Azure Power®

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

Notice is hereby given that the **16th Annual General Meeting** ("**AGM**") of the Members of Azure Power India Private Limited ("**Company**"") will be held on **Wednesday**, the 29th day of May 2024**, at 11:00 A.M. (IST)** at the registered office address at Unit no. 409 and 410, 4th Floor, Southern Park, D2, Saket Place, New Delhi-110 017 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 2023

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 2023, 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. APPOINTMENT OF M/S ASA & ASSOCIATES LLP, CHARTERED ACCOUNTANTS AS STATUTORY AUDITORS OF THE COMPANY

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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), the consent of the shareholders be and is hereby accorded for the appointment of **M/s ASA & Associates LLP, Chartered Accountants,** (Firm Registration No. 009571N/N500006) as Statutory Auditors of the Company for a period of 5 (five) years to hold the office from the conclusion of ensuing Annual General Meeting ("**AGM**") held for Financial Year 2022-23 till the conclusion of the Annual General Meeting ("**AGM**") of the Company to be held for the Financial Year 2027-28, at a remuneration including out of pocket expenses and other expenses as may be mutually agreed by and between the Audit & Risk Committee and the Auditor.

RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as may be deemed necessary along with filing of necessary e-form(s) with the Registrar of Companies."

3. TO RE-APPOINT RETIRING DIRECTORS

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

AZURE POWER INDIA PRIVATE LIMITED New Delhi

Azure Power

an Ordinary Resolution:

3.1 **"RESOLVED THAT** Ms. Supriya Prakash Sen be and is hereby re-elected as Director on the Company's Board of Directors."

3.2 **"RESOLVED THAT** Mr. Jean Francois Joseph Boisvenu be and is hereby re-elected as Executive Director on the Company's Board of Directors."

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

Azure Power India Private Limited
New Delhi

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

Date: 29-04-2024
Place: Gurugram

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

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

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

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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: Unit no. 409 and 410, 4th Floor, Southern Park, D2, Saket Place, New Delhi-110 017

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 16th Annual General Meeting of members of the Company for financial year 2021-22, to be held on **Wednesday**, the 29th day of May 2024**, at 11:00 A.M. (IST)** at Unit no. 409 and 410, 4th Floor, Southern Park, D2, Saket Place, New Delhi-110 017, 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, 2023.

Accepted ☐

Rejected ☐

2. **Resolution No. 2**

To appoint ASA & Associates LLP, Chartered Accountants as Statutory Auditors of the Company

Accepted ☐

Rejected ☐

3. **Resolution No. 3**

To re-appoint retiring Directors

Accepted ☐

Rejected ☐

Signed this ……..day of………2024

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)

(16th Annual General Meeting for FY 2022-23 on Wednesday, 29th May 2024 at 11:00 AM (IST) at Unit no. 409 and 410, 4th Floor, Southern Park, D2, Saket Place, New Delhi-110 017)

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 16th Annual General Meeting for FY 2022-23,

____

Signature of the attending Member/Proxy

Notes:

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

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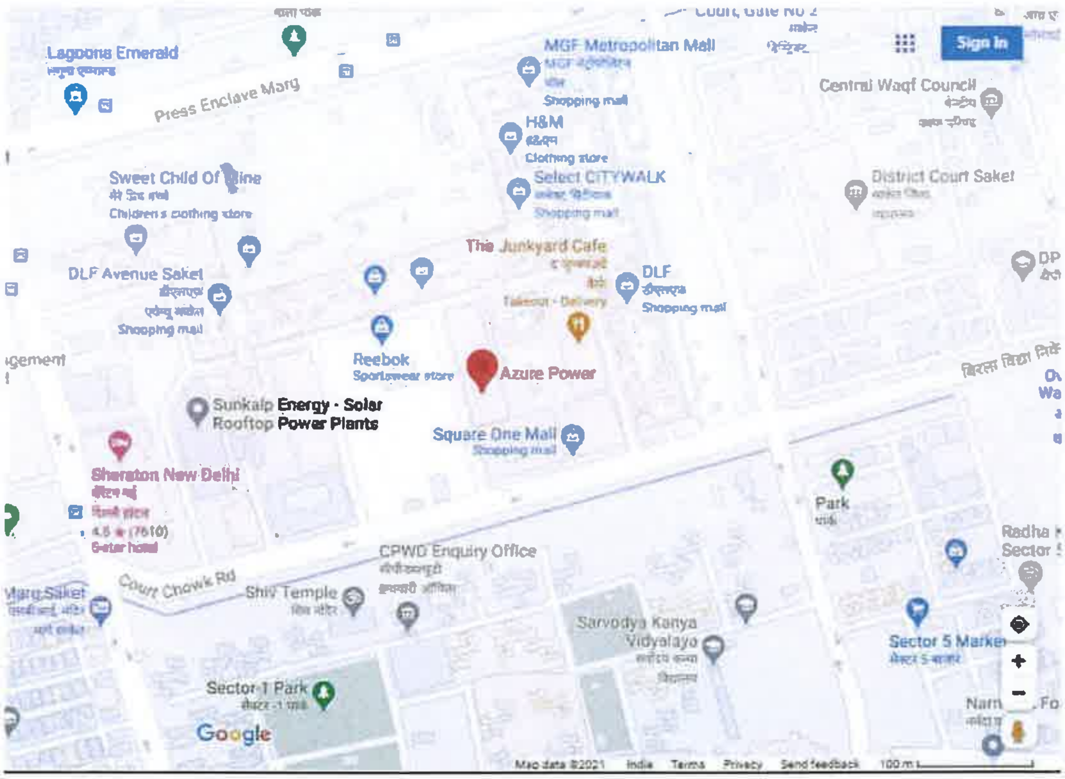
ROUTE MAP



Azure Power India Private Limited
CIN: U40106DL2008PTC174774
Corporate Office: 8th Floor, Tower A, DLF Infinity, Cyber City, Phase II, Gurugram-122002, Haryana
Regd. Office: Unit no. 409 & 410, 4th Floor, Southern Park, D2, Saket Place, New Delhi-110 017
Corp. Off.: 0124-4155755 **Regd. Off.:** 011-49409800 cs@azurepower.com www.azurepower.com

Azure Power

Director's Report

To
The Members,
Azure Power India Private Limited

Your Board of Directors presents herewith the 16th Annual Report on the affairs of the Company together with the audited financial statements for the financial year ended on March 31, 2023 (the "**year under review**").

1. FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY

The Company's financial performance as on March 31, 2023, is summarized as follows:

Particulars	For the year ended on March 31, 2023 (INR in Lakhs)	For the year ended on March 31, 2022 (INR in Lakhs)	For the year ended on March 31, 2023 (INR in Lakhs)	For the year ended on March 31, 2022 (INR in Lakhs)
	Standalone		Consolidated	
REVENUE FROM OPERATIONS				
Sale of Power	24,622	24,312	2,03,874	1,73,419
Construction Revenue	-	393	-	-
Services Rendered	8,470	7,660	-	495
Other operating revenue				
Viability gap funding income	-	-	1,130	1,054
Government grants related to assets			90	167
Carbon credit emission income	-	-	42	7,204
Total Revenue from Operations	**33,092**	**32,365**	**2,05,136**	**1,82,339**
Other Income	7,045	5,074	13,526	14,608
Finance Income/Interest Income	18,557	18,127	15,452	7,068
Total Revenue	**58,694**	**55,566**	**2,34,114**	**2,04,015**
EXPENSES				
Construction, sub-contracting and other site expenses	-	430	-	-
Employee benefits expense	6,829	5,852	9,069	6,595
Depreciation and amortization expense	5,325	5,635	42,866	33,414
Impairment (reversal)/loss	-	-	4,469	(626)
Finance cost	24,010	39,391	1,12,225	1,12,896
Other expenses	40,482	18,699	57,689	48,913
Total expenses	**76,646**	**70,007**	**2,26,318**	**2,01,192**
Profit/(Loss) before tax	**(17,952)**	**(14,441)**	**7,796**	**2,823**
Total Tax expense/ (Tax Benefit)	4,043	(5,668)	23,309	2,266
Profit/(Loss) after tax	**(21,995)**	**(8,773)**	**(15,513)**	**557**
Total comprehensive income/ (expense/loss)	**(20,864)**	**(7,722)**	**(12,422)**	**1,711**

Note: In accordance with Ind AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1 'Presentation of financial statements', the Company has retrospectively restated its balance sheet as at March 31, 2022 and April 1, 2021 (beginning of the preceding period) and Statement of Profit and Loss for the year ended March 31, 2022 for the reasons as stated in the notes 46 to consolidated

Balance Sheet and consolidated Statement of Profit and Loss.

