A	7,845	8,328
Total non-current liabilities		**1,48,000**	2,18,511
Current liabilities			
Financial liabilities			
- Borrowings	14.1	1,10,695	49,739
- Lease liabilities	31	566	392
- Trade payables			
Total outstanding dues of micro enterprises and small enterprises	14.2	528	293
Total outstanding dues of creditors other than micro enterprises and small	14.2	9,055	5,052
- Other current financial liabilities	14.3	21,411	13,618
Provisions	13.2	18,218	17,939
Other current liabilities	15	1,210	1,647
Total current liabilities		**1,61,683**	88,680
Total liabilities		**3,09,683**	3,07,191
Total equity and liabilities		**7,86,411**	8,03,474
See accompanying notes to the financial statements	2.2 - 53		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For ASA & Associates LLP
Firm Registration Number: 009571N/N500006
Chartered Accountants

ASA & Associates LLP Chartered Accountants

K Nithyananda Kamath
Partner
Membership No: 027972
Place : Gurugram
Date : August 29, 2024

For and on behalf of the board of directors of
Azure Power India Private Limited
CIN: U40106DL2008PTC174774

Sunil Kumar Gupta
Managing Director and CEO
DIN: 07095152
Place: Gurugram
Date : August 29, 2024

Sugata Sircar
Director and Group CFO
DIN: 01119161
Place: Gurugram
Date : August 29, 2024

Kapil Sharma
Company Secretary
Membership No: A37154
Place: Bangkok, Thailand
Date : August 29, 2024

Azure Power India Private Limited New Delhi

Azure Power India Private Limited
Standalone Statement of Profit and Loss for the year ended March 31, 2024
(All amount in INR lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue			
Revenue from operations	17	28,625	33,092
Finance income	18	17,830	18,557
Other income	19	936	7,045
Total revenue		**47,391**	58,694
Expenses			
Employee benefits expense	20	8,041	6,829
Depreciation and amortisation expense	21	5,538	5,325
Finance costs	22	25,849	24,010
Other expenses	23	31,512	40,482
Total expenses		**70,940**	76,646
Loss before tax		**(23,549)**	(17,952)
Tax expense:			
Current tax expense	16	-	2,083
Deferred tax (credit)/ charge	16	(4,685)	1,960
Total tax (benefit)/ expense		**(4,685)**	4,043
Loss after tax		**(18,864)**	**(21,995)**
Other comprehensive income			
Items that will be reclassified to profit or loss			
Net movement on cash flow hedge reserve		(1,010)	1,565
Income tax effect on cash flow hedge reserve	16	353	(553)
Items that will not be reclassified to profit or loss			
Re-measurement (losses)/gain on defined benefit plans	35	(25)	183
Income tax effect on re-measurement (losses)/gain on defined benefit plans	16	9	(64)
Total other comprehensive (expense)/ income		**(673)**	1,131
Total comprehensive expense		**(19,537)**	**(20,864)**
Earnings per equity share: [Nominal value of share: INR 10 (March 31, 2023: INR 10)]			
(1) Basic earnings per share (in INR)	24	(272.58)	(317.97)
(2) Diluted earnings per share (in INR)	24	(272.58)	(317.97)
See accompanying notes to the financial statements	2.2 - 53		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For ASA & Associates LLP
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Azure Power India Private Limited New Delhi

Azure Power India Private Limited
Standalone Statement of Cash Flows for the year ended March 31, 2024
(All amount in INR lakhs, unless otherwise stated)

			For the year ended March 31, 2024	For the year ended March 31, 2023
A	**Cash flow from operating activities**			
	Loss before tax		(23,549)	(17,952)
	Adjustments for :			
	Depreciation and amortisation expense		5,538	5,325
	Interest income		(17,830)	(18,557)
	Reversal of Share based payment liability		(18)	(6,333)
	Foreign exchange fluctuation (net)		85	271
	Amortisation of performance bank guarantee		40	40
	Interest income on investments		(63)	-
	Amortisation of extension charges		15	14
	Gain on cancellation of lease contract		(293)	-
	Income on financial assets measured at amortised cost		(30)	(18)
	Liabilities no longer required written back		(496)	(135)
	Provision for doubtful loans, interest and contractually reimbursable expenses		6,238	6,804
	Advances written off		-	452
	Inter company balances written off		40	-
	Allowance for doubtful trade receivables		5,771	5,388
	Deferred revenue		(488)	(428)
	Loss on account of modification of contactual cash flows		-	84
	Allowance for doubtful trade receivables written back		-	(43)
	Gain of modification of financial assets		(20)	-
	Impairment expense		841	392
	Provision for diminution in value of investments		467	-
	Assets written off		194	375
	Finance costs		25,849	24,010
	Insurance claim received		(19)	-
	Operating profit/ (loss) before working capital changes		**2,272**	(311)
	Changes in working capital:			
	Decrease/ (increase) in other non-current assets		48	(136)
	(Increase)/ decrease in other current assets		(2,117)	3,484
	Increase in trade receivables		(779)	(7,467)
	Decrease/ (increase) in other current and non-current financial assets		158	(4,678)
	Increase/ (decrease) in trade payables		4,099	(3,114)
	(Decrease)/ increase in other current and non current financial liabilities		(4,401)	1,487
	(Decrease)/ increase in other current liabilities		(432)	57
	Increase in current and non-current provisions		468	17,723
	Cash (used in)/ from operations		**(684)**	7,045
	Income taxes (paid)/ received (net of refund)		(2,305)	1,739
	Net cash (used in)/from operating activities	**(A)**	**(2,989)**	8,784
B	**Cash flow from investing activities**			
	Purchases of property, plant and equipment (including capital work in progress, capital advances and capital creditors)		(2,107)	(12,451)
	Disposal of property, plant and equipment		-	1,392
	Purchase of intangible assets		(67)	(16)
	Insurance claim received		19	-
	Payment of security deposits (net)		(130)	-
	Interest received		7,519	5,540
	Loans and advances given to subsidiaries/ fellow subsidiaries (refer note 26)		(13,366)	(25,874)
	Loans and advances repaid by subsidiaries/ fellow subsidiaries (refer note 26)		4,814	66,092
	Investment in equity shares of subsidiaries (refer note 26)		-	(1,004)
	Investment in equity shares of others		-	(3,588)
	Proceeds from disposal of subsidiaries		-	221
	Net investment in bank deposits (having original maturity of more than three months)		28,288	(25,957)
	Net cash from investing activities	**(B)**	**24,970**	4,355
C	**Cash flow from financing activities**			
	Net proceeds from issue of equity shares (including securities premium)		-	4,629
	Net proceeds from non-current borrowings		17,500	81
	Repayment of non-current borrowings		(29,535)	(30,678)
	Payment of ancilliary cost of borrowings		(1,103)	-
	Proceeds from non-current borrowings from subsidiaries/ fellow subsidiaries (refer note 26)		7,824	10,800
	Finance costs paid		(16,551)	(17,364)
	Payment of lease liabilities		(428)	(563)
	Net cash used in financing activities	**(C)**	**(22,293)**	(33,095)
	Net decrease in cash and cash equivalents	**(A)+(B)+(C)**	**(312)**	(19,956)
	Cash and cash equivalents at the beginning of the year		18,158	38,114
	Cash and cash equivalents at the end of the year		**17,846**	18,158
	Balances with scheduled banks:			
	- In current accounts		7,869	2,175
	- Deposits with original maturity of less than 3 months		9,977	15,983
	Total cash and cash equivalents (refer note 8.2)		**17,846**	18,158

ASA & Associates LLP Chartered Accountants

Azure Power India Private Limited New Delhi

Azure Power India Private Limited
Standalone Statement of Cash Flows for the year ended March 31, 2024
(All amount in INR lakhs, unless otherwise stated)

Change in liabilities arising from financing activities

Particulars	**Opening balance as at April 01, 2023**	**Cash flow (net)**	**Change in foreign exchange rate**	**Other changes***	**Closing balance as at March 31, 2024**
Non-current borrowings (including current maturities)	2,49,293	(4,211)	994	(60)	2,46,016
Lease liabilities (including current lease)	3,592	(428)	-	722	3,886
Total liabilities from financing activities	**2,52,885**	**(4,639)**	**994**	**662**	**2,49,902**

Particulars	Opening balance as at April 01, 2022	Cash flow (net)	Change in foreign exchange rate	Other changes*	Closing balance as at March 31, 2023
Non-current borrowings (including current maturities)	2,65,205	(19,797)	3,416	469	2,49,293
Lease liabilities (including current lease)	3,406	(563)	-	749	3,592
Total liabilities from financing activities	2,68,611	(20,360)	3,416	1,218	2,52,885

*Including adjustments of ancillary borrowing cost and interest on lease liabilities.

Notes:

1. The Cash Flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) on "Statement of Cash Flows" referred to Section 133 of Companies Act 2013.
2. The accompanying notes are an integral part of the standalone financial statements.

See accompanying notes to the financial statements 2.2 - 53

As per our report of even date

For ASA & Associates LLP
Firm Registration Number: 009571N/N500006
Chartered Accountants

ASA & Associates LLP Chartered Accountants

K Nithyananda Kamath
Partner
Membership No: 027972
Place : Gurugram
Date : August 29, 2024

For and on behalf of the board of directors of
Azure Power India Private Limited
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Managing Director and CEO
DIN: 07095152
Place: Gurugram
Date : August 29, 2024

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Director and Group CFO
DIN: 01119161
Place: Gurugram
Date : August 29, 2024

Kapil Sharma
Company Secretary
Membership No: A37154
Place: Bangkok, Thailand
Date : August 29, 2024

Azure Power India Private Limited New Delhi

Azure Power India Private Limited
Standalone Statement of Changes in Equity for the year ended March 31, 2024
(All amount in INR lakhs, unless otherwise stated)

A. Equity share capital

	Number of shares	Share capital
For the year ended March 31, 2024		
Equity shares of INR 10 each issued, subscribed and fully paid		
At April 01, 2023	69,20,619	692
Changes during the year	-	-
At March 31, 2024	**69,20,619**	**692**
For the year ended March 31, 2023		
Equity shares of INR 10 each issued, subscribed and fully paid		
At April 01, 2022	68,58,979	686
Changes during the year	61,640	6
At March 31, 2023	69,20,619	692

B. Other equity

For the year ended March 31, 2024:

Particulars	Deemed capital contribution by parent - ESOP reserve	Reserves and surplus		Items of other comprehensive income		Total equity
		Surplus/(Deficit) in the statement of profit and loss	Securities premium reserve*	Cash flow hedge reserve (refer note 33)	Defined benefit plans (refer note 35)	
At April 01, 2023	3,515	(19,675)	5,11,225	477	49	4,95,591
Loss for the year	-	(18,864)	-	-	-	(18,864)
Other comprehensive expense	-	-	-	(657)	(16)	(673)
Total comprehensive income/ (expense)	3,515	(38,539)	5,11,225	(180)	33	4,76,054
Reversal of deemed capital contribution by parent on account of employee stock option plan (refer note 25)	(18)	-	-	-	-	(18)
At March 31, 2024	**3,497**	**(38,539)**	**5,11,225**	**(180)**	**33**	**4,76,036**

For the year ended March 31, 2023:

Particulars	Deemed capital contribution by parent - ESOP reserve	Reserves and surplus		Items of other comprehensive income		Total equity
		Surplus/(Deficit) in the statement of profit and loss	Securities premium reserve*	Cash flow hedge reserve (refer note 33)	Defined benefit plans (refer note 35)	
At April 01, 2022	3,385	2,320	5,06,602	(535)	(70)	5,11,702
Loss for the year	-	(21,995)	-	-	-	(21,995)
Other comprehensive income	-	-	-	1,012	119	1,131
Total comprehensive income/ (expense)	3,385	(19,675)	5,06,602	477	49	4,90,838
Securities premium on issue of equity shares during the year, net of share issues expenses (refer note 10)	-	-	4,623	-	-	4,623
Deemed capital contribution by parent on account of employee stock option plan (refer note 25)	130	-	-	-	-	130
At March 31, 2023	3,515	(19,675)	5,11,225	477	49	4,95,591

*The amount is net of share issue expenses.

See accompanying notes to the financial statements 2.2 - 53

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For ASA & Associates LLP
Firm Registration Number: 009571N/N500006
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K Nithyananda Kamath
Partner
Membership No: 027972
Place : Gurugram
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ASA & Associates LLP Chartered Accountants

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Date : August 29, 2024

Kapil Sharma
Company Secretary
Membership No: A37154
Place: Bangkok, Thailand
Date : August 29, 2024

Azure Power India Private Limited New Delhi

1. Corporate information

Azure Power India Private Limited ("the Company") is a private Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is a subsidiary of Azure Power Global Limited ("APGL or Holding Company or Parent"). The Company, Holding Company along with its subsidiaries are collectively referred as "Group". The registered office of the company is located at DSC-304, Second Floor, DLF South Court, Saket District Centre, New Delhi – 110017.

The Company's primary business includes generation of solar energy and developing and managing infrastructure for solar power. The Company pledges its plant to obtain long term loans. As per the legal view obtained by the Company, it is regulated under the Electricity Act, 2003.

2. Material accounting policies

2.1 Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto and other relevant provisions of the Companies Act, 2013.

The standalone financial statements were authorised for issue by the Company's Board of Directors on August 29, 2024.

The Ind AS standalone financial statements have been prepared on the accrual and going concern basis and the historical cost convention, except for the following assets and liabilities which have been measured at fair value or revalued amount;

- Derivative financial instruments
- Liabilities for cash-settled share-based payment arrangement.
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

Accounting policies have been consistently applied to all the years presented unless otherwise stated.

2.2 Summary of material accounting policies

a) Use of Estimates

The preparation of standalone financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

ASA & Associates LLP Chartered Accountants

Azure Power India Private Limited New Delhi

b) Current versus non-current classification

The Company presents assets and liabilities in the standalone balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when it is:

- expected to be settled in normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current assets/liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization/settlement in cash and cash equivalents. The companies have identified twelve months as their operating cycle for classification of their current assets and liabilities.

c) Property, plant and equipment

Capital work-in-progress, property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in standalone statement of profit and loss as incurred.

Derecognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the standalone statement of profit and loss when the asset is derecognized. The Company considers the cost of the replacement as the cost of the replaced part, when it was acquired or constructed, in case it is not practicable to determine the separate cost of the component of asset. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

ASA & Associates LLP Chartered Accountants

Azure Power India Private Limited New Delhi

(INR amount in lakhs, unless otherwise stated)

Capital Spares

Capital spares relate to items that can be used in connection with specific items of property, plant and equipment and are expected to be used for more than one year. The cost of capital spares comprises of all costs of purchase, costs of conversion and other costs incurred in bringing to their present location and condition. Depreciation of capital spares commences when the asset is capable of being used. The depreciation charge is based on their expected useful life, which may be shorter than the useful life of the asset to which it relates. When such capital spare is replaced, the asset is derecognized.

d) Capital work in progress ("CWIP")

Capital work-in-progress includes cost of property, plant and equipment that are not ready for use at the standalone balance sheet date.

e) Depreciation

Based on legal opinion obtained, management is of the view that application of Central Electricity Regulatory Commission ("CERC") and/or State Electricity Regulatory Commission ("SERC") rates for the purpose of accounting of depreciation expense is not mandatory. Hence, company is depreciating the assets based on technical assessment made by technical expert and management estimate.

Depreciation on property plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. Considering the applicability of Schedule II of the Companies Act, 2013, the management has re-estimated useful lives and residual value of all of its property plant and equipment during the year ended March 31, 2022.

The management believes that depreciation rates currently used fairly reflects its estimate of the useful lives and residual value of the Property plant and equipment, though these rates in following cases are different from lives prescribed under Schedule II of the Companies Act, 2013 based upon the nature of asset, the operating condition of the asset, the estimated usage of the asset, past history of replacement and anticipated technological changes.

Category	Life as per Schedule II	Life considered
Building	30 years	35 years
Plant and equipment (excluding inverter)	25 years	35 years
Inverter	25 years	25 years
Furniture and fixtures	10 years	5 years
Vehicles	8/10 years	5 years
Office equipment	5 years	1-5 years

During the year ended March 31, 2022, the Company basis the technical assessment, had revised the useful lives of solar power project assets i.e., plant and equipment (excluding inverter) and building from 25 years to 35 years. These changes have been considered as change in accounting estimate as per Ind AS 8 (Accounting policies, change in accounting estimates and errors) and have been accounting for prospectively with effect from April 1, 2021.

The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

Assets individually costing less than Rs. 5,000 are fully depreciated in the year of acquisition.

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Azure Power India Private Limited New Delhi

The assets residual values and useful lives are reviewed at the end of each financial year or whenever there are indicators for impairment and adjusted prospectively.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is theirfair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in standalone statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the standalone statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and are recognised in the standalone statement of profit and loss when the asset is derecognized.

Intangible assets useful life is reviewed at the end of each financial year and adjusted prospectively.

g) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right of use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease

ASA & Associates LLP Chartered Accountants

Azure Power India Private Limited New Delhi

liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

(iv) The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the right of use asset if the recognition criteria for a provision are met. Refer to note 41 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the borrowing cost.

i) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through Profit and Loss (FVTPL)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
b) contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the standalone Statement of Profit and Loss. The losses arising from impairment are recognised in the standalone Statement of Profit and Loss. The category applies to the Company's trade receivables, unbilled revenue, other bank balances, security deposits, etc.

Debt instrument at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as FVTOCI if both of the following criteria are met:

a) the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
b) the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals in the standalone statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to standalone Statement of Profit and Loss.

Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

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Debt instrument at fair value through profit and loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instrument included within FVTPL category are measured at fair value with all changes recognised in the standalone statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

a) the contractual rights to receive cash flows from the asset have expired, or
b) the Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and Either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the asset to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- financial assets that are debt instruments, and are measured at amortised cost e.g. deposits, trade receivables and bank balances;
- financial asset that are debt instruments and are measured as at FVTOCI;
- trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

For recognition of impairment loss on the financial assets that are debt instruments and are initially measured at fair value with subsequent measurement at amortised cost e.g. trade receivables, unbilled revenue etc.

The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables.

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The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix determined at the parent level to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/ expense in the standalone statement of profit and loss. This amount is reflected under the head 'other expenses' in the standalone statement of profit and loss. The standalone balance sheet presentation for financial instruments is described below:

For financial assets measured at amortised cost: ECL is presented as an allowance i.e. as an integral part of the measurement of those assets in the standalone balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

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Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdraft.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the standalone statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the standalone statement of profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in standalone statement of profit and loss when the liabilities are derecognized as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the standalone Statement of Profit and Loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the standalone statement of profit and loss.

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Reclassification of financial assets and financial liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operation. Such changes are evident to external parties. A change in the business model occurs when the company either or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediate next reporting period following the change in the business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassifications and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognized in profit and loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss the reclassification date.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

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Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments, such as forward currency contracts, and interest rate swaps, to hedge its foreign currency risks, and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the standalone statement of profit and loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to standalone statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to standalone statement of profit and loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- Hedges of a net investment in a foreign operation

In the normal course of business, the Company uses derivative instruments for mitigating the exposure from foreign currency fluctuation risks associated with forecasted transactions denominated in certain foreign currencies and to minimize cash flow volatility associated with changes in foreign currency exchange rates, and not for speculative trading purposes. These derivative contracts are purchased within the Company's policy and are with counterparties that are highly rated financial institutions.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The Company evaluates hedge effectiveness of cash flow hedges at the time a contract is entered into as well as on an ongoing basis. The ineffective portion of cash flow hedge is recorded as expense in standalone statement of profit and loss. The cost of effective portion of cash flow hedges is expensed over the period of the hedge contract.

Undesignated contracts

Changes in fair value of undesignated derivative contracts are reported directly in standalone statement of profit and loss along with the corresponding transaction gains and losses on the items being economically hedged. Realised gains (losses) and changes in the fair value of these foreign exchange derivative contracts are recorded in foreign

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exchange gains (losses), net in the standalone statement of profit and loss. These derivatives are not held for speculative or trading purposes.

Cash flow hedges that meet the criteria for hedge accounting are accounted for, as described below

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the standalone statement of profit and loss. The Company uses forward currency contracts and interest rate swaps as hedges of its exposure to foreign currency risk and interest volatility risk in forecast transactions and firm commitments.

Fair value hedge: hedging of foreign exchange exposure

Fair value hedge accounting is followed for foreign exchange risk with the objective to reduce the exposure to fluctuations in the fair value of firm commitments due to changes in foreign exchange rates.

Fair value adjustments related to non-financial instruments will be recognised in the hedged item upon recognition and will eventually affect standalone statement of profit and loss as and when the hedged item is derecognised. Changes in the fair value of derivatives designated and qualifying as fair value hedges, together with any changes in the fair value of the hedged firm commitments attributable to the hedged risk, will be recorded in in the consolidated balance sheet. The gain or loss on the hedging derivative in a hedge of a foreign-currency-denominated firm commitment and the offsetting loss or gain on the hedged firm commitment is recognised in the standalone statement of profit and loss in the accounting period, post the recognition of the hedged item in the standalone balance sheet.

The Company does not have any net investment in a foreign operation.

Investment in subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred in the consolidated financial statement and are deconsolidated from the date that control ceases. For the purposes of Standalone Financial Statements Investment in subsidiaries are measured at cost as per Ind AS 27, *Separate Financial Statements*.

Any acquisition costs related to acquisition is expensed when incurred.

All investments in subsidiaries are assessed for impairment on an annual basis in accordance with the policy of the Company.

In case of disposal of interest in a subsidiary, the control is remeasured at the date of transaction. Any consideration received in excess of the cost is recorded in standalone statement of profit and loss.

j) Financial guarantees

Financial guarantees issued by the Company on behalf of group companies are designated as 'Insurance Contracts'. The Company assess at the end of each reporting period whether its recognised insurance liabilities (if any) are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency is recognised in standalone statement of profit and loss.

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k) Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the fair value of the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Sale of power

Revenue from sale of power is recognized when persuasive evidence of an arrangement exists, the fee is fixed or is determinable, solar energy kilowatts are supplied and collectability is reasonably assured. Revenue is based on the solar energy kilowatts actually supplied to customers (including the solar energy kilowatts supplied and not billed on reporting date) multiplied by the rate per kilo-watt hour agreed to in the respective Power Purchase Agreement (PPAs). The solar energy kilowatts supplied by the Company are validated by the customer prior to billing and recognition of revenue.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of power, the company considers the effects of variable consideration and consideration payable to the customer (if any).

Revenue from the recovery of Safe-guard duties and Goods and Service Tax under the change in law provision are recognized over the PPA period based on terms agreed with customers or unless agreed otherwise once collectability is reasonably assured. The revenue of Safe-guard duties and Goods and Service Tax for the year is recognized by the company in proportion to the actual sale of solar energy kilowatts during the period to the total estimated sale of solar energy kilowatts during the tenure of the applicable power purchase agreement.

Income from carbon credit emission

Revenue from the sale of carbon credit emissions are recognized at the time of transfer of carbon credits to the customers, at consideration agreed under the sale agreements.

Management Fee

Management Fee are the services rendered to subsidiaries of the Company. Revenue from such contracts are recognized in accordance with the terms of the agreement entered between the Company and these subsidiaries.

Contract assets

A contract asset is initially recognised for revenue earned for its right to consideration in exchange for goods or services transferred to the customer. If the Company perform by transferring goods or services to a customer before the customer pays consideration or before acceptance by the customer, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or

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the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Trade receivables

A trade receivable represents the right of entities forming part of Company to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (i) Financial instruments – initial recognition and subsequent measurement

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the standalone statement of profit and loss.

Dividends

Revenue is recognised when the Company's right to receive payment is established by the balance sheet date. Dividends from subsidiaries are recognised even if same are declared after the balance sheet date if it pertains to period on or before the date of Balance Sheet as per the requirement of Schedule III of the Companies Act 2013.

Application of interpretation for Service Concession Arrangements (SCA)

The Management has assessed applicability of Appendix C of Indian Accounting Standards 115: Service Concession Arrangements for the power purchase agreement which the company has entered into. In assessing the applicability of SCA, the management has exercised significant judgement in relation to the underlying ownership of the assets, the attached risks and rewards of ownership, residual interest etc. in concluding that the arrangements don't meet the criteria for recognition as service concession arrangements.

l) Government grants

Grants from the government are recognised at the fair value where there is a reasonable assurance that the grant will be received and the company will comply all with all attached conditions.

Government grant relating to income are deferred and recognised in the standalone statement of profit and loss over the period necessary to match them with the cost that they are intended to compensate and presented within other operating income.

Government grant relating to purchase of property, plant and equipment are included in non- current liabilities as deferred income and are credited to standalone statement of profit and loss on a straight-line basis over the expected lives of the related assets and presented within other operating income.

Viability Gap Funding (VGF)

The Company records the proceeds received from Viability Gap Funding (VGF) on fulfilment of the underlying conditions as deferred revenue. Such deferred VGF revenue is recognised as other operating income in proportion to

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the actual sale of solar energy kilowatts during the period to the total estimated sale of solar energy kilowatts during the tenure of the applicable power purchase agreement pursuant to the revenue recognition policy.

m) Foreign currency transactions

Functional and Presentation Currency

The Company's financial statement are presented in Indian Rupees (INR), which is the company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash.

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Conversion

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised in standalone statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or standalone statement of profit and loss are also recognised in other comprehensive income or standalone statement of profit and loss, respectively).

n) Retirement and other employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the standalone balance sheet.

Other long-term employee benefit obligations

Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the standalone Statement of Profit and Loss.

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Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the standalone Statement of Profit and Loss.

Defined benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the standalone statement of profit and loss in the year in which they arise.

Leaves under define benefit plans can be encashed only on discontinuation of service by employee.

o) Income taxes

Tax expense represents the sum of current tax and deferred tax.

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred Tax
Deferred tax is provided, using the balance sheet method, on all deductible temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, on carry forward of unused tax credits and unused tax loss, subject to exceptions as below:

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- deferred income tax is not recognised on the initial recognition (including MAT) of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred tax is recognised in standalone Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

The carrying amount of deferred tax assets (including MAT credit available) is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

In the situations where the entity is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where they operate, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entities forming part of the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the standalone balance sheet when it is probable that future economic benefit associated with it will flow to the Company.

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p) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance. The Company's chief executive officer is the chief operating decision maker.

Considering the nature of Company's business and operations, as well as based on reviews of operating results by the chief operating decision maker to make decisions about resource allocation and performance measurement, there is only one reportable segment i.e. sale of power, in accordance with the requirements of Ind AS 108 "Operating Segments".

q) Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for share options of the parent company (equity-settled transactions). Incremental fair value of the stock option granted relating to already vested options is recognised in the standalone statement of profit and loss and the same has been treated as deemed contribution by parent.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefit expenses, except the cost of services which is initially capitalised by the Company as part of the cost of property, plant and equipment. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The standalone statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.
When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty,

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any remaining element of the fair value of the award is expensed immediately through standalone statement of profit and loss.
For share-based payment transactions among group entities, in its separate or individual financial statements, the entity receiving the goods or services measures the goods or services received as either an equity-settled or a cash-settled share-based payment transaction by assessing:

(a) the nature of the awards granted, and
(b) its own rights and obligations.

The entity receiving the goods or services measures the goods or services received as an equity-settled share-based payment transaction when:
(a) the awards granted are its own equity instruments, or
(b) the entity has no obligation to settle the share-based payment transaction.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Cash-settled transactions

The fair value of the amount payable to employees in respect of share appreciation rights (SARs), which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees unconditionally become entitled to the payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SARs. Any changes in the fair value of the liability are recognised in the standalone statement of profit and loss, except the cost of services which is initially capitalised by the Company as part of the cost of property, plant and equipment.

r) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

s) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually

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certain. The expense relating to any provision is presented in the standalone statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Decommissioning liability

Upon the expiration of the lease agreement for solar power plants located on leasehold land, the Company is required to remove the solar power plant. The Company records a provision for such decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of right of use asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the standalone statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from right of use asset. Once the asset has been fully depreciated and the asset has nil net carrying amount (gross carrying amount less accumulated depreciation) of zero in the statement of financial position, further changes in any related provision for decommissioning are recognised in profit or loss.

t) Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Impairment loss is recognised when the carrying amount of an asset exceeds recoverable amount and the asset is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations are recognised in the standalone statement of profit and loss.

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For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the standalone statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

u) Contingent assets/liabilities

Contingent assets are not recognised. However, when realization of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the standalone financial statements.

v) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

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- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

w) Cash and cash equivalents

Cash and cash equivalents in the standalone balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the standalone statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

x) Events occurring after the balance sheet date

Impact of events occurring after the balance sheet date that provide additional information materially effecting the determination of the amounts relating to conditions existing at the balance sheet date are adjusted to respective standalone financial statements areas.

y) Trade Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost.

z) Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

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aa) Changes in accounting policy and disclosures

On March 31, 2023, Ministry of Corporate Affairs ("MCA") amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, major amendments are as follows:

- Ind AS 1 – Presentation of Financial Statements
  The amendments require companies to disclose their material accounting policies rather than their significant accounting policies and added guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

- Ind AS 12 – Income Taxes
  The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

  The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the standalone balance sheet. There was also no impact on the opening retained earnings as at 01 April 2022.

- Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
  The amendments will help entities to distinguish between accounting policies, accounting estimates and correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. This amendment did not have any impact on the Company's financial statements.

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(INR amount in lakhs, unless otherwise stated)

3 Property, plant and equipment

	Freehold land	Plant and machinery	Furniture and fixtures	Vehicles	Computers	Office equipment	Leasehold improvements	Building	Total	Capital work in progress*
Gross block at cost										
At April 1, 2022	1,453	1,70,358	91	787	886	207	1,400	7,857	1,83,039	1,047
Additions	-	741	-	86	98	1	-	-	926	24
Disposals/ adjustments	-	(1,969)	-	(69)	(1)	-	-	-	(2,039)	(248)
At March 31, 2023	1,453	1,69,130	91	804	983	208	1,400	7,857	1,81,926	823
Additions	-	423	-	19	280	5	1,137	-	1,864	1,195
Disposals/ adjustments	-	(11)	-	-	(11)	-	(345)	-	(367)	(1,587)
At March 31, 2024	**1,453**	**1,69,542**	**91**	**823**	**1,252**	**213**	**2,192**	**7,857**	**1,83,423**	**431**
Accumulated depreciation										
At April 1, 2022	-	32,094	82	425	752	171	1,241	1,158	35,923	-
Charge for the year	-	4,556	3	76	75	18	40	218	4,986	-
Disposals/ adjustments	-	(262)	-	(9)	(1)	-	-	-	(272)	-
Impairment	-	335	-	-	-	-	-	-	335	-
At March 31, 2023	-	36,723	85	492	826	189	1,281	1,376	40,972	-
Charge for the year	-	4,580	3	50	110	12	92	217	5,064	-
Disposals/ adjustments	-	(15)	-	-	(5)	-	(179)	-	(199)	-
Impairment	-	177	-	-	-	-	-	-	177	-
At March 31, 2024	-	**41,465**	**88**	**542**	**931**	**201**	**1,194**	**1,593**	**46,014**	-
Net block										
At March 31, 2024	**1,453**	**1,28,077**	**3**	**281**	**321**	**12**	**998**	**6,264**	**1,37,409**	**431**
At March 31, 2023	1,453	1,32,407	6	312	157	19	119	6,481	1,40,954	823

1. Refer note 12.1 and 14.1 for information on property, plant and equipment pledged as security by the Company.

***Capital work in progress (CWIP) ageing schedule**

As at March 31, 2024	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	30	-	401	-	431
Total	**30**	**-**	**401**	**-**	**431**

As at March 31, 2023	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	24	743	12	44	823
Total	24	743	12	44	823

Note:
1. As at March 31, 2024 and March 31, 2023, there is no CWIP whose completion is overdue or has exceeded its cost compared to original plan.

3.1 Intangible assets

	Software	Total
Gross carrying amount		
At April 01, 2022	1,713	1,713
Additions	16	16
At March 31, 2023	1,729	1,729
Additions	67	67
At March 31, 2024	**1,796**	**1,796**
Accumulated amortisation		
At April 01, 2022	1,676	1,676
Charge for the year	47	47
At March 31, 2023	1,723	1,723
Charge for the year	37	37
At March 31, 2024	**1,760**	**1,760**
Net block		
At March 31, 2024	**36**	**36**
At March 31, 2023	6	6

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(All amount in INR lakhs, unless otherwise stated)

		As at March 31, 2024	As at March 31, 2023
4.1. Non-current investments			
Investment in equity shares of subsidiaries (at cost and unquoted)			
1,26,523 (March 31, 2023: 1,26,523) equity shares of INR 10/- each fully paid up in Azure Power (Punjab) Private Limited#		1,813	1,813
49,12,787 (March 31, 2023: 49,12,787) equity shares of INR 10/- each fully paid up in Azure Power (Haryana) Private Limited#		3,929	3,929
10,93,521 (March 31, 2023: 10,93,521) equity shares of INR 10/- each fully paid up in Azure Solar Private Limited#		10,729	10,729
98,873 (March 31, 2023: 98,873) equity shares of INR 10 - each fully paid up in Azure Power (Rajasthan) Private Limited#		2,591	2,591
1,04,532 (March 31, 2023: 1,04,532) equity shares of INR 10/- each fully paid up in Azure Urja Private Limited#		6,335	6,335
44,898 (March 31, 2023: 44,898) equity shares of INR 10 - each fully paid up in Azure Surya Private Limited#		1,523	1,523
37,776 (March 31, 2023 : 37,776) equity shares of INR 10/- each fully paid up in Azure Power (Karnataka) Private Limited#		1,001	1,001
3,40,458 (March 31, 2023: 3,40,458) equity shares of INR 10/- each fully paid up in Azure Photovoltaic Private Limited#		8,989	8,989
1,96,054 (March 31, 2023: 1,96,054) equity shares of INR 10/- each fully paid up in Azure Power Infrastructure Private Limited#		9,460	9,460
4,17,742 (March 31, 2023: 4,17,742) equity shares of INR 10/- each fully paid up in Azure Power (Raj.) Private Limited#		9,115	9,115
56,402 (March 31, 2023: 56,402) equity shares of INR 10 - each fully paid up in Azure Green Tech Private Limited#		7,059	7,059
46,354 (March 31, 2023: 46,354) equity shares of INR 10 - each fully paid up in Azure Clean Energy Private Limited#		6,581	6,581
2,16,325 (March 31, 2023: 2,16,325) equity shares of INR 10/- each fully paid up in Azure Sunrise Private Limited#		9,100	9,100
56,335 (March 31, 2023: 56,335) equity shares of INR 10 - each fully paid up in Azure Sunshine Private Limited#		3,509	3,509
4,59,770 (March 31, 2023: 4,59,770) equity shares of INR 10/- each fully paid up in Azure Power Earth Private Limited#		17,154	17,154
71,445 (March 31, 2023: 71,445) equity shares of INR 10 - each fully paid up in Azure Power Eris Private Limited#		2,205	2,205
85,374 (March 31, 2023: 85,374) equity shares of INR 10 - each fully paid up in Azure Power Jupiter Private Limited#		3,757	3,757
2,68,474 (March 31, 2023: 2,68,474) equity shares of INR 10/- each fully paid up in Azure Power Makemake Private Limited#		7,626	7,626
1,24,583 (March 31, 2023: 1,24,583) equity shares of INR 10/- each fully paid up in Azure Power Mars Private Limited#		1,101	1,101
7,76,874 (March 31, 2023: 7,76,874) equity shares of INR 10/- each fully paid up in Azure Power Pluto Private Limited#		24,914	24,914
1,26,640 (March 31, 2023: 1,26,640) equity shares of INR 10/- each fully paid up in Azure Power Uranus Private Limited#		1,239	1,239
1,65,135 (March 31, 2023: 1,65,135) equity shares of INR 10/- each fully paid up in Azure Power Venus Private Limited#		5,028	5,028
9,28,836 (March 31, 2023: 9,28,836) equity shares of INR 10/- each fully paid up in Azure Power Thirty Three Private Limited#		35,713	35,713
29,52,087 (March 31, 2023: 29,52,087) equity shares of INR 10/- each fully paid up in Azure Power Thirty Four Private Limited#		15,904	15,904
1,17,446 (March 31, 2023: 1,17,446) equity shares of INR 10/- each fully paid up in Azure Power Thirty Six Private Limited#		6,693	6,693
36,40,673 (March 31, 2023: 36,40,673) equity shares of INR 10/- each fully paid up in Azure Power Thirty Seven Private Limited#		5,607	5,607
86,765 (March 31, 2023: 86,765) equity shares of INR 10 - each fully paid up in Azure Power Thirty Nine Private Limited		604	604
26,32,123 (March 31, 2023: 26,32,123) equity shares of INR 10/- each fully paid up in Azure Power Forty Private Limited#		13,684	13,684
10,82,632 (March 31, 2023: 10,82,632) equity shares of INR 10/- each fully paid up in Azure Power Forty One Private Limited##		28,992	28,992
12,22,477 (March 31, 2023: 12,22,477) equity shares of INR 10/- each fully paid up in Azure Power Forty Three Private Limited#		34,191	34,191
27,56,629 (March 31, 2023: 27,56,629) equity shares of INR 10/- each fully paid up in Azure Power Maple Private Limited#		21,967	21,967
15,43,001 (March 31, 2023: 15,43,001) equity shares of USS 1 each fully paid up in Azure Power US Inc.		951	951
46,04,457 (March 31, 2023: 46,04,457) equity shares of INR 10/- each fully paid up in Azure Power Fifty One Private Limited		3,099	3,099
13,26,537 (March 31, 2023: 13,26,537) equity shares of INR 10/- each fully paid up in Azure Power Fifty Two Private Limited		1,499	1,499
1,09,999 (March 31, 2023: 1,09,999) equity shares of INR 10/- each fully paid up in Azure Power Fifty Three Private Limited (refer note 50)		11	11
9,999 (March 31, 2023: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Fifty Four Private Limited (refer note 50)		1	1
1,09,999 (March 31, 2023: 1,09,999) equity shares of INR 10/- each fully paid up in Azure Power Fifty Six Private Limited		11	11
9,999 (March 31, 2023: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Fifty Seven Private Limited		1	1
9,999 (March 31, 2023: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Fifty Eight Private Limited		1	1
9,999 (March 31, 2023: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Fifty Nine Private Limited (refer note 50)		1	1
9,999 (March 31, 2023: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Sixty Private Limited (refer note 50)		1	1
9,999 (March 31, 2023: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Sixty two Private Limited (refer note 50)		1	1
9,999 (March 31, 2023: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Sixty One Private Limited		1	1
9,999 (March 31, 2023: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Sixty three Private Limited		1	1
9,999 (March 31, 2023: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Sixty four Private Limited		1	1
9,999 (March 31, 2023: 9,999) equity shares of INR 10/- each fully paid up in Kotuma Wind Parks Private Limited		1	1
9,999 (March 31, 2023: 9,999) equity shares of INR 10/- each fully paid up in Two Wind Energy Private Limited		1	1
9,999 (March 31, 2023: 9,999) equity shares of INR 10/- each fully paid up in Azure Energy Transition Private Limited		1	1
9,999 (March 31, 2023: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Sixty Five Private Limited		1	1
9,999 (March 31, 2023: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Sixty Six Private Limited		1	1
9,999 (March 31, 2023: 9,999) equity shares of INR 10/- each fully paid up in Azure Green Hydrogen Private Limited		1	1
Nil (March 31, 2023: 2,38,438) equity shares of INR 10/- each fully paid up in Azure Power Mercury Private Limited* ##^		-	816
Nil (March 31, 2023: 6,99,499) equity shares of INR 10/- each fully paid up in Azure Power Saturn Private Limited* ##^		-	2,043
Nil (March 31, 2023: 1,20,402) equity shares of INR 10/- each fully paid up in Azure Power Thirty Eight Private Limited* ##^		-	1,945
Nil (March 31, 2023: 1,45,449) equity shares of INR 10/- each fully paid up in Azure Power Forty Four Private Limited* ##^		-	2,333
Total	(A)	**3,13,699**	3,20,836
Investment in Compulsorily Convertible Debentures (CCD) of subsidiaries (at cost)			
3,20,758 (March 31, 2023: 3,20,758) CCD in Azure Power Thirty Seven Private Limited		8,500	8,500
1,70,183 (March 31, 2023: 1,70,183) CCD in Azure Power Forty Three Private Limited		5,000	5,000
Total	(B)	**13,500**	13,500
Less:-			
Provision for diminution in value of investments (refer note 23 and 44)		15	6,635
Total	(C)	**15**	6,635
Total	(A+B-C)	**3,27,184**	3,27,701
Aggregate value of unquoted investments		3,27,199	3,34,336
Aggregate amount of impairment in value of investments		15	6,635

Investment in subsidiaries are measured at cost as per Ind AS 27, *Separate Financial Statements*.

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		As at March 31, 2024	As at March 31, 2023
4.2. Current investments			
Investment in equity shares of subsidiaries (at fair value and unquoted)			
2,38,438 (March 31, 2023: Nil) equity shares of INR 10/- each fully paid up in Azure Power Mercury Private Limited* ##^		816	-
6,99,499 (March 31, 2023: Nil) equity shares of INR 10/- each fully paid up in Azure Power Saturn Private Limited* ##^		2,043	-
1,20,402 (March 31, 2023: Nil) equity shares of INR 10/- each fully paid up in Azure Power Thirty Eight Private Limited* ##^		1,945	-
1,45,449 (March 31, 2023: Nil) equity shares of INR 10/- each fully paid up in Azure Power Forty Four Private Limited* ##^		2,333	-
Total	(A)	**7,137**	-
Less:-			
Provision for diminution in value of investments (refer note 23 and 44)		7,087	-
Total	(B)	**7,087**	-
Total	(A-B)	**50**	-
Aggregate value of unquoted investments		7,137	-
Aggregate amount of impairment in value of investments		7,087	-

* Refer note 44.
#51% of investment made by the company in the subsidiaries is pledged against borrowing taken by the respective subsidiaries.
##100% of investment made by the company in the subsidiary is pledged against borrowing taken by the subsidiary.
^Investments have been classified as current investments (refer note 44)

5 Non-current financial assets

5.1 Investment in equity shares and compulsorily convertible debentures (at fair value through profit and loss)

	As at March 31, 2024	As at March 31, 2023
5,61,921 (March 31, 2023: 5,61,921) equity shares of INR 10/- each fully paid up in Premier Energies International Private Limited (earlier known as Azure Power Fifty- Five Private Limited) ***	1,365	1,365
13,00,000 (March 31, 2023: 13,00,000) compulsorily convertible debentures of INR 245/- each fully paid up in Premier Energies International Private Limited (earlier known as Azure Power Fifty- Five Private Limited) ***	3,185	3,185
Total	**4,550**	4,550

*** During the year ended March 31, 2022, the Company had entered into a non-binding obligation with M/s Premier Energies limited ("Premier"), a solar module manufacturing company, relating to execution of tender received from SECI. The Company had invested INR 937 lakhs in equity shares of the entity for its 26% of the equity shares of an entity, where Premier had invested in 74% of equity shares. During the year ended March 31, 2023, the Company had further invested INR 428 lakhs in equity shares (without dividend rights) and INR 3,185 lakhs in compulsorily convertible debentures of Premier and the Company also entered into related module supply agreements and share and debentures subscription agreements with Premier. The Company is entitled for coupon of 8.5% p.a. on investment made under the agreement towards Compulsory Convertible Debentures (refer note 19).

5.2 Trade receivables
(Carried at amortised cost)
(Unsecured)

	As at March 31, 2024	As at March 31, 2023
Trade receivables-subsidiaries (refer note 26 and 34)	32,254	32,254
Trade receivables-others (refer note 34)	7,456	7,986
Total trade receivables	**39,710**	40,240
Break-up for trade receivables		
Undisputed trade receivables, considered good	39,710	40,240
Undisputed trade receivables, credit impaired	16	18
Total	**39,726**	40,258
Impairment allowance doubtful trade receivable (refer note 38)		
Undisputed trade receivables, credit impaired	(16)	(18)
Total	**39,710**	40,240

Trade receivables ageing schedule

As at March 31, 2024	Unbilled receivables*	Non-current but not due**	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables, considered good	7,329	32,381	-	-	-	-	-	39,710
Undisputed trade receivables, credit impaired	16	-	-	-	-	-	-	16
	7,345	32,381	-	-	-	-	-	39,726

As at March 31,2023	Unbilled receivables*	Non-current but not due**	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables, considered good	7,986	32,254	-	-	-	-	-	40,240
Undisputed trade receivables, credit impaired	18	-	-	-	-	-	-	18
	8,004	32,254	-	-	-	-	-	40,258

Notes:
* Unbilled receivables represents receivables where the goods and or services have been provided to the customer for which the Company has unconditional right to consideration. However, the Company is yet to raise invoices to the customers.
** Non-Current but not due represent receivables which aren't due as per credit terms agreed with the customer.
(i) Trade receivable are considered as non current pursuant to the restrictions under the bond indenture of Senior notes/Green bond issued by certain subsidiaries of Holding Company, referred as entities of the Restricted Group and will be settled post maturity of such Senior notes/ Green Bond. These balances are undisputed and are considered good.
(ii) Trade receivables includes Safeguard duty (SGD) GST receivables as at March 31, 2024 amounting to INR 7,345 lakhs (March 31, 2023 INR 8,004 lakhs). The Company has recognised Safeguard Duty (SGD) claim in accordance with approval from Solar Exchange Corporation of India (SECI) & Central Electricity Regulatory Commission (CERC) in relation to 200 MW, Solar Power project located in Bhadla, stated that the total payment of compensation on account of SGD/GST amounting to INR 10,890 lakhs which shall be payable in form of monthly annuity amounting to INR 122 lakhs considering discount rate of 10.41% for a period of 13 years and balance payment in form of upfront amounting to INR 947 lakhs has already been received in previous years.

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		As at March 31, 2024	As at March 31, 2023
5.3 Loans			
(Unsecured, considered good)			
(Carried at amortised cost)			
Loans to subsidiaries/ fellow subsidiaries (refer note 26)*		12,617	15,829
Loans to subsidiaries/ fellow subsidiaries, credit impaired (refer note 26)*		200	-
	(A)	12,817	15,829
Less: Provision for doubtful loans (refer note 26)	(B)	(200)	-
	(A-B)	12,617	15,829
Performance guarantee deposit		113	100
Total		**12,730**	**15,929**

* The long term loans granted to subsidiaries/ fellow subsidiaries carries interest rate ranging between 6.95% p.a. to 10.60% p.a. having repayment terms of 3-20 years along with interest.

5.4 Other financial assets		
(Carried at amortised cost, unless otherwise stated)		
Security deposits	618	491
Term deposits*	28,091	27,687
Interest accrued on term deposits	830	479
Interest accrued on loans to subsidiaries and fellow subsidiaries (refer note 26)	3,569	3,080
Interest accrued on trade receivables from subsidiaries and fellow subsidiaries (refer note 26)	11,628	8,720
Interest accrued on investments (refer note 5.1)	496	433
Financial asset at fair value through other comprehensive income		
Derivative assets (refer note 33)	1,095	2,879
Total	**46,327**	43,769

*Includes term deposits representing cash margin against bank guarantees issued for bidding and execution of new projects and deposits against letter of credit issued by various banks for procuring solar power equipment's. Further, the Company has carried balance of INR 10,967 lakhs (March 31, 2023: INR 11,454 lakhs) in term deposits towards Debt-Service Reserve account for its outstanding loan.

