

**NOTICE CONVENING ANNUAL GENERAL MEETING OF MEMBERS
OF
AZURE POWER INDIA PRIVATE LIMITED (“COMPANY”)**

Notice is hereby given that the **18th Annual General Meeting (“AGM”)** of the Members of Azure Power India Private Limited (“**Company**”) will be held on Tuesday the 30th day of September, 2025 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 2025

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 2025, 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** Ms. Pratibha Bajaj be and is hereby re-elected as Nominee Director on the Company’s Board of Directors.”

2.2 “**RESOLVED THAT** Mr. Richard Payette be and is hereby re-elected as 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 2025-26

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 and

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

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ratify, 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 2025-26 as fixed by the Board of Directors.”

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



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



Date: **20.08.2025**
Place: Gurugram

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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.



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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 20, 2025, 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 2025-26, 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 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 18th Annual General Meeting of members of the Company for financial year 2024-25, to be held on Tuesday, the 30th day of September, 2025 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, 2025.

Accepted

Rejected



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2. Resolution No. 2

To re-appoint retiring Directors

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 2025-26.

Accepted

Rejected

Signed thisday of.....2025.

Affix Revenue Stamp

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)

(18th Annual General Meeting for FY 2024-25 on Tuesday, the 30th day of September 2025 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 18th Annual General Meeting for FY 2024-25,

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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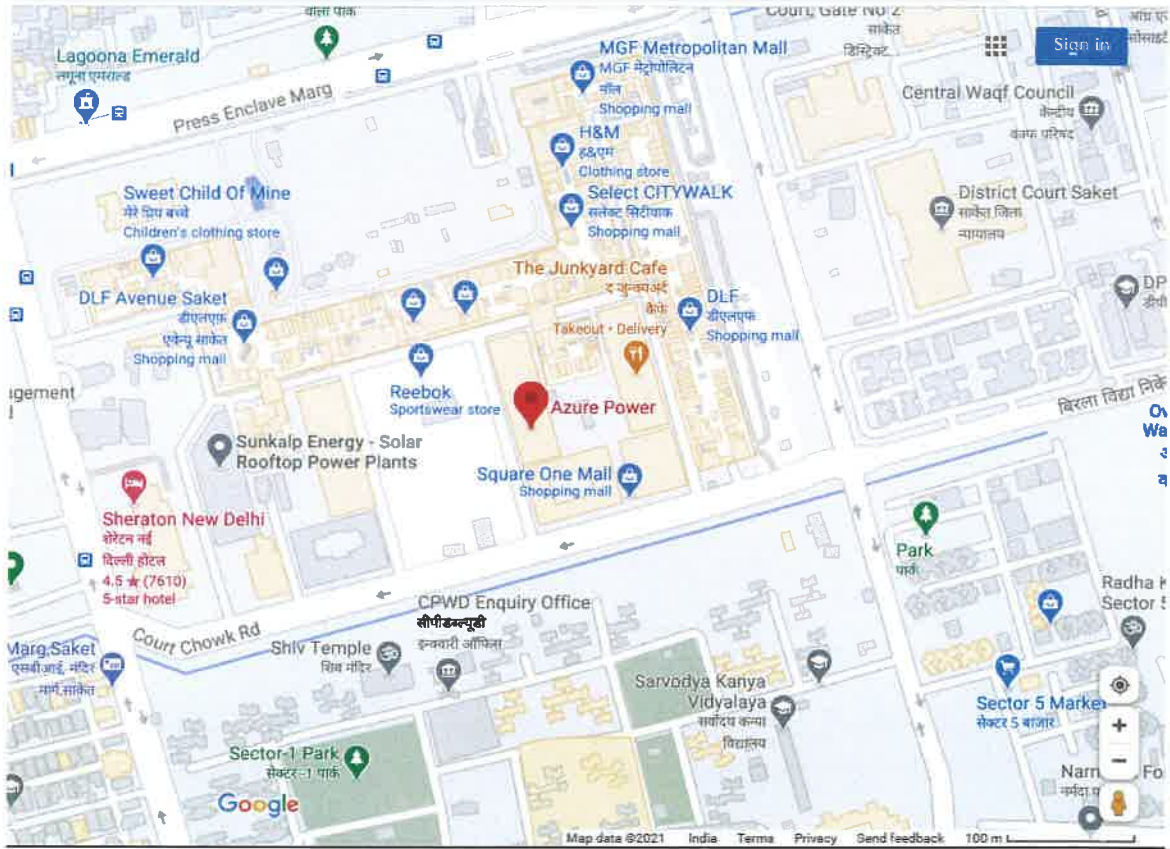
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ROUTE MAP



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Director's Report

To
The Members,
Azure Power India Private Limited

Your Board of Directors presents herewith the 18th Annual Report on the affairs of the Company together with the audited financial statements for the financial year ended on March 31, 2025 (the “year under review”).

1. FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY

The Company's financial performance as on March 31, 2025, is summarized as follows:

Particulars	For the year ended on March 31, 2025 (INR in Lakhs)	For the year ended on March 31, 2024 (INR in Lakhs)	For the year ended on March 31, 2025 (INR in Lakhs)	For the year ended on March 31, 2024 (INR in Lakhs)
	Standalone		Consolidated	
REVENUE FROM OPERATIONS				
Sale of Power	22,937	23,740	2,03,453	2,08,791
Construction Revenue		-		
Services Rendered	4,369	4,885		
Other operating revenue				
Viability gap funding income	-	-	1,353	1,104
Government grants related to assets			17	91
Carbon credit emission income	-	-	239	428
Total Revenue from Operations	27,306	28,625	2,05,062	2,10,414
Other Income	19,517	936	17,422	6,017
Finance Income/Interest Income	23,861	17,830	17,206	17,670
Total Income	70,684	47,391	2,39,690	2,34,101
EXPENSES				
Construction, sub-contracting and other site expenses		-		-
Employee benefits expense	8,583	8,041	10,667	10,653
Depreciation and amortization expense	5,743	5,538	44,437	45,164
Impairment (reversal)/loss	-	-	550	8,407
Finance cost	29,122	25,849	1,28,092	1,23,326
Other expenses	29,433	31,512	48,513	45,128
Total expenses	72,881	70,940	2,32,259	2,32,678
Profit/(Loss) before tax	(2,197)	(23,549)	7,431	1,423
Total Tax expense/ (Tax Benefit)	14,056	(4,685)	(10,007)	15,357
Profit/(Loss) after tax	(16,253)	(18,864)	17,438	(13,934)
Total comprehensive income/ (expense/loss)	(16,240)	(19,537)	16,182	(15,200)

Note: In accordance with Ind AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1 'Presentation of financial statements', the Group has retrospectively restated its consolidated balance sheet as at March 31, 2024 and April 01, 2023 and consolidated Statement of Profit and Loss for the year ended March 31, 2024 for the reasons as stated in the notes below. Reconciliation of items which are retrospectively restated in the consolidated Balance Sheet and consolidated Statement of Profit and Loss. For details, please refer to Note 46 of the consolidated financial statements for the year ended March 31, 2025.

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

Standalone Financial Details:

Total Revenue for the financial year 2024-25 stood at INR 70,684 lakhs, (INR 47,391 lakhs in 2023-24). Net Loss after tax for the financial year 2024-25 was INR 16,253 lakhs as compared to net loss after tax of INR 18,864 lakhs for the financial year 2023-24.

Cash and Cash Equivalent as on 31st March 2025 was INR 13,928 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 2024-25 stood at INR 2,39,690 lakhs, (INR 2,34,101 lakhs in 2023-24). Net Profit after tax for the financial year 2024-25 was INR 17,438 lakhs as compared to loss after tax of INR 13,934 lakhs in the financial year 2023-25.

3. CURRENT SIZE OF OPERATIONS:

The Company has 50 direct Indian subsidiaries, 1 direct U.S. subsidiary and 10 sister concerns as on date. All the Indian subsidiaries are engaged in the business of operating power projects.

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 that supply clean energy to India's power grid. We developed India's first utility-scale solar power project in 2009 and have grown to achieve substantial scale in the Indian renewable industry. Our operational power plants are spread over 12 Indian states (including one Union Territory), with a total operating capacity of 3,041 MW including rooftop capacity as at March 31, 2025.

Project Pipeline

In Fiscal 2020, we won a bid for 2,000 MWs manufacturing linked project with SECI, and we also elected to exercise a greenshoe option for an additional 2,000 MWs as per auction guidelines. Out of this 4,000 MWs, PPAs for capacity of 967 MWs are pending for execution. We are under discussion with SECI towards signing PPAs for capacity of 967 MWs. For the balance of 3,033 MWs for which we had executed PPAs with SECI during Fiscal 2022 and 2023, the Group will not continue with construction of these projects. For details, see section "Cancelled Projects" below.

In Fiscal 2023, we executed PPA with SECI for our first wind project of 120 MW. For this 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 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. The matter is still pending adjudication.

In addition to the above, the Group has secured/ awaiting in-principle ISTS Connectivity grant for the following:

- a) 300 MW Hybrid Connectivity at 220 kV at Lakadia ISTS substation, Gujarat (in-principle connectivity grant secured)
- b) 300 MW Solar Connectivity at 220 kV at Raghnesda ISTS substation, Gujarat (in-principle connectivity grant secured)
- c) 600 MW Solar Connectivity at 400 kV at Bhadla-V ISTS substation, Gujarat (awaiting in-principle grant)

The PPAs for the above projects are yet to be tied-up.

Cancelled Projects

We conducted a review of our projects under contract to consider their commercial and economic viability. 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. See "Risk Factors - We have conducted investigations into whistle-blower complaints 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."

PPAs in respect of our 4,000 MWs manufacturing linked tender

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 and an adverse decision could materially impact us.

Based on the economics and uncertainties associated with the PILs and 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. Considering the communication received from SECI and imminent threat of encashment of Bank Guarantees of INR 1,223 million (US\$ 14.3 million) as submitted by us for 2,333 MW PPAs, we obtained an interim order dated October 16, 2023 from the High Court of Andhra Pradesh restraining such encashment and any coercive action against us till the next hearing date. The next hearing date will be notified by the court in due course.

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 act 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 consolidated financial statements for Fiscal Year 2023, the Group recorded a write-off of INR 254 million (US\$ 3.0 million) towards irrecoverable costs and a provision of INR 1,223 million (US\$ 14.3 million) towards Bank Guarantees.

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 under Manufacturing Contract Agreements (MCAs) of solar cells and solar modules by 583 MW from 1,000 MW.

In light of the 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 (US\$ 12.3 million) and INR 20 million (US\$ 0.2 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. Further during Fiscal Year 2025, SECI encashed the bank guarantee amounting to INR 350 million (US\$ 4.1 million), which was adjusted against the provisions recognized in earlier years.

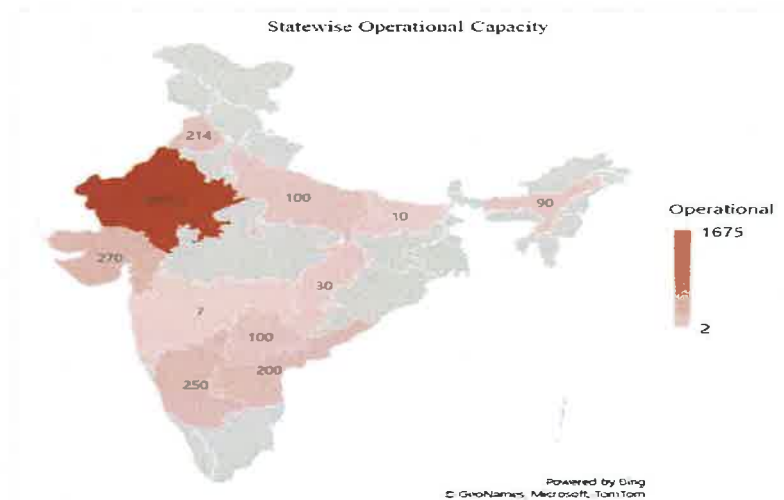
Separately, Bank Guarantees of approximately INR 220 million (US\$ 2.6 million) were submitted for obligations under module MCAs. To prevent coercive actions, including encashment of the bank guarantees, we filed a petition before the High Court of Andhra Pradesh. A stay has been granted against any coercive action including such encashment, and the next hearing date will be notified in due course.

In Fiscal Year 2025, a further provision of INR 195 million (US\$ 2.3 million) was recognized towards bank guarantees related to MCAs referred to above, including delays due to reduced capacity under the MCAs.

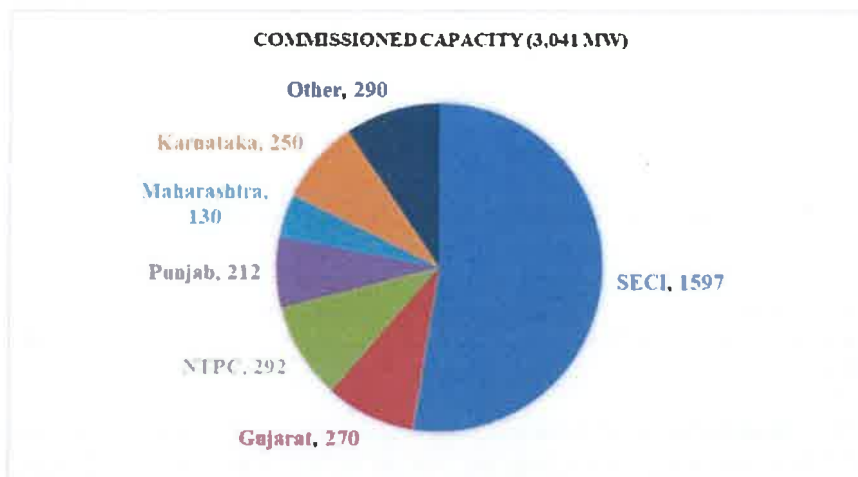
PPA in respect of our 150 MW solar-wind Hybrid project

In case of the 150 MW solar-wind Hybrid Project, in light of economic and execution challenges, the Group decided to withdraw from the project and the associated ISTS Connectivity grant. The Group continues discussions with SECI to ensure an orderly withdrawal from the 150 MW Hybrid Project and from the obligations of the Group under the PPA, Performance Bank Guarantees and other guarantees relating to the Hybrid Project. In Fiscal Year, 2025, the Group recognized a provision of INR 199 million (US\$ 2.3 million) towards Bank Guarantees in relation to the 150 MW Hybrid Project.

The map below outlines our operational portfolio as at March 31, 2025 (excluding our rooftop portfolio of 93 MW).



We sell renewable power to our off-taker customers 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. Our counterparty exposure for the commissioned capacity is set out below:



During FY 2025, we generated 5,953 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.

(During the previous year, the Group had written down value of assets, provision for bank guarantee and other expected cost in relation to Delhi 2 MW project on account of poor viability and recognized impairment expense of INR 291 lakhs.

During the previous year, the Group had 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.

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 Concentrated risk related to our PPA’s and fixed tariff

- 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.
- We had identified material weaknesses in our internal control over financial reporting in earlier years which has been remediated during the year. If we fail to maintain an effective system of internal controls over financial reporting 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.
- 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.

Off-taker 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.

- 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.

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 able 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 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.

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.
- Sales of a substantial number of our Company's shares by our Company or our Company's existing shareholders, could cause our Company's share price to fall.

- Future issuances of any equity securities may cause a dilution in your shareholding, decrease the trading price of our equity shares, and restrictions agreed to as part of debt financing arrangements may place restrictions on our operations.

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	CRISIL A-/Stable (Upgraded from 'CRISIL BBB+'; Removed from 'Rating Watch with Developing Implications') CRISIL A2+ (Upgraded from 'CRISIL A2'; Removed from 'Rating Watch with Developing Implications')
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 52 Indian subsidiaries and 1 foreign subsidiary. All the Indian subsidiaries are engaged in the business of operating power projects.

During the year under review, 2 Companies 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, 2025, 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)
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1.	1,26,523 shares (March 31, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 1,24,583) equity shares of INR 10/- each fully paid up in Azure Power Mars Private Limited	1,101	1,101
20.	7,76,874 shares (March 31, 2024: 7,76,874) equity shares of INR 10/- each fully paid up in Azure Power Pluto Private Limited	24,914	24,914
21.	1,26,640 shares (March 31, 2024: 1,26,640) equity shares of INR 10/- each fully paid up in Azure Power Uranus Private Limited	1,239	1,239
22.	1,65,135 shares (March 31, 2024: 1,65,135) equity shares of INR 10/- each fully paid up in Azure Power Venus Private Limited	5,028	5,028
23.	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
24.	9,28,836 shares (March 31, 2024: 9,28,836) equity shares of INR 10/- each fully paid up in Azure Power Thirty Three Private Limited	35,713	35,713
25.	29,52,087 shares (March 31, 2024: 29,52,087) equity shares of INR 10/- each fully paid up in Azure Power Thirty Four Private Limited	15,904	15,904
26.	1,17,446 (March 31, 2024: 1,17,446) equity shares of INR 10/- each fully paid up in Azure Power Thirty Six Private Limited	6,693	6,693
27.	36,40,673 shares (March 31, 2024: 36,40,673) equity shares of INR 10/- each fully paid up in Azure Power Thirty Seven Private Limited	5,607	5,607
28.	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
29.	86,765 shares (March 31, 2024: 86,765) equity shares of INR 10/- each fully paid up in Azure Power Thirty Nine Private Limited	604	604
30.	26,32,123 shares (March 31, 2024: 26,32,123) equity shares of INR 10/- each fully paid up in Azure Power Forty Private Limited	13,684	13,684
31.	10,82,632 shares (March 31, 2024: 10,82,632) equity shares of INR 10/- each fully paid up in Azure Power Forty One Private Limited	28,992	28,992
32.	12,22,477 shares (March 31, 2024: 12,22,477) equity shares of INR 10/- each fully paid up in Azure Power Forty Three Private Limited	34,191	34,191
33.	27,56,629 shares (March 31, 2024: 27,56,629) equity shares of INR 10/- each fully paid up in Azure Power Maple Private Limited	21,967	21,967
34.	15,43,001 shares (March 31, 2024: 15,43,001) equity shares of US\$ 1 each fully paid up in Azure Power US Inc.	951	951
35.	46,04,457 shares (March 31, 2024: 33,99,638) equity shares of INR 10/- each fully paid up in Azure Power Fifty One Private Limited	3,099	3,099

36.	13,26,537 shares (March 31, 2024: 13,26,537) equity shares of INR 10/- each fully paid up in Azure Power Fifty Two Private Limited	1,499	1,499
37.	1,10,000 shares (March 31, 2024: 1,10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Three Private Limited	11	11
38.	10,000 shares (March 31, 2024: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Four Private Limited	1	1
39.	1,10,000 shares (March 31, 2024: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Six Private Limited	11	11
40.	10,000 shares (March 31, 2024: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Seven Private Limited	1	1
41.	10,000 shares (March 31, 2024: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Eight Private Limited	1	1
42.	10,000 shares (March 31, 2024: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Nine Private Limited	1	1
43.	10,000 shares (March 31, 2024: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Sixty Private Limited	1	1
44.	10,000 shares (March 31, 2024: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Sixty One Private Limited	1	1
45.	10,000 shares (March 31, 2024: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Sixty Two Private Limited	1	1
46.	10,000 shares (March 31, 2024: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Sixty Three Private Limited	1	1
47.	10,000 shares (March 31, 2024: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Sixty Four Private Limited	1	1
48.	10,000 shares (March 31, 2024: 10,000) equity shares of INR 10/- each fully paid up in Kotuma Wind Parks Private Limited	1	1
49.	10,000 shares (March 31, 2024: 10,000) equity shares of INR 10/- each fully paid up in Two Wind Energy Private Limited	1	1
50.	10,000 shares (March 31, 2024: 10,000) equity shares of INR 10/- each fully paid up in Azure Energy Transition Private Limited	1	1
51.	10,000 shares (March 31, 2024: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Sixty Five Private Limited	1	1
52.	10,000 shares (March 31, 2024: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Sixty Six Private Limited	1	1

53.	10,000 shares (March 31, 2024: 10,000) equity shares of INR 10/- each fully paid up in Azure Green Hydrogen Private Limited	1	1
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*** Note:** As on the date of Signing, the following entities have ceased to be subsidiaries of the Company:

- **Azure Power Saturn Private Limited with effect from May 23, 2025**
- **Azure Power Thirty Eight Private Limited with effect from May 30, 2025**

During the year ended March 31, 2021, the Group 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 Group. The Group has transferred 100% shareholding in relation to 17.3 MW operating capacity in earlier years.

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 Group had transferred 48.6% equity ownership of these entities in financial year 2021-22 and remaining 51.4% ownership was to be transferred post refinancing of the Green Bonds which were due in December 2024. Pursuant to refinancing of the Green Bonds, the restrictions have been lifted. The Group has transferred 51.4% remaining equity ownership to Radiance for 21.8 MW during the current year and the balance 11.4 MW subsequent to the year ended.

There was 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% was to be transferred on or after September 30, 2024. The Group has transferred 51% remaining equity ownership to Radiance for 16 MW subsequent to the year ended.

Upon removal of transfer restrictions in 33.2 MW and 16 MW projects, there is a loss of control in respect to these entities. Accordingly, the carrying amount of the net assets and the non-controlling interest is derecognized and correspondingly fair value of the proceeds are recognized, with the resulting difference leading to impairment expense of INR 550 Lakhs and a loss of INR 1,830 Lakhs which has been recognised in other expenses in the consolidated statement of profit and loss.

In relation to the remaining un-transferred 86.5 MW portfolio, the APRPL and Radiance have mutually terminated the agreement.

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, 2025 (INR in Lakhs)	As at March 31, 2024 (INR in Lakhs)
1.	3,20,758 CCDs (March 31, 2024: 3,20,758) in Azure Power Thirty Seven Private Limited	8,500	8,500
2.	1,70,183 CCDs (March 31, 2024: 1,70,183) in Azure Power Forty Three Private Limited	5,000	5,000
3.	3,59,98,380 CCDs in Azure Power Fifty One Private Limited	3,600	-
4.	1,10,85,039 CCDs in Azure Power Fifty Three Private Limited	1,109	-
5.	1,04,34,789 CCDs in Azure Power Fifty Four Private Limited	1,043	-
6.	23,00,000 CCDs in Azure Power Fifty Six Private Limited	230	-
7.	24,00,000 CCDs in Azure Power Fifty Seven Private Limited	240	-

8.	1,06,76,461 CCDs in Azure Power Fifty Nine Private Limited	1,068	-
9.	1,03,79,669 CCDs in Azure Power Sixty Private Limited	1,038	-
10.	83,00,000 CCDs in Azure Power Sixty Two Private Limited	830	-

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

Sr. No.	Details of Investment	Type of Securities	As at March 31, 2025 (INR in Lakhs)	As at March 31, 2024 (INR in Lakhs)
1.	5,61,921 (March 31, 2024: 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)	Equity	1,365	1,365
2.	13,00,000 (March 31, 2024: 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)	CCD	3,185	3,185

11. TRADEMARK & PATENT

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) **Trademarks:**

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
	2321064	24-04-2012	Registered	35
	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
	2892073	29-01-2015	Registered.	7
	2892074	29-01-2015	Registered.	35
	2892075	29-01-2015	Registered.	37
	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 54**” of the Consolidated Financial Statement for FY’25 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

Management, including our Group’s Chief Executive Officer and our Group’s Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by these financial statements, March 31, 2025. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information disclosed by us in our reports is accumulated

and communicated to management, including our Group’s principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding our required disclosure.

Based on the foregoing, our Group’s Chief Executive Officer and our Group’s Chief Financial Officer have concluded that, as of March 31, 2025, our disclosure controls and procedures were effective.

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. Management has assessed the effectiveness of our internal control over financial reporting as of March 31, 2025 and has concluded that such internal control over financial reporting is effective

B. Enhancements to Governance and Compliance

In March 2024, the Company 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 Company’s risk management activities, tests financial and compliance controls, and oversees the Company’s compliance and ethics program. The CCEO and his staff report directly to the Company’s Audit and Risk Committee (“ARC”).

This department is responsible for the Group’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 team continually tests and monitors the Group’s internal financial controls, seeking to identify and remediate weakness.

In March 2023, Vijay Kumar Wadhvani, 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. Wadhvani 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 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.

C. Changes in internal control over financial reporting

Management, under the supervision of the Company's Audit and Risk Committee, has initiated remediation actions focused on improving the Group's internal control and compliance environment to address the control deficiencies that led to ineffectiveness in earlier years. Management has taken support from external consultants while performing this remediation exercise. These efforts include strengthening internal control framework, testing operational controls, training of team members and periodic monitoring by the Audit and Risk Committee of the effectiveness of the remedial efforts and overall reporting framework. As a result of measures to strengthen internal controls, the internal controls over financial reporting were effective during the year.

The specific remediation actions taken by management included.

- Redesign of all Standard Operating Procedures (SOPs) to enhance process and controls.

- Additional controls and Redesign of controls to reflect improved risk assessment and further improvements to the management review controls; and
- Standardization of review lead sheets and management review sheets to strengthen documentation of precision, outliners and Information Produced by entity (IPEs), including extensive trainings to teams on documentation.

The effectiveness of our internal control over financial reporting as at March 31, 2025 has been audited by ASA & Associates LLP, India, our independent registered public accounting firm, as stated in their report which is reproduced in its entirety below.

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.

17. AUDITORS & AUDITOR'S REPORT:

Statutory Auditors

In Compliance with the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Act and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s)/ re-enactment(s)/amendment(s) thereof, for the time being in the force), 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) consecutive years years to hold the office from the conclusion of 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 opinions 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 2024-25.

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

The members in their 17th Annual General Meeting held on 30th September 2024 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 2024-25, 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 2024-25. The report in MR-3 is annexed herewith as **Annexure - III**.

Internal Auditors

For the financial year 2024-2025, Mr. Subodh Kumar was appointed as the Lead Internal Auditor of the Company, pursuant to the earlier decision of the Board of Directors of the Company to internalize the Internal audit system.

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 2025, 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.

Additionally, Company made a downstream investment of INR 91,57,43,380 during the year, confirming compliance with FEMA regulations through a certificate from its statutory auditors.

21. ANNUAL RETURN

The Annual Return of the Company as on 31st March, 2025 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 52,93,54,444, 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, 2025 (amount in INR)
Foreign Exchange Earnings	-
Foreign Exchange Outgo	68,99,01,018

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. Mr. Philippe Pierre Wind (Member)
3. Mr. Richard Payette

Mr. Richard Payette was appointed as a member of the Sustainability & CSR Committee by the Board of Directors, with effect from October 23, 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 – IV**

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, 2025, following were the Directors of the Company:
 1. Ms. Pratibha Bajaj
 2. Mr. Brijesh Mehra
 3. Mr. Sugata Sircar

4. Mr. Julian Gratiaen
5. Mr. Sunil Kumar Gupta
6. Mr. Richard Payette
7. Mr. Jean Francois Joseph Boisvenu
8. Mr. Jaime Garcia Nieto
9. Mr. Philippe Pierre Wind

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

1. The Board of Directors, at its meeting held on April 29, 2024, approved and re-recommended the re-appointment of the retiring directors, Ms. Supriya Prakash Sen and Mr. Jean Francois Joseph Boisvenu. The members subsequently re-appointed both directors at the Annual General Meeting held on May 29, 2024.
2. The Board of Directors, at its meeting held on May 8, 2024, appointed Mr. Brijesh Mehra as Nominee Director with immediate effect, and designated him as Chairman of the Board at the same meeting.
3. Appointment of Mr. Julian Suresh Paul Gratiaen as Nominee Director on the Board with effect from August 13, 2024.
4. Ms. Delphine Voeltzel resigned from the Board with effect from August 13, 2024.
5. Ms. Supriya Prakash Sen resigned from the Board with effect from September 30, 2024.
6. Appointment of Ms. Pratibha Bajaj as Nominee Director on the Board with effect from October 30, 2024.

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

1. Mr. Jaime Garcia Nieto resigned from the Board with effect from April 18, 2025.

25. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

For the financial year in review, the Board of Directors had 11 (Eleven) Board meetings i.e., 29 April, 2024, 08 May 2024, 28 May 2024, 27 June 2024, 26 July 2024, 29 August 2024, 10 September 2024, 30 September 2024, 23 October 2024, 06 January 2025 and 06 March 2025 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 is comprised of Mr. Sunil Kumar Gupta (MD and CEO) and Mr. Sugata Sircar (Executive Director Finance and 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 Four members including Mr. Richard Payette, Mr. Jean Francois Boisvenu, Ms. Pratibha Bajaj and Mr. Julian Suresh Paul Gratiaen respectively.

Ms. Supriya Prakash Sen ceased to be a member of the committee effective September 30, 2024. Subsequently, the Board of Directors appointed Mr. Jaime Garcia Nieto and Mr. Julian Suresh Paul Gratiaen as members of the committee with effect from October 23, 2024.

Mr. Jaime Garcia Nieto resigned as member of the Audit and Risk Committee on April 18, 2025. Thereafter, Ms. Pratibha Bajaj was appointed as member with effect from May 27, 2025.

During the year under review members of the Audit Committee met 5 (Five) 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 2024-25. The said report in form no. MR-3 is attached herewith as **Annexure-III**.

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

The Company's Holding Company has laid down a risk management policy (hereafter referred to as the "policy") that details the guidelines for implementation of the risk management framework across the Group.

This policy outlines the Group's approach to managing risks in accordance with the COSO ERM Framework and ISO 31000 with an aim to integrate risk management into the organization's governance, strategy, and decision-making processes to support the achievement of its objectives and safeguard its assets, reputation, and stakeholders. This helps in achieving the strategic objectives by recognizing the risks that may impact on the Group and minimizing the adverse consequences arising from their occurrence. The policy supports the Group's endeavor to design, implement, monitor, review, and continually improve its risk management practices, as well as ensure wider participation in creating a sustainable risk aware culture across the Group.

31. CONTRACTS AND ARRANGEMENTS WITH THE RELATED PARTIES

Pursuant to Section 188 of the Companies Act, 2013, All contracts / arrangements / transactions entered into by the Company during the financial year with the related parties were in the ordinary course of business.

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, VP Capital Team and Company Secretary.

Details of related party transactions are provided in (**Annexure - V**).

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, 2025, our internal controls over financial reporting were effective.

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. COMPLIANCE STATEMENT ON THE MATERNITY BENEFIT ACT, 1961

The company is in full compliance with the provisions of the Maternity Benefit Act, 1961 and affirm that

- a) the Company provides maternity leave in accordance with the requirements of the Act;
- b) all necessary facilities and entitlements mandated by the law are extended to women employees;
- c) no discriminatory practices are adopted against women employees on account of maternity or child birth.

35. 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.

To comply with the provisions of Section 134 of the Act and rules made thereunder, Company has complied with the provisions relating to constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Committee shall carry out its necessary duties and functions as per the provisions of the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and shall prepare a report. The report shall inter-alia have the following details:

number of complaints of sexual harassment received in the year;	1
number of complaints disposed off during the year; and	0
number of cases pending for more than ninety days	0

36. DISCLOSURE UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

No Corporate Insolvency Resolution Process was initiated or pending against your Company, under the Insolvency and Bankruptcy Code, 2016 (IBC) as amended.

37. 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

As the Holding Company and its consolidated subsidiaries (the “Group”) has disclosed in its filings since 2022, in May and September of 2022, the Group received whistleblower complaints and initiated internal investigations headed by the Audit and Risk Committee of the Ultimate Parent Company (the “ARC Investigation”) and a Special Committee of Board of Directors of the Holding Company established in August 2022 (the “Special Committee Investigation”). None of those allegations pertain to the Company. At the direction of the Board of Directors of the Holding Company, external counsel for the committees initiated a voluntary self-disclosure on behalf of the Parent Company to the U.S. Department of Justice and the U.S. Securities and Exchange Commission (the “U.S. Government”). The Holding Company continues to cooperate with the U.S. Government’s investigations. The ARC Investigation was concluded in the previous year. The Special Committee Investigation, which is substantially complete, 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 review and its findings have impacted the decision-making of the Group in connection with such projects.

Management of the Group, under the supervision of the Holding Company’s Audit and Risk Committee, initiated remediation actions focused on improving the Group’s internal control and compliance environment to address the control deficiencies that led to ineffectiveness in earlier years. Management has taken support from external consultants while performing this remediation exercise. These efforts include strengthening our internal control framework, testing operational controls, training of team members and periodic monitoring by the Audit and Risk Committee of the Holding Company of the effectiveness of the remedial efforts and overall reporting framework. The internal controls over financial reporting of the Group have been assessed to be effective during the year ended March 31, 2025.

38. 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 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.

39. OTHER DISCLOSURES

During the year under review, the requirement to disclose the details of the difference between the amount of valuation carried out at the time of one-time settlement and the valuation conducted while availing the loan from Banks or Financial Institutions, along with the reasons for such differences, was not applicable.

40. 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.

41. 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 the then ongoing investigations (refer note 48 of Standalone Financial Statements for year ended March 31, 2025), the AGM for financial year 2021-22 and 2022-23 were held in February 2024 and May 2024 respectively, i.e. after the extension granted by ROC. The Company successfully filed the compounding application with the ROC in December 2024. As of the reporting date, the application is pending disposal with the Regional Director and the Management believes that the financial impact of the same is not material.

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



Sunil Kumar Gupta
Managing Director
DIN: 07095152



Sugata Sircar
Director
DIN: 01119161

Date: 20.08.2025
Place: Gurugram

Date: 20.08.2025
Place: Gurugram

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	2024-25	INR in thousands	1,265	1,37,136	4,25,233	2,86,832	-	47,836	26,841	-4,806	31,647	-	100% ^a
2	Azure Solar Private Limited	2024-25	INR in thousands	11,846	5,29,703	23,21,854	17,80,305	-	4,55,789	2,08,004	1,63,863	44,141	-	100% ^a
3	Azure Power (Haryana) Private Limited	2024-25	INR in thousands	49,538	2,47,941	21,47,439	18,49,960	-	1,77,291	49,467	-41,720	91,187	-	99.17% ^a
4	Azure Power (Rajasthan) Private Limited	2024-25	INR in thousands	989	7,291	3,91,117	3,82,837	-	91,949	32,924	32,752	172	-	100.00% ^a
5	Azure Urja Private Limited*	2024-25	INR in thousands	1,416	9,99,964	28,48,778	18,47,398	2,49,988	3,33,365	1,44,998	-1,03,308	2,48,306	-	100% ^a
6	Azure Surya Private Limited†	2024-25	INR in thousands	667	6,33,756	7,66,215	1,31,792	-	1,45,698	1,13,059	16,766	96,293	-	100% ^a †
7	Azure Power (Karnataka) Private Limited‡	2024-25	INR in thousands	642	3,50,227	9,93,740	6,42,871	-	1,12,761	67,115	-9,870	76,985	-	100% ^a ‡
8	Azure Power Infrastructure Pvt Ltd	2024-25	INR in thousands	2,073	13,90,072	31,46,291	17,54,146	-	3,17,058	-85,516	5,929	-91,445	-	100% ^a †
9	Azure Sunrise Pvt Ltd	2024-25	INR in thousands	2,163	8,37,921	56,57,730	48,17,646	-	6,34,315	10,31,401	-1,15,005	11,46,406	-	100.00% ^a
10	Azure Sunshine Pvt Ltd	2024-25	INR in thousands	563	5,98,476	19,98,204	13,99,165	-	2,09,215	1,27,462	-34,670	1,62,132	-	100.00% ^a
11	Azure Power (Raj.) Pvt Ltd	2024-25	INR in thousands	4,177	15,32,940	25,86,957	10,49,840	-	4,29,469	2,94,531	-5,537	3,00,068	-	100.00% ^a
12	Azure Photovoltaic Pvt Ltd	2024-25	INR in thousands	3,405	11,54,231	36,04,364	24,46,728	-	4,12,953	1,75,932	-1,23,539	2,99,471	-	100.00% ^a
13	Azure Clean Energy Pvt Ltd	2024-25	INR in thousands	464	11,15,477	23,06,395	11,90,454	-	3,84,249	2,38,961	-7,832	2,46,793	-	100.00% ^a
14	Azure Green Tech Private Limited	2024-25	INR in thousands	564	11,67,090	37,28,933	25,61,279	-	4,04,576	2,43,495	-26,538	2,70,033	-	100.00% ^a
15	Azure Power Earth Private Limited	2024-25	INR in thousands	4,598	10,05,841	59,47,187	49,36,748	-	6,97,531	-1,48,073	-3,09,990	1,61,917	-	100.00% ^a
16	Azure Power Eris Private Limited	2024-25	INR in thousands	714	2,72,928	6,68,192	3,94,550	-	56,943	-12,355	-7,252	-5,103	-	100.00% ^a
17	Azure Power Mars Private Limited	2024-25	INR in thousands	1,246	1,45,105	4,01,965	2,55,614	-	46,818	16,240	-9,648	25,888	-	100.00% ^a
19	Azure Power Pluto Private Limited	2024-25	INR in lakhs	78	30,708	79,433	48,647	-	12,124	5,866	668	5,198	-	100.00% ^a

21	Azure Power Jupiter Private Limited	2024-25	INR in thousands	1,674	3,71,271	28,93,325	25,20,380	-	3,46,418	4,776	4,782	-6	-	51.01%
22	Azure Power Makernake Private Limited	2024-25	INR in thousands	2,685	10,81,962	27,61,600	16,76,953	2,21,312	3,02,587	1,24,170	11,525	1,12,645	-	100.00%
23	Azure Power Uranus Private Limited	2024-25	INR in thousands	1,266	36,176	3,87,423	3,49,981	-	59,095	-15,333	-25,567	10,234	-	100.00%
24	Azure Power Venus Private Limited	2024-25	INR in thousands	1,651	1,46,715	21,55,254	20,06,888	-	2,98,352	-74,214	-1,66,600	92,386	-	100.00%
25	Azure Power Thirty Three Private Limited	2024-25	INR in lakhs	93	10,547	1,36,369	1,25,729	-	14,392	-5,787	-8,789	3,002	-	100.00%
26	Azure Power Thirty Four Private Limited	2024-25	INR in lakhs	295	13,396	72,117	58,426	-	8,358	-1,014	-4,391	3,377	-	100.00%
27	Azure Power Thirty Six Private Limited	2024-25	INR in thousands	1,174	5,69,845	30,13,677	24,42,658	-	4,11,354	-27,218	-1,72,736	1,45,518	-	100.00%
28	Azure Power Thirty Seven Private Limited	2024-25	INR in lakhs	365	25,455	65,589	39,769	-	8,491	3,585	-2,166	5,751	-	99.84%
30	Azure Power Thirty Nine Private Limited	2024-25	INR in thousands	868	53,101	54,702	733	-	-	-519	45	-564	-	100.00%
31	Azure Power Forty Private Limited	2024-25	INR in thousands	26,321	13,39,900	53,03,198	39,36,977	-	5,55,632	-27,204	52,920	-80,124	-	100.00%
32	Azure Power Forty One Private Limited	2024-25	INR in lakhs	108	17,061	1,74,858	1,57,689	-	18,028	217	625	-408	-	100.00%
33	Azure Power Forty Three Private Limited	2024-25	INR in lakhs	122	41,034	2,94,504	2,53,348	-	35,184	2,895	3,365	-470	-	100.00%
35	Azure Power Maple Private Limited	2024-25	INR in Lakhs	276	678	1,88,794	1,87,840	-	14,915	-10,825	-6,752	-4,073	-	100.00%
36	Azure Power US Inc.	2024-25	US Dollars	15,43,000	44,40,503	60,58,472	74,969	59,64,831	-	73,275	16,056	57,219	-	100.00%
37	Azure Power Fifty One Private Limited	2024-25	INR in thousands	46,044	-96,736	3,61,572	4,12,264	-	-	1,08,110	1,540	1,06,570	-	100.00%
38	Azure Power Fifty Two Private Limited	2024-25	INR in thousands	13,265	-10,55,095	6,91,822	17,33,652	-	-	1,98,882	517	1,98,365	-	100.00%
39	Azure Power Fifty Three Private Limited	2024-25	INR in thousands	1,100	-1,12,135	616	1,11,651	-	-	2,62,565	-123	2,62,688	-	100.00%
40	Azure Power Fifty Four Private Limited	2024-25	INR in thousands	100	-1,05,204	21	1,05,125	-	-	2,62,740	-132	2,62,872	-	100.00%
41	Azure Power Fifty Six Private Limited	2024-25	INR in thousands	1,100	-24,147	1,082	24,129	-	-	-2,854	-37	-2,817	-	100.00%
42	Azure Power Fifty Seven Private Limited	2024-25	INR in thousands	100	-25,710	658	26,268	-	-	-2,429	-	-2,429	-	100.00%
43	Azure Power Fifty Eight Private Limited	2024-25	INR in thousands	100	-37,151	4,41,387	4,78,438	-	-	-35,635	422	-36,057	-	100.00%

44	Azure Power Fifty Nine Private Limited	2024-25	INR in thousands	100	-1,07,609	21	1,07,530	-	-	2,62,700	-18	2,62,718	-	100.00%
45	Azure Power Sixty Private Limited	2024-25	INR in thousands	100	-1,04,710	21	1,04,631	-	-	2,62,698	-17	2,62,715	-	100.00%
46	Azure Power Sixty One Private Limited	2024-25	INR in thousands	100	-1,253	49,578	50,731	-	-	-655	88	-743	-	100.00%
47	Azure Power Sixty Two Private Limited	2024-25	INR in thousands	100	-83,861	56	83,817	-	-	1,74,913	-3	1,74,916	-	100.00%
48	Kotuma Wind Parks Pvt Ltd	2024-25	INR in thousands	100	-2,54,237	31,729	2,85,866	-	-	-9,599	829	-10,428	-	100.00%
49	Two Wind Energy Pvt. Ltd.	2024-25	INR in thousands	100	-6,08,368	1,14,220	7,22,488	-	-	-16,782	2,485	-19,267	-	100.00%
50	Azure Green Hydrogen Private Limited	2024-25	INR in thousands	100	-1,572	1,832	3,304	-	-	-507	14	-521	-	100.00%
51	Azure Power Sixty Three Private Limited	2024-25	INR in thousands	100	-21,413	1,04,758	1,26,071	-	-	-11,614	-219	-11,395	-	100.00%
52	Azure Energy Transition Private Limited	2024-25	INR in thousands	100	-26,633	2,240	28,773	-	-	-2,819	-	-2,819	-	100.00%
53	Azure Power Sixty Four Private Limited	2024-25	INR in thousands	100	-1,378	1,928	3,206	-	-	-500	6	-506	-	100.00%
54	Azure Power Sixty Five Private Limited	2024-25	INR in thousands	100	-1,340	1,848	3,088	-	-	-478	11	-489	-	100.00%
55	Azure Power Sixty Six Private Limited	2024-25	INR in thousands	100	-562	22	484	-	-	-278	-	-278	-	100.00%

**Held directly or indirectly through subsidiary companies*

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: Azure Power Mercury Private Limited and Azure Power Forty Four Private Limited transfer to Radiance

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


Sugata Sircar
Director
DIN: 01119161



Date: 20.08.2025
Place: Gurugram


Sunil Kumar Gupta
Managing Director
DIN: 07095152

Date: 20.08.2025
Place: Gurugram

(Annexure – II)

Management replies to Independent Auditor's qualification/ remarks

Sl. No.	Independent Auditor's Qualification	Management's Reply
	<p><u>Paragraph (1) of Independent Auditor' Report</u></p> <p>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 earlier years. In response to such whistleblower 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.</p> <p>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 has substantially completed its review.</p> <p>As a result of above, 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 are continuing on those matters. We are informed that any potential liability or penalty from authorities cannot be assessed at this stage.</p> <p>In respect of the above matter, 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.</p>	<p>The matters in Paragraph 1 read along with Note 48 to the standalone financial statements and consolidated financial statements which is reiterated below, are self-explanatory and do not require further comments:</p> <p>As the Holding Company and its consolidated subsidiaries (the "Group") has disclosed in its filings since 2022, in May and September of 2022, the Group received whistleblower complaints and initiated internal investigations headed by the Audit and Risk Committee of the Ultimate Parent Company (the "ARC Investigation") and a Special Committee of Board of Directors of the Holding Company established in August 2022 (the "Special Committee Investigation"). None of those allegations pertain to the Company. At the direction of the Board of Directors of the Holding Company, external counsel for the committees initiated a voluntary self-disclosure on behalf of the Parent Company to the U.S. Department of Justice and the U.S. Securities and Exchange Commission (the "U.S. Government"). The Holding Company continues to cooperate with the U.S. Government's investigations. The ARC Investigation was concluded in the previous year. The Special Committee Investigation, which is substantially complete, 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 review and its findings have impacted the decision-making of the Group in connection with such projects.</p> <p>Management of the Group, under the supervision of the Holding Company's Audit and Risk Committee, initiated remediation actions focused on improving the Group's internal control and compliance environment to address the control deficiencies that led to ineffectiveness in earlier years. Management has taken support from external consultants while performing</p>

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

this remediation exercise. These efforts include strengthening our internal control framework, testing operational controls, training of team members and periodic monitoring by the Audit and Risk Committee of the Holding Company of the effectiveness of the remedial efforts and overall reporting framework. The internal controls over financial reporting of the Group have been assessed to be effective during the year ended March 31, 2025.