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

Standalone Financial Details:

Total Revenue from operations for the financial year 2022-23 stood at INR 33,092 lakhs, (INR 32,365 lakhs in 2021-22). Net Loss after tax for the financial year 2022-23 was INR 21,995 lakhs as compared to net loss after tax of INR 8,773 lakhs for the financial year 2021-22.

Cash and Cash Equivalent as on 31st March 2023 was INR 18,158 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 2022-23 stood at INR 2,05,136 lakhs, (INR 1,82,339 lakhs in 2021-22). Net loss after tax for the financial year 2022-23 was INR 15,513 lakhs as compared to profit after tax of INR 557 lakhs in the financial year 2021-22.

3. INDUSTRY OVERVIEW AND REGULATORY MATTERS (INCLUDING IMPORTANT CHANGES IN THE INDUSTRY DURING THE LAST YEAR)

a) Overview of the industry and important changes in the industry during the last year

Renewable energy represents a significant and growing industry in India. At the twenty-sixth meeting of Conference of the Parties climate summit in Glasgow, the Prime Minister of India set the country's renewable energy target of 500 GWs by 2030. Beyond that, the Prime Minister committed for India to achieve Net Zero by 2070. India's Nationally Determined Commitments were further tightened at twenty-seventh meeting of Conference of the Parties in Egypt.

An efficient, resilient, and financially robust power sector is essential for the growth of the Indian economy. Renewable sources of power are cleaner, faster to build and more cost-effective than most traditional sources of power. India's rapidly growing economy requires significant investment in additional power capacity. India is already one of the largest renewable energy markets globally.

Renewable energy has strong government support, and the government has designed policies, programs, and a liberal environment to attract domestic and foreign investment to the sector. Initially, the National Solar Mission ("NSM") was launched in 2010 as a part of India's National Action Plan on Climate Change ("NAPCC") with a view to deploy 20 GWs of solar capacity by FY 2022. In 2015, the targets were revised to 175 GWs by 2022. India has now committed to achieve about 50 percent cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030.

The Indian renewable energy sector is among most attractive renewable energy market in the world, with total installed capacity of renewable power of 135 GWs as of January 2024 (excluding large hydro). India has witnessed one of the fastest growth rates in renewable energy capacity among all large economies, with renewable energy capacity growing from 35.5 GWs in March 2014 to 135 GWs in January 2024 (excluding large hydro), a 280% increase. India's total electricity installed capacity stood at 429 GWs as of February 2024.

Total Installed Capacity ***(as of January 31, 2024)***

Category	***Installed Generation Capacity (in MW)***	**% Share in Total**
Coal	208,190	48.42
Lignite	6,620	1.54
Gas	25,038	5.82
Diesel	589	0.14
Total Fossil Fuel	240,437	**55.92**
Hydro	46,928	10.91
Wind	44,969	10.46
Solar	74,307	17.28
Biomass Power/Cogen	10,262	2.39

Waste to Energy	584	0.14
Small Hydro Power	4,995	1.16
Nuclear	7,480	1.74
Total Non-Fossil Fuel	189,525	**44.08**
Total Installed Capacity	429,962	**100.00**