6. Other non-current assets		
Capital advances	9,715	9,726
Prepaid assets	163	211
Prepaid performance guarantee deposits	674	714
Contract assets (refer note 34)	246	261
Total	10,798	**10,912**
7. Income tax assets (net)		
Advance income-tax (net of provision for tax of INR 2,090 lakhs (March 31, 2023: INR 2,090 lakhs).	2,330	30
Total	**2,330**	30
8. Current financial assets		
(Carried at amortised cost, unless otherwise stated)		
8.1 Trade receivables		
(Unsecured)		
Trade receivables - subsidiaries (refer note 26 and 34)	16,817	19,007
Trade receivables - others* (refer note 34)	3,677	4,739
Total	**20,494**	23,746
Break-up for trade receivables:		
Undisputed trade receivables, considered good	20,494	23,746
Undisputed trade receivables, credit impaired^	11,283	5,510
Total	**31,777**	29,256
Impairment allowance doubtful trade receivable (refer note 38, 50, 51 and 52)		
Undisputed trade receivables, credit impaired	(11,283)	(5,510)
Total	**20,494**	23,746

Trade receivables ageing schedule

As at March 31,2024	**Unbilled receivables****	**Current but not due#**	**Outstanding for following periods from due date of payment**					**Total**
			Less than 6 Months	**6 months – 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
Undisputed trade receivables, considered good	2,876	1,713	2,899	1,997	5,777	4,256	976	**20,494**
Undisputed trade receivables, credit impaired	8	2	4	-	5,383	5,803	83	**11,283**
	2,884	**1,715**	**2,903**	**1,997**	**11,160**	**10,059**	**1,059**	**31,777**

As at March 31,2023	Unbilled receivables**	Current but not due#	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables, considered good	2,776	2,888	4,305	2,388	10,264	775	350	23,746
Undisputed trade receivables, credit impaired	7	4	2,100	2,770	583	17	29	5,510
	2,783	2,892	6,405	5,158	10,847	792	379	29,256

* Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.
** Unbilled receivables represents receivables where the goods and/or services have been provided to the customer for which the Company has unconditional right to consideration. However, the Company is yet to raise invoices to the customer.
# Current but not due represent receivables which aren't due as per credit terms agreed with the customer.
^ Includes trade receivables pertaining to related parties of INR 11,187 lakhs.
(i) Trade receivables includes Safeguard duty (SGD) /GST receivables as at March 31, 2024 amounting to INR 660 lakhs (March 31, 2023: INR 595 lakhs)

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(All amount in INR lakhs, unless otherwise stated)

		As at March 31, 2024	As at March 31, 2023
8.2 Cash and cash equivalents			
Balances with banks:			
- In current accounts		7,869	2,175
- Deposits with original maturity of less than 3 months		9,977	15,983
Total		**17,846**	18,158

There are no repatriation restrictions with regards to Cash and cash equivalents as at the end of reporting year.

		As at March 31, 2024	As at March 31, 2023
8.3 Other bank balances			
- Deposits with remaining maturity of more than 3 months but less than 12 months		15,077	42,961
Total		**15,077**	**42,961**

		As at March 31, 2024	As at March 31, 2023
8.4 Loans			
(Unsecured)			
Loans to subsidiaries/ fellow subsidiaries, considered good (refer note 26)*		86,252	79,258
Loans to subsidiaries/ fellow subsidiaries, credit impaired (refer note 26)*		9,205	4,675
	(A)	**95,457**	83,933
Less: Provision for doubtful loans (refer note 26)	(B)	(9,205)	(4,675)
Total	(A-B)	**86,252**	79,258

* Loans to subsidiaries/ fellow subsidiaries carry interest rate ranging from 6.95% p.a. to 10.60% p.a. and are receivable before March 31, 2025.

		As at March 31, 2024	As at March 31, 2023
8.5 Other current financial assets			
(Unsecured)			
Interest accrued on term deposits		368	555
Interest accrued and due on loans and advances to subsidiaries/ fellow subsidiaries, considered good (refer note 26)		15,272	2,563
Interest accrued and due on loans and advances to subsidiaries/ fellow subsidiaries, credit impaired (refer note 26)		1,018	-
	(A)	16,290	2,563
Less: Provision for doubtful interest (refer note 26)	(B)	(1,018)	-
	(A-B)	15,272	2,563
Interest accrued and not due on loans and advances to subsidiaries/ fellow subsidiaries, considered good (refer note 26)		10,109	17,279
Interest accrued and not due on loans and advances to subsidiaries/ fellow subsidiaries, credit impaired (refer note 26)		-	18
	(C)	10,109	17,297
Less: Provision for doubtful interest (refer note 26)	(D)	-	(18)
	(C-D)	10,109	17,279
Contractually reimbursable from holding company/ subsidiaries/ fellow subsidiaries, considered good (refer note 26)		13,108	15,581
Contractually reimbursable from holding company/ subsidiaries/ fellow subsidiaries, credit impaired (refer note 26)		5,234	4,727
	(E)	18,342	20,308
Less: Provision for doubtful contractually reimbursable expenses (refer note 26)	(F)	(5,234)	(4,727)
	(E-F)	13,108	15,581
Financial asset at fair value through other comprehensive income			
Derivative assets (refer note 33)		1,830	1,848
Total		**40,687**	37,826

	As at March 31, 2024	As at March 31, 2023
9. Other current assets		
Balance with statutory authorities	3,638	2,130
Money paid under protest	1,505	905
Advance to vendors	417	335
Prepaid assets	446	477
Deferred financing cost	479	-
Prepaid performance guarantee deposit	40	40
Contract assets (refer note 34)	14	14
Other advances	62	104
Total	**6,601**	4,005

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(All amount in INR lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023

10. Equity share capital

	As at March 31, 2024	As at March 31, 2023
Authorised share capital:		
Equity share capital		
4,33,33,333 (March 31, 2023: 4,33,33,333) equity shares of INR 10/- each	4,333	4,333
8,66,66,667 (March 31, 2023: 8,66,66,667) non-redeemable compulsory convertible preference shares (CCPS) of INR 10/- each	8,667	8,667
	13,000	13,000
Issued, subscribed and fully paid-up share capital:		
69,20,619 (March 31, 2023: 69,20,619) equity shares of INR 10/- each	692	692
	692	692

A. Reconciliation of number of equity shares

	Number of Shares	Amount
At April 1, 2022	68,58,979	686
Changes during the year*	61,640	6
At March 31, 2023	69,20,619	692
Changes during the year	-	-
At March 31, 2024	**69,20,619**	**692**

*During the year ended March 31, 2023, the Company had issued 61,640 number of equity shares of INR 10 each fully paid up to Azure Power Global Limited @ INR 7,510 per share (which includes INR 7,500 per share as security premium).

B. Terms/ rights attached to shares
The Company has only one class of equity shares having a par value of INR 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

C. Shares held by holding company
Out of equity shares issued by the Company, shares held by its holding company are as below:

	As at March 31, 2024	As at March 31, 2023
Azure Power Global Limited, holding company		
68,18,032 (March 31, 2023: 68,18,032) equity shares of INR 10/-each fully paid up	682	682

D. Details of shareholders holdings more than 5% shares in the company

Name of the shareholder	Number of shares held March 31, 2024	Percentage of holding March 31, 2024	Number of shares held March 31, 2023	Percentage of holding March 31, 2023
Equity shares of INR 10 each fully paid				
Azure Power Global Limited	68,18,032	98.52%	68,18,032	98.52%
Inderpreet S Wadhwa (refer note 32(b)(i), contingent liabilities)	97,497	1.41%	97,497	1.41%

As per records of the Company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

E. Details of shares held by Promoters

For the year ended March 31, 2024

Particular	Promoters Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	Azure Power Global Limited	68,18,032	-	68,18,032	98.52%	-

For the year ended March 31, 2023

Particular	Promoters Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	Azure Power Global Limited	67,56,392	61,640	68,18,032	98.52%	0.91%

F. There are no bonus shares issued, for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date. Further, there are no shares reserved for issue under options and contracts/commitments for sale of shares/disinvestment.

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(All amount in INR lakhs, unless otherwise stated)

11. Other equity

For the year ended March 31, 2024:

Particulars	Deemed capital contribution by parent / ESOP reserve (refer note 11.1)	Reserves and surplus		Items of other comprehensive income		Total equity
		Surplus/(Deficit) in the statement of profit and loss (refer note 11.2)	Securities premium reserve (refer note 11.3)*	Cash flow hedge reserve (refer note 11.4 and 33)	Defined benefit plans (refer note 11.5 and 35)	
At April 01, 2023	3,515	(19,675)	5,11,225	477	49	4,95,591
Loss for the year	-	(18,864)	-	-	-	(18,864)
Other comprehensive expense	-	-	-	(657)	(16)	(673)
Total comprehensive income/ (expense)	3,515	(38,539)	5,11,225	(180)	33	4,76,054
Reversal of deemed capital contribution by parent on account of employee stock option plan (refer note 25)	(18)	-	-	-	-	(18)
At March 31, 2024	**3,497**	**(38,539)**	**5,11,225**	**(180)**	**33**	**4,76,036**

For the year ended March 31, 2023:

Particulars	Deemed capital contribution by parent / ESOP reserve (refer note 11.1)	Reserves and surplus		Items of other comprehensive income		Total equity
		Surplus/(Deficit) in the statement of profit and loss (refer note 11.2)	Securities premium reserve (refer note 11.3)*	Cash flow hedge reserve (refer note 11.4 and 33)	Defined benefit plans (refer note 11.5 and 35)	
At April 01, 2022	3,385	2,320	5,06,602	(535)	(70)	5,11,702
Loss for the year	-	(21,995)	-	-	-	(21,995)
Other comprehensive income	-	-	-	1,012	119	1,131
Total comprehensive income/(expense)	3,385	(19,675)	5,06,602	477	49	4,90,838
Securities premium on issue of equity shares, net of share issue expenses (refer note 10)	-	-	4,623	-	-	4,623
Deemed capital contribution by parent on account of employee stock option plan (refer note 25)	130	-	-	-	-	130
At March 31, 2023	3,515	(19,675)	5,11,225	477	49	4,95,591

*The amount is net of share issue expenses.

Nature and purpose of reserves

11.1 Deemed capital contribution by parent / ESOP reserve
The share options based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

11.2 Surplus/ (deficit) in the statement of profit and loss
Surplus/ (deficit) in the statement of profit and loss are the results of the Company earned till date net of appropriations.

11.3 Securities premium reserve
Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

11.4 Cash flow hedge reserve
The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings. For hedging foreign currency and interest rate risk, the Company uses cross currency swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss (e.g. interest payments).

11.5 Defined benefit plans
Defined benefits plans includes all the remeasurements, comprising of actuarial gains/losses on defined benefits obligation and fair value of assets.

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	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
12. Non-current financial liabilities				
12.1 Non-current borrowings				
At amortised cost	**Non-current portion**		**Current portion***	
Term loans (secured)				
Term loans from bank[1]	20,175	21,548	1,390	1,364
Term loans from financial institutions[2]	83,311	89,776	5,843	5,889
Foreign currency loan from bank[3]	3,136	5,367	3,242	4,788
Foreign currency loan from financial institutions[3]	11,757	20,118	12,155	17,950
Vehicle loan[1]	49	77	21	12
Term loans (unsecured)				
Term loans from bank[1]	14,709	-	-	-
From related party (unsecured)				
Loan from subsidiaries[4] (refer note 26)	2,184	62,668	62,668	19,736
Total borrowings	**1,35,321**	1,99,554	**85,319**	49,739

*Refer note 14.1

[1]Term loans from banks

The Company has taken a loan amounting INR 25,000 lakhs from Axis Bank in financial year 2021-22 for refinancing of its 200 MW Solar project at Rajasthan. The loan is disbursed to refinance the loan taken from Tata Cleantech Capital Limited (TCCL), Yes bank and State bank of India. This facility carries interest rate of 7.5% per annum, the interet rate is subject to reset every three years based upon 3 year MCLR rate. The loan is repayable in 70 quarterly installments ranging from 1.10% to 1.71% of the loan amount commencing from December 2022 and ending on March 2039. It is secured by first charge and collateralised by movable and immovable properties of the underlying solar power project asset. As at March 31, 2024, net carrying value of the loan is INR 21,536 lakhs (March 31, 2023: INR 22,912 lakhs) post adjustment of unamortised balance of ancillary cost of borrowing INR 88 lakhs (March 31, 2023: INR 98 lakhs).

The Company had taken a loan amounting INR 81 lakhs from HDFC Bank in financial year 2022-23 which carries fixed interest rate 7.35% per annum. The loan was repayable in 60 monthly installments ranging from 1.38% - 1.98% of the loan amount commencing from July 2022 and ending on June 2027. As at March 31, 2024, net carrying value of the loan is INR 56 lakhs (March 31, 2023: INR 70 lakhs) post adjustment of unamortised balance of ancillary cost of borrowing INR Nil (March 31, 2023: INR Nil).

The Company had taken a loan amounting INR 24 lakhs from HDFC Bank in financial year 2021-22 which carries fixed interest rate 7.1% per annum. The loan was repayable in 60 monthly installments ranging from 1.39% - 1.97% of the loan amount commencing from January 2022 and ending on December 2026. As at March 31, 2024, net carrying value of the loan is INR 14 lakhs (March 31, 2023: INR 19 lakhs) post adjustment of unamortised balance of ancillary cost of borrowing INR Nil (March 31, 2023: INR Nil).

During the current year ended March 31, 2024, the Company has obtained term loan of INR 15,000 lakhs from HSBC (Hong Kong and Shanghai Banking Corporation). Borrowing under this facility is repayable in November 2025. The facility bears an interest rate of 10.19% as of March 31, 2024. The net carrying value of the loan as of March 31, 2024, is INR 14,709 lakhs post adjustment of unamortised balance of ancillary cost of borrowing INR 291 lakhs.

[2]Term loans from financial institutions

The Company had taken loans amounting INR 18,000 lakhs and INR 34,000 lakhs from Aseem Infrastructure Finance Limited and NIIF Infrastructure Finance Limited respectively in financial year 2021-22 for refinancing of its 100 MW Solar project at Andhra Pradesh. The loan was disbursed to refinance the loan taken from IREDA. These facility carries interest rate of 7.75% per annum, the interest rate is subject to reset for every five years in case of loan taken from NIIF Infrastructure Finance Limited based upon -35 bps ("Spread") over and above the NIIF IFL 5 YR Benchmark Rate and for every three years in case of loan taken from Aseem Infrastructure Finance Limited based upon AIFL Benchmark Rate/Benchmark Rate and the applicable Spread. These facilities are repayable in 63 quarterly installments ranging from 1.23% to 2.55% of the loan amount commencing from December, 2021 and ending on June 2037. These facilities are secured by first charge and collateralised by movable and immovable properties of the underlying solar power project asset. As at March 31, 2024, net carrying value of the loan is INR 15,689 lakhs and INR 29,634 lakhs (March 31, 2023: INR 16,600 lakhs and INR 31,355 lakhs) post adjustment of unamortised balance of ancillary cost of borrowing of INR 61 lakhs and INR 116 lakhs (March 31, 2023: INR 68 lakhs and INR 129 lakhs) of Aseem Infrastructure Finance Limited and NIIF Infrastructure Finance Limited respectively.

The Company has taken a loan amounting INR 32,640 lakhs from Tata Cleantech Capital Limited (TCCL) in financial year 2021-22 for financing of its 200 MW Solar project at Rajasthan. The loan was disbursed to refinance the loan taken from TCCL, Yes bank and State bank of India. This facility carries a floating rate of interest 7.5% per annum, the interest rate is subject to reset every three years based upon TCCL New Prime Lending Rate- Long Term (TCCL NPLR-LT). The loan is repayable in 70 quarterly installments ranging from 1.1% - 1.71% of the loan amount commencing from December, 2021 and ending on March 2039. It is secured by first charge and collateralised by movable and immovable properties of the underlying solar power project asset. As at March 31, 2024, net carrying value of the loan is INR 28,480 lakhs (March 31, 2023: INR 30,294 lakhs) post adjustment of unamortised balance of ancillary cost of borrowing INR 133 lakhs (March 31, 2023: INR 148 lakhs).

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During the year ended March 31, 2022, the Company has taken a loan amounting INR 15,200 lakhs from Indian Renewable Energy Development Agency (IREDA) for refinancing of its 30 MW Solar project at Chhattisgarh. The loan is disbursed to refinance the loan taken from Aditya Birla finance limited. These facility carries interest rate of 7.5% per annum and the interest rate is subject to reset every three years based upon rate of interest notified by IREDA as per applicable grading. The loan is repayable in 168 monthly installments ranging from 0.50% - 0.60% of the loan amount commencing from April, 2022 and ending on March 2036. It is secured by first charge and collateralised by movable and immovable properties of the underlying solar power project asset. As at March 31, 2024, net carrying value of the loan is INR 12,925 lakhs (March 31, 2023: INR 14,061 lakhs) post adjustment of unamortised balance of ancillary cost of borrowing INR 99 lakhs (March 31, 2023: INR 115 lakhs).

During the year ended March 31, 2021, the Company borrowed an amount of INR 4,125 Lakhs from Kotak Infrastructure Debt Fund Limited for financing of a 10 MW solar power project with Bangalore Electricity Supply Company Limited. These facilities carry an interest rate of 11% per annum fixed till September 30, 2022 and shall be reset every two years thereafter based upon rate as notified by lender. The loan is repayable in 54 quarterly installments ranging from 1.85% - 1.88% commencing from December 2020. It is secured by first charge and collateralised by movable and immovable properties of the underlying solar power project asset. During the current year, the Company has repaid the full amount of loan.

During the current year ended March 31, 2024, the Company borrowed an amount of INR 2,500 lakhs from Kotak Infrastructure Debt Fund Limited for financing of a 10 MW solar power project with Bangalore Electricity Supply Company Limited. As on March 31, 2024 the loan carries the interest rate of 9.35% per annum, The loan is repayable in 49 quarterly installments ranging from 1.88% - 2.25% commencing from March 2024. The borrowing is collateralized by movable and immovable properties of the underlying solar power project assets. The net carrying value of the loan as of March 31, 2024, is INR 2,426 lakhs post adjustment of unamortised balance of ancillary cost of borrowing INR 24 lakhs.

(3) Foreign currency loan from banks and financial institutions

During the year ended March 31, 2021, the Company borrowed USD 9,30,00,000 (INR 69,311 Lakhs) for providing funds to project SPVs as shareholder loans or through other instrument for capital expenditure or for payment of capital expenditure in respect of each project from Export Development Canada and Standard Chartered Bank (Singapore) Limited. These facilities are foreign currency loans and carries an interest rate of SOFR+Margin of 3.95% and the loan is repayable in 8 half yearly installments ranging from 2.5% - 32.5% commencing from November 2021 and ending on May 2025. The borrowing is collateralized by the shares of project SPVs and hypothecation/charge over receivables of the Company. As at March 31, 2024, net carrying value of the loan is INR 23,912 lakhs and INR 6,378 lakhs (March 31, 2023: INR 38,068 lakhs & 10,155 lakhs) post adjustment of unamortised balance of ancillary cost of borrowing INR 94 lakhs & INR 24 lakhs (March 31, 2023: INR 244 lakhs & 62 lakhs) from Export Development Canada and Standard Chartered Bank (Singapore) Limited respectively.

(4) Loan from subsidiaries

The Company has taken an unsecured loans from its subsidiaries/fellow subsidiaries carry interest rate ranging from 8.20% to 10.11% per annum, which are repayable on or before March 29, 2029 along with interest (repayable at the option of borrower) from the date of issue of instrument. Refer note 26 for further details.

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Azure Power India Private Limited New Delhi

(All amount in INR lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
12.2 Other financial liabilities		
Other financial liabilities at amortised cost		
Interest accrued and not due on borrowings from subsidiaries (refer note 26)	170	6,292
Total	**170**	6,292
13. Provisions		
13.1 Non-current		
Provision for gratuity (refer note 35)	250	202
Provision for decommissioning liabilities*	1,094	935
Total	**1,344**	1,137

*A provision has been recognised for decommissioning costs associated with solar power plants constructed on leasehold land. The Company is under an obligation to decommission the plant at the expiry of the lease term, before handing over the leasehold land to the lessor.

Movement for provision for decommissioning liabilities		
Opening balance	935	1,466
Adjustment due to change in estimates	77	(616)
Liabilities settled during the year	(11)	-
Accretion during the year	93	85
Closing balance	**1,094**	935
13.2 Current		
Provision for compensated absences	268	228
Provision for gratuity (refer note 35)	74	35
Provision for bank guarantees (refer note 23, 50 and 51)	17,876	17,676
Total	**18,218**	17,939

Movement in the provision for bank guarantees during the year is as follows:

Particulars	**March 31, 2024**	March 31, 2023
Opening balance	17,676	-
Provision created during the year	900	17,676
Payment during the year	(700)	-
Closing balance	**17,876**	17,676

13A. Other non-current liabilities		
Contract Liability		
Deferred revenue on account of Safeguard Duty (refer note 34)	7,845	8,328
Total	**7,845**	8,328
14. Current financial liabilities		
(Carried at amortised cost, unless stated otherwise)		
14.1 Current borrowings		
Current maturities of non-current borrowings		
Term loans (secured) (refer note 12.1)		
-Term loans from bank	1,390	1,364
-Term loans from financial institutions	5,843	5,889
-Foreign currency loan from bank	3,242	4,788
-Foreign currency loan from financial institutions	12,155	17,950
-Vehicle loan	21	12
From related party (unsecured)		
-Loan from subsidiaries (refer note 12.1 and 26)*	62,668	19,736
Short-term borrowings		
From related party (unsecured)		
-Loan from subsidiaries (refer note 26)*	25,376	-
Total	**1,10,695**	**49,739**

* Loans from subsidiaries carry interest rate ranging between 6.90% to 10.6% p.a. and are repayable before March 31, 2025.

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	As at March 31, 2024	As at March 31, 2023
14.2 Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 29)	528	293
- Total outstanding dues of creditors other than micro enterprises and small enterprises	9,055	5,052
Total	**9,583**	**5,345**

Trade payables ageing schedule

As at March 31, 2024	**Unbilled dues***	**Not due trade payables****	**Outstanding for following periods from due date of payment**				**Total**
			Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
Total outstanding dues of micro enterprises and small enterprises	-	152	140	39	42	155	528
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,015	328	2,513	32	-	167	9,055
	6,015	**480**	**2,653**	**71**	**42**	**322**	**9,583**

As at March 31, 2023	Unbilled dues*	Not due trade payables**	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	57	39	42	55	100	293
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,572	280	33	-	120	47	5,052
	4,572	337	72	42	175	147	5,345

Trade payables are non-interest bearing and are normally settled on 30-60 days terms.
* Unbilled dues represents payables where the goods and/or services have been received, however, Company is yet to receive invoices from the vendors.
** Not due trade payable represent balances which are not due as per credit terms agreed with the vendor.

14.3 Other current financial liabilities

Interest accrued and not due on borrowings from subsidiaries/fellow subsidiaries (refer note 26)	12,112	2,012
Interest accrued and due on borrowings from subsidiaries/fellow subsidiaries (refer note 26)	3,169	-
Interest accrued and not due on borrowings	940	1,509
Payables to holding Company (refer note 26)	325	325
Payable to subsidiaries/ fellow subsidiaries (refer note 26)	1,915	5,028
Payable to others*	1,981	3,424
Payable to employees	947	792
Payable towards purchase of property, plant and equipment	22	528
Total	**21,411**	13,618

* Represents INR 1,981 lakhs (March 31, 2023: INR 1,981 lakhs) payable to Ex-CEO and Ex-COO, and INR Nil (March 31, 2023: INR 1,443 lakhs) payable to Azure Renewable Energy Private Limited.

15. Other current liabilities

Statutory dues	425	664
Advance from subsidiaries (refer note 26)	350	543
Deferred revenue on account of Safeguard duty (refer note 34)	435	440
Total	**1,210**	1,647

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Azure Power India Private Limited New Delhi

(All amount in INR lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
16. Deferred tax assets (net)		
Deferred tax assets (net)	12,851	7,804
Total	**12,851**	**7,804**

Reconciliation of deferred tax assets/ (liabilities) (net)

	As at March 31, 2022	Movement during the year	As at March 31, 2023	Movement during the year	As at March 31, 2024
Deferred tax liabilities:					
Difference between tax base and book base of property, plant and equipment	30,603	125	30,728	(227)	30,501
Right-of-use assets	1,409	269	1,678	86	1,764
Contract assets	101	(5)	96	(5)	91
Performance bank guarantee	41	(41)	-	-	-
Total deferred tax liabilities (A)	**32,154**	**348**	**32,502**	**(146)**	**32,356**
Deferred tax assets:					
Unabsorbed depreciation and brought forward losses	34,507	(5,503)	29,004	2,322	31,326
Minimum alternate tax	5,753	2,083	7,836	-	7,836
Provision for decommissioning liabilities	369	(134)	235	40	275
Lease liabilities	1,190	65	1,255	103	1,358
Provision for employee benefits	223	(60)	163	57	220
Impairment of assets	100	-	100	-	100
Trade receivables measured at amortised cost	-	18	18	(9)	9
Performance bank guarantee	-	51	51	10	61
Allowance for doubtful trade receivable	54	1,868	1,922	2,016	3,938
Total deferred tax assets (B)	**42,196**	**(1,612)**	**40,584**	**4,539**	**45,123**
Deferred tax assets/ (liabilities) (net) through Profit and Loss (B-A)	**10,042**	**(1,960)**	**8,082**	**4,685**	**12,767**
Other Comprehensive Income					
Deferred tax asset/(liability) recognised in Other Comprehensive Income					
On cash flow hedge reserve	297	(553)	(256)	353	97
On defined benefit plan	42	(64)	(22)	9	(13)
Deferred tax asset (net)	**10,381**	**(2,577)**	**7,804**	**5,047**	**12,851**

Reconciliation of tax expense and the accounting loss multiplied by India's domestic tax rate:

		For the year ended March 31, 2024	For the year ended March 31, 2023
Accounting loss before income tax		**(23,549)**	**(17,952)**
Applicable statutory income tax rate		34.94%	34.94%
Tax at applicable tax rate	**(A)**	(8,228)	(6,272)
Adjustments:			
Permanent difference in property, plant and equipment not considered for deferred tax purpose		(196)	(145)
Other permanent difference disallowed under income tax Act		283	4,366
Disallowance as per section 94B of Income Tax Act, 1961 not considered for deferred tax purpose		1,245	1,820
Impairment of assets in relation to projects (refer note 50, 51 and 52)		2,180	4,260
Leases		15	4
Others		16	10
Total	**(B)**	**3,543**	**10,315**
Total tax (benefit)/ expense	**(A+B)**	**(4,685)**	**4,043**
Component of tax expenses			
Current tax expense		-	2,083
Deferred tax (credit)/ charge		(4,685)	1,960
Total tax (benefit)/ expense		**(4,685)**	**4,043**

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Azure Power India Private Limited New Delhi

(All amount in INR lakhs, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
17. Revenue from operations		
Revenue from contracts with customers		
Sale of power* (refer note 34)	23,740	24,622
Services rendered		
Management fees (refer note 26)	4,885	8,470
Total	**28,625**	33,092

*Revenue from sale of power is recognised at point in time.

	For the year ended March 31, 2024	For the year ended March 31, 2023
18. Finance income		
Interest income on financial asset measured at amortised cost		
- Term deposits	4,456	4,914
- Loan to subsidiaries/fellow subsidiaries (refer note 26)	9,255	9,189
- Trade receivables from subsidiaries (refer note 26)	3,226	3,225
- Safeguard duty receivable	893	926
- Others	-	303
Total	**17,830**	18,557
19. Other income		
Interest income on investments (refer note 5.1)	63	409
Liabilities no longer required written back	496	135
Gain on cancellation of lease contract	293	-
Gain of modification of financial assets	20	-
Insurance claim received	19	-
Reversal of share based payment liability (net) (refer note 25)	18	6,333
Allowance for doubtful trade receivables written back (refer note 38)	-	43
Miscellaneous income	27	125
Total	**936**	7,045
20. Employee benefits expense		
Salaries, wages and bonus	7,115	5,955
Contribution to provident and other funds (refer note 35)	319	244
Gratuity expenses (refer note 35)	97	131
Staff welfare expenses	510	499
Total	**8,041**	6,829
21. Depreciation and amortisation expense		
Depreciation of property, plant and equipment (refer note 3)	5,064	4,986
Amortisation on right-of-use assets (refer note 31)	437	292
Amortisation of intangible assets (refer note 4)	37	47
Total	**5,538**	5,325
22. Finance costs		
Interest expenses on financial liabilities measured at amortised cost		
- Term loans	16,307	15,506
- Loans from subsidiaries (refer note 26)	7,940	6,973
- Lease liabilities (refer note 31)	448	377
Interest on delayed payment of statutory dues	4	24
Loan prepayment charges	-	6
Other borrowing costs	515	907
Other finance costs	635	217
Total	**25,849**	24,010

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(All amount in INR lakhs, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
23. Other expenses		
Power and fuel	30	28
Guest house expense	20	16
Rent (refer note 31)	50	-
Rates and taxes	1,658	1,664
Insurance	420	331
Repair and maintenance		
-Plant and machinery	509	478
-Other	347	407
Development and testing expense	3	3
Advertisement and sales promotion	84	89
Travelling and conveyance	347	326
Communication costs	72	93
Printing and stationery	10	15
Legal and professional fees (including payment to auditors)*	12,472	4,358
Recruitment expenses	42	625
Security charges	303	276
Bank charges	10	5
Software maintenance charges	292	152
Foreign exchange fluctuation (net)	85	271
Assets written off	194	375
Allowance for doubtful trade receivables (refer note 5.2, 8.1, 26, 38, 50, 51 and 52)	5,771	5,388
Provision for doubtful loans, interest and contractually reimbursable expenses (refer note 5.3, 8.5, 26, 50, 51 and 52)	6,238	6,804
Provision for diminution in value of investments (refer note 4.2 and 44)	467	-
Loss on account of modification of contractual cash flows	-	84
Provision for bank guarantee and others (refer note 13.2, 50 and 51)	900	17,676
Impairment expense (refer note 44 and 53)	841	392
Advance written off	-	452
Inter company balances written off (refer note 26)	40	-
Miscellaneous expenses	307	174
Total	**31,512**	40,482

***Payment to auditor (refer note 28):**		
Auditor's remuneration	1,519	-
Reimbursement of expenses	93	-
Total	**1,612**	-

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New Delhi

(All amount in INR lakhs, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023

24. Earnings per share

Basic EPS amounts are calculated by dividing the loss for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Loss after tax for calculation of basic EPS	(18,864)	(21,995)
Loss after tax for calculation of diluted EPS	(18,864)	(21,995)
Weighted average number of equity shares in calculating basic EPS	69,20,619	69,17,410
Total weighted average number of shares in calculating diluted EPS	69,20,619	69,17,410
Basic earning per share (In INR)	**(272.58)**	(317.97)
Diluted earning per share (In INR)	**(272.58)**	(317.97)

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(All amount in INR lakhs, unless otherwise stated)

25. Share-based payment

(i) Employee Stock Option Plans (ESOPs)
ESOPs are issued by Azure Power Global Limited (Holding Company) to the employees of the Company and some entities forming part of the Group. As per Ind AS 102, *Share-based Payment,* the Company adopts fair valuation model for calculating its expense under ESOP's. ESOP gives an employee a right to purchase equity shares of Azure Power Global Limited at exercise price.

Description of terms and conditions of grant

Method of valuation of grants
Ind AS 102 requires adoption of graded vesting mechanism. Accordingly the stock compensation expense is computed separately for each tranche. The fair value of the share options is estimated at the grant date using a Black Scholes Option Pricing Model taking into account the terms and conditions upon which the share options were granted.

No new grant have been made by the Company during the year ended March 31, 2024 and March 31, 2023.

The details of activity have been summarized below:

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of options	Weighted average exercise price (INR)	No. of options	Weighted average exercise price (INR)
Outstanding at the beginning of the year	**4,15,815**	**1,276**	5,58,829	1,314
Granted during the year	-	-	543	-
Forfeited during the year	(1,09,666)	1,624	(1,38,687)	1,455
Exercised during the year	(1,945)	-	(4,870)	112
Outstanding at the end of the year	**3,04,204**	**1,158**	4,15,815	1,276
Exercisable at the end of the year	2,41,678	1,122	2,81,960	1,183

Effect of the employee share-based payment plans on the profit and loss account and on its financial position:
Incremental fair value recognized as an expense over the remaining period of service condition. In case of already vested options, incremental fair value recognized immediately. Any decrease in fair value of options is not accounted for.
The Company recognises ESOP cost in the standalone statement of profit and loss, except the cost of services which is initially capitalized by the company as part of the cost of property, plant and equipment and corresponding increase in equity as a contribution from holding company.

	For the year ended March 31, 2024	For the year ended March 31, 2023
Amount recognised for equity-settled share-based payment transactions	(18)	130
Total (decrease)/increase in equity arising from equity-settled share-based payment transactions	**(18)**	130

(ii) Stock Appreciation Rights (SARs)

The Company granted incentive compensation in the form of Stock Appreciation Rights ("SARs"), as defined in the APGL 2016 Equity Incentive Plan, as amended in 2020, to its CEO and COO. The SARs have been granted in 3 tranches with maturity dates up to March 31, 2028.

The details of activity have been summarized below:

	As at March 31, 2024		As at March 31, 2023	
	No. of options	Weighted average exercise price (INR)	No. of options	Weighted average exercise price (INR)
Outstanding at the beginning of the year	**6,80,000**	**878**	18,75,000	810
Granted during the year	-	-	-	-
Forfeited/reversed during the year	-	-	(11,95,000)	771
Outstanding at the end of the year	**6,80,000**	**878**	6,80,000	878
Vested at the end of the year	6,80,000	878	6,80,000	878
Exercisable at the end of the year	6,80,000*	878	6,80,000*	878

Effect of the stock appreciation rights on the statement of profit and loss account and on its financial position:
The Company recognises SAR cost in the standalone statement of profit and loss with corresponding increase in liability for cash-settled shared-based payments.

	March 31, 2024	March 31, 2023
Expense arising from cash-settled share-based payment transactions	-	(6,463)
Total decrease in liability arising from cash settled share-based payment transactions	-	(6,463)

Fair value of SAR as on March 31, 2023 has been taken basis the expected settlement with Ex-CEO and Ex-COO.

* On April 26, 2022, the Company through its Board of Directors ("BOD") has accepted the resignations of erstwhile Mr . Ranjit Gupta (CEO) and Mr. Murali Subramanian (COO) of the Company. Both of the KMP's were relinquished from their roles with the Company/ Group with immediate effect. Considering the same, adjustment was made in financial year 2022-23.

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Azure Power India Private Limited New Delhi

(All amount in INR lakhs, unless otherwise stated)

26. Related party disclosures:
The list of related parties as identified by the management is as under

Related parties where control exists

Holding company:	Azure Power Global Limited
Key managerial personnel:	Mr. Brijesh Mehra (Nominee Director w.e.f. May 08, 2024) Ms. Delphine Voeltzel (Nominee Director w.e.f. May 11, 2022 till August 13, 2024) Mr. Unnikrishnan Mangalath Sukumarapanicker (Nominee Director w.e.f. August 19, 2020 till March 13, 2024) Ms. Supriya Prakash Sen (Director w.e.f. August 01, 2020) Mr. Philippe Pierre Wind (Nominee Director w.e.f. October 31, 2023) Mr. Jaime Garcia Nieto (Nominee Director w.e.f. December 01, 2023) Mr. Jean Francois Joseph Boisvenu (Director w.e.f. April 24, 2023) Mr. Richard Payette (Director w.e.f. July 01, 2023) Mr. Sunil Kumar Gupta (Managing Director and Chief Executive Officer (CEO) w.e.f. August 08, 2023) Mr. Sugata Sircar (Director and Group Chief Financial Officier (CFO) w.e.f. October 01, 2022) Mr. Julian Gratiaen (Nominee Director w.e.f. August 13, 2024) Mr. Richard Alan Rosling (Charirman of the Board of Directors from September 30, 2021 till October 11, 2023) Mr. Harsh Dinesh Shah (Chief Executive Officer and Director w.e.f. August 05, 2022 till August 29, 2022) Mr. Cyril Sabastien Dominique Cabanes (Director till October 30, 2023) Mr. Deepak Malhotra (Director w.e.f November 28, 2019 till October 29, 2023) Mr. Rupesh Agarwal (Director w.e.f August 29, 2022 till July 10, 2023) Ms. Christine Ann Mcnamara (Director w.e.f. March 01, 2022 till June 26, 2023) Mr. Ranjit Gupta (Chief Executive Officer and Director w.e.f. July 18, 2019 till April 26, 2022) Mr. Murali Subramanian (Chief Operating Officer w.e.f. July 18, 2019 till April 26, 2022) Mr. Pawan Kumar Agrawal (Chief Financial Officer w.e.f March 15, 2019 till December 31, 2023)
Subsidiary company:	Azure Power (Punjab) Private Limited Azure Power (Haryana) Private Limited Azure Solar Private Limited Azure Power (Rajasthan) Private Limited Azure Urja Private Limited Azure Surya Private Limited Azure Power (Karnataka) Private Limited Azure Photovoltaic Private Limited Azure Power Infrastructure Private Limited Azure Power (Raj.) Private Limited Azure Green Tech Private Limited Azure Clean Energy Private Limited Azure Sunrise Private Limited Azure Sunshine Private Limited Azure Power Earth Private Limited Azure Power Eris Private Limited Azure Power Jupiter Private Limited Azure Power Makemake Private Limited Azure Power Mars Private Limited Azure Power Mercury Private Limited Azure Power Pluto Private Limited Azure Power Uranus Private Limited Azure Power Venus Private Limited Azure Power Saturn Private Limited Azure Power Thirty Three Private Limited Azure Power Thirty Four Private Limited Azure Energy Transition Private Limited Azure Power Forty One Private Limited Azure Power Thirty Seven Private Limited Azure Power Thirty Eight Private Limited Azure Power Thirty Nine Private Limited Azure Power Forty Private Limited Azure Power Forty Three Private Limited Azure Power Forty Four Private Limited Azure Power Fifty One Private Limited Azure Power Fifty Two Private Limited Azure Power Fifty Three Private Limited Azure Power Fifty Four Private Limited Azure Power Fifty Six Private Limited Azure Power Fifty Seven Private Limited Azure Power Fifty Eight Private Limited Azure Power Fifty Nine Private Limited Azure Power Sixty Private Limited Azure Power Sixty One Private Limited Azure Power Sixty two Private Limited Kotuma Wind Parks Private Limited Two Wind Energy Private Limited Azure Power Maple Private Limited Azure Power Sixty Three Private Limited Azure Power Sixty Four Private Limited Azure Power US Inc Azure Power Thirty Six Private Limited Azure Power Sixty Five Private Limited Azure Power Sixty Six Private Limited Azure Green Hydrogen Private Limited
Fellow subsidiary company:	Azure Power Rooftop Private Limited Azure Power Rooftop (Genco) Private Limited Azure Power Rooftop One Private Limited Azure Power Rooftop Two Private Limited Azure Power Rooftop Three Private Limited Azure Power Energy Limited Azure Power Rooftop Four Private Limited Azure Power Rooftop Five Private Limited Azure Power Rooftop Six Private Limited Azure Power Rooftop Seven Private Limited Azure Power Rooftop Eight Private Limited Azure Power Solar Energy Private Limited

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(All amount in INR lakhs, unless otherwise stated)

Following transactions were carried out with related parties in the ordinary course of business for the year ended March 31, 2024:

1. Transactions during the year

a). Settlement of liabilities by the entity on behalf of	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Azure Power (Punjab) Private Limited	6	6
Azure Power (Haryana) Private Limited	0	10
Azure Solar Private Limited	-	0
Azure Power (Rajasthan) Private Limited	1	17
Azure Urja Private Limited	5	8
Azure Surya Private Limited	2	2
Azure Power (Karnataka) Private Limited	1	3
Azure Photovoltaic Private Limited	2	-
Azure Power Infrastructure Private Limited	-	40
Azure Power (Raj.) Private Limited	2	18
Azure Green Tech Private Limited	-	2
Azure Clean Energy Private Limited	3	8
Azure Sunrise Private Limited	2	1
Azure Sunshine Private Limited	1	-
Azure Power Earth Private Limited	5	7
Azure Power Eris Private Limited	2	3
Azure Power Jupiter Private Limited	8	12
Azure Power Makemake Private Limited	4	125
Azure Power Mars Private Limited	2	0
Azure Power Pluto Private Limited	20	36
Azure Power Uranus Private Limited	3	5
Azure Power Venus Private Limited	6	4
Azure Power Thirty Three Private Limited	3	-
Azure Power Thirty Four Private Limited	-	187
Azure Power Thirty Five Private Limited	-	0
Azure Power Thirty Six Private Limited	3	100
Azure Power Thirty Seven Private Limited	4	8
Azure Power Thirty Nine Private Limited	-	0
Azure Power Forty Private Limited	14	104
Azure Power Forty One Private Limited	14	5
Azure Power Forty Two Private Limited	-	0
Azure Power Forty Three Private Limited	15	784
Azure Power Rooftop Private Limited	0	61
Azure Power Rooftop (Genco) Private Limited	-	0
Azure Power Rooftop One Private Limited	-	0
Azure Power Rooftop Two Private Limited	-	0
Azure Power Rooftop Three Private Limited	-	0
Azure Power Rooftop Four Private Limited	-	0
Azure Power Rooftop Five Private Limited	-	0
Azure Power Rooftop Six Private Limited	-	0
Azure Power Rooftop Seven Private Limited	-	0
Azure Power Rooftop Eight Private Limited	0	0
Azure Power Maple Private Limited	9	641
Azure Power Fifty One Private Limited	-	362
Azure Power Fifty Two Private Limited	29	196
Azure Power Fifty Three Private Limited	-	448
Azure Power Fifty Four Private Limited	-	442
Azure Power Fifty Six Private Limited	-	54
Azure Power Fifty Seven Private Limited	-	0
Azure Power Fifty Eight Private Limited	-	59
Azure Power Fifty Nine Private Limited	1	435
Azure Power Sixty Private Limited	1	435
Azure Power Sixty One Private Limited	-	0
Azure Power Sixty two Private Limited	-	289
Kotuma Wind Parks Private Limited	11	160
Two Wind Energy Private Limited	-	400
Azure Power Energy Limited	-	8
Azure Power Sixty Four Private Limited	-	0
Azure Power Sixty Five Private Limited	-	0
Azure Green Hydrogen Private Limited	-	1
Azure Power Sixty Three Private Limited	-	3
Azure Energy Transition Private Limited	4	35

ASA & Associates LLP Chartered Accountants

Azure Power India Private Limited New Delhi

(All amount in INR lakhs, unless otherwise stated)

b) Settlement of liabilities on behalf of the entity	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Azure Green Tech Private Limited	3	-
Azure Power Infrastructure Private Limited	4	-
Azure Power Venus Private Limited	1	-
Azure Power Forty Three Private limited	61	-
Azure Power Forty One Private Limited	38	-
Azure Solar Private Limited	3	-
Azure Photovoltaic Private Limited	-	16
Azure Power Thirty Four Private Limited	11	-
Azure Power Thirty Three Private Limited	-	8
Azure Power Global Limited	-	4,726
c) Management services rendered (excluding GST)		
Azure Power Maple Private Limited	508	297
Azure Power Forty Three Private Limited	1,549	1,791
Azure Power Forty One Private Limited	470	307
Azure Power Pluto Private Limited	235	217
Azure Power Forty Private Limited	224	270
Azure Power Thirty Seven Private Limited	157	154
Azure Power Thirty Three Private Limited	409	399
Azure Power Infrastructure Private Limited	78	72
Azure Sunrise Private Limited	78	72
Azure Power Jupiter Private Limited	137	179
Azure Power Thirty Four Private Limited	205	186
Azure Photovoltaic Private Limited	62	58
Azure Power (Raj.) Private Limited	62	58
Azure Green Tech Private Limited	62	58
Azure Clean Energy Private Limited	62	58
Azure Urja Private Limited	53	50
Azure Power Earth Private Limited	165	144
Azure Sunshine Private Limited	31	29
Azure Power Thirty Six Private Limited	82	77
Azure Power Venus Private Limited	63	61
Azure Power (Karnataka) Private Limited	16	15
Azure Power (Haryana) Private Limited	16	15
Azure Surya Private Limited	16	15
Azure Power Eris Private Limited	16	14
Azure Power Makemake Private Limited	44	40
Azure Power Mars Private Limited	8	7
Azure Power (Punjab) Private Limited	3	3
Azure Power Uranus Private Limited	11	10
Azure Power (Rajasthan) Private Limited	8	0
Azure Solar Private Limited	55	2
Azure Power Fifty One Private Limited	-	636
Azure Power Fifty Two Private Limited	-	3,163
Azure Power Fifty Three Private Limited	-	7
Azure Power Fifty Four Private Limited	-	7
Kotuma Wind Parks Private Limited	-	3
Azure Power Rooftop Three Private Limited	-	0

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Azure Power India Private Limited New Delhi

(All amount in INR lakhs, unless otherwise stated)

d) Interest income*	For the year ended March 31, 2024	For the year ended March 31, 2023
Azure Power Forty Three Private Limited	1,449	1,971
Azure Power Thirty Three Private Limited	2,255	2,254
Azure Power Forty One Private Limited	1,153	1,307
Azure Power Earth Private Limited	906	905
Azure Power Maple Private Limited	3,988	3,400
Azure Power Thirty Four Private Limited	383	382
Azure Power Jupiter Private Limited	286	286
Azure Power (Rajasthan) Private Limited	96	95
Azure Power Thirty Six Private Limited	100	100
Azure Power Rooftop Four Private Limited	4	-
Azure Power Rooftop Eight Private Limited	1	-
Azure Power (Karnataka) Private Limited	24	24
Azure Power Fifty One Private Limited	111	46
Azure Power Fifty Two Private Limited	511	87
Azure Power Fifty Three Private Limited	6	45
Azure Power Fifty Four Private Limited	4	45
Azure Power Fifty Six Private Limited	10	23
Azure Power Fifty Seven Private Limited	12	12
Azure Power Fifty Eight Private Limited	220	179
Azure Power Fifty Nine Private Limited	4	45
Azure Power Sixty Private Limited	4	45
Azure Power Thirty Nine Private Limited	4	4
Azure Power Makemake Private Limited	2	2
Azure Sunrise Private Limited	114	21
Azure Power Infrastructure Private Limited	-	41
Azure Power (Raj.) Private Limited	-	14
Azure Power Rooftop (Genco) Private Limited	106	55
Azure Power Rooftop One Private Limited	76	38
Azure Power Rooftop Three Private Limited	7	7
Azure Power Rooftop Five Private Limited	26	15
Azure Power Forty Private Limited	274	780
Azure Power Sixty One Private Limited	2	6
Azure Power Sixty Two Private Limited	3	6
Azure Green Hydrogen Private Limited	2	6
Azure Power Sixty Three Private Limited	127	95
Azure Power Sixty Four Private Limited	2	6
Azure Power Sixty Five Private Limited	2	6
Kotuma Wind Parks Private Limited	61	20
Two Wind Energy Private Limited	132	31
Azure Energy Transition Private Limited	14	10

* Includes interest income from trade receivables from related parties.