Emphasis of Matter as per Auditor Report on consolidated financial statements for the year ended March 31, 2025:

- a. We draw attention to Note 46 to the accompanying consolidated financial statements regarding the restatements carried out by the Group, in accordance with the requirements of Ind AS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors" on account of retrospective adjustments pertaining to the matters as described in detail in the aforesaid note.
- b. We draw attention to Note 54 of the consolidated financial statements, which describes the effects of a legal case decided in favour of Azure Sunrise Private Limited (subsidiary company).
- c. Refer Note 49 read with Note 53 (xxix) of the consolidated financial statements includes the Financial Statements of Azure Power Fifty Three Private Limited (Subsidiary Company), which states that the subsidiary company has accumulated losses of INR 1,121 Lakh and its net worth has fully eroded as at March 31, 2025. The subsidiary company's current liabilities exceeded its current assets by INR 1,110 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, 2025. 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

Response to point (a) as per Note 46 of consolidated financial statements for the year ended March 31, 2025:

In accordance with Ind AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1 'Presentation of financial statements', the Group has retrospectively restated its consolidated balance sheet as at

March 31, 2024 and April 01, 2023 and consolidated Statement of Profit and Loss for the year ended March 31, 2024 for the reasons as stated in the note 46 of consolidated financial statements for the year ended March 31, 2025.

Response to point (b) as per Note 54 of consolidated financial statements for the year ended March 31, 2025:

One of the subsidiary of the Company (Azure Sunrise Private Limited) has receivables from Chamundeshwari Electricity Supply Company Limited (CESCOM), which has been under dispute and the subject matter of legal proceedings before the Appellate Tribunal for Electricity (APTEL).

Subsequent to the year end, APTEL vide order dated May 30, 2025, has directed CESCOM to pay the differential amount between the cost of energy calculated at a PPA tariff of INR 6.89 per kWh and INR 4.36 per kWh, for the period from the Commercial Operation Date (CoD) until the date of realization including payment of interest in accordance with the Late Payment Surcharge (LPS) mechanism and refund of any liquidated damages that may have been recovered by CESCOM.

Against the above APTEL order, CESCOM had filed an appeal before the Hon'ble Supreme Court which was dismissed on July 15, 2025.

Following the dismissal of the appeal, both the parties have amicably agreed upon the final settlement amount. Accordingly, for the year ended March 31,

the financial statements and provisions has been made for additional liabilities that may arise.

- d. Refer Note 49 read with Note 53 (xxx) of the consolidated financial statements includes the Financial Statements of Azure Power Fifty Four Private Limited (Subsidiary Company), which states that the subsidiary company has accumulated losses of INR 1,052 Lakh and its net worth has fully eroded as at March 31, 2025. The subsidiary company's current liabilities exceeded its current assets by INR 1,051 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, 2025. 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 53 (xxxi) of the consolidated financial statements includes the Financial Statements of Azure Power Fifty Nine Private Limited (Subsidiary Company), which states that the subsidiary company has accumulated losses of INR 1,076 Lakh, and its net worth has fully eroded as at March 31, 2025. The subsidiary company's current liabilities exceeded its current assets by INR 1,075 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, 2025. 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

2025, the Group has recognised the differential Revenue of INR 2,470 lakhs on account of rate difference, Late Payment Surcharge of INR 8,550 lakhs and reversal of specific expected credit loss earlier recognised of INR 3,245 lakhs under consolidated statement of profit and loss in the financial statements.

Response to point (c) to (h) as per Note 49 of consolidated financial statements for the year ended March 31, 2025:

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 Public interest litigations (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 are currently pending adjudication. We cannot predict the outcome of these two PILs.

Based on the economics and uncertainties associated with the PILs and Special Committee of the Board of the Holding Company (the "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. Considering the communication received from SECI and imminent threat of encashment of Bank Guarantees. The Group obtained an interim order dated October 16, 2023 from the High Court of Andhra Pradesh restraining such encashment and any coercive action against the Group till the next hearing date. The next hearing date will be notified by the court in due course.

On March 18, 2024, the Group received two letters from SECI. In its first letter, SECI stated that it had terminated the PPAs with the Group in respect

the financial statements and provisions has been made for additional liabilities that may arise.

- f. Refer Note 49 read with Note 53 (xxxii) of the consolidated financial statements includes the Financial Statements of Azure Power Sixty Private Limited (Subsidiary Company), which states that the subsidiary company has accumulated losses of INR 1,047 Lakh and its net worth has fully eroded as at March 31, 2025. The subsidiary company's current liabilities exceeded its current assets by INR 1,046 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, 2025. 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.
- g. Refer Note 49 read with Note 53 (xlii) of the consolidated financial statements includes the Financial Statements of Azure Power Sixty Two Private Limited (Subsidiary Company), which states that the subsidiary company has accumulated losses of INR 839 Lakh and its net worth has fully eroded as at March 31, 2025. The subsidiary company's current liabilities exceeded its current assets by INR 838 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, 2025. 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

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. Accordingly, the Group has recognised provisions of Nil in the current year (INR 12,315 lakhs cumulatively till March 31, 2025) towards Bank Guarantees in its consolidated financial statements.

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 under Manufacturing Contract Agreements (MCAs) of solar cells and solar modules by 583 MW from 1,000 MW.

In light of the 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 recognized provisions of Nil in the year (INR 2,061 lakhs, net of bank guarantee encashed during the year amounting to INR 3,500 lakhs) cumulatively till March 31, 2025 towards Bank Guarantees in its consolidated financial statements.

Separately, Bank Guarantees of approximately INR 2,200 lakhs were submitted for obligations under module MCAs. To prevent coercive actions, including encashment of the bank guarantees, we filed a petition before the High Court of Andhra Pradesh. A stay has been granted against any coercive action including such encashment, and the next hearing date will be notified in due course.

the financial statements and provisions has been made for additional liabilities that may arise.

- h. Refer Note 49 read with Note 53 (xxvii) of the consolidated financial statements includes the Financial Statements of Azure Power Fifty One Private Limited (Subsidiary Company), which states that the subsidiary company has accumulated losses of INR 3,603 Lakh and its net worth has fully eroded as at March 31, 2025. 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 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, 2025. 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 have been made for additional liabilities that may arise.
- i. Refer Note 51 read with Note 53(xix) of the consolidated financial statements includes the Financial Statements of Kotuma Wind Parks Private Limited (Subsidiary Company), which states that the subsidiary company has accumulated losses of INR 2,545 Lakh and its net worth has fully eroded as at March 31, 2025. The subsidiary company's current liabilities exceeded its current assets by INR 1,686 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, 2025. 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

Accordingly, during the current year, a further provision for INR 1,945 lakhs was recognized towards bank guarantees related to MCAs referred to above, including delays due to reduced capacity under the MCAs.

Response to point (c) to (h) as per Note 53 of consolidated financial statements for the year ended March 31, 2025:

- a) As at 31 March 2025, Azure Power Fifty Three Private Limited (subsidiary company) has accumulated losses of INR 1,121 lakhs (31 March 2024 : INR 3,748 lakhs) and its net worth has fully eroded. Further, the Company's current liabilities exceeded the current assets by INR 1,110 lakhs (31 March 2024: INR 3,679 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 subsidiary company as at and for the year ended March 31, 2025. 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. 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.
- b) As at 31 March 2025, Azure Power Fifty Four Private Limited (subsidiary company) has accumulated losses of INR 1,052 lakhs (31 March 2024: INR 3,681 lakhs) and its net worth has fully eroded. Further, the subsidiary company's current liabilities exceeded the current assets by INR 1,051 lakhs (31 March 2024: 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

the financial statements and provisions has been made for additional liabilities that may arise.

plan etc., in view of the Management, 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, 2025. 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. 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.

- c) As at 31 March 2025, Azure Power Fifty Nine Private Limited (subsidiary company) has accumulated losses of INR 1,076 lakhs (31 March 2024: INR 3,703 lakhs) and its net worth has fully eroded. Further, the subsidiary company's current liabilities exceeded the current assets by INR 1,075 lakhs (31 March 2024: INR 3,616 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 subsidiary company as at and for the year ended March 31, 2025. 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. 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.

- d) As at 31 March 2025, Azure Power Sixty Private Limited (subsidiary company) has accumulated losses of INR 1,047 lakhs (31 March 2024 : INR 3,674 lakhs) and its net worth has fully eroded. Further, the subsidiary company's current liabilities exceeded the current assets by INR 1,046 lakhs (31 March 2024: 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 subsidiary company as at and for the year ended March 31, 2025. 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. 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.
- e) As at 31 March 2025, Azure Power Sixty Two Private Limited (subsidiary company) has accumulated losses of INR 839 lakhs (31 March 2024: INR 2,588 lakhs) and its net worth has fully eroded. Further, the subsidiary company's current liabilities exceeded the current assets by INR 838 lakhs (31 March 2024: 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 subsidiary company as at and for the year ended March 31, 2025. 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. 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.

- f) As at 31 March 2025, Azure Power Fifty One Private Limited (subsidiary company) has accumulated losses of INR 3,603 lakhs (31 March 2024: 4670 lakhs) and its net worth has fully eroded. The subsidiary company's current liabilities exceeded its current assets by INR 3,679 lakhs (31 March 2024: 4,788 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 subsidiary company as at and for the year ended March 31, 2025. 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. 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.
- g) As at 31 March 2025, Kotuma Wind Parks Private Limited (subsidiary company) has accumulated losses of INR 2,545 lakhs (31 March 2024: INR 2,441 lakhs) and its net worth has fully eroded. The subsidiary company's current liabilities exceeded its current assets by INR 1,686 lakhs (31 March 2024: INR 2,544 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 subsidiary company as at and for the year ended March 31, 2025. 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. 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.

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


Sugata Sircar
Director
DIN: 01119161



Date: 20.08.2025
Place: Gurugram


Sunil Kumar Gupta
Managing Director
DIN: 07095152

Date: 20.08.2025
Place: Gurugram



FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025
[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, 2025 ('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, 2025 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**);
 - (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);**
- (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.



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) The company, the Parent Company and some subsidiaries ("Group") have received several complaints via the Group's common whistleblower mechanism during the earlier years. In response to such whistle blower complaints, the Board of Directors and the Audit and Risk Committee of the Parent Company appointed external legal counsels to conduct investigations into the significant issues highlighted in the said complaints. The issues include, but are not limited to, lapses in key control areas, governance issues, asset capitalization date and problem with vendor management. A Special Committee was constituted by the Board of the Parent Company to review certain material projects and contracts for anti-corruption and related compliance issues, with support from independent external counsels and forensic advisors. This Special Committee has substantially completed its review.



Following these investigations, the Group voluntarily disclosed certain matters to the U.S. Securities and Exchange Commission and the U.S. Department of Justice.

- b) The Registered Office of the company was shifted from Unit No. 409 and 410, 4th Floor, Southern Park, Bearing No. D2, Saket, New Delhi 110017 to DSC-304, Second Floor, DLF South Court, Saket District Centre, South Delhi, New Delhi, India, 110017 by approval of finance committee members by way of circular resolution passed on 08th day of August, 2024.
- c) The company has filed an application to compound the offence for not holding the Annual General Meeting (AGM) within due date prescribed under Companies Act, 2013 for the financial year 2021-22 and 2022-23 i.e. within six months from the end of each financial year. As of now, no order has been received from the competent authority regarding the compounding application.
- d) The company has amended its Articles of Association (AOA) by inserting clause A-54 to incorporate the provisions related to buy back as stipulated under section 68 of the Companies Act, 2013. This amendment was approved by members in the extra-ordinary general meeting of the company held on 21st day of June, 2024.

For Abhishek Gupta & Associates
Company Secretaries

Abhishek Gupta
Abhishek Gupta
Proprietor

M. No.: 9857; C.P. No.: 12262
UDIN: F009857G001044638

Peer Review Certificate No. 2375/2022



Place: New Delhi
Date: 20.08.2025

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, 2025 of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Abhishek Gupta & Associates
Company Secretaries

Abhishek Gupta
Proprietor

M. No.: 9857; C.P. No.: 12262

UDIN: F009857G001044638

Peer Review Certificate No. 2375/2022

Place: New Delhi
Date: 20.08.2025



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. Mr. Richard Payette (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/(loss) of the Company as per sub-section (5) of section 135	INR (43,81,00,000)
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. (in INR)	Amount Unspent (in INR)	
	Total Amount transferred to Unspent CSR Account as per subsection (6) of	Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.

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 2024-25. 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


Brijesh Mehra
 Chairman of Sustainability & CSR Committee
 DIN: 03341307

Date: 20.08.2025
 Place: Mumbai


Sunil Kumar Gupta
 Managing Director
 DIN: 07095152

Date: 20.08.2025
 Place: Gurgaon

RELATED PARTY TRANSACTIONS

Particulars of Contracts or Arrangements with Related Parties referred to in sub-section (1) of section 188 in the Form AOC-2:

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) Form for disclosure of particulars of Contracts/Arrangements entered by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013)

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil
2. Details of material contracts or arrangement or transactions at arm's length basis:

(INR in thousands)

S. No	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangement/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Finance Committee, if any:	Amount paid as advances, if any:
1.	Azure Power Maple Private Limited (Subsidiary Company)	Service Agreement & Operations & Maintenance Management Agreement	As per Service Agreement dated 31.12.2021; amended letter dated 01.01.2022 and Operations & Maintenance Management Agreement dated 15 July 2024	As per Service Agreement dated 31.12.2021 and amended letter dated 01.01.2022 and Operations & Maintenance Management Agreement dated 15 July 2024	11.01.2022, and ratified on 04.12.2024	-
2.	Azure Power Forty Three Private Limited (Subsidiary Company)	Service Agreement & Operations & Maintenance Management Agreement	As per Service Agreement dated 31.12.2021; amended letter dated 01.01.2022 and Operations & Maintenance Management Agreement dated 15 July 2024	As per Service Agreement dated 31.12.2021 and amended letter dated 01.01.2022 and Operations & Maintenance Management Agreement dated 15 July 2024	11.01.2022; and ratified on 04.12.2024	-
3.	Azure Power Forty One Private Limited (Subsidiary Company)	Service Agreement & Operations & Maintenance Management Agreement	As per Service Agreement dated 31.12.2021; amended letter dated 01.01.2022 and Operations & Maintenance Management Agreement dated 15 July 2024	As per Service Agreement dated 31.12.2021 and amended letter dated 01.01.2022 and Operations & Maintenance Management Agreement dated 15 July 2024	11.01.2022; and ratified on 04.12.2024	-
4.	Azure Power Pluto Private Limited (Subsidiary Company)	Service Agreement & Operations & Maintenance Management Agreement	As per Service Agreement dated 31.12.2021; amended letter dated 01.01.2022 and Operations & Maintenance Management Agreement dated 15 July 2024	As per Service Agreement dated 31.12.2021 and amended letter dated 01.01.2022 and Operations & Maintenance Management Agreement dated 15 July 2024	11.01.2022; and ratified on 04.12.2024	-
5.	Azure Power Forty Private Limited (Subsidiary Company)	Service Agreement & Operations & Maintenance Management Agreement	As per Service Agreement dated 31.12.2021; amended letter dated 01.01.2022 and Operations & Maintenance Management Agreement dated 15 July 2024	As per Service Agreement dated 31.12.2021 and amended letter dated 01.01.2022 and Operations & Maintenance Management Agreement dated 15 July 2024	11.01.2022; and ratified on 04.12.2024	-
6.	Azure Power Thirty Seven Private Limited (Subsidiary Company)	Service Agreement & Operations & Maintenance Management Agreement	As per Service Agreement dated 31.12.2021; amended letter dated 01.01.2022 and Operations & Maintenance Management Agreement dated 15 July 2024	As per Service Agreement dated 31.12.2021 and amended letter dated 01.01.2022 and Operations & Maintenance Management Agreement dated 15 July 2024	11.01.2022; and ratified on 04.12.2024	-
7.	Azure Power Thirty Three Private Limited (Subsidiary Company)	Service Agreement & Operations & Maintenance Management Agreement	As per Service Agreement dated 31.12.2021; amended letter dated 01.01.2022 and Operations & Maintenance Management Agreement dated 15 July 2024	As per Service Agreement dated 31.12.2021 and amended letter dated 01.01.2022 and Operations & Maintenance Management Agreement dated 15 July 2024	11.01.2022; and ratified on 04.12.2024	-
8.	Azure Power Infrastructure Private Limited (Subsidiary Company)	Service Agreement & Operations & Maintenance Management Agreement	As per Service Agreement dated 31.12.2021; amended letter dated 01.01.2022 and Operations & Maintenance Management Agreement dated 15 July 2024	As per Service Agreement dated 31.12.2021 and amended letter dated 01.01.2022 and Operations & Maintenance Management Agreement dated 15 July 2024	11.01.2022; and ratified on 04.12.2024	-
9.	Azure Sunrise Private Limited (Subsidiary Company)	Service Agreement & Operations & Maintenance Management Agreement	As per Service Agreement dated 31.12.2021; amended letter dated 01.01.2022 and Operations & Maintenance Management Agreement dated 15 July 2024	As per Service Agreement dated 31.12.2021 and amended letter dated 01.01.2022 and Operations & Maintenance Management Agreement dated 15 July 2024	11.01.2022; and ratified on 04.12.2024	-
10.	Azure Power Jupiter Private Limited (Subsidiary Company)	Management Fees & Management Consultancy Agreement	As per Service Agreement dated 31.12.2021 and amended letter dated 01.01.2022	As per Service Agreement dated 31.12.2021 and amended letter dated 01.01.2022	11.01.2022 and ratified on 23.12.2024	-
11.	Azure Power Thirty Four Private Limited (Subsidiary Company)	Service Agreement & Operations & Maintenance Management Agreement	As per Service Agreement dated 31.12.2021; amended letter dated 01.01.2022 and Operations & Maintenance Management Agreement dated 15 July 2024	As per Service Agreement dated 31.12.2021 and amended letter dated 01.01.2022 and Operations & Maintenance Management Agreement dated 15 July 2024	11.01.2022; and ratified on 04.12.2024	-

28.	Azure Power Uranus Private Limited (Subsidiary Company)	Service Agreement & Operations & Maintenance Management Agreement	As per Service Agreement dated 31.12.2021; amended letter dated 01.01.2022 and Operations & Maintenance Management Agreement dated 15 July 2024	As per Service Agreement dated 31.12.2021 and amended letter dated 01.01.2022 and Operations & Maintenance Management Agreement dated 15 July 2024	11.01.2022; and ratified on 04.12.2024	-
29.	Azure Power (Rajasthan) Private Limited (Subsidiary Company)	Management Fees & Management Consultancy Agreement	As per Service Agreement dated 31.12.2021 and amended letter dated 01.01.2022	As per Service Agreement dated 31.12.2021 and amended letter dated 01.01.2022	11.01.2022 ratified on 07.01.2025	-
30.	Azure Solar Private Limited (Subsidiary Company)	Management Fees & Management Consultancy Agreement	As per Service Agreement dated 31.12.2021 and amended letter dated 01.01.2022	As per Service Agreement dated 31.12.2021 and amended letter dated 01.01.2022	11.01.2022 ratified on 06.01.2025	-

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



**Sugata Sircar
Director
DIN: 01119161**



Date: **20.08.2025**
Place: **Gurgaon**



**Sunil Kumar Gupta
Managing Director
DIN: 07095152**

Date: **20.08.2025**
Place: **Gurgaon**

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 Standalone Balance Sheet as at March 31, 2025, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of material 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 matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("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, 2025, 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

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 earlier years. 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.

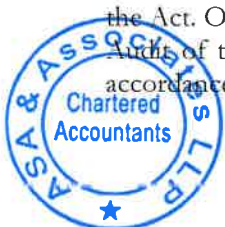
A special committee was constituted by the Board of Directors of the Parent Company ('the Special Committee'), to review certain material projects and contracts for anti-corruption and related compliance issues. Independent external counsels and forensic advisors were engaged to support the Special Committee. The Special Committee has substantially completed its review.

As a result of above, 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 are 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 matter, 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.

The above matter was also the subject matter of qualification in the 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 we have 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 of the matter, 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 Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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.

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.

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.

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 possible effects of the matter 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) In our opinion, except, for the possible effect of the matter described in the Basis for Qualified Opinion section above, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) The possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, 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, 2025 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2025 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- (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 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 no. 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, 2025, 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.

Audit trail has been preserved by the Company as per the statutory requirements for record retention in accordance with the requirements of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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



K Nithyananda Kamath

Partner

Membership No. 027972



UDIN: 25027972BMKOYB1146

Place: Gurugram

Date: August 20, 2025

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 and relevant details of right-of-use assets.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment were physically 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, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, certain discrepancies were noticed on such verification and have been properly dealt with in the books of account.
- (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 financial statements are held in the name of the Company. Further, title deeds of immovable properties which are pledged with the trustee have been independently confirmed by the trustee and verified by us.
- (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 and given guarantee, to any other entity. However, the Company has not made any investments, provided advances in the nature of loans or provided security to any other entity.

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	3,51,200	-	64,235	-
Fellow Subsidiaries	-	-	17,187	-



	Guarantees (INR in Lakhs)	Security (INR in Lakhs)	Loans (INR in Lakhs)	Advances in the nature of loans (INR in Lakhs)
Balance Outstanding as at balance sheet date in respect of above cases				
- Subsidiaries	3,42,422	-	55,627	-
- Fellow Subsidiaries	-	-	17,187	-

- (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 Thirty Nine Private Limited	10	March 28, 2024	June 21, 2024	No Remarks
Azure Power Fifty One Private Limited	34	March 29, 2025	Payment is still outstanding	No Remarks
Azure Power Fifty Three Private Limited	2	March 29, 2025	Payment is still outstanding	No Remarks
Azure Power Fifty Four Private Limited	1	March 29, 2025	Payment is still outstanding	No Remarks
Azure Power Fifty Six Private Limited	4	March 29, 2025	Payment is still outstanding	No Remarks
Azure Power Fifty Nine Private Limited	1	March 29, 2025	Payment is still outstanding	No Remarks
Azure Power Sixty Private Limited	1	March 29, 2025	Payment is still outstanding	No Remarks
Azure Power Sixty Two Private Limited	1	March 29, 2025	Payment is still outstanding	No Remarks
Azure Power Infrastructure Private Limited	2	More than 2 years	December 11, 2024	No Remarks
Azure Power (Raj.) Private Limited	1	More than 2 years	December 11, 2024	No Remarks
Azure Power Rooftop Private Limited	15	More than 2 years	December 06, 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. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

- (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 material 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 become payable except for the following:

Name of the Statute	Nature of the Dues	Amount (INR in Lakhs)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
The Income tax Act, 1949	Income Tax	31	Financial Year 2024-25	April 30, 2024	Still Outstanding	No Remarks

- (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, 2025 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	2,020	-	From FY 2015-16 to FY 2024-25	High Court of Delhi	No Remarks
Andhra Pradesh Act on Entry of Goods Act, 2001	Entry Tax	1,130	283	Financial Year 2016-17	High Court of Andhra Pradesh	No Remarks
Andhra Pradesh Act on Entry of Goods Act, 2001	Entry Tax	2,246	562	Financial Year 2017-18	High Court of Andhra Pradesh	No Remarks

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
Goods and Service Tax Act, 2017	Goods and Service Tax	238	24	Financial Year 2017-18	Appellate Authority	No Remarks
Goods and Service Tax Act, 2017	Goods and Service Tax	347	35	Financial Year 2018-19	Appellate Authority	No Remarks
Goods and Service Tax Act, 2017	Goods and Service Tax	201	20	Financial Year 2019-20	Appellate Authority	No Remarks
Goods and Service Tax Act, 2017	Goods and Service Tax	45	5	Financial Year 2020-21	Appellate Authority	No Remarks
Goods and Service Tax Act, 2017	Goods and Service Tax	8,792	79	From FY 2017-18 to FY 2021-22	Appellate Authority	No Remarks
Service Tax Act, 1994	Service Tax	148	11	From FY 2014-15 to FY 2016-17	Customs Excise & Service Tax Appellate Tribunal (CESTAT)	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	289	Interest	73 Days	Paid
Unsecured Term Loans	Subsidiary	119	Interest	200 Days	Paid

(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.

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.
- (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 standalone 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, the transactions entered with the related parties are in compliance with the Section 188 of Companies Act, 2013 where applicable and details have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards. Further, the Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company.



- 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.
- 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. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has incurred cash losses in the immediately preceding financial year amounting to INR 5,710 Lakh. No cash losses were incurred in the current financial year.
- 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 standalone 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.



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



K Nithyananda Kamath

Partner

Membership No. 027972



UDIN: 25027972BMKOYB1146

Place: Gurugram

Date: August 20, 2025

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”)

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 at March 31, 2025, 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.

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 the Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to the Standalone Financial Statements. 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 the Standalone Financial Statements were 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 system with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to the 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 judgment, 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 audit opinion on the Company’s internal financial controls system with reference to the Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to the Standalone Financial Statements

A Company's internal financial control with reference to the 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 the 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.

Inherent Limitations of Internal Financial Controls with reference to the Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to the 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 the Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to the Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has maintained, in all material respects, an adequate internal financial controls system with reference to the Standalone Financial Statements and such internal financial controls with reference to the Standalone Financial Statements were operating effectively as at March 31, 2025, based on the internal control with reference to the Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For ASA & Associates LLP

Chartered Accountants

Firm Registration No: 009571N/N500006



K Nithyananda Kamath

Partner

Membership No. 027972



UDIN: 25027972BMKOYB1146

Place: Gurugram

Date: August 20, 2025

Azure Power India Private Limited
Standalone Balance Sheet as at March 31, 2025
 (All amount in INR lakhs, unless otherwise stated)

	Notes	As at	
		March 31, 2025	March 31, 2024
Assets			
Non-current assets			
Property, plant and equipment	3	1,32,598	1,37,409
Capital work-in-progress	3	98	431
Right-of-use assets	31	4,528	5,048
Intangible assets	3.1	47	36
Non-current investments	4.1	3,27,184	3,27,184
Financial assets			
- Investments	5.1	4,550	4,550
- Trade receivables	5.2	6,618	39,710
- Loans	5.3	97,851	12,730
- Other financial assets	5.4	46,131	46,327
Deferred tax assets (net)	16	-	12,851
Other non-current assets	6	906	10,798
Income tax assets (net)	7	4,350	2,330
Total non-current assets		6,24,861	5,99,404
Current assets			
Current investments	4.2	-	50
Financial assets			
- Investments	8.1	25	-
- Trade receivables	8.2	11,100	20,494
- Cash and cash equivalents	8.3	13,928	17,846
- Other bank balances	8.4	34,383	15,077
- Loans	8.5	56,636	86,252
- Other current financial assets	8.6	6,927	40,687
Other current assets	9	16,050	6,601
Total current assets		1,39,049	1,87,007
Total assets		7,63,910	7,86,411
Equity and Liabilities			
Equity			
Equity share capital	10	692	692
Other equity	11	4,59,628	4,76,036
Total equity		4,60,320	4,76,728
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	12.1	2,03,667	1,35,321
- Lease liabilities	31	3,217	3,320
- Other financial liabilities	12.2	7,089	170
Provisions	13.1	1,425	1,344
Deferred tax liabilities (net)	16	2,355	-
Other non-current liabilities	13A	7,390	7,845
Total non-current liabilities		2,25,143	1,48,000
Current liabilities			
Financial liabilities			
- Borrowings	14.1	44,866	1,10,695
- Lease liabilities	31	577	566
- Trade payables			
Total outstanding dues of micro enterprises and small enterprises	14.2	545	528
Total outstanding dues of creditors other than micro enterprises and small enterprises	14.2	6,797	9,055
- Other current financial liabilities	14.3	6,223	21,411
Other current liabilities	15	757	1,210
Provisions	13.2	18,682	18,218
Total current liabilities		78,447	1,61,683
Total liabilities		3,03,590	3,09,683
Total equity and liabilities		7,63,910	7,86,411

See accompanying notes to the standalone financial statements

2.2 - 51

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

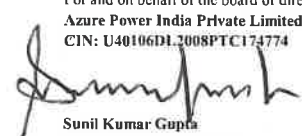
As per our report of even date

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


 K Nithyashankar
 Partner
 Membership No: 027972
 Place : Gurugram
 Date : August 20, 2025



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 20, 2025


 Sugata Sircar
 Director and Group CFO
 DIN: 01119161
 Place : Gurugram
 Date : August 20, 2025


 Kapil Sharma
 Company Secretary
 Membership No: A37154
 Place: Gurugram
 Date : August 20, 2025



Azure Power India Private Limited
Standalone Statement of Profit and Loss for the year ended March 31, 2025
(All amount in INR lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue			
Revenue from operations	17	27,306	28,625
Finance income	18	23,861	17,830
Other income	19	19,517	936
Total income		70,684	47,391
Expenses			
Employee benefits expense	20	8,583	8,041
Finance costs	21	29,122	25,849
Depreciation and Amortisation expense	22	5,743	5,538
Other expenses	23	29,433	31,512
Total expenses		72,881	70,940
Loss before tax		(2,197)	(23,549)
Tax expense:			
Current tax expense	16	282	-
Income tax adjustment pertaining to earlier years	16	(1,425)	-
Deferred tax charge/ (credit)	16	15,199	(4,685)
Total tax expense/ (benefit)		14,056	(4,685)
Loss after tax		(16,253)	(18,864)
Other comprehensive income			
Items that will be reclassified to profit or loss			
Net movement on cash flow hedge reserve		29	(1,010)
Income tax effect on cash flow hedge reserve	16	(10)	353
Items that will not be reclassified to profit or loss			
Re-measurement loss on defined benefit plans	35	(9)	(25)
Income tax effect on re-measurement losses on defined benefit plans	16	3	9
Total other comprehensive income/(loss)		13	(673)
Total comprehensive loss		(16,240)	(19,537)
Earnings per equity share: [Nominal value of share: INR 10 (March 31, 2024: INR 10)]			
(1) Basic earnings per share (in INR)	24	(234.85)	(272.58)
(2) Diluted earnings per share (in INR)	24	(234.85)	(272.58)
See accompanying notes to the standalone financial statements	2.2 - 51		

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

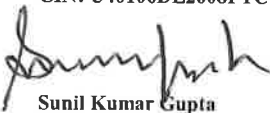
As per our report of even date


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


K Nithyananda Kamath
Partner
Membership No: 027972
Place : Gurugram
Date : August 20, 2025



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: 07005157
Place : Gurugram
Date : August 20, 2025


Sugata Sircar
Director and Group CFO
DIN: 01119161
Place : Gurugram
Date : August 20, 2025


Kapil Sharma
Company Secretary
Membership No: A37154
Place: Gurugram
Date : August 20, 2025



Azure Power India Private Limited
Standalone Statement of Changes in Equity for the year ended March 31, 2025
(All amount in INR Lakhs, unless otherwise stated)

	A. Equity share capital	
	Number of shares	Share capital
For the year ended March 31, 2025		
Equity shares of INR 10 each issued, subscribed and fully paid	69,20,619	692
At April 01, 2024		
Changes during the year		
At March 31, 2025	69,20,619	692
For the year ended March 31, 2024		
Equity shares of INR 10 each issued, subscribed and fully paid	69,20,619	692
At April 01, 2023		
Changes during the year		
At March 31, 2024	69,20,619	692

B. Other equity

Particulars	For the year ended March 31, 2025:				Total
	Deemed capital contribution by holding company / ESOP reserve	Reserves and surplus	Items of other comprehensive income	Defined benefit plans	
At April 01, 2024	3,497				
Loss for the year	-	(38,539)	(180)	33	4,76,036
Other comprehensive income / (loss)	-	(16,253)	19	(6)	(16,253)
Total comprehensive income / (loss)	3,497	(54,792)	(161)	27	4,59,796
Reversal of deemed capital contribution by holding company on account of employee stock option plan (refer note 25)	(168)	-	-	-	(168)
At March 31, 2025	3,329	(54,792)	(161)	27	4,59,628

Particulars	For the year ended March 31, 2024:				Total
	Deemed capital contribution by holding company / ESOP reserve	Reserves and surplus	Items of other comprehensive income	Defined benefit plans	
At April 01, 2023	3,515				
Loss for the year	-	(19,675)	477	49	4,95,591
Other comprehensive loss	-	(18,864)	(657)	(16)	(18,864)
Total comprehensive income / (loss)	3,515	(38,539)	(180)	33	(673)
Reversal of deemed capital contribution by holding company on account of employee stock option plan (refer note 25)	(18)	-	-	-	(18)
At March 31, 2024	3,497	(38,539)	(180)	33	4,76,036

*The amount is net of share issue expenses.

