
AZURE POWER GLOBAL LIMITED

(including Azure Power India Private Limited)

PROCEDURE

AUDIT & RISK COMMITTEE CHARTER

(Approved by the Board of Directors on 06th March 2025)

DOC. NO: CFO&CCEO-PR-01

Rev. Number: 00

Date: 06-03-2025



Process Owner
CFO and CC&EO

Approved By
Board of Directors

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AUDIT & RISK COMMITTEE CHARTER

AZURE POWER GLOBAL LIMITED

(including Azure Power India Private Limited)

This Audit & Risk Committee Charter was adopted by the Board of Directors (the “Board”) of Azure Power Global Limited and Azure Power India Private Limited on 06 March 2025.

I. Purpose

The purpose of the Audit & Risk Committee (the “Committee”) is to

- oversee the accounting and financial reporting processes of Azure Power Global Limited (“the **Company**”) and Azure Power India Private Limited (“**AZI**”) (collectively referred as the “**Group**”) and the audit of the following financial statements of the Group:
 - Company Consolidated
 - Company Standalone
 - AZI consolidated
 - AZI Standalone
 - (collectively referred as the **Group financial statements**)
- oversee the internal control processes and Governance framework of the Group.
- oversee the performance of the Group’s independent auditor and internal audit function
- oversee the Group’s systems of disclosure controls and procedures
- oversee the risk management process followed by the Group for timely identification, managing and monitoring of risks arising out of internal and external environment

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time in accordance with the Group Constitution, as amended from time to time (the “Constitution”), and as per applicable laws. The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee’s sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Committee shall have and may exercise all the powers and authority of the Board. To the fullest extent permitted by law, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it.

Management of the Group is responsible for the preparation, presentation and integrity of each Group member’s financial statements as well as each Group member’s financial reporting process, accounting policies, internal audit function, internal accounting controls and disclosure controls and procedures. The independent auditors are responsible for performing an audit of each Group member’s financial statements,

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expressing an opinion as to the conformity of such annual financial statements with generally accepted accounting principles and reviewing the Group's quarterly financial statements, as may be applicable. It is not the responsibility of the Committee to plan or conduct audits or to determine whether each Group member's financial statements and disclosure are complete and accurate and in accordance with generally accepted accounting principles and applicable laws, rules and regulations. These are the responsibilities of management and the independent auditors. The Committee's responsibilities are limited to oversight function only.

Further, auditing literature, defines the term "review" to include a particular set of required procedures to be undertaken by independent auditors. The members of the Committee are not independent auditors, and the term "review" as used in this Charter is not intended to have that meaning and should not be interpreted to suggest that the Committee members can or should follow the procedures required of auditors performing reviews of financial statements.

In addition, the ERM Risk Management Committee, including the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and the Chief compliance and ethics Officer (CCEO), is responsible for identification of risks in the process considering strategic, financial, regulatory and operational aspects of the business, implement an effective mitigation plan to address the risks and periodically monitor the mitigation plan is operating effectively. The ERM Risk Management Committee shall report to the Committee on its implementation and monitoring of the mitigation plan.

II. Membership

1. The Committee shall consist of at least three members of the Board.
2. Each Committee member must be able to read and understand fundamental financial statements, including a Group's balance sheet, income statement and cash flow statement. Members of the Committee are not required to be engaged in the accounting and auditing profession and, consequently, some members may not be expert in financial matters, or in matters involving auditing or accounting. However, at least one member of the Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a group chief executive officer, group chief financial officer or other senior officer with financial oversight responsibilities..
3. The members of the Committee, including the Chair of the Committee (the "Chair"), shall be appointed by the Board at the annual organizational meeting of the board to serve until their successors are elected. Committee members may be removed from the Committee, with or without cause, by the Board. For the avoidance of doubt, members of the Committee can resign from the Committee at any time.

III. Meetings and Procedures

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1. The Chair (or in his or her absence, a member designated by the Chair) shall preside at each meeting of the Committee and set the agendas for Committee meetings. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Group's Constitution that are applicable to the Committee.

The Committee chairperson will approve the agenda for the Committee's meetings and any member may suggest items for consideration. Briefing materials will be provided to the Committee at least five business days prior to the meeting.

2. The Committee shall meet at least once during each fiscal quarter and more frequently as the Committee deems desirable. The Committee shall meet separately, periodically, with management, with the CCEO and with the independent auditors.

3. All non-management directors who are not members of the Committee may attend and observe meetings of the Committee but shall not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event shall not be entitled to vote. The Committee may, at its discretion, include in its meetings members of the Group's management, representatives of the independent auditors, the CCEO, and any other financial personnel employed or retained by the Group or any other persons whose presence the Committee believes to be necessary or appropriate including without limitation internal and outside legal counsel. Notwithstanding the foregoing, the Committee may also exclude from its meetings any persons it deems appropriate, including, but not limited to, any non-management director who is not a member of the Committee.