e) Interest Expense		
Azure Power Pluto Private Limited	761	758
Azure Power (Haryana) Private Limited	755	753
Azure Clean Energy Private Limited	380	379
Azure Urja Private Limited	633	631
Azure Power Infrastructure Private Limited	267	-
Azure Green Tech Private Limited	1,039	1,035
Azure Sunshine Private Limited	629	627
Azure Surya Private Limited	93	93
Azure Power Mars Private Limited	47	47
Azure Power (Karnataka) Private Limited	19	19
Azure Power Thirty Four Private Limited	1,166	852
Azure Power (Punjab) Private Limited	137	-
Azure Photovoltaic Private Limited	26	-
Azure Power Makemake Private Limited	322	322
Azure Power Thirty Six Private Limited	280	269
Azure Power Thirty Seven Private Limited	831	829
Azure Solar Private Limited	145	144
Azure Power Earth Private Limited	170	89
Azure Power Venus Private Limited	110	58
Azure Power Thirty Three Private Limited	130	68

ASA & Associates LLP Chartered Accountants

Azure Power India Private Limited New Delhi

Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2024
(All amount in INR lakhs, unless otherwise stated)

f) Sale of goods and services	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Azure Power Earth Private Limited	-	2
Azure Power Eris Private Limited	-	17
Azure Power Thirty Three Private Limited	-	5
Azure Power Thirty Seven Private Limited	-	8
Azure Power Fifty One Private Limited	-	44
g) Purchase of goods and services		
Azure Power Forty Three Private Limited	-	145
Azure Power Maple Private Limited	-	29
Azure Power Thirty Six Private Limited	-	165
Azure Power Forty Private Limited	-	50
Azure Power Forty One Private Limited	-	16
h) Key managerial personnel remuneration		
Mr. Ranjit Gupta		
- Short term employee benefits	-	473
Mr. Murali Subramanian		
- Short term employee benefits	-	522
Mr. Pawan Kumar Agrawal		
- Short term employee benefits	574	433
Mr. Harsh Dinesh Shah		
- Short term employee benefits	-	458
Mr. Rupesh Agarwal		
- Short term employee benefits	372	367
Mr. Sugata Sircar		
- Short term employee benefits	302	-
Mr. Sunil Kumar Gupta		
- Short term employee benefits	319	-
i) Loan provided to subsidiary/fellow subsidiary		
Azure Power Rooftop Four Private Limited	50	-
Azure Power Rooftop Eight Private Limited	50	-
Azure Power Maple Private Limited	5,200	10,790
Azure Power Fifty One Private Limited	-	1,400
Azure Power Fifty Two Private Limited	5,150	3,000
Azure Power Fifty Three Private Limited	20	210
Azure Power Fifty Four Private Limited	-	210
Azure Power Fifty Six Private Limited	-	500
Azure Power Fifty Eight Private Limited	-	2,900
Azure Power Fifty Nine Private Limited	-	210
Azure Power Sixty Private Limited	-	210
Azure Sunrise Private Limited	-	1,350
Azure Power Rooftop (Genco) Private Limited	779	512
Azure Power Rooftop One Private Limited	450	205
Azure Power Rooftop Five Private Limited	167	117
Azure Power Sixty One Private Limited	-	200
Azure Power Sixty Two Private Limited	-	210
Kotuma Wind Parks Private Limited	400	400
Two Wind Energy Private Limited	1,100	600
Azure Green Hydrogen Private Limited	-	200
Azure Power Sixty Three Private Limited	-	2,050
Azure Energy Transition Private Limited	-	200
Azure Power Sixty Four Private Limited	-	200
Azure Power Sixty Five Private Limited	-	200

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ASA & Associates LLP Chartered Accountants

Azure Power India Private Limited New Delhi

(All amount in INR lakhs, unless otherwise stated)

j) Loan repaid by subsidiary/ fellow subsidiary	For the year ended March 31, 2024	For the year ended March 31, 2023
Azure Power Forty One Private Limited	-	1,864
Azure Power (Karnataka) Private Limited	100	-
Azure Power Thirty Nine Private limited	34	-
Azure Power Forty Three Private Limited	2,855	23,653
Azure Power Infrastructure Private Limited	-	1,200
Azure Power (Raj.) Private Limited	-	300
Azure Sunrise Private Limited	-	500
Azure Power Forty Private limited	-	33,000
Azure Power Fifty Three Private Limited	-	950
Azure Power Fifty Four Private Limited	-	950
Azure Power Fifty Six Private Limited	-	450
Azure Power Fifty Eight Private Limited	-	325
Azure Power Fifty Nine Private Limited	-	950
Azure Power Sixty Private Limited	-	950
Azure Power Sixty One Private Limited	-	175
Azure Power Sixty Two Private Limited	-	175
Azure Green Hydrogen Private Limited	-	175
Azure Power Sixty Three Private Limited	1,825	125
Azure Power Sixty Four Private Limited	-	175
Azure Power Sixty Five Private Limited	-	175
k) Borrowings taken/transferred from subsidiary		
Azure Power (Punjab) Private Limited	2,523	-
Azure Photovoltaic Private Limited	497	-
Azure Power Infrastructure Private Limited	4,154	-
Azure Power (Haryana) Private Limited	150	-
Azure Power Thirty Four Private Limited	-	6,500
Azure Power Thirty Six Private Limited	-	200
Azure Urja Private Limited	500	-
Azure Power Earth Private Limited	-	1,700
Azure Power Venus Private Limited	-	1,100
Azure Power Thirty Three Private Limited	-	1,300
l) Investment in subsidiaries		
Azure Power Sixty Three Private Limited	-	1
Azure Energy Transition Private Limited	-	1
Azure Power Sixty Four Private Limited	-	1
Azure Power Sixty Five Private Limited	-	1
Azure Power Sixty Six Private Limited	-	1
Azure Green Hydrogen Private Limited	-	1
Azure Power Fifty One Private Limited	-	1,000
m) Corporate guarantees given		
Azure Power Forty Three Private Limited	-	11,726
Azure Power Forty Private Limited	-	2,320
Azure Power Rooftop (GenCo.) Private Limited	-	362
Azure Power Rooftop One Private Limited	-	719
Azure Power Rooftop Three Private Limited	-	97
Azure Power Rooftop Five Private Limited	-	56
Azure Power Maple Private Limited	-	32,650
Azure Power Forty One Private Limited	-	1,28,632
Azure Power Jupiter Private Limited	-	20,124
n) Corporate guarantees released		
Azure Power Jupiter Private Limited	1,222	-
Azure Power Rooftop (GenCo.) Private Limited	2,198	-
Azure Power Maple Private Limited	6,663	-
Azure Power Forty One Private Limited	5,000	-
Azure Power Forty Three Private Limited	5,962	-
Azure Power Rooftop Five Private Limited	1,445	-
Azure Power Forty Private Limited	1,920	-
Azure Power Thirty Eight Private limited	356	1,266
Azure Sun Energy Private Limited	-	1,437

ASA & Associates LLP
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AZURE POWER INDIA PRIVATE LIMITED
New Delhi

(All amount in INR lakhs, unless otherwise stated)

2. Balances outstanding at the end of the year

a) Trade Receivables ^	As at March 31, 2024	As at March 31, 2023
Azure Solar Private Limited	73	17
Azure Power (Rajasthan) Private Limited	29	21
Azure Urja Private Limited	33	30
Azure Surya Private Limited	9	-
Azure Power (Karnataka) Private Limited	9	19
Azure Photovoltaic Private Limited	45	1
Azure Power Infrastructure Private Limited	38	45
Azure Power (Raj.) Private Limited	49	-
Azure Green Tech Private Limited	34	17
Azure Sunrise Private Limited	42	-
Azure Sunshine Private Limited	19	19
Azure Power Earth Private Limited	9,441	9,295
Azure Power Jupiter Private Limited	1,736	1,595
Azure Power Makemake Private Limited	167	132
Azure Power Pluto Private Limited	137	240
Azure Power Uranus Private Limited	63	54
Azure Power Venus Private Limited	364	311
Azure Power Thirty Three Private Limited	24,308	24,283
Azure Power Thirty Four Private Limited	698	474
Azure Power Thirty Six Private Limited	1,228	1,159
Azure Power Thirty Seven Private Limited	74	136
Azure Power Forty Private Limited	924	695
Azure Power Forty One Private Limited	1,021	536
Azure Power Forty Three Private Limited	5,966	4,420
Azure Power Rooftop Three Private Limited	11	11
Azure Power Maple Private Limited	1,955	1,409
Azure Power Fifty One Private Limited	1,100	1,100
Azure Power Fifty Two Private Limited	4,447	4,447
Azure Power Fifty Seven Private Limited	43	43
Kotuma Wind Parks Private Limited	1,523	1,523
Two Wind Energy Private Limited	4,561	4,561
Azure Power (Punjab) Private Limited	3	1
Azure Power (Haryana) Private Limited	17	3
Azure Clean Energy Private Limited	40	43
Azure Power Eris Private Limited	11	5
Azure Power Mars Private Limited	10	3
Azure Power Mercury Private Limited	-	0
Azure Power Saturn Private Limited	-	0
Azure Power Thirty Eight Private limited	-	0
Azure Power Forty four Private limited	-	0
Azure Power Sixty Two Private Limited	29	29
Azure Power Energy Limited	-	1

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ASA & Associates LLP Chartered Accountants

Azure Power India Private Limited New Delhi

(All amount in INR lakhs, unless otherwise stated)

b) Contractually reimbursable from holding company/ subsidiaries/ fellow subsidiaries^	**As at March 31, 2024**	As at March 31, 2023
Azure Power Global Limited	37	-
Azure Power Energy Limited	17	16
Azure Power Solar Energy Private Limited	2	-
Azure Power (Punjab) Private Limited	1	6
Azure Power (Haryana) Private Limited	0	12
Azure Power (Rajasthan) Private Limited	29	27
Azure Photovoltaic Private Limited	-	483
Azure Power (Raj.) Private Limited	-	648
Azure Green Tech Private Limited	-	5
Azure Sunrise Private Limited	-	618
Azure Power Earth Private Limited	5	7
Azure Power Eris Private Limited	-	1
Azure Power Jupiter Private Limited	213	205
Azure Power Makemake Private Limited	126	122
Azure Power Mars Private Limited	2	-
Azure Power Uranus Private Limited	60	57
Azure Power Venus Private Limited	132	127
Azure Power Thirty Four Private limited	121	181
Azure Power Thirty Nine Private Limited	0	0
Azure Power Forty One Private Limited	-	13
Azure Power Forty Private limited	-	3
Azure Power Forty Three Private limited	-	20
Azure Power Forty Four Private Limited	0	0
Azure Power Rooftop Private Limited	53	53
Azure Power Rooftop One Private Limited	37	37
Azure Power Rooftop Two Private Limited	2	2
Azure Power Rooftop Three Private Limited	0	0
Azure Power Rooftop Four Private Limited	6	6
Azure Power Rooftop Five Private Limited	6	6
Azure Power Rooftop Eight Private Limited	87	87
Azure Power Maple Private Limited	9,723	9,714
Azure Power Fifty One Private Limited	824	824
Azure Power Fifty Two Private Limited	643	614
Azure Power Sixty One Private Limited	472	472
Azure Power Fifty Nine Private Limited	992	991
Kotuma Wind Parks Private Limited	348	337
Two Wind Energy Private Limited	542	542
Azure Power US Inc	6	6
Azure Surya Private Limited	-	172
Azure Power (Karnataka) Private Limited	0	44
Azure Power Rooftop Six Private Limited	0	0
Azure Power Rooftop Seven Private Limited	0	0
Azure Power Fifty Seven Private Limited	0	0
Azure Power Fifty Eight Private Limited	59	59
Azure Power Fifty Four Private Limited	968	968
Azure Power Fifty Six Private Limited	54	54
Azure Power Fifty Three Private Limited	1,012	1,012
Azure Power Sixty Private Limited	962	961
Azure Power Sixty Two Private Limited	761	761
Azure Green Hydrogen Private Limited	-	1
Azure Power Sixty Three Private Limited	-	1
Azure Energy Transition Private Limited	40	35
Azure Power Sixty Four Private Limited	-	0
Azure Power Sixty Five Private Limited	-	0
c) Advance taken outstanding		
Azure Surya Private Limited	-	139
Azure Power (Karnataka) Private Limited	-	55
Azure Power Uranus Private Limited	29	29
Azure Power Venus Private Limited	286	286
Azure Power Forty Private Limited	34	34

ASA & Associates LLP Chartered Accountants

Azure Power India Private Limited New Delhi

(All amount in INR lakhs, unless otherwise stated)

d) Payable	**As at March 31, 2024**	As at March 31, 2023
Azure Power Global Limited	325	325
Azure Solar Private Limited	22	19
Azure Urja Private Limited	-	7
Azure Surya Private Limited	-	27
Azure Photovoltaic Private Limited	-	484
Azure Power (Raj.) Private Limited	-	610
Azure Sunrise Private Limited	-	586
Azure Power Mercury Private Limited	-	930
Azure Power Pluto Private Limited	-	165
Azure Power Thirty Three Private Limited	675	669
Azure Power Thirty Six Private Limited	157	160
Azure Power Thirty Eight Private Limited	0	0
Azure Power Forty Private Limited	37	52
Azure Power Forty Three Private Limited	817	676
Azure Power Rooftop (GenCo.) Private Limited	-	261
Azure Power Infrastructure Private Limited	-	15
Azure Clean Energy Private Limited	-	15
Azure Sunshine Private Limited	-	6
Azure Power Thirty Seven Private limited	1	73
Azure Power Forty One Private limited	206	181
Azure Power Solar Energy Private Limited	-	92

e) Interest accrued on loans and advances*^		
Azure Power Forty Three Private Limited	8,147	7,789
Azure Power Forty One Private Limited	5,742	4,705
Azure Power Jupiter Private Limited	1,072	814
Azure Power Maple Private Limited	9,500	5,910
Azure Power Thirty Three Private Limited	8,193	6,167
Azure Power (Rajasthan) Private Limited	393	307
Azure Power (Karnataka) Private Limited	-	27
Azure Power (Raj.) Private Limited	1	1
Azure Sunrise Private Limited	-	47
Azure Power Forty Private Limited	1,307	1,060
Azure Power Earth Private Limited	3,345	2,530
Azure Power Makemake Private Limited	12	5
Azure Power Rooftop Private Limited	15	15
Azure Power Thirty Nine Private Limited	10	10
Azure Power Infrastructure Private Limited	2	2
Azure Power Thirty Four Private Limited	1,744	1,400
Azure Power Thirty Six Private Limited	369	279
Azure Power Rooftop (Genco) Private Limited	156	60
Azure Power Rooftop One Private Limited	116	48
Azure Power Rooftop Three Private Limited	15	9
Azure Power Rooftop Four Private Limited	4	-
Azure Power Rooftop Five Private Limited	42	18
Azure Power Rooftop Eight Private Limited	1	-
Azure Power Fifty One Private Limited	168	68
Azure Power Fifty Two Private Limited	552	91
Azure Power Fifty Three Private Limited	10	4
Azure Power Fifty Four Private Limited	8	4
Azure Power Fifty Six Private Limited	13	4
Azure Power Fifty Seven Private Limited	26	15
Azure Power Fifty Eight Private Limited	368	170
Azure Power Fifty Nine Private Limited	8	4
Azure Power Sixty Private Limited	8	4
Azure Power Sixty One Private Limited	2	0
Azure Power Sixty Two Private Limited	3	1
Kotuma Wind Parks Private Limited	73	18
Two Wind Energy Private Limited	147	27
Azure Green Hydrogen Private Limited	2	0
Azure Power Sixty Three Private Limited	0	38
Azure Energy Transition Private Limited	22	9
Azure Power Sixty Four Private Limited	0	0
Azure Power Sixty Five Private Limited	0	0

*Includes interest accrued on trade receivables from related parties.

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Azure Power India Private Limited New Delhi

(All amount in INR lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
f) Interest due on borrowings		
Azure Power (Haryana) Private Limited	1,769	1,088
Azure Solar Private Limited	323	192
Azure Power Pluto Private Limited	2,110	1,426
Azure Clean Energy Private Limited	1,054	711
Azure Urja Private Limited	1,480	910
Azure Power Thirty Four Private Limited	1,049	-
Azure Power Thirty Seven Private Limited	2,036	1,288
Azure Power Makemake Private Limited	314	23
Azure Sunshine Private Limited	1,476	910
Azure Power Venus Private Limited	99	
Azure Power Mars Private Limited	120	78
Azure Power Infrastructure Private Limited	241	-
Azure Surya Private Limited	259	175
Azure Power (Punjab) Private Limited	123	-
Azure Power Thirty Six Private Limited	252	-
Azure Power Rooftop (Genco) Private Limited	-	0
Azure Power Earth Private Limited	153	-
Azure Photovoltaic Private Limited	23	-
Azure Power Thirty Three Private Limited	117	-
Azure Power (Karnataka) Private Limited	36	19
Azure Green Tech Private Limited	2,417	1,484
g) Loan to subsidiary/fellow subsidiary^		
Azure Power (Rajasthan) Private Limited	900	900
Azure Power (Karnataka) Private Limited	250	350
Azure Sunrise Private Limited	1,350	1,350
Azure Power Earth Private Limited	136	136
Azure Power Jupiter Private Limited	2,765	2,766
Azure Power Mercury Private Limited	-	40
Azure Power Thirty Three Private Limited	344	344
Azure Power Thirty Four Private Limited	3,470	3,470
Azure Power Thirty Nine Private Limited	-	34
Azure Power Forty Private Limited	3,930	3,930
Azure Power Forty One Private Limited	11,766	11,765
Azure Power Forty Three Private Limited	12,003	14,856
Azure Power Rooftop (Genco) Private Limited	1,516	737
Azure Power Rooftop One Private Limited	907	457
Azure Power Rooftop Three Private Limited	67	67
Azure Power Rooftop Four Private Limited	50	-
Azure Power Rooftop Five Private Limited	362	195
Azure Power Rooftop Eight Private Limited	50	-
Azure Power Maple Private Limited	52,280	47,080
Azure Power Fifty Three Private Limited	80	60
Azure Power Fifty Four Private Limited	60	60
Azure Power Fifty Six Private Limited	150	150
Azure Power Fifty Seven Private Limited	160	160
Azure Power Fifty Eight Private Limited	3,075	3,075
Azure Power Fifty Nine Private Limited	60	60
Azure Power Sixty Private Limited	60	60
Azure Power Fifty Two Private Limited	8,150	3,000
Azure Power Sixty One Private Limited	25	25
Azure Power Sixty Two Private Limited	35	35
Kotuma Wind Parks Private Limited	800	400
Two Wind Energy Private Limited	1,700	600
Azure Green Hydrogen Private Limited	25	25
Azure Power Sixty Three Private Limited	100	1,925
Azure Energy Transition Private Limited	200	200
Azure Power Sixty Four Private Limited	25	25
Azure Power Sixty Five Private Limited	25	25
Azure Power Fifty One Private Limited	1,400	1,400

ASA & Associates LLP Chartered Accountants

Azure Power India Private Limited New Delhi

h) Borrowings taken	As at March 31, 2024	As at March 31, 2023
Azure Power (Punjab) Private Limited	2,523	-
Azure Power (Haryana) Private Limited	9,337	9,187
Azure Solar Private Limited	2,091	2,091
Azure Urja Private Limited	8,200	7,700
Azure Surya Private Limited	878	878
Azure Power (Karnataka) Private Limited*	234	234
Azure Photovoltaic Private Limited	497	-
Azure Power Infrastructure Private Limited	4,154	-
Azure Green Tech Private Limited*	12,619	12,619
Azure Clean Energy Private Limited	3,571	3,571
Azure Sunshine Private Limited	7,650	7,650
Azure Power Mars Private Limited	444	444
Azure Power Pluto Private Limited	7,153	7,153
Azure Power Thirty Seven Private Limited	9,523	9,523
Azure Power Makemake Private Limited*	3,104	3,104
Azure Power Thirty Four Private Limited	11,450	11,450
Azure Power Thirty Six Private Limited	2,700	2,700
Azure Power Rooftop (GenCo.) Private Limited	-	0
Azure Power Rooftop One Private Limited	-	0
Azure Power Earth Private Limited	1,700	1,700
Azure Power Venus Private Limited	1,100	1,100
Azure Power Thirty Three Private Limited	1,300	1,300
i) Outstanding Corporate guarantees		
Azure Power Thirty Eight Private Limited	2,876	3,232
Azure Power Forty Private Limited	36,400	38,320
Azure Power Forty Three Private Limited	2,16,664	2,22,626
Azure Power Rooftop (Genco) Private Limited	4,682	6,933
Azure Power Rooftop One Private Limited	11,463	11,385
Azure Power Rooftop Three Private Limited	2,632	2,614
Azure Power Rooftop Five Private Limited	-	1,501
Azure Power Maple Private Limited	1,25,887	1,32,550
Azure Power Jupiter Private Limited	18,903	20,124
Azure Power Forty One Private Limited	1,25,001	1,28,632

Terms and conditions of transactions with related parties

- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

- Loans from/to related parties carry an interest rate of 6.95% - 10.60% p.a. and are repayable/ receivable in accordance with the terms of the respective agreement.

- The Company has given corporate guarantee to the banks and financial institutions in respect of loan taken by the subsidiaries/ fellow subsidiaries. (refer note 30)

*'During the earlier year, the Company entered in to a contract ("Rooftop Sale Agreement") with Radiance Renewables Private Limited ("Radiance") to sell certain subsidiaries (the "Rooftop Subsidiaries") at agreed consideration. During earlier years, the Azure Power (Karnataka) Private Limited, Azure Green Tech Private Limited and Azure Power Makemake Private Limited (the subsidiary companies) had given certain loans to Azure Renewable Energy Private Limited (the rooftop Subsidiary under sale), out of which INR 234 lakhs , INR 566 lakhs and INR 234 lakhs respectively were outstanding as of the date of sale of the subsidiary. Basis the consideration agreed with the Radiance in relation to sale of Azure Renewable Energy Private Limited, the Company have agreed to repay the above-mentioned loan amount. The same balance is outstanding in books as of March 31, 2024.

^ During the year the Company has recognised a loss allowance of INR 12,007 lakhs (March 31, 2023: 12,192 lakhs) on receivables (trade receivables of INR 5,770 lakhs and 5,388 lakhs, contractually reimbursable from subsidiaries of INR 507 Lakhs and 4,255 Lakhs, loans of INR 4,730 Lakhs and 2,532 and interest accrued of INR 1,000 Lakhs and 18 lakhs thereon for March 31, 2024 and March 31, 2023 respectively) from related parties.

- On April 26, 2022, the Company through its Board of Directors ("BOD") has accepted the resignations of erstwhile Mr. Ranjit Gupta (CEO) and Mr. Murali Subramanian (COO) of the Company. Both of the KMP's were relinquished from their roles with the Company/ Group with immediate effect.

ASA & Associates LLP Chartered Accountants

Azure Power India Private Limited New Delhi

27. Segment information

The Company's activities mainly involve sale of electricity. Considering the nature of Company's business and operations, there are no separate reportable operating segments in accordance with the requirements of Indian Accounting Standard 108, 'Operating Segments' referred in to Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and hence, there are no additional disclosures to be provided other than those already provided in the financial statements. The Company's principal operations, revenue and decision-making functions are located in India and there are no revenue and non-current assets outside India.

Information about revenue from major customers who contributed 10% or more relating to revenue from sale of power:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of Power:		
Solar Energy Corporation of India	10,407	10,923
NTPC Vidyut Vyapar Nigam Limited	9,516	9,509
Chhattisgarh State Power Distribution Company Limited	2,923	2,946

28. Payment to auditor includes audit fees of INR 437 lakhs and INR 847 lakhs for Financial Year 2022-23 and 2021-22 respectively. The audit fees was not recognised during aforesaid years, since the auditors were appointed during the current financial year and this was considered as non-adjusting event in earlier years.

29. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Micro and Small Enterprises have been identified by management from the available information. On the basis of the information and records available with the management, following are outstanding dues to the Micro and Small Enterprises:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year*	528	305
Principal amount due to micro and small enterprises*	282	62
Interest due on above	246	243
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	246	243
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

* Includes payable of INR Nil (March 31, 2023: INR 12 lakhs) relating to purchase of capital assets.

30. Financial guarantees

The Company has issued financial guarantees to banks on behalf of and in respect of loan facilities availed by its group Companies. In accordance with the policy of the Company (refer note 2.2 (j)). The Company has designated such guarantees as "Insurance Contracts". The Company has classified financial guarantees as Contingent Liabilities. Accordingly, there are no assets and liabilities recognized in the balance sheet under these contracts. Refer below for details:-

Company Name	As at March 31, 2024	As at March 31, 2023
Azure Power Thirty Eight Private Limited	2,876	3,232
Azure Power Forty Private Limited	36,400	38,320
Azure Power Rooftop (Genco) Private Limited	4,682	6,933
Azure Power Rooftop One Private Limited	11,463	11,385
Azure Power Rooftop Three Private Limited	2,632	2,614
Azure Power Rooftop Five Private Limited	-	1,501
Azure Power Forty Three Private Limited	2,16,664	2,22,626
Azure Power Maple Private Limited	1,25,887	1,32,550
Azure Power Jupiter Private Limited	18,903	20,124
Azure Power Forty One Private Limited	1,25,001	1,28,632
Total	**5,44,508**	5,67,917

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(All amount in INR lakhs, unless otherwise stated)

31. Leases

Company as lessee:
The Company leases land for construction of solar power plants and building space to be used as corporate office. These leases typically run for 9 to 27 years which is further extendable on mutual agreement by both lessor and lessee. Accordingly, the Company has taken lease period of 35 years considering reasonable certainity and expectation of extension of the lease period.

Information about the leases for which the Company is a lessee is presented below:

i) Right-of-use assets

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	4,802	4,031
Additions during the year	1,718	1,307
Deletion during the year	(1,112)	-
Adjustment due to change in estimates	77	(244)
Amortisation for the year	(437)	(292)
Closing balance	**5,048**	4,802

ii) Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movement during the year:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	3,592	3,406
Adjustment due to change in estimates	-	372
Additions during the year	1,625	-
Deletion during the year	(1,351)	-
Accretion of interest	448	377
Payments	(428)	(563)
Closing balance	**3,886**	3,592

Particulars	As at March 31, 2024	As at March 31, 2023
Current	566	392
Non-current	3,320	3,200
Total	**3,886**	3,592

Below are the amounts recognised by the Company in the standalone statement of profit and loss:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on lease liabilities	448	377
Amortisation on right of use of assets	437	292
Expenses relating to short-term leases	50	-
Gain on lease modification	313	-
Total	**1,248**	669

Below are the amount recognised by the Company in the standalone statement of cash flows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Total cash outflow for leases	428	563

The maturity analysis of leases is disclosed in note 38. The weighted average incremental borrowing rate applied to lease liabilities is 10%. The Company has applied single discount rate to a portfolio of leases of similar assets in similar economic environment with similar end date.

Extension options:
Lease contain extension options exercisable by the Company before the end of the non-cancellable contract period. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only on mutual agreement. The Company assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Company reassess whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

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32. Commitments and contingencies

a) Commitments

(i) The Company has commitments of INR 1,74,172 lakhs (net of advances) (March 31, 2023: INR 2,84,913 lakhs) for purchases of capital assets.

(ii) The Company has entered into below Power Purchase Agreement (PPA) to supply power :

Name of Authority	Capacity (in MWs)	PPA Date	Tariff (INR/Kwh)	Duration of PPA in Years
Solar Energy Corporation of India Limited	200	April 27, 2018	2.48	25
NTPC Vidyut Vyapar Nigam Limited	100	April 19, 2016	5.12	25
Solar Energy Corporation of India Limited	3	October 14, 2015	5.43	25
Bangalore Electricity Supply Company Limited	10	September 27, 2014	6.66	25
Chhattisgarh State Power Distribution Company Limited	10	September 15, 2014	6.46	25
Chhattisgarh State Power Distribution Company Limited	10	September 01, 2015	6.45	25
Chhattisgarh State Power Distribution Company Limited	10	August 01, 2014	6.44	25

b) Contingent liabilities:

	March 31, 2024	March 31, 2023
(i) Guarantees, letter of credit and counter guarantees given by the Company	5,61,034	5,92,005

(ii) The Company had two outstanding disputes with its erstwhile Chief Executive Officer, Mr. Inderpreet Singh Wadhwa (IW). During the previous year, the Company has received an unfavourable Award from the Mumbai Centre for International Arbitration in relation to Mr. Wadhwa's transition from the Company, and subsequently made payments as required in the Award, without prejudice to its rights.
In respect of second matter, during the previous year the Company received a favourable Award from Singapore International Arbitration Centre in relation to the purchase price of shares, held by Mr. Inderpreet Singh Wadhwa (IW) and Mr. H. S. Wadhwa (HSW) (erstwhile Chief Operating Officer), in Azure Power India Private Limited. Subsequently, IW and HSW filed an appeal challenging the SIAC award on May 05, 2022, before the Singapore High Court. However, vide order dated June 29, 2022, the appeal filed by IW and HSW has been dismissed. Consequently, the Award in our favour has been upheld. We have filed a petition before the High Court of Delhi seeking enforcement of the Award. There is no adverse order passed against Azure by the Hon'ble High Court till date. This matter is next listed for hearing on October 01, 2024.

(iii) A Public interest litigation had been initiated by certain individuals claiming to be wildlife experts/interested in conservation of wildlife, before the Supreme Court of India against various state governments such as Rajasthan, Gujarat, and MNRE, MoP among others, seeking protection of the two endangered bird species, namely the Great Indian Bustard (GIB) and the Lesser Florican found in the states of Rajasthan and Gujarat. The Supreme Court by way of order dated April 19, 2021 issued directions to: (i) underground all low voltage transmission lines, existing and future lines falling in potential and priority habitats of GIB, (ii) to convert all existing high voltage lines in priority and potential areas of GIB where found feasible within a period of one year, if not found feasible, the matter to be referred to the committee formed by the Supreme Court which will take a decision on feasibility, and (iii) to install bird diverters on all existing overhead lines in the interim. We and many other developers have projects in the potential area as determined by the court, hence aggrieved by the order, the Solar Power Developers Association ("SPDA") and Union of India have filed an application before the Supreme Court seeking among others, exemption from undergrounding of transmission lines in potential areas. The matter was last listed on November 30, 2022, whereby directions were passed to parties to ensure installation of bird diverters in the Priority Area and for them to be in compliance with quality standards issued by the Supreme Court Committee. As per the directions of Supreme Court, for its solar power plants, the Company installed bird divertors in the habitats of Great Indian Bustard during financial year 2022-23. The PIL is presently pending. The SPDA has filed an application seeking modification of Supreme Court's order dated April 19, 2021. Further, the Supreme Court vide its order dated March 21, 2024 modified its earlier order dated April 19, 2021 directing the Central Government to constitute an expert committee to examine the issue of installing overhead and underground powerlines in the priority areas marked for the conservation of the Great Indian Bustard. The expert committee on the GIB issue will, inter-alia, look into (i) the scope and feasibility of laying down underground and overhead transmission lines, (ii) measures for the conservation of GIB, and (iii) identifying suitable alternatives for laying down power lines in the future. Next date to submit the Update by Expert Committee is August 31, 2024. Citing practical difficulties in laying down underground transmission lines, the Supreme Court has also restricted the requirement of laying down underground transmission lines only to the priority area (covering roughly 13,163 sq km). If the modification application is dismissed, we might entail significant costs and delays.

(iv) During the current year, the Company has received order for service tax demand amounting to INR 148 lakhs related to services tax assessment from FY 2014-15 to 2016-17. The Company has filed an appeal on April 12, 2024 contesting the demand and is confident that there should not be a tax outflow related to this order.

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33. Derivative instruments and hedging activities:

Contract designated as cash flow hedge:
During financial year 2020-21, the Company took a long term borrowing amounting to US$ 9,30,00,000 (INR 69,311 lakhs), at LIBOR plus margin of 3.95% and the loan is repayable in 8 half yearly instalments commencing November 2021.The funds were provided to project SPVs as shareholder loans or through other instrument for capital expenditure or for payment of capital expenditure in respect of various specified projects. The Company has taken US$ 9,30,00,000 currency swap for its principal and interest payment. As per this swap arrangement, the Company pays fixed INR and receive USD and pays fixed interest ranging between 9.10 to 10.20%, for these long term borrowing and receives a variable interest at six months LIBOR plus 3.95% on the US$ notional amount. During the year, the Company has tested the effectiveness of the hedge relationship and the hedge was effective.

Th risk management objective of the hedge arrangement is to reduce the variability in payment of foreign currency equivalent cash flows arising from repayment of principal and interest components.

The following table presents outstanding notional amount and standalone balance sheet location information related foreign exchange derivative contracts as of March 31, 2024 and March 31, 2023.

	As at March 31, 2024	As at March 31, 2023
Notional Amount (USD denominated)	3,57,75,000	5,90,25,000
Non-current – Other financial assets (INR)	1,095	2,879
Current – Other financial assets (INR)	1,830	1,848

Particulars of un-hedged foreign currency exposure as at March 31, 2024 and March 31, 2023

	March 31, 2024		March 31, 2023	
	USD	INR	USD	INR
Payables	34,50,395	2,877	65,64,277	5,397

	March 31, 2024		March 31, 2023	
	Euro	INR	Euro	INR
Trade receivables	-	-	16,235	15
Payables	800	1	-	-

	March 31, 2024		March 31, 2023	
	GBP	INR	GBP	INR
Payables	20,000	21	-	-

34. Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers"

a) Reconciliation of the amount of revenue recognised in standalone statement of profit and loss with the contracted price:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue as per contracted price	28,487	32,990
Adjustments for:		
Rebate/Discount	(335)	(312)
Revenue recognised from contract liabilities	488	428
Amortisation of contract assets	(15)	(14)
Revenue from contract with customers	**28,625**	33,092

b) Contract balances
The following table provides information about trade receivables, contract assets and contract liabilities:

Particulars	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Trade receivables	39,710	40,240	20,494	23,746
Contract assets*	246	261	14	14
Contract liabilities- Deferred revenue on account of Safeguard Duty	7,845	8,328	435	440

* Represents liquidated damages incurred by the Company on account of delay in commissioning of projects which are considered as variable consideration by the Company and hence, amortised over the period of Power Purchase Agreement i.e. 25 years as per requirement of Ind AS 115.

Reconciliation of contract assets and contract liabilities:

Particulars	Contract Assets		Contract Liabilities	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Opening Balance	275	289	8,768	9,196
Deletion/adjustment during the year	(15)	(14)	(488)	(428)
Closing Balance	**260**	275	**8,280**	**8,768**

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35. Employee benefits

(a) Defined contribution plan

The Company makes contribution towards provident and other funds to a defined contribution retirement benefit plan for qualifying employees. The Company's contribution to the Employee Provident Fund is deposited with the Regional Provident Fund Commissioner.

The Company has recognised INR 319 lakhs (March 31, 2023: INR 244 Lakhs) for provident and other funds contribution in the statement of profit and loss. The contribution payable to the plan by the Company is at the rate specified in the rules to the scheme.

(b) Defined benefit plan
Gratuity and other post-employment benefits

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is unfunded and accrued cost is recognised through reserve in the accounts of the company.

The following tables summaries the components of net benefit expense recognized in the standalone statement of profit and loss account and the unfunded status and amounts recognized in the balance sheet.

Standalone statement of profit and loss

Amounts recognised in Statement of Profit and Loss for the year ended March 31, 2024

	Gratuity	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Current service cost	80	104
Interest cost on benefit liability	17	27
Net expense recognized in statement of profit and loss	**97**	131

Amount recognised in other comprehensive income for the year ended March 31, 2024:

	Gratuity	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Effect of change in financial assumptions	(2)	(4)
Effect of change in demographic assumptions	(11)	78
Experience (gains)/ losses	(12)	109
Actuarial (loss)/ gain recognized in the year	**(25)**	183

Standalone balance Sheet figures as at:

	Gratuity	
	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation	324	237

Changes in the present value of the defined benefit obligation for the year ended March 31, 2024 are as follows:

	Gratuity	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Present value of obligation as at the beginning	237	335
Current service cost	80	104
Interest cost	17	27
Re-measurement or actuarial loss /(gain)	25	(183)
Benefits paid	(68)	(51)
On account of transfer of employees	33	5
Present value of obligation as at the end	**324**	237
Current portion	74	35
Non-current portion	250	202

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount rate (per annum)	7.09%	7.27%
Employee turnover rate (per annum)	26.00%	30.00%
Withdrawal rate (per annum)	26.00%	30.00%
Salary escalation rate (per annum)	10.00%	10.00%
Retirement age	58 years	58 years

The estimates of future salary increases considered in actuarial valuation taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

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(All amount in INR lakhs, unless otherwise stated)

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

a) Discount rate- Increase/ reduction in discount rate in subsequent valuations can decrease/increase the liability.

b) Salary escalation rate- Actual salary increases/decrease will increase/decrease the defined benefit liability. Increase/decrease in salary increase rate assumption in future valuations which in turn also increase/decrease the liability.

c) Withdrawal rate- Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact defined benefit liability.

A quantitative sensitivity analysis for significant assumption as at March 31, 2024 is as shown below:

	Discount rate			
	For the year ended March 31, 2024		For the year ended March 31, 2023	
	1 % increase	**1 % decrease**	1 % increase	1 % decrease
Defined benefit obligation increased/(decreased) by	(11)	12	(9)	9

	Salary Escalation Rate			
	For the year ended March 31, 2024		For the year ended March 31, 2023	
	1 % increase	**1 % decrease**	1 % increase	1 % decrease
Defined benefit obligation increased/(decreased) by	13	(12)	10	(10)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these are not computed. Further, there are no changes in current year from the previous year in the methods and assumptions used in preparing the sensitivity analysis.

The Company does not have any plan assets. Company has sufficient balance of cash and cash equivalent to fund the liabilities that may arise in near future.

Expected maturity analysis of the defined benefit plans in the next ten years are as follows:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Within the next 12 months (next annual reporting period)	77	36
Between 2 and 5 years	194	159
Between 5 and 10 years	110	90

Expected contributions to post-employment benefit plans for the year ending March 31, 2024 is INR Nil.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 5.08 years (March 31, 2023: 5.4 years).

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(All amount in INR lakhs, unless otherwise stated)

36. Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying value		Fair value	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Financial assets carried at amortised cost				
Trade receivables (Non- current)	39,710	40,240	39,710	40,240
Loans to subsidiaries/fellow subsidiaries	12,617	15,829	12,617	15,829
Security deposits	618	491	618	491
Performance bank guarantee receivable	113	100	113	100
Term deposits	28,091	27,687	28,091	27,687
Total	**81,149**	84,347	**81,149**	84,347
Financial assets measured at fair value				
Derivative instruments at fair value through OCI[1]	2,925	4,727	2,925	4,727
Total	**2,925**	4,727	**2,925**	4,727
Financial liabilities carried at amortised cost				
Term loans from banks - In Indian currency[2] (Including current maturities)	36,274	22,912	36,274	22,912
Foreign currency loan from bank[2] (Including current maturities)	6,378	10,155	6,378	10,155
Foreign currency loan from financial institutions[2] (Including current maturities)	23,912	38,068	23,912	38,068
Term loans from financial institutions - In Indian currency[2] (Including current maturities)	89,154	95,665	89,154	95,665
Vehicle loan[2] (Including current maturities)	70	89	70	89
Loan from subsidiaries[3] (including current maturities)	39,476	82,404	39,476	82,404
Total	**1,95,264**	2,49,293	**1,95,264**	2,49,293

The management assessed that the fair value of cash and cash equivalents, term deposits, interest accrued on term deposits, other bank balances, trade receivables, performance guarantee receivables, unbilled revenue, viability gap funding receivable (VGF), security deposits received, current borrowings, receivable/payable from/to subsidiaries/fellow subsidiaries, loan to subsidiaries/fellow subsidiaries, trade payables, other payables, derivative asset/liability and security deposits paid, as applicable, approximates their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date.

The following methods and assumptions were used to estimate the fair values:
Measured at fair value:

[1] The Company enters into derivative financial instrument (USD-INR full currency swap) with various counterparties, principally financial institutions with investment grade credit ratings. These derivatives are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies and interest rate curves etc.

At amortised cost:

[2] Fair value of long-term loan having floating rate of interest approximate the carrying amount of those loans as there was no significant change in the Company's own credit risk during the current year (Level 3). Unamortised cost of borrowing has been adjusted with the closing balance of borrowings at the reporting date. Further, these amount also includes current portion of long term debt.

[3] The fair values of the fixed interest-bearing non-current borrowings are determined by Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2024 was assessed to be insignificant. Unamortised cost of borrowing has been adjusted with the closing balance of borrowings at the reporting date. Further, these amount also includes current portion of long term debt.

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(All amount in INR lakhs, unless otherwise stated)

37. Fair value hierarchy
The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2024:

		Fair value measurement using		
	Carrying value	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Financial assets carried at amortised cost				
Trade receivables	39,710	-	-	39,710
Loans to subsidiaries/fellow subsidiaries	12,617	-	-	12,617
Security deposits	618	-	-	618
Performance bank guarantee receivable	113	-	-	113
Term deposits	28,091	-	-	28,091
Financial assets measured at fair value				
Derivative instruments at fair value through OCI	2,925	-	2,925	-

There have been no transfers between Level 1 and Level 2 during the year.

		Fair value measurement using		
	Carrying value	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Financial liabilities carried at amortised cost				
Term loans from banks - In Indian Currency (Including current maturities)	36,274	-	-	36,274
Foreign currency loan from bank (Including current maturities)	6,378	-	-	6,378
Foreign currency loan from financial institution (Including current maturities)	23,912	-	-	23,912
Term Loans from financial institution - In Indian Currency (Including current maturities)	89,154	-	-	89,154
Vehicle loan (Including current maturities)	70	-	-	70
Loan from subsidiaries (Including current maturities)	39,476	-	-	39,476

There have been no transfers between Level 1 and Level 2 during the year.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2023:

		Fair value measurement using		
	Carrying value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets carried at amortised cost				
Trade receivables	40,240	-	-	40,240
Loans to subsidiaries/fellow subsidiaries	15,829	-	-	15,829
Security deposits	491	-	-	491
Performance bank guarantee receivable	100	-	-	100
Term deposits	27,687	-	-	27,687
Financial assets measured at fair value				
Derivative instruments at fair value through OCI	4,727	-	4,727	-

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(All amount in INR lakhs, unless otherwise stated)

There have been no transfers between Level 1 and Level 2 during the year.

		Fair value measurement using		
	Carrying value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities carried at amortised cost				
Term loans from banks - In Indian Currency (Including current maturities)	22,912	-	-	22,912
Foreign currency loan from bank (Including current maturities)	10,155	-	-	10,155
Foreign currency loan from financial institution (Including current maturities)	38,068	-	-	38,068
Term loans from financial institution - In Indian Currency (Including current maturities)	95,665	-	-	95,665
Non-convertible debentures (Including current maturities)	89	-	-	89
Loan from subsidiary (Including current maturities)	82,404	-	-	82,404

There have been no transfers between Level 1 and Level 2 during the year.

The management assessed that the fair value of cash and cash equivalents, term deposits, interest accrued on term deposits, other bank balances, trade receivables, performance guarantee receivables, unbilled revenue, viability gap funding receivable (VGF), security deposits received, current borrowings, receivable/payable from/to subsidiaries/fellow subsidiaries, loan to subsidiaries/fellow subsidiaries, trade payables, other payables, derivative asset/liability and security deposits paid, as applicable, approximates their carrying amounts largely due to the short-term maturities of these instruments.

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(All amount in INR lakhs, unless otherwise stated)

38. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, investments, trade and other receivables, cash and cash equivalents, deposits with banks and other financial assets.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investment in mutual funds and derivative instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2024 and March 31, 2023.

a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Financial instruments comprise of non-convertible debentures, loans to/from subsidiaries/fellow subsidiaries which are fixed interest bearing whereas term loans from banks/financial institution are both fixed and floating interest bearing. Remaining financial assets and liabilities are non-interest bearing.

As at the reporting date, the Company's interest rate profiles is as follows:

As at March 31, 2024	Floating rate financial instruments	Fixed rate financial instruments	Non-interest bearing	Total
Financial assets	-	1,86,673	97,050	2,83,723
Financial liabilities	1,56,658	78,144	46,264	2,81,066

As at March 31, 2023	Floating rate financial instruments	Fixed rate financial instruments	Non-interest bearing	Total
Financial assets	-	2,09,292	97,145	3,06,437
Financial liabilities	1,68,309	90,797	19,034	2,78,140

Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on financial liabilities, with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	March 31, 2024		March 31, 2023	
Effect on profit before tax	+/(-)50	(-)/+	783	(-)/+	842

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment. Though there is exposure on account of interest rate movement as shown above but the Company minimises the foreign currency (US dollar) interest rate exposure through derivatives and INR interest rate exposure through re-financing.

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company are exposed to foreign currency risk arising from changes in foreign exchange rates on foreign currency loan, derivative financial instruments and operating payables/receivables. The Company enters into foreign exchange derivative contracts to mitigate fluctuations in foreign exchange rates in respect of these loans.

The following table analysis foreign currency risk from financial instruments relating to US$ as of March 31, 2024 and March 31, 2023:

	As at March 31, 2024	As at March 31, 2023
Borrowings		
Foreign currency loans from banks and financial institutions (including interest accrued)	31,230	49,732
Payables	2,877	5,397

The following table analysis foreign currency risk from financial instruments relating to Euro as of March 31, 2024 and March 31, 2023:

Trade receivables	-	15
Payables	1	-

The following table analysis foreign currency risk from financial instruments relating to GBP as of March 31, 2024 and March 31, 2023:

Payables	21	-

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(All amount in INR lakhs, unless otherwise stated)

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD/Rupee exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary liabilities. The company's exposure to foreign currency changes for all other currencies is not material.

	Change in USD rate		**As at March 31, 2024**		As at March 31, 2023
Effect on profit before tax	+/(-)5%	(-)/+	1,706	+/(-)5%	2,756

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from their operating activities (primarily trade receivables), financing activities, deposits with banks and financial institutions, other financial instruments and inter company loans and deposits.

(a) Trade receivables

Customer credit risk is managed on the basis of Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivable as high. However, since the trade receivables mainly comprise of state utilities/government entities, the Company does not foresee any credit risk attached to receivables from such state utilities/government entities. The Company does not hold collateral as security.

Movement in expected credit loss on trade receivables during the year :

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Opening balance	5,528	183
Changes in allowance for expected credit loss:		
Provision created during the year (refer note 23)	5,771	5,388
Written back during the year (refer note 19)	-	(43)
Closing balance	11,299	5,528

(b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk is the risk that Company will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach of Company to manage liquidity is to ensure, as far as possible, that these will have sufficient liquidity to meet their respective liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to their reputation.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	Less than 1 year	**1 to 5 years**	**> 5 years**	**Total**
As at March 31, 2024				
Lease liabilities	599	2,326	9,411	12,336
Borrowings*	42,492	81,776	97,676	2,21,944
Loan from subsidiaries*	62,668	2,354	-	65,022
Trade payables	9,583	-	-	9,583
Other financial liabilities**	8,359	-	-	8,359
	1,23,701	**86,456**	**1,07,087**	**3,17,244**
As at March 31, 2023				
Lease liabilities	417	1,905	10,156	12,478
Borrowings*	47,138	83,731	1,12,012	2,42,881
Loan from subsidiaries*	19,736	68,960	-	88,696
Trade payables	5,345	-	-	5,345
Other financial liabilities**	10,097	-	-	10,097
	82,733	1,54,596	1,22,168	3,59,497

*Including interest accrued on non-current borrowings.
**Excluding interest accrued on borrowings.