See accompanying notes to the standalone financial statements

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

As per our report of even date

For ASA & Associates LLP
 Chartered Accountants

Firm Registration Number: 009571/N/NS/000000

K Anil Kumar Kamath

Partner

Membership No. 027972

Place: Gurugram

Date: August 20, 2025

For and on behalf of the board of directors of
 Azure Power India Private Limited
 CIN: U40100DL2018PTC174774

Samir Kumar Gupta

Managing Director and CEO

DIN: 01119161

Place: Gurugram

Date: August 20, 2025

Sugandha Srivastava

Director and Group CFO

DIN: 01119161

Place: Gurugram

Date: August 20, 2025

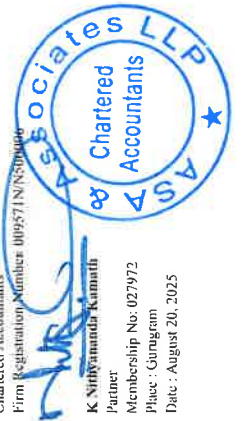
Kapil Sharma

Company Secretary

Membership No. A37154

Place: Gurugram

Date: August 20, 2025



Azure Power India Private Limited
Standalone Statement of Cash Flows for the year ended March 31, 2025
(All amount in INR lakhs, unless otherwise stated)

	For the year ended March 31, 2025	For the year ended March 31, 2024
A Cash flow from operating activities		
Loss before tax	(2,197)	(23,549)
Adjustments for :		
Depreciation and Amortisation expense	5,743	5,538
Interest income	(23,686)	(17,830)
Reversal of Share based payment liability	(168)	(18)
Foreign exchange fluctuation (net)	197	85
Amortisation of performance bank guarantee	40	40
Interest income on investments	(270)	(63)
Amortisation of extension charges	14	15
Gain on cancellation of lease contract	-	(293)
Income on financial assets measured at amortised cost	(31)	(30)
Liabilities no longer required written back	(478)	(496)
Provision for doubtful loans, interest and contractually reimbursable expenses (Net)	(4,201)	6,238
Advances written off	924	-
Inter company balances written off	-	40
Allowance for doubtful trade receivables (net)	(1,105)	5,771
Deferred revenue	(459)	(488)
Dividend received	(11,656)	-
Gain of modification of financial assets	-	(20)
Impairment expense	-	841
Provision for bank guarantee	3,935	-
Provision for diminution in value of investments	9,158	467
Assets written off	184	194
Loss on sale of plant, property and equipments	76	-
Finance costs	29,122	25,849
Insurance claim	(7)	(19)
Operating profit before working capital changes	5,135	2,272
Changes in working capital:		
Decrease in other non-current assets	125	48
Increase in other current assets	(762)	(2,117)
Decrease/ (increase) in trade receivables	58,287	(779)
Decrease in other current and non-current financial assets	15,773	158
(Decrease)/ increase in trade payables	(1,327)	4,099
Decrease in other current and non current financial liabilities	(415)	(4,401)
Decrease in other current liabilities	(455)	(432)
(Decrease)/increase in current and non-current provisions	(3,495)	468
Cash from/ (used in) operations	72,866	(684)
Income taxes paid (net of refund)	(877)	(2,305)
Net cash from/ (used in) operating activities	(A) 71,989	(2,989)
B Cash flow from investing activities		
Net Purchases of property, plant and equipment (including capital work in progress, capital advances and capital creditors)	(238)	(2,107)
Purchase of intangible assets	(73)	(67)
Insurance claim	7	19
Payment of security deposits (net)	-	(130)
Interest received	10,513	7,519
Dividend received	11,656	-
Loans given to subsidiaries/ fellow subsidiaries	(51,196)	(13,366)
Receipt of loans given to by subsidiaries/ fellow subsidiaries	24,529	4,814
Proceeds from disposal of subsidiaries	25	-
Investment in compulsory convertible debenture of subsidiaries	(9,158)	-
Net (investment in)/ proceeds from bank deposits (having original maturity of more than three months)	(29,773)	28,288
Net cash (used in)/ from investing activities	(B) (43,708)	24,970
C Cash flow from financing activities		
Proceeds of borrowings from bank/financial institution	49,679	17,500
Repayments of borrowings from bank/financial institution	(35,199)	(29,535)
Payment of ancillary cost of borrowings	-	(1,103)
Proceeds of borrowings from subsidiaries/ fellow subsidiaries	300	7,824
Repayment of borrowings from subsidiaries/ fellow subsidiaries	(24,258)	-
Finance costs paid	(22,226)	(16,551)
Payment of lease liabilities	(495)	(428)
Net cash used in financing activities	(C) (32,199)	(22,293)
Net decrease in cash and cash equivalents	(A)+(B)+(C) (3,918)	(312)
Cash and cash equivalents at the beginning of the year	17,846	18,158
Cash and cash equivalents at the end of the year	13,928	17,846
Balances with scheduled banks:		
- In current accounts	2,178	7,869
- Deposits with original maturity of less than 3 months	11,750	9,977
Total cash and cash equivalents (refer note 8.3)	13,928	17,846



Azure Power India Private Limited
Standalone Statement of Cash Flows for the year ended March 31, 2025
(All amount in INR lakhs, unless otherwise stated)

Change in liabilities arising from financing activities

Particulars	Opening balance as at April 01, 2024	Cash flow (net)	Change in foreign exchange rate	Other changes*	Closing balance as at March 31, 2025
Borrowings	2,46,016	(9,478)	(2,842)	14,837	2,48,533
Lease liabilities (including current lease)	3,886	(495)	-	403	3,794
Total liabilities from financing activities	2,49,902	(9,973)	(2,842)	15,240	2,52,327

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
Borrowings	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

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

Notes:

1. The Standalone 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 standalone financial statements 2.2 - 51

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 20, 2025



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 20, 2025

Sugata Sircar

Director and Group CFO

DIN: 01119161

Place : Gurugram

Date : August 20, 2025



Kapil Sharma

Company Secretary

Membership No: A37154

Place: Gurugram

Date : August 20, 2025



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 20, 2025.

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.



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.



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.



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 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



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Notes to standalone financial statements for the year ended March 31, 2025
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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.



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.



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.



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.



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.



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



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 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.



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



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.

D) 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



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.



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.



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,



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



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.



Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2025
(INR amount in lakhs, unless otherwise stated)

aa) Changes in accounting policy and disclosures

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 April 01, 2024.



3 Property, plant and equipment and Capital work in progress

	Freehold land	Plant and machinery ^A	Furniture and fixtures	Vehicles	Computers	Office equipment	Leasehold improvements	Building	Total	Capital work in progress**
Gross block at cost										
At April 1, 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)	(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
Additions	-	608	-	91	91	-	-	-	703	435
Disposals/adjustments	-	(372)	-	(130)	(60)	(2)	-	-	(564)	(768)
At March 31, 2025	1,453	1,69,778	91	693	1,283	211	2,196	7,857	1,83,562	98
Accumulated depreciation										
At April 1, 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	-	-	-	177	-
At March 31, 2024	-	41,465	88	542	931	201	1,194	1,593	46,014	-
Charge for the year	-	4,532	1	28	157	8	221	216	5,163	-
Disposals/adjustments	-	(93)	-	(66)	(52)	(2)	-	-	(213)	-
At March 31, 2025	-	45,904	89	504	1,036	207	1,415	1,809	50,964	-
Net block										
At March 31, 2025	1,453	1,23,874	2	189	247	4	781	6,048	1,32,598	98
At March 31, 2024	1,453	1,28,077	3	281	321	12	998	6,264	1,37,469	431

(i) Refer note 12.1 for information on property, plant and equipment pledged as security by the Company

* During the current year ended March 31, 2025, the Company has conducted physical verifications of its property, plant and equipment. Based on the outcome of the physical verification, certain discrepancies were identified which were reviewed and appropriately adjusted in the books of accounts. Accordingly, the Company had written off plant and machinery (net) amounting to INR 22 lakhs.

**Capital work in progress (CWIP) ageing schedule

As at March 31, 2025	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	98	-	-	98
Total	98	-	-	98
As at March 31, 2024	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	More than 3 years	
Projects in progress	30	-	401	431
Total	30	-	401	431

(ii) As at March 31, 2025 and March 31, 2024, 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, 2023	1,729	1,729
Additions	67	67
At March 31, 2024	1,796	1,796
Additions	73	73
At March 31, 2025	1,869	1,869
Accumulated amortisation		
At April 01, 2023	1,723	1,723
Charge for the year	37	37
At March 31, 2024	1,760	1,760
Charge for the year	62	62
At March 31, 2025	1,822	1,822
Net block		
At March 31, 2025	47	47
At March 31, 2024	36	36



Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2025
 (All amount in INR lakhs, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
4.1. Non-current investments		
(a) Investment in equity shares of subsidiaries (at cost and unquoted)		
1.26,523 (March 31, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 1,04,532) equity shares of INR 10/- each fully paid up in Azure Urja Private Limited#	6,355	6,355
44,898 (March 31, 2024: 44,898) equity shares of INR 10/- each fully paid up in Azure Surya Private Limited#	1,523	1,523
37,776 (March 31, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 26,32,123) equity shares of INR 10/- each fully paid up in Azure Power Forty Private Limited#	13,684	13,684
10,82,652 (March 31, 2024: 10,82,652) 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, 2024: 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, 2024: 27,56,629) equity shares of INR 10/- each fully paid up in Azure Power Maple Private Limited#	21,967	21,967
15,43,000 (March 31, 2024: 15,43,000) equity shares of US\$ 1 each fully paid up in Azure Power US Inc.	951	951
46,04,457 (March 31, 2024: 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, 2024: 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, 2024: 1,09,999) equity shares of INR 10/- each fully paid up in Azure Power Fifty Three Private Limited (refer note 50)		
9,999 (March 31, 2024: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Fifty Four Private Limited (refer note 50)		
1,09,999 (March 31, 2024: 1,09,999) equity shares of INR 10/- each fully paid up in Azure Power Fifty Six Private Limited		
9,999 (March 31, 2024: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Fifty Seven Private Limited		
9,999 (March 31, 2024: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Fifty Eight Private Limited		
9,999 (March 31, 2024: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Fifty Nine Private Limited (refer note 50)		
9,999 (March 31, 2024: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Sixty Private Limited (refer note 50)		
9,999 (March 31, 2024: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Sixty two Private Limited (refer note 50)		
9,999 (March 31, 2024: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Sixty One Private Limited		
9,999 (March 31, 2024: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Sixty three Private Limited		
9,999 (March 31, 2024: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Sixty four Private Limited		
9,999 (March 31, 2024: 9,999) equity shares of INR 10/- each fully paid up in Kotuma Wind Parks Private Limited		
9,999 (March 31, 2024: 9,999) equity shares of INR 10/- each fully paid up in Two Wind Energy Private Limited		
9,999 (March 31, 2024: 9,999) equity shares of INR 10/- each fully paid up in Azure Energy Transition Private Limited		
9,999 (March 31, 2024: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Sixty Five Private Limited		
9,999 (March 31, 2024: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Sixty Six Private Limited		
9,999 (March 31, 2024: 9,999) equity shares of INR 10/- each fully paid up in Azure Green Hydrogen Private Limited		
Total	(A) 3,13,699	3,13,699
(b) Investment in Compulsorily Convertible Debentures (CCD) of subsidiaries (at cost and quoted)		
3,20,758 (March 31, 2024: 3,20,758) CCD in Azure Power Thirty Seven Private Limited	8,500	8,500
1,70,183 (March 31, 2024: 1,70,183) CCD in Azure Power Forty Three Private Limited	5,000	5,000
3,59,98,380 (March 31, 2024: Nil) CCD in Azure Power Fifty One Private Limited	3,600	-
1,10,85,039 (March 31, 2024: Nil) CCD in Azure Power Fifty Three Private Limited	1,109	-
1,04,34,789 (March 31, 2024: Nil) CCD in Azure Power Fifty Four Private Limited	1,043	-
23,00,000 (March 31, 2024: Nil) CCD in Azure Power Fifty Six Private Limited	230	-
24,00,000 (March 31, 2024: Nil) CCD in Azure Power Fifty Seven Private Limited	240	-
1,06,76,461 (March 31, 2024: Nil) CCD in Azure Power Fifty Nine Private Limited	1,068	-
1,03,79,669 (March 31, 2024: Nil) CCD in Azure Power Sixty Private Limited	1,038	-
83,00,000 (March 31, 2024: Nil) CCD in Azure Power Sixty Two Private Limited	830	-
Total	(B) 22,658	13,500
Less:-		
Provision for diminution in value of Investment in equity shares of subsidiaries (refer note 50)	15	15
Provision for diminution in value of investments in CCD (refer note 23 and 50)	9,158	-
Total	(C) 9,173	15
Total	(A+B-C) 3,27,184	3,27,184
Aggregate value of unquoted investments	3,36,357	3,27,199
Aggregate amount of impairment in value of investments	9,173	15

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

#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.

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Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2025
(All amount in INR lakhs, unless otherwise stated)

		As at March 31, 2025	As at March 31, 2024
4.2. Current investments			
Investment in equity shares of subsidiaries (at fair value and unquoted)			
Nil (March 31, 2024: 2,38,438) equity shares of INR 10/- each fully paid up in Azure Power Mercury Private Limited*		-	816
6,99,499 (March 31, 2024: 6,99,499) equity shares of INR 10/- each fully paid up in Azure Power Saturn Private Limited*		-	2,043
1,20,402 (March 31, 2024: 1,20,402) equity shares of INR 10/- each fully paid up in Azure Power Thirty Eight Private Limited*		-	1,945
Nil (March 31, 2024: 1,45,449) 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 and 8.1.

5 Non-current financial assets
(Carried at amortised cost, unless otherwise stated)

5.1 Investments

(at fair value through profit and loss)

(a) Investment in equity shares (unquoted)

5,61,921 (March 31, 2024: 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) ***

(b) Investment in compulsorily convertible debentures (unquoted)

13,00,000 (March 31, 2024: 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) ***

Total	4,550	4,550
Aggregate value of unquoted investments	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 Premier Energies International Private Limited ("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 entity 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 and 5.4).

5.2 Trade receivables

(Unsecured)

Trade receivables-subidiaries (refer note 26 and 34)

Trade receivables-others (refer note 34)

Total trade receivables

Break-up for trade receivables

Undisputed trade receivables, considered good

Undisputed trade receivables, credit impaired

Total

Impairment allowance for doubtful trade receivable (refer note 38)

Undisputed trade receivables, credit impaired

Total

Trade receivables ageing schedule

As at March 31, 2025	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	6,585	33	-	-	-	-	-	6,618
Undisputed trade receivables, credit impaired	28	-	-	-	-	-	-	28
	6,613	33	-	-	-	-	-	6,646
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

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 receivables includes Safeguard duty (SGD) receivables as at March 31, 2025 amounting to INR 6,612 lakhs (March 31, 2024: INR 7,345 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 amounting to INR 10,890 lakhs which is 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 earlier years.

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Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2025
(All amount in INR lakhs, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
5.3 Loans		
(Unsecured)		
Loans to subsidiaries/ fellow subsidiaries (refer note 26)*	97,724	12,617
Loans to subsidiaries/ fellow subsidiaries, credit impaired (refer note 26)*	10,807	200
	(A)	1,08,531
Less: Provision for doubtful loans (refer note 26 and 38)	(B)	(10,807)
	(A-B)	97,724
Performance guarantee deposit	127	113
Total	97,851	12,730
* The loans given to subsidiaries/ fellow subsidiaries carry interest rate ranging between 7.75% p.a. to 10.17% p.a with receivable due on or before October 14, 2024.		
5.4 Other financial assets		
Interest accrued but not due on loans to subsidiaries and fellow subsidiaries, considered good (refer note 26)	5,716	3,569
Interest accrued and due on loans to subsidiaries and fellow subsidiaries, credit impaired (refer note 26)	316	-
	(A)	6,032
Less: Provision for doubtful interest (refer note 26 and 38)	(B)	(316)
	(A-B)	5,716
Security deposits	251	618
Term deposits*	38,558	28,091
Interest accrued on term deposits	1,249	830
Interest accrued on investments (refer note 5.1)	202	496
Interest accrued on trade receivables from subsidiaries and fellow subsidiaries (refer note 26)	-	11,628
Financial asset at fair value through other comprehensive income		
Derivative assets (refer note 33)	155	1,095
Total	46,131	46,327
*Term deposits includes of INR 30,842 lakhs (March 31, 2024: INR 16,066 lakhs) 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 and of INR 6,338 lakhs (March 31, 2024: INR 10,967 lakhs) in term deposits towards Debt-Service Reserve account for its outstanding loan.		
6. Other non-current assets		
(Unsecured, considered good)		
Capital advances	2	9,715
Prepaid assets	37	163
Prepaid performance guarantee deposits	635	674
Contract assets (refer note 34)	232	246
Total	906	10,798
7. Income tax assets (net)		
Advance income-tax (net of provision for tax of INR 282 lakhs (March 31, 2024: INR 2,090 lakhs).	4,350	2,330
Total	4,350	2,330
8. Current financial assets		
(Carried at amortised cost, unless otherwise stated)		
8.1 Investments		
Investment in equity shares of others (at fair value and unquoted)		
6,99,499 (March 31, 2024: 6,99,499) equity shares of INR 10/- each fully paid up in Azure Power Saturn Private Limited*	2,043	-
1,20,402 (March 31, 2024: 1,20,402) equity shares of INR 10/- each fully paid up in Azure Power Thirty Eight Private Limited*	1,945	-
Total	3,988	-
	(A)	
Less:-		
Provision for diminution in value of investments (refer note 23 and 44)	3,963	-
Total	3,963	-
	(B)	
Total	25	-
	(A-B)	
Aggregate value of unquoted investments	3,988	-
Aggregate amount of impairment in value of investments	3,963	-
*Refer note 44 and 4.2		
8.2 Trade receivables		
(Unsecured)		
Trade receivables - subsidiaries* (refer note 26 and 34)	7,293	16,817
Trade receivables - others* (refer note 34)	3,807	3,677
Total	11,100	20,494
Break-up for trade receivables:		
Undisputed trade receivables, considered good	11,100	20,494
Undisputed trade receivables, credit impaired^	10,110	11,283
Total	21,210	31,777
Impairment allowance for doubtful trade receivable (refer note 38, 50 and 51)		
Undisputed trade receivables, credit impaired	(10,110)	(11,283)
Total	11,100	20,494

(Spaces intentionally left blank)



			As at					As at	
			March 31, 2025					March 31, 2024	
Trade receivables ageing schedule									
As at March 31, 2025	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	4,082	716	1,770	975	1,106	1,042	1,409	11,100	
Undisputed trade receivables, credit impaired	13	3	2	23	-	5,388	4,681	10,110	
	<u>4,095</u>	<u>719</u>	<u>1,772</u>	<u>998</u>	<u>1,106</u>	<u>6,430</u>	<u>6,090</u>	<u>21,210</u>	
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	
	<u>2,884</u>	<u>1,715</u>	<u>2,903</u>	<u>1,997</u>	<u>11,160</u>	<u>10,059</u>	<u>1,059</u>	<u>31,777</u>	

* 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 10,041 lakhs (March 31, 2024: INR 11,187 lakhs).

(i) Trade receivables includes Safeguard duty (SGD) receivables as at March 31, 2025 amounting to INR 732 lakhs (March 31, 2024: INR 660 lakhs)

8.3 Cash and cash equivalents

Balances with banks:

- In current accounts

- Deposits with original maturity of less than 3 months

Total

	2,178	7,869
	11,750	9,977
Total	13,928	17,846

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

8.4 Other bank balances

- Deposits with original maturity of more than 3 months, but with remaining maturity of less than 12 months

Total

	34,383	15,077
Total	34,383	15,077

8.5 Loans

(Unsecured)

Loans to subsidiaries/ fellow subsidiaries, considered good (refer note 26)*

Loans to subsidiaries/ fellow subsidiaries, credit impaired (refer note 26)*

Total

	56,636	86,252
	-	9,205
(A)	56,636	95,457
(B)	-	(9,205)
(A-B)	56,636	86,252

Less: Provision for doubtful loans (refer note 26 and 38)

Total

* Loans given to subsidiary company carries interest rate ranging from 10.17% p.a. to 10.19% p.a. and are receivable on or before March 31, 2026.

8.6 Other current financial assets

Financial asset at amortised cost

Interest accrued and due on loans and advances to subsidiaries/ fellow subsidiaries, considered good (refer note 26)

Interest accrued and due on loans and advances to subsidiaries/ fellow subsidiaries, credit impaired (refer note 26)

Less: Provision for doubtful interest (refer note 26 and 38)

	3,339	13,272
	21	1,018
(A)	3,360	16,290
(B)	(21)	(1,018)
(A-B)	3,339	15,272

Contractually reimbursable from holding company/ subsidiaries/ fellow subsidiaries, considered good (refer note 26)

Contractually reimbursable from holding company/ subsidiaries/ fellow subsidiaries, credit impaired (refer note 26)

Less: Provision for doubtful contractually reimbursable expenses (refer note 26 and 38)

	2,640	13,108
	313	5,234
(C)	2,953	18,342
(D)	(313)	(5,234)
(C-D)	2,640	13,108

Interest accrued on term deposits

	929	368
--	-----	-----

Interest accrued and not due on loans and advances to subsidiaries/ fellow subsidiaries, considered good (refer note 26)

	19	10,109
--	----	--------

Financial asset at fair value through other comprehensive income

Derivative assets (refer note 33)

Total

	-	1,830
Total	6,927	40,687

9. Other current assets

(Unsecured, considered good)

Balance with statutory authorities

Money paid under protest

Advance to vendors

Prepaid assets

Deferred financing cost

Prepaid performance guarantee deposit

Contract assets (refer note 34)

Other advances

Total

	4,773	3,638
	1,562	1,505
	9,125	417
	496	446
	-	479
	40	40
	14	14
	40	62
Total	16,050	6,601

(Spaces intentionally left blank)



	As at March 31, 2025	As at March 31, 2024
--	-------------------------	-------------------------

10. Equity share capital

Authorised share capital:

Equity share capital

4,33,33,333 (March 31, 2024: 4,33,33,333) equity shares of INR 10/- each	4,333	4,333
8,66,66,667 (March 31, 2024: 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, 2024: 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 01, 2023	69,20,619	692
Changes during the year	-	-
At March 31, 2024	69,20,619	692
Changes during the year	-	-
At March 31, 2025	69,20,619	692

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, 2025	As at March 31, 2024
Azure Power Global Limited, holding company		
68,18,032 (March 31, 2024: 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		Percentage of holding	
	March 31, 2025	March 31, 2025	March 31, 2024	March 31, 2024
Equity shares of INR 10 each fully paid				
Azure Power Global Limited	68,18,032	98.52%	68,18,032	98.52%
Indeepreet S Wadhwa (refer note 32(b)(ii), 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, 2025

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, 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%	-

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.



Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2025
 (All amount in INR lakhs, unless otherwise stated)

11. Other equity

For the year ended March 31, 2025:

Particulars	Deemed capital contribution by holding company / ESOP reserve (refer note 11.1)	Reserves and surplus		Items of other comprehensive income		Total
		Deficit in the standalone 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, 2024	3,497	(38,539)	5,11,225	(180)	33	4,76,036
Loss for the year	-	(16,253)	-	-	-	(16,253)
Other comprehensive income/(loss)	-	-	-	19	(6)	13
Total comprehensive income/(loss)	3,497	(54,792)	5,11,225	(161)	27	4,59,796
Reversal of deemed capital contribution by holding company on account of employee stock option plan (refer note 25)	(168)	-	-	-	-	(168)
At March 31, 2025	3,329	(54,792)	5,11,225	(161)	27	4,59,628

For the year ended March 31, 2024:

Particulars	Deemed capital contribution by holding company / ESOP reserve (refer note 11.1)	Reserves and surplus		Items of other comprehensive income		Total
		Deficit in the standalone 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 loss	-	-	-	(657)	(16)	(673)
Total comprehensive income/(loss)	3,515	(38,539)	5,11,225	(180)	33	4,76,054
Reversal of deemed capital contribution by holding company 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

*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 Deficit in the standalone statement of profit and loss

Deficit in the standalone 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 standalone 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.



Azure Power India Private Limited

Notes to standalone financial statements for the year ended March 31, 2025

(All amount in INR lakhs, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
12. Non-current financial liabilities				
(Carried at amortised cost, unless otherwise stated)				
12.1 Non-current borrowings				
	Non-current portion		Current portion*	
Term loans (secured)**				
Term loans from bank ⁽¹⁾	18,395	20,175	1,445	1,390
Term loans from financial institutions ⁽²⁾	80,265	83,311	6,128	5,843
Foreign currency loan from bank ⁽³⁾	23,865	3,136	2,498	3,242
Foreign currency loan from financial institutions ⁽³⁾	-	11,757	-	12,155
Vehicle loan ⁽¹⁾	-	49	-	21
Term loans (unsecured)**				
Term loans from bank ⁽¹⁾	-	14,709	34,795	-
From related party (unsecured)				
Loan from subsidiaries ⁽⁴⁾ (refer note 26)	81,142	2,184	-	62,668
Total borrowings	2,03,667	1,35,321	44,866	85,319

*Refer note 14.1

** Interest rate ranging 7.75% - 10.50% per annum

(1) Term loans from banks

During the year ended March 31, 2022, the Company had taken a loan amounting INR 25,000 lakhs from Axis Bank for financing of its 200 MW Solar project with Solar Energy corporation of India. This facility is repayable in 70 quarterly installments commencing from December, 2021 and ending on March 2039. The loan is secured by charge on immovable properties, charge on movable properties, assignment of project contracts and charge on other assets including but not limited to bank accounts and accounts receivables of the underlying solar power project. As at March 31, 2025, net carrying value of the loan is INR 19,840 lakhs (March 31, 2024: INR 21,565 lakhs) post adjustment of unamortised balance of ancillary cost of borrowing INR 76 lakhs (March 31, 2024: INR 88 lakhs).

During the year ended March 31, 2023, the Company had taken a loan amounting INR 81 lakhs from HDFC Bank. The loan was repayable in 60 monthly installments commencing from July 2022 and ending on June 2027. The facility has been repaid during the current year.

During the year ended March 31, 2022, the Company had taken a loan amounting INR 24 lakhs from HDFC Bank. The loan was repayable in 60 monthly installments commencing from January 2022 and ending on December 2026. The facility has been repaid during the current year.

During the year ended March 31, 2024 and March 31, 2025, the Company had taken a term loan of INR 15,000 lakhs and 20,000 from HSBC (Hong Kong and Shanghai Banking Corporation). The facility is repayable in November 2025. As at March 31, 2025, net carrying value of the loan is INR 34,795 lakhs (March 31, 2024: INR 14,709 lakhs) post adjustment of unamortised balance of ancillary cost of borrowing INR 205 lakhs (March 31, 2024: INR 291 lakhs).

(2) Term loans from financial institutions

During the year ended March 31, 2022, 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 for refinancing of its 100 MW Solar project with NTPC Limited. These facilities are repayable in 63 quarterly installments commencing from December, 2021 and ending on June 2037. These facility is secured by charge on immovable properties, charge on movable properties, assignment of project contracts and charge on other assets including but not limited to bank accounts and accounts receivables of the underlying solar power project. As at March 31, 2025, net carrying value of the loans are INR 14,760 lakhs and INR 27,879 lakhs (March 31, 2024: INR 15,689 lakhs and INR 29,634 lakhs) post adjustment of unamortised balance of ancillary cost of borrowing of INR 54 lakhs and INR 103 lakhs (March 31, 2024: INR 61 lakhs and INR 116 lakhs) of Aseem Infrastructure Finance Limited and NIIF Infrastructure Finance Limited respectively.

During the year ended March 31, 2022, the Company had taken a loan amounting INR 32,640 lakhs from Tata Cleantech Capital Limited (TCCL) for financing of its 200 MW Solar project with solar energy corporation of india. The facility is repayable in 70 quarterly installments commencing from December, 2021 and ending on March 2039. The loan is secured by charge on immovable properties, charge on movable properties, assignment of project contracts and charge on other assets including but not limited to bank accounts and accounts receivables of the underlying solar power project. As at March 31, 2025, net carrying value of the loan is INR 28,200 lakhs (March 31, 2024: INR 28,480 lakhs) post adjustment of unamortised balance of ancillary cost of borrowing INR 118 lakhs (March 31, 2024: INR 133 lakhs).



Azure Power India Private Limited

Notes to standalone financial statements for the year ended March 31, 2025

(All amount in INR lakhs, unless otherwise stated)

During the year ended March 31, 2022, the Company had 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 State Power Distribution Company Limited. The facility is repayable in 168 monthly installments commencing from April, 2022 and ending on March 2036. The loan is secured by charge on immovable properties, charge on movable properties, assignment of project contracts and charge on other assets including but not limited to bank accounts and accounts receivables of the underlying solar power project. As at March 31, 2025, net carrying value of the loan is INR 11,788 lakhs (March 31, 2024: INR 12,925 lakhs) post adjustment of unamortised balance of ancillary cost of borrowing INR 84 lakhs (March 31, 2024: INR 99 lakhs).

During the year ended March 31, 2024 and March 31, 2025, the Company borrowed an amount of INR 2,500 lakhs and 1,666 lakhs respectively from Kotak Infrastructure Debt Fund Limited for financing of a 10 MW solar power project with Bangalore Electricity Supply Company Limited. The facility is repayable in 49 quarterly installments commencing from March 2024 and ending in March 2036. The loan is secured by charge on immovable properties, charge on movable properties, assignment of project contracts and charge on other assets including but not limited to bank accounts and accounts receivables of the underlying solar power project. As at March 31, 2025, net carrying value of the loan is INR 3,766 lakhs (March 31, 2024: INR 2,426 lakhs) post adjustment of unamortised balance of ancillary cost of borrowing INR 35 lakhs (March 31, 2024: INR 24 lakhs).

⁽³⁾ Foreign currency loan from banks and financial institutions

During the year ended March 31, 2021, the Company borrowed US\$ 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 various specified projects from Export Development Canada and Standard Chartered Bank (Singapore) Limited. The borrowing is collateralized by the shares of project SPVs and hypothecation/charge over receivables of the Company. During the current year, the facility has been fully repaid.

During the current year ended March 31, 2025, the company borrowed INR 26,279 lakhs from HSBC Bank. The facility is repayable in six semi-annually installments, commencing from May 2025 and ending in November 2027. The loan facility is secured through pari-passu charge over current assets and moveable fixed assets, excluding any assets charged to the project specific bridge loan lender or term loan lender or other such facilities, and cash margin charged to the working capital lenders. The net carrying value of the loan as of March 31, 2025, is INR 26,363 lakhs post adjustment of unamortised balance of ancillary cost of borrowing INR 274 lakhs.

⁽⁴⁾ Loan from subsidiaries

The Company has taken an loans from its subsidiaries/fellow subsidiaries carry interest rate ranging from 8.85% to 11.55% per annum, which are repayable on or before August 09, 2029. Refer note 26 for further details.

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Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2025
(All amount in INR lakhs, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
12.2 Other financial liabilities		
Interest accrued and but not due on borrowings from subsidiaries (refer note 26)	7,089	170
Total	7,089	170

13. Provisions

13.1 Non-current

Provision for gratuity (refer note 35)	235	250
Provision for decommissioning liabilities*	1,190	1,094
Total	1,425	1,344

*A provision has been recognised for decommissioning costs associated with solar power plants constructed on leasehold land and under solar park. 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/developer.

Movement for provision for decommissioning liabilities

Opening balance	1,094	935
Adjustment due to change in estimates	(12)	77
Liabilities settled during the year	-	(11)
Accretion during the year	108	93
Closing balance	1,190	1,094

13.2 Current

Provision for compensated absences	270	268
Provision for gratuity (refer note 35)	101	74
Provision for bank guarantees** (refer note 23, 50 and 51)	18,311	17,876
Total	18,682	18,218

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

Particulars	March 31, 2025	March 31, 2024
Opening balance	17,876	17,676
Provision created during the year	3,935	900
Payment during the year	(3,500)	(700)
Closing balance	18,311	17,876

13A. Other non-current liabilities

Contract Liability		
Deferred revenue on account of Safeguard Duty (refer note 34)	7,390	7,845
Total	7,390	7,845

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	1,445	1,390
-Term loans from financial institutions	6,128	5,843
-Foreign currency loan from bank	2,498	3,242
-Foreign currency loan from financial institutions	-	12,155
-Vehicle loan	-	21
Term loans (Unsecured) (refer note 12.1)		
-Term loans from bank	34,795	-
From related party (unsecured)		
-Loan from subsidiaries (refer note 12.1 and 26)	-	62,668
Short-term borrowings		
From related party (unsecured)		
-Loan from subsidiaries (refer note 26)	-	25,376
Total	44,866	1,10,695

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Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2025
(All amount in INR lakhs, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
14.2 Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 29)	545	528
- Total outstanding dues of creditors other than micro enterprises and small enterprises	6,797	9,055
Trade payables to related parties	-	-
Other payables	-	-
- to related parties (refer note 26)	-	-
- to others	-	-
Total	7,342	9,583

Trade payables ageing schedule

As at March 31, 2025	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	-	134	48	
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,412	345	328	2,513	32	167	6,797
	3,412	479	376	2,640	71	364	7,342

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	
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

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

Financial liabilities at amortised cost

Interest accrued and not due on borrowings from subsidiaries/fellow subsidiaries (refer note 26)	-	12,112
Interest accrued and due on borrowings from subsidiaries/fellow subsidiaries (refer note 26)	-	3,169
Interest accrued and not due on borrowings	227	940
Payables to holding Company (refer note 26)	324	325
Payable to subsidiaries/ fellow subsidiaries (refer note 26)	1,359	1,915
Payable to others*	1,981	1,981
Payable to employees	1,089	947
Payable towards capital creditors (refer note 29)	405	22

Financial liabilities at fair value through other comprehensive income

Derivative liability (refer note 33)	838	-
Total	6,223	21,411

* Represents liability towards erstwhile CEO and erstwhile COO for stock appreciation rights.

15. Other current liabilities

Statutory dues	326	425
Advance from subsidiaries (refer note 26)	-	350
Contract liability	-	-
Deferred revenue on account of Safeguard duty (refer note 34)	431	435
Total	757	1,210

(Spaces intentionally left blank)



Azure Power India Private Limited

Notes to standalone financial statements for the year ended March 31, 2025

(All amount in INR lakhs, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
16. Deferred tax		
Deferred tax liabilities (net)		
Deferred tax liabilities (net)	2,355	-
Total	<u>2,355</u>	<u>-</u>
Deferred tax assets (net)		
Deferred tax assets (net)	-	12,851
Total	<u>-</u>	<u>12,851</u>

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

	As at March 31, 2023	Movement during the year	As at March 31, 2024	Movement during the year	As at March 31, 2025
Deferred tax liabilities:					
Difference between tax base and book base of property, plant and equipment	30,728	(227)	30,501	11,298	41,799
Right-of-use assets	1,678	86	1,764	(182)	1,582
Deferred finance cost	-	-	-	96	96
Contract assets	96	(5)	91	(5)	86
Total deferred tax liabilities (A)	<u>32,502</u>	<u>(146)</u>	<u>32,356</u>	<u>11,207</u>	<u>43,563</u>
Deferred tax assets:					
Unabsorbed depreciation and brought forward losses	29,004	2,322	31,326	(9,649)	21,677
Allowance under section 94B of Income Tax Act, 1961	-	-	-	7,351	7,351
Minimum alternate tax	7,836	-	7,836	(1,777)	6,059
Provision for decommissioning liabilities	235	40	275	142	417
Lease liabilities	1,255	103	1,358	(77)	1,281
Provision for employee benefits	163	57	220	2	222
Impairment of assets	100	-	100	-	100
Trade receivables measured at amortised cost	18	(9)	9	(6)	3
Performance bank guarantee	51	10	61	8	69
Allowance for doubtful trade receivable	1,922	2,016	3,938	14	3,952
Total deferred tax assets (B)	<u>40,584</u>	<u>4,539</u>	<u>45,123</u>	<u>(3,992)</u>	<u>41,131</u>
Deferred tax assets/ (liabilities) (net) through Profit and Loss (B-A)	<u>8,082</u>	<u>4,685</u>	<u>12,767</u>	<u>(15,199)</u>	<u>(2,432)</u>
Other Comprehensive Income					
Cash flow hedge reserve	(256)	353	97	(10)	87
Defined benefit plan	(22)	9	(13)	3	(10)
Deferred tax asset/ (liability) (net)	<u>7,804</u>	<u>5,047</u>	<u>12,851</u>	<u>(15,206)</u>	<u>(2,355)</u>

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

	For the year ended March 31, 2025	For the year ended March 31, 2024
Accounting loss before income tax	(2,197)	(23,549)
Applicable statutory income tax rate	34.94%	34.94%
Tax at applicable tax rate	(A) <u>(768)</u>	<u>(8,228)</u>
Adjustments:		
Permanent difference in property, plant and equipment not considered for deferred tax purpose	233	(196)
Other permanent difference disallowed under income tax Act	1,380	283
Impact due to change in deferred tax rate on plant, property and equipment and asset retirement obligation	11,740	-
Disallowance as per section 94B of Income Tax Act, 1961 not considered for deferred tax purpose	-	1,245
Allowance as per section 94B of Income Tax Act, 1961 considered for deferred tax purpose	(6,751)	-
Permanent disallowance on account of deemed dividend from subsidiaries	6,091	-
Impact of revision in earlier year income tax returns	3,607	-
Earlier year tax	(1,425)	-
Impairment of assets in relation to projects (refer note 50 and 51)	-	2,180
Leases	(40)	15
Others	(11)	16
Total	(B) <u>14,824</u>	<u>3,543</u>
Total tax expense/(benefit)	(A+B) <u>14,056</u>	<u>(4,685)</u>
Component of tax expenses		
Current tax expense	282	-
Income tax adjustment pertaining to earlier years	(1,425)	-
Deferred tax charge/ (credit)	15,199	(4,685)
Total tax expense/(benefit)	<u>14,056</u>	<u>(4,685)</u>



Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2025
(All amount in INR lakhs, unless otherwise stated)

	For the year ended March 31, 2025	For the year ended March 31, 2024
17. Revenue from operations		
Revenue from contracts with customers		
Sale of power* (refer note 34)	22,937	23,740
Services rendered		
Management fees (refer note 26 and 34)	4,369	4,885
Total	27,306	28,625
*Revenue from sale of power is recognised at point in time.		
18. Finance income		
Interest income on financial asset measured at amortised cost		
- Term deposits	5,662	4,456
- Loan to related parties (refer note 26)	14,935	9,255
- Trade receivables from subsidiaries (refer note 26)	2,270	3,226
- Safeguard duty receivable	802	893
- Trade receivables others	17	-
Interest on income tax refund	175	-
Total	23,861	17,830
19. Other income		
Interest income on financial asset measured at fair value		
Interest income on investments (refer note 5.1)	270	63
Liabilities no longer required written back	478	496
Sale of scrap	23	-
Gain on cancellation of lease contract	-	293
Gain of modification of financial assets	-	20
Insurance claim	7	19
Reversal of share based compensation (net) (refer note 25)	168	18
Reversal of Provision doubtful interest and contractually reimbursable expenses (refer note 8.6, 26, 38, 50 and 51)	5,770	-
Allowance for doubtful trade receivables written back (refer note 26 and 38)	1,105	-
Dividend income (refer note 26)	11,656	-
Miscellaneous income	40	27
Total	19,517	936
20. Employee benefits expense		
Salaries, wages and bonus	7,240	7,115
Contribution to provident and other funds (refer note 35)	334	319
Gratuity expenses (refer note 35)	97	97
Staff welfare expenses	912	510
Total	8,583	8,041
21. Finance costs		
Interest expenses on financial liabilities measured at amortised cost		
- Term loans	17,373	16,307
- Loans from subsidiaries (refer note 26)	9,860	7,940
- Lease liabilities (refer note 31)	393	448
Interest on delayed payment of statutory dues	6	4
Exchange differences regarded as an adjustment to borrowing costs	794	-
Bank guarantee charges	292	515
Other finance costs	404	635
Total	29,122	25,849
22. Depreciation and Amortisation expense		
Depreciation of property, plant and equipment (refer note 3)	5,163	5,064
Depreciation on right-of-use assets (refer note 31)	518	437
Amortisation of intangible assets (refer note 3.1)	62	37
Total	5,743	5,538

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Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2025
 (All amount in INR lakhs, unless otherwise stated)

	For the year ended March 31, 2025	For the year ended March 31, 2024
23. Other expenses		
Power and fuel	29	30
Guest house expense	-	20
Rent (refer note 31)	72	50
Rates and taxes	997	583
Solar park charges	1,166	1,075
Insurance	373	420
Repair and maintenance		
-Plant and machinery	654	509
-Other	342	347
Advertisement and sales promotion	165	84
Travelling and conveyance	384	347
Communication costs	88	72
Printing and stationery	18	10
Legal and professional fees (including payment to auditors)*	7,929	12,472
Recruitment expenses	55	42
Security charges	303	303
Bank charges	35	10
Software maintenance charges	360	292
Foreign exchange fluctuation (net)	197	85
Assets written off (refer note 3)	184	194
Loss on disposal of plant, property and equipment (refer note 3)	76	-
Allowance for doubtful trade receivables (refer note 5.2, 8.2, 26, 38, 50 and 51)	-	5,771
Provision for doubtful loans, interest and contractually reimbursable expenses (refer note 5.3, 8.6, 26, 38, 50 and 51)	1,569	6,238
Provision for diminution in value of investments (refer note 4.1, 4.2, 44 and 50)	9,158	467
Provision for bank guarantee and others (refer note 13.2, 50 and 51)	3,935	900
Impairment expense# (refer note 44)	-	841
Advance written off	924	-
Inter company balances written off (refer note 26)	-	40
Miscellaneous expenses	420	310
Total	29,433	31,512
*Payment to auditor (refer note 28):		
Auditor's remuneration	281	1,519
Reimbursement of expenses	24	93
Total	305	1,612

#Included INR 291 lakhs on account of Delhi 3 MW project during the year ended March 31, 2024.

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Azure Power India Private Limited

Notes to standalone financial statements for the year ended March 31, 2025

(All amount in INR lakhs, unless otherwise stated, except share and per share data)

**For the year ended
March 31, 2025**

**For the year ended
March 31, 2024**

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:

Loss after tax for calculation of basic EPS	(16,253)	(18,864)
Loss after tax for calculation of diluted EPS	(16,253)	(18,864)
Weighted average number of equity shares in calculating basic EPS	69,20,619	69,20,619
Total weighted average number of shares in calculating diluted EPS	69,20,619	69,20,619
Basic earning per share (In INR)	(234.85)	(272.58)
Diluted earning per share (In INR)	(234.85)	(272.58)

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Azure Power India Private Limited

Notes to standalone financial statements for the year ended March 31, 2025

(All amount in INR lakhs, unless otherwise stated, except share and per share data)

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, 2025 and March 31, 2024.