4. The Committee may retain any independent counsel, experts or advisors (accounting, financial or otherwise) that the Committee believes to be necessary or appropriate. The Committee may also utilize the services of the Group's regular legal counsel or other advisors to the Group. The Group shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditors for the purpose of rendering or issuing audit reports or performing other audit, review or attestation services, for payment of compensation to any counsel, experts or advisors employed by the Committee and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

5. The Committee may conduct or authorize investigations into any matters within the scope of the powers and responsibilities delegated to the Committee.

IV. Powers and Responsibilities

Interaction with the Independent Auditors

1. Appointment and Oversight

The Committee shall be directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditors (including resolution of any disagreements between the Groups management and the independent auditors regarding financial reporting) for the purpose of preparing or

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issuing an audit report or related work or performing other audit, review or attestation services for the Group, and the independent auditors shall report directly to the Committee, provided that the appointment of the independent auditors by the Committee shall be subject to shareholder approval at the annual meeting of the shareholders of the Group respectively.

2. Pre-Approval of Services

Before an independent auditors is engaged by the Group, its Subsidiaries or by individual subsidiaries of the Group to render audit or non-audit services, the Committee shall pre-approve the engagement. Committee's pre-approval of audit and non-audit services will not be required if the engagement for the services is entered into pursuant to pre-approval policies and procedures established by the Committee regarding the Group's engagement of independent auditor, provided the policies and procedures are detailed as to the particular service, the Committee is informed of each service provided and such policies and procedures do not include delegation of the Committee's responsibilities under applicable law to the Group's management. The Committee may delegate to one or more designated members of the Committee the authority to grant pre-approvals, provided such approvals are ratified by the Committee at a subsequent meeting. If the Committee elects to establish pre-approval policies and procedures regarding non-audit services, the Committee must be informed of each non-audit service provided by the independent auditors.

3. Independence of Independent Auditors

The Committee shall, at least annually, review the independence of the independent auditors who are providing audit services to the Group. In conducting its review:

- (i) The Committee shall ensure that the independent auditors prepare and deliver, at least annually, a written statement delineating all relationships between the independent auditors and the Group, consistent with applicable law. The Committee shall actively engage in a dialogue with the independent auditors with respect to any disclosed relationships or services that, in the view of the Committee, may impact the objectivity and independence of the independent auditor. If the Committee determines that further inquiry is advisable, the Committee shall take appropriate action in response to the independent auditor's report to satisfy itself of the auditor's independence.
- (ii) The Committee shall confirm with the independent auditors that the independent auditors are in compliance with the partner rotation requirements established under applicable law.
- (iii) The Committee shall consider whether the Group or its subsidiaries should adopt a rotation of the annual audit among independent auditing firms.
- (iv) The Committee shall, if applicable, consider whether the independent auditor's provision of any permitted information technology services or other non-audit services to the Group or its subsidiaries are compatible with maintaining the independence of the independent auditor.

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Annual Financial Statements and Annual Audit

4. Meetings with Management, the Independent Auditors and the CCEO

(i) The Committee shall meet with management, the independent auditors and the CCEO in connection with each annual audit to discuss the scope of the audit, the procedures to be followed and the staffing of the audit.

(ii) The Committee shall review and discuss with management and the independent auditor:

(A) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Group selection or application of accounting principles, and major issues as to the adequacy of the Group internal controls and any special audit steps adopted in light of material control deficiencies; (B) any analyses prepared by management or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the Group financial statements, and (C) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Group financial statements.

(iii) The Committee shall review and discuss the annual audited Group financial statements with management and the independent auditors, including the Group disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in the Group annual report.

5. Separate Meetings with the Independent Auditors

(i) The Committee shall review with the independent auditors any problems or difficulties the independent auditors may have encountered during the course of the audit work, including any restrictions on the scope of activities or access to required information or any significant disagreements with management and management’s responses to such matters. Among the items that the Committee should consider reviewing with the independent auditors are: (A) any accounting adjustments that were noted or proposed by the auditors but were “passed” (as immaterial or otherwise); (B) any communications between the audit team and the independent auditor’s national office respecting auditing or accounting issues presented by the engagement; and (C) any “management” or “internal control” letter issued, or proposed to be issued, by the independent auditors to the Group.

(ii) The Committee shall discuss with the independent auditors the report that such auditors is required to make to the Committee regarding: (A) all accounting policies and practices to be used that the independent auditors identify as critical; (B) all alternative treatments within applicable GAAP for policies and practices related to material items that have been discussed among management and the independent auditors, including the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors; and (C) all other material written communications between the independent auditors and management of the Group, such as any management letter, management representation letter, reports on observations and recommendations on internal controls, independent

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auditors engagement letter, independent auditor's independence letter, schedule of unadjusted audit differences and a listing of adjustments and reclassifications not recorded, if any.