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39. Disclosure of interest in subsidiaries:-

List of interest in subsidiaries: -

Name	Country of Incorporation /Principal place of business	% equity interest*	
		March 31, 2024	March 31, 2023
Subsidiaries			
Azure Power (Punjab) Private Limited	India	100%	100%
Azure Power (Haryana) Private Limited	India	99.17%	99.17%
Azure Solar Private Limited	India	92.31%	92.31%
Azure Power (Rajasthan) Private Limited	India	100%	100%
Azure Urja Private Limited	India	73.80%	73.80%
Azure Surya Private Limited	India	67.33%	67.33%
Azure Power (Karnataka) Private Limited	India	58.87%	58.87%
Azure Photovoltaic Private Limited	India	100%	100%
Azure Power Infrastructure Private Limited	India	94.59%	94.59%
Azure Power (Raj.) Private Limited	India	100%	100%
Azure Green Tech Private Limited	India	100%	100%
Azure Clean Energy Private Limited	India	100%	100%
Azure Sunrise Private Limited	India	100%	100%
Azure Sunshine Private Limited	India	100%	100%
Azure Power Earth Private Limited	India	100%	100%
Azure Power Eris Private Limited	India	100%	100%
Azure Power Jupiter Private Limited	India	51.01%	51.01%
Azure Power Makemake Private Limited	India	100%	100%
Azure Power Mars Private Limited	India	100%	100%
Azure Power Pluto Private Limited	India	100%	100%
Azure Power Uranus Private Limited	India	100%	100%
Azure Power Venus Private Limited	India	100%	100%
Azure Power Thirty Three Private Limited	India	100%	100%
Azure Power Thirty Four Private Limited	India	100%	100%
Azure Power Thirty Six Private Limited	India	100%	100%
Azure Power Thirty Seven Private Limited	India	100%	100%
Azure Power Thirty Nine Private Limited	India	100%	100%
Azure Power Forty Private Limited	India	100%	100%
Azure Power Forty One Private Limited	India	100%	100%
Azure Power Forty Three Private Limited	India	100%	100%
Azure Power Maple Private Limited	India	100%	100%
Azure Power Fifty One Private Limited	India	100%	100%
Azure Power Fifty Two Private Limited	India	100%	100%
Azure Power Fifty Three Private Limited	India	100%	100%
Azure Power Fifty Four Private Limited	India	100%	100%
Azure Power Fifty Six Private Limited	India	100%	100%
Azure Power Fifty Seven Private Limited	India	100%	100%
Azure Power Fifty Eight Private Limited	India	100%	100%
Azure Power Fifty Nine Private Limited	India	100%	100%
Azure Power Sixty Private Limited	India	100%	100%
Azure Power Sixty one Private Limited	India	100%	100%
Azure Power Sixty two Private Limited	India	100%	100%
Kotuma Wind Parks Private Limited	India	100%	100%
Two Wind Energy Private Limited	India	100%	100%
Azure Green Hydrogen Private Limited	India	100%	100%
Azure Power Sixty Three Private Limited	India	100%	100%
Azure Energy Transition Private Limited	India	100%	100%
Azure Power Sixty Four Private Limited	India	100%	100%
Azure Power Sixty Five Private Limited	India	100%	100%
Azure Power Sixty Six Private Limited	India	100%	100%
Azure Power Mercury Private Limited**	India	51.40%	51.40%
Azure Power Saturn Private Limited**	India	51.40%	51.40%
Azure Power Thirty Eight Private Limited**	India	51.00%	51.00%
Azure Power Forty Four Private Limited**	India	51.40%	51.40%
Azure Power US Inc.	United States of America	100.00%	100.00%

* Includes shareholding held by nominee shareholders.
** Refer note 44.

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40. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants, if any. To maintain or adjust the capital structure, the Company reviews the fund management at regular intervals and take necessary actions to maintain the requisite capital structure.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

(Spaces intentionally left blank)

41. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

A. Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

(i) Classification of leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. (refer note 31)

B. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Share-based payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 25.

(ii) Estimation of Defined Benefit Obligation

The cost of the defined benefit obligation and the present value of the defined benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds, and extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are disclosed in Note 35.

(iii) Provision for decommissioning

The Company has recognised provisions for the future decommissioning of solar power plants set up on leased land at the end of the lease term. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the leased land and the expected timing of those costs. The carrying amount of the provision as at March 31, 2024 was INR 1,094 lakhs (March 31, 2023: INR 935 lakhs). The Company estimates that the costs would be settled upon the expiration of the lease and calculates the provision using the Discounted Cash Flow (DCF) method based on the following assumptions (refer note 13.1):

► Estimated range of cost per megawatt– INR 4.9 lakhs to 5.6 lakhs (March 31, 2023 - INR 3.9 lakhs to 4.5 lakhs)

► Discount rate – 10.0% (March 31, 2023: 10.0 % p.a.)

► Inflation rate – 8.0% (March 31, 2023: 8.0 % p.a.)

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(iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

Assumptions include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. (refer note 36 and 37)

(v) Depreciation on property, plant and equipment

Depreciation on property plant and equipment is calculated on a straight line basis using the rates arrived at based on the useful lives estimated by the management. Considering the applicability of Schedule II of the Companies Act, 2013, the management has re-estimated useful lives and residual value of all of its property plant and equipment. The management believes that depreciation rates currently used fairly reflects its estimate of the useful lives and residual value of the Property plant and equipment, though these rates in certain cases are different from lives prescribed under Schedule II of the Companies Act, 2013.

Based on legal opinion obtained, management is of the view that application of CERC and/or SERC rates for the purpose of accounting of depreciation expense is not mandatory. Hence, company is depreciating the assets based on life as determined by the management.

During the earlier year, the Company basis the technical assessment, had revised the useful life of solar power project assets i.e. plant and machinery (excluding inverter) and building from 25 years to 35 years. These changes had been considered as change of accounting estimate as per Ind AS 8 (Accounting policies, change in accounting estimates and errors) and had been accounted for prospectively with effect from April 01, 2021. (Refer note 3 and 21)

(vi) Impairment of non-financial assets

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

Assumptions include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(vii) Key assumption about the likelihood and magnitude of an outflow of resources in case of Income Tax

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, legal interpretations of various other acts/laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies. (refer note 16)

(viii) Provision for expected credit losses of trade receivables and contract assets

The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. As per the requirements of Ind AS 109, on subsequent measurement, the management while making ECL assessment considered the past experience with the Government of honouring its commitments and the strong capacity and ability of the Government to meet its contractual cash flow obligations. (refer note 34 and 38)

(ix) Recognistion and measurement of provision and contingencies

The company recognises provision if it is probable that an outflow of cash and other economic resources will be required to settle the provision. If outflow is not probable, then item is treated as contingent liability. Risk and uncertainities are taken into account in measuring provision.

42. The Company is in process of conducting a transfer pricing study as required by the transfer pricing regulations under the income tax act ('regulations') to determine whether the transactions entered during the year ended March 31, 2024 with associated enterprises were undertaken at arms length price. The Management confirms that all the transactions with associate enterprises are undertaken at arm length prices and is confident that the aforesaid regulations will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

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43. Ratio Analysis and its elements

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% change	Reason for variance *
Current ratio	Current Assets	Current Liabilities	1.16	2.32	(50%)	Primarily due to classification of borrowings from related parties as current during the current year.
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.43	0.50	(14%)	Not Applicable
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	(0.04)	(0.04)	(11%)	Not Applicable
Inventory Turnover ratio	Cost of goods sold	Average Inventory	-	-	-	Not Applicable
Trade Receivable Turnover Ratio	Gross credit sales - sales return	Average Trade Receivable	0.38	0.39	(3%)	Not Applicable
Trade Payable Turnover Ratio	Other expense	Average Trade Payables	2.52	4.17	(40%)	Primarily due to decrease in expenses in current year as compared to previous year
Net Capital Turnover Ratio	Revenue from operation	Average working capital	0.33	0.19	79%	Primarily due to classification of borrowings from related parties as current during the current year.
Net Profit ratio	Net Profit	Revenue from operation	(0.79)	(0.89)	(11%)	Not Applicable
Return on Capital Employed	Earnings before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	0.00	0.01	(61%)	Primarily due to decrease in operating profit as compared to previous year.
Debt Service Coverage ratio	Net profit after taxes + Non-cash operating expenses	Interest & Lease Payments + Principal Repayments	0.46	0.36	26%	Primarily on account of increase in non cash operating expenses and resulting profits during the current year.
Return on Investment	Interest (Finance Income)	Investment	-	-	-	Not Applicable

* The Company has further explained the reason for variances in ratios, where change is more than 25% as compared to previous year.

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44. During the year ended March 31, 2021, the Company along with its fellow subsidiary Azure Power Rooftop Private Limited (APRPL) entered into a contract with Radiance Renewables Private Limited ("Radiance") to sell certain subsidiaries (the "Rooftop Subsidiaries") with an operating capacity of 153 MW, for INR 53,500 lakhs, subject to certain purchase price adjustments (the "Rooftop Sale Agreement"). Pursuant to the Rooftop Sale Agreement, Radiance will acquire 100% of the equity ownership of the Rooftop Subsidiaries owned by the Company.

There was a restriction on transfer of 33.2 MW operating capacity that are part of the Restricted Group as defined in the Green Bond Indenture. The Company had transferred 48.6% equity ownership of these entities in financial year 2021-22 and will transfer the remaining 51.4% ownership post refinancing of the Green Bonds due in December 2024. There is also a restriction on transfer of equity ownership relating to the 16 MW project with Delhi Jal Board (DJB), wherein 49% of the equity ownership was transferred to Radiance in financial year 2021-22 and the balance 51% will be transferred on or after September 30, 2024. The transfer of ownership of 33.2 MW operating capacity forming part of Restricted Group and 16 MW project with Delhi Jal Board (DJB) is anticipated to occur within 12 months. Accordingly, the Company has presented investment in the subsidiaries as current investment in these financial statements as at March 31, 2024.

The Company has transferred 100% shareholding in relation to 17.3 MW operating capacity in earlier years.

In the event the sale of the Rooftop Subsidiaries does not occur, the Company must reimburse Radiance the equity value of the assets not transferred along with an 10.5% per annum equity return.

Further, the APRPL and Radiance have mutually terminated the agreement for transfer in shareholding of the remaining un-transferred 86.5 MW portfolio to Radiance.

During the current year the Company has recognised INR 550 lakhs as impairment expense in connection with full and final settlement with Radiance.

45. Standards notified but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. The MCA has not notified any new standards or amendments to the existing standards applicable to the Company as on date.

46. Subsequent Events

(a) On February 13, 2024, FS India Solar Ventures Private Limited ("First Solar") sent us a notice that First Solar was terminating the Master Supply Agreement, dated August 22, 2022 ("First Solar MSA"), between First Solar and the Company. The notice claims that a termination payment of INR 29,380 lakhs is due to be paid by the Company to First Solar under the First Solar MSA. The Company has responded to First Solar stating that that the termination agreement received is not in consonance with what is agreed upon by both the parties and requested First Solar to send draft revised termination agreement without any liability on either party. On April 03, 2024, we received a letter from First Solar in response to our submissions. On April 15, 2024, we responded to First Solar, refusing their claims. On July 23, 2024, we received a Notice of invocation of Arbitration from First Solar which is being assessed. No adjustments have been made in respect of this dispute.

(b) On March 05, 2024, Siemens Gamesa ("SGRE") sent us a notice which claims a default and damages of INR 19,593 lakhs in connection with a supply agreement between Siemens Gamesa and the Company in respect of 345.6 MW wind power project in the state of Karnataka. On March 27, 2024, the Company submitted replies on the notice sent by SGRE rebutting the claim raised by SGRE. On May 10, 2024, SGRE submitted its replies against above mentioned letter of Azure. The Company disputes such claim of default and damages and intends to engage in mutual discussions with Simens Gamesa to resolve the matter.

(c) Mr. Brijesh Mehra was appointed as a non-executive Director of the Company effective May 8, 2024. Mr. Mehra has also assumed the role of Chairman of the Board of the Company.

(d) Mr. Julian Gratiaen has been appointed to replace Ms. Delphine Voeltzel as a non-executive nominee director of OMERS Infrastructure Asia Holdings Pte. Ltd., effective August 13, 2024.

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47. Additional regulatory information required by Schedule III

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Company have not traded or invested in crypto currency or virtual currency during the financial year.

(iv) The Company have not advanced or loaned or invested either from borrowed fund or share premium or any other source and kind of funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding whether recorded in writting or otherwise that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(v) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vi) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vii) The Company has not been declared as a wilful defaulter by any bank, financial institution, government, any other government authority or any other lender.

(viii) The Company has used its specific borrowings for the specific purpose for which they were taken.

(ix) There are no immovable properties for which the title deeds are not held in the name of the Company.

(x) The company has complied with the number of layers prescribed under clause 87 of section 2 of the Act read with companies (restriction on number of layers) rule, 2017.

(xi) The Company do not have any transactions with companies struck off.

48. Whistleblower complaint

In May 2022, the Group received whistle-blower complaints on various matters, including lapses in internal control for certain key areas, governance and vendor management. The Board of Directors of the Parent Company engaged external counsel to undertake investigations on the allegations thereof. None of those allegations pertain to the Company and therefore no adjustment was required to be made in the books on account. However, some of the Group companies have made certain adjustments in the books of account as a prudent measure. Further, in one of the ongoing investigations ("Special Committee") in relation to material projects of the Group, the Special Committee has identified evidence that certain individuals formerly affiliated with the Group may have had knowledge of, or were involved in an apparent scheme with persons outside the Group to make improper payments in relation to certain projects. To date, the Special Committee has not identified related improper payments or transfers by the Group. The Special Committee's investigation is still ongoing. The Special Committee's review and its findings have impacted the decision-making of the Group in connection with such projects. The Group has disclosed the details of the Special Committee's investigation to the SEC and the U.S. Department of Justice, and the Group continues to cooperate with those agencies. The current members of the Board of Directors of the Parent Company have confirmed that none of them were aware of the apparent scheme referred to above other than through the Special Committee investigation. The Group remains steadfast in its commitment to upholding the principles of transparency, accountability, and ethical conduct in all areas of its operations. We will continue to monitor and assess our internal processes to ensure compliance with all relevant laws and regulations.

49. As per the provision of the Companies Act, 2013, a company is required to convene the Annual General Meeting ("AGM") for adoption of its annual audited financial statements within the six months from the end of each financial year, i.e. September 30 ("Due Date"). The Registrar of Companies ("ROC") granted three months extensions to the Company to hold the AGMs for financial year 2021-22 and 2022-23 on or before December 31, 2022, and December 31, 2023, respectively. Considering the delay in closure of audit due to ongoing investigations (refer note 48), the AGM for financial year 2021-22 and 2022-23 were held on February 2024 and May 2024 respectively, i.e. after the extension granted by ROC.

The Company will apply for the compounding of the Offence for not holding the AGM within the statutory timelines as extended by ROC and is liable to pay penalties as may be imposed by ROC. Management is unable to ascertain the amount of penalties for these Offences and hence no accruals for the same has been considered in these financial statements in this respect.

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50. Pursuant to the manufacturing linked tender award of 4,000 MW, the Group executed PPAs for a capacity of 2,333 MW with SECI, for which SECI executed a Power Sale Agreement ("PSA") with the state of Andhra Pradesh during financial year 2021-22. In respect of these 2,333 MW projects, two PILs were filed in the High Court of Andhra Pradesh in the same financial year, challenging various aspects of the manufacturing linked tender and seeking to quash the Andhra Pradesh Regulator's approval for procurement of capacity tied up by Andhra Pradesh Discoms with SECI pursuant to the tender. The tariff adoption for the capacities by the CERC is subject to the outcome of the PILs. We are not a party to the PILs, and the PILs currently are pending adjudication. We cannot predict the outcome of these two PILs.

Based on the economics and uncertainties associated with the PILs and ongoing Special Committee review, the Group decided to terminate the PPAs in respect of these 2,333 MW projects and filed a petition at the Andhra Pradesh High Court seeking a declaration that the Group should be discharged from performance of the obligations under the Andhra Pradesh PPAs for a capacity of 2,333 MW as a result of the absence of the unconditional tariff adoption order from the regulatory commission. Since there was a threat by SECI to revoke the Bank Guarantee, the High Court in its order dated October 16, 2023, directed SECI not to take coercive steps against the Group until the next date of hearing.

On March 18, 2024, we received two letters from SECI. In its first letter, SECI stated that it had terminated the PPAs with the Group in respect of the 2,333 MW projects and reserved its rights to take action against the Group including forfeiture of the performance bank guarantees and success charges and fees in respect of the PPAs and other documentation associated with the 2,333 MW projects. In its second letter, SECI informed the Group that it was awarding the 2,333 MW projects and associated PPAs to a third-party. Further, SECI informed the Group that it had reduced Azure's capacity allocation under the manufacturing Letter of Award by 2,333 MW and its corresponding manufacturing capacity of solar cells and solar modules by 583 MW.
Accordingly, during the year ended March 31, 2024, the Company has recognised provisions for INR 42 lakhs (March 31, 2023: INR 2,371 lakhs) against impairment of assets and recognised a provision of INR Nil (March 31, 2023: INR 12,315 lakhs) towards Bank Guarantees in its financial statements.

51. During the previous year, a Special Committee of the Board of the Holding Company (the "Special Committee") was convened to review certain material projects and contracts over a three-year period for anti-corruption and related compliance issues. Independent outside counsel and forensic advisors were engaged to support the Special Committee. In light of the ongoing Special Committee review as well as economic and execution challenges, the Group has decided to withdraw from the 700 MW projects which is part of the 4,000 MW manufacturing linked tender awarded by SECI. The Group continues discussions with SECI to ensure an orderly withdrawal from the 700 MW projects and from the obligations of the Group under the PPA, Performance Bank Guarantees and other guarantees relating to the projects.

Accordingly, during the year ended March 31, 2024, the Company has recognised provision for INR 3,194 lakhs (March 31, 2023: INR 9,821 lakhs) against impairment of assets and recognised a provision of INR 200 lakhs (March 31, 2023: INR 5,361 lakhs) towards Bank Guarantees in its financial statements.

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52. During the current year, the Company has recognized impairment loss of INR 8,329 lakhs against Naregal site for wind projects pursuant to expiry of Government Orders ("GOs") during Fiscal Year 2025 and uncertainty of execution of project at that site.

53. During the current year, the Company has decided to shut down its Delhi 2 MW project on account of poor viability and recognized impairment loss of INR 291 lakhs towards written down value of assets, provision for bank guarantee and other expected cost to discontinue the project.

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date

For ASA & Associates LLP
Firm Registration Number: 009571N/N500006
Chartered Accountants

ASA & Associates LLP
Chartered Accountants

K Nithyananda Kamath
Partner
Membership No: 027972
Place : Gurugram
Date : August 29, 2024

For and on behalf of the board of directors of
Azure Power India Private Limited
CIN: U40106DL2008PTC174774

Sunil Kumar Gupta
Managing Director and CEO
DIN: 07095152
Place: Gurugram
Date : August 29, 2024

Sugata Sircar
Director and Group CFO
DIN: 01119161
Place: Gurugram
Date : August 29, 2024

Kapil Sharma
Company Secretary
Membership No: A37154
Place: Bangkok, Thailand
Date : August 29, 2024

Azure Power India Private Limited
New Delhi

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INDEPENDENT AUDITOR'S REPORT

To the Members of Azure Power India Private Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of Azure Power India Private Limited (hereinafter referred to as the "the Company" or "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and on the other financial information of subsidiaries, except for the possible effects of the matters described in Basis for Qualified Opinion Section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("lnd AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group, as at March 31, 2024, and their consolidated loss and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

1. Refer note no. 48 of the accompanying consolidated financial Statements, the Company, Parent company and some subsidiaries (collectively referred to as the 'Parent Group'), have received several complaints via the Group's common whistleblower mechanism during the previous year. In response to such whistle blower complaints, the Board of Directors and Audit and Risk Committee of the parent company appointed external legal counsels to conduct investigations into the significant issues highlighted in the said complaints. These issues include, but are not limited to, lapses in key control areas, governance issues, assets capitalization date and problems with vendor management.

   A special committee was constituted by the Board of Directors of the parent company ('the Special Committee'), to review certain material projects and contracts for anti-corruption and related compliance issues. Independent external counsel and forensic advisors were engaged to support the Special Committee. The Special Committee's investigation is not yet complete.

   As a result of above:

   a) there are identified design deficiencies noted in some of the key controls in significant areas. Refer to our 'Adverse Report' on Internal Control and Financial Report provided in Annexure A as referred to in para 1(g) of the Other legal and Regulatory Requirements. These deficiencies constitute material weaknesses.

   b) the Group has voluntarily disclosed certain matters to the U.S. Securities and Exchange Commission and the U.S. Department of Justice. Engagement and cooperation with the aforesaid authorities is continuing on those matters. We are informed that any potential liability or penalty from authorities cannot be assessed at this stage.

   In respect of the above matters, we are unable to comment whether the outcome will result in possible adjustments and/or disclosures to the consolidated financial statements, and the non-compliance with the applicable laws and regulations, if any.

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2. Refer note no. 51 to the accompanying consolidated financial Statements, which describes the matters relating to non-compliances with certain provisions of the Companies Act, 2013 ("the Act") with respect to the adoption of the annual audited consolidated financial Statements for the year ended March 31, 2023, and March 2022, before the shareholders in the Annual General Meeting within the stipulated time as prescribed under Section 96 of the Act. The consequential impact of the said non-compliance, including the liability for penal charges, if any, on the consolidated financial Statements, including the consequential impact under other applicable laws and regulations is presently not ascertainable. Accordingly, we are unable to comment on the same.

The above matters were also the subject matter of qualification in previous year's report.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the consolidated financial Statements Section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountant of India ("ICAI") and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained Section, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters

We draw attention to the following matters in the Notes to the consolidated financial statements:

a. Refer Note 49 read with Note 52 (xxv) of the consolidated financial statements includes the Financial Statements of "Azure Power Fifty Three Private Limited", which states that the subsidiary company has accumulated losses of INR 3,748 Lakh and its net worth has fully eroded as at March 31, 2024. The subsidiary company's current liabilities exceeded its current assets by INR 3,679 Lakh as at the balance sheet date. In view of Groups' decision to terminate the project as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the subsidiary company as at and for the year ended March 31, 2024. Accordingly, the financial statements of the subsidiary company have been prepared on not on going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise.

b. Refer Note 49 read with Note 52 (xxvi) of the consolidated financial statements includes the Financial Statements of "Azure Power Fifty Four Private Limited", which states that the subsidiary company has accumulated losses of INR 3,681 Lakh and its net worth has fully eroded as at March 31, 2024. The subsidiary company's current liabilities exceeded its current assets by INR 3,622 Lakh as at the balance sheet date. In view of Groups' decision to terminate the project as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the subsidiary company as at and for the year ended March 31, 2024. Accordingly, the financial statements of the subsidiary company have been prepared on not on going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise.

c. Refer Note 49 read with Note 52 (xxvii) of the consolidated financial statements includes the Financial Statements of "Azure Power Fifty Nine Private Limited", which states that the subsidiary company has accumulated losses of INR 3,703 Lakh, and its net worth has fully eroded as at March 31, 2024. The subsidiary company's current liabilities exceeded its current assets by INR 3,645 Lakh as at the balance sheet date. In view of Groups' decision to terminate the project as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the subsidiary company as at and for the year ended March 31, 2024. Accordingly, the financial statements of the subsidiary company have been prepared on not on going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise.

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d. Refer Note 49 read with Note 52 (xxviii) of the consolidated financial statements includes the Financial Statements of "Azure Power Sixty Private Limited", which states that the subsidiary company has accumulated losses of INR 3,674 Lakh and its net worth has fully eroded as at March 31, 2024. The subsidiary company's current liabilities exceeded its current assets by INR 3,616 Lakh as at the balance sheet date. In view of Groups' decision to terminate the project as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the subsidiary company as at and for the year ended March 31, 2024. Accordingly, the financial statements of the subsidiary company have been prepared on not on going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise.

e. Refer Note 49 read with Note 52 (i) of the consolidated financial statements includes the Financial Statements of "Azure Power Sixty Two Private Limited", which states that the subsidiary company has accumulated losses of INR 2,588 Lakh and its net worth has fully eroded as at March 31, 2024. The subsidiary company's current liabilities exceeded its current assets by INR 2,587 Lakh as at the balance sheet date. In view of Groups' decision to terminate the project as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the subsidiary company as at and for the year ended March 31, 2024. Accordingly, the financial statements of the subsidiary company have been prepared on not on going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise.

f. Refer Note 53 read with Note 52 (xxiii) of the consolidated financial statements includes the Financial Statements of Azure Power Fifty One Private Limited, which states that the subsidiary company has accumulated losses of INR 4,670 Lakh and its net worth has fully eroded as at March 31, 2024. The subsidiary company's current liabilities exceeded its current assets by INR 4,788 Lakh as at the balance sheet date. In view of Groups' decision to withdraw from the project as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the subsidiary company as at and for the year ended March 31, 2024. Accordingly, the financial statements of the subsidiary company have been prepared on not for going concern basis i.e. are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions have been made for additional liabilities that may arise.

g. Refer Note 53 read with Note 52(xxiv) of the consolidated financial statements includes the Financial Statements of Azure Power Fifty Two Private Limited, which states that the subsidiary company has accumulated losses of INR 13,899 Lakh and its net worth has fully eroded as at March 31, 2024. The subsidiary company's current liabilities exceeded its current assets by INR 18,542 Lakh as at the balance sheet date. In view of Groups' decision to withdraw from the project as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the subsidiary company as at and for the year ended March 31, 2024. Accordingly, the financial statements of the subsidiary company have been prepared on not on going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise.

Our opinion is not modified in respect of these matters.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report including Annexures to Director's Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based

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on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. The other information included in the Director's Report have not been adjusted for the impacts as described in the Basis for Qualified Opinion paragraph mentioned above. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards ("Ind AS") specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards of Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude

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that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Materiality is the magnitude of misstatement in the consolidated financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

(a) We did not audit the financial statements of four entities forming part of these consolidated financial statements, whose financial statements reflect total assets of INR 23,533 Lakh, total revenues of INR 2,311 Lakh and total loss after tax of INR 1,976 Lakh, as considered in the consolidated financial statements, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the management and our conclusion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

(b)

i. The consolidated financial statements include the Financial Statements of Azure Power (Rajasthan) Private Limited, which states that the subsidiary company's current liabilities exceed its current assets by INR 1,747 Lakh as on March 31, 2024. This condition indicates that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of Azure Power (Rajasthan) Private Limited have been prepared on a going concern basis. (Refer note 52(ii) to the consolidated financial statements).

ii. The consolidated financial statements include the Financial Statements of Azure Power Sunrise Private Limited, which states that the subsidiary company has incurred an accumulated loss of INR 12,163 Lakh and, as of that date, the subsidiary company's net worth has fully eroded. The subsidiary company's current liabilities exceed its current assets by INR 6,156 Lakh as on March 31, 2024. This condition indicates that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the company to subsidiary company the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of Azure Power Sunrise Private Limited have been prepared on a going concern basis. (Refer note 52(iii) to the consolidated financial statements)

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iii. The consolidated financial statements include the Financial Statements of Azure Power Jupiter Private Limited, which states that the subsidiary company's current liabilities exceeds its current assets by INR 4,893 Lakh as on March 31, 2024. This condition indicates that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of Azure Power Jupiter Private Limited have been prepared on a going concern basis. (Refer note 52(iv) to the consolidated financial statements).

iv. The consolidated financial statements include the Financial Statements of Azure Power Uranus Private Limited, which states that the subsidiary company's current liabilities exceeds its current assets by INR 3,034 Lakh as on March 31, 2024. This condition indicates that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of Azure Power Uranus Private Limited have been prepared on a going concern basis. (Refer note 52(v) to the consolidated financial statements).

v. The consolidated financial statements include the Financial Statements of Azure Power Thirty Three Private Limited, which states that the subsidiary company's current liabilities exceeds its current assets by INR 3,914 Lakh as on March 31, 2024. This condition indicates that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of Azure Power Thirty Three Private Limited have been prepared on a going concern basis. (Refer note 52(vi) to the consolidated financial statements).

vi. The consolidated financial statements include the Financial Statements of Azure Power Forty Private Limited, which states that the subsidiary company's current liabilities exceeds its current assets by INR 8,459 Lakh as on March 31, 2024. This condition indicates that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of Azure Power Forty Private Limited have been prepared on a going concern basis. (Refer note 52(vii) to the consolidated financial statements).

vii. The consolidated financial statements include the Financial Statements of Azure Power Forty One Private Limited, which states that the subsidiary company's current liabilities exceeds its current assets by INR 17,742 Lakh as on March 31, 2024. This condition indicates that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of Azure Power Forty One Private Limited have been prepared on a going concern basis. (Refer note 52(viii) to the consolidated financial statements).

viii. The consolidated financial statements include the Financial Statements of Azure Power Forty Three Private Limited, which states that the subsidiary company's current liabilities exceeds its current assets by INR 29,092 Lakh as on March 31, 2024. This condition indicates that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of Azure Power Forty Three Private Limited have been prepared on a going concern basis. (Refer note 52(ix) to the consolidated financial statements).

ix. The consolidated financial statements include the Financial Statements of Azure Power Maple Private Limited, which states that the subsidiary company's current liabilities exceeds its current assets by INR 1,48,200 Lakh as on March 31, 2024. This condition indicates that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of Azure Power Maple Private Limited have been prepared on a going concern basis. (Refer note 52(x) to the consolidated financial statements).

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x. The consolidated financial statements include the Financial Statements of Azure Power Fifty Six Private Limited, which states that the subsidiary company has incurred an accumulated loss of INR 213 Lakh and, as of that date, the subsidiary company's net worth has fully eroded. The subsidiary company's current assets exceed its current liabilities by INR 204 Lakh as on March 31, 2024. This condition indicates that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of Azure Power Fifty Six Private Limited have been prepared on a going concern basis. (Refer note 52(xi) to the consolidated financial statements).

xi. The consolidated financial statements include the Financial Statements of Azure Power Fifty Seven Private Limited, which states that the subsidiary company has incurred an accumulated loss of INR 232 Lakh and, as of that date, the subsidiary company's net worth has fully eroded. The subsidiary company's current liabilities exceed its current assets by INR 232 Lakh as on March 31, 2024. This condition indicates that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of Azure Power Fifty Seven Private Limited have been prepared on a going concern basis. (Refer note 52(xii) to the consolidated financial statements).

xii. The consolidated financial statements include the Financial Statements of Azure Power Fifty Eight Private Limited, which states that the subsidiary company has incurred an accumulated loss of INR 11 Lakh and, as of that date, the subsidiary company's net worth has fully eroded. The subsidiary company's current liabilities exceed its current assets by INR 4,357 Lakh as on March 31, 2024. This condition indicates that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of Azure Power Fifty Eight Private Limited have been prepared on a going concern basis. (Refer note 52(xiii) to the consolidated financial statements).

xiii. The consolidated financial statements include the Financial Statements of Azure Power Sixty One Private Limited, which states that the subsidiary company has incurred an accumulated loss of INR 5 Lakh and, as of that date, the subsidiary company's net worth has fully eroded. The subsidiary company's current liabilities exceed its current assets by INR 483 Lakh as on March 31, 2024. This condition indicates that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of Azure Power Sixty One Private Limited have been prepared on a going concern basis. (Refer note 52(xiv) to the consolidated financial statements).

xiv. The consolidated financial statements include the Financial Statements of Kotuma Wind Parks Private Limited, which states that the subsidiary company has incurred an accumulated loss of INR 2,441 Lakh and, as of that date, the subsidiary company's net worth has fully eroded. The subsidiary company's current liabilities exceed its current assets by INR 2,544 Lakh as on March 31, 2024. This condition indicates that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of Kotuma Wind Parks Private Limited have been prepared on a going concern basis. (Refer note 52(xv) to the consolidated financial statements).

xv. The consolidated financial statements include the Financial Statements of Two Wind Energy Private Limited, which states that the subsidiary company has incurred an accumulated loss of INR 5,891 Lakh and, as of that date, the subsidiary company's net worth has fully eroded. The subsidiary company's current liabilities exceed its current assets by INR 6,131 Lakh as on March 31, 2024. This condition indicates that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of Two Wind Energy Private Limited have been prepared on a going concern basis. (Refer note 52(xvi) to the consolidated financial statements).

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xvi. The consolidated financial statements include the Financial Statements of Azure Green Hydrogen Private Limited, which states that the subsidiary company has incurred an accumulated loss of INR 11 Lakh and, as of that date, the subsidiary company's net worth has fully eroded. The subsidiary company's current liabilities exceed its current assets by INR 10 Lakh as on March 31, 2024. This condition indicates that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of Azure Green Hydrogen Private Limited have been prepared on a going concern basis. (Refer note 52(xvii) to the consolidated financial statements).

xvii. The consolidated financial statements include the Financial Statements of Azure Power Sixty Three Private Limited, which states that the subsidiary company has incurred an accumulated loss of INR 100 Lakh and, as of that date, the subsidiary company's net worth has fully eroded. The subsidiary company's current liabilities exceed its current assets by INR 99 Lakh as on March 31, 2024. This condition indicates that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of Azure Power Sixty Three Private Limited have been prepared on a going concern basis. (Refer note 52(xviii) to the consolidated financial statements).

xviii. The consolidated financial statements include the Financial Statements of Azure Energy Transition Private Limited, which states that the subsidiary company has incurred an accumulated loss of INR 240 Lakh and, as of that date, the subsidiary company's net worth has fully eroded. The subsidiary company's current liabilities exceed its current assets by INR 237 Lakh as on March 31, 2024. This condition indicates that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of Azure Energy Transition Private Limited have been prepared on a going concern basis. (Refer note 52(xix) to the consolidated financial statements).

xix. The consolidated financial statements include the Financial Statements of Azure Power Sixty Four Private Limited, which states that the subsidiary company has incurred an accumulated loss of INR 9 Lakh and, as of that date, the subsidiary company's net worth has fully eroded. The subsidiary company's current liabilities exceed its current assets by INR 8 Lakh as on March 31, 2024. This condition indicates that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of Azure Power Sixty Four Private Limited have been prepared on a going concern basis. (Refer note 52(xx) to the consolidated financial statements).

xx. The consolidated financial statements include the Financial Statements of Azure Power Sixty Five Private Limited, which states that the subsidiary company has incurred an accumulated loss of INR 9 Lakh and, as of that date, the subsidiary company's net worth has fully eroded. The subsidiary company's current liabilities exceed its current assets by INR 8 Lakh as on March 31, 2024. This condition indicates that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of Azure Power Sixty Five Private Limited have been prepared on a going concern basis. (Refer note 52(xxi) to the consolidated financial statements).

xxi. The consolidated financial statements include the Financial Statements of Azure Power Sixty Six Private Limited, which states that the subsidiary company has incurred an accumulated loss of INR 3 Lakh and, as of that date, the subsidiary company's net worth has fully eroded. The subsidiary company's current liabilities exceed its current assets by INR 2 Lakh as on March 31, 2024. This condition indicates that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of Azure Power Sixty Six Private Limited have been prepared on a going concern basis. (Refer note 52(xxii) to the consolidated financial statements).

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ASA

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

a. Except for the possible effect of the matters described in the Basis for Qualified Opinion Section above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. Except for the possible effects of the matters described in the Basis for Qualified Opinion Section above, in our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d. Except for the matters described in the Basis for Qualified Opinion Section above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

e. In our opinion, the matters described in the Basis for Qualified Opinion paragraph above and the Adverse Opinion on adequacy of internal financial controls in Annexure A of our report, may have an adverse effect on the functioning of the Group.

f. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

g. With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 35(b) to the financial statements.

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

iv.

(a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, as disclosed in the Note no 47(iii), whose financial statements have been audited under the Act have represented to us, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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(b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, as disclosed in the Note no 47(iv), whose financial statements have been audited under the Act have represented to us, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The Group has neither declared nor paid any dividend during the year.

vi. Based on our examination, which included test checks, the Holding Company and its subsidiaries incorporated in India, except for the instances mentioned below, have used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

The financial statements of four subsidiaries that are not material to the consolidated financial statements of the Group, have not been audited under the provisions of the Act as of the date of this report. Therefore, we are unable to comment on the reporting requirement under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 in respect of these four subsidiaries.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Group as the Holding company and its subsidiaries are private companies.

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3. According to the information and explanations given to us, the following companies incorporated in India and included in the consolidated financial statements, have qualifications or adverse remarks made by the respective component auditors in their reports in the Companies (Auditor Report) Order (CARO).

S. No.	Name of the Company	CIN	Type of company (Holding/ Subsidiary)	Clause Number of the CARO report which is Qualified or Adverse
1	Azure Power India Private Limited	U40106DL2008PTC174774	Holding	i(a)(A), i(b), i(c), iii(c), iii(d), iii(e), vii(a), ix(a), xvii
2	Azure Power (Punjab) Private Limited	U40106DL2009PTC290476	Subsidiary	i(b), iii(c), iii(e), vii(a), ix(a)
3	Azure Power (Haryana) Private Limited	U40108DL2009PTC291351	Subsidiary	i(b), iii(c), vii(a)
4	Azure Solar Private Limited	U40106DL2010PTC209414	Subsidiary	i(a)A, i(b), vii(a)
5	Azure Power (Rajasthan) Private Limited	U40101DL2010PTC204588	Subsidiary	i(b), ix(a), vii(a), xix
6	Azure Urja Private Limited	U40300DL2010PTC209420	Subsidiary	i(b), vii(a)
7	Azure Surya Private Limited	U40300DL2010PTC209423	Subsidiary	i(a)(A), i(b), iii(c), iii(d), iii(e), vii(a)
8	Azure Power (Karnataka) Private Limited	U40107DL2010PTC29103	Subsidiary	i(a)(A), i(b), i(c), iii(c), iii(e), vii(a), ix(a)
9	Azure Photovoltaic Private Limited	U40300DL2010PTC209803	Subsidiary	i(a)(A), i(b), i(c), iii(c), iii(e), vii(a), ix(a)
10	Azure Power Infrastructure Private Limited	U40102DL2010PTC208927	Subsidiary	i(a)(A), i(b), iii(c), iii(d), iii(e), vii(a), ix(a)
11	Azure Power (Raj.) Private Limited	U40106DL2010PTC207053	Subsidiary	i(a)(A), i(b), i(c), iii(c), iii(d), iii(e), vii(a), ix(a)
12	Azure Green Tech Private Limited	U40106DL2012PTC237073	Subsidiary	i(a)(A), i(b), iii(c), iii(d), iii(e), vii(a)
13	Azure Clean Energy Private Limited	U40105DL2012PTC236882	Subsidiary	i(a)(A), i(b), iii(c), iii(d), iii(e), vii(a)
14	Azure Sunrise Private Limited	U40106DL2012PTC236103	Subsidiary	i(a)(A), i(b), i(c), iii(c), iii(d), iii(e), vii(a), ix(a), xix
15	Azure Sunshine Private Limited	U40106DL2012PTC237070	Subsidiary	i(a)(A), i(b), vii(a), ix(a)
16	Azure Power Earth Private Limited	U40300DL2014PTC273940	Subsidiary	i(a)(A), i(b), vii(a), xix
17	Azure Power Eris Private Limited	U40300DL2014PTC273917	Subsidiary	i(b), vii(a)
18	Azure Power Jupiter Private Limited	U40104DL2015PTC274952	Subsidiary	i(a)(A), i(b), vii(a), ix(a), xix
19	Azure Power Makemake Private Limited	U40106DL2015PTC274954	Subsidiary	i(a)(A), i(b), iii(c), iii(d), iii(e), vii(a)
20	Azure Power Mars Private Limited	U40300DL2014PTC273939	Subsidiary	i(a)(A), i(b), iii(c), iii(d), iii(e), vii(a)
21	Azure Power Pluto Private Limited	U40300DL2014PTC273942	Subsidiary	i(a)(A), i(b), iii(c), iii(d), iii(e), vii(a)
22	Azure Power Uranus Private Limited	U40108DL2015PTC275032	Subsidiary	i(a)(A), i(b), vii(a), xix
23	Azure Power Venus Private Limited	U40106DL2015PTC275034	Subsidiary	i(a)(A), i(b), vii(a), ix(a), xvii

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S. No.	Name of the Company	CIN	Type of company (Holding/ Subsidiary)	Clause Number of the CARO report which is Qualified or Adverse
24	Azure Power Thirty Three Private Limited	U40300DL2016PTC298811	Subsidiary	i(a)(A), i(b), i(c), vii(a), ix(a), xvii, xix
25	Azure Power Thirty Four Private limited	U40106DL2016PTC300663	Subsidiary	i(a)(A), i(b), iii(c), iii(d), iii(e), vii(a), ix(a)
26	Azure Power Thirty Six Private limited	U40108DL2016PTC299126	Subsidiary	i(a)(A), i(b), iii(c), iii(d), iii(e), vii(a)
27	Azure Power Thirty Seven Private limited	U40300DL2016PTC299122	Subsidiary	i(a)(A), i(b), iii(c), iii(e), vii(a)
28	Azure Power Thirty Nine Private limited	U40101DL2016PTC301060	Subsidiary	ix(a), xvii
29	Azure Power Forty Private limited	U40107DL2016PTC302018	Subsidiary	i(a)(A), i(b), i(c), ix(a), xix
30	Azure Power Forty One Private limited	U40300DL2016PTC301090	Subsidiary	i(a)(A), i(b), ix(a), xix
31	Azure Power Forty Three Private limited	U40100Dl2017PTC310862	Subsidiary	i(a)(A), i(b), vii(a), ix(a), xix
32	Azure Power Maple Private Limited	U40106DL2017PTC324594	Subsidiary	i(a)(A), i(b), vii(a), ix(a), xix

The above does not include, comments, if any, in respect of the following entities as the CARO report relating to them has not been issued by its auditors till the date of principal's auditor's report.

S. No.	Name of the Company	CIN	Type of company (Holding/ Subsidiary)
1	Azure Power Mercury Private Limited	U40100DL2014PTC273986	Subsidiary
2	Azure Power Thirty Eight Private Limited	U40300DL2016PTC301837	Subsidiary
3	Azure Power Forty Four Private Limited	U40300DL2017PTC311196	Subsidiary
4	Azure Power Saturn Private Limited	U40300DL2014PTC274382	Subsidiary

For **ASA & Associates LLP**
Chartered Accountants
Firm Registration No: 009571N/N500006

ASA & Associates LLP Chartered Accountants

K Nithyananda Kamath
Partner
Membership No. 027972

UDIN: 24027972BKCRNN3288

Place: Gurugram
Date: August 29, 2024

ASA

Annexure – A to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Adverse Opinion

We have audited the internal financial controls with reference to the consolidated financial statements of Azure Power India Private Limited (hereinafter referred to as the "the Company" or "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), as of March 31, 2024, in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date. The Group works on a common control environment accordingly, the controls have been designed to operate at a Group level irrespective of whether certain controls in respect of particular process may not be applicable during the year for a particular subsidiary.

In our opinion, because of the possible effects of the material weaknesses described below in the Basis for Adverse Opinion Section of our report on the achievement of the objectives of the control criteria, the Holding Company and its subsidiary companies, which are companies incorporated in India, have not maintained adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were not operating effectively as of March 31, 2024, based on the internal control with reference to consolidated financial statements criteria established by the Group considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Basis for Adverse Opinion

According to the information and explanations given to us and based on our audit, in previous year, the management has identified following material weaknesses in the design and operating effectiveness of internal control over financial reporting:

a) In Note no. 48 of the Company's consolidated financial statements, and paragraph 1 of the Basis for Qualified Opinion paragraph in our audit report regarding various whistleblower issues and based on the findings of independent external legal counsels engaged by the Group which highlighted the significant issues related to lapses in key control areas, governance issues, assets capitalization date and problems with vendor management. These findings indicate the material weakness in the Group's internal financial controls with reference to the consolidated financial statements.

b) We identified deficiencies in the Group's internal control systems related to land procurement processes. There were material weaknesses in selection and approval mechanisms for land aggregators. These material weaknesses could lead to material misstatements in the Group's consolidated financial statements and disclosures.

c) Material weaknesses were noted in the Group's financial reporting and closing process which had led to significant delays in the completion of the previous years' consolidated financial statements and non-compliance with applicable provisions and other relevant legislations.

d) In the course of our audit, we observed deficiencies in the Group's processes related to monitoring of management review controls inter-alia including those related to significant estimates which raises concerns about the potential for material misstatements in the consolidated financial statement disclosures.

e) The Group did not have an appropriate internal control system for the periodic reconciliation of Vendor balances.

During the year, the group has implemented the revised design and controls including over such material weaknesses which were operated for a part of the year, therefore, we were unable to obtain sufficient audit evidence and test about its operating effectiveness.

ASA & Associates LLP
Chartered Accountants

We have considered the material weaknesses identified and reported in point no (a), (b) and (c) above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Group for the year ended March 31, 2024, and these material weaknesses have affected our opinion on the consolidated financial statements of the Group and we have issued a qualified opinion on the consolidated financial statements with respect to these matters.

We have considered the material weaknesses identified and reported in point no (d) and (e) above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Group for the year ended March 31, 2024, and these material weaknesses do not affect our opinion on the consolidated financial statements of the Group with respect to these matters.

Management's Responsibility for Internal Financial Controls

The Holding Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the Group considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion on the Group's internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With reference to Consolidated Financial Statements

A Group's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Group's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorizations of management and directors of the Holding Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the consolidated financial statements.