The details of activity have been summarized below:

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of options	Weighted average exercise price (INR)	No. of options	Weighted average exercise price (INR)
Outstanding at the beginning of the year	3,04,204	1,158	4,15,815	1,276
Granted during the year	-	-	-	-
Exercised during the year	-	-	(1,945)	-
Forfeited during the year	(1,62,156)	1,250	(1,09,666)	1,624
Outstanding at the end of the year	1,42,048	1,054	3,04,204	1,158
Exercisable at the end of the year	1,42,048	1,054	2,41,678	1,122

Effect of the employee share-based payment plans on standalone statement of 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.

Reversal for equity-settled share-based compensation

Total decrease in equity arising from equity-settled share-based payment transactions

For the year ended March 31, 2025	For the year ended March 31, 2024
(168)	(18)
(168)	(18)

(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 erstwhile CEO and COO. The SARs have been granted in 3 tranches with maturity dates up to March 31, 2028.

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.

The details of activity have been summarized below:

	As at March 31, 2025		As at March 31, 2024	
	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	6,80,000	878
Granted during the year	-	-	-	-
Forfeited/reversed during the year	-	-	-	-
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 standalone 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 share-based payments.

Expense arising from cash-settled share-based payment transactions

Total decrease in liability arising from cash settled share-based payment transactions

March 31, 2025	March 31, 2024
-	-
-	-

Fair value of SAR as on March 31, 2025 has been taken basis the expected settlement with erstwhile CEO and erstwhile COO.

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Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2025
 (All amount in INR lakhs, unless otherwise stated, except share and per share data)

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)
 Ms. Supriya Prakash Sen (Director w.e.f. August 01, 2020 till September 30, 2024)
 Mr. Philippe Pierre Wind (Nominee Director w.e.f. October 31, 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 Officer (CFO) w.e.f. October 01, 2022)
 Mr. Julian Suresh Paul Gratiaen (Nominee Director w.e.f. August 13, 2024)
 Ms. Pratibha Bajaj (Nominee Director w.e.f. October 30, 2024)
 Mr. Jaime Garcia Nieto (Nominee Director w.e.f. December 01, 2023 till April 18, 2025)
 Mr. Unnikrishnan Mangalath Sukumarapanicker (Nominee Director w.e.f. August 19, 2020 till March 13, 2024)
 Mr. Pawan Kumar Agrawal (Chief Financial Officer w.e.f. March 15, 2019 till December 31, 2023)
 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. Richard Alan Rosling (Chairman of the Board of Directors from September 30, 2021 till October 11, 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)

Subsidiary company:

Azure Power (Punjab) Private Limited	Azure Power Thirty Seven Private Limited
Azure Power (Haryana) Private Limited	Azure Power Thirty Eight Private Limited (till September 30, 2024)
Azure Solar Private Limited	Azure Power Thirty Nine Private Limited
Azure Power (Rajasthan) Private Limited	Azure Power Forty Private Limited
Azure Urja Private Limited	Azure Power Forty Three Private Limited
Azure Surya Private Limited	Azure Power Forty Four Private Limited (till September 30, 2024)
Azure Power (Karnataka) Private Limited	Azure Power Fifty One Private Limited
Azure Photovoltaic Private Limited	Azure Power Fifty Two Private Limited
Azure Power Infrastructure Private Limited	Azure Power Fifty Three Private Limited
Azure Power (Raj.) Private Limited	Azure Power Fifty Four Private Limited
Azure Green Tech Private Limited	Azure Power Fifty Six Private Limited
Azure Clean Energy Private Limited	Azure Power Fifty Seven Private Limited
Azure Sunrise Private Limited	Azure Power Fifty Eight Private Limited
Azure Sunshine Private Limited	Azure Power Fifty Nine Private Limited
Azure Power Earth Private Limited	Azure Power Sixty Private Limited
Azure Power Eris Private Limited	Azure Power Sixty One Private Limited
Azure Power Jupiter Private Limited	Azure Power Sixty two Private Limited
Azure Power Makemake Private Limited	Kotuma Wind Parks Private Limited
Azure Power Mars Private Limited	Two Wind Energy Private Limited
Azure Power Mercury Private Limited (till September 30, 2024)	Azure Power Maple Private Limited
Azure Power Pluto Private Limited	Azure Power Sixty Three Private Limited
Azure Power Uranus Private Limited	Azure Power Sixty Four Private Limited
Azure Power Venus Private Limited	Azure Power US Inc
Azure Power Saturn Private Limited (till September 30, 2024)	Azure Power Thirty Six Private Limited
Azure Power Thirty Three Private Limited	Azure Power Sixty Five Private Limited
Azure Power Thirty Four Private Limited	Azure Power Sixty Six Private Limited
Azure Energy Transition Private Limited	Azure Green Hydrogen Private Limited
Azure Power Forty One Private Limited	

Fellow subsidiary company:

Azure Power Rooftop Private Limited	Azure Power Rooftop Four Private Limited
Azure Power Rooftop (Genco) Private Limited	Azure Power Rooftop Five Private Limited
Azure Power Rooftop One Private Limited	Azure Power Rooftop Six Private Limited
Azure Power Rooftop Two Private Limited	Azure Power Rooftop Seven Private Limited
Azure Power Rooftop Three Private Limited	Azure Power Rooftop Eight Private Limited
Azure Power Energy Limited	Azure Power Solar Energy Private Limited

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Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2025
(All amount in INR lakhs, unless otherwise stated, except share and per share data)

Following transactions were carried out with related parties in the ordinary course of business for the year ended March 31, 2025:

I. Transactions during the year

a). Settlement of liabilities by the entity on behalf of

	For the year ended March 31, 2025	For the year ended March 31, 2024
Azure Power (Punjab) Private Limited	9	6
Azure Power (Haryana) Private Limited	1	0
Azure Solar Private Limited	66	-
Azure Power (Rajasthan) Private Limited	2	1
Azure Urja Private Limited	9	5
Azure Surya Private Limited	-	2
Azure Power (Karnataka) Private Limited	4	1
Azure Photovoltaic Private Limited	9	2
Azure Power Infrastructure Private Limited	6	-
Azure Power (Raj.) Private Limited	-	2
Azure Green Tech Private Limited	3	-
Azure Clean Energy Private Limited	6	3
Azure Sunrisc Private Limited	4	2
Azure Sunshine Private Limited	2	1
Azure Power Earth Private Limited	186	5
Azure Power Eris Private Limited	-	2
Azure Power Jupiter Private Limited	15	8
Azure Power Makemake Private Limited	-	4
Azure Power Mars Private Limited	-	2
Azure Power Pluto Private Limited	-	20
Azure Power Uranus Private Limited	16	3
Azure Power Venus Private Limited	75	6
Azure Power Thirty Three Private Limited	461	3
Azure Power Thirty Four Private Limited	236	-
Azure Power Thirty Six Private Limited	110	3
Azure Power Thirty Seven Private Limited	4	4
Azure Power Thirty Nine Private Limited	2	-
Azure Power Forty Private Limited	35	14
Azure Power Forty One Private Limited	10	14
Azure Power Forty Three Private Limited	-	15
Azure Power Rooftop Private Limited	64	0
Azure Power Rooftop One Private Limited	3	-
Azure Power Rooftop Two Private Limited	1	-
Azure Power Rooftop Three Private Limited	1	-
Azure Power Rooftop Four Private Limited	4	-
Azure Power Rooftop Five Private Limited	5	-
Azure Power Rooftop Six Private Limited	2	-
Azure Power Rooftop Seven Private Limited	2	-
Azure Power Rooftop Eight Private Limited	2	0
Azure Power Maple Private Limited	48	9
Azure Power Fifty One Private Limited	19	-
Azure Power Fifty Two Private Limited	37	29
Azure Power Fifty Four Private Limited	3	-
Azure Power Fifty Seven Private Limited	2	-
Azure Power Fifty Nine Private Limited	3	1
Azure Power Sixty Private Limited	3	1
Kotuma Wind Parks Private Limited	4	11
Azure Power Global Limited	1	-
Azure Power Sixty Four Private Limited	1	-
Azure Power Sixty Three Private Limited	1	-
Azure Energy Transition Private Limited	2	4
Azure Energy Fifty Six Private Limited	1	-
Azure Energy Sixty Six Private Limited	1	-

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Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2025
(All amount in INR lakhs, unless otherwise stated, except share and per share data)

b) Settlement of liabilities on behalf of the entity

	For the year ended March 31, 2025	For the year ended March 31, 2024
Azure Surya Private Limited	55	-
Azure Power (Raj.) Private Limited	3	-
Azure Power Eris Private Limited	45	-
Azure Power Makemake Private Limited	193	-
Azure Power Fifty Six Private Limited	-	-
Azure Green Tech Private Limited	-	3
Azure Power Infrastructure Private Limited	-	4
Azure Power Venus Private Limited	-	1
Azure Power Forty Three Private limited	85	61
Azure Power Mars Private Limited	2	-
Azure Power Pluto Private Limited	184	-
Azure Power Forty One Private Limited	-	38
Azure Solar Private Limited	-	3
Azure Power Thirty Four Private Limited	-	11

c) Management services rendered (excluding GST)

Azure Power Maple Private Limited	501	508
Azure Power Forty Three Private Limited	1,003	1,549
Azure Power Forty One Private Limited	497	470
Azure Power Pluto Private Limited	249	235
Azure Power Forty Private Limited	149	224
Azure Power Thirty Seven Private Limited	172	157
Azure Power Thirty Three Private Limited	446	409
Azure Power Infrastructure Private Limited	83	78
Azure Sunrise Private Limited	83	78
Azure Power Jupiter Private Limited	85	137
Azure Power Thirty Four Private Limited	215	205
Azure Photovoltaic Private Limited	66	62
Azure Power (Raj.) Private Limited	66	62
Azure Green Tech Private Limited	66	62
Azure Clean Energy Private Limited	66	62
Azure Urja Private Limited	56	53
Azure Power Earth Private Limited	176	165
Azure Sunshine Private Limited	33	31
Azure Power Thirty Six Private Limited	86	82
Azure Power Venus Private Limited	68	63
Azure Power (Karnataka) Private Limited	17	16
Azure Power (Haryana) Private Limited	17	16
Azure Surya Private Limited	17	16
Azure Power Eris Private Limited	17	16
Azure Power Makemake Private Limited	46	44
Azure Power Mars Private Limited	8	8
Azure Power (Punjab) Private Limited	3	3
Azure Power Uranus Private Limited	12	11
Azure Power (Rajasthan) Private Limited	8	8
Azure Solar Private Limited	58	55

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Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2025
(All amount in INR lakhs, unless otherwise stated, except share and per share data)

d) Interest income*

	For the year ended March 31, 2025	For the year ended March 31, 2024
Azure Power Forty Three Private Limited	1,889	1,449
Azure Power Thirty Three Private Limited	2,006	2,255
Azure Power Forty One Private Limited	1,780	1,153
Azure Power Earth Private Limited	817	906
Azure Power Maple Private Limited	6,053	3,988
Azure Power Thirty Four Private Limited	377	383
Azure Power Jupiter Private Limited	391	286
Azure Power (Rajasthan) Private Limited	115	96
Azure Power Thirty Six Private Limited	71	100
Azure Solar Private Limited	1	-
Azure Power Venus Private Limited	6	-
Azure Power Rooftop Private Limited	1	-
Azure Power Rooftop Four Private Limited	16	4
Azure Power Rooftop Eight Private Limited	11	1
Azure Power (Karnataka) Private Limited	25	24
Azure Power Fifty One Private Limited	158	111
Azure Power Fifty Two Private Limited	958	511
Azure Power Fifty Three Private Limited	9	6
Azure Power Fifty Four Private Limited	7	4
Azure Power Fifty Six Private Limited	16	10
Azure Power Fifty Seven Private Limited	19	12
Azure Power Fifty Eight Private Limited	350	220
Azure Power Fifty Nine Private Limited	7	4
Azure Power Sixty Private Limited	7	4
Azure Power Thirty Nine Private Limited	-	4
Azure Power Makemake Private Limited	2	2
Azure Sunrise Private Limited	114	114
Azure Power Rooftop (Genco) Private Limited	386	106
Azure Power Rooftop One Private Limited	679	76
Azure Power Rooftop Three Private Limited	15	7
Azure Power Rooftop Five Private Limited	41	26
Azure Power Forty Private Limited	533	274
Azure Power Sixty One Private Limited	3	2
Azure Power Sixty Two Private Limited	4	3
Azure Green Hydrogen Private Limited	3	2
Azure Power Sixty Three Private Limited	30	127
Azure Power Sixty Four Private Limited	3	2
Azure Power Sixty Five Private Limited	3	2
Kotuma Wind Parks Private Limited	89	61
Two Wind Energy Private Limited	188	132
Azure Energy Transition Private Limited	22	14

* Includes interest income on trade receivables from subsidiaries.

e) Interest expense

Azure Power Pluto Private Limited	761	761
Azure Power (Haryana) Private Limited	1,121	755
Azure Clean Energy Private Limited	409	380
Azure Urja Private Limited	958	633
Azure Power Infrastructure Private Limited	389	267
Azure Green Tech Private Limited	1,485	1,039
Azure Sunshine Private Limited	921	629
Azure Surya Private Limited	101	93
Azure Power Mars Private Limited	57	47
Azure Power (Karnataka) Private Limited	23	19
Azure Power Thirty Four Private Limited	1,031	1,166
Azure Power (Punjab) Private Limited	255	137
Azure Photovoltaic Private Limited	80	26
Azure Power Makemake Private Limited	293	322
Azure Power Thirty Six Private Limited	270	280
Azure Power Thirty Seven Private Limited	1,130	831
Azure Solar Private Limited	213	145
Azure Power Earth Private Limited	147	170
Azure Power Venus Private Limited	93	110
Azure Power Thirty Three Private Limited	123	130

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Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2025
(All amount in INR lakhs, unless otherwise stated, except share and per share data)

	For the year ended March 31, 2025	For the year ended March 31, 2024
f) Transfer of property, plant and equipment		
Azure Green Tech Private Limited	43	-
Azure Power Eris Private Limited	23	-
Azure Power Uranus Private Limited	15	-
Azure Power Maple Private Limited	3	-
g) Purchase of property, plant and equipment		
Azure Power Infrastructure Private Limited	201	-
Azure Power Thirty Seven Private limited	20	-
Azure Power Forty Three Private limited	45	-
h) Key managerial personnel remuneration		
Mr. Pawan Kumar Agrawal		
- Short term employee benefits	180	574
Mr. Rupesh Agarwal		
- Short term employee benefits	-	372
Mr. Sugata Sircar		
- Short term employee benefits	392	302
Mr. Sunil Kumar Gupta		
- Short term employee benefits	675	319
i) Loan given to subsidiary/fellow subsidiary		
Azure Power Forty Three Private Limited	658	-
Azure Power Rooftop Four Private Limited	130	50
Azure Power Rooftop Eight Private Limited	80	50
Azure Power Maple Private Limited	7,871	5,200
Azure Power Fifty Two Private Limited	1,550	5,150
Azure Power Fifty Three Private Limited	-	20
Azure Power (Rajasthan) Private Limited	80	-
Azure Power Earth Private Limited	6,700	-
Azure Power Thirty Three Private Limited	15,300	-
Azure Solar Private Limited	160	-
Azure Power Venus Private Limited	850	-
Azure Power Rooftop Private Limited	100	-
Azure Power Fifty Seven Private Limited	8	-
Azure Power Rooftop (Genco) Private Limited	4,600	779
Azure Power Rooftop One Private Limited	11,765	450
Azure Power Rooftop Three Private Limited	145	-
Azure Power Rooftop Five Private Limited	30	167
Kotuma Wind Parks Private Limited	-	400
Two Wind Energy Private Limited	-	1,100
Azure Power Sixty Three Private Limited	1,070	-
Azure Power Jupiter Private Limited	100	-
j) Loan repaid by subsidiary/ fellow subsidiary*		
Azure Power (Karnataka) Private Limited	250	100
Azure Power Thirty Nine Private limited	-	34
Azure Power Earth Private Limited	259	-
Azure Power Thirty Three Private Limited	488	-
Azure Power Thirty Four Private limited	5,412	-
Azure Power Fifty Seven Private Limited	194	-
Azure Power Venus Private Limited	362	-
Azure Power (Rajasthan) Private Limited	277	-
Azure Power Forty Three Private Limited	3,189	2,855
Azure Sunrise Private Limited	250	-
Azure Power Fifty Three Private Limited	90	-
Azure Power Fifty Four Private Limited	68	-
Azure Power Maple Private Limited	11,785	-
Azure Power Fifty One Private Limited	1,568	-
Azure Power Fifty Six Private Limited	163	-
Azure Power Fifty Nine Private Limited	68	-
Azure Power Sixty Private Limited	68	-
Azure Power Sixty Two Private Limited	38	-
Azure Power Sixty Three Private Limited	-	1,825

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Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2025
(All amount in INR lakhs, unless otherwise stated, except share and per share data)

	For the year ended March 31, 2025	For the year ended March 31, 2024
k) Borrowings taken from subsidiary		
Azure Power (Punjab) Private Limited	-	2,523
Azure Photovoltaic Private Limited	300	497
Azure Power Infrastructure Private Limited	-	4,154
Azure Power (Haryana) Private Limited	-	150
Azure Urja Private Limited	-	500
l) Repayment of borrowings to subsidiary		
Azure Power Pluto Private Limited	1,025	-
Azure Green Tech Private Limited	365	-
Azure Power Thirty Seven Private Limited	560	-
Azure Power Makemake Private Limited	3,374	-
Azure Power Venus Private Limited	1,199	-
Azure Power Thirty Four Private limited	12,100	-
Azure Power Thirty Six Private limited	1,750	-
Azure Urja Private Limited	310	-
Azure Power (Karnataka) Private Limited	215	-
Azure Power Thirty Three Private Limited	1,417	-
Azure Power Earth Private Limited	1,853	-
Azure Solar Private Limited	90	-
m) Investment in Compulsorily Convertible Debentures (CCD) of subsidiaries		
Azure Power Fifty One Private Limited	3,600	-
Azure Power Fifty Three Private Limited	1,109	-
Azure Power Fifty Four Private Limited	1,043	-
Azure Power Fifty Six Private Limited	230	-
Azure Power Fifty Seven Private Limited	240	-
Azure Power Fifty Nine Private Limited	1,068	-
Azure Power Sixty Private Limited	1,038	-
Azure Power Sixty Two Private Limited	829	-
n) Sale proceeds from sale of investment		
Azure Power Mercury Private Limited	12	-
Azure Power Forty four Private limited	13	-
o) Dividend income		
Azure Surya Private Limited	337	-
Azure Power (Raj.) Private Limited	1,500	-
Azure Clean Energy Private Limited	4,000	-
Azure Power Pluto Private Limited	4,050	-
Azure Power Thirty Seven Private Limited	998	-
Azure Power Solar Private Limited	771	-
p) Corporate guarantees given on behalf of		
Azure Power Thirty Four Private Limited	56,800	-
Azure Power Venus Private Limited	16,900	-
Azure Power Earth Private Limited	35,700	-
Azure Power Thirty Six Private Limited	21,700	-
Azure Power Makemake Private Limited	14,800	-
Azure Power Uranus Private Limited	2,700	-
Azure Power Thirty Three Private Limited	88,400	-
Azure Power Maple Private Limited	1,14,200	-

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Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2025
(All amount in INR lakhs, unless otherwise stated, except share and per share data)

q) Corporate guarantees released on behalf of

	As at March 31, 2025	As at March 31, 2024
Azure Power Jupiter Private Limited	968	1,222
Azure Power Rooftop (GenCo.) Private Limited	4,682	2,198
Azure Power Maple Private Limited	1,26,995	6,663
Azure Power Forty One Private Limited	1,255	5,000
Azure Power Forty Three Private Limited	9,803	5,962
Azure Power Rooftop Five Private Limited	-	1,445
Azure Power Forty Private Limited	1,920	1,920
Azure Power Rooftop One Private Limited	11,463	-
Azure Power Thirty Eight Private limited	2,876	356
Azure Power Thirty Four Private Limited	1,761	-
Azure Power Venus Private Limited	683	-
Azure Power Earth Private Limited	1,030	-
Azure Power Thirty Six Private Limited	915	-
Azure Power Makemake Private Limited	671	-
Azure Power Uranus Private Limited	74	-
Azure Power Thirty Three Private Limited	2,538	-

2. Balances outstanding at the end of the year

a) Trade Receivables ^

Azure Solar Private Limited	135	73
Azure Power (Rajasthan) Private Limited	9	29
Azure Urja Private Limited	13	33
Azure Surya Private Limited	28	9
Azure Power (Karnataka) Private Limited	27	9
Azure Photovoltaic Private Limited	116	45
Azure Power Infrastructure Private Limited	128	38
Azure Power (Raj.) Private Limited	15	49
Azure Green Tech Private Limited	105	34
Azure Sunrise Private Limited	19	42
Azure Sunshine Private Limited	55	19
Azure Power Earth Private Limited	221	9,441
Azure Power Jupiter Private Limited	1,827	1,736
Azure Power Makemake Private Limited	20	167
Azure Power Pluto Private Limited	55	137
Azure Power Uranus Private Limited	75	63
Azure Power Venus Private Limited	21	364
Azure Power Thirty Three Private Limited	131	24,308
Azure Power Thirty Four Private Limited	66	698
Azure Power Thirty Six Private Limited	26	1,228
Azure Power Thirty Seven Private Limited	259	74
Azure Power Forty Private Limited	1,085	924
Azure Power Forty One Private Limited	1,558	1,021
Azure Power Forty Three Private Limited	269	5,966
Azure Power Rooftop Three Private Limited	11	11
Azure Power Maple Private Limited	395	1,955
Azure Power Fifty One Private Limited	-	1,100
Azure Power Fifty Two Private Limited	4,447	4,447
Azure Power Fifty Seven Private Limited	10	43
Kotuma Wind Parks Private Limited	1,523	1,523
Two Wind Energy Private Limited	4,561	4,561
Azure Power (Punjab) Private Limited	1	3
Azure Power (Haryana) Private Limited	4	17
Azure Clean Energy Private Limited	112	40
Azure Power Eris Private Limited	4	11
Azure Power Mars Private Limited	2	10
Azure Power Sixty Two Private Limited	-	29

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Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2025
(All amount in INR lakhs, unless otherwise stated, except share and per share data)

	As at	As at
	March 31, 2025	March 31, 2024
b) Contractually reimbursable from holding company/ subsidiaries/ fellow subsidiaries^		
Azure Power Global Limited	27	37
Azure Power Energy Limited	18	17
Azure Power Solar Energy Private Limited	6	2
Azure Power (Punjab) Private Limited	11	1
Azure Power (Haryana) Private Limited	1	0
Azure Power (Rajasthan) Private Limited	1	29
Azure Photovoltaic Private Limited	9	-
Azure Urja Private Limited	10	-
Azure Sunshine Private Limited	2	-
Azure Power Thirty Three Private Limited	20	-
Azure Power Thirty Six Private limited	2	-
Azure Green Tech Private Limited	47	-
Azure Clean Energy Private Limited	6	-
Azure Sunrise Private Limited	4	-
Azure Power Earth Private Limited	3	5
Azure Power Jupiter Private Limited	229	213
Azure Power Makemake Private Limited	-	126
Azure Power Mars Private Limited	-	2
Azure Power Uranus Private Limited	91	60
Azure Power Venus Private Limited	4	132
Azure Power Thirty Four Private limited	-	121
Azure Power Thirty Five Private Limited	-	0
Azure Power Thirty,Nine Private Limited	2	0
Azure Power Forty Four Private Limited	-	0
Azure Power Rooftop Private Limited	66	53
Azure Power Rooftop One Private Limited	40	37
Azure Power Rooftop Two Private Limited	2	2
Azure Power Rooftop Three Private Limited	1	0
Azure Power Rooftop Four Private Limited	10	6
Azure Power Rooftop Five Private Limited	11	6
Azure Power Rooftop Eight Private Limited	88	87
Azure Power Maple Private Limited	57	9,723
Azure Power Fifty One Private Limited	19	824
Azure Power Fifty Two Private Limited	680	643
Azure Power Sixty One Private Limited	472	472
Azure Power Fifty Nine Private Limited	-	992
Kotuma Wind Parks Private Limited	352	348
Two Wind Energy Private Limited	542	542
Azure Power US Inc	6	6
Azure Power (Karnataka) Private Limited	4	0
Azure Power Forty Two Private limited	-	0
Azure Power Rooftop Six Private Limited	2	0
Azure Power Rooftop Seven Private Limited	2	0
Azure Power Fifty Seven Private Limited	2	0
Azure Power Fifty Eight Private Limited	59	59
Azure Power Fifty Four Private Limited	-	968
Azure Power Fifty Six Private Limited	-	54
Azure Power Fifty Three Private Limited	-	1,012
Azure Power Sixty Private Limited	-	962
Azure Power Sixty Two Private Limited	1	761
Azure Power Sixty Three Private Limited	1	-
Azure Energy Transition Private Limited	42	40
Azure Power Sixty Four Private Limited	1	-
c) Advance taken outstanding		
Azure Power Uranus Private Limited	-	29
Azure Power Venus Private Limited	-	286
Azure Power Forty Private Limited	-	34

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Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2025
(All amount in INR lakhs, unless otherwise stated, except share and per share data)

d) Payable	As at	As at
	March 31, 2025	March 31, 2024
Azure Power Global Limited	324	325
Azure Solar Private Limited	21	22
Azure Surya Private Limited	56	-
Azure Power (Raj.) Private Limited	3	-
Azure Power Pluto Private Limited	184	-
Azure Power Thirty Three Private Limited	-	675
Azure Power Thirty Four Private Limited	255	-
Azure Power Thirty Six Private Limited	-	157
Azure Power Thirty Eight Private Limited	-	0
Azure Power Forty Private Limited	37	37
Azure Power Forty Three Private Limited	121	817
Azure Power Eris Private Limited	22	-
Azure Power Infrastructure Private Limited	195	-
Azure Power Makemake Private Limited	257	-
Azure Power Thirty Seven Private limited	17	1
Azure Power Forty One Private limited	189	206
Azure Power Solar Energy Private Limited	2	-
e) Interest accrued on loans and advances^		
Azure Power Forty Three Private Limited	373	8,147
Azure Power Forty One Private Limited	1,602	5,742
Azure Power Jupiter Private Limited	352	1,072
Azure Power Maple Private Limited	3,372	9,500
Azure Power Thirty Three Private Limited	362	8,193
Azure Power (Rajasthan) Private Limited	74	393
Azure Power (Raj.) Private Limited	-	1
Azure Sunrise Private Limited	101	-
Azure Power Forty Private Limited	480	1,307
Azure Power Earth Private Limited	157	3,345
Azure Power Makemake Private Limited	-	12
Azure Power Rooftop Private Limited	1	15
Azure Solar Private Limited	1	-
Azure Power Thirty Nine Private Limited	-	10
Azure Power Infrastructure Private Limited	-	2
Azure Power Venus Private Limited	4	-
Azure Power Thirty Four Private Limited	-	1,744
Azure Power Thirty Six Private Limited	-	369
Azure Power Rooftop (Genco) Private Limited	347	156
Azure Power Rooftop One Private Limited	611	116
Azure Power Rooftop Three Private Limited	14	15
Azure Power Rooftop Four Private Limited	15	4
Azure Power Rooftop Five Private Limited	37	42
Azure Power Rooftop Eight Private Limited	7	1
Azure Power Fifty One Private Limited	34	168
Azure Power Fifty Two Private Limited	833	552
Azure Power Fifty Three Private Limited	2	10
Azure Power Fifty Four Private Limited	1	8
Azure Power Fifty Six Private Limited	4	13
Azure Power Fifty Seven Private Limited	4	26
Azure Power Fifty Eight Private Limited	315	368
Azure Power Fifty Nine Private Limited	2	8
Azure Power Sixty Private Limited	2	8
Azure Power Sixty One Private Limited	2	2
Azure Power Sixty Two Private Limited	1	3
Kotuma Wind Parks Private Limited	80	73
Two Wind Energy Private Limited	169	147
Azure Green Hydrogen Private Limited	2	2
Azure Power Sixty Three Private Limited	27	0
Azure Energy Transition Private Limited	20	22
Azure Power Sixty Four Private Limited	2	0
Azure Power Sixty Five Private Limited	2	0

*Includes interest accrued on trade receivables from related parties.

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Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2025
(All amount in INR lakhs, unless otherwise stated, except share and per share data)

	As at March 31, 2025	As at March 31, 2024
f) Interest due on borrowings		
Azure Power (Haryana) Private Limited	1,009	1,769
Azure Solar Private Limited	185	323
Azure Power Pluto Private Limited	381	2,110
Azure Clean Energy Private Limited	368	1,054
Azure Urja Private Limited	852	1,480
Azure Power Thirty Four Private Limited	18	1,049
Azure Power Thirty Seven Private Limited	999	2,036
Azure Power Makemake Private Limited	-	314
Azure Sunshine Private Limited	829	1,476
Azure Power Venus Private Limited	-	99
Azure Power Mars Private Limited	51	120
Azure Power Infrastructure Private Limited	350	241
Azure Surya Private Limited	91	259
Azure Power (Punjab) Private Limited	230	123
Azure Power Thirty Six Private Limited	243	252
Azure Power Earth Private Limited	-	153
Azure Photovoltaic Private Limited	72	23
Azure Power Thirty Three Private Limited	-	117
Azure Power (Karnataka) Private Limited	-	36
Azure Green Tech Private Limited	1,411	2,417
g) Loan to subsidiary/fellow subsidiary^{^^}		
Azure Power (Rajasthan) Private Limited	1,096	900
Azure Power (Karnataka) Private Limited	-	250
Azure Sunrise Private Limited	1,100	1,350
Azure Power Earth Private Limited	6,700	136
Azure Power Jupiter Private Limited	3,938	2,765
Azure Power Thirty Three Private Limited	15,401	344
Azure Power Thirty Four Private Limited	-	3,470
Azure Power Forty Private Limited	5,237	3,930
Azure Power Forty One Private Limited	17,507	11,766
Azure Power Forty Three Private Limited	17,617	12,003
Azure Power Rooftop (Genco) Private Limited	6,271	1,516
Azure Power Rooftop One Private Limited	12,788	907
Azure Power Rooftop Three Private Limited	228	67
Azure Power Rooftop Four Private Limited	184	50
Azure Power Rooftop Five Private Limited	434	362
Azure Power Rooftop Eight Private Limited	134	50
Azure Power Maple Private Limited	57,844	52,280
Azure Power Fifty Three Private Limited	-	80
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	3,443	3,075
Azure Power Fifty Nine Private Limited	-	60
Azure Power Sixty Private Limited	-	60
Azure Power Fifty Two Private Limited	10,281	8,150
Azure Power Sixty One Private Limited	27	25
Azure Solar Private Limited	160	-
Azure Power Venus Private Limited	488	-
Azure Power Rooftop Private Limited	100	-
Azure Power Sixty Two Private Limited	-	35
Kotuma Wind Parks Private Limited	873	800
Two Wind Energy Private Limited	1,847	1,700
Azure Green Hydrogen Private Limited	27	25
Azure Power Sixty Three Private Limited	1,170	100
Azure Energy Transition Private Limited	222	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

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Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2025
(All amount in INR lakhs, unless otherwise stated, except share and per share data)

h) Borrowings*

	As at March 31, 2025	As at March 31, 2024
Azure Power (Punjab) Private Limited	2,527	2,523
Azure Power (Haryana) Private Limited	11,106	9,337
Azure Solar Private Limited	2,324	2,091
Azure Urja Private Limited	9,370	8,200
Azure Surya Private Limited	1,137	878
Azure Power (Karnataka) Private Limited	19	234
Azure Photovoltaic Private Limited	820	497
Azure Power Infrastructure Private Limited	4,395	4,154
Azure Green Tech Private Limited	14,584	12,619
Azure Clean Energy Private Limited	4,622	3,571
Azure Sunshine Private Limited	9,126	7,650
Azure Power Mars Private Limited	564	444
Azure Power Pluto Private Limited	8,237	7,153
Azure Power Thirty Seven Private Limited	10,999	9,523
Azure Power Makemake Private Limited	-	3,104
Azure Power Thirty Four Private Limited	207	11,450
Azure Power Thirty Six Private Limited	1,105	2,700
Azure Power Earth Private Limited	-	1,700
Azure Power Venus Private Limited	-	1,100
Azure Power Thirty Three Private Limited	-	1,300

i) Outstanding Corporate guarantees

Azure Power Thirty Eight Private Limited	-	2,876
Azure Power Forty Private Limited	30,480	32,400
Azure Power Forty Three Private Limited	2,06,861	2,16,664
Azure Power Rooftop (Genco) Private Limited	-	4,682
Azure Power Rooftop One Private Limited	-	11,463
Azure Power Rooftop Three Private Limited	2,666	2,632
Azure Power Maple Private Limited	1,13,092	1,25,887
Azure Power Jupiter Private Limited	17,935	18,903
Azure Power Forty One Private Limited	1,23,746	1,25,001
Azure Power Thirty Four Private Limited	55,039	-
Azure Power Venus Private Limited	16,217	-
Azure Power Earth Private Limited	34,670	-
Azure Power Thirty Six Private Limited	20,785	-
Azure Power Makemake Private Limited	14,129	-
Azure Power Uranus Private Limited	2,626	-
Azure Power Thirty Three Private Limited	85,862	-

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 7.75% - 11.55% 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)

#Figure "0" represents amount below rounding off norms adopted by the Company.

*Includes adjustment on account of interest accrued rollover during the current year.

^ During the current year, the Company recognised a net reversal of provision allowance of INR 6,748 lakhs in respect of related party balances. This comprised reversals of INR 1,146 lakhs towards trade receivables, INR 4,921 lakhs towards contractually reimbursable amounts and INR 681 lakhs towards interest receivable. Additionally, the Company recognised a provision of INR 9,158 lakhs towards investments in compulsorily convertible debentures (CCDs) issued by related parties and INR 1,401 Lakhs for loans given to related parties.

In the previous year, the Company had recognised a provision of INR 12,007 lakhs against related party balances, which included INR 5,770 lakhs for trade receivables, INR 507 lakhs for contractually reimbursable amounts, INR 1,000 lakhs for interest accrued, and INR 4,730 lakhs for loans.

As at March 31, 2025, the balances of loans given, contractually reimbursable amounts, trade receivables, and interest receivable are presented gross of provision for doubtful balances amounting to INR 10,807 lakhs (March 31, 2024: INR 9,405 lakhs), INR 313 lakhs (March 31, 2024: INR 5,234 lakhs), INR 10,041 lakhs (March 31, 2024: INR 11,186 lakhs), and INR 337 lakhs (March 31, 2024: INR 1,018 lakhs), respectively.

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Azure Power India Private Limited**Notes to standalone financial statements for the year ended March 31, 2025**

(All amount in INR lakhs, unless otherwise stated, except share and per share data)

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 standalone financial statements. The Company's principal operations, revenue and decision-making functions are located in India and there are no revenue and material non-current assets outside India except investment in Azure Power US Inc (refer note 4.1).

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, 2025	For the year ended March 31, 2024
Sale of Power:		
Solar Energy Corporation of India	9,727	10,407
NTPC Vidyut Vyapar Nigam Limited	9,205	9,516
Chhattisgarh State Power Distribution Company Limited	2,892	2,923

28. Audit fees for the previous year ended March 31, 2024 included INR 437 lakhs and INR 847 lakhs for audit fees of Financial Year 2022-23 and 2021-22 respectively. The audit fees was not recognised during aforesaid years, since the auditors were appointed during the year ended March 31, 2024 and this was considered as non-adjusting event in earlier years. (Refer note 23)

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, 2025	For the year ended March 31, 2024
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year*	613	528
Principal amount due to micro and small enterprises*	347	282
Interest due on above	266	246
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	266	246
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 68 lakhs (March 31, 2024: INR Nil) 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 standalone balance sheet under these contracts. Refer below for details:-

Company Name	As at March 31, 2025	As at March 31, 2024
Azure Power Thirty Eight Private Limited	-	2,876
Azure Power Forty Private Limited	30,480	32,400
Azure Power Rooftop (Genco) Private Limited	-	4,682
Azure Power Rooftop One Private Limited	-	11,463
Azure Power Rooftop Three Private Limited	2,666	2,632
Azure Power Forty Three Private Limited	2,06,861	2,16,664
Azure Power Maple Private Limited	1,13,092	1,25,887
Azure Power Jupiter Private Limited	17,935	18,903
Azure Power Forty One Private Limited	1,23,746	1,25,001
Azure Power Thirty Four Private Limited	55,039	-
Azure Power Venus Private Limited	16,217	-
Azure Power Earth Private Limited	34,670	-
Azure Power Thirty Six Private Limited	20,785	-
Azure Power Makemake Private Limited	14,129	-
Azure Power Uranus Private Limited	2,626	-
Azure Power Thirty Three Private Limited	85,862	-
Total	7,24,108	5,40,508

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Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2025
(All amount in INR lakhs, unless otherwise stated)

31. Leases

Company as lessee:

The Company leases land for construction of solar power plants. These leases typically run for 25 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 certainty 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 between 1.5 to 5 years.

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, 2025	For the year ended March 31, 2024
Opening balance	5,048	4,802
Additions during the year	10	1,718
Deletion during the year	-	(1,112)
Adjustment due to change in estimates	(12)	77
Depreciation for the year	(518)	(437)
Closing balance	4,528	5,048

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, 2025	For the year ended March 31, 2024
Opening balance	3,886	3,592
Additions during the year	10	1,625
Deletion during the year	-	(1,351)
Accretion of interest	393	448
Payments	(495)	(428)
Closing balance	3,794	3,886

Particulars	As at March 31, 2025	As at March 31, 2024
Current	577	566
Non-current	3,217	3,320
Total	3,794	3,886

Below are the amounts recognised by the Company in the standalone statement of profit and loss:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest on lease liabilities	393	448
Depreciation on right of use of assets	518	437
Expenses relating to short-term leases	72	50
Gain on lease modification	-	313
Total	983	1,248

Below are the amount recognised by the Company in the standalone statement of cash flows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Total cash outflow for leases	495	428

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 306 lakhs (net of advances) (March 31, 2024: INR 1,74,172 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:

(i) Guarantees, letter of credit and counter guarantees given by the Company

March 31, 2025	March 31, 2024
7,41,520	5,61,034

(ii) The Company had two outstanding disputes with its erstwhile Chief Executive Officer, Mr. Inderpreet Singh Wadhwa (IW). In respect of the first matter, the Company had received an unfavorable 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, the Company received a favourable Award from Singapore International Arbitration Centre (SIAC) 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 was dismissed. Consequently, the Award in our favour has been upheld. We have subsequently 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 August 26, 2025.

(iii) A Public Interest Litigation was filed before Supreme Court by certain individuals and organization claiming interest in wildlife conservation seeking protection of two endangered bird species, namely the Great Indian Bustard (GIB) and the Lesser Florican found in the states of Rajasthan and Gujarat. The petition was filed against several parties, including various state governments such as Rajasthan, Gujarat and MNRE, MoP. By order dated April 19, 2021 Supreme Court directed, among other things, (i) all low voltage transmission lines, existing and future, falling in potential and priority habitats of GIB were to be laid underground, subject to feasibility test; (ii) existing high voltage lines in priority and potential areas of GIB were to be undergrounded within one year where feasible, or otherwise referred to the committee formed by the Supreme Court for decision on feasibility; and (iii) bird diverters were to be installed on all existing overhead lines in the interim. Subsequently, by order dated March 21, 2024, the Supreme Court modified its earlier directions dated April 19, 2021, recognizing the need to balance the protection of endangered species with the growth of the renewable energy sector and India's climate commitments to reduce emissions. In the modified order the Court, among other things, (i) restricted the undergrounding requirement (subject to feasibility), only to the designated Priority Area (i.e. 13.163 sq. kms as identified under the order); (ii) eased the restrictions in the Potential Area (as identified under the order); and (iii) constituted an expert committee 'inter alia' including representatives of the power sector to ascertain the technical feasibility of undergrounding of High and Low Voltage transmission lines in the Priority Area and to propose guidelines for laying of transmission lines in the Potential Area. The said committee submitted its report to the Court through union government on May 13, 2025. Citing practical difficulties in laying down underground transmission lines, the Solar Power Developers Association ("SPDA") and Union of India have filed applications before the Supreme Court seeking among others, exemption from undergrounding of transmission lines in Potential Areas. If the application is dismissed, we might entail significant costs and delays.