Power Consumption

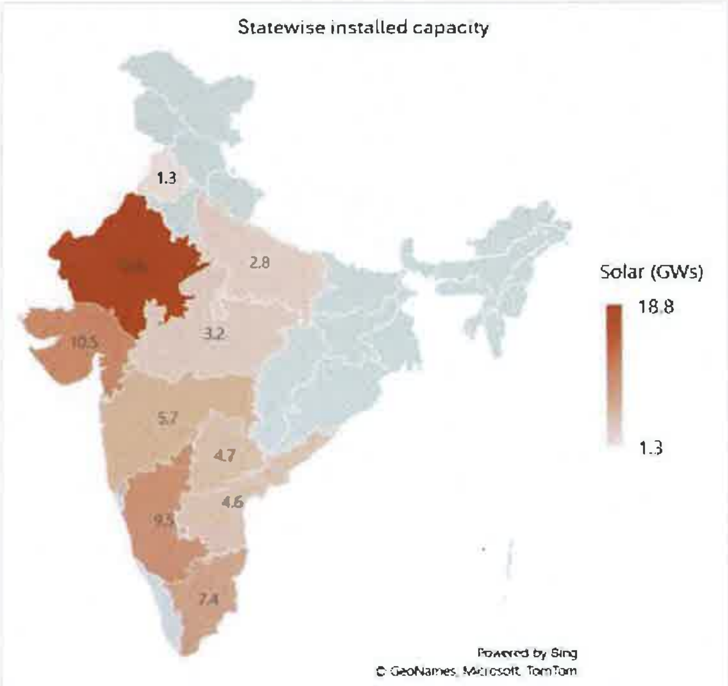
We believe that there is huge potential for power demand to grow in India. The country is among the fastest growing large economies, already ranked fifth globally in terms of total GDP. Over the ten year period up to January 2024, electricity consumption and peak demand in India grew at a CAGR of 3.8% and 5.2%, respectively. Annual per capita power consumption in India has also grown significantly from 0.9 MWh in FY 2014 to 1.3 MWh in 2022-23, although it is still among the lowest in the world. According to the International Energy Agency, the annual per capita electricity consumption of India is around 21.7% that of China, which had per capita electricity consumption of 5.98 MWh, and around 9.9% of the United States, which had per capita electricity consumption of 13.07 MWh.

Solar Energy Potential

The National Institute of Solar Energy ("NISE"), an autonomous research and development institution under the Ministry of New and Renewable Energy ("MNRE"), assesses the country's solar potential at approximately 748 GWs, assuming 3% of the waste land area could be covered by Solar PV modules. Solar energy has taken a central place in India's NAPCC with the National Solar Mission ("NSM") as one of the key missions. The GoI have launched various schemes under the NSM to boost generation of solar power in the country, most importantly procurement of solar power by SECI, but also including initiatives such as Solar Park Scheme, Viability Gap Funding ("VGF") Schemes, CPSU Scheme, Defence Scheme, Canal bank & Canal top Scheme, Bundling Scheme and Grid Connected Solar Rooftop Scheme.

In addition, policies to promote and enable renewable energy have included a Renewable Purchase Obligation ("RPO") on certain industries, the waiver of ISTS charges and losses for inter-state sale of solar and wind power, "must run" status, guidelines for procurement of solar power though tariff based competitive bidding process, standards for deployment of solar photovoltaic systems and devices, provision of roof top solar and guidelines for development of smart cities, amendments in building by-laws for mandatory provision of roof top solar for new construction or higher floor area ratio, infrastructure status for solar projects, tax free solar bonds, and providing long tenor loans from multi-lateral agencies.

Solar power capacity in India increased from 2.6 GWs in March 2014 to 74.3 GWs as of January 2024. The following diagram shows solar installed capacity as of January 2024 for states with highest irradiation:



Wind Energy Potential

In recent years wind power generation capacity in India has increased significantly. Through the National Institute of Wind Energy, the GoI installed over 800 wind-monitoring stations across the country and issued wind potential maps at 50 meters, 80 meters, 100 meters and 120 meters above ground level. The recent assessment indicates a gross wind power potential of 302 GWs in the country at 100 meters and 695.50 GWs at 120 meters above ground level. Most of this potential exists in seven states: Gujarat, Telangana, Maharashtra, Tamil Nadu, Madhya Pradesh, Karnataka and Andhra Pradesh.

b) Regulatory Matters

Due to the industry and geographic diversity of Group Projects, operations are subject to a variety of rules and regulations. Set forth below is a brief overview of the principal laws and regulations currently governing the businesses of our Group Companies. The laws and regulations set out below are not exhaustive and are only intended to provide general information to the shareholders and are neither designed nor intended to be a substitute for professional legal advice.