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Chartered Accountants

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **ASA & Associates LLP**
Chartered Accountants
Firm Registration No: 009571N/N500006

ASA & Associates LLP Chartered Accountants

K Nithyananda Kamath
Partner
Membership No. 027972

UDIN: 24027972BKCRNN3288

Place: Gurugram
Date: August 29, 2024

Azure Power India Private Limited
Consolidated Balance Sheet as at March 31, 2024
(All amounts in INR lakhs, unless otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	3	12,48,693	12,86,095
Capital work-in-progress	3	14,332	35,088
Intangible assets	4	38	7
Right-of-use assets	34	47,176	48,481
Financial assets	5		
- Investments in equity shares and compulsorily convertible debenture	5 1	4,551	4,551
- Trade receivables	5 2	35,818	38,976
- Loans	5 3	933	465
- Other financial assets	5 4	1,03,172	96,918
Deferred tax assets (net)	17	32,088	34,080
Other non-current assets	6	19,425	20,334
Income tax assets (net)	7	5,469	2,752
Total non-current assets		**15,11,695**	15,67,747
Current assets			
Inventories	7A	131	131
Financial assets	8		
- Trade receivables	8 1	45,055	55,921
- Cash and cash equivalents	8.2	31,361	38,959
- Other bank balances	8.3	38,028	83,753
- Loans	8 4	9,129	9,503
- Other current financial assets	8 5	9,401	14,250
Other current assets	9	9,825	7,147
Assets classified as held for sale	45	21,567	-
Total current assets		**1,64,497**	2,09,664
Total assets		**16,76,192**	17,77,411
Equity and liabilities			
Equity			
Equity share capital	10	692	692
Other equity	11	3,40,368	3,52,596
Equity attributable to equity holders of the parent		**3,41,060**	3,53,288
Non-controlling interest	11	38	2,528
Total equity		**3,41,098**	3,55,816
Liabilities			
Non-current liabilities			
Financial liabilities	12		
- Borrowings	12 1	7,38,263	10,57,347
- Lease liabilities	34	34,260	33,684
Provisions	13 1	8,451	7,533
Deferred tax liabilities (net)	17	26,294	19,218
Other non-current liabilities	14	65,638	68,275
Total non-current liabilities		**8,72,906**	11,86,057
Current liabilities			
Financial liabilities	15		
- Borrowings	15 1	3,69,210	1,60,762
- Lease liabilities	34	3,154	2,924
- Trade payables			
Total outstanding dues of micro enterprises and small enterprises	15 2	1,469	491
Total outstanding dues of creditors other than micro enterprises and small enterprises	15 2	18,012	12,441
- Other financial liabilities	15 3	22,726	30,472
Other current liabilities	16	5,849	6,105
Provisions	13 2	18,423	18,558
Current tax liabilities (net)	16A	1,828	3,785
Liabilities directly associated with assets classified as held for sale	45	21,517	-
Total current liabilities		**4,62,188**	2,35,538
Total liabilities		**13,35,094**	14,21,595
Total equity and liabilities		**16,76,192**	17,77,411
See accompanying notes to the consolidated financial statements	2 2 - 56		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For ASA & Associates LLP
Chartered Accountants
Firm Registration Number 009571N/N500006

K Nithyananda Kamath
Partner
Membership No 027972
Place Gurugram
Date August 29, 2024

ASA & Associates LLP Chartered Accountants

For and on behalf of the board of directors of
Azure Power India Private Limited
CIN: U40106DL2008PTC174774

Sunil Kumar Gupta
Managing Director and CEO
DIN 07095152
Place Gurugram
Date August 29, 2024

Sugata Sircar
Director and Group CFO
DIN 01119161
Place Gurugram
Date August 29, 2024

Kapil Sharma
Company Secretary
Membership No A37154
Place Bangkok, Thailand
Date August 29, 2024

Azure Power India Private Limited New Delhi

Azure Power India Private Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2024
(All amounts in INR lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue			
Revenue from operations	18	2,10,414	2,05,136
Finance income	19	17,670	15,452
Other income	20	6,017	13,526
Total Income		**2,34,101**	2,34,114
Expenses			
Employee benefits expense	22	10,653	9,069
Depreciation and amortization expense	23	45,164	42,866
Impairment expense	21	8,407	4,469
Finance costs	24	1,23,326	1,12,225
Other expenses	25	44,628	57,689
Total expenses		**2,32,178**	2,26,318
Profit before tax		**1,923**	7,796
Tax expense:			
Current tax	17	5,562	7,188
Income tax adjustment pertaining to earlier years	17	177	-
Deferred tax charge	17	9,618	16,121
Total tax expense		**15,357**	23,309
Loss after tax		**(13,434)**	(15,513)
Other comprehensive income/ (expense)			
Items that will be reclassified to profit or loss			
Net movement on cash flow hedge reserve		(1,799)	4,409
Income tax effect on cash flow hedge reserve	17	544	(1,272)
Exchange difference on translation of foreign operation		2	(183)
Items that will not be reclassified to profit or loss			
Re-measurement (losses)/gain on defined benefit plans	37	(19)	220
Income tax effect on re-measurement losses/ (gain) on defined benefit plans	17	6	(83)
Total other comprehensive (expense)/ income		**(1,266)**	3,091
Total comprehensive expense		**(14,700)**	(12,422)
Loss after tax attributable to:			
Equity holders of the parent		(10,944)	(14,816)
Non-controlling interest		(2,490)	(697)
Total comprehensive expense attributable to:			
Equity holders of the parent		(12,210)	(11,725)
Non-controlling interest		(2,490)	(697)
Earnings per equity share: [Nominal value of share : INR 10 (March 31, 2023 : INR 10)]			
(1) Basic earnings per share (INR)	26	(158.14)	(214.18)
(2) Diluted earnings per share (INR)	26	(158.14)	(214.18)
See accompanying notes to the consolidated financial statements	2.2 - 56		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For ASA & Associates LLP
Chartered Accountants
Firm Registration Number: 009571N/N500006

ASA & Associates LLP Chartered Accountants

K Nithyananda Kamath
Partner
Membership No: 027972
Place : Gurugram
Date : August 29, 2024

For and on behalf of the board of directors of
Azure Power India Private Limited
CIN: U40106DL2008PTC174774

AZURE POWER INDIA PRIVATE LIMITED New Delhi

Sunil Kumar Gupta	**Sugata Sircar**	**Kapil Sharma**
Managing Director and CEO	Director and Group CFO	Company Secretary
DIN: 07095152	DIN: 01119161	Membership No. A37154
Place : Gurugram	Place : Gurugram	Place: Bangkok, Thailand
Date : August 29, 2024	Date : August 29, 2024	Date : August 29, 2024

Azure Power India Private Limited
Consolidated Statement of Cash Flows for the year ended March 31, 2024
(All amounts in INR lakhs, unless otherwise stated)

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A	**Cash flows from operating activities**		
	Profit before tax	1,923	7,796
	Adjustments for :		
	Depreciation and amortization expense	45,164	42,866
	Impairment loss	8,407	4,469
	Foreign exchange fluctuation (net)	(460)	52
	Provision for expected credit losses (net of provision written back)	433	3,780
	Balance written off	206	-
	Reversal of share-based payment liability	(18)	(6,333)
	Interest income on investments	(63)	-
	Loss on sale of property, plant and equipment	194	2,027
	Viability gap funding income	(1,104)	(1,130)
	Government grant income	(91)	(90)
	Deferred revenue	(2,404)	12,764
	Contract assets	37	(251)
	Advances written off	208	684
	Assets written off	2,721	2,246
	Provision for liquidated damages	190	405
	Gain on cancellation of lease contract	(293)	-
	Gain of modification of financial assets	(20)	-
	Penalty	433	-
	Loss on account of modification of contractual cash flows	-	285
	Provision against impairment of assets	250	-
	Viability gap funding received	(86)	1,525
	Interest income	(17,670)	(15,452)
	Liabilities no longer required written back	(1,444)	(489)
	Finance costs	1,23,326	1,12,225
	Operating profit before working capital changes	**1,59,839**	1,67,379
	Movements in working capital:		
	Decrease/ (increase) in trade receivables	15,809	(5,908)
	Decrease/ (increase) in other current financial assets	4,875	(6,160)
	(Increase)/ decrease in other current assets	(2,089)	2,916
	Increase in trade payables	6,132	1,157
	Increase in loans	(41)	(36)
	(Increase)/ decrease in non current financial assets	(27)	5,951
	Decrease/ (increase) in other non-current assets	182	(3)
	Increase in inventories	-	(131)
	Increase in other current and non current liabilities	702	141
	(Decrease)/ increase in other current and non-current financial liabilities	(177)	2,353
	Increase in provisions	29	16,061
	Cash from operations	**1,85,234**	1,83,720
	Income tax paid (net of refunds)	(10,446)	(1,721)
	Net cash from operating activities	**1,74,788**	1,81,999
B	**Cash flows from investing activities**		
	Purchases of property, plant and equipment (including capital work in progress, capital advance and capital creditors)	(18,160)	(62,027)
	Proceeds from disposal of property, plant and equipment	1,479	1,605
	Purchase of intangible assets	(68)	(16)
	Interest received	12,503	11,580
	Purchase of investments	-	(4,023)
	Loans to fellow subsidiary companies (refer note 27)	(1,496)	(834)
	Loans repaid by fellow subsidiary companies (refer note 27)	-	500
	Loans repaid by/ (given) to others	1,442	(142)
	Proceeds from disposal of subsidiaries	-	315
	Proceeds/ (investment) in bank deposits (having the original maturity of more than three months)	37,146	(58,094)
	Net cash from/ (used in) investing activities	**32,846**	(1,11,136)
C	**Cash flows from financing activities**		
	Net proceeds from issue of equity shares (including securities premium)	-	4,649
	Proceeds for hedging arrangements	-	5,442
	Repayment of External commercial borrowings/Non-Convertible Debentures	(53,536)	(20,461)
	Proceeds from non-current borrowings	12,364	32,418
	Repayments of non-current borrowings	(58,032)	(50,679)
	Proceeds from current borrowings	1,888	6,575
	Repayment of current borrowings	-	(4,595)
	Payment of lease rent (refer note 34)	(3,081)	(3,144)
	Finance cost paid	(1,12,921)	(1,06,155)
	Net cash used in financing activities	**(2,13,318)**	(1,35,950)
	Net decrease in cash and cash equivalents	**(5,684)**	(65,087)
	Cash and cash equivalents at the beginning of the year	38,959	1,04,046
	Cash and cash equivalents at the end of the year	**33,275**	**38,959**
	Components of cash and cash equivalents		
	Balances with schedule banks:		
	- In current accounts (refer note 8.2)	13,930	7,794
	- Deposits with original maturity of less than 3 months (refer note 8.2)	17,431	31,165
	Cash and cash equivalents classified as held for sale (refer note 45)	1,914	-
	Total cash and cash equivalents	**33,275**	38,959

ASA & Associates LLP Chartered Accountants

Azure Power India Private Limited New Delhi

Azure Power India Private Limited
Consolidated Statement of Cash Flows for the year ended March 31, 2024
(All amounts in INR lakhs, unless otherwise stated)

Change in liabilities arising from financing activities

Particulars	**Opening balance as at April 01, 2023**	**Cash flow (net)**	**Change in foreign exchange rate**	**Classified to liabilities held for sale**	**Other changes***	**Closing balance as at March 31, 2024**
Non current borrowings (Including current maturities)	11,28,320	(99,204)	2,363	(6,028)	2,517	10,27,968
Current borrowings	89,789	1,888	1,103	(13,275)	-	79,505
Lease liabilities	36,608	(3,081)	-	-	3,887	37,414
Total liabilities from financing activities	**12,54,717**	**(1,00,397)**	**3,466**	**(19,303)**	**6,404**	**11,44,887**

Particulars	Opening balance as at April 01, 2022	Cash flow (net)	Change in foreign exchange rate	Classified to liabilities held for sale	Other changes*	Closing balance as at March 31, 2023
Non current borrowings	11,54,762	(38,722)	12,088	-	192	11,28,320
Current borrowings	81,659	1,980	6,150	-	-	89,789
Lease liabilities	35,062	(3,144)	-	-	4,690	36,608
Total liabilities from financing activities	12,71,483	(39,886)	18,238	-	4,882	12,54,717

*Including adjustments of ancillary borrowing cost and interest on lease liabilities.

Notes:

1. The Consolidated Statement of Cash Flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) on "Statement of Cash Flows" referred to Section 133 of Companies Act 2013.

2. The accompanying notes are an integral part of the consolidated financial statements.

See accompanying notes to the consolidated financial statements 2.2 - 56

As per our report of even date

For ASA & Associates LLP
Chartered Accountants
Firm Registration Number: 009571N/N500006

ASA & Associates LLP Chartered Accountants

K Nithyananda Kamath
Partner
Membership No: 027972
Place : Gurugram
Date : August 29, 2024

For and on behalf of the board of directors of
Azure Power India Private Limited
CIN: U40106DL2008PTC174774

Azure Power India Private Limited New Delhi

Sunil Kumar Gupta
Managing Director and CEO
DIN: 07095152
Place : Gurugram
Date : August 29, 2024

Sugata Sircar
Director and Group CFO
DIN: 01119161
Place : Gurugram
Date : August 29, 2024

Kapil Sharma
Company Secretary
Membership No. A37154
Place: Bangkok, Thailand
Date : August 29, 2024

Azure Power India Private Limited
Consolidated Statement of Changes in Equity for the year ended March 31, 2024
(All amounts in INR lakhs, unless otherwise stated)

(a) Equity share capital

For the year ended March 31, 2024

Equity shares of INR 10 each issued, subscribed and fully paid

	Number of shares	Share capital
At April 01, 2023	69,20,619	692
Changes during the year	-	-
At March 31, 2024	69,20,619	692

For the year ended March 31, 2023

Equity shares of INR 10 each issued, subscribed and fully paid

	Number of shares	Share capital
At April 01, 2022	68,58,979	686
Changes during the year	61,640	6
At March 31, 2023	69,20,619	692

(b) Other equity

For the year ended March 31, 2024:

Particulars	Attributable to the equity holders of parent company								Non-controlling interests	Total equity
	Deemed capital contribution by parent / ESOP reserve	Reserves and surplus			Items of other comprehensive income			Total		
		Deficit in the statement of profit and loss	Securities premium reserve*	Other reserve	Defined benefit plans (Note 37)	Cash flow hedge reserve	Foreign currency translation reserve (FCTR)			
At April 01, 2023	3,663	(1,64,889)	5,11,225	403	82	2,264	(152)	3,52,596	2,528	3,55,124
Loss for the year	-	(10,944)	-	-	-	-	-	(10,944)	(2,490)	(13,434)
Other comprehensive income/(expense) (net of tax)	-	-	-	-	(13)	(1,255)	2	(1,266)	-	(1,266)
Total	3,663	(1,75,833)	5,11,225	403	69	1,009	(150)	3,40,386	38	3,40,424
Reversal of deemed capital contribution by parent on account of employees Stock option plan (refer note 28)	(18)	-	-	-	-	-	-	(18)	-	(18)
At March 31, 2024	3,645	(1,75,833)	5,11,225	403	69	1,009	(150)	3,40,368	38	3,40,406

Azure Power India Private Limited
Consolidated Statement of Changes in Equity for the year ended March 31, 2024
(All amounts in INR lakhs, unless otherwise stated)

For the year ended March 31, 2023

Particulars	Attributable to the equity holders of parent company								Non-controlling interests	Total equity
	Deemed capital contribution by parent / ESOP reserve	Reserves and surplus			Items of other comprehensive income			Total		
		Deficit in the statement of profit and loss	Securities premium reserve*	Other reserve	Defined benefit plans (Note 37)	Cash flow hedge reserve	Foreign currency translation reserve (FCTR)			
As at April 01, 2022	3,533	(1,50,073)	5,06,582	403	(55)	(873)	31	3,59,548	3,225	3,62,773
Loss for the year	-	(14,816)	-	-	-	-	-	(14,816)	(697)	(15,513)
Other comprehensive income/(expense) (net of tax)	-	-	-	-	137	3,137	(183)	3,091	-	3,091
Total	3,533	(1,64,889)	5,06,582	403	82	2,264	(152)	3,47,823	2,528	3,50,351
Securities premium on account of issue of equity shares during the year	-	-	4,643	-	-	-	-	4,643	-	4,643
Deemed capital contribution by parent on account of employees Stock option plan (refer note 28)	130	-	-	-	-	-	-	130	-	130
At March 31, 2023	3,663	(1,64,889)	5,11,225	403	82	2,264	(152)	3,52,596	2,528	3,55,124

*The amount is net of share issue expenses

See accompanying notes to the consolidated financial statements 2 2 - 56

As per our report of even date

For ASA & Associates LLP
Chartered Accountants
Firm Registration Number 009571N/N500006

ASA & Associates LLP Chartered Accountants

K Nithyananda Kamath
Partner
Membership No 027972
Place Gurugram
Date August 29, 2024

For and on behalf of the board of directors of
Azure Power India Private Limited
CIN: U40106DL2008PTC174774

Sunil Kumar Gupta
Managing Director and CEO
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Place Gurugram
Date August 29, 2024

Kapil Sharma
Company Secretary
Membership No A37154
Place Bangkok, Thailand
Date August 29, 2024

Azure Power India Private Limited New Delhi

1. Corporate information

Azure Power India Private Limited ("the Company") is domiciled in India. The Company was incorporated under the provisions of the Companies Act applicable in India. The Company is a subsidiary of Azure Power Global Limited ("APGL" or "Holding Company or Parent"). These consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as the 'Group or Parent Group') and the Group's interest in associates. The registered office of the Group is located at DSC-304, Second Floor, DLF South Court, Saket District Centre, New Delhi – 110017.

The Group's primary business includes generation of solar energy and developing and managing infrastructure for solar power. The group pledges its plant to obtain long term loans. As per the legal view obtained by the Group, the company and it's subsidiaries are regulated under the Electricity Act, 2003. The projects of Group, which have commenced operations before March 31, 2017, are eligible for section 80-IA benefits under the Income Tax Act, 1961.

2. Material accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto and other relevant provisions of the Companies Act, 2013.

The consolidated financial statements were authorised for issue by the Company's Board of Directors on August 29, 2024.

The Ind AS consolidated financial statements have been prepared on the accrual and going concern basis and the historical cost convention, except for the following assets and liabilities which have been measured at fair value or revalued amount;

- Derivative financial instruments
- Liabilities for cash-settled share-based payment arrangements
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

Accounting policies have been consistently applied to all the years presented unless otherwise stated.

Principles of Consolidation

In the preparation of Consolidated financial statements, investments in subsidiaries have been accounted in accordance for in accordance with the accounting principles as defined in the Ind AS 110 "Consolidated financial statements" notified under section 133 of Companies Act 2013, read together with Companies (Indian Accounting Standards) Rules, 2015. The Consolidated Financial statements are prepared on the following basis:

i. Subsidiary companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income, and expenses after eliminating all significant intra-group balances and intra-group transaction and also unrealized profits and losses.

ii. The Consolidated Financial statements are prepared using uniform accounting policies for like transactions other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements. The financial statements of the subsidiary are adjusted for the accounting principles followed by the Group.

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AZURE POWER INDIA PRIVATE LIMITED New Delhi

(INR amount in lakhs, unless otherwise stated)

iii. The difference between the cost to the Group of its investments in the subsidiaries and its proportionate share in the equity of the investee Company at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital reserve, as the case may be. Goodwill is tested for impairment by management on annual basis.

iv. Non-controlling interest in the net profits of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance sheet separately.Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the holding Company.

v. The financial statements of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Company i.e., year ended March 31, 2024.

Nature of interest in consolidated entities: Subsidiaries

Name	Country of Incorporation /Principal place of business	Percentage of equity interest	
		March 31, 2024	March 31, 2023
Azure Power (Punjab) Private Limited	India	100%	100%
Azure Power (Haryana) Private Limited	India	99.17%	99.17%
Azure Solar Private Limited	India	92.31%	92.31%
Azure Power (Rajasthan) Private Limited	India	100%	100%
Azure Urja Private Limited	India	73.80%	73.80%
Azure Surya Private Limited	India	67.33%	67.33%
Azure Power (Karnataka) Private Limited	India	58.87%	58.87%
Azure Photovoltaic Private Limited	India	100%	100%
Azure Power Infrastructure Private Limited	India	94.59%	94.59%
Azure Power (Raj.) Private Limited	India	100%	100%
Azure Green Tech Private Limited	India	100%	100%
Azure Clean Energy Private Limited	India	100%	100%
Azure Sunrise Private Limited	India	100%	100%
Azure Sunshine Private Limited	India	100%	100%
Azure Power Earth Private Limited	India	100%	100%
Azure Power Eris Private Limited	India	100%	100%
Azure Power Jupiter Private Limited	India	51.01%	51.01%
Azure Power Makemake Private Limited	India	100%	100%
Azure Power Mars Private Limited	India	100%	100%
Azure Power Mercury Private Limited	India	51.4%	51.4%
Azure Power Pluto Private Limited	India	100%	100%
Azure Power Uranus Private Limited	India	100%	100%
Azure Power Venus Private Limited	India	100%	100%
Azure Power Saturn Private Limited	India	51.4%	51.4%
Azure Power Thirty Three Private Limited	India	100%	100%
Azure Power Thirty Four Private Limited	India	100%	100%
Azure Power Thirty Six Private Limited	India	100%	100%
Azure Power Thirty Seven Private Limited	India	99.84%	99.84%
Azure Power Thirty Eight Private Limited	India	51%	51%
Azure Power Thirty Nine Private Limited	India	100%	100%
Azure Power Forty Private Limited	India	100%	100%
Azure Power Forty One Private Limited	India	100%	100%
Azure Power Forty Three Private Limited	India	100%	100%
Azure Power Forty Four Private Limited	India	51.4%	51.4%

ASA & Associates LLP Chartered Accountants

AZURE POWER INDIA PRIVATE LIMITED New Delhi

(INR amount in lakhs, unless otherwise stated)

Name	Country of Incorporation /Principal place of business	Percentage of equity interest	
		March 31, 2024	March 31, 2023
Azure Power Fifty One Private Limited	India	100%	100%
Azure Power Fifty Two Private Limited	India	100%	100%
Azure Power Fifty Three Private Limited	India	100%	100%
Azure Power Fifty Four Private Limited	India	100%	100%
Azure Power Maple Private Limited	India	100%	100%
Azure Power Fifty Six Private Limited	India	100%	100%
Azure Power Fifty Seven Private Limited	India	100%	100%
Azure Power Fifty Eight Private Limited	India	100%	100%
Azure Power Fifty Nine Private Limited	India	100%	100%
Azure Power Sixty Private Limited	India	100%	100%
Azure Power Sixty One Private Limited	India	100%	100%
Azure Power Sixty Two Private Limited	India	100%	100%
Kotuma Wind Parks Private Limited	India	100%	100%
Two Wind Energy Private Limited	India	100%	100%
Azure Green Hydrogen Private Limited	India	100%	100%
Azure Power Sixty Three Private Limited	India	100%	100%
Azure Power US Inc.	United States of America	100%	100%
Azure Power Sixty Four Private Limited	India	100%	100%
Azure Power Sixty Five Private Limited	India	100%	100%
Azure Power Sixty Six Private Limited	India	100%	100%
Azure Energy Transition Private Limited	India	100%	100%

2.2 Summary of material accounting policies

a) Use of Estimates

The preparation of Consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

b) Current versus non-current classification

The Group presents assets and liabilities in the Consolidated balance sheet based on current/non-current classification.

An asset is treated as current when it is:
- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

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A liability is treated as current when it is:

- expected to be settled in normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current assets/liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization/settlement in cash and cash equivalents. The Group have identified twelve months as their operating cycle for classification of their current assets and liabilities.

c) Property, plant and equipment

Capital work-in-progress, property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in Consolidated statement of profit and loss as incurred.

Derecognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated statement of profit and loss when the derecognized. The Group considers the cost of the replacement as the cost of the replaced part, when it was acquired or constructed, in case it is not practicable to determine the separate cost of the component of asset. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

d) Capital work in progress ("CWIP")

Capital work-in-progress includes cost of property, plant and equipment that are not ready for use at the balance sheet date.

e) Depreciation

Based on legal opinion obtained, management is of the view that application of CERC and/or SERC rates for the purpose of accounting of depreciation expense is not mandatory. Hence, Group is depreciating the assets based on technical assessment made by technical expert and management estimate.

Depreciation on property plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. Considering the applicability of Schedule II of the Companies Act, 2013, the management has re-estimated useful lives and residual value of all of its property plant and equipment.

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Azure Power India Private Limited New Delhi

(INR amount in lakhs, unless otherwise stated)

The management believes that depreciation rates currently used fairly reflects its estimate of the useful lives and residual value of the Property plant and equipment, though these rates in following cases are different from lives prescribed under Schedule II of the Companies Act, 2013 based upon the nature of asset, the operating condition of the asset, the estimated usage of the asset, past history of replacement and anticipated technological changes.

Category	Life as per Schedule II	Life considered
Building	30 years	35 years
Plant & Equipment (excluding Inverter)	25 years	35 years
Inverter	25 years	25 years
Furniture and fixtures	10 years	5 years
Vehicles	8/10 years	5 years
Office equipment	5 years	1-5 years

During the year ended as at March 31, 2022, basis the technical assessment, the Group has revised the useful lives of solar power project assets i.e., plant and machinery (excluding inverter) and building from 25 years to 35 years. These changes have been considered as change in accounting estimate as per Ind AS 8 (Accounting policies, change in accounting estimates and errors) and have been accounting for prospectively with effect from April 1, 2021.

The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

Assets individually costing less than Rs. 5,000 are fully depreciated in the year of acquisition.

The assets' residual values and useful lives are reviewed at the end of each financial year or whenever there are indicators for impairment and adjusted prospectively.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in Consolidated statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the Consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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Azure Power India Private Limited New Delhi

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and are recognized in the Consolidated statement of profit and loss when the asset is derecognized.

Intangible assets useful life is reviewed at the end of each financial year and adjusted prospectively.

g) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right of use assets

The Group recognizes right-of-use assets at the commencement date of the lease

(i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

(iv) The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the right of use asset if the recognition criteria for a provision are met. Refer to note 43 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

i) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through Profit and Loss (FVTPL)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
b) contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

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After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss. The category applies to the Group's trade receivables, unbilled revenue, other bank balances, security deposits, etc.

Debt instrument at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as FVTOCI if both of the following criteria are met:

a) the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
b) the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals in the Consolidated statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Consolidated Statement of Profit and Loss.

Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at fair value through profit and loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instrument included within FVTPL category are measured at fair value with all changes recognized in the Consolidated statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognized (i.e. removed from the Group's balance sheet) when:

a) the contractual rights to receive cash flows from the asset have expired, or
b) the Group has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and Either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the asset to the extent of the Group's continuing involvement in the asset. In that case,

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the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- financial assets that are debt instruments, and are measured at amortised cost e.g. deposits, trade receivables and bank balances;
- financial asset that are debt instruments and are measured as at FVTOCI;
- trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

For recognition of impairment loss on the financial assets that are debt instruments and are initially measured at fair value with subsequent measurement at amortised cost e.g. trade receivables, unbilled revenue etc.

The Group follows 'simplified approach' for recognition of impairment loss allowance for trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

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ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Consolidated statement of profit and loss. This amount is reflected under the head 'other expenses' in the Consolidated statement of profit and loss. The Consolidated balance sheet presentation for financial instruments is described below:

For financial assets measured at amortised cost: ECL is presented as an allowance i.e. as an integral part of the measurement of those assets in the Consolidated balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdraft.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Consolidated statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the Consolidated statement of profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Consolidated statement of profit and loss when the liabilities are derecognized as well as through the EIR amortisation process.

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Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated statement of profit and loss.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operation. Such changes are evident to external parties. A change in the business model occurs when the Group either or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediate next reporting period following the change in the business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassifications and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognized in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortized cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortized cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss the reclassification date.

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Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts, and interest rate swaps, to hedge its foreign currency risks, and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the Consolidated statement of profit and loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Consolidated statement of profit and loss, except for the effective portion of cash flow hedges, which is recognized in OCI and later reclassified to Consolidated statement of profit and loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- Hedges of a net investment in a foreign operation

In the normal course of business, the Group uses derivative instruments for mitigating the exposure from foreign currency fluctuation risks associated with forecasted transactions denominated in certain foreign currencies and to minimize cash flow volatility associated with changes in foreign currency exchange rates, and not for speculative trading purposes. These derivative contracts are purchased within the Group's policy and are with counterparties that are highly rated financial institutions.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The Group evaluates hedge effectiveness of cash flow hedges at the time a contract is entered into as well as on an ongoing basis. The ineffective portion of cash flow hedge is recorded as expense in Consolidated statement of profit and loss. The cost of effective portion of cash flow hedges is expensed over the period of the hedge contract.

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Undesignated contracts

Changes in fair value of undesignated derivative contracts are reported directly in Consolidated statement of profit and loss along with the corresponding transaction gains and losses on the items being economically hedged. Realised gains (losses) and changes in the fair value of these foreign exchange derivative contracts are recorded in foreign exchange gains (losses), net in the Consolidated statement of profit and loss. These derivatives are not held for speculative or trading purposes.

Cash flow hedges that meet the criteria for hedge accounting are accounted for, as described below

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the Consolidated statement of profit and loss. The Group uses forward currency contracts and interest rate swaps as hedges of its exposure to foreign currency risk and interest volatility risk in forecast transactions and firm commitments.

Fair value hedge: hedging of foreign exchange exposure

Fair value hedge accounting is followed for foreign exchange risk with the objective to reduce the exposure to fluctuations in the fair value of firm commitments due to changes in foreign exchange rates.

Fair value adjustments related to non-financial instruments will be recognised in the hedged item upon recognition and will eventually affect Consolidated statement of profit and loss as and when the hedged item is derecognised. Changes in the fair value of derivatives designated and qualifying as fair value hedges, together with any changes in the fair value of the hedged firm commitments attributable to the hedged risk, will be recorded in in the consolidated balance sheet. The gain or loss on the hedging derivative in a hedge of a foreign-currency-denominated firm commitment and the offsetting loss or gain on the hedged firm commitment is recognised in the Consolidated statement of profit and loss in the accounting period, post the recognition of the hedged item in the Consolidated balance sheet.

The Company does not have any net investment in a foreign operation.

j) Financial guarantees

Financial guarantees issued by the Parent Company on behalf of group companies are designated as 'Insurance Contracts'. The Parent Company assess at the end of each reporting period whether its recognised insurance liabilities (if any) are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency is recognised in Consolidated statement of profit and loss.

k) Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the fair value of the consideration to which the Group expects to be entitled in exchange for those goods or services. Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Where Power Purchase Agreement or "PPA" include scheduled price changes, revenue is recognized at lower of the amount billed or by applying the average rate to the energy output estimated over the term of the PPA. The

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determination of the lesser amount is undertaken annually based on the cumulative amount that would have been recognized had each method been consistently applied from the beginning of the contract term. The Group estimates the total kilowatt hour units expected to be generated over the entire term of the PPA. The Group then uses the total estimated revenue and the total estimated kilo-watt hours to compute the average rate used to record revenue on the actual energy output supplied. The Group compares the actual energy output supplied to the estimate of the energy expected to be generated over the remaining term of PPA on a periodic basis, but at least annually. Based on this evaluation, the Group reassess the energy output estimated over the remaining term of the PPA and adjust the revenue recognized and deferred to date. The difference between actual billing and revenue recognized is recorded as deferred revenue. The difference between actual billing and revenue recognized is recorded as deferred revenue.

Sale of power

Revenue from sale of power is recognised when persuasive evidence of an arrangement exists, the fee is fixed or determinable, solar energy kilowatts are supplied and collectability is reasonably assured. Revenue is based on the solar energy kilowatts actually supplied to customers (including the solar energy kilowatts supplied and not billed on reporting date) multiplied by the rate per kilo-watt hour agreed to in the respective Power Purchase Agreements (PPAs). The solar energy kilowatts supplied by the Group are validated by the customer prior to billing and recognition of revenue.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of power, the Group considers the effects of variable consideration and consideration payable to the customer (if any).

Revenue from the recovery of Safe-guard duties and Goods and Service Tax under the change in law provision are recognized over the PPA period based on terms agreed with customers or unless agreed otherwise once collectability is reasonably assured.

The revenue of Safeguard duties and Goods and Service Tax for the year is recognized by the Group in proportion to the actual sale of solar energy kilowatts during the period to the total estimated sale of solar energy kilowatts during the tenure of the applicable power purchase agreement.

Income from carbon credit emission

Revenue from the sale of carbon credit emission is recognized at the time of transfer of credits to customers.

Contract assets

A contract asset is initially recognised for revenue earned for its right to consideration in exchange for goods or services transferred to the customer. If the Group perform by transferring goods or services to a customer before the customer pays consideration or before acceptance by the customer, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

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Trade receivables

A trade receivable represents the right of entities forming part of Group to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (k) Financial instruments – initial recognition and subsequent measurement

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the Consolidated statement of profit and loss.

Dividends

Revenue is recognized when the Group's right to receive payment is established by the balance sheet date. Dividends from subsidiaries are recognised even if same are declared after the balance sheet date if it pertains to period on or before the date of Balance Sheet as per the requirement of Schedule III of the Companies Act 2013.

Application of interpretation for Service Concession Arrangements (SCA)

The Management has assessed applicability of Appendix C of Indian Accounting Standards 115: Service Concession Arrangements for the power purchase agreement which the group has entered into. In assessing the applicability of SCA, the management has exercised significant judgement in relation to the underlying ownership of the assets, the attached risks and rewards of ownership, residual interest etc. in concluding that the arrangements don't meet the criteria for recognition as service concession arrangements.

l) Government grants

Grants from the government are recognised at the fair value where there is a reasonable assurance that the grant will be received and the Group will comply all with all attached conditions.

Government grant relating to income are deferred and recognised in the Consolidated statement of profit and loss over the period necessary to match them with the cost that they are intended to compensate and presented within other operating income.

Government grant relating to purchase of property, plant and equipment are included in non- current liabilities as deferred income and are credited to Consolidated statement of profit and loss on a straight-line basis over the expected lives of the related assets and presented within other operating income.

The Group considers Viability Gap Funding (VGF) as government grant and records the proceeds received from VGF on fulfilment of the underlying conditions as deferred revenue. Such deferred VGF revenue is recognized in the Consolidated statement of profit and loss in proportion to the actual sale of solar energy kilowatts during the period to the total estimated sale of solar energy kilowatts during the tenure of the applicable power purchase agreement pursuant to the revenue recognition policy.

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m) Foreign currency transactions

Functional and Presentation Currency

The Group's consolidated financial statement are presented in Indian Rupees (INR), which is the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Group operates and is normally the currency in which the Company primarily generates and expends cash.

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rates at the date the transaction first qualifies for recognition.

Conversion

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised in Consolidated statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or Consolidated statement of profit and loss are also recognised in other comprehensive income or Consolidated statement of profit and loss, respectively).

n) Retirement and other employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Consolidated balance sheet.

Other long-term employee benefit obligations

Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Consolidated Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Consolidated Statement of Profit and Loss.

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Defined benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the Consolidated statement of profit and loss in the year in which they arise.

Leaves under define benefit plans can be encashed only on discontinuation of service by employee.

o) Income taxes

Tax expense represents the sum of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group reflects the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

Deferred tax is provided, using the balance sheet method, on all deductible temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, on carry forward of unused tax credits and unused tax loss:

- deferred income tax is not recognised on the initial recognition (including MAT) of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered.

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Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred tax is recognised in Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

The carrying amount of deferred tax assets (including MAT credit available) is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

In the situations where the entity is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where they operate, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary differences originate. However, the Group restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entities forming part of the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Consolidated Balance Sheet when it is probable that future economic benefit associated with it will flow to the entities forming part of the Group.

p) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance. The Group's chief executive officer is the chief operating decision maker.

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The group activities mainly involve sale of electricity. Considering the nature of the Group's business operations, there are no separate reportable operating segments in accordance with the requirements of Indian Accounting Standard 108, 'Operating Segments' referred in to Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and hence, there are no additional disclosures to be provided other than those already provided in the Consolidated financial statements. The Group's principal operations, revenue and decision-making functions are located in India and there are no revenue and non-current assets outside India.

q) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for share options of the parent Group (equity-settled transactions). Incremental fair value of the stock option granted relating to already vested options is recognised in the Consolidated statement of profit and loss and the same has been treated as deemed contribution by parent.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefit expenses, except the cost of services which is initially capitalised by the Group as part of the cost of property, plant and equipment. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The Consolidated statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through Consolidated statement of profit and loss.

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For share-based payment transactions among group entities, in its separate or individual financial statements, the entity receiving the goods or services measures the goods or services received as either an equity-settled or a cash-settled share-based payment transaction by assessing:

(a) the nature of the awards granted, and
(b) its own rights and obligations.

The entity receiving the goods or services measures the goods or services received as an equity-settled share-based payment transaction when:

(a) the awards granted are its own equity instruments, or
(b) the entity has no obligation to settle the share-based payment transaction.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Cash-settled transactions

The fair value of the amount payable to employees in respect of share appreciation rights (SARs), which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees unconditionally become entitled to the payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SARs. Any changes in the fair value of the liability are recognised in the Consolidated statement of profit and loss, except the cost of services which is initially capitalized by the Group as part of the cost of property, plant and equipment.

r) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

s) Provisions

General

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Consolidated statement of profit and loss net of any reimbursement.

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If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Decommissioning liability

Upon the expiration of the lease agreement for solar power plants located on leasehold land, the Group is required to remove the solar power plant. The Group records a provision for such decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of right of use asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the Consolidated statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from right of use asset. Once the asset has been fully depreciated and the asset has nil net carrying amount (gross carrying amount less accumulated depreciation) of zero in the Consolidated statement of financial position, further changes in any related provision for decommissioning are recognised in profit or loss.

t) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Impairment loss is recognised when the carrying amount of an asset exceeds recoverable amount and the asset is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations are recognised in the Consolidated statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group

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estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Consolidated statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

u) Contingent assets / liabilities

Contingent assets are not recognised. However, when realization of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the Consolidated financial statements.

v) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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For assets and liabilities that are recognised in the Consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

w) Cash and cash equivalents

Cash and cash equivalents in the Consolidated Balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

x) Inventory

Carbon emission rights (CERs) received on registered projects are recorded as inventory. Inventories are valued at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The Group derecognises the CERs when the certificate is sold, which occurs when units are transferred to the customer.

y) Events occurring after the balance sheet date

Impact of events occurring after the balance sheet date that provide additional information materially effecting the determination of the amounts relating to conditions existing at the balance sheet date are adjusted to respective financial statements areas.

z) Trade Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost.

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aa) Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

ab) Asset held-for-sale

Assets and asset disposal group are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when management commits to a plan to sell the asset; the asset is available for immediate sale in its present condition; an active program to locate a buyer and other actions required to complete the plan have been initiated; the sale of the asset is probable within one year; the asset is being actively marketed for sale at a reasonable price in relation to its current fair value; and it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Assets and liabilities classified as held-for-sale are measured at lower of their carrying amount and fair value less costs to sell and depreciation (amortization) ceases once the asset is classified as held for sale.

ac) Changes in accounting policy and disclosures

On March 31, 2023, Ministry of Corporate Affairs ("MCA") amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, major amendments are as follows:

- Ind AS 1 – Presentation of Financial Statements
  The amendments require companies to disclose their material accounting policies rather than their significant accounting policies and added guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

- Ind AS 12 – Income Taxes
  The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

  The Group previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the Consolidated balance sheet. There was also no impact on the opening retained earnings as at 1 April 2022.

- Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
  The amendments will help entities to distinguish between accounting policies, accounting estimates and correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. This amendment did not have any impact on the Group's financial statements.

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3. Property, plant and equipment

	Freehold land	Plant and Equipment	Furniture and fixtures	Vehicles	Computers	Office equipment	Leasehold improvements	Road	Building	Total	Capital work-in-progress
Gross block at cost											
At April 01, 2022	32,902	12,96,799	101	977	991	1,131	3,524	1,434	64,071	14,01,930	1,62,990
Additions	4,963	1,49,492	4	116	122	94	-	391	900	1,56,082	21,826
Transfer to assets	-	-	-	-	-	-	-	-	-	-	(1,42,333)
Disposals/ Adjustments	(281)	(5,946)	-	(69)	(1)	-	-	(24)	(117)	(6,438)	(3,602)
Impairment loss	-	(335)	-	-		-	-	-	-	(335)	(3,357)
At March 31, 2023	37,584	14,40,010	105	1,024	1,112	1,225	3,524	1,801	64,854	15,51,239	35,524
Additions	5,025	17,348	-	19	314	23	1,137	41	492	**24,399**	7,045
Transfer to assets	-	-	-	-	-	-	-	-	-	-	(15,249)
Disposals/ Adjustments	(140)	(1,596)	-	-	(11)	-	-	-	(398)	**(2,145)**	(5,331)
Assets classified as held for sale (refer note 45)	(11)	(32,083)	-	-	(16)	(7)	-	-	(230)	**(32,347)**	(49)
At March 31, 2024	**42,458**	**14,23,679**	**105**	**1,043**	**1,399**	**1,241**	**4,661**	**1,842**	**64,718**	**15,41,146**	**21,940**
Accumulated Depreciation											
At April 01, 2022	-	2,10,908	87	510	794	315	1,833	219	9,878	2,24,544	436
Charge for the year (refer note 23)	-	38,399	4	116	99	206	134	474	1,728	41,160	-
Disposals/ Adjustments	-	(536)	-	(9)	(1)	-	-	(3)	(11)	(560)	-
At March 31, 2023	-	2,48,771	91	617	892	521	1,967	690	11,595	2,65,144	436
Charge for the year (refer note 23)	-	40,353	5	91	139	224	186	549	1,719	**43,266**	-
Disposals/ Adjustments	-	(287)	-	-	(5)	-	(179)	-	(1)	**(472)**	-
Assets classified as held for sale (refer note 45)	-	(15,513)	-	-	(9)	(4)	-	-	(51)	**(15,577)**	-
Impairment loss (refer note 45)	-	92	-	-	-	-	-	-	-	**92**	7,172
At March 31, 2024	**-**	**2,73,416**	**96**	**708**	**1,017**	**741**	**1,974**	**1,239**	**13,262**	**2,92,453**	**7,608**
Net block											
At March 31, 2024	**42,458**	**11,50,263**	**9**	**335**	**382**	**500**	**2,687**	**603**	**51,456**	**12,48,693**	**14,332**
At March 31, 2023	37,584	11,91,239	14	407	220	704	1,557	1,111	53,259	12,86,095	35,088

Notes:
(i) Refer note 31 for expenditure capitalized during construction period.
(ii) The amount of borrowing costs capitalized (net) during the year ended March 31, 2024 was INR 460 lakhs (March 31, 2023: INR 2,005 lakhs). Rate of borrowing is 8.5% p.a. to 9.9% p.a.
(iii) Property, plant and equipment are pledged as security against borrowing, the details related to which is described in Note 12.1 and Note 15.1 on borrowings.
(iv) As at March 31, 2024, there is no CWIP whose completion is overdue or has exceeded its cost compared to original plan.
(iv) Ageing and Completion schedule of Capital Work in Progress is not given since the numbers are not material.

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(All amounts in INR lakhs, unless otherwise stated)

4. Intangible assets

	Software	Total
Gross block at cost		
At April 01, 2022	1,761	1,761
Additions	16	16
Disposals/ adjustments	-	-
At March 31, 2023	1,777	1,777
Additions	68	68
Disposals/ adjustments.	-	-
At March 31, 2024	**1,845**	**1,845**
Accumulated Amortization		
At April 01, 2022	1,723	1,723
Charge for the year (refer note 23)	47	47
Disposals/ adjustments	-	-
At March 31, 2023	1,770	1,770
Charge for the year (refer note 23)	37	37
Disposals/ adjustments	-	-
At March 31, 2024	**1,807**	**1,807**
Net block		
At March 31, 2024	**38**	**38**
At March 31, 2023	7	7

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Particulars	As at March 31, 2024	As at March 31, 2023

5. Non-current financial assets

5.1. Investments in equity shares and compulsorily convertible debenture (at fair value through profit and loss)

Investment in equity shares		
5,61,921 shares (March 31, 2023 5,61,921) equity shares of INR 10/- each fully paid up in Premier Energies International Private Limited (earlier known as Azure Power Fifty- Five Private Limited)*	1,366	1,366
Investment in compulsorily convertible debentures		
13,00,000 compulsorily convertible debentures (March 31, 2023 13,00,000) of INR 245/- each fully paid up in Premier Energies International Private Limited (earlier known as Azure Power Fifty- Five Private Limited)*	3,185	3,185
Total	**4,551**	4,551

* During the year ended March 31, 2022, the Group had entered into a non-binding obligation with M/s Premier Energies limited ("Premier"), a solar module manufacturing Group, relating to execution of tender received from SECI The Group had invested INR 937 lakhs in equity shares of the entity for its 26% of the equity shares of an entity, where Premier had invested in 74% of equity shares During the year ended March 31, 2023, the Group had further invested INR 429 lakhs in equity shares (without dividend rights) and INR 3,185 lakhs in compulsorily convertible debentures of Premier and the Group also entered into related module supply agreements and share and debentures subscription agreements with Premier The Group is entitled for coupon of 8 5% p a on investment made under the agreement towards Compulsory Convertible Debentures (refer note 20)

5.2 Trade receivables
(Unsecured, considered good)

(Carried at amortized cost)		
Trade receivables - others (refer note 30)	35,818	38,963
Trade receivables - fellow subsidiaries (refer note 27 and 30)	-	13
Total	**35,818**	38,976

Break-up for trade receivables

From others		
Undisputed trade receivables, considered good	35,818	38,976
Undisputed trade receivables, credit impaired	76	89
Total	**35,894**	39,065

Impairment allowance doubtful trade receivable (refer note 40)

Undisputed trade receivables, credit impaired	(76)	(89)
Total	**35,818**	38,976

Trade receivables ageing schedule

As at March 31, 2024	Unbilled receivables*	Non current but not due**	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables, considered good	34,831	987	-	-	-	-	-	35,818
Undisputed Trade Receivables – credit impaired	74	2	-	-	-	-	-	76
	34,905	**989**	-	-	-	-	-	**35,894**

As at March 31, 2023	Unbilled receivables*	Non current but not due**	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables, considered good	36,354	2,622	-	-	-	-	-	38,976
Undisputed Trade Receivables – credit impaired	83	6	-	-	-	-	-	89
	36,437	2,628	-	-	-	-	-	39,065

* Unbilled receivables represents receivables where the goods and/or services have been provided to the customer for which the Company has unconditional right to consideration However, the Company is yet to raise invoices to the customer
** Non-Current but not due represent receivables which are not due as per credit terms agreed with the customer
Trade receivables includes Safeguard duty (SGD)/Goods and Services Tax (GST) receivables as at March 31, 2024 amounting to INR 34,905 lakhs (March 31, 2023 INR 36,437 lakhs) The company has recognised receivable in accordance with Central Electricity Regulatory Commission (CERC) orders passed in favor of the Group providing for payment of monthly annuity ranging from INR 6 lakhs to INR 188 lakhs for a period of 13 to 15 years in different companies of the Group considering discount rate ranging from 9% to 10 41%

5.3 Loans
(Unsecured, considered good)

Carried at amortized cost		
Performance guarantee deposit	361	320
Loan to others	-	40
To related parties:		
Loans to fellow subsidiary (refer note 27)*	572	105
Total	**933**	465

* Loan given to fellow subsidiary company carries interest rate 10 60% p a , which is receivable on March 30, 2029

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Particulars	As at March 31, 2024	As at March 31, 2023
5.4 Other financial assets		
Carried at amortised cost		
Term deposits*	84,085	77,103
Interest accrued on term deposits	2,279	1,186
Interest accrued on loans to fellow subsidiaries (refer note 27)	211	9
Interest accrued on loans and advances to others	-	117
Interest accrued on investments (refer note 5 1)	496	433
Security deposits	767	741
Carried at fair value through other comprehensive income		
Derivative assets (refer note 36)	15,334	17,329
Total	**1,03,172**	96,918

* The Group has INR 39,528 lakhs (March 2023 INR 30,453 lakhs) as term deposits lying with banks that represents an amount towards Debt-Service Reserve account for its outstanding loan

* The Group has INR Nil (March 2023 INR 30 lakhs) as term deposits lying with banks that represents an amount towards Interest-Service Reserve account for its working capital demand loan

* The Group has INR 12,805 lakhs (March 2023 INR 9,015 Lakhs) as term deposits lying with banks that represent an amount towards hedging margin and margin money against bank guarantees and letter of credit

* The Group has INR 30,664 lakhs (March 2023 INR 36,923 lakhs) as deposits for lien to third parties

6. Other non-current assets		
(Unsecured, considered good)		
Capital advances	10,573	11,708
Prepaid asset	163	211
Prepaid performance guarantee deduction	2,340	2,474
Contract assets (refer note 30)	6,349	5,941
Total	**19,425**	20,334
7. Income tax assets (net)		
Advance income-tax (Net of provision for tax INR 7,189 lakhs (March 31, 2023 INR 2,621 lakhs))	5,469	2,752
Total	**5,469**	2,752
7A. Inventories		
(Carried at lower of cost or net realisable value)		
Carbon credit inventories	131	131
Total	**131**	131

8. Current financial assets
(Carried at amortized cost, unless stated otherwise)

8.1 Trade receivables			
(Unsecured)			
Trade receivables - subsidiaries (refer note 27 and 30)		11	-
Trade receivables - others* (refer note 30)		45,044	55,921
Total		**45,055**	55,921
Break up for trade receivables:			
From others			
Undisputed trade receivables – considered good		44,170	54,634
Undisputed trade receivable – credit impaired		5,121	4,595
Disputed trade receivables - considered good		885	1,287
Disputed trade receivables – credit impaired		380	1,556
Total	**(A)**	**50,556**	62,072
Impairment allowance for doubtful trade receivables (refer note 40)			
Undisputed trade receivable – credit impaired		(5,121)	(4,595)
Disputed trade receivables – credit impaired		(380)	(1,556)
Total	**(B)**	**(5,501)**	**(6,151)**
Total	**(A+B)**	45,055	55,921

Trade receivables ageing schedule

As at March 31, 2024	Unbilled receivables**	Current but not due***	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	21,144	11,056	2,284	2,001	2,124	1,410	4,151	**44,170**
Undisputed Trade receivables – credit impaired	177	139	348	625	1,823	644	1,365	**5,121**
Disputed Trade Receivables – considered good	-	-	-	-	-	-	885	**885**
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	380	**380**
	21,321	**11,195**	**2,632**	**2,626**	**3,947**	**2,054**	**6,781**	**50,556**

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Particulars	As at March 31, 2024	As at March 31, 2023

As at March 31, 2023	Unbilled receivables**	Current but not due***	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	20,316	17,948	9,405	1,612	1,547	1,409	2,397	54,634
Undisputed Trade receivables – credit impaired	165	151	1,287	445	1,117	626	804	4,595
Disputed Trade Receivables – considered good	-	-	-	-	-	-	1,287	1,287
Disputed Trade receivables – credit impaired	1	1	-	5	116	146	1,287	1,556
	20,482	18,100	10,692	2,062	2,780	2,181	5,775	62,072

*Trade receivables are non-interest bearing and are generally on terms of 30 to 75 days except receivables agreed under Electricity (Late Payment Surcharge ("LPS") and Related Matters) Rules, 2022

**Unbilled receivables represents receivables where the goods and/or services have been provided to the customer for which the Company has unconditional right to consideration However, the Group is yet to raise invoices to the customer

*** Current but not due represent receivables which are not due as per credit terms agreed with the customer
Azure Power Sunrise Private Limited is currently in discussion with off-taker for the recovery of the said amount regarding to delay in receipt since past five years and the said matter is now pending at the board of the off-taker The management is of the view that they have completed the performance obligation under the Power Purchase Agreement, hence the said amount is recoverable as on March 31, 2024

(i) Trade receivables includes Safeguard duty (SGD)/Goods and Services Tax (GST) receivables as at March 31, 2024 amounting to INR 1,996 lakhs (March 31, 2023 INR 2,245 lakhs)

8.2 Cash and cash equivalents

Balances with banks		
- In current accounts	13,930	7,794
- Deposits with original maturity of less than 3 months	17,431	31,165
Total	**31,361**	38,959

There are no repatriation restriction with cash and cash equivalents as at the end of reporting year

8.3 Other bank balances

- Deposits with remaining maturity of more than 3 months but less than 12 months	38,028	83,753
Total	**38,028**	83,753

8.4 Loans

(Unsecured, considered good)		
(Carried at amortised cost)		
Loans to third party	-	1,402
To related parties:		
Loans to fellow subsidiaries* (refer note 27)	9,129	8,101
Total	**9,129**	9,503

* The loans granted to fellow subsidiaries carried interest rate ranging from 6 95% p a to 10 60% p a and which are receivable on or before March 31, 2025

8.5 Other current financial assets

Carried at amortised cost		
Security deposits	1	2
Interest accrued on term deposits	882	913
Interest accrued on loans to others	-	145
Interest accrued and due on loans to fellow subsidiaries (refer note 27)	2,187	1,749
Interest accrued and not due on loans to fellow subsidiaries (refer note 27)	189	-
Contractually reimbursable from related parties (refer note 27)	258	211
Insurance claim receivable	-	3,045
Other receivables (refer note 50)	3,346	6,086
Carried at fair value through other comprehensive income		
Derivative assets (refer note 36)	2,538	2,099
Total	**9,401**	14,250

9. Other current assets

Contract assets (refer note 30)	303	164
Balance with statutory authorities	3,999	2,438
Prepaid asset	1,150	1,022
Prepaid performance bank guarantee	134	133
Advance to vendors		
Unsecured, considered good	1,657	1,900
Unsecured, considered doubtful	250	-
Provision for doubtful advances	(250)	-
	1,657	1,900
Money paid under protest	1,565	905
Deferred financing cost	838	371
Other advances*	179	214
Total	**9,825**	7,147

*Includes advances given to employees

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(All amounts in INR lakhs, unless otherwise stated)

10. Equity Share Capital

Particulars	As at March 31, 2024	As at March 31, 2023
Authorized share capital:		
Equity share capital		
4,33,33,333 (March 31, 2023: 4,33,33,333) equity shares of INR 10/- each	4,333	4,333
8,66,66,667 (March 31, 2023: 8,66,66,667) non redeemable compulsory convertible preference shares (CCPS) of INR 10/- each	8,667	8,667
	13,000	13,000
Issued, subscribed and fully paid-up share capital:		
69,20,619 (March 31, 2023: 69,20,219) equity shares of INR 10/- each	692	692
	692	692

A. Reconciliation of No. of Equity Shares	**No. of shares**	**Amount**
At April 01, 2022	68,58,979	686
Changes during the year*	61,640	6
At March 31, 2023	69,20,619	692
Changes during the year	-	-
At March 31, 2024	**69,20,619**	**692**

*During the year ended March 31, 2023, the Company had issued 61,640 number of equity shares of INR 10 each fully paid up to Azure Power Global Limited @ INR 7,510 per share (which includes INR 7,500 per share as security premium) (refer note 11).