(iv) A contingent liability amounting to INR 4,272 lakhs may arise on account of dispute raised by one of the vendor.

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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 was 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. During the current year loan has been repaid.

During the current year ended on March 31, 2025, the Company borrowed US\$ 3,11,25,000 (INR 26,279 lakhs) from HSBC bank and is repayable in six semi-annually installments, commencing from May 2025 and ending in November 2027. The Company has taken US\$ 3,11,25,000 currency swap for its principal and interest payment.

The 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, 2025 and March 31, 2024.

	As at March 31, 2025	As at March 31, 2024
Notional Amount (US\$ denominated)	3,16,33,655	3,57,75,000
Non-current – Other financial assets (INR)	155	1,095
Current – Other financial assets (INR)	-	1,830
Current – Other financial Liability (INR)	838	-

Particulars of un-hedged foreign currency exposure as at March 31, 2025 and March 31, 2024

	March 31, 2025		March 31, 2024	
	US\$	INR	US\$	INR
Payables	7,53,679	631	34,50,395	2,877

	March 31, 2025		March 31, 2024	
	Euro	INR	Euro	INR
Payables	7,581	10	800	1

	March 31, 2025		March 31, 2024	
	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, 2025	For the year ended March 31, 2024
Revenue as per contracted price	27,241	28,487
Adjustments for:		
Rebate/Discount	(380)	(335)
Revenue recognised from contract liabilities	459	488
Amortisation of contract assets	(14)	(15)
Revenue from contract with customers	27,306	28,625

b) Contract balances

The following table provides information about trade receivables, contract assets and contract liabilities:

Particulars	Non-Current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Trade receivables	6,618	39,710	11,100	20,494
Contract assets*	232	246	14	14
Contract liabilities- Deferred revenue on account of Safeguard Duty	7,390	7,845	431	435

* 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, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Opening Balance	260	275	8,280	8,768
Deletion/adjustment during the year	(14)	(15)	(459)	(488)
Closing Balance	246	260	7,821	8,280



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 334 lakhs (March 31, 2024: INR 319 Lakhs) for provident and other funds contribution in the standalone 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 standalone balance sheet.

Standalone statement of profit and loss

Amounts recognised in Standalone Statement of Profit and Loss for the year ended March 31, 2025

	Gratuity	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Current service cost	74	80
Interest cost on benefit liability	23	17
Net expense recognized in standalone statement of profit and loss	97	97

Amount recognised in other comprehensive income for the year ended March 31, 2025:

	Gratuity	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Effect of change in financial assumptions	(7)	(2)
Effect of change in demographic assumptions	7	(11)
Experience loss	(9)	(12)
Actuarial loss recognized in the year	(9)	(25)

Standalone balance Sheet figures as at:

	Gratuity	
	As at March 31, 2025	As at March 31, 2024
Present value of defined benefit obligation	336	324

Changes in the present value of the defined benefit obligation for the year ended March 31, 2025 are as follows:

	Gratuity	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Present value of obligation as at the beginning	324	237
Current service cost	74	80
Interest cost	23	17
Re-measurement or actuarial loss	9	25
Benefits paid	(119)	(68)
On account of transfer of employees	25	33
Present value of obligation as at the end	336	324
Current portion	101	74
Non-current portion	235	250

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	For the year ended March 31, 2025	For the year ended March 31, 2024
Discount rate (per annum)	6.45%	7.09%
Employee turnover rate (per annum)	28.00%	26.00%
Withdrawal rate (per annum)	28.00%	26.00%
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.



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, 2025 is as shown below:

	Discount rate			
	For the year ended March 31, 2025		For the year ended March 31, 2024	
	1 % increase	1 % decrease	1 % increase	1 % decrease
Defined benefit obligation increased/(decreased) by	(10)	11	(11)	12

	Salary Escalation Rate			
	For the year ended March 31, 2025		For the year ended March 31, 2024	
	1 % increase	1 % decrease	1 % increase	1 % decrease
Defined benefit obligation increased/(decreased) by	12	(11)	13	(12)

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.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 4.38 years (March 31, 2024: 5.08 years).

The following payments are expected contribution to the defined benefit plans in future years:

	For the year ended March 31, 2025	For the year ended March 31, 2024
Within the next 12 months (next annual reporting period)	104	77
Between 2 and 5 years	185	194
Between 5 and 10 years	98	110

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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	As at	As at	As at
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Financial assets carried at amortised cost				
Trade receivables (Non-current)	6,618	39,710	6,618	39,710
Loans to subsidiaries/fellow subsidiaries (including interest accrued)	1,03,440	16,186	1,03,440	16,186
Security deposits	251	618	251	618
Performance guarantee deposit	127	113	127	113
Term deposits (including interest accrued)	39,807	28,921	39,807	28,921
Total	1,50,243	85,548	1,50,243	85,548
Financial assets measured at fair value				
Derivative instruments at fair value through OCI ⁽¹⁾	155	2,925	155	2,925
Investment in equity shares at fair value through profit and loss	1,365	1,365	1,365	1,365
Investment in compulsorily convertible debentures at fair value through profit and loss (including interest accrued)	3,387	3,681	3,387	3,681
Total	4,907	7,971	4,907	7,971
Financial liabilities carried at amortised cost				
Term loans from banks - In Indian currency ⁽²⁾ (Including current maturities)	54,635	36,274	54,635	36,274
Foreign currency loan from bank ⁽²⁾ (Including current maturities and interest accrued)	26,590	7,318	26,590	7,318
Foreign currency loan from financial institutions ⁽²⁾ (Including current maturities)	-	23,912	-	23,912
Term loans from financial institutions - In Indian currency ⁽²⁾ (Including current matu	86,393	89,154	86,393	89,154
Vehicle loan ⁽²⁾ (Including current maturities)	-	70	-	70
Loan from subsidiaries ⁽³⁾ (including current maturities and interest accrued)	88,231	54,927	88,231	54,927
Total	2,55,849	2,11,655	2,55,849	2,11,655
Financial liabilities measured at fair value				
Derivative instruments at fair value through OCI ⁽¹⁾	838	-	838	-
Total	838	-	838	-

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, security deposits received, current investments, current borrowings, receivable/payable from/to subsidiaries/fellow subsidiaries, loan to subsidiaries/fellow subsidiaries, trade payables, other payables, derivative asset/liability, other payables/receivables 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 (USS-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, 2025 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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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, 2025:

	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 (Non current)	6,618	-	-	6,618
Loans to subsidiaries/fellow subsidiaries (including interest accrued)	1,03,440	-	-	1,03,440
Security deposits	251	-	-	251
Performance bank guarantee receivable	127	-	-	127
Term deposits (including interest accrued)	39,807	-	-	39,807
Financial assets measured at fair value				
Derivative instruments at fair value through OCI	155	-	155	-
Investment in equity shares at fair value through profit and loss	1,365	-	-	1,365
Investment in compulsorily convertible debentures at fair value through profit and loss (including interest accrued)	3,387	-	-	3,387

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)	54,635	-	-	54,635
Foreign currency loan from bank (Including current maturities and interest accrued)	26,590	-	-	26,590
Term Loans from financial institution - In Indian Currency (Including current maturities)	86,393	-	-	86,393
Vehicle loan (Including current maturities)	-	-	-	-
Loan from subsidiaries (Including current maturities and interest accrued)	88,231	-	-	88,231
Financial liabilities measured at fair value				
Derivative instruments at fair value through other comprehensive income	838	-	838	-

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, 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 (Non current)	39,710	-	-	39,710
Loans to subsidiaries/fellow subsidiaries (including interest accrued)	16,186	-	-	16,186
Security deposits	618	-	-	618
Performance bank guarantee receivable	113	-	-	113
Term deposits (including interest accrued)	28,921	-	-	28,921
Financial assets measured at fair value				
Derivative instruments at fair value through OCI	2,925	-	2,925	-
Investment in equity shares at fair value through profit and loss	1,365	-	-	1,365
Investment in compulsorily convertible debentures at fair value through profit and loss (including interest accrued)	3,681	-	-	3,681

There have been no transfers between Level 1 and Level 2 during the year.

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Azure Power India Private Limited**Notes to standalone financial statements for the year ended March 31, 2025**

(All amount in INR lakhs, unless otherwise stated)

	Carrying value	Fair value measurement using		
		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 and interest accrued)	7,318	-	-	7,318
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	70	-	-	70
Loan from subsidiary (Including current maturities and interest accrued)	54,927	-	-	54,927

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, 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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38. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, lease liabilities, interest on borrowings 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, security deposits, interest on these financial assets 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 two types of risk: interest rate risk and currency risk. Financial instruments majorly affected by market risk include loans and borrowings, deposits and derivative instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2025 and March 31, 2024.

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, 2025	Floating rate financial instruments	Fixed rate financial instruments	Non-interest bearing	Total
Financial assets	-	2,52,623	25,526	2,78,149
Financial liabilities	1,67,391	84,936	20,654	2,72,981
As at March 31, 2024	Floating rate financial instruments	Fixed rate financial instruments	Non-interest bearing	Total
Financial assets	-	1,97,050	86,673	2,83,723
Financial liabilities	1,55,788	94,114	31,164	2,81,066

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:

Effect on profit before tax	Increase/decrease in basis points		March 31, 2025		March 31, 2024
	+ / (-) 50	(-) / +			
			837	(-) / +	779

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.

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Azure Power India Private Limited**Notes to standalone financial statements for the year ended March 31, 2025**

(All amount in INR lakhs, unless otherwise stated)

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 borrowings and interest thereon.

The following table analysis foreign currency risk from financial instruments relating to US\$ as of March 31, 2025 and March 31, 2024:

	As at March 31, 2025	As at March 31, 2024
Borrowings		
Foreign currency loans from banks and financial institutions (including interest accrued)*	26,601	31,348
Payables	631	2,877

The following table analysis foreign currency risk from financial instruments relating to Euro as of March 31, 2025 and March 31, 2024:

Payables**	10	1
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The following table analysis foreign currency risk from financial instruments relating to GBP as of March 31, 2025 and March 31, 2024:

Payables**	-	21
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Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in US\$/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.

Effect on profit before tax	Change in US\$ rate		As at March 31, 2025		As at March 31, 2024	
	+/(-)5%	(-)/+		+/(-)5%		
			1,362		1,712	

* Before adjustment of unamortised balance of ancillary cost of borrowing of INR 274 lakhs (March 31, 2024: INR 118 Lakhs)

** Since the outstanding payable in EURO and GBP are not significant, hence Foreign currency sensitivity has not been disclosed separately.

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, 2025	For the year ended March 31, 2024
Opening balance	11,299	5,528
Changes in allowance for expected credit loss:		
Provision created during the year (refer note 23)	-	5,771
Trade receivable written off during the year	(56)	-
Written back during the year (refer note 19)	(1,105)	-
Closing balance	10,138	11,299

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Azure Power India Private Limited

Notes to standalone financial statements for the year ended March 31, 2025

(All amount in INR lakhs, unless otherwise stated)

(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.

Movement in provision for doubtful loans during the year :

Particulars	For the year ended	For the year ended
	March 31, 2025	March 31, 2024
Opening balance	9,405	4,674
Provision created during the year (refer note 23)	1,402	4,731
Closing balance	10,807	9,405

Movement in provision for doubtful contractually reimbursable expenses during the year :

Particulars	For the year ended	For the year ended
	March 31, 2025	March 31, 2024
Opening balance	5,234	4,727
Provision created during the year (refer note 23)	109	507
Written back during the year (refer note 19)	(5,030)	-
Closing balance	313	5,234

Movement in provision for doubtful interest receivable during the year :

Particulars	For the year ended	For the year ended
	March 31, 2025	March 31, 2024
Opening balance	1,018	18
Provision created during the year (refer note 23)	59	1,000
Written back during the year (refer note 19)	(740)	-
Closing balance	337	1,018

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, 2025				
Lease liabilities	610	1,929	9,200	11,739
Borrowings*	58,431	86,940	88,019	2,33,390
Loan from subsidiaries*	-	1,19,897	-	1,19,897
Trade payables	7,342	-	-	7,342
Other financial liabilities**	5,158	-	-	5,158
Derivative liability	838	-	-	838
	72,379	2,08,766	97,219	3,78,364
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

*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, 2025	March 31, 2024
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%
Azure Power Saturn Private Limited**	India	-	51.40%
Azure Power Thirty Eight Private Limited**	India	-	51.00%
Azure Power Forty Four Private Limited**	India	-	51.40%
Azure Power US Inc.	United States of America	100%	100%

* Includes shareholding held by nominee shareholders.

** Refer note 44.

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Azure Power India Private Limited

Notes to standalone financial statements for the year ended March 31, 2025

(All amount in INR lakhs, unless otherwise stated)

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, 2025 and March 31, 2024.

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41. Significant accounting judgements, estimates and assumptions

The preparation of the Company's standalone 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 standalone 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/solar park 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, 2025 was INR 1.190 lakhs (March 31, 2024: INR 1.094 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 5.2 lakhs to 6.0 lakhs (March 31, 2024 - INR 4.9 lakhs to 5.6 lakhs)
- ▶ Discount rate – 10.0% (March 31, 2024: 10.0 % p.a.)
- ▶ Inflation rate – 8.0% (March 31, 2024: 8.0 % p.a.)

(Spaces intentionally left blank)



(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. (refer note 3 and 22)

(vi) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions. conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted cash flow model. The cash flows are derived from the budget for the next remaining useful life of the project. The recoverable amount is sensitive to the discount rate used for the Discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

(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 (ECL) 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) Recognition 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 uncertainties 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, 2025 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 standalone financial statements, particularly on the amount of tax expense and that of provision for taxation.

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Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2025
 (All amount in INR lakhs, unless otherwise stated)

43. Ratio Analysis and its elements

Ratio	Numerator	Denominator	March 31, 2025	March 31, 2024	% change	Reason for variance *
Current ratio	Current Assets	Current Liabilities	1.77	1.16	53%	Primarily due to classification of loans from related parties as non-current liability from current liability during the current year.
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.54	0.52	5%	Not Applicable
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	(0.03)	(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	0.70	0.54	30%	Primarily due to decrease in average trade receivables.
Trade Payable Turnover Ratio	Other expenses	Average Trade Payables	1.61	2.40	(33%)	Primarily due to decrease in other expenses.
Net Capital Turnover Ratio	Revenue from operation	Average working capital	0.64	0.47	36%	Primarily due to classification of loans to related parties as non-current during the current year.
Net Profit ratio	Net Profit	Revenue from operation	(0.60)	(0.56)	6%	Not Applicable
Return on Capital Employed	Earnings before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	0.04	0.00	1068%	Primarily due to increase in earning before interest and taxes primarily on account of dividend income and reduction in other expenses.
Debt Service Coverage ratio	Net profit after taxes + Non-cash operating expenses + Interest	Interest & Lease Payments + Principal Repayments	0.30	0.46	(34%)	Primarily on account of repayment of borrowing and interest thereon
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.



Azure Power India Private Limited

Notes to standalone financial statements for the year ended March 31, 2025

(All amount in INR lakhs, unless otherwise stated)

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 remaining 51.4% ownership was to be transferred post refinancing of the Green Bonds which were due in December 2024. There was 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% was to be transferred on or after September 30, 2024.

Pursuant to refinancing of the Green Bonds, the Company transferred ownership of 33.2 MW operating capacity forming part of Restricted Group. Out of 33.2 MW, the Company transferred 51.4% remaining equity ownership to Radiance for 21.8 MW during the current year. Further, subsequent to the year ended March 31, 2025, during May 2025, 51.4% remaining equity ownership for the balance 11.4 MW was also transferred to Radiance.

For the 16 MW project with Delhi Jal Board (DJB), subsequent to the year ended March 31, 2025, during April 2025, the Company also transferred 51% remaining equity ownership to Radiance. Accordingly, the Company has presented investment in these entities as current investment in these standalone financial statements as at March 31, 2025.

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

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.

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. Below is the summary of the new standard or amendment to the existing standards notified by the MCA, applicable to the Company as on date.

a) Effect of changes in forex rates- Lack of Exchangeability- Amendment to Ind AS 21

On 07 May 2025, the MCA has notified amendment to Ind AS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not exchangeable.

The Company has evaluated the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

46. Subsequent Events

In December 2024, Siemens Gamesa Renewable Power Private Limited ("SGRE") served a notice invoking arbitration against the Company, under a supply contract alleging a breach of contractual obligations and claimed compensation of INR 19,343 lakhs. On June 26, 2025, the said dispute between the Company and SGRE has been mutually settled.

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 writing 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 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 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

As the Holding Company and its consolidated subsidiaries (the "Group") has disclosed in its filings since 2022, in May and September of 2022, the Group received whistleblower complaints and initiated internal investigations headed by the Audit and Risk Committee of the Ultimate Parent Company (the "ARC Investigation") and a Special Committee of Board of Directors of the Holding Company established in August 2022 (the "Special Committee Investigation"). None of those allegations pertain to the Company. At the direction of the Board of Directors of the Holding Company, external counsel for the committees initiated a voluntary self-disclosure on behalf of the Parent Company to the U.S. Department of Justice and the U.S. Securities and Exchange Commission (the "U.S. Government"). The Holding Company continues to cooperate with the U.S. Government's investigations. The ARC Investigation was concluded in the previous year. The Special Committee Investigation, which is substantially complete, 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 review and its findings have impacted the decision-making of the Group in connection with such projects.

Management of the Group, under the supervision of the Holding Company's Audit and Risk Committee, initiated remediation actions focused on improving the Group's internal control and compliance environment to address the control deficiencies that led to ineffectiveness in earlier years. Management has taken support from external consultants while performing this remediation exercise. These efforts include strengthening our internal control framework, testing operational controls, training of team members and periodic monitoring by the Audit and Risk Committee of the Holding Company of the effectiveness of the remedial efforts and overall reporting framework. The internal controls over financial reporting of the Group have been assessed to be effective during the year ended March 31, 2025.

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 the then ongoing investigations (refer note 48), the AGM for financial year 2021-22 and 2022-23 were held in February 2024 and May 2024 respectively, i.e. after the extension granted by ROC. The Company has successfully filed the compounding application with the ROC in December 2024. As of the reporting date, the application is pending disposal with the Regional Director and the Management believes that the financial impact of the same is not material.

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 Public interest litigations (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 are currently pending adjudication. We cannot predict the outcome of these two PILs.

Based on the economics and uncertainties associated with the PILs and Special Committee of the Board of the Holding Company (the "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. Considering the communication received from SECI and imminent threat of encashment of Bank Guarantees, we obtained an interim order dated October 16, 2023 from the High Court of Andhra Pradesh restraining such encashment and any coercive action against us till the next hearing date. The next hearing date will be notified by the court in due course.

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. Accordingly, the Company has recognised provisions for INR 39 lakhs in the current year (INR 5,097 lakhs cumulatively till March 31, 2025) against impairment of assets and recognised provisions of Nil in the current year (INR 12,315 lakhs cumulatively till March 31, 2025) towards Bank Guarantees in its standalone financial statements.

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 under Manufacturing Contract Agreements (MCAs) of solar cells and solar modules by 583 MW from 1,000 MW.

In light of the 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 Company has recognised provision for INR 2,508 lakhs in the current year (INR 15,523 lakhs cumulatively till March 31, 2025) against impairment of assets and recognised provisions of Nil in the year (INR 2,061 lakhs, net of bank guarantee encashed during the year amounting to INR 3,500 lakhs) cumulatively till March 31, 2025 towards Bank Guarantees in its standalone financial statements.

Separately, Bank Guarantees of approximately INR 2,200 lakhs were submitted for obligations under module MCAs. To prevent coercive actions, including encashment of the bank guarantees, we filed a petition before the High Court of Andhra Pradesh. A stay has been granted against any coercive action including such encashment, and the next hearing date will be notified in due course.

Accordingly, during the current year, a further provision for INR 1,945 lakhs was recognized towards bank guarantees related to MCAs referred to above, including delays due to reduced capacity under the MCAs.



Azure Power India Private Limited

Notes to standalone financial statements for the year ended March 31, 2025

(All amount in INR lakhs, unless otherwise stated)

51. During the current year, the Company has recognized provision of INR 297 lakhs (INR 8,626 lakhs cumulatively till March 31, 2025) towards impairment of assets 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.

In case of the 150 MW solar-wind Hybrid Project, in light of economic and execution challenges, the Group decided to withdraw from the project and the associated ISTS Connectivity grant. The Group continues discussions with SECI to ensure an orderly withdrawal from the 150 MW Hybrid Project and from the obligations of the Group under the PPA, Performance Bank Guarantees and other guarantees relating to the Hybrid Project. In Fiscal Year, 2025, the Company recognized a provision of INR 1,990 lakhs towards Bank Guarantees in relation to the 150 MW Hybrid Project.

The accompanying notes are an integral part of the standalone 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

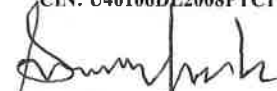
Date : August 20, 2025



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 20, 2025



Sugata Sircar

Director and Group CFO

DIN: 01119161

Place : Gurugram

Date : August 20, 2025



Kapil Sharma

Company Secretary

Membership No: A37154

Place: Gurugram

Date : August 20, 2025



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 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, 2025, 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 material 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 matter 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group, as at March 31, 2025, and their consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

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 earlier years. 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 has substantially completed its review.

As a result of above, 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 are 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 matter, 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.

The above matter was 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 Companies Act, 2013. 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, is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated financial statements.

Emphasis of Matters

We draw attention to the following matters in the Notes to the consolidated financial statements:

- (a) We draw attention to Note 46 to the accompanying consolidated financial statements regarding the restatement carried out by the Group, in accordance with the requirements of Ind AS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors" on account of retrospective adjustments pertaining to the matters as described in detail in the aforesaid note.
- (b) We draw attention to Note 54 of the consolidated financial statements, which describes the effects of legal case decided in the favour of Azure Sunrise Private Limited (subsidiary company).
- (c) Refer Note 49 read with Note 53 (xxix) of the consolidated financial statements includes the Financial Statements of Azure Power Fifty Three Private Limited (Subsidiary Company), which states that the subsidiary company has accumulated losses of INR 1,121 Lakh and its net worth has fully eroded as at March 31, 2025. The subsidiary company's current liabilities exceeded its current assets by INR 1,110 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, 2025. 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 53 (xxx) of the consolidated financial statements includes the Financial Statements of Azure Power Fifty Four Private Limited (Subsidiary Company), which states that the subsidiary company has accumulated losses of INR 1,052 Lakh and its net worth has fully eroded as at March 31, 2025. The subsidiary company's current liabilities exceeded its current assets by INR 1,051 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, 2025. 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 53 (xxxii) of the consolidated financial statements includes the Financial Statements of Azure Power Fifty Nine Private Limited (Subsidiary Company), which states that the subsidiary company has accumulated losses of INR 1,076 Lakh, and its net worth has fully eroded as at March 31, 2025. The subsidiary company's current liabilities exceeded its current assets by INR 1,075 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, 2025. 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 49 read with Note 53 (xxxii) of the consolidated financial statements includes the Financial Statements of Azure Power Sixty Private Limited (Subsidiary Company), which states that the subsidiary



company has accumulated losses of INR 1,047 Lakh and its net worth has fully eroded as at March 31, 2025. The subsidiary company's current liabilities exceeded its current assets by INR 1,046 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, 2025. 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.

- (g) Refer Note 49 read with Note 53 (xlii) of the consolidated financial statements includes the Financial Statements of Azure Power Sixty Two Private Limited (Subsidiary Company), which states that the subsidiary company has accumulated losses of INR 839 Lakh and its net worth has fully eroded as at March 31, 2025. The subsidiary company's current liabilities exceeded its current assets by INR 838 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, 2025. 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.
- (h) Refer Note 49 read with Note 53 (xxvii) of the consolidated financial statements includes the Financial Statements of Azure Power Fifty One Private Limited (Subsidiary Company), which states that the subsidiary company has accumulated losses of INR 3,603 Lakh and its net worth has fully eroded as at March 31, 2025. 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 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, 2025. 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 have been made for additional liabilities that may arise.
- (i) Refer Note 51 read with Note 53(xix) of the consolidated financial statements includes the Financial Statements of Kotuma Wind Parks Private Limited (Subsidiary Company) , which states that the subsidiary company has accumulated losses of INR 2,545 Lakh and its net worth has fully eroded as at March 31, 2025. The subsidiary company's current liabilities exceeded its current assets by INR 1,686 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, 2025. 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 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 Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 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 Group 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 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.
- Obtain sufficient and 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

- We did not audit the financial statements of four entities forming part of these consolidated financial statements for the period from April 01, 2024 to 30 September 2024, whose financial statements reflect total revenues of INR 1,302 Lakh and total loss after tax of INR 550 Lakh for the said period. As describes in Note 45 to the consolidated financial statements, the Group has control over these entities upto September 30, 2024, only and accordingly, their results are included in these consolidated financial statements up to September 30, 2024. 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.
 - The consolidated financial statements include the Financial Statements of Azure Power Thirty Nine Private Limited (Subsidiary Company), which states that the subsidiary company's current liabilities exceeds its current assets by INR 1 Lakh as on March 31, 2025. 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 a letter of financial and operational support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of subsidiary company have been prepared on a going concern basis. (Refer note 53(iv) to the consolidated financial statements).
 - The consolidated financial statements include the Financial Statements of Azure Power Forty Private Limited (Subsidiary Company), which states that the subsidiary company's current liabilities exceeds its current assets by INR 2,519 Lakh as on March 31, 2025. 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 a letter of financial and operational support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of subsidiary company have been prepared on a going concern basis. (Refer note 53(xi) to the consolidated financial statements).
- The consolidated financial statements include the Financial Statements of Azure Power Forty Three Private Limited (Subsidiary Company), which states that the subsidiary company's current liabilities exceeds its



current assets by INR 6,040 Lakh as on March 31, 2025. 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 a letter of financial and operational support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of subsidiary company have been prepared on a going concern basis. (Refer note 53(xiii) to the consolidated financial statements).

- v. The consolidated financial statements include the Financial Statements of Azure Power Fifty Two Private Limited (Subsidiary Company), which states that the subsidiary company has incurred an accumulated loss of INR 11,916 Lakh as on March 31, 2025, 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 5,853 Lakh as on March 31, 2025. These conditions 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 a letter of financial and operational support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of subsidiary company have been prepared on a going concern basis. (Refer note 53(xxviii) to the consolidated financial statements).
 - vi. The consolidated financial statements include the Financial Statements of Azure Power Fifty Six Private Limited (Subsidiary Company), which states that the subsidiary company has incurred an accumulated loss of INR 241 Lakh as on March 31, 2025, 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 230 Lakh as on March 31, 2025. These conditions 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 a letter of financial and operational support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of subsidiary company have been prepared on a going concern basis. (Refer note 53(xv) to the consolidated financial statements).
 - vii. The consolidated financial statements include the Financial Statements of Azure Power Fifty Seven Private Limited (Subsidiary Company), which states that the subsidiary company has incurred an accumulated loss of INR 257 Lakh as on March 31, 2025, 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 256 Lakh as on March 31, 2025. These conditions 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 a letter of financial and operational support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of subsidiary company have been prepared on a going concern basis. (Refer note 53(xvi) to the consolidated financial statements).
 - viii. The consolidated financial statements include the Financial Statements of Azure Power Fifty Eight Private Limited (Subsidiary Company), which states that the subsidiary company has incurred an accumulated loss of INR 371 Lakh as on March 31, 2025, 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 957 Lakh as on March 31, 2025. These conditions 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 a letter of financial and operational support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of subsidiary company have been prepared on a going concern basis. (Refer note 53(xvii) to the consolidated financial statements).
 - ix. The consolidated financial statements include the Financial Statements of Azure Power Sixty One Private Limited (Subsidiary Company), which states that the subsidiary company has incurred an accumulated loss of INR 13 Lakh as on March 31, 2025, 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 460 Lakh as on March 31, 2025. These conditions 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 a letter of financial and operational support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of subsidiary company have been prepared on a going concern basis. (Refer note 53(xviii) to the consolidated financial statements).
- The consolidated financial statements include the Financial Statements of Two Wind Energy Private Limited (Subsidiary Company), which states that the subsidiary company has incurred an accumulated loss

of INR 6,084 Lakh as on March 31, 2025, 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 4,186 Lakh as on March 31, 2025. These conditions indicate 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 a letter of financial and operational support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of subsidiary company have been prepared on a going concern basis. (Refer note 53(xx) to the consolidated financial statements).

- xi. The consolidated financial statements include the Financial Statements of Azure Green Hydrogen Private Limited (Subsidiary Company), which states that the subsidiary company has incurred an accumulated loss of INR 16 Lakh as on March 31, 2025, and as of that date, the subsidiary company's net worth has fully eroded. 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 a letter of financial and operational support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of subsidiary company have been prepared on a going concern basis. (Refer note 53(xxi) to the consolidated financial statements).
- xii. The consolidated financial statements include the Financial Statements of Azure Power Sixty Three Private Limited (Subsidiary Company), which states that the subsidiary company has incurred an accumulated loss of INR 214 Lakh as on March 31, 2025, and as of that date, the subsidiary company's net worth has fully eroded. 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 a letter of financial and operational support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of subsidiary company have been prepared on a going concern basis. (Refer note 53(xxii) to the consolidated financial statements).
- xiii. The consolidated financial statements include the Financial Statements of Azure Energy Transition Private Limited (Subsidiary Company), which states that the subsidiary company has incurred an accumulated loss of INR 268 Lakh as on March 31, 2025, 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 23 Lakh as on March 31, 2025. These conditions indicate 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 a letter of financial and operational support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of subsidiary company have been prepared on a going concern basis. (Refer note 53(xxiii) to the consolidated financial statements).
- xiv. The consolidated financial statements include the Financial Statements of Azure Power Sixty Four Private Limited (Subsidiary Company), which states that the subsidiary company has incurred an accumulated loss of INR 14 Lakh as on March 31, 2025, and as of that date, the subsidiary company's net worth has fully eroded. 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 a letter of financial and operational support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of subsidiary company have been prepared on a going concern basis. (Refer note 53(xxiv) to the consolidated financial statements).
- xv. The consolidated financial statements include the Financial Statements of Azure Power Sixty Five Private Limited (Subsidiary Company), which states that the subsidiary company has incurred an accumulated loss of INR 13 Lakh as on March 31, 2025, and as of that date, the subsidiary company's net worth has fully eroded. 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 a letter of financial and operational support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of subsidiary company have been prepared on a going concern basis. (Refer note 53(xxv) to the consolidated financial statements).
- xvi. The consolidated financial statements include the Financial Statements of Azure Power Sixty Six Private Limited (Subsidiary Company), which states that the subsidiary company has incurred an accumulated loss of INR 6 Lakh as on March 31, 2025, 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 5 Lakh as on March

31, 2025. These conditions 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 a letter of financial and operational support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of subsidiary company have been prepared on a going concern basis. (Refer note 53(xxvi) to the consolidated financial statements).

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 matter 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 matter 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) In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion section above, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) The possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, 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, 2025 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, 2025 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to consolidated financial statements.
 - (h) 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 it is a private Company.
 - (i) 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 consolidated financial statements.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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 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.
- (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.
- (c) 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 Holding Company 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 have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been enabled and operated throughout the year for all relevant transactions recorded in the accounting software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

Audit trail has been preserved by the Group as per the statutory requirements for record retention in accordance with the requirements of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.



2. 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	iii(c), vi(a), vi(b), ix(a)
2	Azure Power (Punjab) Private Limited	U40106DL2009PTC290476	Subsidiary	iii(c), vii(b), ix(a)
3	Azure Power (Haryana) Private Limited	U40108DL2009PTC291351	Subsidiary	vii(b), xvii
4	Azure Solar Private Limited	U40106DL2010PTC209414	Subsidiary	vii(a), vii(b)
5	Azure Power (Rajasthan) Private Limited	U40101DL2010PTC204588	Subsidiary	vii(a)
6	Azure Urja Private Limited	U40300DL2010PTC209420	Subsidiary	vii(b)
7	Azure Surya Private Limited	U40300DL2010PTC209423	Subsidiary	vii(b)
8	Azure Power (Karnataka) Private Limited	U40107DL2010PTC291031	Subsidiary	i(c), vii(b), ix(a)
9	Azure Photovoltaic Private Limited	U40300DL2010PTC209803	Subsidiary	i(c), iii(c), vii(b), ix(a)
10	Azure Power Infrastructure Private Limited	U40102DL2010PTC208927	Subsidiary	vii(b), ix(a)
11	Azure Power (Raj.) Private Limited	U40106DL2010PTC207053	Subsidiary	i(c), iii(c), vii(a), vii(b), ix(a)
12	Azure Green Tech Private Limited	U40106DL2012PTC237073	Subsidiary	vii(b)
13	Azure Clean Energy Private Limited	U40105DL2012PTC236882	Subsidiary	vii(a), vii(b)
14	Azure Sunrise Private Limited	U40106DL2012PTC236103	Subsidiary	i(c), iii(c), vii(b)
15	Azure Sunshine Private Limited	U40106DL2012PTC237070	Subsidiary	vii(b)
16	Azure Power Earth Private Limited	U40300DL2014PTC273940	Subsidiary	vii(a)
17	Azure Power Eris Private Limited	U40300DL2014PTC273917	Subsidiary	vii(b)
18	Azure Power Makemake Private Limited	U40106DL2015PTC274954	Subsidiary	iii(c), vii(a)
19	Azure Power Mars Private Limited	U40300DL2014PTC273939	Subsidiary	vii(b)
20	Azure Power Pluto Private Limited	U40300DL2014PTC273942	Subsidiary	iii(c), vii(a), vii(b)
21	Azure Power Uranus Private Limited	U40108DL2015PTC275032	Subsidiary	vii(a), xvii
	Azure Power Venus Private Limited	U40106DL2015PTC275034	Subsidiary	vii(a), ix(a), xvii

S. No.	Name of the Company	CIN	Type of company (Holding/ Subsidiary)	Clause Number of the CARO report which is Qualified or Adverse
23	Azure Power Thirty Three Private Limited	U40300DL2016PTC298811	Subsidiary	i(c), vii(a), vii(b), ix(a), xvii
24	Azure Power Thirty Four Private Limited	U40106DL2016PTC300663	Subsidiary	iii(c), vii(a)
25	Azure Power Thirty Six Private Limited	U40108DL2016PTC299126	Subsidiary	iii(c), vii(a), vii(b)
26	Azure Power Thirty Seven Private Limited	U40300DL2016PTC299122	Subsidiary	vii(b)
27	Azure Power Thirty Nine Private Limited	U40101DL2016PTC301060	Subsidiary	ix(a), xvii, xix
28	Azure Power Forty Private Limited	U40107DL2016PTC302018	Subsidiary	i(c), vii(a), xix
29	Azure Power Forty Three Private Limited	U40100DL2017PTC310862	Subsidiary	xix
30	Azure Power Maple Private Limited	U40106DL2017PTC324594	Subsidiary	xvii
31	Azure Power Fifty One Private Limited	U40106DL2019PTC359448	Subsidiary	vii(a), ix(a), xvii, xix
32	Azure Power Fifty Two Private Limited	U40100DL2020PTC360279	Subsidiary	xvii, xix
33	Azure Power Fifty Three Private Limited	U40106DL2020PTC359765	Subsidiary	ix(a), xvii, xix
34	Azure Power Fifty Four Private Limited	U40106DL2020PTC360303	Subsidiary	ix(a), xvii, xix
35	Azure Power Fifty Nine Private Limited	U40100DL2021PTC388833	Subsidiary	ix(a), xvii, xix
36	Azure Power Sixty Private Limited	U40106DL2021PTC388805	Subsidiary	ix(a), xvii, xix
37	Azure Power Sixty Two Private Limited	U40106DL2021PTC390823	Subsidiary	ix(a), xvii, xix

For **ASA & Associates LLP**

Chartered Accountants

Firm Registration No: 009571N/N500006



K Nithyananda Kamath

Partner

Membership No. 027972



UDIN: 25027972BMKOYA9250

Place: Gurugram

Date: August 20, 2025

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”)

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, 2025, 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.

Management’s responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on, the internal control over Financial Reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note of Audit of Internal Controls over Financial Reporting issued by the ICAI. 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 the respective 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 Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Holding Company’s internal financial controls over financial reporting with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on internal financial controls over financial reporting (“Guidance Note”) issued by the ICAI and the standards on auditing, issued by ICAI and deemed to be prescribed under Section 143 (10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 over Financial Reporting 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 system over Financial Reporting with reference to Consolidated Financial Statements and their operating effectiveness.

Our audit of internal financial controls system over Financial Reporting with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls over Financial Reporting 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 judgment, 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 audit opinion on the internal controls system over Financial Reporting with reference to Consolidated Financial Statements of the Group.

Meaning of Internal financial controls with reference to Consolidated Financial Statements

A Company’s internal financial control over Financial Reporting 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 company’s internal financial



control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the company; (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 receipt 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 consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over Financial Reporting, 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 controls over financial reporting 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.