(iii) The Committee shall discuss with the independent auditors the matters required to be discussed by legal and regulatory requirements as may be applicable.

At least annually, obtain and review a report by the independent auditors describing:

- The independent auditor's internal quality-control procedures
- All relationships between the independent auditor and the Company

6. Recommendation to approve the Financial Statements and include in the Annual report

The Committee shall, based on the review and discussions in paragraphs (4)(iii) and (5)(iii) above, and based on the disclosures received from the independent auditors regarding its independence and discussions with the auditors regarding such independence pursuant to sub-paragraph 3(ii) above, determine whether to recommend to the Board the approval of the audited financial statements and their inclusion in the Group annual report for the fiscal year subject to the audit.

Quarterly Financial Statements

8. Meetings with Management, the Independent Auditors and the CCEO

The Committee shall review and discuss the quarterly financial statements with management and the independent auditor.

Internal Audit

9. Appointment.

The internal audit function under the leadership of the Internal Audit Head who will report to the CCEO provides independent assurance on the effectiveness of risk management policies, processes and practices.

In case where an outside internal auditor's agency is to be hired, the CCEO will recommend such agency to the Committee for appointment."

10. Separate Meetings with the Internal Auditor

The Committee shall meet periodically with the Group internal auditor to discuss the responsibilities, budget and staffing of the Group internal audit function and any issues that the internal believes warrant audit committee attention. The Committee shall discuss with the internal auditor any significant reports to

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management prepared by the internal and any responses from management. Periodically review, with the internal auditor, any significant difficulties, disagreements with management, or scope restrictions encountered in the course of the function's work.

Other Powers and Responsibilities in respect of Financial Matters

11. The Committee shall review all related party transactions on an ongoing basis and all such transactions must be approved by the Committee.
12. The Committee shall discuss with management and the independent auditors any correspondence from or to regulators or governmental agencies, any employee complaints or any published reports that raise material issues regarding each Group member's financial statements, financial reporting process, accounting policies or internal audit function.
13. The Committee shall discuss with the Group internal counsel or outside counsel any legal matters brought to the Committee's attention that could reasonably be expected to have a material impact on the Group or its Subsidiaries financial statements.
14. The Committee shall request assurances from management, the independent auditors and the Group CCEO that the Group subsidiaries and affiliated entities, if any, are in conformity with applicable legal requirements, including disclosure of affiliated party transactions.
15. The Committee shall set clear hiring policies for employees or former employees of the Group independent auditor.
16. The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Group regarding accounting, internal accounting controls or auditing matters. The Committee shall also establish procedures for the confidential and anonymous submission by employees regarding questionable accounting or auditing matters.
17. The Committee, through its Chair, shall report regularly to, and review with, the Board any issues that arise with respect to the quality or integrity of the each Group member's financial statements, each Group member's compliance with legal or regulatory requirements, the performance and independence of the Group independent auditor, the performance of the Group internal audit function or any other matter the Committee determines is necessary or advisable to report to the Board.
18. **Oversee, review and periodically update the Company's code of conduct and ethics and the Company's system to monitor compliance with and enforcement of this code.**

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Interaction with ERM Risk Management Committee

19. Update on the ERM Risk Management Committee meetings

The Committee may seek updates on various proceedings of ERM Risk Management Committee proceedings including the quarterly review meetings with heads of the departments on changes in business process, risk management activities performed during the period and effectiveness of the monitoring process.

20. Review and approve ERM documents

The Committee shall have access to the risk register, ERM policy, mitigation plan, and effectiveness of the monitoring mechanism, for regular discharge of duty and may seek specific explanation on the risks or mitigation plans included as part of the documents. The Committee may review and approve the ERM Policy, risk register, mitigation plans, monitoring plan, and test reports.

21. Appointment of consultants and experts

The Committee may appoint consultants or experts in relation to Enterprise Risk Management framework for testing the effectiveness of the risk mitigation or for management of the risks in the business process as it may deem fit.

22. Meetings

The Committee may call for a meeting with the ERM Risk Management Committee or any of its members or internal auditor, or consultants, or heads of the departments or their representatives.

Report to the Board of Directors

Committee should share with the Board each quarter a report regarding the execution of the Committee's duties and responsibilities, activities, any issues encountered and related recommendations

Audit Committee performance evaluation

Committee should perform a self-assessment of its performance every year. Chair should lead the process which includes a self-assessment by each member and evaluation from management.

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Approval and Revision Matrix

Rev No.	Release Date	Description of Changes	Prepared by	Reviewed & Approved By	Released By
00	06-03-2025	New Release	CS, CC&EO	Approved by the Board of Directors on 06th March 2025	ISO Cell  