B. Terms/ rights attached to shares

The Parent Company has only one class of equity shares having a par value of INR 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets. The distribution will be in proportion to the number of equity shares held by the shareholders.

C. Shares held by holding company

Out of equity shares issued by the Parent Company, shares held by its holding company are as below:

	As at March 31, 2024	As at March 31, 2023
Azure Power Global Limited, the holding company		
68,18,032 (March 31, 2023: 68,18,032) equity shares of INR 10/-each fully paid up	682	682

D. Details of shareholders holdings more than 5% shares

Name of the shareholder	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
	As at March 31,		As at March 31, 2023	
Equity shares of INR 10 each fully paid				
Azure Power Global Limited	68,18,032	98.52%	68,18,032	98.52%
Inderpreet S Wadhwa (refer note 35(b)(ii))	97,497	1.41%	97,497	1.41%

As per records of the Parent Company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

E. Details of shares held by Promoters

For the year ended March 31, 2024

Particulars	**Promoter Name**	**No. of shares at the beginning of the year**	**Change during the year**	**No. of shares at the end of the year**	**% of Total Shares**	**% change during the year**
Equity shares of INR 10 each fully paid	Azure Power Global Limited	68,18,032	-	68,18,032	98.52%	-

For the year ended March 31, 2023

Particulars	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	Azure Power Global Limited	67,56,392	61,640	68,18,032	98.52%	0.91%

F. There are no bonus shares issued, for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date. Further, there are no shares reserved for issue under options and contracts/commitments for sale of shares/disinvestment.

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(All amounts in INR lakhs, unless otherwise stated)

11. Other equity

For the year ended March 31, 2024:

Particulars	Attributable to the equity holders of parent company								(Non-controlling interests)	Total equity
	Deemed capital contribution by parent / ESOP reserve (Note 11.1)	Reserves and surplus			Items of other comprehensive income			Total		
		Deficit in the statement of profit and loss (Note 11.2)	Securities premium reserve* (Note 11.3)	Other reserve (Note 11.4)	Defined benefit plans (Note 11.5 and 37)	Cash flow hedge reserve (Note 11.6 and 36)	Foreign currency translation reserve (FCTR) (Note 11.7)			
At April 01, 2023	3,663	(1,64,889)	5,11,225	403	82	2,264	(152)	3,52,596	2,528	3,55,124
Loss for the year	-	(10,944)	-	-	-	-	-	(10,944)	(2,490)	(13,434)
Other comprehensive income/(expense) (net of tax)	-	-	-	-	(13)	(1,255)	2	(1,266)	-	(1,266)
Total	3,663	(1,75,833)	5,11,225	403	69	1,009	(150)	3,40,386	38	3,40,424
Reversal of deemed capital contribution by parent on account of employees Stock option plan (refer note 28)	(18)	-	-	-	-	-	-	(18)	-	(18)
At March 31, 2024	**3,645**	**(1,75,833)**	**5,11,225**	**403**	**69**	**1,009**	**(150)**	**3,40,368**	**38**	**3,40,406**

For the year ended March 31, 2023

Particulars	Attributable to the equity holders of parent company								(Non-controlling interests)	Total equity
	Deemed capital contribution by parent / ESOP reserve (Note 11.1)	Reserves and surplus			Items of other comprehensive income			Total		
		Deficit in the statement of profit and loss (Note 11.2)	Securities premium reserve* (Note 11.3)	Other reserve (Note 11.4)	Defined benefit plans (Note 11.5 and 37)	Cash flow hedge reserve (Note 11.6 and 36)	Foreign currency translation reserve (FCTR) (Note 11.7)			
As at April 01, 2022	3,533	(1,50,073)	5,06,582	403	(55)	(873)	31	3,59,548	3,225	3,62,773
Loss for the year	-	(14,816)	-	-	-	-	-	(14,816)	(697)	(15,513)
Other comprehensive income/(expense) (net of tax)	-	-	-	-	137	3,137	(183)	3,091	-	3,091
Total	3,533	(1,64,889)	5,06,582	403	82	2,264	(152)	3,47,823	2,528	3,50,351
Securities premium on account of issue of equity shares during the year	-	-	4,643	-	-	-	-	4,643	-	4,643
Deemed capital contribution by parent on account of employees Stock option plan (refer note 28)	130	-	-	-	-	-	-	130	-	130
At March 31, 2023	3,663	(1,64,889)	5,11,225	403	82	2,264	(152)	3,52,596	2,528	3,55,124

*The amount is net of share issue expenses

Nature and purpose of reserves

11.1 Deemed capital contribution by parent / ESOP reserve
The share options based payment reserve is used to recognize the grant date fair value of options issued to employees under Employee stock option plan

11.2 Deficit in the statement of profit and loss
Deficit in the statement of profit and loss are the results of the Group earned till date net of appropriations

11.3 Securities premium reserve
Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares, etc in accordance with the provisions of the Companies Act, 2013

11.4 Other reserve
The Group recognizes profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to other reserve

11.5 Defined benefit plans
Defined benefits plans includes all the remeasurements, comprising of actuarial gains/losses on defined benefits obligation & Fair value of assets

11.6 Cash flow hedging reserve
The Group uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings. For hedging foreign currency and interest rate risk, the Group uses cross currency swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognized in the cash flow hedging reserve. Amounts recognized in the cash flow hedging reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss (e.g. interest payments)

11.7 Foreign currency translation reserve
Exchange differences arising on translation of the foreign operations are recognized in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off

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Particulars	**As at March 31, 2024**	As at March 31, 2023
12. Non-current financial liabilities		
12.1 Non-current borrowings		
(Carried at amortised cost)		
Secured loans from banks (refer note 15.1)		
Term loan from banks	20,175	38,912
Foreign currency loan from banks	61,077	28,173
Vehicle loan	49	77
Secured loans from financial institutions (refer note 15.1)		
Term loan from financial institutions	3,57,207	3,76,367
Foreign currency loan from financial institutions	73,755	1,20,681
Unsecured loan		
Term loan from banks	14,709	-
Secured loans from related parties		
External commercial borrowings (refer note 27 and 55)	1,32,756	2,09,238
Non-convertible debentures (refer note 27 and 55)	78,535	2,83,899
Total	**7,38,263**	10,57,347
13. Provisions		
13.1 Non-current provisions		
Provision for gratuity (refer note 37)	451	400
Provision for decommissioning liabilities* (refer note 43)	8,000	7,133
Total	**8,451**	7,533

*A provision has been recognized for decommissioning costs associated with solar power plants constructed on leasehold land. The Group is under an obligation to decommission the plant at the expiry of the lease term, before handing over the leasehold land to the lessor

Movement in provision for decommissioning liabilities is as follows :		
Opening balance	7,133	8,068
Addition during the year	25	779
Adjusted due to change in estimate	139	(2,333)
Impairment during the year	(11)	-
Accretion during the year	714	619
Closing balance	**8,000**	7,133
13.2 Current provisions		
Provision for compensated absences	412	387
Provision for gratuity (refer note 37)	135	90
Provision for liquidated damages* (refer note 25)	-	405
Provision for bank guarantee** (refer note 25, 49 and 53)	17,876	17,676
Total	**18,423**	**18,558**

* Provision for liquidated damages represents the penalty imposed by the customers for not meeting the requirement of minimum power generation and supply as outlined in the respective Power purchase agreement. Movement in the provision is as follows:

Movement in the provision for liquidated damages is as follows:

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Opening balance	405	-
Provision created during the year	190	405
Liabilities directly associated with assets classified as held for sale	(595)	-
Closing balance	-	405

** Movement in the provision for Bank Guarantee is as follows:

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Opening balance	17,676	-
Provision created during the year	900	17,676
Payment during the year	(700)	-
Closing balance	**17,876**	17,676

14. Other non-current liabilities		
Deferred viability gap funding (grant)	17,544	17,848
Deferred government grant	464	1,404
Deferred revenue for Safeguard Duty (SGD) (refer note 30)	38,071	39,733
Deferred revenue on account of revenue straightlining (refer note 30)	9,559	9,290
Total	**65,638**	68,275
15. Current financial liabilities		
(Carried at amortised cost, unless stated otherwise)		
15.1 Current borrowings		
Secured loans		
From Banks:		
Foreign currency loan from banks*	79,505	78,402
Current maturities of long-term borrowings (refer note 12.1)	2,89,705	70,973
Unsecured		
Loans from others	-	11,387
Total	**3,69,210**	1,60,762

* The Group has a buyer's credit facility amounting to INR 79,505 lakhs (March 31, 2023: INR 78,402 lakhs) for one of its under construction SPVs for 300 MW solar power project with Solar Energy Corporation of India. This facility carries a floating interest rate of 12 Month SOFR and spread ranging plus 0.21 PCT. As per the facility agreement, settlement of this buyer's credit will be made from disbursements of long-term project finance.

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Particulars	As at March 31, 2024	As at March 31, 2023
15.2 Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	1,469	491
- Total outstanding dues of creditors other than micro enterprises and small enterprises	18,012	12,441
Total	**19,481**	**12,932**

Trade payables Ageing Schedule

As at March 31, 2024	Unbilled dues*	Not due trade payable**	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	3	390	781	63	60	172	1,469
Total outstanding dues of creditors other than micro enterprises and small enterprises	13,347	929	3,320	232	5	179	18,012
Total	**13,350**	**1,319**	**4,101**	**295**	**65**	**351**	**19,481**

As at March 31, 2023	Unbilled dues*	Not due trade payable**	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	194	65	60	96	76	491
Total outstanding dues of creditors other than micro enterprises and small enterprises	9,843	1,328	1,086	5	84	95	12,441
Total	9,843	1,522	1,151	65	180	171	12,932

Trade payables are non-interest bearing and are normally settled on 30-60 days terms
* Unbilled dues represents payables where the goods and/or services have been received, however, Group is yet to receive invoices from the vendors
** Not due trade payable represent balances which aren't due as per credit terms agreed with the vendor

	March 31, 2024	March 31, 2023
15.3 Other current financial liabilities		
Carried at amortised cost		
Interest accrued and due on borrowings	-	323
Interest accrued but not due on borrowings	4,382	4,241
Interest accrued but not due to fellow subsidiaries (refer note 27)	7,655	8,995
Contractually reimbursable expenses to holding company (refer note 27)	363	319
Payable to fellow subsidiary companies (refer note 27)	2,258	444
Payable to employees	1,129	969
Payable for purchase of property, plant and equipment	4,745	9,611
Payable for stock appreciation rights (refer note 28)	1,981	1,981
Other payables	-	2,504
Interest accrued on loans and advances from third party	-	4
Carried at fair value through other comprehensive income		
Derivative liabilities (refer note 36)	213	1,081
Total	**22,726**	30,472
16. Other current liabilities		
Statutory dues	1,551	1,740
Deferred revenue for Safeguard Duty (SGD) (refer note 30)	1,964	1,953
Deferred viability gap funding income	1,161	1,125
Advance from customers	1,080	1,197
Deferred government grant	17	90
Other payables	76	-
Total	**5,849**	6,105
16A. Current tax liabilities (net)		
Provision for income tax (net of advance tax of INR 4,520 Lakhs (March 31, 2023: INR 5,406 Lakhs))	1,828	3,785
Total	**1,828**	3,785

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(All amounts in INR lakhs, unless otherwise stated)

Nature of loan	Lender	Purpose	Type of Interest	Rate of interest	Repayment Terms	March 31, 2024[1]	March 31, 2023[1]
Term loan in INR*	Indian Renewable Energy Development Agency (IREDA)	Borrowing for financing of the 30 MW solar power project	Floating Rate	Floating interest rate of 7.5% per annum with reset of every three year as notified by IREDA as per Applicable Rating	The loan is repayable in 168 monthly instalments ranging from 0.50% - 0.60% commencing from April 2022 and ending in March 2036	12,925	14,061
Term loan in INR*	NIIF Infrastructure Finance Ltd	Borrowing for financing of the 100 MW solar power project	Floating Rate	Interest rate of term loan is 7.75% with reset every five years based upon AIFL benchmark rate and the applicable spread	The loan is repayable in 63 quarterly instalments ranging from 1.23% - 2.55% commencing December 2021 and ending on June 2037	29,634	31,355
Term loan in INR	HDFC Bank - Vehicle Loan	Vehicle loan	Fixed rate	Interest rate of term loan is 7.35% Interest rate of term loan is 7.10%	- The loan is repayable in 60 monthly instalments ranging from 1.38% - 1.98% commencing July 2022 and ending on June 2027 - The loan is repayable in 60 monthly instalments ranging from 1.39% - 1.97% commencing January 2022 and ending on December 2026	70	89
Term loan in INR***	NIIF Infrastructure Finance Ltd	Borrowing for financing of its 35 MW solar project with NTPC Vidyut Vyapar Nigam Limited	Fixed Rate	These facilities carry an interest rate of 8.00%	The loan is repayable in 47 quarterly instalments ranging from 1.59% - 2.44% commencing September 2021	13,987	16,131
Term loan in INR***	Kotak IDF	Borrowing for financing of its 35 MW solar project with NTPC Vidyut Vyapar Nigam Limited	Fixed Rate	These facilities carry an interest rate of 8.00%	The loan is repayable in 47 quarterly instalments ranging from 1.59% - 2.44% commencing September 2021	5,304	6,117
Foreign currency loan from bank	SBI Bank-Buyer's Credit	Borrowing for financing of its 300 MW solar power project with Solar Energy Corporation of India	Floating Rate	This facility carry a floating interest rate of of 12 Month SOFR and spread ranging plus 0.21 PCT	The facility is repayable in May 2024	79,505	78,402
Foreign currency Loan**	Export Development Canada *	For providing funds to project SPVs as shareholder loans or through other instrument for capital expenditure or for payment of capital expenditure in respect of each project	Floating Rate	These facilities are foreign currency loans and carries an interest rate of SOFR+Margin of 3.95%	The loan is repayable in 8 half yearly instalments ranging from 2.5% - 32.5% commencing November 2021 and ending on May 2025	23,912	38,068
Term loan in INR***	Indian Renewable Energy Development Agency (IREDA)	Borrowing for financing of its 90 MW solar project	Floating Rate	Floating interest rate of 7.5% per annum with reset of every three year as notified by lender	The loan is repayable in 234 monthly instalments ranging from 0.30%- 0.70% commencing from October 2022	32,195	34,095
Term loan in INR*	Kotak Infrastructure Debt Fund Limited	For financing of a 10 MW solar power project with Bangalore Electricity Supply Company Limited	Floating Rate	These facilities carry an interest rate of 8.50% per annum fixed till September 30, 2022 and shall be reset every two years thereafter as notified by lender	The loan is repayable in 54 quarterly instalments ranging from 1.85% - 1.88%commencing December 2020. During the current year, the Company has repaid the full amount of loan.	-	3,355
Term loan in INR*	Kotak Infrastructure Debt Fund Limited	For financing of a 10 MW solar power project with Bangalore Electricity Supply Company Limited	Floating Rate	These facilities carry an interest rate of 9.35% per annum and shall be reset every two years from the date of first disbursement as notified by lender	The loan is repayable in 49 quarterly instalments ranging from 1.88% - 2.25% commencing March 2024	2,426	-
Foreign currency Loan**	Standard Chartered Bank (Singapore) Limited	For providing funds to project SPVs as shareholder loans or through other instrument for capital expenditure or for payment of capital expenditure in respect of each project	Floating Rate	These facilities are foreign currency loans and carries an interest rate of SOFR+Margin of 3.95%	The loan is repayable in 8 half yearly instalments ranging from 2.5% - 32.5%commencing November 2021 and ending on May 2025	6,378	10,155
Term loan in INR*	Tata Cleantech Capital Limited	The purpose of loan is for financing 200 MW solar power project	Floating Rate	Interest rate of term loan is 7.50% and shall be reset every three years based upon 3 years based on TCCL Prime Lending Rate- Long term (TCCL NPLR-LT)	The loan is repayable in 70 quarterly instalments ranging from 1.1% - 1.71% commencing December 2021 and ending March 31, 2039	28,480	30,294
Term loan in INR*	Axis Bank	The purpose of loan is for financing 200 MW solar power project	Floating Rate	Interest rate of term loan is 7.50% and shall be reset every three years based upon 3 years MCLR Rate	The loan is repayable in 70 quarterly instalments ranging from 1.1% - 1.71% commencing December 2022 and ending on March 31, 2039	21,536	22,912
Term loan in INR*	Aseem Infrastructure Finance Limited	Borrowing for financing of the 100 MW solar power project	Floating Rate	Interest rate of term loan is 7.75% with reset every five years based upon -35 bps ('Spread") over and above the NIIF IFL 5 YR benchmark rate	The loan is repayable in 63 quarterly instalments ranging from 1.23% - 2.55% commencing December 2021 and ending on June 2037	15,689	16,600
Term loan in INR	HSBC	It would be used by the company for meeting the cash flow requirement in the holding company and in the SPV's towards the general corporate expenses, capital expenditure, cash flow requirement and working capital expenses along with any additional commitments of the sponsors towards project SPV's	Floating Rate	Interest rate of term loan is 10.19% per per annum with reset of every three months as notified by lender	The loan is repayable in November 2025	14,709	-
Term loan in INR***	Kotak Infrastructure Debt Fund Limited	Borrowing for re-financing of 5 MW solar power project with NTPC Vidyut Vyapar Nigam Limited	Fixed rate	Interest rate of term loan is 8.25%	The loan is repayable in 42 quarterly instalments ranging from 2.09%- 2.80% commencing from September 2021	3,085	3,647

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Nature of loan	Lender	Purpose	Type of Interest	Rate of interest	Repayment Terms	March 31, 2024[1]	March 31, 2023[1]
Term loan in INR***	NIIF Infrastructure Finance Ltd	Borrowing for re-financing of the 50 MW PV solar power project with NTPC Limited	Floating Rate	Floating interest rate of 7 75% per annum with reset of every Five year as notified by lender	The loan is repayable in 64 quarterly instalments ranging from 1 05% - 2 45% commencing December 2021	18,826	20,038
Term loan in INR***	State Bank of India	Borrowing for financing of 16 MW solar power project with Delhi Jal Board	Floating Rate	Interest rate of term loan is 6 month MCLR+ 1 45% which is currently at 8 5% per annum	The loan is repayable in 52 unequal quartely instalments commencing June 2020 and ending on March 31, 2033 ranging from 1 06% to 2 37%	2,826	3,168
Term loan in USD****	EDC, Socgen, MUFG and HKMC, Bank of Phillipiness, Deutsche Bank	Borrowing for financing of its 300 MW solar project with Solar Energy Corporation of India	Floating Rate	Interest rate of term loan is SOFR+Margin of 2 1% per annum, payable on qaurterly basis	The loan is repayable in 17 quarterly instalments ranging from 0 163%-0 629% commencing April 2022 and balance 87 192% payable in June 2026	1,23,890	1,27,032
Term loan in INR***	IREDA, India Infradebt Limited and NIIF Infrastructure Finance Limited During the current year L&T Finance Limited and L&T Infra Credit Pvt Ltd have down sold the facility to India Infradebt Limited and NIIF Infrastructure Finance Limited	Borrowing for financing of its 600 MW solar power project with Solar Energy Corporation of India	Floating Rate	Interest rate of term loan ranged between 9 20% to 9 65% payable monthly	The loan is repayable in 243 monthly instalments ranging from 0 31% - 0 57% commencing from July 2022	2,15,612	2,21,516
Term loan in INR***	SBI	For financing of its 300 MW solar project with Solar Energy Corporation of India	Floating Rate	Applicable rate of interest is 6 months MCLR plus 2 6% which is presently 9 55% payable monthly and after the operation date the interest rate will be 6 month MCLR Plus Margin based on credit rating payable monthly	The loan is repayable in 37 monthly instalments ranging from 0 89% - 5 77% commencing December 2022	8,771	15,344

[1] Borrowing amount represents outstanding loan amount including current maturities post adjusting unammortised ancillary cost of borrowing at the year end

* Borrowing is secured by first charge on Company's movable and immovable properties and hypothecation on all the movable fixed assets both present and future
** Borrowing is collateralized by the shares of project SPVs and hypothecation/charge over receivables of the Group
*** Borrowing is collateralized by movable and immovable properties of underlying solar power project assets and pledge of 51% of equity shares of the company held by Azure Power India Private Limited
**** Borrowing is collateralized by movable and immovable properties of underlying solar power project assets and pledge of 100% of equity shares of the company held by Azure Power India Private Limited

During August 2017, some of the Group's subsidiaries (Restricted Group-III entities) have raised External Commercial Borrowings ("ECB") denominated in Indian Rupees and raised INR 2,04,867 lakhs from Azure Power Energy Limited (APEL) a fellow subsidiary APEL has issued Solar Green Bonds to the ultimate investor and invested the proceeds back in the Restricted Group entities The ECB's are recorded at amortized cost basis In accordance with the terms of the issue, the proceeds were used for repayment of the existing project level loans Pursuant to refinancing of existing US$ 5,000 lakhs Solar Green Bonds issued by APEL in 2017 due for repayment in November 2022, through issuance of US$ 4,140 lakhs Solar Green Bond (the "Bond"), the ECB have been refinanced in August 2021 The interest on the ECB's are payable on a semi-annual basis at interest rate of 7 65% p a and the principal is payable on a semi-annual instalment ranging from 3 4% to 3 8% and balance 67 4% on maturity in August 2026 The ECB's are secured by first charge on movable and immovable properties of underlying solar power project assets and pledge of 51% of equity shares of the company held by Azure Power India Private Limited

During August 2017, some of the Group's subsidiary (Restricted Group-III entities) have issued Non-Convertible Debentures ("NCD") denominated in Indian Rupees and raised INR 1,07,700 Lakhs from APEL APEL has issued Solar Green Bonds to the ultimate investor and invested the proceeds back in the Restricted Group entities The NCD's are recorded at amortized cost basis In accordance with the terms of the issue, the proceeds were used for repayment of the existing project level loans The interest on the NCD's are payable on a semi-annual basis at interest rate of 7 65% and the principal is payable on a semi-annual instalment ranging from 3 4% to 3 8% and balance 67 4% on maturity in August 2026 The NCD's are secured by first charge on movable and immovable properties of underlying solar power project assets and pledge of 51% of equity shares of the company held by Azure Power India Private Limited

Pursuant to refinancing of existing US$ 5,000 Lakhs Solar Green Bonds issued by APEL in 2017 through issuance of US$ 4,140 Lakhs Solar Green Bond (the "Bond") during August 2021, some of the Group's subsidiaries (Restricted Group-III entities) during the year ended March 31, 2022 have raised Non-Convertible Debentures ("NCD") denominated in Indian Rupees and raised INR 31,900 lakhs from Azure Power Energy Limited (APEL) These funds were utilised for the settlement of existing ECB of INR 7,200 Lakhs and NCD of INR 40,565 Lakhs APEL has issued Solar Green Bonds to the ultimate investors and invested the proceeds back in some of the Group's subsidiaries (Restricted Group-III entities) The total premium of INR 11,148 lakhs is payable at the time of redemption of NCD During the current year, redemption premium of INR 2,209 lakhs have been recorded as finance cost, using the effective interest rate method The NCD's are recorded at amortized cost basis The interest on the NCD's are payable on a semi-annual basis at interest rate of 7 65% p a and the principal is payable on a semi-annual instalment ranging from 3 4% to 3 8% and balance 67 4% on maturity in August 2026 Further, the issuance expenses relating to NCD's have been recorded as finance cost, using the effective interest rate method and the unamortised balance of such amounts is netted with the carrying value of the NCD's NCD's are recorded at amortized cost basis The NCD's are secured by first charge on movable and immovable properties of underlying solar power project assets and pledge of 51% of equity shares of the company held by Azure Power India Private Limited

During the current year, APEL completed a consent solicitation process in respect of Solar Green Bonds and amended certain terms of the bond indenture (refer note 55) In line with these amendments, the Company has repaid ECB's amounting to INR 9,380 lakhs Further, the Company incurred transaction cost of INR 2,417 lakhs on NCDs These transaction costs along with initial issuance expenses have been recorded as finance cost, using the effective interest rate method and the unamortised balance of such amounts is netted with the carrying value of the NCD's

During the year ended March 2020, some of the Group's subsidiary (Restricted Group-II entities) have issued Non-Convertible Debentures ("NCD") denominated in Indian Rupees and raised INR 1,95,006 Lakhs from Azure Power Solar Energy Private Limited (APSEPL) a fellow subsidiary APSEPL has issued Solar Green Bonds to the ultimate investor and invested the proceeds back in the Restricted Group-II entities Azure Power Global Limited (Holding Company) has guaranteed the principal and interest repayments to the ultimate investors and the guarantee shall become ineffective on meeting certain financial covenants The total premium of INR 6,767 lakhs are payable at the time of redemption of NCD During the year, redemption premium of INR 1,582 lakhs have been recorded as finance cost, using the effective interest rate method The NCD's are recorded at amortized cost basis In accordance with the terms of the issue, the proceeds were used for repayment of the existing project level loans The interest on NCD's are payable on a semi-annual basis at interest rate of 9 95% to 10 30% and the principal amount is payable in December 2024 The NCD's are secured by first charge on movable and immovable properties of underlying solar power project assets and pledge of 51% of equity shares of the company held by Azure Power India Private Limited

During the current year, APSEPL completed a consent solicitation process in respect of Solar Green Bonds and amended certain terms of the bond indenture (refer note 55) In line with these amendments, the Company has re-purchased debentures amounting to INR 28,260 lakhs Further, the Company has also repaid redemption premium of INR 850 lakhs and incurred transaction cost of INR 3,999 lakhs The transaction costs have been recorded as finance cost, using the effective interest rate method and the unamortised balance of such amounts is netted with the carrying value of the NCD's

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Azure Power India Private Limited New Delhi

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023

17. Income taxes

Deferred tax asset	32,088	34,080
Total	**32,088**	**34,080**
Deferred tax liability	26,294	19,218
Total	**26,294**	**19,218**

Reconciliation of Deferred tax asset/ (liability) (net):

	As at April 01, 2022	Movement during the year	As at March 31, 2023	Movement during the year	As at March 31, 2024
Recognised in Other Comprehensive Income					
Deferred tax assets:					
Unabsorbed depreciation and brought forward losses	1,26,086	26,674	1,52,760	23,870	1,76,630
Minimum alternate tax	7,146	6,066	13,212	3,207	16,419
Deferred Revenue	5,210	757	5,967	263	6,230
Provision for decommissioning liabilities	2,395	(551)	1,844	212	2,056
Allowance for doubtful trade receivable	1,219	514	1,733	(138)	1,595
Provision for employee benefits	352	(92)	260	98	358
Performance bank guarantee	67	66	133	26	159
Other Differences	101	321	422	(198)	224
Total deferred tax assets (A)	**1,42,576**	**33,755**	**1,76,331**	**27,340**	**2,03,671**
Deferred tax liability:					
Difference between tax base and book base of property, plant and equipment	1,05,994	51,137	1,57,131	37,045	1,94,176
Contract assets	368	(49)	319	528	847
Premium on non-convertible debentures	191	(191)	-	-	-
Leases	3,860	(922)	2,938	(438)	2,500
Capital Work in progress margin	276	(276)	-	-	-
Other Differences	-	177	177	(177)	-
Total deferred tax liability (B)	**1,10,689**	**49,876**	**1,60,565**	**36,958**	**1,97,523**
Deferred tax asset/ (liability) (net) (C=A-B)	**31,887**	**(16,121)**	**15,766**	**(9,618)**	**6,148**
Recognised in Other Comprehensive Income					
On cash flow hedge reserve	423	(1,272)	(849)	544	(305)
On defined benefit plan	28	(83)	(55)	6	(49)
Deferred tax asset/ (liability) (net) (D)	**451**	**(1,355)**	**(904)**	**550**	**(354)**
Deferred tax asset/ (liability) (net) (C+D)	**32,338**	**(17,476)**	**14,862**	**(9,068)**	**5,794**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

		For the year ended March 31, 2024	For the year ended March 31, 2023
Accounting profit before income tax		**1,923**	**7,796**
Applicable statutory income tax rate of parent company		34.94%	34.94%
Tax at applicable tax rate	**(A)**	**672**	**2,724**
Adjustments:			
Carry forward losses as reversing in the tax holiday		622	(297)
Disallowance as per section 94B of Income Tax Act, 1961 not considered for deferred tax purpose		9,700	9,325
Permanent difference in property, plant and equipment not considered for deferred tax purpose		117	156
Other permanent differences disallowed under income tax Act		4,119	11,426
Difference in tax rate of subsidiaries		(806)	(253)
Extention charges		573	-
Income tax adjustment pertaining to earlier years		177	-
Others		183	228
Total	**(B)**	**14,685**	**20,585**
Total tax expense	**(A+B)**	**15,357**	**23,309**
Component of tax expenses:			
Current tax expense		5,562	7,188
Income tax adjustment pertaining to earlier years		177	-
Deferred tax charge		9,618	16,121
Total tax expense		**15,357**	**23,309**

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Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
18. Revenue from operations		
Revenue from contract with customers		
Sale of power* (refer note 30)	2,08,791	2,03,874
Other operating revenue		
Viability gap funding income	1,104	1,130
Carbon credit emission income* (refer note 30)	428	42
Government grants related to assets	91	90
Total	**2,10,414**	2,05,136

*Revenue is recognised at point in time.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
19. Finance income		
Interest income on financial asset measured at amortised cost		
- Term deposits	12,069	9,120
- Loan to subsidiaries (refer note 27)	921	818
- Trade receivables	694	1,030
- Safeguard duty receivables	3,581	2,557
- Others	400	1,534
Interest on refund of income tax	5	393
Total	**17,670**	15,452
20. Other income		
Sale of scrap	378	44
Provision/ liabilities no longer required written back	1,444	489
Reversal of share based payment liability (net) (refer note 28)	18	6,333
Provision for doubtful trade receivables written back (refer note 40)	739	153
Insurance claim*	1,423	4,384
Late payment surcharge	858	1,418
Exchange difference (net)	460	-
Interest income on investments (refer note 5.1)	63	409
Compensation towards transmission lines	156	-
Gain on cancellation of lease contract	293	-
Gain of modification of financial assets	20	-
Miscellaneous income	165	296
Total	**6,017**	13,526

*Includes insurance claim of INR 3,265 lakhs in previous year for a project which was severely affected by floods and other climatic hazards during the previous year.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
21. Impairment expense		
Impairment expense (refer note 45)	8,407	4,469
Total	**8,407**	4,469
22. Employee benefits expense		
Salaries, wages and bonus	9,512	8,042
Contribution to provident and other funds (refer note 37)	450	327
Gratuity expense (refer note 37)	170	176
Staff welfare expenses	521	524
Total	**10,653**	9,069
23. Depreciation and amortization expense		
Depreciation of property, plant and equipment (refer note 3)	43,266	41,160
Depreciation of right of use assets (refer note 34)	1,861	1,659
Amortisation of intangible assets (refer note 4)	37	47
Total	**45,164**	42,866

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(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
24. Finance costs		
Interest expenses on financial liabilities measured at amortized cost		
- Term loans	58,407	51,520
- Loans from related parties (refer note 27)	52,822	52,400
- Lease liabilities (refer note 34)	3,571	3,266
- Buyer's credit	4,551	1,340
Prepayment charges on repayment of term loans	-	6
Interest on delayed payment of statutory dues	10	260
Other finance costs	3,450	2,436
Other borrowing costs	515	997
Total	**1,23,326**	1,12,225
25. Other expenses		
Power and fuel	30	31
Guest house expenses	188	337
Rent (refer note 34)	1,252	36
Rates and taxes	4,998	4,807
Solar park maintenance	731	694
Insurance	3,045	2,475
Repair and maintenance		
-Plant and machinery	3,852	3,142
-Other	1,504	1,687
Development and Testing expense	3	3
Travelling and conveyance	848	681
Communication costs	123	136
Legal and professional fees	14,131	9,868
Corporate social responsibilities	386	217
Operation and maintenance fees	580	51
Provision for expected credit losses (refer note 5.2, 8.1 and 40)	1,172	3,933
Provision for doubtful advances	250	-
Provision for Bank Guarantee and others (refer note 49 and 53)	900	17,676
Recruitment expenses	157	745
Balance written off	206	-
Security charges	3,633	2,836
Bank charges	60	49
Software maintenance charges	292	152
Advances written off	208	684
Assets written off	2,721	2,246
Loss on cancellation of hedge contract	1,511	1,597
Provision for liquidated damages (refer note 13.2)	190	405
Foreign exchange fluctuation (net)	-	52
Loss on sale of property, plant and equipment	194	2,027
Land development charges	130	130
Tender and application fee	-	18
Penalty	433	-
Loss on account of modification of contractual cash flows	-	285
Inspection fees	32	-
Miscellaneous expenses	868	689
Total	**44,628**	57,689

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AZURE POWER INDIA PRIVATE LIMITED New Delhi

(All amounts in INR lakhs, unless otherwise stated)

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023

26. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the loss for the year attributable to equity shareholders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the loss attributable to equity shareholders of the Company (after adjusting for interest on the convertible debentures and convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Loss after tax for calculation of basic EPS	(10,944)	(14,816)
Loss after tax for calculation of diluted EPS	(10,944)	(14,816)
Weighted average number of equity shares in calculating basic EPS	69,20,619	69,17,410
Weighted average number of shares in calculating diluted EPS	69,20,619	69,17,410
Basic Earning per share (In INR)	**(158.14)**	(214.18)
Diluted Earning per share (In INR)	**(158.14)**	(214.18)

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Azure Power India Private Limited New Delhi

(INR amount in lakhs, unless otherwise stated)

27. Related party disclosures:

The list of related parties as identified by the management is as under:

Related parties where control exists

Holding Company:	Azure Power Global Limited
Key Managerial Personnel ("KMP"):	Mr. Brijesh Mehra (Nominee Director w.e.f. May 08, 2024) Ms. Supriya Prakash Sen (Director w.e.f. August 01, 2020) Mr. Philippe Pierre Wind (Nominee Director w.e.f. October 31, 2023) Mr. Jaime Garcia Nieto (Nominee Director w.e.f. December 01, 2023) Mr. Julian Gratiaen (Nominee Director w.e.f. August 13, 2024) Mr. Jean Francois Joseph Boisvenu (Director w.e.f. April 24, 2023) Mr. Richard Payette (Director w.e.f. July 01, 2023) Mr. Sunil Kumar Gupta (Managing Director and Chief Executive Officer (CEO) w.e.f. August 08, 2023) Mr. Sugata Sircar (Director and Group Chief Financial Officier (CFO) w.e.f. October 01, 2022) Ms. Delphine Voeltzel (Nominee Director w.e.f. May 11, 2022 till August 13, 2024) Mr. Unnikrishnan Mangalath Sukumarapanicker (Nominee Director w.e.f. August 19, 2020 till March 13, 2024) Mr. Richard Alan Rosling (Chairman of the Board of Directors from September 30, 2021 till October 11, 2023) Mr. Arno Lockheart Harris (Director w.e.f August 23, 2016 till May 31, 2022) Mr. Harsh Dinesh Shah (Chief Executive Officer and Director w.e.f. August 05, 2022 till August 29, 2022) Mr. Cyril Sabastien Dominique Cabanes (Director till October 30, 2023) Mr. Deepak Malhotra (Director w.e.f November 28, 2019 till October 29, 2023) Mr. Rupesh Agarwal (Director w.e.f August 29, 2022 till July 10, 2023) Ms. Christine Ann Mcnamara (Director w.e.f. March 01, 2022 till June 26, 2023) Mr. Ranjit Gupta (Chief Executive Officer and Director w.e.f. July 18, 2019 till April 26, 2022) Mr. Murali Subramanian (Chief Operating Officer w.e.f. July 18, 2019 till April 26, 2022) Mr. Pawan Kumar Agrawal (Chief Financial Officer w.e.f March 15, 2019 till December 31, 2023)

Names of related parties with whom transactions have taken place during the year:

Fellow Subsidiary Company:	Azure Power Energy Limited Azure Power Solar Energy Private Limited Azure Power Rooftop Private Limited Azure Power Rooftop (Genco) Private Limited Azure Power Rooftop One Private Limited Azure Power Rooftop Two Private Limited Azure Power Rooftop Three Private Limited Azure Power Rooftop Four Private Limited Azure Power Rooftop Five Private Limited Azure Power Rooftop Eight Private Limited

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New Delhi

(INR amount in lakhs, unless otherwise stated)

27. Related party disclosures:

1. Following transactions were carried out with related parties in the ordinary course of business:

Nature of transaction	Key management personnel		Holding company		Fellow Subsidiary Company	
	For the year ended March 31, 2024	For the year ended March 31, 2023	**For the year ended March 31, 2024**	For the year ended March 31, 2023	**For the year ended March 31, 2024**	For the year ended March 31, 2023
a) Settlement of liabilities on behalf of the Group						
Azure Power Global Limited	-	-	-	4,726	-	-
Azure Power Rooftop Four Private Limited	-	-	-	-	-	11
b). Settlement of liabilities by the Group on behalf of						
Azure Power Energy Private Limited	-	-	-	-	-	81
Azure Power Solar Energy Private Limited	-	-	-	-	-	1
Azure Power Rooftop Private Limited	-	-	-	-	4	61
c) Interest expense on borrowings						
Azure Power Energy Limited	-	-	-	-	23,600	24,947
Azure Power Solar Energy Private Limited	-	-	-	-	29,222	27,333
d) Interest income						
Azure Power Rooftop Private Limited	-	-	-	-	689	691
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	106	55
Azure Power Rooftop One Private Limited	-	-	-	-	76	38
Azure Power Rooftop Three Private Limited	-	-	-	-	7	7
Azure Power Rooftop Four Private Limited	-	-	-	-	13	9
Azure Power Rooftop Five Private Limited	-	-	-	-	28	17
Azure Power Rooftop Eight Private Limited	-	-	-	-	2	1
e) Key managerial personnel remuneration						
Mr Sunil Gupta						
- Short term employee benefits	319	-	-	-	-	-
Mr Sugata Sircar						
- Short term employee benefits	302	-	-	-	-	-
Mr Rupesh Agarwal						
- Short term employee benefits	372	367	-	-	-	-
Mr Harsh Dinesh Shah						
- Short term employee benefits	-	458	-	-	-	-
Mr Pawan Kumar Agrawal						
- Short term employee benefits	574	433	-	-	-	-
Mr Ranjit Gupta						
- Short term employee benefits	-	473	-	-	-	-
Mr Murali Subramanian						
- Short term employee benefits	-	522	-	-	-	-
f) Loan given						
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	779	512
Azure Power Rooftop One Private Limited	-	-	-	-	450	205
Azure Power Rooftop Four Private Limited	-	-	-	-	50	-
Azure Power Rooftop Five Private Limited	-	-	-	-	167	117
Azure Power Rooftop Eight Private Limited	-	-	-	-	50	-
g) Loan repaid						
Azure Power Rooftop Private Limited	-	-	-	-	-	500
h) Repayment of borrowings						
Azure Power Energy Limited	-	-	-	-	30,458	20,461
Azure Power Solar Energy Private Limited	-	-	-	-	29,110	-
i) Payment of consent fees						
Azure Power Solar Energy Private Limited	-	-	-	-	3,389	-
j) Corporate guarantees given						
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	-	362
Azure Power Rooftop One Private Limited	-	-	-	-	-	719
Azure Power Rooftop Three Private Limited	-	-	-	-	-	97
Azure Power Rooftop Five Private Limited	-	-	-	-	-	56
k) Corporate guarantees released						
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	2,198	-
Azure Power Rooftop Five Private Limited	-	-	-	-	1,445	-

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AZURE POWER INDIA PRIVATE LIMITED New Delhi

(INR amount in lakhs, unless otherwise stated)

2. Balances outstanding at the end of the year

Particulars	Key Management Personnel		Holding company		Fellow Subsidiary Company	
	As at March 31, 2024	As at March 31, 2023	**As at March 31, 2024**	As at March 31, 2023	**As at March 31, 2024**	As at March 31, 2023
a).Trade receivable						
Azure Power Rooftop Three Private Limited	-	-	-	-	11	13
b).Contractually reimburseable from related parties						
Azure Power Global Limited	-	-	37	-	-	-
Azure Power Rooftop Private Limited	-	-	-	-	56	53
Azure Power Rooftop One Private Limited	-	-	-	-	40	37
Azure Power Rooftop Two Private Limited	-	-	-	-	2	2
Azure Power Rooftop Four Private Limited	-	-	-	-	7	6
Azure Power Rooftop Five Private Limited	-	-	-	-	9	9
Azure Power Rooftop Eight Private Limited	-	-	-	-	87	87
Azure Power Solar Energy Private Limited	-	-	-	-	2	1
Azure Power Energy Limited	-	-	-	-	18	16
c). Payable						
Azure Power Global Limited	-	-	363	319	-	-
Azure Power Rooftop Private Limited	-	-	-	-	70	73
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	-	267
Azure Power Rooftop Four Private Limited	-	-	-	-	11	11
Azure Power Solar Energy Private Limited	-	-	-	-	-	92
Azure Power Energy Limited	-	-	-	-	2,177	1
d). Borrowing						
Azure Power Energy Limited*	-	-	-	-	2,40,166	2,68,419
Azure Power Solar Energy Private Limited*	-	-	-	-	2,18,328	2,45,796
e). Interest payable on borrowings						
Azure Power Energy Limited	-	-	-	-	1,801	2,367
Azure Power Solar Energy Private Limited	-	-	-	-	5,833	6,607
Azure Power Rooftop Private Limited	-	-	-	-	21	21
f). Loan to related party						
Azure Power Rooftop Private Limited	-	-	-	-	6,608	6,608
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	1,515	737
Azure Power Rooftop One Private Limited	-	-	-	-	907	457
Azure Power Rooftop Three Private Limited	-	-	-	-	67	67
Azure Power Rooftop Four Private Limited	-	-	-	-	155	105
Azure Power Rooftop Five Private Limited	-	-	-	-	384	217
Azure Power Rooftop Eight Private Limited	-	-	-	-	65	15
g). Interest accrued on loans and advances						
Azure Power Rooftop Private Limited	-	-	-	-	2,230	1,611
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	156	60
Azure Power Rooftop One Private Limited	-	-	-	-	116	48
Azure Power Rooftop Three Private Limited	-	-	-	-	15	9
Azure Power Rooftop Four Private Limited	-	-	-	-	22	9
Azure Power Rooftop Five Private Limited	-	-	-	-	45	20
Azure Power Rooftop Eight Private Limited	-	-	-	-	3	1
h) Outstanding Corporate guarantees						
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	4,682	6,933
Azure Power Rooftop One Private Limited	-	-	-	-	11,463	11,385
Azure Power Rooftop Three Private Limited	-	-	-	-	2,632	2,614
Azure Power Rooftop Five Private Limited	-	-	-	-	-	1,501

* Excluding unamortise balance of ancillary cost of borrowings

Terms and conditions of transactions with related parties

- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions Outstanding balances at the year-end are unsecured and settlement occurs in cash This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates
- Loans from/ to related parties carry an interest rate of 6 95% - 10 60% p a and are repayable/receivable in accordance with the terms of the respective agreement
- The Group has given corporate guarantee to the banks and financial institutions in respect of loan taken by the fellow subsidiaries (refer note 32)
- On April 26, 2022, the Group through its Board of Directors ("BOD") has accepted the resignations of erstwhile Mr Ranjit Gupta (CEO) and Mr Murali Subramanian (COO) of the Group Both of the KMP's were relinquished from their roles with the Group with immediate effect

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28. Share-based payment

(i) Employee Stock Option Plans (ESOPs)
ESOPs are issued by Azure Power Global Limited (Holding Company) to the employees of the Company and some entities forming part of the Group. As per Ind AS 102, *Share-based Payment*, the Group adopts fair valuation model for calculating its expense under ESOP's. ESOP gives an employee a right to purchase equity shares of Azure Power Global Limited at exercise price.