Opinion

In our opinion, the Holding Company and its subsidiaries, which are companies incorporated in India have, in all material respects, an adequate internal control financial controls system with reference to consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the internal financial control over financial reporting criteria, established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal control over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **ASA & Associates LLP**

Chartered Accountants

Firm Registration No: 009571N/N500006



K Nithyananda Kamath

Partner

Membership No. 027972



UDIN: 25027972BMKOYA9250

Place: Gurugram

Date: August 20, 2025

Azure Power India Private Limited
Consolidated Balance Sheet as at March 31, 2025
(All amounts in INR lakhs, unless otherwise stated)

	Notes	As at March 31, 2025	As at March 31, 2024*	As at April 01, 2023*
Assets				
Non-current assets				
Property, plant and equipment	3	12,15,185	12,48,693	12,86,095
Capital work-in-progress	3	6,339	12,410	33,666
Right-of-use assets	34	45,148	47,176	48,481
Intangible assets	4	48	38	7
Financial assets	5			
- Investments	5.1	4,551	4,551	4,551
- Trade receivables	5.2	34,453	35,818	38,976
- Loans	5.3	25,521	933	465
- Other financial assets	5.4	1,13,255	1,03,172	96,918
Deferred tax assets (net)	17	28,399	32,088	34,080
Other non-current assets	6	6,805	19,425	20,334
Income tax assets (net)	7	8,479	5,469	2,752
Total non-current assets		14,88,183	15,09,773	15,66,325
Current assets				
Inventories	7A	83	131	131
Financial assets	8			
- Investment	8A	25	-	-
- Trade receivables	8.1	51,748	45,055	55,921
- Cash and cash equivalents	8.2	33,851	31,361	38,959
- Other bank balances	8.3	45,510	38,028	83,753
- Loans	8.4	-	9,129	9,503
- Other current financial assets	8.5	10,832	9,401	14,250
Other current assets	9	18,443	9,825	7,147
Assets classified as held for sale	45	-	21,567	-
Total current assets		1,60,492	1,64,497	2,09,664
Total assets		16,48,675	16,74,270	17,75,989
Equity and liabilities				
Equity				
Equity share capital	10	692	692	692
Other equity	11	3,54,418	3,38,446	3,51,174
Equity attributable to equity holders of the parent		3,55,110	3,39,138	3,51,866
Non-controlling interest	11	1,912	38	2,528
Total equity		3,57,022	3,39,176	3,54,394
Liabilities				
Non-current liabilities				
Financial liabilities	12			
- Borrowings	12.1	10,18,053	7,38,263	10,57,347
- Lease liabilities	34	34,391	34,260	33,684
- Other financial liabilities	12.2	2	-	-
Provisions	13.1	9,197	8,451	7,533
Deferred tax liabilities (net)	17	7,613	26,294	19,218
Other non-current liabilities	14	61,947	65,638	68,275
Total non-current liabilities		11,31,203	8,72,906	11,86,057
Current liabilities				
Financial liabilities	15			
- Borrowings	15.1	99,263	3,69,210	1,60,762
- Lease liabilities	34	3,244	3,154	2,924
- Trade payables				
Total outstanding dues of micro enterprises and small enterprises	15.2	1,826	1,469	491
Total outstanding dues of creditors other than micro enterprises and small enterprises	15.2	14,995	18,012	12,441
- Other financial liabilities	15.3	13,793	22,726	30,472
Other current liabilities	16	6,484	5,849	6,105
Provisions	13.2	18,873	18,423	18,558
Current tax liabilities (net)	16A	1,972	1,828	3,785
Liabilities directly associated with assets classified as held for sale	45	-	21,517	-
Total current liabilities		1,60,450	4,62,188	2,35,538
Total liabilities		12,91,653	13,35,094	14,21,595
Total equity and liabilities		16,48,675	16,74,270	17,75,989

* Refer note 46 for restatement

See accompanying notes to the consolidated financial statements

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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 20, 2025



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 20, 2025

Sugata Sircar
Director and Group CFO
DIN 01119161
Place Gurugram
Date August 20, 2025

Kupil Sharma
Company Secretary
Membership No. A37154
Place Gurugram
Date August 20, 2025



Azure Power India Private Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2025
(All amounts in INR lakhs, other than per share amount)

	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024*
Revenue			
Revenue from operations	18	2,05,062	2,10,414
Finance income	19	17,206	17,670
Other income	20	17,422	6,017
Total income		2,39,690	2,34,101
Expenses			
Employee benefits expense	21	10,667	10,653
Finance costs	22	1,28,092	1,23,326
Depreciation and amortisation expense	23	44,437	45,164
Impairment expense	24	550	8,407
Other expenses	25	48,513	45,128
Total expenses		2,32,259	2,32,678
Profit before tax		7,431	1,423
Tax expense:			
Current tax	17	6,384	5,562
Income tax adjustment pertaining to earlier years	17	(1,814)	177
Deferred tax (credit)/ charge	17	(14,577)	9,618
Total tax (benefit)/ expense		(10,007)	15,357
Profit/ (loss) after tax		17,438	(13,934)
Other comprehensive income			
Items that will be reclassified to profit or loss			
Net movement on cash flow hedge reserve		(1,669)	(1,799)
Income tax effect on cash flow hedge reserve	17	414	544
Exchange difference on translation of foreign operation		2	2
Items that will not be reclassified to profit or loss			
Re-measurement losses on defined benefit plans	37	(4)	(19)
Income tax effect on re-measurement losses on defined benefit plans	17	1	6
Total other comprehensive loss		(1,256)	(1,266)
Total comprehensive income/ (loss)		16,182	(15,200)
Profit/ (loss) after tax attributable to:			
Equity holders of the parent		17,396	(11,444)
Non-controlling interest		42	(2,490)
Total comprehensive income/ (loss) attributable to:			
Equity holders of the parent		16,140	(12,710)
Non-controlling interest		42	(2,490)
Earnings per equity share: [Nominal value of share : INR 10 (March 31, 2024 : INR 10)]			
(1) Basic earnings per share (INR)	26	251.36	(165.36)
(2) Diluted earnings per share (INR)	26	251.36	(165.36)
See accompanying notes to the consolidated financial statements	2.2 - 58		

* Refer note 46 for restatement

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 20, 2025



For and on behalf of the board of directors of
Azure Power India Private Limited
CIN: U40106DI.2008PTC.174774

Sunil Kumar Gupta
Managing Director and CEO
DIN: 07095152
Place : Gurugram
Date : August 20, 2025

Sugata Sircar
Director and Group CFO
DIN: 01119161
Place : Gurugram
Date : August 20, 2025

Kapil Sharma
Company Secretary
Membership No. A37154
Place : Gurugram
Date : August 20, 2025



Azure Power India Private Limited
Consolidated Statement of Cash Flows for the year ended March 31, 2025
(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024*
A Cash flows from operating activities		
Profit before tax	7,431	1,423
Adjustments for :		
Depreciation and amortisation expense	44,437	45,164
Impairment loss	550	8,407
Foreign exchange fluctuation (net)	207	(460)
Impairment allowance for doubtful trade receivables (net)	(2,812)	433
Balance written off	-	206
Reversal of share-based payment liability	(168)	(18)
Interest income on investments	(270)	(63)
Loss on sale of property, plant and equipment (net)	845	194
Provision for doubtful security deposits	7	-
Viability gap funding income	(1,353)	(1,104)
Inter-company loan written off (including interest accrued)	3,387	-
Government grant income	(17)	(91)
Deferred revenue	(3,505)	(2,404)
Contract assets	2,662	37
Loss on disposal of subsidiaries	1,830	-
Advances written off	1,462	208
Assets written off	3,047	3,221
Provision for Bank Guarantee and others	3,934	900
Provision for liquidated damages	-	190
Gain on cancellation of lease contract	-	(293)
Gain of modification of financial assets	-	(20)
Penalty	-	433
Provision for doubtful advances	1,305	250
Viability gap funding received	-	(86)
Interest income	(17,206)	(17,670)
Liabilities no longer required written back	(2,268)	(1,444)
Finance costs	1,28,092	1,23,326
Operating profit before working capital changes	1,71,597	1,60,739
Movements in working capital		
Decrease in trade receivables	959	15,809
(Increase)/ decrease in other current financial assets	(7,752)	4,875
Increase in other current assets	(70)	(2,089)
(Decrease)/ increase in trade payables	(1,097)	6,132
Increase in loans	(47)	(41)
Decrease/ (increase) in non current financial assets	393	(27)
Decrease in other non-current assets	259	182
Decrease in inventories	48	-
Increase in other current and non current liabilities	690	702
Decrease in other current and non-current financial liabilities	(1,354)	(177)
Decrease in provisions	(3,523)	(871)
Cash from operations	1,60,103	1,85,234
Income tax paid (net of refunds)	(7,436)	(10,446)
Net cash from operating activities [A]	1,52,667	1,74,788
B Cash flows from investing activities		
Purchases of property, plant and equipment (including capital work in progress, capital advance and capital creditors)	(6,662)	(18,160)
Proceeds from disposal of property, plant and equipment	92	1,479
Purchase of intangible assets	(72)	(68)
Interest received	12,054	12,503
Loans to fellow subsidiary companies (refer note 27)	(16,850)	(1,496)
Loans repaid by to others	-	1,442
Proceeds from disposal of subsidiaries	25	-
(Investment) in/ proceeds from bank deposits (having the original maturity of more than three months)	(15,957)	37,146
Net cash (used in)/ from investing activities [B]	(27,370)	32,846
C Cash flows from financing activities		
Repayment of External commercial borrowings/Non-Convertible Debentures	(2,38,316)	(53,536)
Payment of redemption premium	(9,816)	-
Proceeds from non-current borrowings	4,77,728	12,364
Repayments of non-current borrowings	(1,53,049)	(58,032)
Proceeds from current borrowings	-	1,888
Repayment of current borrowings	(79,474)	-
Loan prepayment charges	(1,043)	-
Payment of lease rent (refer note 34)	(3,396)	(3,081)
Finance cost paid	(1,15,441)	(1,12,921)
Net cash used in financing activities [C]	(1,22,807)	(2,13,318)
Net increase/ (decrease) in cash and cash equivalents [A + B + C]	2,490	(5,684)
Cash and cash equivalents at the beginning of the year	33,275	38,959
Adjustment for cash and cash equivalents classified as held for sale	(1,914)	-
Cash and cash equivalents at the end of the year	33,851	33,275
Components of cash and cash equivalents		
Balances with schedule banks:		
- In current accounts (refer note 8 2)	9,830	13,930
- Deposits with original maturity of less than 3 months (refer note 8 2)	24,021	17,431
Cash and cash equivalents classified as held for sale	-	1,914
Total cash and cash equivalents	33,851	33,275

Refer note 46 for restatement



Azure Power India Private Limited
Consolidated Statement of Cash Flows for the year ended March 31, 2025
(All amounts in INR lakhs, unless otherwise stated)

Change in liabilities arising from financing activities

Particulars	Opening balance as at April 01, 2024	Cash flow (net)	Change in foreign exchange rate	Classified to liabilities held for sale	Other changes*	Closing balance as at March 31, 2025
Non current borrowings (Including current maturities)	10,27,968	75,504	2,326	-	11,518	11,17,316
Current borrowings	79,505	(79,474)	(31)	-	-	-
Lease liabilities	37,414	(3,396)	-	-	3,617	37,635
Total liabilities from financing activities	11,44,887	(7,366)	2,295	-	15,135	11,54,951

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	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

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

Notes:

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

See accompanying notes to the consolidated financial statements

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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 20, 2025



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 20, 2025

Sugata Sircar
Director and Group CFO
DIN: 01119161
Place : Gurugram
Date : August 20, 2025

Kapil Sharma
Company Secretary
Membership No. A37154
Place : Gurugram
Date : August 20, 2025



Azure Power India Private Limited
Consolidated Statement of Changes in Equity for the year ended March 31, 2025
 (All amounts in INR lakhs, unless otherwise stated)

(a) Equity share capital

For the year ended March 31, 2025

Equity shares of INR 10 each issued, subscribed and fully paid

	Number of shares	Share capital
At April 01, 2024	69,20,619	692
Changes during the year	-	-
At March 31, 2025	69,20,619	692

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

(b) Other equity

For the year ended March 31, 2025:

Particulars	Attributable to the equity holders of parent company							Total
	Deemed capital contribution by parent company / ESOP reserve	Deficit in the statement of profit and loss	Reserves and surplus	Other reserve	Defined benefit plans (Note 37)	Cash flow hedge reserve	Foreign currency translation reserve (FCTR)	
At April 01, 2024 (As Previously Reported)	3,645	(1,75,833)	5,11,225	403	69	1,009	(130)	3,40,368
Adjustment relating to prior period errors*	-	(1,922)	-	-	-	-	-	(1,922)
At April 01, 2024	3,645	(1,77,755)	5,11,225	403	69	1,009	(130)	3,38,446
Profit for the year	-	17,396	-	-	-	-	-	17,396
Other comprehensive (loss)/income (net of tax)	-	-	-	-	(3)	(1,255)	2	(1,256)
Total	3,645	(1,60,359)	5,11,225	403	66	(246)	(148)	3,54,586
Dividend distributed	-	-	-	-	-	-	-	-
Transfer to consolidated statement of profit and loss (refer note 25 and 45)	-	-	-	-	-	-	-	-
Reversal of deemed capital contribution by parent on account of employees Stock option plan (refer note 28)	(168)	-	-	-	-	-	-	(168)
At March 31, 2025	3,477	(1,60,359)	5,11,225	403	66	(246)	(148)	3,54,418
								1,912
								3,56,330



Azure Power India Private Limited
Consolidated Statement of Changes in Equity for the year ended March 31, 2025
 (All amounts in INR lakhs, unless otherwise stated)

For the year ended March 31, 2024:

Particulars	Attributable to the equity holders of parent company										Total
	Deemed capital contribution by parent company / ESOP reserve	Deficit in the statement of profit and loss	Reserves and surplus		Items of other comprehensive income				Total	Non-controlling interests	
			Securities premium reserve**	Other reserve	Defined benefit plans (Note 37)	Cash flow hedge reserve	Foreign currency translation reserve (FCTR)	Total			
At April 01, 2023 (As Previously Reported)	3,663	(1,64,889)	5,11,225	403	82	2,264	(152)	3,52,596	2,528	3,55,124	
Adjustment relating to prior period errors*	-	(1,422)	-	-	-	-	-	(1,422)	-	(1,422)	
As at April 01, 2023	3,663	(1,66,311)	5,11,225	403	82	2,264	(152)	3,51,174	2,528	3,53,702	
Loss for the year*	-	(11,444)	-	-	-	-	-	(11,444)	(2,490)	(13,934)	
Other comprehensive loss/(income) (net of tax)	-	-	-	-	(13)	(1,255)	2	(1,266)	-	(1,266)	
Total	3,663	(1,77,755)	5,11,225	403	69	1,009	(150)	3,38,464	38	3,38,502	
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	(1,77,755)	5,11,225	403	69	1,009	(150)	3,38,446	38	3,38,484	

* Refer note 46 for restatement

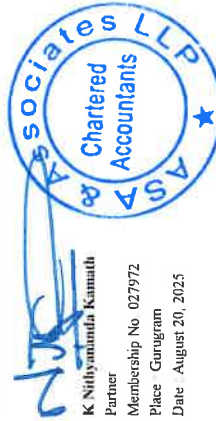
**The amount is net of share issue expenses

See accompanying notes to the consolidated financial statements

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As per our report of even date

For ASA & Associates LLP
 Chartered Accountants
 Firm Registration Number: 009571IN/NS000006



K Nithyananda Kamath
 Partner
 Membership No 027972
 Place Gurugram
 Date August 20, 2025

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

Sunil Kumar Gupta
 Sunil Kumar Gupta
 Managing Director and CEO
 DIN: 07095152
 Place : Gurugram
 Date : August 20, 2025

Kapil Sharma
 Kapil Sharma
 Company Secretary
 Membership No: A37154
 Place : Gurugram
 Date : August 20, 2025



Azure Power India Private Limited
Notes to consolidated financial statements for the year ended March 31, 2025
(INR amount in lakhs, unless otherwise stated)

1. Corporate information

Azure Power India Private Limited (“the Company or Holding 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 Parent Company”). 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 its 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 20, 2025.

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.



Azure Power India Private Limited
Notes to consolidated financial statements for the year ended March 31, 2025
(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, 2025.

Nature of interest in consolidated entities: Subsidiaries

Name	Country of Incorporation /Principal place of business	Percentage of equity interest	
		March 31, 2025	March 31, 2024
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%



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Name	Country of Incorporation /Principal place of business	Percentage of equity interest	
		March 31, 2025	March 31, 2024
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 during the year ended March 31 , 2022.



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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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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.



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 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.



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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 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



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

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.

1) 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



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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 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.



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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 Consolidated 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 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, 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 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. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.



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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.

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.



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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.

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.



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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.

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



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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 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.



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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.

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



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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 affecting 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.

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

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 April 01, 2024.



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3. Property, plant and equipment & Capital work in progress

	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, 2023	37,584	14,40,010	105	1,024	1,112	1,225	3,524	1,801	64,854	15,51,239	34,102
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)	(5,831)
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	20,018
Additions	15	11,808	-	-	92	6	4	-	880	12,805	7,994
Disposals/ Adjustments	(232)	(5,334)	-	(130)	(65)	(2)	-	(36)	(179)	(5,978)	(14,065)
At March 31, 2025	42,241	14,30,153	105	913	1,426	1,245	4,665	1,806	65,419	15,47,973	13,947
Accumulated Depreciation											
At April 01, 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
Charge for the year (refer note 23)	-	39,424	2	50	182	215	305	533	1,701	42,412	-
Disposals/ Adjustments	-	(1,892)	-	(65)	(54)	(2)	-	(28)	(36)	(2,077)	-
At March 31, 2025	-	3,10,948	98	693	1,145	954	2,279	1,744	14,927	3,32,788	7,608
Net block											
At March 31, 2025	42,241	11,19,205	7	220	281	291	2,386	62	50,492	12,15,185	6,339
At March 31, 2024	42,458	11,50,263	9	335	382	500	2,687	603	51,456	12,48,693	12,410

* Refer note 46 for restatement

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, 2025 was INR 754 lakhs (March 31, 2024: INR 460 lakhs). Rate of borrowing is 8.56% p.a. to 10.75% p.a. (refer note 31).

(iii) Property, plant and equipment are pledged as security against borrowing, the details related to which is described in Note 12.1 on borrowings.

(iv) Ageing and Completion schedule of Capital Work in Progress is not given since the numbers are not material.

(v) Certain capital projects of the Group have been temporarily suspended. These projects continue to be classified under Capital Work-in-Progress.

**During the current year ended March 31, 2025, the Group has conducted physical verifications of its property, plant and equipment. Based on the outcome of the physical verification, certain discrepancies were identified which were reviewed and appropriately adjusted in the books of accounts. Accordingly, the Group had written down plant and machinery (net) amounting to INR 1,239 lakhs (refer note 46).



Azure Power India Private Limited**Notes to consolidated financial statements for the year ended March 31, 2025**

(All amounts in INR lakhs, unless otherwise stated)

4. Intangible assets

	Software	Total
Gross block at cost		
At April 01, 2023	1,777	1,777
Additions	68	68
Disposals/ adjustments	-	-
At March 31, 2024	1,845	1,845
Additions	72	72
Disposals/ adjustments	-	-
At March 31, 2025	1,917	1,917
Accumulated Amortization		
At April 01, 2023	1,770	1,770
Charge for the year (refer note 23)	37	37
Disposals/ adjustments	-	-
At March 31, 2024	1,807	1,807
Charge for the year (refer note 23)	62	62
Disposals/ adjustments	-	-
At March 31, 2025	1,869	1,869
Net block		
At March 31, 2025	48	48
At March 31, 2024	38	38

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Azure Power India Private Limited
Notes to consolidated financial statements for the year ended March 31, 2025
(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at	As at
	March 31, 2025	March 31, 2024
5. Non-current financial assets (Carried at amortized cost, unless stated otherwise)		
5.1. Investments (at fair value through profit and loss)		
Investment in equity shares (unquoted)		
5,61,921 shares (March 31, 2024 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 (unquoted)		
13,00,000 compulsorily convertible debentures (March 31, 2024 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
Aggregate value of unquoted investments	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 company, relating to execution of tender received from SECI. The Group had invested INR 937 lakhs in equity shares of the Premier Energies International Private Limited ("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 428 lakhs in equity shares (without dividend rights) and INR 3,185 lakhs in compulsorily convertible debentures of entity 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 5.4 and 20)

5.2 Trade receivables (Unsecured, considered good)		
Trade receivables (refer note 30)	34,453	35,818
Total	34,453	35,818
Break-up for trade receivables		
From others		
Undisputed trade receivables, considered good	34,453	35,818
Undisputed trade receivables, credit impaired	145	76
Total	34,598	35,894
Impairment allowance for doubtful trade receivable (refer note 40)		
Undisputed trade receivables, credit impaired	(145)	(76)
Total	34,453	35,818

Trade receivables ageing schedule

As at March 31, 2025	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	34,289	164	-	-	
Undisputed Trade Receivables – credit impaired	144	1	-	-	-	-	145	
	34,433	165	-	-	-	-	34,598	

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	-	-	
Undisputed Trade Receivables – credit impaired	74	2	-	-	-	-	76	
	34,905	989	-	-	-	-	35,894	

* Unbilled receivables represents receivables where the goods and/or services have been provided to the customer for which the Group has unconditional right to consideration. However, the Group 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, 2025 amounting to INR 34,433 lakhs (March 31, 2024 INR 34,905 lakhs). The Group 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)		
Performance guarantee deposit	408	361
To related parties:		
Loans to fellow subsidiaries, considered good (refer note 27)*	25,113	572
Loans to fellow subsidiaries, credit impaired (refer note 27)	916	-
Less: Provision for doubtful loans (refer note 27 and 40)	(A) 26,029	572
	(B) (916)	-
	(A-B) 25,113	572
Total	25,521	933

* Loan given to fellow subsidiaries carries interest rate ranging from 9.70-10.17% p.a., which is receivable on or before October 14, 2034

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Azure Power India Private Limited
Notes to consolidated financial statements for the year ended March 31, 2025
(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at	
	March 31, 2025	March 31, 2024
5.4 Other financial assets		
Carried at amortised cost		
Term deposits*	92,560	84,085
Interest accrued on term deposits	2,538	2,279
Interest accrued on loans to fellow subsidiaries, considered good (refer note 27)	1,484	211
Interest accrued and due on loans to fellow subsidiaries, credit impaired (refer note 27)	74	-
	(A) 1,558	211
Less Provision for doubtful interest (refer note 27 and 40)	(B) (74)	-
	(A-B) 1,484	211
Interest accrued on investments (refer note 5.1)	202	496
Security deposits	367	767
Carried at fair value through other comprehensive income		
Derivative assets (refer note 36)	16,104	15,334
Total	1,13,255	1,03,172
* The Group has INR 38,606 lakhs (March 2024 INR 39,528 lakhs) as term deposits that represents an amount towards Debt-Service Reserve account for its outstanding loan		
* The Group has INR 295 lakhs (March 2024 INR Nil) as term deposits lying with banks that represents an amount towards Inverter Reserve account		
* The Group has INR 28,540 lakhs (March 2024 INR 12,805 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 23,724 lakhs (March 2024 INR 30,664 lakhs) as deposits for lien to third parties		
6. Other non-current assets		
(Unsecured, considered good)		
Capital advances	954	10,573
Prepaid asset	37	163
Prepaid performance guarantee deduction	2,207	2,340
Contract assets (refer note 30)	3,607	6,349
Total	6,805	19,425
7. Income tax assets (net)		
Advance income-tax (Net of provision for tax INR 8,178 lakhs (March 31, 2024 INR 7,189 lakhs))	8,479	5,469
Total	8,479	5,469
7A. Inventories		
(Carried at lower of cost or net realisable value)		
Carbon credit inventories	83	131
Total	83	131
8. Current financial assets		
(Carried at amortized cost, unless stated otherwise)		
8A. Current investments		
Investment in equity shares of others (at fair value and unquoted) (refer note 45)		
6,99,499 (March 31, 2024 Nil) equity shares of INR 10/- each fully paid up in Azure Power Saturn Private Limited	2,043	-
1,20,402 (March 31, 2024 Nil) equity shares of INR 10/- each fully paid up in Azure Power Thirty Eight Private Limited	1,945	-
Total	(A) 3,988	-
Less:-		
Provision for diminution in value of investments	3,963	-
	(B) 3,963	-
Total	(A-B) 25	-
Aggregate value of unquoted investments	3,988	
Aggregate amount of impairment in value of investments	3,963	

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Azure Power India Private Limited
Notes to consolidated financial statements for the year ended March 31, 2025
(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at	As at
	March 31, 2025	March 31, 2024
8.1 Trade receivables		
(Unsecured)		
Trade receivables - fellow subsidiaries (refer note 27 and 30)	11	11
Trade receivables - others* (refer note 30)	51,737	45,044
Total	51,748	45,055
Break up for trade receivables:		
Undisputed trade receivables – considered good	48,448	44,170
Undisputed trade receivable – credit impaired	742	5,121
Disputed trade receivables – considered good	3,300	885
Disputed trade receivables – credit impaired	1,730	380
Total	(A) 54,220	50,556
Impairment allowance for doubtful trade receivables (refer note 40)		
Undisputed trade receivable – credit impaired	(742)	(5,121)
Disputed trade receivables – credit impaired	(1,730)	(380)
Total	(B) (2,472)	(5,501)
Total	(A+B) 51,748	45,055

Trade receivables ageing schedule

As at March 31, 2025	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	21,895	9,687	1,942	1,214	
Undisputed Trade receivables – credit impaired	97	42	112	76	59	2	354	742
Disputed Trade Receivables – considered good	188	355	615	-	502	60	1,580	3,300
Disputed Trade receivables – credit impaired	-	-	10	-	-	300	1,420	1,730
	22,180	10,084	2,679	1,290	2,787	4,250	10,950	54,220
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	
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

*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 Group 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

(i) Trade receivables includes Safeguard duty (SGD)/Goods and Services Tax (GST) receivables as at March 31, 2025 amounting to INR 1,694 lakhs (March 31, 2024 INR 1,996 lakhs)

8.2 Cash and cash equivalents

Balances with banks		
- In current accounts	9,830	13,930
- Deposits with original maturity of less than 3 months	24,021	17,431
Total	33,851	31,361

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	45,510	38,028
Total	45,510	38,028

8.4 Loans

(Unsecured, considered good)		
Loans to fellow subsidiaries (refer note 27)	-	9,129
Total	-	9,129

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Azure Power India Private Limited
Notes to consolidated financial statements for the year ended March 31, 2025
(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at	As at
	March 31, 2025	March 31, 2024
8.5 Other current financial assets		
Carried at amortised cost		
Security deposits	1	1
Interest accrued on term deposits	1,028	882
Interest accrued and due on loans to fellow subsidiaries (refer note 27)	-	2,187
Interest accrued and not due on loans to fellow subsidiaries (refer note 27)	-	189
Contractually reimbursable from related parties, considered good (refer note 27)	148	258
Contractually reimbursable from related parties, credit impaired (refer note 27)	109	-
	(A) 257	258
	(B) (109)	-
	(A-B) 148	258
Less Provision for doubtful contractually reimbursable expenses (refer note 27 and 40)		
Insurance claim receivable*	1,067	-
Late payment surcharge receivable (refer note 54(a))	8,550	-
Other receivables	20	3,346
Carried at fair value through other comprehensive income		
Derivative assets (refer note 36)	18	2,538
Total	10,832	9,401

* Pertains to claim for business interruption on account of equipment failure which also led to temporary shut down of the operations in one of the projects

9. Other current assets		
<i>(Unsecured, considered good)</i>		
Contract assets (refer note 30)	383	303
Balance with statutory authorities	5,131	3,999
Advance to employees	3	-
Prepaid asset	990	1,150
Prepaid performance bank guarantee	133	134
Advance to vendors		
Unsecured, considered good	9,995	1,657
Unsecured, considered doubtful	437	250
Provision for doubtful advances	(437)	(250)
	9,995	1,657
Money paid under protest	1,628	1,565
Deferred financing cost	88	838
Other advances	92	179
Total	18,443	9,825

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10. Equity Share Capital

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Authorized share capital:		
Equity share capital		
4,33,33,333 (March 31, 2024: 4,33,33,333) equity shares of INR 10/- each	4,333	4,333
8,66,66,667 (March 31, 2024: 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, 2024: 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, 2023	69,20,619	692
Changes during the year	-	-
At March 31, 2024	69,20,619	692
Changes during the year	-	-
At March 31, 2025	69,20,619	692

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 parent company

Out of equity shares issued by the Holding Company, shares held by its parent company are as below:

	As at	As at
	March 31, 2025	March 31, 2024
Azure Power Global Limited, the parent company		
68,18,032 (March 31, 2024: 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, 2025		As at March 31, 2024	
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)(i))	97,497	1.41%	97,497	1.41%

As per records of the Holding 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, 2025

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, 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%	-

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.



11. Other equity

For the year ended March 31, 2025:

Particulars	Attributable to the equity holders of parent company							Total	(Non-controlling interests)	Total
	Reserves and surplus		Items of other comprehensive income			Total				
	Deemed capital contribution by parent company / ESOP reserve (Note 11.1)	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)			
At April 01, 2024 (As Previously Reported)	3,645	(1,75,833)	5,11,225	403	69	1,009	(150)	3,40,368	38	3,40,406
Adjustment relating to prior period errors*	-	(1,922)	-	-	-	-	-	(1,922)	-	(1,922)
At April 01, 2024	3,645	(1,77,755)	5,11,225	403	69	1,009	(150)	3,38,446	38	3,38,484
Profit for the year	-	17,396	-	-	-	-	(63)	17,396	42	17,438
Other comprehensive loss/ income (net of tax)	-	-	-	-	-	(1,255)	2	(1,253)	-	(1,253)
Total	3,645	(1,60,359)	5,11,225	403	69	(246)	(148)	3,34,566	80	3,34,646
Dividend distributed	-	-	-	-	-	-	-	-	2	2
Transfer to consolidated statement of profit and loss (refer note 25 and 45)	-	-	-	-	-	-	-	-	-	-
Reversal of deemed capital contribution by parent on account of employees Stock option plan (refer note 26)	(168)	-	-	-	-	-	-	-	1,830	1,662
At March 31, 2025	3,477	(1,60,359)	5,11,225	403	66	(246)	(148)	3,34,118	1,912	3,36,030

For the year ended March 31, 2024:

Particulars	Attributable to the equity holders of parent company							Total	(Non-controlling interests)	Total
	Reserves and surplus		Items of other comprehensive income			Total				
	Deemed capital contribution by holding company / ESOP reserve (Note 11.1)	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)			
At April 01, 2023 (As Previously Reported)	3,603	(1,64,889)	5,11,225	403	82	2,264	(153)	3,52,596	2,528	3,55,124
Adjustment relating to prior period errors*	-	(1,422)	-	-	-	-	-	(1,422)	-	(1,422)
As at April 01, 2023	3,603	(1,66,311)	5,11,225	403	82	2,264	(153)	3,51,174	2,528	3,53,702
Loss for the year*	-	(11,444)	-	-	-	-	2	(11,444)	(2,890)	(13,934)
Other comprehensive loss/ income (net of tax)	-	-	-	-	(13)	(1,255)	2	(1,266)	-	(1,266)
Total	3,603	(1,77,755)	5,11,225	403	69	1,009	(150)	3,38,464	38	3,38,502
Reversal of deemed capital contribution by parent on account of employees Stock option plan (refer note 26)	(18)	-	-	-	-	-	-	-	(18)	(18)
At March 31, 2024	3,645	(1,77,755)	5,11,225	403	69	1,009	(150)	3,38,446	38	3,38,484

* Refer note 46 for restatement

**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 consolidated 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 benefit 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 consolidated 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.



Azure Power India Private Limited
Notes to consolidated financial statements for the year ended March 31, 2025
(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
12. Non-current financial liabilities (Carried at amortised cost, unless otherwise stated)		
12.1 Non-current borrowings		
Secured loans from banks (refer note 15.1)		
Term loan from banks	65,346	20,175
Foreign currency loan from banks	85,379	61,077
Vehicle loan	-	49
Secured loans from financial institutions (refer note 15.1)		
Term loan from financial institutions	6,18,549	3,57,207
Foreign currency loan from financial institutions	57,190	73,755
Unsecured loan		
Term loan from banks	-	14,709
Secured loans from related parties		
External commercial borrowings (refer note 27 and 55)	1,17,302	1,32,756
Non-convertible debentures (refer note 27 and 55)	74,266	78,535
Unsecured loans from related parties		
Loans from fellow subsidiary (refer note 27)*	21	-
Total	10,18,053	7,38,263

*Loans taken from fellow subsidiary carry interest rate of 10.03% p a., with repayments due on or before March 31, 2029.

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Azure Power India Private Limited

Notes to consolidated financial statements for the year ended March 31, 2025

(All amounts in INR lakhs, unless otherwise stated)

Nature of loan	Lender	Purpose	Type of Interest	Repayment Terms	March 31, 2025 ⁽¹⁾	March 31, 2024 ⁽¹⁾
Term loan in INR from financial institution	Indian Renewable Energy Development Agency (IREDA)*	Borrowing for financing of the 30 MW solar power project	Floating Rate	The loan is repayable in 168 monthly instalments commencing from April 2022 and ending in March 2036	11,788	12,925
Term loan in INR from financial institution	NIIF Infrastructure Finance Ltd *	Borrowing for financing of the 100 MW solar power project	Floating Rate	The loan is repayable in 63 quarterly instalments commencing December 2021 and ending on June 2037	27,879	29,634
Term loan in INR from bank	HDFC Bank - Vehicle Loan	Vehicle loan	Fixed rate	- The loan is repayable in 60 monthly instalments commencing July 2022 and ending on June 2027 - The loan is repayable in 60 monthly instalments commencing January 2022 and ending on December 2026 These loans were repaid in current year	-	70
Term loan in INR from financial institution	NIIF Infrastructure Finance Ltd ***	Borrowing for financing of its 35 MW solar project with NTPC Vidyut Vyapar Nigam Limited	Floating Rate	The loan is repayable in 47 quarterly instalments commencing September 2021	12,371	13,987
Term loan in INR from financial institution	Kotak Infrastructure Debt Fund Limited***	Borrowing for financing of its 35 MW solar project with NTPC Vidyut Vyapar Nigam Limited	Floating Rate	The loan is repayable in 47 quarterly instalments commencing September 2021	4,692	5,304
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	The facility is repayable in May 2024	-	79,505
Foreign currency loan from financial institution	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	The loan is repayable in 8 half yearly instalments commencing November 2021 and ending on May 2025	-	23,912
Term loan in INR from financial institution	Indian Renewable Energy Development Agency (IREDA)***	Borrowing for financing of its 90 MW solar project	Floating Rate	The loan is repayable in 234 monthly instalments commencing from October 2022	30,295	32,195
Term loan in INR from financial institution	Kotak Infrastructure Debt Fund Limited*	For financing of a 10 MW solar power project with Bangalore Electricity Supply Company Limited	Floating Rate	The loan is repayable in 49 quarterly instalments commencing March 2024	3,766	2,426
Foreign currency loan from bank	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	The loan is repayable in 8 half yearly instalments commencing November 2021 and ending on May 2025	-	6,378
Term loan in INR from financial institution	Tata Cleantech Capital Limited*	The purpose of loan is for financing 200 MW solar power project	Floating Rate	The loan is repayable in 70 quarterly instalments commencing December 2021 and ending March 31, 2039	28,200	28,480
Term loan in INR from bank	Axis Bank*	The purpose of loan is for financing 200 MW solar power project	Floating Rate	The loan is repayable in 70 quarterly instalments commencing December 2022 and ending on March 31, 2039	19,843	21,536
Term loan in INR from financial institution	Aseem Infrastructure Finance Limited*	Borrowing for financing of the 100 MW solar power project.	Floating Rate	The loan is repayable in 63 quarterly instalments commencing December 2021 and ending on June 2037	14,760	15,689
Term loan in INR from bank	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	The loan is repayable in November 2025	34,795	14,709
Term loan in INR from financial institution	Kotak Infrastructure Debt Fund Limited***	Borrowing for re-financing of 5 MW solar power project with NTPC Vidyut Vyapar Nigam Limited	Fixed rate	The loan is repayable in 42 quarterly instalments commencing from September 2021	2,544	3,085
Term loan in INR from financial institution	NIIF Infrastructure Finance Ltd ***	Borrowing for re-financing of the 50 MW PV solar power project with NTPC Limited.	Floating Rate	The loan is repayable in 64 quarterly instalments commencing December 2021	17,867	18,826
Term loan in INR from bank	State Bank of India***	Borrowing for financing of 16 MW solar power project with Delhi Jal Board	Floating Rate	The loan is repayable in 52 unequal quarterly instalments commencing June 2020 and ending on March 31, 2033	-	2,826
Foreign currency loan from bank	HSBC*****	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	The loan is repayable in 6 half yearly instalments commencing May 2025 and ending in November 2027	26,363	-
Foreign currency loan from financial institution	EDC, Socgen, MUFG and HKMC, Bank of Phillipines, Deutsche Bank****	Borrowing for financing of its 300 MW solar project with Solar Energy Corporation of India	Floating Rate	The loan is repayable in 17 quarterly instalments commencing April 2022 and ending in June 2026	1,23,128	1,23,890
Term loan in INR from financial institution	IREDA, India Infradebt Limited and NIIF Infrastructure Finance Limited ⁽²⁾ ***	Borrowing for financing of its 600 MW solar power project with Solar Energy Corporation of India	Floating Rate	The loan is repayable in 243 monthly instalments commencing from July 2022	2,05,886	2,15,612
Term loan in INR from financial institution	SBI***	For financing of its 300 MW solar project with Solar Energy Corporation of India	Floating Rate	The loan is repayable in 37 monthly instalments commencing December 2022	-	8,771
Term loan in INR from bank	HSBC****	For refinancing of its 300 MW solar project with Solar Energy Corporation of India	Floating Rate	The loan is repayable in 20 quarterly instalments commencing September 2024 and ending in July 2029	48,059	-
Term loan in INR from financial institution	IDF****	For refinancing of its 300 MW solar project with Solar Energy Corporation of India	Floating Rate	The loan is repayable in 20 quarterly instalments commencing September 2024 and ending in July 2029	63,833	-



Azure Power India Private Limited
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(All amounts in INR lakhs, unless otherwise stated)

Nature of loan	Lender	Purpose	Type of Interest	Repayment Terms	March 31, 2025 ⁽¹⁾	March 31, 2024 ⁽¹⁾
Term loan in INR from financial institution	RECL***	Borrowing for refinancing of the 130 MW solar power project	Floating Rate	The loan is repayable in 192 monthly instalments commencing September 2024 and ending in August 2040	54,794	-
Term loan in INR from financial institution	RECL***	Borrowing for refinancing of the 40 MW solar power project	Floating Rate	The loan is repayable in 174 monthly instalments commencing September 2024 and ending in February 2039	16,136	-
Term loan in INR from financial institution	RECL***	Borrowing for refinancing of the 100 MW solar power project	Floating Rate	The loan is repayable in 186 monthly instalments commencing September 2024 and ending in February 2040	34,514	-
Term loan in INR from financial institution	RECL***	Borrowing for refinancing of the 50 MW solar power project	Floating Rate	The loan is repayable in 174 monthly instalments commencing September 2024 and ending in February 2039	20,681	-
Term loan in INR from financial institution	RECL***	Borrowing for refinancing of the 28 MW solar power project	Floating Rate	The loan is repayable in 147 monthly instalments commencing September 2024 and ending in November 2036	14,065	-
Term loan in INR from financial institution	RECL***	Borrowing for refinancing of the 7 MW solar power project	Floating Rate	The loan is repayable in 162 monthly instalments commencing September 2024 and ending in February 2038	2,614	-
Term loan in INR from financial institution	RECL***	Borrowing for refinancing of the 260 MW solar power project	Floating Rate	The loan is repayable in 186 monthly instalments commencing September 2024 and ending in February 2040	85,477	-

⁽¹⁾ Borrowing amount represents outstanding loan amount including current maturities post adjusting unamortised ancillary cost of borrowing at the year end

⁽²⁾ During the previous 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 is secured by first charge on respective 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 respective project

*** Borrowing is collateralized by movable and immovable properties of underlying solar power project assets and pledge of 51% of equity shares of the respective company held by Azure Power India

**** Borrowing is collateralized by movable and immovable properties of underlying solar power project assets and pledge of 100% of equity shares of the respective company held by Azure Power India

***** Borrowing is secured through pari-passu charge over current assets and moveable fixed assets, excluding any assets charged to the project specific bridge loan lender or term loan lender or other such facilities, and cash margin charged to the working capital lenders

Term loan in INR from bank - Interest rate ranging from 8.56% - 10.15% p.a.

Foreign currency loan from bank - Interest rate is 10.45% p.a.

Foreign currency loan from financial institution - Interest rate is 8.74% p.a.

Term loan in INR from financial institution - Interest rate ranging from 7.75% - 10.50% p.a.

During August 2017, some of the Group's subsidiaries (Restricted Group-III entities) had 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 had issued Solar Green Bonds to the ultimate investor and invested the proceeds back in the Restricted Group entities. The ECB's were 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 had been refinanced in August 2021. The interest on the ECB's were payable on a semi-annual basis at interest rate of 7.65% p.a. and the principal were 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 were secured by first charge on movable and immovable properties of underlying solar power project assets and pledge of

During August 2017, some of the Group's subsidiary (Restricted Group-III entities) had issued Non-Convertible Debentures ("NCD") denominated in Indian Rupees and raised INR 1,07,700 Lakhs from APEL. APEL had issued Solar Green Bonds to the ultimate investor and invested the proceeds back in the Restricted Group entities. The NCD's were 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 were payable on a semi-annual basis at interest rate of 7.65% and the principal were 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 were 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 had 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 had 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 were payable at the time of redemption of NCD. During the current year, redemption premium of INR 2,288 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 were payable on a semi-annual basis at interest rate of 7.65% p.a. and the principal were 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 respective company held by Azure Power India Private Limited.

In the previous year ended March 31, 2024, 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 Group has repaid ECB's amounting to INR 9,380 lakhs. Further, the Group incurred transaction cost of INR 2,417 lakhs on NCD's. 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) had 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 had issued Solar Green Bonds to the ultimate investor and invested the proceeds back in the Restricted Group-II entities. Azure Power Global Limited (Parent Company) had 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 were payable at the time of redemption of NCD. During the current year, redemption premium of INR 5,204 lakhs have been recorded as finance cost, using the effective interest rate method. The NCD's were 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 which was paid in October 2024. The NCD's were secured by first charge on movable and immovable properties of underlying solar power project assets and pledge of 51% of equity shares of the respective company held by Azure Power India Private Limited.

In the previous year ended March 31, 2024, 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 Group had re-purchased debentures amounting to INR 28,260 lakhs. Further, the Group had also repaid redemption premium of INR 850 lakhs and incurred transaction cost of INR 3,999 lakhs. The transaction costs had been recorded as finance cost, using the effective interest rate method and the unamortised balance of such amounts were netted with the carrying value of the NCD's.