Central Government – Policies and Regulations:

i) Electricity Act, 2003
ii) Tariff Determination
iii) National Tariff Policy, 2016
iv) Guidelines for Tariff Based Competitive Bidding Process for Procurement of Wind and Solar Power.
v) Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Wind Solar Hybrid Projects.
vi) National Electricity Policy, 2005
vii) Renewable Purchase Obligations
viii) Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 ("GNA Regulations")
ix) CERC (Connectivity and GNA to the ISTS) Regulations, 2023
x) Electricity (Promotion of Generation of Electricity from Must-Run Power Plant) Rules, 2021 ("Must-Run Rules")
xi) Draft Electricity (Late Payment Surcharge and Related Matters) Amendment Rules, 2023 issued by the Ministry of Power
xii) Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 ("Green Energy Open Access Rules 2022")
xiii) Ministry of Environment - E-Waste (Management) Rules, 2022
xiv) Renewable Energy Certificates ("RECs")
xv) Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022
xvi) Approved Models and Manufacturers of Solar Photovoltaic Modules (Requirements for Compulsory Registration) ("ALMM") order 2019
xvii) Draft Notification on Renewable Generation Obligation ("RGO") issued by the Ministry of Power
xviii) Guidelines for Procurement and Utilization of Battery Energy Storage Systems as part of Generation, Transmission and Distribution Assets, along with Ancillary Services
xix) Green Energy Corridor Phase-II
xx) Daft CERC (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2023 issued by CERC
xxi) CERC passes suo moto in the matter of removal of difficulties with respect to GNA regulations
xxii) Staff paper on market coupling issued by CERC
xxiii) Environmental Laws
xxiv) Energy Conservation (Amendment) Bill, 2022

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.

- Our failure to deliver our audited consolidated financial statements and the financial statements of our subsidiaries violates covenants in certain of our financing agreements and materially and adversely affect our business, results of operations, financial condition and cash flows.

- 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 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.

- Our certain actions may limit our ability to issue new shares for certain periods.

Compliance risks

- We have conducted investigations into whistle-blower claims and other allegations against certain directors, officers and employees and former officers and directors of the Company. We have reported the allegations and our findings to the SEC and the 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 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 have identified material weaknesses in our internal control over financial reporting. If we fail to develop and maintain an effective system of internal controls over financial reporting or if we experience additional material weaknesses in the future, we may not be able to accurately or timely report our financial results, which may adversely affect investor confidence.

Procurement, Supply Chain and Construction Risks

- We may incur unexpected cost overruns and expenses if the suppliers of components in our solar/wind projects delay or fail to deliver solar modules, solar cells and other components or equipment for any reason.

- 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.

- We face risks and uncertainties when developing our projects.

- Our in-house procurement and construction operations expose us to certain risks.

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

Risks Related to Retention of Management and Key Employees

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

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

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

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

Power Generation Risks

- Any constraints in the availability of the electricity grid, including our inability to obtain access to transmission lines in a timely and cost-efficient manner could adversely affect our business.
- Maintenance and expansion of power generation facilities involve significant risks that could result in reduced power generation and financial results.

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

- A substantial portion of our business and operations are located in India, and we are subject to regulatory, economic, social and political uncertainties in India.
- The regulatory and policy environment affecting the renewable energy sector in India impacts our business.
- Duties on solar equipment imports increase our costs and adversely impact our performance.
- Foreign investment laws in India include certain restrictions, which may affect our future assets sales, acquisitions or investments in India.
- Our ability to raise foreign capital may be constrained by Indian law.
- We are subject to various labor laws, regulations and standards in India. Non-compliance with and changes in such laws may adversely affect our business, results of operations, financial condition and cash flows.
- Changes in the taxation system in India could adversely affect our business.