Description of terms and conditions of grant

Method of valuation of grants
Ind AS 102 requires adoption of graded vesting mechanism. Accordingly the stock compensation expense is computed separately for each tranche. The fair value of the share options is estimated at the grant date using a Black Scholes option pricing Model taking into account the terms and conditions upon which the share options were granted.

The details of activity have been summarized below:

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of options	**Weighted average exercise price (INR)**	No. of options	Weighted average exercise price (INR)
Outstanding at the beginning of the year	**4,15,813**	**1,276**	5,58,829	1,314
Granted during the year	-	-	543	-
Forfeited during the year	(1,09,666)	1,624	(1,38,689)	1,455
Exercised during the year	(1,945)	-	(4,870)	112
Outstanding at the end of the year	**3,04,202**	**1,158**	4,15,813	1,276
Exercisable at the end of the year	2,41,678	1,122	2,81,960	1,183

Effect of the employee share-based payment plans on the profit and loss account and on its financial position:
Incremental fair value recognized as an expense over the remaining period of service condition. In case of already vested options, incremental fair value recognized immediately. Any decrease in fair value of options is not accounted for.
The Group recognizes ESOP cost in the consolidated statement of profit and loss, except the cost of services which is initially capitalized by the Group as part of the cost of property, plant and equipment and corresponding increase in equity as a contribution from holding company.

	For the year ended March 31, 2024	For the year ended March 31, 2023
Amount recognised for equity-settled share-based payment transactions	(18)	130
Total (decrease)/ increase in equity arising from equity-settled share-based payment transactions	**(18)**	130

(ii) Stock Appreciation Rights (SARs)

The Group granted incentive compensation in the form of Stock Appreciation Rights ("SARs"), as defined in the APGL 2016 Equity Incentive Plan, as amended in 2020, to its erstwhile CEO and COO. The SARs had been granted in 3 tranches with maturity dates up to March 31, 2028.

The details of activity have been summarized below:

	As at March 31, 2024		As at March 31, 2023	
	No. of options	**Weighted average exercise price (INR)**	No. of options	Weighted average exercise price (INR)
Outstanding at the beginning of the year	**6,80,000**	**878**	18,75,000	810
Granted during the year	-	-	-	-
Exercised during the year	-	-	(11,95,000)	771
Outstanding at the end of the year	**6,80,000**	**878**	6,80,000	878
Vested at the end of the year	6,80,000	878	6,80,000	878
Exercisable at the end of the year	6,80,000*	878	6,80,000*	878

Effect of the stock appreciation rights on the statement of profit and loss account and on its financial position:
The Group recognizes SAR cost in the consolidated statement of profit and loss with corresponding increase in liability for cash-settled shared-based payments.

	March 31, 2024	March 31, 2023
Expense arising from cash-settled share-based payment transactions	-	(6,463)
Total decrease in liability arising from cash settled share-based payment transactions	-	**(6,463)**

Fair value of SAR as on March 31, 2023 has been taken basis the expected settlement with ex CEO and ex COO.

The carrying value of the liability recognised for SARs as at March 31, 2024 is INR 1,981 lakhs (March 31, 2023: INR 1,981 lakhs).

* On April 26, 2022, the Group through its Board of Directors ("BOD") has accepted the resignations of erstwhile Mr. Ranjit Gupta (CEO) and Mr. Murali Subramanian (COO) of the Company. Both of the KMP's were relinquished from their roles with the Company/ Group with immediate effect. Considering the same, adjustment was made in financial year 2022-23.

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(All amounts in INR lakhs, unless otherwise stated)

29. Segment information

The Group activities mainly involve sale of electricity. Considering the nature of Group's business and operations, there are no separate reportable operating segments in accordance with the requirements of Indian Accounting Standard 108, 'Operating Segments' referred in to Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and hence, there are no additional disclosures to be provided other than those already provided in the financial statements. The Group's principal operations, revenue and decision-making functions are located in India and significant there are no revenue and non-current assets outside India.

Information about revenue from major customers who contributed 10% or more relating to revenue from sale of power:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of Power:		
Solar Energy Corporation of India	96,299	86,629
National Thermal Power Corporation Limited	21,815	28,527
Punjab State Power Corporation Limited	18,128	19,398

30. Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers"

The following table provides information about trade receivables, contract assets and deferred revenue as at March 31, 2024 and March 31, 2023.

	As at March 31, 2024	As at March 31, 2023
Non current assets		
Contract assets*	6,349	5,941
Trade receivables	35,818	38,976
Current assets		
Trade receivables	45,055	55,921
Contract assets*	303	164
Non current liabilities		
Deferred revenue **	47,630	49,023
Current liabilities		
Deferred revenue **	1,964	1,953

Reconciliation of the amount of revenue recognised in consolidated statement of profit and loss with the contracted price:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue as per Contracted price	2,08,680	2,05,046
Adjustments for:		
Rebate/Discount	(2,357)	(2,106)
Amortisation of contract assets	(164)	(164)
Amortisation of contract liabilities	3,060	1,140
Revenue from contract with customers	**2,09,219**	**2,03,916**

***Movement of Contract Assets**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Balance	6,105	5,914
Addition during the year	-	-
Revenue recognised/ (reversed) during the year	(164)	(164)
Adjustment due to revenue straightlining	711	355
Closing Balance	**6,652**	6,105

**** Movement of Contract liabilities**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Balance	50,976	37,954
Addition during the year	1,311	13,030
Deletion during the year	(655)	-
Revenue recognised during the year	(3,060)	(1,140)
Interest expense	1,022	1,132
Closing Balance	**49,594**	**50,976**

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(All amounts in INR lakhs, unless otherwise stated)

31. Capitalization of expenditure (net)

During the year, the Group has capitalized the following expenses to the cost of Capital Work in progress. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the respective companies under the Group:-

Particulars	**For the year ended March 31, 2024**	For the year ended March 31, 2023
Salaries, wages and bonus	349	470
Finance cost	460	2,005
Depreciation on right of use assets	27	76
Project development expenses	156	4,409
Legal and professional expenses	16	358
Security and supervision charges	-	110
Bank Charges	756	475
Travelling expenses	22	119
Insurance expenses	41	103
Interest on lease liability	42	217
Lease rent	39	159
Other expenses	10	900
Interest income	(96)	(226)
Total	**1,822**	9,175

32. Financial Guarantees

The Group has issued financial guarantees to banks on behalf of and in respect of loan facilities availed by its fellow subsidiaries. In accordance with the policy of the Group (refer note 2.2 (j)). The Group has designated such guarantees as "Insurance Contracts". The Group has classified financial guarantees as Contingent Liabilities. Accordingly, there are no assets and liabilities recognized in the consolidated balance sheet under these contracts

Company Name	**As at March 31, 2024**	As at March 31, 2023
Azure Power Rooftop (Genco) Private Limited	4,682	6,933
Azure Power Rooftop One Private Limited	11,463	11,385
Azure Power Rooftop Three Private Limited	2,632	2,614
Azure Power Rooftop Five Private Limited	-	1,501

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33. Capital and other commitments

(i) The Group has capital commitments of INR 194,143 lakhs (net of advances) (March 31, 2023: INR 2,99,974 lakhs (net of advances)) for purchases of assets for the construction of solar power plants.

(ii) The Parent company and its subsidiaries have entered in to Power Purchase Agreement (PPA) with following parties:

Name of Authority	Agreement date	Rate	Period*
NTPC Vidyut Vyapar Nigam Limited	October 15, 2010	17.91 kw/h	25 Years
Solar Energy Corporation of India	March 28, 2014	5.45 kw/h	25 Years
Solar Energy Corporation of India	March 28, 2014	5.45 kw/h	25 Years
Bangalore Electricity Supply Company Limited	January 18, 2014	7.47 kw/h	25 Years
Gujarat Urja Vikas Nigam Limited***	April 30, 2010	15 kw/h	12 Years
Gujarat Urja Vikas Nigam Limited	April 30, 2010	5 kw/h	13 Years
NTPC Vidyut Vyapar Nigam Limited	October 15, 2011	11.94 kw/h	25 Years
NTPC Vidyut Vyapar Nigam Limited	January 25, 2011	8.21 kw/h	25 Years
Bihar State Power (Holding) Company Limited	January 17, 2015	8.39 kw/h	25 Years
Solar Energy Corporation of India	February 5, 2015	5.45 kw/h	25 Years
Punjab State Power Corporation Ltd.	March 31, 2015	7.33 kw/h	25 Years
Punjab State Power Corporation Ltd.	March 31, 2015	7.19 kw/h	25 Years
Southern Power Distribution Company of Andhra Pradesh Limited**	December 5, 2014	6.63 kw/h	25 Years
Gulbarga Electricity Supply Corporation Limited ,Kalaburgi	January 23, 2015	6.51 kw/h	25 Years
Hubli Electricity Supply Company Limited	January 9, 2015	6.51 kw/h	25 Years
Chamundeshwari Electricity Supply Corporation Limited	January 2, 2015	6.51 kw/h	25 Years
Punjab State Power Corporation Ltd.	February 3, 2017	5.62 kw/h	25 years
Punjab State Power Corporation Ltd.	February 3, 2017	5.63 kw/h	25 years
Punjab State Power Corporation Ltd.	February 3, 2017	5.64 kw/h	25 years
Solar Energy Corporation of India	March 28, 2014	5.45 kw/h	25 Years
Uttar Pradesh Power Corporation Ltd., Lucknow	December 27, 2013	8.99 kw/h	12 Years
Punjab State Power Corporation Ltd.	December 27, 2013	7.67 kw/h	25 Years
Punjab State Power Corporation Ltd.	December 27, 2013	7.97 kw/h	25 Years
Punjab State Power Corporation Ltd.	December 27, 2013	8.28 kw/h	25 Years
Solar Energy Corporation of India	October 14, 2015	5.43 kw/h	25 Years
Bangalore Electricity Supply Company Limited	September 27, 2014	6.66 kw/h	25 Years
Chhattisgarh State Power Distribution Company Limited	August 1, 2014	6.44 kw/h	25 Years
NTPC Limited	April 19, 2016	5.12 kw/h	25 Years
Chhattisgarh State Power Distribution Company Limited	September 1, 2014	6.45 kw/h	25 Years
Chhattisgarh State Power Distribution Company Limited	September 15, 2014	6.46 kw/h	25 Years
NTPC Limited	April 29, 2016	4.78 kw/h	25 Years
The Green Energy Development Corporation of Odisha Limited	July 30, 2016	5.69 kw/h	25 Years
Ordnance Factory, Bhandra	May 3, 2016	5.50 kw/h	25 Years
Ordnance Factory, Ambajhari	May 3, 2016	5.31 kw/h	25 Years
Solar Energy Corporation of India Limited	October 21, 2016	4.43 kw/h	25 Years
Delhi Metro Rail Corporation Limited	April 19, 2016	5.55 kw/h	25 Years
Solar Energy Corporation of India Limited	September 26, 2016	4.43 kw/h	25 Years
NTPC Limited	August 10, 2016	4.67 kw/h	25 Years
Gujarat Urja Vikas Nigam Limited	October 24, 2017	2.67 kw/h	25 Years
Delhi Jal Board	December 21, 2016	4.94 kw/h	25 Years
Indian Railways	April'2017	4.58-4.98 kw/h	25 Years
Solar Energy Corporation of India	April 27, 2018	2.48 kw/h	25 Years
Bangalore Electricity Supply Company Limited	April 20, 2018	2.93/kwh	25 Years
Hubli Electricity Supply Company Limited	April 20, 2018	2.93/kwh	25 Years
Maharashtra State Electricity Distribution Company Limited	July 30, 2018	2.72/kwh	25 Years
Assam Power Distribution Company Limited	June 25, 2018	3.17-3.70/kwh	25 Years
Solar Energy Corporation of India Limited	October 31, 2018	2.53/kwh	25 Years
Solar Energy Corporation of India Limited	September 17, 2019	2.58/kwh	25 Years
Solar Energy Corporation of India Limited	November 27, 2019	2.54/kwh	25 Years
Solar Energy Corporation of India Limited	July 15, 2022	2.35/kwh	25 Years
Solar Energy Corporation of India Limited	August 31, 2022	2.70/kwh	25 Years

*The period starts from date of commissioning of the project.
** The tariff for the project is INR 5.89 per kWh for first year, increasing by 3% each year from the second year to the tenth year and thereafter with the same tariff as that in year ten for the remainder of the 25-year term. The tariff is INR 6.63 per kWh as at March 31, 2024 after considering the escalations.
*** The tariff for the project is INR 15 per kWh for first 12 years, decreasing from the 13th year to the 25th year to INR 5 per kWh.

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34. Leases

Group as lessee:

The Group leases land for construction of solar power plants. These leases typically run for 25-30 years which is further extendable on mutual agreement by both lessor and lessee. Accordingly, the Group has taken lease period of 35 years considering reasonable certainity and expectation of extension of the lease period. Additionally the Group leases land for building space to be used as corporate office. The period of the lease for the same is 5 years.

Information about the leases for which the Group is a lessee is presented below:

i) Right-of-use assets:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	48,481	49,010
Additions during the year	1,997	2,998
Deletion during the year	(1,110)	-
Adjustment due to change in estimate	421	679
Depreciation for the year*	(1,888)	(1,735)
Impairment	(725)	(2,471)
Closing balance	**47,176**	48,481

*Including capitalization of INR 27 lakhs during the year (March 31, 2023: INR 76 lakhs).

ii) Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movement during the year:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	36,608	35,062
Additions during the year	1,625	249
Deletion during the year	(1,351)	-
Adjustment due to change in estimate	-	2,948
Accretion of interest#	3,613	3,484
Impairment	-	(1,991)
Payments	(3,081)	(3,144)
Closing balance	**37,414**	36,608

Including capitalization of INR 42 lakhs during the year (March 31, 2023: INR 217 lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current	3,154	2,924
Non-current	34,260	33,684
Total	**37,414**	36,608

Below are the amounts recognized by the Group in the consolidated statement of profit and loss:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on lease liabilities	3,571	3,266
Depreciation of right-of-use assets	1,861	1,659
Net Gain on lease modification	293	-
Expenses relating to short-term leases	1,252	36
Total	**6,977**	4,961

Below is the amount recognized by the Group in the consolidated statement of cash flows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Total cash outflow for leases	**3,081**	**3,144**

The maturity analysis of leases is disclosed in note 40. The weighted average incremental borrowing rate applied to lease liabilities is 10%. The Group has applied single discount rate to a portfolio of leases of similar assets in similar economic environment with similar end date.

Extension options:

Lease contain extension options exercisable by the Group before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only on mutual agreement. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassess whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

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35. Contingencies

a. Contingent liabilities:

(i) Guarantees, letter of credit and counter guarantees given by the Group amounting to INR 35,304 lakhs (March 31, 2023: INR 46,522 lakhs).

(ii) Viability gap funding represents the amount already received which the government agencies can demand repayment of, in case the project fails to generate power for a longer period of time. Below mentioned amounts relate to the period for which the Group is yet to fulfil the conditions under the agreements.

Particulars	March 31, 2024	March 31, 2023
Viability Gap Funding (VGF)	16,766	19,383

b. Pending litigations:

i) During the current year, the Group has received order for service tax demand amounting to INR 148 lakhs related to services tax assessment from FY 2014-15 to 2016-17. The Group has filed an appeal on April 12, 2024 contesting the demand and is confident that there should not be a tax outflow related to this order.

ii) The Group had two outstanding disputes with its erstwhile Chief Executive Officer, Mr. Inderpreet Singh Wadhwa (IW). During the previous year, the Group has received an unfavourable Award from the Mumbai Centre for International Arbitration in relation to Mr. Wadhwa's transition from the Company, and subsequently made payments as required in the Award, without prejudice to its rights.

In respect of second matter, during the previous year the Group received a favourable Award from Singapore International Arbitration Centre in relation to the purchase price of shares, held by Mr. Inderpreet Singh Wadhwa (IW) and Mr. H. S. Wadhwa (HSW) (erstwhile Chief Operating Officer), in Azure Power India Private Limited. Subsequently, IW and HSW filed an appeal challenging the SIAC award on May 05, 2022, before the Singapore High Court. However, vide order dated June 29, 2022, the appeal filed by IW and HSW has been dismissed. Consequently, the Award in our favour has been upheld. We have filed a petition before the High Court of Delhi seeking enforcement of the Award. There is no adverse order passed against Azure by the Hon'ble High Court till date. This matter is next listed for hearing on October 01, 2024.

iii) A Public interest litigation had been initiated by certain individuals claiming to be wildlife experts/interested in conservation of wildlife, before the Supreme Court of India against various state governments such as Rajasthan, Gujarat, and MNRE, MoP among others, seeking protection of the two endangered bird species, namely the Great Indian Bustard (GIB) and the Lesser Florican found in the states of Rajasthan and Gujarat. The Supreme Court by way of order dated April 19, 2021 issued directions to: (i) underground all low voltage transmission lines, existing and future lines falling in potential and priority habitats of GIB, (ii) to convert all existing high voltage lines in priority and potential areas of GIB where found feasible within a period of one year, if not found feasible, the matter to be referred to the committee formed by the Supreme Court which will take a decision on feasibility, and (iii) to install bird diverters on all existing overhead lines in the interim. We and many other developers have projects in the potential area as determined by the court, hence aggrieved by the order, the Solar Power Developers Association ("SPDA") and Union of India have filed an application before the Supreme Court seeking among others, exemption from undergrounding of transmission lines in potential areas. The matter was last listed on November 30, 2022, whereby directions were passed to parties to ensure installation of bird diverters in the Priority Area and for them to be in compliance with quality standards issued by the Supreme Court Committee. As per the directions of Supreme Court, for its solar power plants, the Group installed bird divertors in the habitats of Great Indian Bustard during FY 2022-23. The PIL is presently pending. The SPDA has filed an application seeking modification of Supreme Court's order dated April 19, 2021. Further, the Supreme Court vide its order dated March 21, 2024 modified its earlier order dated April 19, 2021 directing the Central Government to constitute an expert committee to examine the issue of installing overhead and underground powerlines in the priority areas marked for the conservation of the Great Indian Bustard. The expert committee on the GIB issue will, inter-alia, look into (i) the scope and feasibility of laying down underground and overhead transmission lines, (ii) measures for the conservation of GIB, and (iii) identifying suitable alternatives for laying down power lines in the future. Next date to submit the Update by Expert Committee is August 31, 2024. Citing practical difficulties in laying down underground transmission lines, the Supreme Court has also restricted the requirement of laying down underground transmission lines only to the priority area (covering roughly 13,163 sq km). If the modification application is dismissed, we might entail significant costs and delays.

(iv) During the current year, the Group has received Assessment Order u/s 143(3) read with section 144B of the Income tax Act, 1961 ("Act") for FY 2021-22 wherein the Assessing Officer ('AO') has made an ad-hoc disallowance of INR 2,979 lakhs being ineligible expenses. Further, a show cause notice dated June 11, 20224 has been received in connection with the penalty proceedings u/s 270A read with section 274 of the Act for under-reporting of income, Subsequent to the year end, the Group has filed an appeal before Commissioner of Income tax (Appeals) against the said matter on the grounds that AO, erred in facts and in law, in making the ad-hoc disallowance being differential of tax loss declared as per original return of income filed u/s 139 of the Act and updated computation of income filed suo-moto at the time of assessment without appreciating the detailed break-up of such differences arisen on account of completion of audit for FY 2021-22 beyond the date of filing of return of income.
Considering above, the Group has assessed that it is only possible but not probable that outflow of economic resources will be required.

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36. Derivative instruments and hedging activities

Contract designated as cash flow hedge:
During financial year 2020-21, the Group took a long term borrowing amounting to US$ 9,30,00,000 (INR 69,311 lakhs) at LIBOR plus margin of 3.95% and the loan is repayable in 8 half yearly instalments commencing November 2021.The funds were provided to project SPVs as shareholder loans or through other instrument for capital expenditure or for payment of capital expenditure in respect of various specified projects. The Group has taken US$ 9,30,00,000 currency swap for its principal and interest payment. As per this swap arrangement, the Group pays fixed INR and receive USD and pays fixed interest ranging between 9.10 to 10.20%, for these long term borrowing and receives a variable interest at six months LIBOR plus 3.95% on the US$ notional amount. During the year, the Group has tested the effectiveness of the hedge relationship and the hedge was effective.

During the current year and previous year, the Group took long term borrowings, at LIBOR plus margin (basis each disbursement), repayable in quarterly instalments. The funds were raised for payment of capital expenditure in respect of the project. The Group has taken currency swap for its principal and interest payment. As per this swap arrangement, the Group pays fixed INR and receive USD and pays fixed interest, for these long term borrowing and receives a variable interest on the US$ notional amount. During the year, the Group has tested the effectiveness of the hedge relationship and the hedge was effective.

The Group is exposed to changes in principal and interest cash flows on letter of credit discounted for buyer's credit and long term foreign currency borrowings to be settled in USD. The Group has entered into forward contracts to hedge its exposure to foreign currency risk and interest volatility risk.

Th risk management objective of the hedge arrangement is to reduce the variability in payment of foreign currency equivalent cash flows arising from repayment of principal and interest components. During the year, the Group have tested the effectiveness of the hedge relationship and the hedge was effective.

The following table presents outstanding notional amount and consolidated balance sheet location information related foreign exchange derivate contracts as of March 31, 2024 and March 31, 2023.

Particulars	**As at March 31, 2024**	As at March 31, 2023
Notional Amount (USD)	28,64,76,712	31,29,18,316
Non-current – Other financial assets (INR)	15,334	17,329
Current – Other financial assets (INR)	2,538	2,099
Current – Other financial liabilities (INR)	213	1,081

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37. Employee Benefits

(a) Defined contribution plan

The Group makes contribution towards provident fund to a defined contribution retirement benefit plan for qualifying employees. The Group's contribution to the Employee Provident Fund is deposited with the Regional Provident Fund Commissioner.

The Group has recognized INR 450 lakhs (March 31, 2023: INR 327 lakhs) for provident fund and other fund contribution in the Consolidated Statement of Profit and Loss. The contribution payable to the plan by the Group is at the rate specified in the rules to the scheme.

(b) Defined benefit plan
Gratuity and other post-employment benefits

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is unfunded and accrued cost is recognized through reserve in the accounts of the Group.

The following tables summaries the components of net benefit expense recognized in the consolidated profit and loss account and the unfunded status and amounts recognized in the Consolidated Balance Sheet.

Consolidated Statement of profit and loss

Amounts recognised in Consolidated Statement of profit and loss for the year ended March 31, 2024

Particular	Gratuity	
	For the year eneded March 31, 2024	For the year ended March 31, 2023
Current service cost	134	176
Interest cost on benefit liability	36	-
Total Expense	**170**	176

Amount recognized in Other Comprehensive Income for the year ended March 31, 2024

Particular	Gratuity	
	For the year eneded March 31, 2024	For the year ended March 31, 2023
Effect of change in financial assumptions	(3)	(9)
Effect of change in demographic assumptions	(17)	141
Experience gains	1	88
Actuarial (loss)/ gain recognized in the year	**(19)**	220

Consolidated Balance Sheet :

Particular	Gratuity	
	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation	586	490

Changes in the present value of the defined benefit obligation are as follows:

Particular	Gratuity	
	For the year eneded March 31, 2024	For the year ended March 31, 2023
Present value of obligation as at the beginning of the year	490	628
Current service cost *	134	176
Interest cost *	36	-
Re-measurement of Actuarial loss/ (gain)	19	(220)
Benefits paid	(93)	(94)
Present Value of Obligation as at the end of the year	**586**	490
Current Liability	135	90
Non-Current Liability	451	400

* Expenditure amounting to INR Nil (March 31, 2023: INR 470 lakhs) has been capitalized (refer note 31).

The principal assumptions used in determining gratuity for the Group's plans are shown below:

Particulars	**For the year eneded March 31, 2024**	For the year ended March 31, 2023
Discount rate (per annum)	7.09%	7.27%
Employee turnover rate (per annum)	26.00%	30.00%
Withdrawal rate (per annum)	26.00%	30.00%
Salary Escalation Rate (per annum)	10.00%	10.00%
Retirement age	58 years	58 years

The estimates of future salary increases considered in actuarial valuation taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

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(All amounts in INR lakhs, unless otherwise stated)

Risk exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

a) Discount rate- Increase/ reduction in discount rate in subsequent valuations can decrease/increase the liability.

b) Salary escalation rate- Actual salary increases/decrease will increase/decrease the defined benefit liability. Increase/decrease in salary increase rate assumption in future valuations which in turn also increase/decrease the liability.

c) Withdrawal rate- Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact defined benefit liability.

A quantitative sensitivity analysis for significant assumption as at March 31, 2024 is as shown below:

Sensitivity analysis	**March 31, 2024**	**March 31, 2024**	March 31, 2023	March 31, 2023
Assumption	**Discount rate**		Discount rate	
	1 % increase	1 % decrease	1 % increase	1 % decrease
Defined benefit obligation increased/(decreased) by	(20)	21	(17)	19

Sensitivity analysis	**March 31, 2024**	**March 31, 2024**	March 31, 2023	March 31, 2023
Assumption	**Salary Escalation Rate**		Salary Escalation Rate	
	1 % increase	1 % decrease	1 % increase	1 % decrease
Defined benefit obligation increased/(decreased) by	23	(22)	20	(19)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these are not computed. Further, there are no changes in current year from the previous year in the methods and assumptions used in preparing the sensitivity analysis.

The Group does not have any plan assets. Group has sufficient balance of Cash and cash equivalent to fund the liabilities that may arise in near future.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 5 years (March 31, 2023: 5.26 years).

Expected maturity analysis of the defined benefit plans in the next ten years are as follows:

Particular	**March 31, 2024**	March 31, 2023
Within the next 12 months (next annual reporting period)	139	93
Between 2 and 5 years	357	318
Between 5 and 10 years	193	174

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(All amounts in INR lakhs, unless otherwise stated)

38. Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying value		Fair value	
	As at March 31, 2024	As at March 31, 2023	**As at March 31, 2024**	As at March 31, 2023
Financial assets carried at amortized cost				
Security deposits	767	741	767	741
Trade receivables (Non- current)	35,818	38,976	35,818	38,976
Performance bank guarantee receivable	361	320	361	320
Loans to fellow subsidiaries	572	105	572	105
Loan to others	-	40	-	40
Term deposits	84,085	77,103	84,085	77,103
Other financial assets	2,986	1,745	2,986	1,745
	1,24,589	1,19,030	**1,24,589**	1,19,030
Financial assets measured at fair value				
Derivative instruments at fair value through other comprehensive income*	17,872	19,428	17,872	19,428
Investment in equity shares of others (at fair value through profit and loss)	1,366	1,366	1,366	1,366
Investment in compulsorily convertible debentures (at fair value through profit and loss)	3,185	3,185	3,185	3,185
Total	**22,423**	**23,979**	**22,423**	**23,979**
Financial liabilities carried at fair value				
Derivative instruments at fair value through other comprehensive income*	213	1,081	213	1,081
Total	**213**	1,081	**213**	1,081
Financial liabilities carried at amortized cost				
Term loans from banks - In Indian currency ** (Including current maturities)	45,037	45,511	45,037	45,511
Term loans from financial institution - In Indian currency** (Including current maturities)	3,78,173	3,93,854	3,77,460	3,98,925
Term loans from financial institutions - In foreign currency ** (Including current maturities)	87,958	1,41,634	87,958	1,41,634
Foreign currency loan from bank **(Including current maturities)	66,222	33,616	66,222	33,616
Vehicle loan** (Including current maturities)	70	89	70	89
External commercial borrowings ***	1,99,854	2,23,302	1,98,225	2,35,483
Non-convertible debenture ***	2,50,635	2,90,977	2,55,232	3,16,887
Total	**10,27,949**	11,28,983	**10,30,204**	11,72,145

The management assessed that the fair value of cash and cash equivalents, term deposits, interest accrued on term deposits, loans, other bank balances, trade receivables, performance guarantee receivables, unbilled revenue, viability gap funding receivable (VGF), security deposits received, current borrowings, receivable/payable from/to fellow subsidiaries, loan to fellow subsidiaries, trade payables, other payables, derivative asset/liability and security deposits paid, as applicable, approximates their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date.

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The following methods and assumptions were used to estimate the fair values:

Measured at fair value:

* The Group enter into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign currency option derivatives are valued using valuation techniques, which employs the use of market observable inputs. The Group used the derivatives option pricing model based on the principles of the Black-Scholes model to determine the fair value of the foreign exchange derivative contracts. The inputs considered in this model include the theoretical value of a call option, the underlying spot exchange rate as of the balance sheet date, the contracted price of the respective option contract, the term of the option contract, the implied volatility of the underlying foreign exchange rates and the risk-free interest rate as of the balance sheet date.

At amortized cost:

** Fair value of long-term loan having floating rate of interest approximate the carrying amount of those loans as there was no significant change in the Group's own credit risk during the current year. Unamortised cost of borrowing has been adjusted with the closing balance of borrowings at the reporting date. Further, these amount also includes current portion of long term debt.

*** The fair values of the interest-bearing borrowings and loans of the Group are determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2024 was assessed to be insignificant. Unamortised cost of borrowing has been adjusted with the closing balance of borrowings at the reporting date. Further, these amount also includes current portion of long term debt.

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(All amounts in INR lakhs, unless otherwise stated)

39. Fair Value Hierarchy
The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for financial instruments as at March 31, 2024:

		Fair value measurement using		
	Carrying value	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Financial assets carried at amortised cost:				
Security deposits	767	-	-	767
Trade receivables	35,818	-	-	35,818
Performance bank guarantee receivable	361	-	-	361
Loans to fellow subsidiaries	572	-	-	572
Term deposits	84,085	-	-	84,085
Other financial assets	2,986	-	-	2,986
Total	**1,24,589**	-	-	**1,24,589**
Financial assets measured at fair value:				
Derivative instruments at fair value through other comprehensive income	17,872	-	17,872	-
Investment in equity shares of others(at fair value through profit and loss)	1,366	-	1,366	-
Investment in compulsorily convertible debentures (at fair value through profit and loss)	3,185	-	3,185	-
Total	**22,423**	-	**22,423**	-
Financial liabilities carried at fair value				
Derivative instruments at fair value through other comprehensive income	213	-	213	-
	213	-	**213**	-
Financial liabilities carried at amortised cost				
Term Loans from Banks - In Indian Currency (Including current maturities)	45,037	-	-	45,037
Term Loans from financial institution - In Indian Currency (Including current maturities)	3,78,173	-	-	3,77,460
Term Loans from financial institutions - In Foreign Currency (Including current maturities)	87,958	-	-	87,958
Foreign currency loan from bank (Including current maturities)	66,222	-	-	66,222
Vehicle loan (Including current maturities)	70	-	-	70
External commercial borrowings	1,99,854	-	-	1,98,225
Non-Convertible Debenture	2,50,635	-	-	2,55,232
Total	**10,27,949**	-	-	**10,30,204**

There have been no transfers between Level 1 and Level 2 during the year.

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(All amounts in INR lakhs, unless otherwise stated)

Quantitative disclosures fair value measurement hierarchy for financial instruments as at March 31, 2023:

		Fair value measurement using		
	Carrying value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets carried at amortised cost:				
Security deposits	741	-	-	741
Trade receivables	38,976			38,976
Performance bank guarantee receivable	320	-	-	320
Loans to fellow subsidiaries	105	-	-	105
Term deposits	77,103	-	-	77,103
Other financial assets	1,745	-	-	1,745
Loans to others	40	-	-	40
Total	1,19,030	-	-	1,19,030
Financial assets measured at fair value:				
Derivative instruments at fair value through other comprehensive income	19,428	-	-	19,428
Investment in equity shares of others(at fair value through profit and loss)	1,366	-	-	1,366
Investment in compulsorily convertible debentures (at fair value through profit and loss)	3,185	-	-	3,185
Total	23,979	-	-	23,979
Financial liabilities carried at fair value				
Derivative instruments at fair value through other comprehensive income	1,081	-	1,081	-
	1,081	-	1,081	-

		Fair value measurement using		
	Carrying value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities carried at amortised cost				
Term Loans from Banks - In Indian Currency (Including current maturities)	45,511	-	-	45,511
Term Loans from financial institution - In Indian Currency (Including current maturities)	3,93,854	-	-	3,98,925
Term Loans from financial institutions - In Foreign Currency (Including current maturities)	1,41,634	-	-	1,41,634
Foreign currency loan from bank (Including current maturities)	33,616		-	33,616
Vehicle loan (Including current maturities)	89	-	-	89
External commercial borrowings	2,23,302	-	-	2,35,483
Non-Convertible Debenture	2,90,977	-	-	3,16,887
Total	11,28,983	-	-	11,72,145

There have been no transfers between Level 1 and Level 2 during the year.

The management assessed that the fair value of cash and cash equivalents, term deposits, interest accrued on term deposits, other bank balances, trade receivables, performance guarantee receivables, unbilled revenue, viability gap funding receivable (VGF), security deposits received, current borrowings, receivable/payable from/to fellow subsidiaries, loan to fellow subsidiaries, trade payables, other payables, derivative asset/liability and security deposits paid, as applicable, approximates their carrying amounts largely due to the short-term maturities of these instruments.

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40. Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, investments, trade and other receivables, cash and cash equivalents, deposits with banks and other financial assets.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investment in mutual fund and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2024 and March 31, 2023:

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Financial instruments comprise of non-convertible debentures, loans to/from related parties which are fixed interest bearing whereas term loans from banks/financial institution are both fixed and floating interest bearing. Remaining financial assets and liabilities are non-interest bearing.

As at the reporting date, the Group's interest rate profiles is as follows:

As at March 31, 2024	**Floating rate financial instruments**	**Fixed rate financial instruments**	**Non-interest bearing**	**Total**
Financial assets	-	1,58,485	1,19,896	**2,78,381**
Financial liabilities	5,55,014	5,10,279	1,21,801	**11,87,094**

As at March 31, 2023	Floating rate financial instruments	Fixed rate financial instruments	Non-interest bearing	Total
Financial assets	-	2,09,722	1,33,574	3,43,296
Financial liabilities	5,87,822	5,54,632	1,55,667	12,98,121

Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on financial liabilities with all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

		Increase/decrease in basis points		**March 31, 2024**		March 31, 2023
Effect on profit before tax	INR	+/(-)50	(-)/+	2,775	(-)/+	2,939

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment. Though there is exposure on account of interest rate movement as shown above but the Group minimises the foreign currency (US dollar) interest rate exposure through derivatives and INR interest rate exposure through re-financing.

Foreign currency risk

Foreign Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign currency risk arising from changes in foreign exchange rates on foreign currency loan, derivative financial instruments and operating payables/receivables. The Group enters into foreign exchange derivative contracts to mitigate fluctuations in foreign exchange rates in respect of these loans.

(All amounts in INR lakhs, unless otherwise stated)

The following table analyses foreign currency risk from financial instruments relating to US$, EURO and GBP as of March 31, 2024 and March 31, 2023:

	As at March 31, 2024	As at March 31, 2023
USD		
Foreign currency loan from financial institutions and banks (including interest accured)	1,56,695	2,56,751
Trade payable	3,015	5,478
EURO		
Trade payable	12	-
GBP		
Trade payable	21	-

The following table analysis foreign currency risk from financial instruments relating to USD as of March 31, 2024 and March 31, 2023:

Other receivables	3,306	6,086

Foreign currency sensitivity
The following tables demonstrate the sensitivity to a reasonably possible change in USD/INR exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

	Change in rate		March 31, 2024		March 31, 2023
Effect on profit before tax	+/(-)5%	(-)/+	7,822	(-)/+	12,807

As the Group has entered into foreign exchange derivatives contract to mitigate the foreign exchange fluctuation risk, these derivatives act as economic hedges and will offset the impact of any fluctuations in foreign exchange rates.

Credit risk
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from their operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

Trade receivables
Customer credit risk is managed on the basis of Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The Group evaluates the concentration of risk with respect to trade receivable as high. However since the trade receivables mainly comprise of state utilities/government entities, the Group does not foresee any credit risk attached to receivables from such state utilities/government entities. The Group does not hold collateral as security.

Movement in expected credit loss on trade receivables during the year :

	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	6,240	2,460
Changes in allowance for expected credit loss:		
Additional provision (net) towards credit impaired receivables (refer note 25)	1,172	3,933
Provision written back during the year (refer note 20)	(739)	(153)
Trade receivable written off during the year	(2)	-
Provision against receivables classified as held for sale	(1,094)	-
Closing balance	**5,577**	6,240

Financial instruments and cash deposits
Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk
Liquidity risk is the risk that Group will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach of Group to manage liquidity is to ensure , as far as possible, that these will have sufficient liquidity to meet their respective liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to their reputation.

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

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(All amounts in INR lakhs, unless otherwise stated)

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	Less than 1 year	1 to 5 years	> 5 years	Total
As at March 31, 2024				
Non-current borrowings*	4,65,882	6,00,741	4,37,550	15,04,173
Lease liabilities	3,290	13,855	1,08,250	1,25,395
Current borrowings	79,505	-	-	79,505
Trade payables	19,481	-	-	19,481
Other financial liabilities**	10,689	-	-	10,689
	5,78,847	**6,14,596**	**5,45,800**	**17,39,243**

	Less than 1 year	1 to 5 years	> 5 years	Total
As at March 31, 2023				
Non-current borrowings*	2,56,247	9,07,308	5,31,885	16,95,440
Lease liabilities	3,039	13,118	1,12,002	1,28,159
Current borrowings	1,60,762	-	-	1,60,762
Trade payables	12,932	-	-	12,932
Other financial liabilities**	16,913	-	-	16,913
	4,49,893	9,20,426	6,43,887	20,14,206

*Including interest accrued on non-current borrowings
**Excluding interest accrued on borrowings.

41. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximize the shareholder value and to ensure the Group's ability to continue as a going concern.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants, if any. To maintain or adjust the capital structure, the Group reviews the fund management at regular intervals and take necessary actions to maintain the requisite capital structure.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

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(INR amount in lakhs, unless otherwise stated)

42. Group information

Information about subsidiaries

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name	Country of Incorporation /Principal place of business	% equity interest*	
		March 31, 2024	March 31, 2023
Subsidiaries			
Azure Power (Punjab) Private Limited	India	100%	100%
Azure Power (Haryana) Private Limited	India	99.17%	99.17%
Azure Solar Private Limited	India	92.31%	92.31%
Azure Power (Rajasthan) Private Limited	India	100%	100%
Azure Urja Private Limited	India	73.80%	73.80%
Azure Surya Private Limited	India	67.33%	67.33%
Azure Power (Karnataka) Private Limited	India	58.87%	58.87%
Azure Photovoltaic Private Limited	India	100%	100%
Azure Power Infrastructure Private Limited	India	94.59%	94.59%
Azure Power (Raj.) Private Limited	India	100%	100%
Azure Green Tech Private Limited	India	100%	100%
Azure Clean Energy Private Limited	India	100%	100%
Azure Sunrise Private Limited	India	100%	100%
Azure Sunshine Private Limited	India	100%	100%
Azure Power Earth Private Limited	India	100%	100%
Azure Power Eris Private Limited	India	100%	100%
Azure Power Jupiter Private Limited	India	51.01%	51.01%
Azure Power Makemake Private Limited	India	100%	100%
Azure Power Mars Private Limited	India	100%	100%
Azure Power Pluto Private Limited	India	100%	100%
Azure Power Uranus Private Limited	India	100%	100%
Azure Power Venus Private Limited	India	100%	100%
Azure Power Thirty Three Private Limited	India	100%	100%
Azure Power Thirty Four Private Limited	India	100%	100%
Azure Power Thirty Six Private Limited	India	100%	100%
Azure Power Thirty Seven Private Limited	India	99.84%	99.84%
Azure Power Thirty Nine Private Limited	India	100%	100%
Azure Power Forty Private Limited	India	100%	100%
Azure Power Forty One Private Limited	India	100%	100%
Azure Power Forty Three Private Limited	India	100%	100%
Azure Power Maple Private Limited	India	100%	100%
Azure Power Fifty One Private Limited	India	100%	100%
Azure Power Fifty Two Private Limited	India	100%	100%
Azure Power Fifty Three Private Limited	India	100%	100%
Azure Power Fifty Four Private Limited	India	100%	100%
Azure Power Fifty Six Private Limited	India	100%	100%
Azure Power Fifty Seven Private Limited	India	100%	100%
Azure Power Fifty Eight Private Limited	India	100%	100%
Azure Power Fifty Nine Private Limited	India	100%	100%
Azure Power Sixty Private Limited	India	100%	100%
Azure Power Sixty one Private Limited	India	100%	100%
Azure Power Sixty two Private Limited	India	100%	100%
Kotuma Wind Parks Private Limited	India	100%	100%
Two Wind Energy Private Limited	India	100%	100%
Azure Green Hydrogen Private Limited	India	100%	100%
Azure Power Sixty Three Private Limited	India	100%	100%
Azure Energy Transition Private Limited	India	100%	100%
Azure Power Sixty Four Private Limited	India	100%	100%
Azure Power Sixty Five Private Limited	India	100%	100%
Azure Power Sixty Six Private Limited	India	100%	100%
Azure Power Mercury Private Limited**	India	51.40%	51.40%
Azure Power Saturn Private Limited**	India	51.40%	51.40%
Azure Power Thirty Eight Private Limited**	India	51%	51%
Azure Power Forty Four Private Limited**	India	51.40%	51.40%
Azure Power US Inc.	United States of America	100.00%	100.00%

The holding company

The holding Company of Azure Power India Private Limited is Azure Power Global Limited which is based in Mauritius.

* Includes shareholding held by nominee shareholders.
** Refer note 45.

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43. Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

A. Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

(i) Revenue from Viability Gap Funding (VGF)

The Group records the proceeds received from Viability Gap Funding (VGF) on fulfilment of the underlying conditions as deferred revenue. Such deferred VGF revenue is recognized as other operating revenue in proportion to the actual sale of solar energy kilowatts during the period to the total estimated sale of solar energy kilowatts during the tenure of the applicable power purchase agreement pursuant to the revenue recognition policy.

(ii) Classification of leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease. (refer note 34)

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

B. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 28.

(ii) Taxes

Projects of Group qualify for deduction from taxable income because its profits are attributable to undertakings engaged in development of solar power projects under section 80-IA of the Indian Income Tax Act, 1961. This holiday is available for a period of ten consecutive years out of fifteen years beginning from the year in which the Group generates power ("Tax Holiday Period"), however, the exemption is only available to the projects completed on or before March 31, 2017. The Group anticipates that it will claim the aforesaid deduction in the last ten years out of fifteen years beginning with the year in which the Group generates power and when it has taxable income. Accordingly, its current operations are taxable at the normally applicable tax rates. Due to the Tax Holiday Period, a substantial portion of the temporary differences between the book and tax basis of the Group's assets and liabilities do not have any tax consequences as they are expected to reverse within the Tax Holiday Period (refer note 17).

(iii) Estimation of Defined Benefit Obligation

The cost of the defined benefit obligation and the present value of the defined benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds, and extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates for the respective countries. Further details about the assumptions used, including a sensitivity analysis, are given in note 37.

(iv) Provision for decommissioning

The Group has recognized provisions for the future decommissioning of solar power plants set-up on leased land at the end of the lease term. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the leased land and the expected timing of those costs. The carrying amount of the provision as at March 31, 2024 is INR 8,000 lakhs (March 31, 2023: INR 7,133 lakhs). The Group estimates that the costs would be settled upon the expiration of the lease and calculates the provision using the discounted cash flow method based on the following assumptions:

► Estimated range of cost per megawatt– INR 4.9 lakhs to 5.6 lakhs (March 31, 2023 - INR 3.9 lakhs to 4.5 lakhs)
► Discount rate – 10.0% p.a. (March 31, 2023:10.0% p.a.)
► Inflation rate – 8.0% p.a. (March 31, 2023: 8.0 % p.a.)

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(v) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

Assumptions include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments (refer note 38 and 39).

(vi) Depreciation on property, plant and equipment

Depreciation on property plant and equipment is calculated on a straight line basis using the rates arrived at based on the useful lives estimated by the management. Considering the applicability of Schedule II of the Companies Act, 2013, the management has re-estimated useful lives and residual value of all of its property plant and equipment. The management believes that depreciation rates currently used fairly reflects its estimate of the useful lives and residual value of the Property plant and equipment, though these rates in certain cases are different from lives prescribed under Schedule II of the Companies Act, 2013.

Based on legal opinion obtained, management is of the view that application of CERC and/or SERC rates for the purpose of accounting of depreciation expense is not mandatory. Hence, company is depreciating the assets based on life as determined by the management.

During the year ended March 31, 2022, the Group basis the technical assessment, had revised the useful life of solar power project assets i.e. plant and machinery (excluding inverter) and building from 25 years to 35 years. These changes had been considered as change of accounting estimate as per Ind AS 8 (Accounting policies, change in accounting estimates and errors) and had been accounted for prospectively with effect from April 01, 2021. (Refer note 3 and 23)

(vii) Impairment of non-financial assets

The Group assess, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre -tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

(viii) Revenue estimate

Where power purchase agreements (PPAs) include scheduled price changes, revenue is recognized at lower of the amount billed or by applying the average rate to the energy output estimated over the term of the PPA. The determination of the lesser amount is undertaken annually based on the cumulative amount that would have been recognized had each method been consistently applied from the beginning of the contract term. The Group estimates the total kilowatt hour units expected to be generated over the entire term of the PPA. The contractual rates are applied to this annual estimate to determine the total estimated revenue over the term of the PPA. The Group then uses the total estimated revenue and the total estimated kilo-watt hours to compute the average rate used to record revenue on the actual energy output supplied. The Group compares the actual energy supplied to the estimate of the energy expected to be generated over the remaining term of the PPA on a periodic basis, but at least annually. Based on this evaluation, the Group reassesses the energy output estimated over the remaining term of the PPA and adjusts the revenue recognized and deferred to date. The difference between actual billing and revenue recognized is recorded as deferred revenue (refer note 30).