Azure Power India Private Limited
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(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at	As at
	March 31, 2025	March 31, 2024
12.2 Other financial liabilities		
Interest accrued but not due to fellow subsidiaries (refer note 27)	2	-
Total	2	-

13. Provisions

13.1 Non-current provisions

Provision for gratuity (refer note 37)	426	451
Provision for decommissioning liabilities* (refer note 43)	8,771	8,000
Total	9,197	8,451

*A provision has been recognized for decommissioning costs associated with solar power plants constructed on leasehold land/ solar parks. 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/ solar park developer

Movement in provision for decommissioning liabilities is as follows :

Opening balance	8,000	7,133
Addition during the year	60	25
Adjusted due to change in estimate	(90)	139
Impairment during the year	-	(11)
Accretion during the year	801	714
Closing balance	8,771	8,000

13.2 Current provisions

Provision for compensated absences	398	412
Provision for gratuity (refer note 37)	165	135
Provision for bank guarantee* (refer note 49)	18,310	17,876
Total	18,873	18,423

*** Movement in the provision for Bank Guarantee is as follows:**

Particulars	For the year ended	For the year ended
	March 31, 2025	March 31, 2024
Opening balance	17,876	17,676
Provision created during the year (refer note 25)	3,934	900
Payment during the year	(3,500)	(700)
Closing balance	18,310	17,876

14. Other non-current liabilities

Deferred viability gap funding income	16,212	17,544
Deferred government grant	447	464
Deferred revenue for Safeguard Duty (SGD)/ Goods and Services tax (GST) (refer note 30)	36,295	38,071
Deferred revenue on account of revenue straightlining (refer note 30)	8,993	9,559
Total	61,947	65,638

15. Current financial liabilities

(Carried at amortised cost, unless stated otherwise)

15.1 Current borrowings

Foreign currency loan from banks*	-	79,505
Current maturities of long-term borrowings (refer note 12.1)		
Secured loans from Bank/ Financial Institutions	43,087	50,495
Unsecured loans from Bank	34,795	-
Secured loans from related parties (refer note 27)	21,381	2,39,210
Total	99,263	3,69,210

* The Group had a buyer's credit facility amounting to INR Nil (March 31, 2024: INR 79,505 lakhs) for its 300 MW solar power project with Solar Energy Corporation of India. This facility carried a floating interest rate of 12 Month SOFR and spread ranging plus 0.21 PCT. The facility has been repaid during the current year.

15.2 Trade payables

- Total outstanding dues of micro enterprises and small enterprises	1,826	1,469
- Total outstanding dues of creditors other than micro enterprises and small enterprises	14,995	18,012
Total	16,821	19,481

Trade payables Ageing Schedule

As at March 31, 2025	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	-	603	147	781	63	232	1,826
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,492	4,838	929	3,320	232	184	14,995
Total	5,492	5,441	1,076	4,101	295	416	16,821

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

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



Azure Power India Private Limited
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(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at	As at
	March 31, 2025	March 31, 2024
15.3 Other current financial liabilities		
Carried at amortised cost		
Interest accrued but not due on borrowings	1,822	4,382
Interest accrued but not due to fellow subsidiaries (refer note 27)	1,844	7,655
Contractually reimbursable expenses to parent company (refer note 27)	334	363
Payable to fellow subsidiaries (refer note 27)	905	2,258
Payable to employees	1,155	1,129
Payable to capital creditors	4,692	4,745
Payable for stock appreciation rights (refer note 28)	1,981	1,981
Carried at fair value through other comprehensive income		
Derivative liabilities (refer note 36)	1,060	213
Total	13,793	22,726
16. Other current liabilities		
Statutory dues	1,043	1,551
Deferred revenue for Safeguard Duty (SGD)/ Goods and Services tax (GST) (refer note 30)	1,930	1,964
Deferred revenue on account of revenue straightlining (refer note 30)	472	-
Deferred viability gap funding income	1,140	1,161
Advance from customers	187	1,080
Deferred government grant	17	17
Other payables	2	76
Money received under protest	1,693	-
Total	6,484	5,849
16A. Current tax liabilities (net)		
Provision for income tax (net of advance tax of INR 2,310 Lakhs (March 31, 2024 INR 4,520 Lakhs))	1,972	1,828
Total	1,972	1,828

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Azure Power India Private Limited
Notes to consolidated financial statements for the year ended March 31, 2025
(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
17. Income taxes		
Deferred tax asset	28,399	32,088
Total	28,399	32,088
Deferred tax liability	7,613	26,294
Total	7,613	26,294

Reconciliation of Deferred tax asset/ (liability) (net):

	As at April 01, 2023	Movement during the year	As at March 31, 2024	Movement during the year	As at March 31, 2025
Recognised in profit and loss					
Deferred tax assets:					
Unabsorbed depreciation and brought forward losses	1,52,760	23,870	1,76,630	3,999	1,80,629
Minimum alternate tax	13,212	3,207	16,419	(7,008)	9,411
Deferred Revenue	5,967	263	6,230	-	6,230
Provision for decommissioning liabilities	1,844	212	2,056	278	2,334
Allowance for doubtful trade receivable	1,733	(138)	1,595	(945)	650
Provision for employee benefits	260	98	358	4	362
Allowance under Section 94B of Income Tax Act, 1961	-	-	-	49,858	49,858
Performance bank guarantee	133	26	159	25	184
Other Differences	422	(198)	224	(110)	114
Total deferred tax assets (A)	1,76,331	27,340	2,03,671	46,101	2,49,772
Deferred tax liability:					
Difference between tax base and book base of property, plant and equipment	1,57,131	37,045	1,94,176	31,030	2,25,206
Contract assets	319	528	847	(68)	779
Leases	2,938	(438)	2,500	(549)	1,951
Deferred financing cost	-	-	-	682	682
Other Differences	177	(177)	-	429	429
Total deferred tax liability (B)	1,60,565	36,958	1,97,523	31,524	2,29,047
Deferred tax asset/ (liability) (net) (C=A-B)	15,766	(9,618)	6,148	14,577	20,725
Recognised in Other Comprehensive Income					
Cash flow hedge reserve	(849)	544	(305)	414	109
Defined benefit plan	(55)	6	(49)	1	(48)
Deferred tax asset/ (liability) (net) (D)	(904)	550	(354)	415	61
Deferred tax asset/ (liability) (net) (C+D)	14,862	(9,068)	5,794	14,992	20,786

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

		For the year ended March 31, 2025	For the year ended March 31, 2024*
Accounting profit before income tax		7,431	1,423
Applicable statutory income tax rate of parent company		34.94%	34.94%
Tax at applicable tax rate	(A)	2,596	497
Adjustments:			
Carry forward losses as reversing in the tax holiday		(3)	622
Disallowance as per section 94B of Income Tax Act, 1961 not considered for deferred tax purpose		-	9,700
Allowance as per section 94B of Income Tax Act, 1961		(43,824)	-
Permanent difference in property, plant and equipment not considered for deferred tax purpose		(63)	292
Other permanent differences disallowed under income tax Act		9,963	4,119
Minimum alternate tax written off		6,663	-
Impact of revision in earlier year Income Tax Returns on deferred tax		3,946	-
Permanent disallowance on account of deemed dividend from subsidiaries		6,091	-
Impact due to change in tax rate		10,367	-
Impact of Tax holiday due to change in tax rate		(911)	-
Difference in tax rate of subsidiaries		(2,940)	(806)
Extention charges		-	573
Income tax adjustment pertaining to earlier years		(1,814)	177
Others		(78)	183
Total	(B)	(12,603)	14,860
Total tax (benefit)/ expense	(A+B)	(10,007)	15,357
Component of tax expenses:			
Current tax expense		6,384	5,562
Income tax adjustment pertaining to earlier years		(1,814)	177
Deferred tax charge		(14,577)	9,618
Total tax (benefit)/ expense		(10,007)	15,357

* Refer note 46 for restatement



Azure Power India Private Limited

Notes to consolidated financial statements for the year ended March 31, 2025

(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
18. Revenue from operations		
Revenue from contract with customers		
Sale of power* (refer note 30)	2,03,453	2,08,791
Carbon credit emission income* (refer note 30)	239	428
Other operating revenue		
Viability gap funding income	1,353	1,104
Government grants related to assets	17	91
Total	2,05,062	2,10,414

*Revenue is recognised at point in time.

19. Finance income

Interest income on financial assets measured at amortised cost

- Term deposits	11,207	12,069
- Loan to related parties (refer note 27)	2,057	921
- Safeguard duty receivables	3,475	3,581
- Other trade receivables	235	694
- Others	-	400
Interest on refund of income tax	232	5
Total	17,206	17,670

20. Other income

Sale of scrap	118	378
Provision/ liabilities no longer required written back	2,268	1,444
Reversal of share based compensation expense (net) (refer note 28)	168	18
Allowance for doubtful trade receivables written back (refer note 5.2, 8.1 and 40)	3,223	739
Insurance claim*	1,890	1,423
Late payment surcharge**	9,237	858
Exchange difference (net)	41	460
Interest income on investments (refer note 5.1)	270	63
Compensation towards transmission lines	-	156
Gain on cancellation of lease contract	-	293
Gain of modification of financial assets	-	20
Miscellaneous income	207	165
Total	17,422	6,017

*Includes claim for business interruption of INR 1,167 lakhs on account of equipment failure which also lead to temporary shut down of the plants.

**Includes INR 8,550 lakhs receivables from Chamundeshwari Electricity Supply Company Limited (refer note 54(a)).

21. Employee benefits expense

Salaries, wages and bonus	9,142	9,512
Contribution to provident and other funds (refer note 37)	440	450
Gratuity expense (refer note 37)	153	170
Staff welfare expenses	932	521
Total	10,667	10,653

22. Finance costs

Interest expenses on financial liabilities measured at amortized cost

- Term loans	74,731	58,407
- Loans from related parties (refer note 27)	41,635	52,822
- Lease liabilities (refer note 34)	3,554	3,571
- Buyer's credit	1,626	4,551
Prepayment charges on repayment of term loans	1,043	-
Exchange differences regarded as an adjustment to borrowing costs	794	-
Interest on delayed payment of statutory dues	572	10
Other finance costs	3,845	3,450
Other borrowing costs	292	515
Total	1,28,092	1,23,326



Azure Power India Private Limited

Notes to consolidated financial statements for the year ended March 31, 2025

(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
23. Depreciation and amortisation expense		
Depreciation of property, plant and equipment (refer note 3)	42,412	43,266
Depreciation of right of use assets (refer note 34)	1,963	1,861
Amortisation of intangible assets (refer note 4)	62	37
Total	44,437	45,164
24. Impairment expense		
Impairment expense (refer note 45)	550	8,407
Total	550	8,407
25. Other expenses		
Power and fuel	29	30
Guest house expenses	142	188
Rent (refer note 34)	749	1,252
Rates and taxes	3,897	4,998
Fencing work	446	-
Solar park maintenance	1,936	731
Insurance	1,980	3,045
Repair and maintenance		
-Plant and machinery	4,857	3,852
-Other	1,687	1,504
Travelling and conveyance	953	848
Communication costs	150	123
Project feasibility expenses	37	-
Legal and professional fees	8,747	14,170
Corporate social responsibilities	571	386
Operation and maintenance fees	210	580
Allowance for doubtful trade receivables (refer note 5.2, 8.1 and 40)	411	1,172
Provision for doubtful advances	1,305	250
Provision for Bank Guarantee and others (refer note 49)	3,934	900
Recruitment expenses	109	118
Balance written off	-	206
Security charges	3,610	3,633
Bank charges	195	60
Software maintenance charges	364	292
Advances written off	1,462	208
Assets written off (refer note 3 and 46)	3,047	3,221
Loss on cancellation of hedge contract	-	1,511
Provision for liquidated damages	-	190
Foreign exchange fluctuation (net)	248	-
Loss on disposal of property, plant and equipment	845	194
Land development charges	130	130
Inter-company loan written off (including interest accrued) (refer note 27)	3,387	-
Loss on disposal of subsidiaries (refer note 45)	1,830	-
Provision for doubtful security deposits	7	-
Penalty	-	433
Inspection fees	1	32
Miscellaneous expenses	1,237	871
Total	48,513	45,128



Azure Power India Private Limited**Notes to consolidated financial statements for the year ended March 31, 2025**

(All amounts in INR lakhs, other than per share amount)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024*
26. Earnings per share (EPS)		
Basic EPS amounts are calculated by dividing the profit/ (loss) for the year attributable to equity shareholders of the Holding Company by the weighted average number of Equity shares outstanding during the year.		
Diluted EPS amounts are calculated by dividing the profit/ (loss) attributable to equity shareholders of the Holding 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:		
Profit/ (loss) after tax for calculation of basic EPS	17,396	(11,444)
Profit/ (loss) after tax for calculation of diluted EPS	17,396	(11,444)
Weighted average number of equity shares in calculating basic EPS	69,20,619	69,20,619
Weighted average number of shares in calculating diluted EPS	69,20,619	69,20,619
Basic Earning per share (In INR)	251.36	(165.36)
Diluted Earning per share (In INR)	251.36	(165.36)

* Refer note 46 for restatement

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27. Related party disclosures:

The list of related parties as identified by the management is as under:

Related parties where control exists

Parent Company:

Azure Power Global Limited

Key Managerial Personnel ("KMP"):

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)
Ms. Supriya Prakash Sen (Director w.e.f. August 01, 2020 till September 30, 2024)
Mr. Philippe Pierre Wind (Nominee Director w.e.f. October 31, 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 Officer (CFO) w.e.f. October 01, 2022)
Mr. Julian Suresh Paul Gratiaen (Nominee Director w.e.f. August 13, 2024)
Ms. Pratibha Bajaj (Nominee Director w.e.f. October 30, 2024)
Mr. Jaime Garcia Nieto (Nominee Director w.e.f. December 01, 2023 till April 18, 2025)
Mr. Unnikrishnan Mangalath Sukumaranicker (Nominee Director w.e.f. August 19, 2020 till March 13, 2024)
Mr. Pawan Kumar Agrawal (Chief Financial Officer w.e.f. March 15, 2019 till December 31, 2023)
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. Richard Alan Rosling (Chairman of the Board of Directors from September 30, 2021 till October 11, 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)

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
Azure Power Rooftop Six Private Limited
Azure Power Rooftop Seven Private Limited

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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		Parent company		Fellow Subsidiary Company	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
a) Settlement of liabilities on behalf of the Group						
Azure Power Rooftop Private Limited	-	-	-	-	1	-
b). Settlement of liabilities by the Group on behalf of						
Azure Power Global Limited	-	-	-	-	1	-
Azure Power Rooftop One Private Limited	-	-	-	-	3	-
Azure Power Rooftop Two Private Limited	-	-	-	-	1	-
Azure Power Rooftop Three Private Limited	-	-	-	-	1	-
Azure Power Rooftop Four Private Limited	-	-	-	-	4	-
Azure Power Rooftop Five Private Limited	-	-	-	-	5	-
Azure Power Rooftop Six Private Limited	-	-	-	-	2	-
Azure Power Rooftop Seven Private Limited	-	-	-	-	2	-
Azure Power Rooftop Eight Private Limited	-	-	-	-	2	-
Azure Power Rooftop Private Limited	-	-	-	-	64	4
c) Interest expense on borrowings						
Azure Power Energy Limited	-	-	-	-	21,802	23,600
Azure Power Solar Energy Private Limited	-	-	-	-	19,831	29,222
Azure Power Rooftop Private Limited	-	-	-	-	2	-
d) Interest income						
Azure Power Rooftop Private Limited	-	-	-	-	892	689
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	386	106
Azure Power Rooftop One Private Limited	-	-	-	-	679	76
Azure Power Rooftop Three Private Limited	-	-	-	-	15	7
Azure Power Rooftop Four Private Limited	-	-	-	-	28	13
Azure Power Rooftop Five Private Limited	-	-	-	-	44	28
Azure Power Rooftop Eight Private Limited	-	-	-	-	13	2
e) Key managerial personnel remuneration						
Mr. Sunil Gupta						
- Short term employee benefits	675	319	-	-	-	-
Mr. Sugata Sircar						
- Short term employee benefits	392	302	-	-	-	-
Mr. Rupesh Agarwal						
- Short term employee benefits	-	372	-	-	-	-
Mr. Pawan Kumar Agrawal						
- Short term employee benefits	180	574	-	-	-	-
f) Loan given#						
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	4,600	779
Azure Power Rooftop One Private Limited	-	-	-	-	11,765	450
Azure Power Rooftop Four Private Limited	-	-	-	-	130	50
Azure Power Rooftop Five Private Limited	-	-	-	-	30	167
Azure Power Rooftop Eight Private Limited	-	-	-	-	80	50
Azure Power Rooftop Three Private Limited	-	-	-	-	145	-
Azure Power Rooftop Private Limited	-	-	-	-	100	-
h) Repayment of borrowings						
Azure Power Energy Limited	-	-	-	-	27,971	30,458
Azure Power Solar Energy Private Limited	-	-	-	-	2,13,495	29,110
i) Payment of redemption premium						
Azure Power Solar Energy Private Limited	-	-	-	-	9,816	-
j) Payment of consent fees						
Azure Power Solar Energy Private Limited	-	-	-	-	-	3,389
Azure Power Energy Limited	-	-	-	-	1,340	-
k) Inter-company loan written off (including interest accrued)						
Azure Power Rooftop Private Limited	-	-	-	-	3,387	-
l) Corporate guarantees released						
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	4,682	2,198
Azure Power Rooftop One Private Limited	-	-	-	-	11,463	-
Azure Power Rooftop Five Private Limited	-	-	-	-	-	1,445



2. Balances outstanding at the end of the year

Particulars	Key Management Personnel		Holding company		Fellow Subsidiary Company	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
a). Trade receivable						
Azure Power Rooftop Three Private Limited	-	-	-	-	11	11
b). Contractually reimbursable from related parties[^]						
Azure Power Global Limited	-	-	-	37	-	-
Azure Power Rooftop Private Limited	-	-	-	-	72	56
Azure Power Rooftop One Private Limited	-	-	-	-	44	40
Azure Power Rooftop Two Private Limited	-	-	-	-	2	2
Azure Power Rooftop Four Private Limited	-	-	-	-	10	7
Azure Power Rooftop Five Private Limited	-	-	-	-	11	9
Azure Power Rooftop Eight Private Limited	-	-	-	-	88	87
Azure Power Solar Energy Private Limited	-	-	-	-	6	2
Azure Power Energy Limited	-	-	-	-	19	18
Azure Power Rooftop Three Private Limited	-	-	-	-	1	-
Azure Power Rooftop Six Private Limited	-	-	-	-	2	-
Azure Power Rooftop Seven Private Limited	-	-	-	-	2	-
c). Payable						
Azure Power Global Limited	-	-	334	363	-	-
Azure Power Solar Energy Private Limited	-	-	-	-	2	-
Azure Power Rooftop Private Limited	-	-	-	-	29	70
Azure Power Rooftop Four Private Limited	-	-	-	-	11	11
Azure Power Energy Limited	-	-	-	-	863	2,177
d). Borrowing						
Azure Power Energy Limited*	-	-	-	-	2,14,483	2,40,166
Azure Power Solar Energy Private Limited*	-	-	-	-	-	2,18,328
Azure Power Rooftop Private Limited#	-	-	-	-	21	-
e). Interest payable on borrowings						
Azure Power Energy Limited	-	-	-	-	1,844	1,801
Azure Power Solar Energy Private Limited	-	-	-	-	-	5,833
Azure Power Rooftop Private Limited	-	-	-	-	2	21
f). Loan to related party[^]#						
Azure Power Rooftop Private Limited	-	-	-	-	5,825	6,608
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	6,272	1,515
Azure Power Rooftop One Private Limited	-	-	-	-	12,788	907
Azure Power Rooftop Three Private Limited	-	-	-	-	228	67
Azure Power Rooftop Four Private Limited	-	-	-	-	306	155
Azure Power Rooftop Five Private Limited	-	-	-	-	459	384
Azure Power Rooftop Eight Private Limited	-	-	-	-	151	65
g). Interest accrued on loans and advances[^]						
Azure Power Rooftop Private Limited	-	-	-	-	512	2,230
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	347	156
Azure Power Rooftop One Private Limited	-	-	-	-	611	116
Azure Power Rooftop Three Private Limited	-	-	-	-	14	-
Azure Power Rooftop Three Private Limited	-	-	-	-	-	15
Azure Power Rooftop Four Private Limited	-	-	-	-	26	22
Azure Power Rooftop Five Private Limited	-	-	-	-	39	45
Azure Power Rooftop Eight Private Limited	-	-	-	-	9	3
h) Outstanding Corporate guarantees						
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	-	4,682
Azure Power Rooftop One Private Limited	-	-	-	-	-	11,463
Azure Power Rooftop Three Private Limited	-	-	-	-	2,666	2,632

* Excluding unamortise balance of ancillary cost of borrowings

Includes adjustment pertaining to interest rollover adjustment

[^] During the year the Group has recognised a loss allowance of INR 1,099 lakhs (March 31, 2024 Nil) on receivables (advances of INR 109 Lakhs, loans of INR 916 Lakhs and interest accrued of INR 74 Lakhs thereon for March 31, 2025) from related parties

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 8.09% - 10.17% 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.



Azure Power India Private Limited**Notes to consolidated financial statements for the year ended March 31, 2025**

(INR amount in lakhs, unless otherwise stated)

28. Share-based payment**(i) Employee Stock Option Plans (ESOPs)**

ESOPs are issued by Azure Power Global Limited (Parent 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, 2025		As at March 31, 2024	
	No. of options	Weighted average exercise price (INR)	No. of options	Weighted average exercise price (INR)
Outstanding at the beginning of the year	3,04,202	1,158	4,15,813	1,276
Granted during the year	-	-	-	-
Forfeited during the year	(1,62,154)	1,250	(1,09,666)	1,624
Exercised during the year	-	-	(1,945)	-
Outstanding at the end of the year	1,42,048	1,054	3,04,202	1,158
Exercisable at the end of the year	1,42,048	1,054	2,41,678	1,122

Effect of the employee share-based payment plans on the consolidated 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 parent company.

Amount recognised/ (reversal) for equity-settled share-based payment transactions

Total decrease in equity arising from equity-settled share-based payment transactions

For the year ended March 31, 2025	For the year ended March 31, 2024
(168)	(18)
(168)	(18)

(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.

On April 26, 2022, the Group through its Board of Directors ("BOD") had 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.

The details of activity have been summarized below:

	As at March 31, 2025		As at March 31, 2024	
	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	6,80,000	878
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
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

The Group has not recognized any SAR cost in the consolidated statement of profit and loss. The carrying value of the liability recognised for SARs as at March 31, 2025 is INR 1,981 lakhs (March 31, 2024: INR 1,981 lakhs).

Fair value of SAR as on March 31, 2025 has been taken basis the expected settlement with ex CEO and ex COO.



Azure Power India Private Limited

Notes to consolidated financial statements for the year ended March 31, 2025

(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 consolidated 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, 2025	For the year ended March 31, 2024
Sale of Power:		
Solar Energy Corporation of India	95,271	96,299
National Thermal Power Corporation Limited	27,069	21,815
Punjab State Power Corporation Limited	-	18,128

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, 2025 and March 31, 2024.

	As at March 31, 2025	As at March 31, 2024
Non current assets		
Contract assets*	3,607	6,349
Trade receivables	34,453	35,818
Current assets		
Trade receivables	51,748	45,055
Contract assets*	383	303
Non current liabilities		
Deferred revenue **	45,288	47,630
Current liabilities		
Deferred revenue **	2,402	1,964

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, 2025	For the year ended March 31, 2024
Revenue as per Contracted price	2,03,884	2,08,680
Adjustments for:		
Rebate/Discount	(2,419)	(2,357)
Amortisation of contract assets	(1,004)	(164)
Amortisation of contract liabilities	3,231	3,060
Revenue from contract with customers	2,03,692	2,09,219

***Movement of Contract Assets**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening Balance	6,652	6,105
Addition during the year	-	-
Revenue recognised/ (reversed) during the year	(1,004)	(164)
Adjustment due to revenue straightlining	(1,658)	711
Closing Balance	3,990	6,652

**** Movement of Contract liabilities**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening Balance	49,594	50,976
Addition during the year	200	1,311
Deletion during the year	-	(655)
Revenue recognised during the year	(3,231)	(3,060)
Interest expense	1,127	1,022
Closing Balance	47,690	49,594



Azure Power India Private Limited**Notes to consolidated financial statements for the year ended March 31, 2025**

(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, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	173	349
Finance cost	754	460
Depreciation on right of use assets	13	27
Project development expenses	71	156
Legal and professional expenses	-	16
Bank Charges	17	756
Travelling expenses	2	22
Insurance expenses	(1)	41
Interest on lease liability	45	42
Lease rent	24	39
Other expenses	-	10
Interest income	(24)	(96)
Total	1,074	1,822

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 (refer note 27).

Company Name	As at March 31, 2025	As at March 31, 2024
Azure Power Rooftop (Genco) Private Limited	-	4,682
Azure Power Rooftop One Private Limited	-	11,463
Azure Power Rooftop Three Private Limited	2,666	2,632

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Azure Power India Private Limited**Notes to consolidated financial statements for the year ended March 31, 2025**

(All amounts in INR lakhs, unless otherwise stated)

33. Capital and other commitments

(i) The Group has capital commitments of INR 11,881 lakhs (net of advances) (March 31, 2024: INR 194,143 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 Limited	March 28, 2014	5.45 kw/h	25 Years
Solar Energy Corporation of India Limited	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
North & South Bihar Power Distribution Company Limited	January 17, 2015	8.39 kw/h	25 Years
Solar Energy Corporation of India Limited	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	7.46 kw/h	25 Years
Gulbarga Electricity Supply Corporation Limited ,Kalaburgi	January 23, 2015	6.96 kw/h	25 Years
Hubli Electricity Supply Company Limited	January 9, 2015	6.93 kw/h	25 Years
Chamundeshwari Electricity Supply Corporation Limited	January 2, 2015	6.89 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 Limited	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 Limited	October 14, 2015	5.43 kw/h	25 Years
Bangalore Electricity Supply Company Limited	September 27, 2014	6.51 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
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
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
Solar Energy Corporation of India Limited	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- Manufacturing linked 4 GW project	November 11, 2021	2.54/kwh	25 Years
Solar Energy Corporation of India Limited- Manufacturing linked 4 GW project	November 17, 2021	2.54/kwh	25 Years
Solar Energy Corporation of India Limited- Manufacturing linked 4 GW project	December 16, 2021	2.42/kwh	25 Years
Manufacturing linked 4 GW project	16-Dec-21	2.42/kwh	25 Years
		2.35/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 7.46 per kWh as at March 31, 2025 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.

Also refer note 49, 50 and 51.



Azure Power India Private Limited
Notes to consolidated financial statements for the year ended March 31, 2025
(All amounts in INR lakhs, unless otherwise stated)

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 certainty 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 these lease range from 1.5 to 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, 2025	For the year ended March 31, 2024
Opening balance	47,176	48,481
Additions during the year	78	1,997
Deletion during the year	(49)	(1,110)
Adjustment due to change in estimate	(81)	421
Depreciation for the year*	(1,976)	(1,888)
Impairment	-	(725)
Closing balance	45,148	47,176

*Including capitalization of INR 13 lakhs during the year (March 31, 2024: INR 27 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, 2025	For the year ended March 31, 2024
Opening balance	37,414	36,608
Additions during the year	18	1,625
Deletion during the year	-	(1,351)
Accretion of interest#	3,599	3,613
Payments	(3,396)	(3,081)
Closing balance	37,635	37,414

Including capitalization of INR 45 lakhs during the year (March 31, 2024: INR 42 lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Current	3,244	3,154
Non-current	34,391	34,260
Total	37,635	37,414

Below are the amounts recognized by the Group in the consolidated statement of profit and loss:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest on lease liabilities	3,554	3,571
Depreciation of right-of-use assets	1,963	1,861
Net Gain on lease modification	-	293
Expenses relating to short-term leases	749	1,252
Total	6,266	6,977

Below is the amount recognized by the Group in the consolidated statement of cash flows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Total cash outflow for leases	3,396	3,081

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 23,863 lakhs (March 31, 2024: INR 35,304 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, 2025	March 31, 2024
Viability Gap Funding (VGF)	14,469	17,086

b. Pending litigations:

- i) The Group had two outstanding disputes with its erstwhile Chief Executive Officer, Mr. Inderpreet Singh Wadhwa (IW). In respect of the first matter, the Group had received an unfavorable Award from the Mumbai Centre for International Arbitration in relation to Mr. Wadhwa's transition from the Group, and subsequently made payments as required in the Award, without prejudice to its rights. In respect of second matter, 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 was dismissed. Consequently, the Award in our favour had been upheld. We have subsequently 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 August 26, 2025.
- ii) A Public Interest Litigation was filed before Supreme Court by certain individuals and organization claiming interest in wildlife conservation seeking protection of two endangered bird species, namely the Great Indian Bustard (GIB) and the Lesser Florican found in the states of Rajasthan and Gujarat. The petition was filed against several parties, including various state governments such as Rajasthan, Gujarat and MNRE, MoP. By order dated April 19, 2021 Supreme Court directed, among other things, (i) all low voltage transmission lines, existing and future, falling in potential and priority habitats of GIB were to be laid underground, subject to feasibility test; (ii) existing high voltage lines in priority and potential areas of GIB were to be undergrounded within one year where feasible, or otherwise referred to the committee formed by the Supreme Court for decision on feasibility; and (iii) bird diverters were to be installed on all existing overhead lines in the interim. Subsequently, by order dated March 21, 2024, the Supreme Court modified its earlier directions dated April 19, 2021, recognizing the need to balance the protection of endangered species with the growth of the renewable energy sector and India's climate commitments to reduce emissions. In the modified order the Court, among other things, (i) restricted the undergrounding requirement (subject to feasibility), only to the designated Priority Area (i.e. 13,163 sq. kms as identified under the order); (ii) eased the restrictions in the Potential Area (as identified under the order); and (iii) constituted an expert committee 'inter alia' including representatives of the power sector to ascertain the technical feasibility of undergrounding of High and Low Voltage transmission lines in the Priority Area and to propose guidelines for laying of transmission lines in the Potential Area. The said committee submitted its report to the Court through union government on May 13, 2025. Citing practical difficulties in laying down underground transmission lines, the Solar Power Developers Association ("SPDA") and Union of India have filed applications before the Supreme Court seeking among others, exemption from undergrounding of transmission lines in Potential Areas. If the application is dismissed, we might entail significant costs and delays.
- iii) A contingent liability amounting to INR 4,272 lakhs may arise on account of dispute raised by one of the vendors.

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36. Derivative instruments and hedging activities

Contract designated as cash flow hedge:

The Group was exposed to changes in principal and interest cash flows on letter of credit discounted for buyer's credit to be settled in USD. The Group used forward currency swap contracts and interest rate swaps as hedges of its exposure to foreign currency risk and interest volatility risk. This short term facility carried a floating interest rate of 12 Month SOFR and spread ranging plus 0.21 PCT. During the current year the facility has been repaid.

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 was 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. During the current year, loan has been repaid.

During the current year ended on March 31, 2025, the Group borrowed US\$ 3,11,25,000 (INR 26,279 lakhs) from HSBC bank, and is repayable in six semi-annually instalments, commencing from May 2025 and ending in November 2027. The Group has taken US\$ 3,11,25,000 currency swap for its principal and interest payment.

During the earlier year, the Group took long term borrowings, at SOFR 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. These facilities carries interest rate from 8.04% p.a. to 9.15% p.a. and have maturity upto June 11, 2026.

The 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 derivative contracts as of March 31, 2025 and March 31, 2024.

Particulars	As at March 31, 2025	As at March 31, 2024
Notional Amount (USD)	18,30,56,500	28,64,76,712
Non-current – Other financial assets (INR)	16,104	15,334
Current – Other financial assets (INR)	18	2,538
Current – Other financial liabilities (INR)	1,060	213

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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 440 lakhs (March 31, 2024: INR 450 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

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, 2025

Particular	Gratuity	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Current service cost	109	134
Interest cost on benefit liability	44	36
Total Expense	153	170

Amount recognized in Other Comprehensive Income for the year ended March 31, 2025

Particular	Gratuity	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Effect of change in financial assumptions	(13)	(3)
Effect of change in demographic assumptions	10	(17)
Experience (loss)/ gains	(1)	1
Actuarial loss recognized in the year	(4)	(19)

Consolidated Balance Sheet:

Particular	Gratuity	
	As at March 31, 2025	As at March 31, 2024
Present value of defined benefit obligation	591	586

Changes in the present value of the defined benefit obligation are as follows:

Particular	Gratuity	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Present value of obligation as at the beginning of the year	586	490
Current service cost*	109	134
Interest cost*	44	36
Re-measurement of Actuarial loss/ (gain)	4	19
Benefits paid	(152)	(93)
Present Value of Obligation as at the end of the year	591	586
Current Liability	165	135
Non-Current Liability	426	451

The principal assumptions used in determining gratuity for the Group's plans are shown below:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Discount rate (per annum)	6.45%	7.09%
Employee turnover rate (per annum)	28.00%	26.00%
Withdrawal rate (per annum)	28.00%	26.00%
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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Risk exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

- Discount rate- Increase/ reduction in discount rate in subsequent valuations can decrease/increase the liability.
- 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.
- 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, 2025 is as shown below:

Sensitivity analysis	March 31, 2025	March 31, 2025	March 31, 2024	March 31, 2024
Assumption	Discount rate		Discount rate	
	1 % increase	1 % decrease	1 % increase	1 % decrease
Defined benefit obligation increased/(decreased) by	(18)	19	(20)	21

Sensitivity analysis	March 31, 2025	March 31, 2025	March 31, 2024	March 31, 2024
Assumption	Salary Escalation Rate		Salary Escalation Rate	
	1 % increase	1 % decrease	1 % increase	1 % decrease
Defined benefit obligation increased/(decreased) by	21	(20)	23	(22)

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 4.38 years (March 31, 2024: 5 years).

Expected maturity analysis of the defined benefit plans in the next ten years are as follows:

Particular	March 31, 2025	March 31, 2024
Within the next 12 months (next annual reporting period)	170	139
Between 2 and 5 years	344	357
Between 5 and 10 years	169	193

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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, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Financial assets carried at amortized cost				
Security deposits	367	767	367	767
Trade receivables (Non- current)	34,453	35,818	34,453	35,818
Performance guarantee deposit	408	361	408	361
Loans to fellow subsidiaries (including interest accrued)	26,597	783	26,597	783
Term deposits (including interest accrued)	95,098	86,364	95,098	86,364
Total	1,56,923	1,24,093	1,56,923	1,24,093
Financial assets measured at fair value				
Derivative instruments at fair value through other comprehensive income*	16,122	17,872	16,122	17,872
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) (including interest accrued)	3,387	3,681	3,387	3,681
Total	20,875	22,919	20,875	22,919
Financial liabilities carried at fair value				
Derivative instruments at fair value through other comprehensive income*	1,060	213	1,060	213
Total	1,060	213	1,060	213
Financial liabilities carried at amortized cost				
Term loans from banks - In Indian currency ** (Including current maturities and interest accrued)	1,02,719	46,904	1,02,719	45,037
Term loans from financial institution - In Indian currency** (Including current maturities and interest accrued)	6,52,918	3,78,173	6,52,918	3,78,173
Term loans from financial institutions - In foreign currency ** (Including current maturities and interest accrued)	60,383	90,473	60,383	87,958
Foreign currency loan from bank ** (Including current maturities)	90,148	66,222	90,148	66,222
Vehicle loan** (Including current maturities)	-	70	-	70
External commercial borrowings *** (including interest accrued)	1,33,493	2,00,934	1,32,162	1,98,225
Non-convertible debenture *** (including interest accrued)	81,300	2,57,109	83,891	2,55,232
Non-current loans from fellow subsidiaries (including interest accrued)***	23	-	23	-
Total	11,20,984	10,39,885	11,22,244	10,30,917

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, 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.



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, 2025 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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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, 2025:

Carrying value	Fair value measurement using		
	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	367	-	367
Trade receivables	34,453	-	34,453
Performance guarantee deposit	408	-	408
Loans to fellow subsidiaries (including interest accrued)	26,597	-	26,597
Term deposits (including interest accrued)	95,098	-	95,098
Financial assets measured at fair value:			
Derivative instruments at fair value through other comprehensive income	16,122	-	16,122
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) (including interest accrued)	3,387	-	3,387
Financial liabilities carried at fair value			
Derivative instruments at fair value through other comprehensive income	1,060	-	1,060
Financial liabilities carried at amortised cost			
Term Loans from Banks - In Indian Currency (Including current maturities and interest accrued)	102,719	-	102,719
Term Loans from financial institution - In Indian Currency (Including current maturities)	652,918	-	652,918
Term Loans from financial institutions - In Foreign Currency (Including current maturities and interest accrued)	60,383	-	60,383
Foreign currency loan from bank (Including current maturities and interest accrued)	90,148	-	90,148
External commercial borrowings (including interest accrued)	133,493	-	132,162
Non-Convertible Debenture (including interest accrued)	81,300	-	83,891
Non-current loans from fellow subsidiaries (including interest accrued)	23	-	23

There have been no transfers between Level 1 and Level 2 during the year.

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Quantitative disclosures fair value measurement hierarchy for financial instruments as at March 31, 2024:

Carrying value	Fair value measurement using		
	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 guarantee deposit	361	-	361
Loans to fellow subsidiaries (including interest accrued)	783	-	783
Term deposits (including interest accrued)	86,364	-	86,364
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)	3,681	-	3,681
Financial liabilities carried at fair value:			
Derivative instruments at fair value through other comprehensive income	213	-	213
Financial liabilities carried at amortised cost:			
Term Loans from Banks - In Indian Currency (Including current maturities and interest accrued)	46,904	-	45,037
Term Loans from financial institution - In Indian Currency (Including current maturities)	3,78,173	-	3,78,173
Term Loans from financial institutions - In Foreign Currency (Including current maturities and interest accrued)	90,473	-	87,958
Foreign currency loan from bank (Including current maturities)	66,222	-	66,222
Vehicle loan (Including current maturities)	70	-	70
External commercial borrowings	2,00,934	-	1,98,225
Non-Convertible Debenture	2,57,109	-	2,55,232

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, 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 two types of risk: interest rate risk and currency risk. Key financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2025 and March 31, 2024.

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, external commercial borrowings, 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, 2025	Floating rate financial instruments	Fixed rate financial instruments	Non-interest bearing	Total
Financial assets	-	2,27,360	92,386	3,19,746
Financial liabilities	9,06,168	2,48,783	30,616	11,85,567

As at March 31, 2024	Floating rate financial instruments	Fixed rate financial instruments	Non-interest bearing	Total
Financial assets	-	1,92,712	84,736	2,77,448
Financial liabilities	5,55,014	5,10,279	1,21,801	11,87,094

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:

	INR	Increase/decrease in basis points		March 31, 2025		March 31, 2024	
		+/(-)50	(-)/+	4,531	(-)/+	2,775	
Effect on profit before tax							

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.



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The following table analyses foreign currency risk from financial instruments relating to USD, EURO and GBP as of March 31, 2025 and March 31, 2024

	As at March 31, 2025	As at March 31, 2024
USD		
Foreign currency loan from financial institutions and banks* (including interest accrued)	1,53,220	1,57,923
Trade payable	551	3,015
EURO		
Trade payable**	15	12
GBP		
Trade payable**	0	21

	As at March 31, 2025	As at March 31, 2024
The following table analysis foreign currency risk from financial instruments relating to USD as of March 31, 2025 and March 31, 2024		
Other receivables	-	3,306

* Before adjustment of unamortised balance of ancillary cost of borrowing of INR 893 lakhs (March 31, 2024 INR 1,228 Lakhs)

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, 2025		March 31, 2024	
	+ / (-) 5%	(-) / +				
Effect on profit before tax			28	(-) / +	(15)	

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.

** Since the outstanding payable in EURO and GBP are not significant, hence Foreign currency sensitivity has not been disclosed separately.