Health, Safety and Environmental Risks

- Our operations have inherent safety risks and hazards that require continuous oversight and substantial insurances coverage.
- Our operations are subject to governmental, health, safety and environmental regulations, and we may have to incur material costs to comply with these regulations.

Competition Risks

- We may not be ability to acquire rights to develop and generate power from new solar projects through the competitive bidding process.
- We face significant competition from traditional and renewable energy companies.

IT and cyber security risks

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

Risks related to project land and the acquisition of land

- We may not be able to find suitable sites for the development of renewable energy projects.
- Land title in India can be uncertain, and it may be subject to onerous conditions which may restrict its use.
- We do not own all the land on which we operate.

Risks of Adverse Weather Events and Natural Calamities

- The generation of electricity from solar and wind sources depends on suitable weather.
- Natural calamities could have a negative impact on the Indian economy and adversely affect our business.

Contractual Risks Related to Our PPAs and Fixed Tariffs

- In Fiscal 2022, Holding Company's Special Committee was convened to review certain material projects and contracts over a three-year period for anti-corruption and related compliance issues. Further, the Group will not continue with construction of 3,033 MWs manufacturing linked projects.
- We may not be able to sign PPAs for balance capacity of 967 MWs in respect of the 4,000 MWs manufacturing linked tender for which letter of award has already been received.

- Much of our revenue is exposed to fixed tariffs, changes in tariff regulation and structuring.
- Our PPAs may be terminated upon the occurrence of certain events.
- Restriction in transfer of PPAs

Risk Related to Our Growth Strategy

- As part of our growth strategy, we engage in acquisitions which involve a number of risks, that could adversely affect our ability to achieve the benefits and returns expected.

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.

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

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

- Global economic conditions have been challenging and continue to affect the Indian market, which may adversely affect our business, results of operations, financial condition and cash flows.

- War, terrorist acts and other acts of violence involving India or other neighboring countries could adversely affect our operations.

- 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.

Risks Related to Our Shares

- Our Company does not expect to pay any cash dividends on our Company's shares.

- There is no assurance of an active or liquid trading market for our Company's shares.

- The market price of our Company's shares has been and may continue to be volatile, and you could lose all or part of your investment.

- 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

The table below sets forth our ratings and downgrades in Fiscal 2023 and Fiscal 2024 with respect to various borrowings.

Borrower or Borrower Group	Borrowing	Rating Agency	Downgrade Action

Azure Power India Private Limited	Long term & Short term	CRISIL	On December 23, 2022, long term downgraded to A+ (from AA-) and short term downgraded to A1 (from A1+)
Azure Power India Private Limited	Long term & Short term	CARE	On December 27, 2022, long-term to A+ (from AA-)
			On May 29, 2023, long-term downgraded to A (from A+)
			On July 11, 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. CURRENT SIZE OF OPERATIONS

A major part of our project pipeline consisted of 4,000 MW allocated by SECI under their manufacturing linked tender, that we won in December 2019 and upsized in July 2020 to reflect the green-shoe. We had executed PPAs with SECI for aggregate capacity of 3,033 MW under the manufacturing linked tender, and PPAs for the balance capacity of 967 MW can be signed only after SECI has the power supply agreements for these remaining MW in place.

We are conducting an ongoing 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. 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.

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 2022. In respect of these 2,333 MW projects, two PILs were filed in the High Court of Andhra Pradesh in Fiscal 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. Currently, we cannot predict the outcome of these two PILs.