(ix) Key assumption about the likelihood and magnitude of an outflow of resources in case of Income Tax

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, legal interpretations of various other acts/laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies (refer note 17).

(x) Provision for expected credit losses of trade receivables and contract assets

The Group follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. As per the requirements of Ind AS 109, on subsequent measurement, the management while making ECL assessment considered the past experience with the Government of honouring its commitments and the strong capacity and ability of the Government to meet its contractual cash flow obligations (refer note 40).

(xi) Recognition and measurement of provision and contingencies

The Group recognises provision if it is probable that an outflow of cash and other economic resources will be required to settle the provision. If outflow is not probable, then item is treated as contingent liability. Risk and uncertainities are taken into account in measuring provision.

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Azure Power India Private Limited New Delhi

(INR amount in lakhs, unless otherwise stated)

44. Additional information as required under Schedule III of the Companies Act, 2013, of enterprises consolidated in the financial statement:

For the year ended March 31, 2024

Name of the entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in Profit/(loss)		Share in Other Comprehensive income/(loss)		Share in Total Comprehensive income/(loss)	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income/(loss)	Amount	As a % of consolidated total comprehensive income/(loss)
Parent								
Azure Power India Private Limited	4,76,728	139.76%	(18,861)	140.39%	(673)	53.17%	(19,534)	132.88%
Indian Subsidiaries								
Azure Power (Punjab) Private Limited	1,068	0.31%	49	(0.37%)	(0)	0.03%	49	(0.33%)
Azure Power (Haryana) Private Limited	2,063	0.60%	625	(4.65%)	0	(0.01%)	625	(4.25%)
Azure Solar Private Limited	5,809	1.70%	2,128	(15.84%)	0	(0.02%)	2,128	(14.48%)
Azure Power (Rajasthan) Private Limited	81	0.02%	296	(2.20%)	0	(0.00%)	296	(2.01%)
Azure Urja Private Limited	7,531	2.21%	363	(2.71%)	(1)	0.05%	363	(2.47%)
Azure Surya Private Limited	5,881	1.72%	891	(6.63%)	0	(0.00%)	891	(6.06%)
Azure Power (Karnataka) Private Limited	2,739	0.80%	413	(3.07%)	0	(0.03%)	413	(2.81%)
Azure Photovoltaic Pvt Ltd	8,582	2.52%	928	(6.91%)	1	(0.08%)	929	(6.32%)
Azure Power Infrastructure Pvt Ltd	14,836	4.35%	2,346	(17.46%)	(0)	0.00%	2,346	(15.96%)
Azure Power (Raj.) Pvt Ltd	13,870	4.07%	2,903	(21.61%)	(0)	0.01%	2,903	(19.75%)
Azure Green Tech Private Limited	8,975	2.63%	1,600	(11.91%)	0	(0.01%)	1,600	(10.88%)
Azure Renewable Energy Pvt Ltd	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Clean Energy Pvt Ltd	12,692	3.72%	2,312	(17.21%)	(0)	0.00%	2,312	(15.73%)
Azure Sun Rise Pvt Ltd	(3,063)	(0.90%)	(753)	5.61%	(0)	0.04%	(754)	5.13%
Azure Sun Light Pvt Ltd	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Sunshine Pvt Ltd	4,369	1.28%	782	(5.82%)	0	(0.01%)	782	(5.32%)
Azure Power Earth Private Limited	8,486	2.49%	(1,141)	8.50%	0	(0.02%)	(1,141)	7.76%
Azure Power Eris Private Limited	2,788	0.82%	381	(2.83%)	0	(0.00%)	381	(2.59%)
Azure Power Jupiter Private Limited	3,731	1.09%	98	(0.73%)	(1)	0.11%	96	(0.65%)
Azure Power Makemake Private Limited	9,720	2.85%	509	(3.79%)	(0)	0.00%	509	(3.46%)
Azure Power Mars Private Limited	1,206	0.35%	139	(1.04%)	(0)	0.00%	139	(0.95%)
Azure Power Mercury Private Limited	378	0.11%	(148)	1.10%	-	0.00%	(148)	1.01%
Azure Power Pluto Private Limited	29,640	8.69%	4,098	(30.51%)	(3)	0.21%	4,095	(27.86%)
Azure Power Uranus Private Limited	270	0.08%	(148)	1.10%	(0)	0.02%	(148)	1.01%
Azure Power Venus Private Limited	561	0.16%	(1,079)	8.03%	(0)	0.03%	(1,079)	7.34%
Azure Power Saturn Private Limited	453	0.13%	(232)	1.73%	-	0.00%	(232)	1.58%

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Azure Power India Private Limited New Delhi

Azure Power India Private Limited
Notes to consolidated financial statements for the year ended March 31, 2024
(INR amount in lakhs, unless otherwise stated)

Name of the entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in Profit/(loss)		Share in Other Comprehensive income/(loss)		Share in Total Comprehensive income/(loss)	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income/(loss)	Amount	As a % of consolidated total comprehensive income/(loss)
Azure Power Thirty Three Private Limited	7,637	2.24%	(5,565)	41.42%	(3)	0.20%	(5,568)	37.88%
Azure Power Thirty Four Private Limited	10,311	3.02%	(757)	5.64%	1	(0.06%)	(757)	5.15%
Azure Power Thirty Six Private Limited	4,256	1.25%	(9)	0.07%	(0)	0.01%	(9)	0.06%
Azure Power Thirty Seven Private Limited	21,067	6.18%	2,665	(19.83%)	(1)	0.04%	2,664	(18.12%)
Azure Power Thirty Eight Private Limited	480	0.14%	(595)	4.43%	-	0.00%	(595)	4.05%
Azure Power Thirty Nine Private Limited	545	0.16%	(7)	0.05%	-	0.00%	(7)	0.05%
Azure Power Forty Private Limited	14,459	4.24%	(355)	2.65%	(1)	0.10%	(357)	2.43%
Azure Power Forty One Private Limited	19,023	5.58%	(3,364)	25.04%	(823)	64.97%	(4,187)	28.49%
Azure Power Forty Two Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Forty Three Private Limited	41,624	12.20%	1,227	(9.13%)	10	(0.76%)	1,237	(8.41%)
Azure Power Forty Four Private Limited	603	0.18%	(1,001)	7.45%	-	0.00%	(1,001)	6.81%
Azure Power Fifty One Private Limited	(1,573)	(0.46%)	(557)	4.14%	-	0.00%	(557)	3.79%
Azure Power Fifty Two Private Limited	(12,404)	(3.64%)	(2,494)	18.57%	(3)	0.21%	(2,497)	16.98%
Azure Power Fifty Three Private Limited	(3,737)	(1.10%)	(10)	0.07%	-	0.00%	(10)	0.07%
Azure Power Fifty Four Private Limited	(3,680)	(1.08%)	(8)	0.06%	-	0.00%	(8)	0.06%
Azure Power Green Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Maple Private Limited	6,766	1.98%	(3,297)	24.54%	220	(17.41%)	(3,077)	20.93%
Azure Power Fifty Five Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Fifty Six Private Limited	(202)	(0.06%)	(202)	1.51%	-	0.00%	(202)	1.38%
Azure Power Fifty Seven Private Limited	(232)	(0.07%)	(231)	1.72%	-	0.00%	(231)	1.57%
Azure Power Fifty Eight Private Limited	(10)	(0.00%)	(9)	0.07%	-	0.00%	(9)	0.06%
Azure Power Fifty Nine Private Limited	(3,702)	(1.09%)	(8)	0.06%	-	0.00%	(8)	0.06%
Azure Power Sixty Private Limited	(3,673)	(1.08%)	(9)	0.06%	-	0.00%	(9)	0.06%
Azure Power Sixty one Private Limited	(4)	(0.00%)	(4)	0.03%	-	0.00%	(4)	0.03%
Azure Power Sixty two Private Limited	(2,587)	(0.76%)	(7)	0.05%	-	0.00%	(7)	0.05%
Kotuma Wind Parks Private Limited	(2,437)	(0.71%)	(2,344)	17.45%	3	(0.21%)	(2,341)	15.93%
Two Wind Energy Private Limited	(5,890)	(1.73%)	(5,583)	41.56%	-	0.00%	(5,583)	37.98%
Azure Green Hydrogen Private Limited	(10)	(0.00%)	(4)	0.03%	-	0.00%	(4)	0.03%
Azure Power Sixty Three Pvt Ltd	(99)	(0.03%)	(41)	0.30%	-	0.00%	(41)	0.28%

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AZURE POWER INDIA PRIVATE LIMITED New Delhi

(INR amount in lakhs, unless otherwise stated)

Name of the entity in the Group	**Net Assets i.e. total assets minus total liabilities**		**Share in Profit/(loss)**		**Share in Other Comprehensive income/(loss)**		**Share in Total Comprehensive income/(loss)**	
	Amount	**As a % of consolidated net assets**	**Amount**	**As a % of consolidated profit or loss**	**Amount**	**As a % of consolidated other comprehensive income/(loss)**	**Amount**	**As a % of consolidated total comprehensive income/(loss)**
Azure Power Sixty Four Pvt Ltd	(8)	(0.00%)	(4)	0.03%	-	0.00%	(4)	0.03%
Azure Power Sixty Six Private Limited	(2)	(0.00%)	(3)	0.02%	-	0.00%	(3)	0.02%
Azure Energy Transition Private Limited	(237)	(0.07%)	(67)	0.50%	1	(0.06%)	(66)	0.45%
Azure Power Sixty Five Private Limited	(8)	(0.00%)	(4)	0.03%	-	0.00%	(4)	0.03%
Subsidiaries incorporated outside India								
Azure Power US Inc.	-	0.00%	(4)	0.03%	-	0.00%	(4)	0.03%
	7,05,670	**206.88%**	**(24,152)**	**179.78%**	**(1,270)**	**100.30%**	**(25,428)**	**172.98%**
Adjustments arising out of consolidation	(3,64,610)	(106.89%)	13,208	(98.32%)	4	(0.30%)	13,218	(89.92%)
Consolidated Net Assets/ Profit after tax	**3,41,060**	**99.99%**	**(10,944)**	**81.46%**	**(1,266)**	**100.00%**	**(12,210)**	**83.06%**
Non controlling interest in all subsidiaries	**38**	**0.01%**	**(2,490)**	**18.54%**	-	**0.00%**	(2,490)	16.94%
Total	**3,41,098**	**100.00%**	**(13,434)**	**100.00%**	**(1,266)**	**100.00%**	**(14,700)**	**100.00%**

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Azure Power India Private Limited New Delhi

Azure Power India Private Limited
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For the year ended March 31, 2023

Name of the entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in Profit/(loss)		Share in Other Comprehensive income/(loss)		Share in Total Comprehensive income/(loss)	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income/(loss)	Amount	As a % of consolidated total comprehensive income/(loss)
Parent								
Azure Power India Private Limited	4,96,273	139.47%	(21,996)	141.79%	1,131	36.58%	(20,865)	167.97%
Indian Subsidiaries								
Azure Power (Punjab) Private Limited	1,019	0.29%	54	(0.35%)	1	0.02%	54	(0.44%)
Azure Power (Haryana) Private Limited	1,438	0.40%	36	(0.23%)	0	0.01%	36	(0.29%)
Azure Solar Private Limited	3,681	1.03%	1,928	(12.43%)	0	0.00%	1,928	(15.52%)
Azure Power (Rajasthan) Private Limited	(215)	(0.06%)	264	(1.70%)	0	0.00%	264	(2.13%)
Azure Solar Solutions Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Sun Energy Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Urja Private Limited	7,169	2.01%	906	(5.84%)	1	0.02%	906	(7.30%)
Azure Surya Private Limited	4,990	1.40%	982	(6.33%)	0	0.01%	983	(7.91%)
Azure Power (Karnataka) Private Limited	2,326	0.65%	440	(2.84%)	2	0.05%	442	(3.55%)
Azure Photovoltaic Pvt Ltd	7,654	2.15%	903	(5.82%)	2	0.08%	906	(7.29%)
Azure Power Infrastructure Pvt Ltd	12,490	3.51%	1,424	(9.18%)	2	0.05%	1,426	(11.48%)
Azure Power (Raj.) Pvt Ltd	10,967	3.08%	1,915	(12.34%)	0	0.00%	1,915	(15.42%)
Azure Green Tech Private Limited	7,375	2.07%	1,677	(10.81%)	(0)	(0.00%)	1,677	(13.50%)
Azure Renewable Energy Pvt Ltd	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Clean Energy Pvt Ltd	10,380	2.92%	2,295	(14.80%)	1	0.03%	2,296	(18.48%)
Azure Sun Rise Pvt Ltd	(2,310)	(0.65%)	(1,648)	10.63%	0	0.01%	(1,648)	13.27%
Azure Sun Light Pvt Ltd	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Sunshine Pvt Ltd	3,587	1.01%	701	(4.52%)	(0)	(0.01%)	701	(5.64%)
Azure Power Earth Private Limited	9,627	2.71%	(614)	3.96%	1	0.02%	(614)	4.94%
Azure Power Eris Private Limited	2,407	0.68%	505	(3.26%)	1	0.03%	506	(4.07%)
Azure Power Jupiter Private Limited	3,635	1.02%	109	(0.70%)	3	0.11%	112	(0.91%)
Azure Power Makemake Private Limited	9,213	2.59%	848	(5.47%)	0	0.01%	848	(6.83%)
Azure Power Mars Private Limited	1,067	0.30%	184	(1.18%)	(0)	(0.00%)	184	(1.48%)
Azure Power Mercury Private Limited	490	0.14%	(101)	0.65%	-	0.00%	(101)	0.82%
Azure Power Pluto Private Limited	25,539	7.18%	4,723	(30.45%)	6	0.18%	4,729	(38.07%)
Azure Power Uranus Private Limited	419	0.12%	(67)	0.43%	1	0.05%	(66)	0.53%
Azure Power Venus Private Limited	1,640	0.46%	(267)	1.72%	0	0.02%	(266)	2.14%
Azure Power Saturn Private Limited	671	0.19%	(210)	1.35%	-	0.00%	(210)	1.69%
Azure Power Thirty Three Private Limited	13,198	3.71%	(5,053)	32.57%	4	0.12%	(5,049)	40.65%

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Azure Power India Private Limited New Delhi

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Name of the entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in Profit/(loss)		Share in Other Comprehensive income/(loss)		Share in Total Comprehensive income/(loss)	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income/(loss)	Amount	As a % of consolidated total comprehensive income/(loss)
Azure Power Thirty Four Private Limited	11,069	3.11%	(289)	1.87%	2	0.05%	(288)	2.32%
Azure Power Thirty Five Private Limited	(0)	(0.00%)	0	(0.00%)	-	0.00%	0	(0.00%)
Azure Power Thirty Six Private Limited	4,268	1.20%	54	(0.35%)	2	0.05%	55	(0.44%)
Azure Power Thirty Seven Private Limited	18,400	5.17%	2,352	(15.16%)	(0)	(0.01%)	2,351	(18.93%)
Azure Power Thirty Eight Private Limited	1,031	0.29%	(543)	3.50%	-	0.00%	(543)	4.37%
Azure Power Thirty Nine Private Limited	552	0.16%	(3)	0.02%	-	0.00%	(3)	0.02%
Azure Power Forty Private Limited	14,815	4.16%	620	(4.00%)	4	0.12%	624	(5.02%)
Azure Power Forty One Private Limited	23,212	6.52%	(741)	4.78%	2,103	68.02%	1,362	(10.96%)
Azure Power Forty Two Private Limited	(1)	(0.00%)	(3)	0.02%	-	0.00%	(3)	0.02%
Azure Power Forty Three Private Limited	40,384	11.35%	2,171	(14.00%)	17	0.56%	2,189	(17.62%)
Azure Power Forty Four Private Limited	1,383	0.39%	(1,019)	6.57%	-	0.00%	(1,019)	8.20%
Azure Power Forty Five Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Forty Six Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Forty Seven Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Forty Eight Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Forty Nine Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Fifty Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Fifty One Private Limited	(1,016)	(0.29%)	(4,045)	26.08%	-	0.00%	(4,045)	32.57%
Azure Power Fifty Two Private Limited	(9,908)	(2.78%)	(11,281)	72.72%	0	0.01%	(11,281)	90.81%
Azure Power Fifty Three Private Limited	(3,728)	(1.05%)	(3,172)	20.45%	-	0.00%	(3,172)	25.54%
Azure Power Fifty Four Private Limited	(3,671)	(1.03%)	(3,150)	20.30%	-	0.00%	(3,150)	25.36%
Azure Power Green Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Maple Private Limited	9,842	2.77%	(5,756)	37.11%	55	1.78%	(5,701)	45.90%
Azure Power Fifty Five Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Fifty Six Private Limited	0	0.00%	(9)	0.06%	-	0.00%	(9)	0.07%
Azure Power Fifty Seven Private Limited	(1)	(0.00%)	(0)	0.00%	-	0.00%	(0)	0.00%
Azure Power Fifty Eight Private Limited	(1)	(0.00%)	(0)	0.00%	-	0.00%	(0)	0.00%
Azure Power Fifty Nine Private Limited	(3,694)	(1.04%)	(3,144)	20.27%	-	0.00%	(3,144)	25.31%
Azure Power Sixty Private Limited	(3,665)	(1.03%)	(3,144)	20.27%	-	0.00%	(3,144)	25.31%
Azure Power Sixty one Private Limited	(0)	(0.00%)	(0)	0.00%	-	0.00%	(0)	0.00%
Azure Power Sixty two Private Limited	(2,580)	(0.73%)	(2,076)	13.38%	-	0.00%	(2,076)	16.71%
Kotuma Wind Parks Private Limited	(96)	(0.03%)	(97)	0.63%	1	0.03%	(96)	0.77%
Two Wind Energy Private Limited	(307)	(0.09%)	(307)	1.98%	-	0.00%	(307)	2.47%
Azure Green Hydrogen Private Limited	(5)	(0.00%)	(6)	0.04%	-	0.00%	(6)	0.05%
Azure Power Sixty Three Pvt Ltd	(58)	(0.02%)	(59)	0.38%	-	0.00%	(59)	0.48%
Azure Power Sixty Four Pvt Ltd	(4)	(0.00%)	(5)	0.03%	-	0.00%	(5)	0.04%

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(INR amount in lakhs, unless otherwise stated)

Name of the entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in Profit/(loss)		Share in Other Comprehensive income/(loss)		Share in Total Comprehensive income/(loss)	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income/(loss)	Amount	As a % of consolidated total comprehensive income/(loss)
Azure Power Sixty Six Private Limited	1	0.00%	(0)	0.00%	-	0.00%	(0)	0.00%
Azure Energy Transition Private Limited	(171)	(0.05%)	(173)	1.11%	1	0.02%	(172)	1.39%
Azure Power Sixty Five Private Limited	(3)	(0.00%)	(4)	0.03%	-	0.00%	(4)	0.03%
Subsidiaries incorporated outside India								
Azure Power US Inc.	4,234	1.19%	12	(0.08%)	-	0.00%	12	(0.10%)
	7,35,013	206.57%	(43,881)	282.87%	3,339	108.02%	(40,542)	326.38%
Adjustments arising out of consolidation	(3,81,725)	-107.28%	29,065	(187.36%)	(248)	(8.02%)	28,817	-231.99%
Consolidated Net Assets/ Profit after tax	3,53,288	99.29%	(14,816)	95.51%	3,091	100.00%	(11,725)	94.39%
Non controlling interest in all subsidiaries	2,528	0.71%	(697)	4.49%	-	0.00%	(697)	5.61%
Total	3,55,816	100.00%	(15,513)	100.00%	3,091	100.00%	(12,422)	100.00%

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45. Impairment of assets and assets held for sale

(i) During the year ended March 31, 2021, the Company along with its fellow subsidiary Azure Power Rooftop Private Limited (APRPL) entered into a contract with Radiance Renewables Private Limited ("Radiance") to sell certain subsidiaries (the "Rooftop Subsidiaries") with an operating capacity of 153 MW, for INR 53,500 lakhs, subject to certain purchase price adjustments (the "Rooftop Sale Agreement"). Pursuant to the Rooftop Sale Agreement, Radiance will acquire 100% of the equity ownership of the Rooftop Subsidiaries owned by the Company.

There was a restriction on transfer of 33.2 MW operating capacity that are part of the Restricted Group as defined in the Green Bond Indenture. The Company had transferred 48.6% equity ownership of these entities in financial year 2021-22 and will transfer the remaining 51.4% ownership post refinancing of the Green Bonds due in December 2024. There is also a restriction on transfer of equity ownership relating to the 16 MW project with Delhi Jal Board (DJB), wherein 49% of the equity ownership was transferred to Radiance in financial year 2021-22 and the balance 51% will be transferred on or after September 30, 2024. The transfer of ownership of 33.2 MW operating capacity forming part of Restricted Group and 16 MW project with Delhi Jal Board (DJB) is anticipated to occur within 12 months. Accordingly, the the assets and liabilities of these projects are presented as "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale" respectively in the consolidated financial statements at March 31, 2024.

The Company has transferred 100% shareholding in relation to 17.3 MW operating capacity in earlier years.

In the event the sale of the Rooftop Subsidiaries does not occur, the Company must reimburse Radiance the equity value of the assets not transferred along with an 10.5% per annum equity return.

Further, the APRPL and Radiance have mutually terminated the transfer in shareholding of the remaining un-transferred 86.5 MW portfolio to Radiance.

During the current year, the Group has recognised INR 550 lakhs as impairment expense in connection with full and final settlement with Radiance.

The assets and liabilities of the Rooftop Subsidiaries classified as held for sale, together with the calculation of the related impairment loss is shown below.

	As at March 31, 2024
Assets	
Non-current assets	
Property, plant and equipment	16,685
Capital work-in-progress	49
Financial assets	
- Other financial assets	1
Income tax assets (net)	33
Total non-current assets	**16,768**
Current assets	
Financial assets	
- Trade receivables	1,157
- Cash and cash equivalents	1,914
- Other bank balances	1,597
- Other current financial assets	29
Other current assets	17
Total current assets	**4,714**
Total assets (A)	**21,482**

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Non-current liabilities	
Financial liabilities	
- Borrowings	6,028
Other non-current liabilities	850
Total non-current liabilities	**6,878**
Current liabilities	
Financial liabilities	
- Borrowings	13,275
- Trade payables	
Total outstanding dues of micro enterprises and small enterprises	
Total outstanding dues of creditors other than micro enterprises and small enterprises	371
- Other current financial liabilities	309
Other current liabilities	82
Provisions	602
Total current liabilities	**14,639**
Total liabilities (B)	**21,517**
Net Assets (C =A-B)	**(35)**
Fair Value (D)	**50**
Reversal of impairment expense (E=C-D)	**85**

(ii) During the current year, the Group has decided to shut down its Delhi 2 MW project on account of poor viability and recognized impairment expense of INR 291 lakhs towards written down value of assets, provision for bank guarantee and other expected cost to discontinue the project.

(iii) During the current year, the Group has also recognized impairment expense of INR 7,651 lakhs against Naregal site for wind projects pursuant to expiry of Government Orders ("GOs") during Fiscal Year 2025 and uncertainty of execution of project at that site.

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46. Standards notified but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. The MCA has not notified any new standards or amendments to the existing standards applicable to the Company as on date.

47. Additional regulatory information required by Schedule III

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group has not traded or invested in crypto currency or virtual currency during the financial year.

(iii) The Group has not advanced or loaned or invested (either from borrowed fund or share premium or any other source and kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding whether recorded in writting or otherwise that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries.

(iv) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(v) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year (any previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vi) None of the entities under the Group have been declared as a wilful defaulter by any bank, financial institution or any other lender, government or any government authority.

(vii) The Group has used its specific borrowings for the specific purpose for which they were taken.

(viii) The Group has complied with the number of layers prescribed under clause 87 of section 2 of the Act read with Companies (Restriction on number of layers) Rules, 2017.

(ix) The Group has not entered into any scheme or arrangement, which has an accounting impact on current and previous financial year.

(x) The Group does not have any transactions with companies struck off.

48. Whistle-blower complaints

During the earlier years, the Parent Group received whistle-blower complaints on various matters, including lapses in internal control for certain key areas, governance and vendor management. The Board of Directors of the parent company engaged external counsel to undertake investigations on the allegations thereof. Some of the Group companies have made certain adjustments in the books of account as a prudent measure.

In May 2022, a whistle-blower complaint was received that alleged health and safety lapses, procedural irregularities, misconduct by certain employees, improper payments and false statements in a project belonging to a project subsidiary. Following extensive investigation by the Parent Company's Ethics Committee, supervised by the Board's Audit and Risk Committee of the parent company and by external counsel and forensic professionals, the Parent Company identified evidence of manipulation and misrepresentation of project data by some employees at that project site. Weak controls over payments to a vendor and failures to provide accurate information both internally and externally were found, but no direct evidence that any improper payment was made to any government official was identified. Further, in Fiscal 2023, we reported to SECI that this project had (i) shortfalls in generation and (ii) that it failed to timely complete and commission the requisite contractually required capacity. On January 3, 2023 and January 4, 2023, SECI advised us, inter alia, that the project may be liable for damages and penalties for shortfalls in generation.

Further, in September 2022, the Parent received an additional whistle-blower complaint primarily making similar allegations of misconduct as raised in May 2022, as well as allegations of misconduct related to joint ventures and land acquisition, allegations of our failure to be transparent with the market and advisors and other claims. The Parent Company's Ethics Committee, supervised by the Board's Audit and Risk Committee of the parent company, with the support of external counsel and forensic accounting professionals, investigated these September 2022 allegations. The investigation of the September 2022 complaint identified significant control issues in the process of acquiring land and land use rights in relation to a subsidiary Company. The investigation specified that third party land aggregators may have been involved in improper payments but no improper transfer of money by the Parent Group was identified. Further, we reviewed the entire amount paid to land aggregators to identify any similar issue and after an assessment a adjustment (decapitalisation) aggregating to INR 28 million was made in the books of account in FY 2023 on estimate, as a prudent measure, though no improper payments by the Group could be identified. In line with a review made during the earlier years, we reviewed the entire amount paid to land aggregators during the current year and made an adjustment of INR 12 million during the year ended March 31, 2024 on prudent basis though no improper payments by the Group could be identified in current year as well.

The Parent Group's investigation did not substantiate other portions of this September 2022 whistle-blower complaint.

As part of the investigations of the May 2022 and September 2022 whistle-blower complaints, the review was also widened to include a review of projects commissioned in financial year ended March 31, 2022 and financial year ended March 31, 2023 to ensure that similar weaknesses were not present. As part of our investigations, we identified inconsistencies in project data in certain of our projects, but we identified no improper payments made in connection with these projects.

We have taken a range of actions due to these findings, and the employees involved in the misconduct are no longer associated with us. In accordance with the recommendations of the Ethics Committee, the Board's Audit and Risk Committee and their legal and forensic advisors, we are implementing remedial measures in both project control and monitoring. Further, we reported the findings from its investigations of the May 2022 and September 2022 whistle-blower complaints to the SEC and the U.S. Department of Justice, and we continue to cooperate with these authorities.

In addition, a Special Committee of the Board of the Parent Company (the "Special Committee") was convened in August 2022 to review certain material projects and contracts over a three-year period for anti-corruption and related compliance issues. Independent outside counsel and forensic advisors were engaged to support the Special Committee. The Special Committee's investigation has identified evidence that individuals formerly affiliated with the Group may have had knowledge of, or were involved in, an apparent scheme with persons outside the Group to make improper payments in relation to certain projects. To date, the Special Committee has not identified related improper payments or transfers by the Group. The Special Committee's investigation is still ongoing. The Special Committee's review and its findings have impacted the decision-making of the Parent Group in connection with such projects. The Group have disclosed the details of the Special Committee's investigation to the SEC and the U.S. Department of Justice, and we continue to cooperate with those agencies. The current members of the Board of Directors of the Parent Company have confirmed that none of them were aware of the apparent scheme referred to above other than through the Special Committee investigation.

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Our Group including our subsidiaries with respect to affected projects could be exposed to liabilities under the relevant contractual and tender documents (including levy of damages and liquidated damages, reduction of PPA tariffs and/or short closure of capacity), administrative actions (including the risk of PPA cancellation, risk of being debarred from SECI's future contracts, withdrawal or nullification of commissioning certificates and/or revocation of commissioning extensions) and penalties from customers and other civil liabilities, all of which could adversely impact the revenue, profitability and capitalization of the affected projects. In addition, civil and/or criminal fines and/or penalties by regulatory authorities (including by the SEC, the U.S. Department of Justice and applicable Indian regulatory authorities) could be imposed on us as well as ongoing obligations, remedial corporate measures or other relief against us that could adversely impact our operations. Any such fines, penalties, ongoing obligations or other measures or relief against us could materially and adversely affect our business, results of operations, financial condition and cash flows in future periods. Further, in addition, certain of those outcomes could adversely impact our ability to maintain compliance with the covenants under our credit facilities or result in an event of default thereunder. In addition, we could be exposed to future litigation in connection with any findings of fraud, corruption, or other misconduct by persons who served as our directors, officers and employees.

The Parent Group remains steadfast in its commitment to upholding the principles of transparency, accountability, and ethical conduct in all areas of its operations and it will continue to monitor and assess its internal processes to ensure compliance with all relevant laws and regulations.

49. Pursuant to the manufacturing linked tender award of 4,000 MW, the Group executed PPAs for a capacity of 2,333 MW with SECI, for which SECI executed a Power Sale Agreement ("PSA") with the state of Andhra Pradesh during financial year 2021-22. In respect of these 2,333 MW projects, two PILs were filed in the High Court of Andhra Pradesh in the same financial year, challenging various aspects of the manufacturing linked tender and seeking to quash the Andhra Pradesh Regulator's approval for procurement of capacity tied up by Andhra Pradesh Discoms with SECI pursuant to the tender. The tariff adoption for the capacities by the CERC is subject to the outcome of the PILs. We are not a party to the PILs, and the PILs currently are pending adjudication. We cannot predict the outcome of these two PILs.

Based on the economics and uncertainties associated with the PILs and ongoing Special Committee review, the Group decided to terminate the PPAs in respect of these 2,333 MW projects and filed a petition at the Andhra Pradesh High Court seeking a declaration that the Group should be discharged from performance of the obligations under the Andhra Pradesh PPAs for a capacity of 2,333 MW as a result of the absence of the unconditional tariff adoption order from the regulatory commission. Since there was a threat by SECI to revoke the Bank Guarantee, the High Court in its order dated October 16, 2023, directed SECI not to take coercive steps against the Group until the next date of hearing.

On March 18, 2024, we received two letters from SECI. In its first letter, SECI stated that it had terminated the PPAs with the Group in respect of the 2,333 MW projects and reserved its rights to take action against the Group including forfeiture of the performance bank guarantees and success charges and fees in respect of the PPAs and other documentation associated with the 2,333 MW projects. In its second letter, SECI informed the Group that it was awarding the 2,333 MW projects and associated PPAs to a third-party. Further, SECI informed the Group that it had reduced Azure's capacity allocation under the manufacturing Letter of Award by 2,333MW and its corresponding manufacturing capacity of solar cells and solar modules by 583 MW.

Accordingly, the Group has recognised a provision of INR 12,315 lakhs towards Bank Guarantees in its consolidated financial statements for the year ended March 31, 2023.

50. The Company has entered into a settlement agreement dated May 11, 2023 with one of the vendor (Risen Energy Co., LTD.) pursuant to which the vendor agreed to pay USD 80,00,000 in three installments as mentioned below due to failure to supply the modules at the price agreed in sale agreement dated September 24, 2020 which was latest amended on March 23, 2021.

Period of Installments	Amount in USD	Amount in INR (in lakhs)
Quarter 3 of 2023	20,00,000	1,645
Quarter 4 of 2023	20,00,000	1,654
Quarter 1 of 2024	40,00,000	3,306

Out of the above, the outstanding balance as at March 31, 2024 is Rs. 3,306 Lakhs which has been received subsequent to the year end (refer note 8.5).

51. As per the provision of the Companies Act, 2013, a company is required to convene the Annual General Meeting ("AGM") for adoption of its annual audited financial statements within the six months from the end of each financial year, i.e. September 30 ("Due Date"). The Registrar of Companies ("ROC") granted three months extensions to the several Group Companies to hold the AGMs for financial year 2021-22 and 2022-23 on or before December 31, 2022, and December 31, 2023, respectively. Considering the delay in closure of audit due to ongoing investigations (refer note 48), the AGM for financial year 2021-22 and 2022-23 for these Companies were held in February 2024 and May/June 2024 respectively, i.e. after the extension granted by ROC.
The Group Companies will apply for the compounding of the Offence for not holding the AGM within the statutory timelines as extended by ROC and is liable to pay penalties as may be imposed by ROC. Management is unable to ascertain the amount of penalties for these Offences and hence no accruals for the same has been considered in these financial statements in this respect.

52. Going concern

(i) During the financial year March 31, 2024, Azure Power Sixty Two Private Limited (subsidiary company) Company has accumulated losses of INR 2,588 lakhs and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded the current assets by INR 2,587 lakhs as at the balance sheet date. Considering these factors including the termination of Power Purchase Agreement as mentioned in its standalone financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2024. Accordingly, the financial statements of the Company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(ii) As at March 31, 2024, current liabilities of Azure Power (Rajasthan) Private Limited (subsidiary company) exceeded its current assets by INR 1,747 lakhs as at the balance sheet date. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(iii) As at March 31, 2024, Azure Sunrise Private Limited (subsidiary company) has accumulated losses of INR 12,163 lakhs (March 31, 2023: INR 11,410 lakhs) and its net worth has fully eroded. Further, the subsidiary company's current liabilities exceeded its current assets by INR 6,156 lakhs (March 31, 2023: INR 33,701 lakhs) as at the balance sheet date. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

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(iv) As at March 31, 2024, current liabilities of Azure Power Jupiter Private Limited (subsidiary company) exceeds its current assets by INR 4,893 lakhs (March 31, 2023 INR 5,260 lakhs). Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(v) As at March 31, 2024, current liability of Azure Power Uranus Private Limited (subsidiary company) exceeds its current assets by INR 3,034 lakhs (March 31, 2023: INR 156 lakhs). Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(vi) As at March 31, 2024, current liability of Azure Power Thirty Three Private Limited (subsidiary company) exceeds its current assets by INR 3,914 lakhs. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(vii) As at March 31, 2024, current liabilities of Azure Power Forty Private Limited (subsidiary company) exceeds its current assets by INR 8,459 lakhs (March 31, 2023 INR 3,925 lakhs). Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(viii) As at March 31, 2024, current liabilities of Azure Power Forty One Private Limited (subsidiary company) exceeds its current assets by INR 17,742 lakhs (March 31, 2023: INR 13,142 lakhs). Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(ix) As at March 31, 2024, current liabilities of Azure Power Forty Three Private Limited (subsidiary company) exceeds its current assets by INR 29,092 lakhs (March 31, 2023: INR 20,638 lakhs) . Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(x) As at March 31, 2024, current liabilities of Azure Power Maple Private Limited (subsidiary company) exceeds its current assets by INR 1,48,200 lakhs (March 31, 2023: INR 1,28,604 lakhs). Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(xi) As at March 31, 2024, Azure Power Fifty Six Private Limited (subsidiary company) has accumulated losses of INR 213 lakhs (March 31, 2023: INR 11 lakhs) and its net worth has fully eroded. Further, the subsidiary company's current liabilities exceeded its current assets by INR 204 lakhs (March 31, 2023: INR 189 lakhs) as at the balance sheet date. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(xii) As at March 31, 2024, Azure Power Fifty Seven Private Limited (subsidiary company) has accumulated losses of INR 232 lakhs (March 31, 2023: INR 2 lakhs) and its networth has fully eroded. Further, The subsidiary company's current liability exceeded its current assets by INR 232 lakhs (March 31, 2023: INR 215 lakhs). Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(xiii) As at March 31, 2024, Azure Power Fifty Eight Private Limited (subsidiary company) has accumulated losses of INR 11 lakhs and its networth has fully erored. Further, The subsidiary company's current liability exceeded its current assets by INR 4,357 lakhs as at the balance sheet date. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(xiv) As at March 31, 2023, Azure Power Sixty One Private Limited (subsidiary company) has accumulated losses of INR 5 lakh (March 31, 2023: INR 1 lakh) and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded its current assets by INR 483 lakhs (March 31, 2023: INR 476 lakhs). Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(xv) As at March 31, 2024, Kotuma Wind Parks Private Limited (subsidiary company) has accumulated losses of INR 2,441 lakhs (March 31, 2023 INR 98 lakhs) and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded its current assets by INR 2,544 lakhs (March 31, 2023 INR 2,261 lakhs). Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(xvi) As at March 31, 2024, Two Wind Energy Private Limited (subsidiary company) has accumulated losses of INR 5,891 lakhs and its net worth has fully eroded. Further, the subsidiary company's current liabilities exceeded its current assets by INR 6,131 lakhs as at the balance sheet date. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(xvii) As at March 31, 2024, Azure Green Hydrogen Private Limited (subsidiary company) has accumulated losses of INR 11 lakhs and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded its current assets by INR 10 lakhs. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(xviii) During the financial year ended March 31, 2024, Azure Power Sixty Three Private Limited (subsidiary company) has accumulated losses of INR 100 lakhs and its net worth has fully eroded. Also as at March 31, 2024, the subsidiary company's current liability exceeded its current assets by INR 99 lakhs as at the balance sheet date. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(xix) During the financial year ended March 31, 2024, Azure Energy Transition Private Limited (subsidiary company) has accumulated losses of INR 240 lakhs and its net worth has fully eroded. Also as at March 31, 2024, the subsidiary company's current liability exceeded its current assets by INR 237 lakhs as at the balance sheet date. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(xx) During the financial year ended March 31, 2024, Azure Power Sixty Four Private Limited (subsidiary company) has accumulated losses of INR 9 lakhs and its net worth has fully eroded. Also as at March 31, 2024, the subsidiary company's current liability exceeded its current assets by INR 8 lakhs as at the balance sheet date. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(xxi) During the financial year ended March 31, 2024, Azure Power Sixty Five Private Limited (subsidiary company) has accumulated losses of INR 9 lakhs and its net worth has fully eroded. Also as at March 31, 2024, the subsidiary company's current liability exceeded its current assets by INR 8 lakhs as at the balance sheet date. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

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(xxii) During the financial year ended March 31, 2024, Azure Power Sixty Six Private Limited (subsidiary company) has accumulated losses of INR 3 Lakhs and its net worth has fully eroded. Also as at March 31, 2024, the subsidiary company's current liability exceeded its current assets by INR 2 lakhs as at the balance sheet date. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(xxiii) During the financial year ended 31 March 2024, Azure Power Fifty One Private Limited (subsidiary company) has accumulated losses of INR 4,670 lakhs and its net worth has fully eroded. The subsidiary company's current liabilities exceeded its current assets by INR 4,788 lakhs as at the balance sheet date. Considering these factors including the decision for withdrawal from the project in as mentioned in its standalone financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2024. Accordingly, the financial statements of the Company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(xxiv) During the financial year March 31, 2024, Azure Power Fifty Two Private Limited (subsidiary company) has accumulated losses of INR 13,899 lakhs and its net worth has fully eroded as at March 31, 2024. The subsidiary company's current liabilities exceeded its current assets by INR 18,542 lakhs as at the balance sheet date. Considering these factors including the decision for withdrawal from the project as mentioned in its standalone financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2024. Accordingly, the financial statements of the Company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(xxv) During the financial year March 31, 2024, Azure Power Fifty Three Private Limited (subsidiary company) has accumulated losses of INR 3,748 lakhs and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded the current assets by INR 3,679 lakhs as at the balance sheet date. Considering these factors including the terminativon of PPA as mentioned in its standalone financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2024. Accordingly, the financial statements of the Company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(xxvi) During the financial year March 31, 2024, Azure Power Fifty Four Private Limited (subsidiary company) has accumulated losses of INR 3,681 lakhs and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded the current assets by INR 3,622 lakhs as at the balance sheet date. Considering these factors including the termination of PPA as mentioned in its standalone financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2024. Accordingly, the financial statements of the Company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(xxvii) During the financial year March 31, 2024, Azure Power Fifty Nine Private Limited (subsidiary company) has accumulated losses of INR 3,703 lakhs and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded the current assets by INR 3,645 lakhs as at the balance sheet date. Considering these factors including the termination of PPA as mentioned in its standalone financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2024. Accordingly, the financial statements of the Company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(xxviii) During the financial year March 31, 2024, Azure Power Sixty Private Limited (subsidiary company) Company has accumulated losses of INR 3,674 lakhs and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded the current assets by INR 3,616 lakhs as at the balance sheet date. Considering these factors including the termination of Power Purchase Agreement as mentioned in its standalone financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2024. Accordingly, the financial statements of the Company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

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Chartered Accountants

AZURE POWER INDIA PRIVATE LIMITED
New Delhi

53. During the previous year, a Special Committee of the Board of the Holding Company (the "Special Committee") was convened to review certain material projects and contracts over a three-year period for anti-corruption and related compliance issues. Independent outside counsel and forensic advisors were engaged to support the Special Committee. In light of the ongoing Special Committee review as well as economic and execution challenges, the Group has decided to withdraw from the 700 MW projects which is part of the 4,000 MW manufacturing linked tender awarded by SECI. The Group continues discussions with SECI to ensure an orderly withdrawal from the 700 MW projects and from the obligations of the Group under the PPA, Performance Bank Guarantees and other guarantees relating to the projects.

Accordingly, the Group has recognied a provision of INR Nil (March 31, 2023: INR 4,077 lakhs) for impairment of assets and recognised a provision of INR 200 lakhs (March 31, 2023: INR 5,361 lakhs) towards Bank Guarantees in its consolidated financial statements for the year ended March 31, 2024.

54. Subsequent Events

(a) On February 13, 2024, FS India Solar Ventures Private Limited ("First Solar") sent us a notice that First Solar was terminating the Master Supply Agreement, dated August 22, 2022 ("First Solar MSA"), between First Solar and the Company. The notice claims that a termination payment of INR 29,380 lakhs is due to be paid by the Company to First Solar under the First Solar MSA. The Company has responded to First Solar stating that that the termination agreement received is not in consonance with what is agreed upon by both the parties and requested First Solar to send draft revised termination agreement without any liability on either party. On April 03, 2024, we received a letter from First Solar in response to our submissions. On April 15, 2024, we responded to First Solar, refusing their claims. On July 23, 2024, we received a Notice of invocation of Arbitration from First Solar which is being assessed. No adjustments have been made in respect of this dispute.

(b) On March 05, 2024, Siemens Gamesa ("SGRE") sent us a notice which claims a default and damages of INR 19,593 lakhs in connection with a supply agreement between Siemens Gamesa and the Company in respect of 345.6 MW wind power project in the state of Karnataka. On March 27, 2024, the Company submitted replies on the notice sent by SGRE rebutting the claim raised by SGRE. On May 10, 2024, SGRE submitted its replies against above mentioned letter of Azure. The Company disputes such claim of default and damages and intends to engage in mutual discussions with Simens Gamesa to resolve the matter.

(c) Mr. Brijesh Mehra was appointed as a non-executive Director of the Company effective May 8, 2024. Mr. Mehra has also assumed the role of Chairman of the Board of the Company.

(d) Mr. Julian Gratiaen has been appointed to replace Ms. Delphine Voeltzel as a non-executive nominee director of OMERS Infrastructure Asia Holdings Pte. Ltd., effective August 13, 2024.

55. On December 14, 2023, Azure Power Energy Limited ("APEL") and Azure Power Solar Energy Private Limited ("APSEPL") completed a consent solicitation (the "Consent Solicitation") in respect of the 3.575% Senior Notes due 2026 (the "2026 Notes") and 5.65% Senior Notes due 2024 (the "2024 Notes"). APEL and APSEPL sought the consent of the Note holders of the 2026 Notes and 2024 Notes to amend certain terms of the indenture dated as of August 19, 2021 (the "2026 Indenture") and September 24, 2019 (the "2024 Indenture") respectively. The purpose of the consent solicitation was to: (i) undertake to make tender offers to purchase an outstanding principal amount of U.S.$12,000,000 of the 2026 Notes by March 25, 2024, an outstanding principal amount of U.S.$8,000,000 of the 2026 Notes by August 26, 2024 and an outstanding principal amount of U.S.$40,000,000 of the 2024 Notes by March 25, 2024; and (ii) make certain amendments and provide certain confirmations with respect to the reporting covenant of each of the Indentures (the "proposed amendments).

The consent solicitation was announced on November 28, 2023. The deadline to submit consent instructions expired at 5:00 pm New York time on December 7, 2023. Over 99% consent instructions were received. On December 8, 2023, APEL and APSEPL executed supplemental indenture with Azure Power Global Limited (as Parent), the trustee and the collateral agents to implement the proposed amendments. On December 14, 2023, the consent fee was paid and the proposed amendments became operative.

Pursuant to the terms of the amended Indentures, the Companies under the restricted groups (collectively referred to as Restricted Group-III and Restricted Group-II), are mandated to submit its Combined Annual Financial Statements within 30 days to Trustee following the submission of financials by the Parent Company to the Securities Exchange Commission ('SEC'). However, if the Parent Company does not file the said results with SEC and the Common Stock of the Parent Company is not listed for trading on an internationally recognised stock exchange, the Parent Company has a window of 120 days post the fiscal year-end to file its consolidated financials with the Trustee. Accordingly, on July 13, 2023, the Parent Company received a delisting notification from the New York Stock Exchange ('NYSE'), indicating the decision to delist its equity shares and on April 01, 2024, the Parent Company terminated and/or suspended its duty to file the reports/result with SEC. Accordingly, the Parent Company now has a window of 120 days post the fiscal year-end to file its consolidated financials with the Trustee.

Further, as per the terms of the amended Indentures, APEL and APSEPL launched tender offers for the respective 2026 Notes and 2024 Notes on February 16, 2024. The early deadline of the tender offers was on March 1, 2024 and APEL purchased US$12,000,000 of the 2026 Notes and APSEPL purchased US$40,000,000 of the 2024 Notes on March 11, 2024.

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56. The Group companies are in process of conducting a transfer pricing study as required by the transfer pricing regulations under the income tax act ('regulations') to determine whether the transactions entered during the year ended March 31, 2024 with associated enterprises were undertaken at arms length price. The Management confirms that all the transactions with associate enterprises are undertaken at arm length prices and is confident that the aforesaid regulations will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For ASA & Associates LLP
Chartered Accountants
Firm Registration Number: 009571N/N500006

K Nithyananda Kamath
Partner
Membership No: 027972
Place: Gurugram
Date : August 29, 2024

ASA & Associates LLP Chartered Accountants

For and on behalf of the board of directors of
Azure Power India Private Limited
CIN: U40106DL2008PTC174774

Sunil Kumar Gupta
Managing Director and CEO
DIN: 07095152
Place : Gurugram
Date : August 29, 2024

Sugata Sircar
Director and Group CFO
DIN: 01119161
Place : Gurugram
Date : August 29, 2024

Kapil Sharma
Company Secretary
Membership No. A37154
Place: Bangkok, Thailand
Date : August 29, 2024

Azure Power India Private Limited New Delhi