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, 2025	For the year ended March 31, 2024
Opening balance	5,577	6,240
Changes in allowance for expected credit loss:		
Provision recognised towards credit impaired receivables (refer note 25)	411	1,172
Provision written back during the year (refer note 20)	(3,223)	(739)
Trade receivable written off during the year	(93)	(2)
Provision against receivables classified as held for sale	-	(1,094)
Provision against receivables classified as held for sale derecognised during the year	(55)	-
Closing balance	2,617	5,577

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.

Movement in provision for doubtful loans during the year :

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	-	-
Provision created during the year (refer note 25)	916	-
Closing balance	916	-

Movement in provision for doubtful contractually reimbursable expenses during the year :

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	-	-
Provision created during the year (refer note 25)	109	-
Closing balance	109	-



Azure Power India Private Limited
Notes to consolidated financial statements for the year ended March 31, 2025
 (All amounts in INR lakhs, unless otherwise stated)

Movement in provision for doubtful interest receivable during the year :

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	-	-
Provision created during the year (refer note 25)	74	-
Closing balance	74	-

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.

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, 2025				
Borrowings*	1,97,121	8,16,706	6,27,571	16,41,398
Lease liabilities	2,112	13,599	1,04,864	1,20,575
Trade payables	16,821	-	-	16,821
Other financial liabilities**	9,067	-	-	9,067
Derivative liability	1,060	-	-	1,060
	2,26,181	8,30,305	7,32,435	17,88,921
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**	10,476	-	-	10,476
Derivative liability	213	-	-	213
	5,78,847	6,14,596	5,45,800	17,39,243

*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, 2025 and March 31, 2024.

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Azure Power India Private Limited
Notes to consolidated financial statements for the year ended March 31, 2025
(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, 2025	March 31, 2024
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%
Azure Power Saturn Private Limited**	India	-	51.40%
Azure Power Thirty Eight Private Limited**	India	-	51%
Azure Power Forty Four Private Limited**	India	-	51.40%
Azure Power US Inc.	United States of America	100%	100%

The Parent company

The Parent 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 8A and 45.



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/ solar park 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, 2025 is INR 8,771 lakhs (March 31, 2024: INR 8,000 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 5.2 lakhs to 6.0 lakhs (March 31, 2024 - INR 4.9 lakhs to 5.6 lakhs)
- ▶ Discount rate – 10.0% p.a. (March 31, 2024: 10.0% p.a.)
- ▶ Inflation rate – 8.0% p.a. (March 31, 2024: 8.0% p.a.)



(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, Group is depreciating the assets based on life as determined by the management. (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 (ECL) 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 uncertainties are taken into account in measuring provision.

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Azure Power India Private Limited
Notes to consolidated financial statements for the year ended March 31, 2025
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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, 2025

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	4,60,325	128.93%	(16,252)	(93.20%)	13	(1.03%)	(16,239)	(100.35%)
Indian Subsidiaries								
Azure Power (Punjab) Private Limited	1,384	0.39%	316	1.81%	(0)	0.01%	316	1.95%
Azure Power (Haryana) Private Limited	2,975	0.83%	912	5.23%	(0)	0.00%	912	5.63%
Azure Solar Private Limited	5,415	1.52%	441	2.53%	(0)	0.03%	441	2.73%
Azure Power (Kajasthan) Private Limited	83	0.02%	2	0.01%	(0)	0.00%	2	0.01%
Azure Urja Private Limited	10,014	2.80%	2,483	14.24%	(0)	0.03%	2,483	15.34%
Azure Surya Private Limited	6,344	1.78%	963	5.52%	(0)	0.01%	963	5.95%
Azure Power (Karnataka) Private Limited	3,509	0.98%	770	4.41%	(1)	0.05%	769	4.75%
Azure Photovoltaic Pvt Ltd	11,576	3.24%	2,995	17.17%	(0)	0.03%	2,994	18.50%
Azure Power Infrastructure Pvt Ltd	13,922	3.90%	(914)	(5.24%)	(0)	0.00%	(914)	(5.65%)
Azure Power (Raj) Pvt Ltd	15,371	4.31%	3,001	17.21%	0	(0.01%)	3,001	18.54%
Azure Green Tech Private Limited	11,677	3.27%	2,700	15.49%	1	(0.11%)	2,702	16.70%
Azure Clean Energy Pvt Ltd	11,159	3.13%	2,468	14.15%	(0)	0.02%	2,468	15.25%
Azure Sun Rise Pvt Ltd	8,401	2.35%	11,464	65.74%	0	(0.03%)	11,464	70.85%
Azure Sunshine Pvt Ltd	5,990	1.68%	1,621	9.30%	0	(0.00%)	1,621	10.02%
Azure Power Earth Private Limited	10,104	2.83%	1,619	9.29%	(1)	0.06%	1,618	10.00%
Azure Power Eris Private Limited	2,736	0.77%	(51)	(0.29%)	(0)	0.04%	(52)	(0.32%)
Azure Power Jupiter Private Limited	3,729	1.04%	(0)	(0.00%)	(1)	0.11%	(1)	(0.01%)
Azure Power Makenake Private Limited	10,846	3.04%	1,126	6.46%	(0)	0.02%	1,126	6.96%
Azure Power Mars Private Limited	1,463	0.41%	259	1.48%	(1)	0.12%	257	1.59%
Azure Power Mercury Private Limited	-	0.00%	91	0.52%	-	0.00%	91	0.56%
Azure Power Pluto Private Limited	30,777	8.62%	5,195	29.79%	(2)	0.16%	5,192	32.09%
Azure Power Uranus Private Limited	375	0.11%	102	0.59%	2	(0.14%)	104	0.64%
Azure Power Venus Private Limited	1,483	0.42%	924	5.30%	(2)	0.13%	922	5.70%
Azure Power Saturn Private Limited	-	0.00%	(147)	(0.84%)	-	0.00%	(147)	(0.91%)



Azure Power India Private Limited
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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 Three Private Limited	10,634	2.98%	3,004	17.23%	1	(0.08%)	3,007	18.58%
Azure Power Thirty Four Private Limited	13,687	3.83%	3,377	19.36%	-	0.00%	3,379	20.88%
Azure Power Thirty Six Private Limited	5,710	1.60%	1,455	8.34%	(2)	0.14%	1,453	8.98%
Azure Power Thirty Seven Private Limited	25,766	7.22%	5,749	32.97%	1	(0.09%)	5,755	35.56%
Azure Power Thirty Eight Private Limited	-	0.00%	(185)	(1.06%)	-	0.00%	(185)	(1.14%)
Azure Power Thirty Nine Private Limited	540	0.15%	(6)	(0.03%)	-	0.00%	(6)	(0.03%)
Azure Power Forty Private Limited	13,664	3.83%	(801)	(4.60%)	3	(0.23%)	(798)	(4.93%)
Azure Power Forty One Private Limited	17,168	4.81%	(410)	(2.35%)	(1,446)	115.11%	(1,853)	(11.45%)
Azure Power Forty Three Private Limited	41,152	11.53%	(473)	(2.71%)	2	(0.13%)	(468)	(2.89%)
Azure Power Forty Four Private Limited	-	0.00%	(310)	(1.78%)	-	0.00%	(310)	(1.92%)
Azure Power Fifty One Private Limited	(507)	(0.14%)	1,066	6.11%	-	0.00%	1,066	6.59%
Azure Power Fifty Two Private Limited	(10,418)	(2.92%)	1,984	11.38%	2	(0.20%)	1,986	12.27%
Azure Power Fifty Three Private Limited	(1,110)	(0.31%)	2,627	15.06%	-	0.00%	2,627	16.23%
Azure Power Fifty Four Private Limited	(1,051)	(0.29%)	2,629	15.07%	-	0.00%	2,629	16.24%
Azure Power Green Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Maple Private Limited	950	0.27%	(4,077)	(23.38%)	183	(14.60%)	(3,895)	(24.07%)
Azure Power Fifty Six Private Limited	(231)	(0.06%)	(28)	(0.16%)	-	0.00%	(28)	(0.17%)
Azure Power Fifty Seven Private Limited	(256)	(0.07%)	(24)	(0.14%)	-	0.00%	(24)	(0.15%)
Azure Power Fifty Eight Private Limited	(371)	(0.10%)	(361)	(2.07%)	-	0.00%	(361)	(2.23%)
Azure Power Fifty Nine Private Limited	(1,075)	(0.30%)	2,627	15.07%	-	0.00%	2,627	16.24%
Azure Power Sixty Private Limited	(1,046)	(0.29%)	2,627	15.07%	-	0.00%	2,627	16.23%
Azure Power Sixty one Private Limited	(12)	(0.00%)	(7)	(0.04%)	-	0.00%	(7)	(0.05%)
Azure Power Sixty two Private Limited	(838)	(0.23%)	1,749	10.03%	-	0.00%	1,749	10.81%
Kotuma Wind Parks Private Limited	(2,541)	(0.71%)	(104)	(0.60%)	-	0.00%	(104)	(0.64%)
Two Wind Energy Private Limited	(6,083)	(1.70%)	(193)	(1.10%)	-	0.00%	(193)	(1.19%)
Azure Green Hydrogen Private Limited	(15)	(0.00%)	(5)	(0.03%)	-	0.00%	(5)	(0.03%)
Azure Power Sixty Three Pvt Ltd	(213)	(0.06%)	(114)	(0.65%)	-	0.00%	(114)	(0.70%)



Azure Power India Private Limited
Notes to consolidated financial statements for the year ended March 31, 2025
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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 Sixty Four Pvt Ltd	(13)	(0.00%)	(5)	(0.03%)	-	0.00%	(5)	(0.03%)
Azure Power Sixty Six Private Limited	(5)	(0.00%)	(3)	(0.02%)	-	0.00%	(3)	(0.02%)
Azure Energy Transition Private Limited	(265)	(0.07%)	(28)	(0.16%)	-	0.00%	(28)	(0.17%)
Azure Power Sixty Five Private Limited	(12)	(0.00%)	(5)	(0.03%)	-	0.00%	(5)	(0.03%)
Subsidiaries incorporated outside India								
Azure Power US Inc	4,127	1.16%	(106)	(0.61%)	-	0.00%	(106)	(0.66%)
	7,36,995	206.43%	43,736	250.81%	(1,248)	99.40%	42,501	262.64%
Adjustments arising out of consolidation	(3,81,885)	(106.96%)	(26,340)	(151.05%)	(8)	0.60%	(26,361)	(162.90%)
Consolidated Net Assets/ Profit after tax	3,55,110	99.46%	17,396	99.76%	(1,256)	100.00%	16,140	99.74%
Non controlling interest in all subsidiaries	1,912	0.54%	42	0.24%	-	0.00%	42	0.26%
Total	3,57,022	100.00%	17,438	100.00%	(1,256)	100.00%	16,182	100.00%

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Azure Power India Private Limited
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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 (Kajashan) 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 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 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%
Azure Power Thirty Three Private Limited	7,637	2.24%	(5,565)	41.42%	(3)	0.20%	(5,568)	37.88%



Azure Power India Private Limited
Notes to consolidated financial statements for the year ended March 31, 2025
(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 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 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 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%
Azure Power Sixty Four Pvt Ltd	(8)	(0.00%)	(4)	0.03%	-	0.00%	(4)	0.03%



Azure Power India Private Limited
Notes to consolidated financial statements for the year ended March 31, 2025
(LINR 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	(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

Notes to consolidated financial statements for the year ended March 31, 2025

(INR amount in lakhs, unless otherwise stated)

45. Impairment of assets and assets held for sale

(i) During the year ended March 31, 2021, the Group 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 Group. The Group had transferred 100% shareholding in relation to 17.3 MW operating capacity in earlier years.

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 Group had transferred 48.6% equity ownership of these entities in financial year 2021-22 and remaining 51.4% ownership was to be transferred post refinancing of the Green Bonds which were due in December 2024. Pursuant to refinancing of the Green Bonds, the restrictions have been lifted. The Group has transferred 51.4% remaining equity ownership to Radiance for 21.8 MW during the current year and the balance 11.4 MW subsequent to the year end.

There was 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% was to be transferred on or after September 30, 2024. The Group has transferred 51% remaining equity ownership to Radiance for 16 MW subsequent to the year end.

Upon removal of transfer restrictions in 33.2 MW and 16 MW projects, there is a loss of control in respect to these entities. Accordingly, the carrying amount of the net assets and the non-controlling interest is derecognized and correspondingly fair value of the proceeds are recognized, with the resulting difference leading to impairment expense of INR 550 Lakhs and a loss of INR 1,830 Lakhs which has been recognised in other expenses in the consolidated statement of profit and loss.

In relation to the remaining un-transferred 86.5 MW portfolio, the APRPL and Radiance have mutually terminated the agreement.

During the previous year, the Group has recognised INR 550 lakhs as impairment expense in connection with full and final settlement with Radiance.

(ii) During the previous year, the Group had written down value of assets, provision for bank guarantee and other expected cost in relation to Delhi 2 MW project on account of poor viability and recognized impairment expense of INR 291 lakhs.

(iii) During the previous year, the Group had 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. Restatement for the year ended March 31, 2024 and as at April 01, 2023

In accordance with Ind AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1 'Presentation of financial statements', the Group has retrospectively restated its consolidated balance sheet as at March 31, 2024 and April 01, 2023 and consolidated Statement of Profit and Loss for the year ended March 31, 2024 for the reasons as stated in the notes below. Reconciliation of items which are retrospectively restated in the consolidated Balance Sheet and consolidated Statement of Profit and Loss are as under:

(f) Reconciliation of restated items of Balance Sheet as at March 31, 2024 and April 01, 2023

	Notes	As at March 31, 2024			As at April 01, 2023		
		As previously reported	Adjustments	Restated balance	As previously reported	Adjustments	Restated Balance
Assets							
Non-current assets							
Property, plant and equipment		12,48,693	-	12,48,693	12,86,095	-	12,86,095
Capital work-in-progress	(b)	14,332	(1,922)	12,410	35,088	(1,422)	33,666
Right-of-use assets		47,176	-	47,176	48,481	-	48,481
Intangible assets		38	-	38	7	-	7
Financial assets							
- Investments in equity shares and compulsorily convertible debenture		4,551	-	4,551	4,551	-	4,551
- Trade receivables		35,818	-	35,818	38,976	-	38,976
- Loans		933	-	933	465	-	465
- Other financial assets		1,03,172	-	1,03,172	96,918	-	96,918
Deferred tax assets (net)		32,088	-	32,088	34,080	-	34,080
Other non-current assets		19,425	-	19,425	20,334	-	20,334
Income tax assets (net)		5,469	-	5,469	2,752	-	2,752
Total non-current assets		15,11,695	(1,922)	15,09,773	15,67,747	(1,422)	15,66,325
Current assets							
Inventories		131	-	131	131	-	131
Financial assets							
- Trade receivables		45,055	-	45,055	55,921	-	55,921
- Cash and cash equivalents		31,361	-	31,361	38,959	-	38,959
- Other bank balances		38,028	-	38,028	83,753	-	83,753
- Loans		9,129	-	9,129	9,503	-	9,503
- Other financial assets		9,401	-	9,401	14,250	-	14,250
Other current assets		9,825	-	9,825	7,147	-	7,147
Assets classified as held for sale		21,567	-	21,567	-	-	-
Total current assets		1,64,497	-	1,64,497	2,09,664	-	2,09,664
Total assets		16,76,192	(1,922)	16,74,270	17,77,411	(1,422)	17,75,989
Equity and liabilities							
Equity							
Equity share capital		692	-	692	692	-	692
Other equity	(c)	3,40,368	(1,922)	3,38,446	3,52,596	(1,422)	3,51,174
Equity attributable to equity holders of the parent		3,41,060	(1,922)	3,39,138	3,53,288	(1,422)	3,51,866
Non-controlling interest		38	-	38	2,528	-	2,528
Total equity		3,41,098	(1,922)	3,39,176	3,55,816	(1,422)	3,54,394
Non-current liabilities							
Financial liabilities							
- Borrowings		7,38,263	-	7,38,263	10,57,347	-	10,57,347
- Lease liabilities		34,260	-	34,260	33,684	-	33,684
- Other financial liabilities		-	-	-	-	-	-
Provisions		8,451	-	8,451	7,533	-	7,533
Deferred tax liabilities (net)		26,294	-	26,294	19,218	-	19,218
Other non-current liabilities		65,638	-	65,638	68,275	-	68,275
Total non-current liabilities		8,72,906	-	8,72,906	11,86,057	-	11,86,057
Current liabilities							
Financial liabilities							
- Borrowings		3,69,210	-	3,69,210	1,60,762	-	1,60,762
- Lease liabilities		3,154	-	3,154	2,924	-	2,924
- Trade payables		-	-	-	-	-	-
Total outstanding dues of micro enterprises and small enterprises		1,469	-	1,469	491	-	491
Total outstanding dues of creditors other than micro enterprise and small enterprises		18,012	-	18,012	12,441	-	12,441
- Other current financial liabilities		22,726	-	22,726	30,472	-	30,472
Current tax liabilities (net)		1,828	-	1,828	3,785	-	3,785
Provisions		18,423	-	18,423	18,558	-	18,558
Other current liabilities		5,849	-	5,849	6,105	-	6,105
Liabilities directly associated with assets classified as held for sale		21,517	-	21,517	-	-	-
Total current liabilities		4,62,188	-	4,62,188	2,35,538	-	2,35,538
Total liabilities		13,35,094	-	13,35,094	14,21,595	-	14,21,595
Total equity and liabilities		16,76,192	(1,922)	16,74,270	17,77,411	(1,422)	17,75,989



(ii) Reconciliation of restated items of consolidated Statement of Profit and Loss for the year ended March 31, 2024

	Notes	For the year ended March 31, 2024		
		As previously reported	Adjustments	Restated balance
Revenue				
Revenue from operations		2,10,414	-	2,10,414
Finance income		17,670	-	17,670
Other income		6,017	-	6,017
Total income		2,34,101	-	2,34,101
Expenses				
Employee benefits expense		10,653	-	10,653
Finance costs		1,23,326	-	1,23,326
Depreciation and amortization expense		45,164	-	45,164
Impairment expense		8,407	-	8,407
Other expenses	(a)	44,628	500	45,128
Total expenses		2,32,178	500	2,32,678
Profit before tax		1,923	(500)	1,423
Tax expense:				
Current tax		5,562	-	5,562
Income tax adjustment pertaining to earlier year		177	-	177
Deferred tax charge		9,618	-	9,618
Total tax expense		15,357	-	15,357
Loss after tax		(13,434)	(500)	(13,934)
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Effective portion of cash flow hedge reserve		(1,799)	-	(1,799)
Income tax effect on cash flow hedge reserve		544	-	544
Foreign currency translation reserve		2	-	2
Items that will not be reclassified to profit or loss				
Re-measurement gains/ (losses) on defined benefit plans		(19)	-	(19)
Income tax effect on re-measurement gains/ (losses) on defined benefit plans		6	-	6
Total other comprehensive loss		(1,266)	-	(1,266)
Total comprehensive loss		(14,700)	(500)	(15,200)

(iii) Reconciliation of statement of consolidated cash flows for the year ended March 31, 2024

	For the year ended March 31, 2024		
	As previously reported	Adjustments	Restated balance
Net cash flow from operating activities	1,74,788	-	1,74,788
Net cash flow from investing activities	32,846	-	32,846
Net cash used in financing activities	(2,13,318)	-	(2,13,318)
Net decrease in cash and cash equivalents	(5,684)	-	(5,684)
Unrealized foreign exchange gain/(loss)	-	-	-
Cash and cash equivalents at the beginning of the year	38,959	-	38,959
Cash and cash equivalents at the end of the year (refer note 8.2)	33,275	-	33,275

(iv) Earnings per share

Basic and diluted earnings per share for the year ended March 31, 2024 have changed as below

	For the year ended March 31, 2024		
	As previously reported	Adjustments	Restated balance
(1) Basic earnings per share (in INR)	(158.14)	(7.22)	(165.36)
(2) Diluted earnings per share (in INR)	(158.14)	(7.22)	(165.36)

(v) Notes on restatement

(a) Other Expenses

During the current year, the Group identified certain differences between book and capital work-in-progress during the physical verification of such assets. Upon further analysis, it was found that these differences may have arisen in the earlier years. Hence, the amount of INR 1,422 lakhs has been adjusted in the retained earnings as at April 01, 2023 and expense of INR 500 lakhs has been recognised in the year ended March 31, 2024.

(b) Capital work in progress

The above adjustment resulted in decrease in balance of capital work in progress by INR 1,422 lakhs and INR 1,922 lakhs as on April 01, 2023 and March 31, 2024, respectively.

(c) Other equity

The above adjustments resulted in decrease in retained earning by INR 1,422 lakhs as at April 01, 2023. Further, there is a increase in loss for the year ended March 31, 2024 by INR 500 lakhs and corresponding decrease in retained earning for the year ended March 31, 2024.

Particulars	Note	For the year ended March 31, 2024	
		April 01, 2023	March 31, 2024
Equity share capital		692	692
Other equity		3,52,596	3,40,368
Total Equity as per Reported Financial Statements		3,53,288	3,41,060
Other expense	(a)	(1,422)	(1,922)
Total Equity as per Restated Financial Statements		3,51,866	3,39,138



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 writing 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 or 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

The Group received whistleblower complaints and initiated internal investigations headed by the Audit and Risk Committee of the Parent Company (the "ARC Investigation") and a Special Committee of Board of Directors of the Parent Company established in August 2022 (the "Special Committee Investigation"). At the direction of the Board of Directors of the Parent Company, external counsel for the committees initiated a voluntary self-disclosure on behalf of the Parent Company to the U.S. Department of Justice and the U.S. Securities and Exchange Commission (the "U.S. Government"). The Parent Company continues to cooperate with the U.S. Government's investigations. The ARC Investigation was concluded in the previous year. The Special Committee Investigation, which is substantially complete, 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 review and its findings have impacted the decision-making of the Group in connection with such projects.

Further Management of the Group, under the supervision of the Parent Company's Audit and Risk Committee, initiated remediation actions focused on improving the Group's internal control and compliance environment to address the control deficiencies that led to ineffectiveness in earlier years. Management has taken support from external consultants while performing this remediation exercise. These efforts include strengthening our internal control framework, testing operational controls, training of team members and periodic monitoring by the Parent Company's Audit and Risk Committee of the effectiveness of the remedial efforts and overall reporting framework. The internal controls over financial reporting of the Group have been assessed to be effective during the year ended March 31, 2025.

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 Public interest litigations (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 are currently pending adjudication. We cannot predict the outcome of these two PILs.

Based on the economics and uncertainties associated with the PILs and Special Committee of the Board of the Parent Company (the "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. Considering the communication received from SECI and imminent threat of encashment of Bank Guarantees, the Group obtained an interim order dated October 16, 2023 from the High Court of Andhra Pradesh restraining such encashment and any coercive action against the Group till the next hearing date. The next hearing date will be notified by the Court in due course.

On March 18, 2024, the Group 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. Accordingly, the Group has recognised provisions of Nil in the current year (INR 12,315 lakhs cumulatively till March 31, 2025) towards Bank Guarantees in its consolidated financial statements.

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 under Manufacturing Contract Agreements (MCAs) of solar cells and solar modules by 583 MW from 1,000 MW.

In light of the 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.

Accordingly, the Group has recognised provisions of Nil in the year (INR 2,061 lakhs, net of bank guarantee encashed during the year amounting to INR 3,500 lakhs) cumulatively till March 31, 2025 towards Bank Guarantees in its consolidated financial statements.

Separately, Bank Guarantees of approximately INR 2,200 lakhs were submitted for obligations under module MCAs. To prevent coercive actions, including encashment of the bank guarantees, the Group filed a petition before the High Court of Andhra Pradesh. A stay has been granted against any coercive action including such encashment, and the next hearing date will be notified in due course.

Accordingly, during the current year, a further provision for INR 1,945 lakhs was recognized towards bank guarantees related to MCAs referred to above, including delays due to reduced capacity under the MCAs.

50. The Group had executed a Power Purchase Agreement (PPA) with Solar Energy Corporation of India Limited ("SECI") for wind project of 120 MW. For this 120 MW Wind Project, the tariff was adopted by Central Electricity Regulatory Commission ("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 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), the Group 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 the Group's submissions, the said tariff was adopted at CERC. The Group has filed an appeal before the Appellate Tribunal for Electricity ("APTEL") challenging the CERC order. The matter is currently pending adjudication and the project is currently a part of the Group's project pipeline.

51. In case of the 150 MW solar-wind Hybrid Project, in light of economic and execution challenges, the Group decided to withdraw from the project and the associated ISTS Connectivity grant. The Group continues discussions with SECI to ensure an orderly withdrawal from the 150 MW Hybrid Project and from the obligations of the Group under the PPA, Performance Bank Guarantees and other guarantees relating to the Hybrid Project. During the current year the Group recognized a provision of INR 1,990 lakhs towards Bank Guarantees in relation to the 150 MW Hybrid Project.



52. 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 holding company and its subsidiaries 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 the then ongoing investigations (refer note 48), the AGM for financial year 2021-22 and 2022-23 were held in February 2024 and May 2024 & June 2024 respectively, i.e. after the extension granted by ROC.

The holding company and its subsidiaries have successfully filed the compounding applications with the ROC in December 2024. As of the reporting date, the applications are pending disposal with the Regional Director and the Management believes that the financial impact of the same is not material.

53. Going concern

- (i) As at March 31, 2025, current liabilities of Azure Solar Private Limited (subsidiary company) exceeds its current assets by INR 1,528 lakhs (March 31, 2024: INR Nil). 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 subsidiary company meet its obligations for future.
- (ii) As at March 31, 2025, the Company's current liabilities of Azure Power (Rajasthan) Private Limited (subsidiary company) exceeded its current assets by INR 223 lakhs (March 31, 2024: 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 subsidiary company meet its obligations for future.
- (iii) As at March 31, 2025, the Company's current liabilities of Azure Power Jupiter Private Limited (subsidiary company) exceeds its current assets by INR 2,453 lakhs (March 31, 2024 INR 4,893 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 subsidiary company meet its obligations for future.
- (iv) As at March 31, 2025, the current liabilities of Azure Power Thirty Nine Private Limited (subsidiary company) exceeds its current assets by INR 1 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 subsidiary company meet its obligations for future.
- (v) As at March 31, 2025, the current liabilities of Azure Power Uranus Private Limited (subsidiary company) exceeds its current assets by INR 285 lakhs (March 31, 2024 INR 3,034 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 subsidiary company meet its obligations for future.
- (vi) As at March 31, 2025, the current liabilities of Azure Power Thirty Three Private Limited (subsidiary company) exceeds its current assets by INR 3,041 lakhs (March 31, 2024 INR 88,514 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 subsidiary company meet its obligations for future.
- (vii) As at March 31, 2025, the current liabilities of Azure Power Earth Private Limited (subsidiary company) exceeds its current assets by INR 315 lakhs (March 31, 2024 INR 28,659 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 subsidiary company meet its obligations for future.
- (viii) As at March 31, 2025, the current liabilities of Azure Power Makemake Private Limited (subsidiary company) exceeds its current assets by INR 122 lakhs (March 31, 2024 INR 4,599 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 subsidiary company meet its obligations for future.
- (ix) As at March 31, 2025, the current liabilities of Azure Power Venus Private Limited (subsidiary company) exceeds its current assets by INR 594 lakhs (March 31, 2024 INR 15,968 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 subsidiary company meet its obligations for future.
- (x) As at March 31, 2025, the current liabilities of Azure Power Thirty Four Private Limited (subsidiary company) exceeds its current assets by INR 1,431 lakhs (March 31, 2024 INR 43,115 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 subsidiary company meet its obligations for future.
- (xi) As at March 31, 2025, the current liabilities of Azure Power Thirty Six Private Limited (subsidiary company) exceeds its current assets by INR 646 lakhs (March 31, 2024 INR 15,176 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 subsidiary company meet its obligations for future.
- (xii) As at March 31, 2025, current liabilities of Azure Power Forty Private Limited (subsidiary company) exceeds its current assets by INR 2,519 lakhs (March 31, 2024 INR 8,459 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 subsidiary company meet its obligations for future.
- (xiii) As at March 31, 2025, current liabilities of Azure Power Forty Three Private Limited (subsidiary company) exceeds its current assets by INR 6,040 lakhs (March 31, 2023: INR 29,092 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 subsidiary company meet its obligations for future.
- (xiv) As at March 31, 2025, the current liabilities of Azure Power Maple Private Limited (subsidiary company), exceeded its current assets by INR 58,654 lakhs (March 31, 2024: INR 1,48,200 lakhs). Subsequent to the year-end, the Azure Power India Private Limited has extended the repayment terms of the loans (including accrued interest) to a tenure of 15 years. This extension has significantly improved the net working capital position of the subsidiary company. Accordingly, management believes that the subsidiary company will be able to meet its liabilities as and when they fall due, and the financial statements have therefore been prepared on a going concern basis.
- (xv) As at March 31, 2025, Azure Power Fifty Six Private Limited (subsidiary company) has accumulated losses of INR 241 lakhs (March 31, 2024: INR 213 lakhs) and its net worth has fully eroded. Further, the subsidiary company's current liabilities exceeded its current assets by INR 230 lakhs (March 31, 2024: INR 204 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 subsidiary company meet its obligations for future.
- (xvi) As at March 31, 2025, Azure Power Fifty Seven Private Limited (subsidiary company) has accumulated losses of INR 257 lakhs (March 31, 2024: INR 233 lakhs) and its networth has fully eroded. Further, The subsidiary company's current liability exceeded its current assets by INR 256 lakhs (March 31, 2024: INR 232 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 subsidiary company meet its obligations for future.
- (xvii) As at March 31, 2025, Azure Power Fifty Eight Private Limited (subsidiary company) has accumulated losses of INR 371 lakhs (March 31 2024: INR 11 lakhs) and its networth has fully eroded. Further, The subsidiary company's current liability exceeded its current assets by INR 957 lakhs (March 31 2024: 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 Company, as may be required, in order to make Company meet its obligations for future.
- (xviii) As at March 31, 2025, Azure Power Sixty One Private Limited (subsidiary company) has accumulated losses of INR 13 lakhs (March 31, 2024: INR 5 lakhs) and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded its current assets by INR 460 lakhs (March 31, 2024: INR 483 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 subsidiary company meet its obligations for future.



Azure Power India Private Limited
Notes to consolidated financial statements for the year ended March 31, 2025
(INR amount in lakhs, unless otherwise stated)

(xix) As at 31 March 2025, Kotuma Wind Parks Private Limited (subsidiary company) has accumulated losses of INR 2,545 lakhs (31 March 2024: INR 2,441 lakhs) and its net worth has fully eroded. The subsidiary company's current liabilities exceeded its current assets by INR 1,686 lakhs (31 March 2024: INR 2,544 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 subsidiary company as at and for the year ended March 31, 2025. 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. 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.

(xx) As at March 31, 2025, Two Wind Energy Private Limited (subsidiary company) has accumulated losses of INR 6,084 lakhs (March 31, 2024: INR 5,891 lakhs) and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded its current assets by INR 4,186 lakhs (March 31, 2024: INR 6,130 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 subsidiary company meet its obligations for future.

(xxi) As at March 31, 2025, Azure Green Hydrogen Private Limited (subsidiary company) has accumulated losses of INR 16 lakhs (March 31 2024: INR 11 lakhs) and its networth has fully eroded. 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 subsidiary company meet its obligations for future.

(xxii) As at March 31, 2025, Azure Power Sixty Three Private Limited (subsidiary company) has accumulated loss of INR 214 lakhs and its net worth has fully eroded. 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 subsidiary company meet its obligations for future.

(xxiii) As at March 31, 2025, Azure Energy Transition Private Limited (subsidiary company) has accumulated losses of INR 268 lakhs (March 31, 2024: INR 240 lakhs) and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded its current assets by INR 23 lakhs (March 31, 2024: 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 subsidiary company meet its obligations for future.

(xxiv) As at March 31, 2025, Azure Power Sixty Four Private Limited (subsidiary company) has accumulated losses of INR 14 lakhs (March 31, 2024: INR 9 lakhs) and its net worth has fully eroded. 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 subsidiary company meet its obligations for future.

(xxv) As at March 31, 2025, Azure Power Sixty Five Private Limited (subsidiary company) has accumulated losses of INR 13 lakhs (March 31, 2024: INR 9 lakhs) and its net worth has fully eroded. 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 subsidiary company meet its obligations for future.

(xxvi) As at March 31, 2025, Azure Power Sixty Six Private Limited (subsidiary company) has accumulated losses of INR 6 lakhs (March 31, 2024: INR 3 lakhs) and its net worth has fully eroded. Further, the subsidiary company's current liabilities exceeded its current assets by INR 5 lakhs (March 31, 2024: 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 subsidiary company meet its obligations for future.

(xxvii) As at 31 March 2025, Azure Power Fifty One Private Limited (subsidiary company) has accumulated losses of INR 3,603 lakhs (31 March 2024 : 4,670 lakhs) and its net worth has fully eroded. The subsidiary company's current liabilities exceeded its current assets by INR 3,679 lakhs (31 March 2024: 4,788 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 subsidiary company as at and for the year ended March 31, 2025. 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. 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) As at March 31, 2025, Azure Power Fifty Two Private Limited (subsidiary company) has accumulated losses of INR 11,916 lakhs (March 31, 2024: INR 13,900 lakhs) and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded its current assets by INR 5,853 lakhs (March 31, 2024: INR 1,8,542 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 subsidiary company meet its obligations for future.

(xxix) As at 31 March 2025, Azure Power Fifty Three Private Limited (subsidiary company) has accumulated losses of INR 1,121 lakhs (31 March 2024 : INR 3,748 lakhs) and its net worth has fully eroded. Further, The Company's current liabilities exceeded the current assets by INR 1,110 lakhs (31 March 2024: INR 3,679 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 subsidiary company as at and for the year ended March 31, 2025. 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. 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.

(xxx) As at 31 March 2025, Azure Power Fifty Four Private Limited (subsidiary company) has accumulated losses of INR 1,052 lakhs (31 March 204: INR 3,681 lakhs) and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded the current assets by INR 1,051 lakhs (31 March 2024: 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 subsidiary company as at and for the year ended March 31, 2025. 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. 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.

(xxxi) As at 31 March 2025, Azure Power Fifty Nine Private Limited (subsidiary company) has accumulated losses of INR 1,076 lakhs (31 March 2024: INR 3,703 lakhs) and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded the current assets by INR 1,075 lakhs (31 March 2024: INR 3,616 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 subsidiary company as at and for the year ended March 31, 2025. 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. 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.



(xxxii) As at 31 March 2025, Azure Power Sixty Private Limited (subsidiary company) has accumulated losses of INR 1,047 lakhs (31 March 2024 : INR 3,674 lakhs) and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded the current assets by INR 1,046 lakhs (31 March 2024: 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 subsidiary company as at and for the year ended March 31, 2025. 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. 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.

(xxxiii) As at March 31, 2025, the current liabilities of Azure Power (Punjab) Private Limited (subsidiary company) exceeds its current assets by INR 82 lakhs (March 31, 2024 INR Nil). 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 subsidiary company meet its obligations for future.

(xxxiv) As at March 31, 2025, the current liabilities of Azure Power (Haryana) Private Limited (subsidiary company) exceeds its current assets by INR 1,195 lakhs (March 31, 2024 INR Nil). 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 subsidiary company meet its obligations for future.

(xxxv) As at March 31, 2025, the current liabilities of Azure Urja Private Limited (subsidiary company) exceeds its current assets by INR 668 lakhs (March 31, 2024 INR Nil). 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 subsidiary company meet its obligations for future.

(xxxvi) As at March 31, 2025, the current liabilities of Azure Green Tech Private Limited (subsidiary company) exceeds its current assets by INR 1,165 lakhs (March 31, 2024 INR Nil). 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 subsidiary company meet its obligations for future.

(xxxvii) As at March 31, 2025, the current liabilities of Azure Sunshine Private Limited (subsidiary company) exceeds its current assets by INR 630 lakhs (March 31, 2024 INR Nil). 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 subsidiary company meet its obligations for future.

(xxxviii) As at March 31, 2025, the current liabilities of Azure Power Mars Private Limited (subsidiary company) exceeds its current assets by INR 55 lakhs (March 31, 2024 INR Nil). 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 subsidiary company meet its obligations for future.

(xxxix) As at March 31, 2025, the current liabilities of Azure Power Eris Private Limited (subsidiary company) exceeds its current assets by INR 696 lakhs (March 31, 2024 INR Nil). 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 subsidiary company meet its obligations for future.

(xl) As at March 31, 2025, the current liabilities of Azure Power Pluto Private Limited (subsidiary company) exceeds its current assets by INR 1,682 Lakhs (March 31, 2024 INR Nil). 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 subsidiary company meet its obligations for future.

(xli) As at March 31, 2025, the current liabilities of Azure Power Thirty Seven Private Limited (subsidiary company) exceeds its current assets by INR 2,664 Lakhs (March 31, 2024 INR Nil). 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 subsidiary company meet its obligations for future.

(xlii) As at 31 March 2025, Azure Power Sixty Two Private Limited (subsidiary company) has accumulated losses of INR 839 lakhs (31 March 2024: INR 2,588 lakhs) and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded the current assets by INR 838 lakhs (31 March 2024: 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 subsidiary company as at and for the year ended March 31, 2025. 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. 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.

54. Subsequent Events

(a) One of the subsidiary of the Company (Azure Sunrise Private Limited) has receivables from Chamundeshwari Electricity Supply Company Limited (CESCOM), which has been under dispute and the subject matter of legal proceedings before the Appellate Tribunal for Electricity (APTEL). Subsequent to the year end, APTEL vide order dated May 30, 2025, has directed CESCOM to pay the differential amount between the cost of energy calculated at a PPA tariff of INR 6.89 per kWh and INR 4.36 per kWh, for the period from the Commercial Operation Date (CoD) until the date of realization including payment of interest in accordance with the Late Payment Surcharge (LPS) mechanism and refund of any liquidated damages that may have been recovered by CESCOM. Against the above APTEL order, CESCOM had filed an appeal before the Hon'ble Supreme Court which was dismissed on July 15, 2025. Following the dismissal of the appeal, both the parties have amicably agreed upon the final settlement amount. Accordingly, for the year ended March 31, 2025, the Group has recognised the differential Revenue of INR 2,470 lakhs on account of rate difference, Late Payment Surcharge of INR 8,550 lakhs and reversal of specific expected credit loss earlier recognised of INR 3,245 lakhs under consolidated statement of profit and loss in the financial statements.

(b) In December 2024, Siemens Gamesa Renewable Power Private Limited ("SGRE") served a notice invoking arbitration against the Company, under a supply contract alleging a breach of contractual obligations and claimed compensation of INR 19,343 lakhs. On June 26, 2025, the said dispute between the Company and SGRE has been mutually settled.

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55. On December 14, 2023, Azure Power Energy Limited ("APEL") and Azure Power Solar Energy Private Limited ("APSEPL") completed a consent solicitation process (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 and September 24, 2019 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 subsidiaries under the restricted groups as defined in bond indenture (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. 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. The second tranche of the tender offer was launched on July 16, 2024 and APEL purchased US\$ 8,000,543 of the 2026 Notes on August 08, 2024. Further, the 2024 Notes have been repaid in October 2024.

56. During the current year, the operations of one of the subsidiary of the Company (Azure Power Eris Private Limited) was severely impacted by floods. Due to this the plant's availability was affected temporarily since September 2024 which resulted in decline in revenue during the current year. The Group also recognised loss on property, plant and equipment due to the damage and recognised net loss of INR 174 lakhs. Subsequent to the year end, the plant resumed operations from May 2025 onwards.

57. 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. Below is the summary of the new standard or amendment to the existing standards notified by the MCA, applicable to the Company as on date.

a) Effect of changes in forex rates- Lack of Exchangeability- Amendment to Ind AS 21

On 07 May 2025, the MCA has notified amendment to Ind AS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not exchangeable.

The Company has evaluated the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

58. 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, 2025 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

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

K Nithyananda Kamath
Partner
Membership No: 027972
Place: Gurugram
Date : August 20, 2025



Sunil Kumar Gupta
Managing Director and CEO
DIN: 07095152
Place : Gurugram
Date : August 20, 2025

Sugata Sircar
Director and Group CFO
DIN: 01119161
Place : Gurugram
Date : August 20, 2025

Kapil Sharma
Company Secretary
Membership No: A37154
Place : Gurugram
Date : August 20, 2025