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

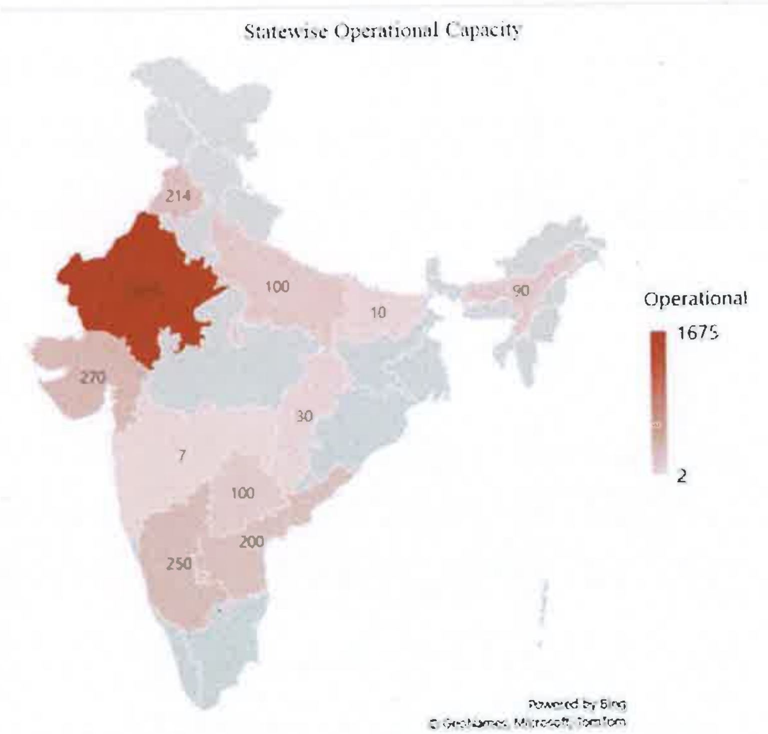
On March 18, 2024, we received two letters from SECI. In its first letter, SECI stated that it had terminated the PPAs with the Group in respect of the 2,333 MW projects and reserved its rights to take action against the Group including forfeiture of the performance bank guarantees and success charges and fees in respect of the PPAs and other documentation associated with the 2,333 MW projects. In its second letter, SECI informed the Group that it was awarding the 2,333 MW projects and associated PPAs to a third-party. Further, SECI informed the Group that it had reduced Azure's capacity allocation under the manufacturing Letter of Award by 2,333MW and its corresponding manufacturing capacity of solar cells and solar modules by 583 MW. Accordingly, the Group has taken a write-off of INR 254 million (US$ 3.1 million) towards irrecoverable costs and a provision of INR 1,223 million (US$14.9 million) towards Bank Guarantees in its consolidated financial statements for Fiscal 2023.

In light of the ongoing Special Committee review as well as economic and execution challenges, the Group also has decided to withdraw from the 700 MW projects which is part of the 4,000 MW manufacturing linked tender awarded by SECI in Fiscal 2020. The Group intends to commence discussions with SECI to ensure an orderly withdrawal from the 700 MW projects and from the obligations of the Group and its subsidiaries under the PPA, Performance Bank Guarantees and other guarantees relating to the projects. Accordingly, the Group has recognized a provision of INR 1,053 million (US$ 12.8 million) in its consolidated financial statements for Fiscal 2023 towards irrecoverable costs and Bank Guarantee in relation to the 700 MW projects.

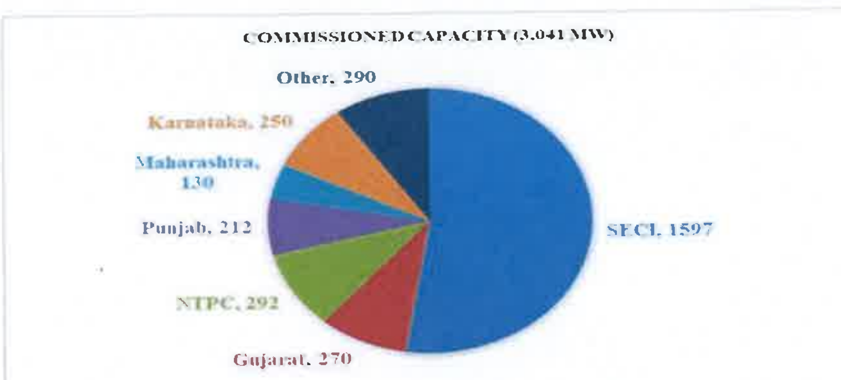
In FY 2023, we also executed PPAs with SECI for our first 150 MW solar-wind hybrid project, and for our first wind project of 120 MW. The presently estimated scheduled commissioning timelines for these projects are May 2025 (for the 120 MW wind project), and November 2025 (for the 150 MW solar-wind hybrid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

In case of the 120 MW Wind Project, the tariff has only recently been adopted by CERC (in March 2024), after a delay of more than 16 months. The approval for power procurement by one of the buying state's (procuring 45 MW out of the 120 MW contracted capacity) regulatory commission – is still awaited. 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 have written to SECI to withdraw their tariff adoption petition filed at CERC, and made a submission to the same effect at CERC as well. Now that the said tariff has been adopted at CERC, we are in the process of evaluating the same, and deciding further course of action.

We have a total operating capacity of 3,041 MW including rooftop capacity. Our operational power plants are spread over 12 Indian states. Out of total operational capacity, 90% of our plants are in high irradiation zones like Rajasthan, Gujarat, Maharashtra and Andhra Pradesh. Below are outlines of our utility scale operational portfolio.



We sell renewable power under long term PPAs, typically 25 years in duration, at a fixed tariff. The strength of our off take customers is fundamental to our business and more than 62% of our PPAs (operational capacity) are signed with top rated central government owned intermediaries such as SECI and NTPC, providing predictable and consistent revenues and cash flows. Further, according to a report published by MoP in April 2023, among the state government owned Discoms that we have large capacities contracted with, Gujarat is rated A+, Punjab & Assam are A rated, while the three Discoms of Karnataka (CESCOM, GESCOM and HESCOM) are B rated, and Maharashtra Discom is rated B-. Our counterparty exposure for the commissioned capacity is set out below:



During FY 2023, we generated 5,854 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.

8. 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.

9. 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.

10. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

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

During the year under review, companies listed in **Annexure-I** in this report 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-II**.

11. INVESTMENT IN SUBSIDIARY COMPANIES AND OTHER COMPANIES DURING THE YEAR

a) As on 31st March, 2023, 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, 2023 (INR in Lakhs)	As at March 31, 2022 (INR in Lakhs)
1.	1,26,523 shares (March 31, 2022: 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, 2022: 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, 2022: 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, 2022: 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, 2022: 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, 2022: 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, 2022: 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, 2022: 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, 2022: 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, 2022: 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, 2022: 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, 2022: 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, 2022: 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, 2022: 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, 2022: 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, 2022: 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, 2022: 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, 2022: 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, 2022: 1,24,583) equity shares of INR 10/- each fully paid up in Azure Power Mars Private Limited	1,101	1,101
20.	2,38,438 shares (March 31, 2022: 2,38,438) equity shares of INR 10/- each fully paid up in Azure Power Mercury Private Limited*	816	816
21.	7,76,874 shares (March 31, 2022: 7,76,874) equity shares of INR 10/- each fully paid up in Azure Power Pluto Private Limited	24,914	24,914
22.	1,26,640 shares (March 31, 2022: 1,26,640) equity shares of INR 10/- each fully paid up in Azure Power Uranus Private Limited	1,239	1,239
23.	1,65,135 shares (March 31, 2022: 1,65,135) equity shares of INR 10/- each fully paid up in Azure Power Venus Private Limited	5,028	5,028
24.	6,99,499 shares (March 31, 2022: 6,99,499) equity shares of INR 10/- each fully paid up in Azure Power Saturn Private Limited	2,043	2,043
25.	9,28,836 shares (March 31, 2022: 9,28,836) equity shares of INR 10/- each fully paid up in Azure Power Thirty Three Private Limited	35,713	35,713
26.	29,52,087 shares (March 31, 2022: 29,52,087) equity shares of INR 10/- each fully paid up in Azure Power Thirty Four Private Limited	15,904	15,904
27.	NIL shares (March 31, 2022: 1,00,000) equity shares of INR 10/- each fully paid up in Azure Power Thirty Five Private Limited*	-	10
28.	1,17,446 (March 31, 2022: 1,17,446) equity shares of INR 10/- each fully paid up in Azure Power Thirty Six Private Limited	6,693	6,693
29.	36,40,673 shares (March 31, 2022: 36,40,673) equity shares of INR 10/- each fully paid up in Azure Power Thirty Seven Private Limited	5,607	5,607
30.	1,20,402 shares (March 31, 2022: 1,20,402 shares) equity shares of INR 10/- each fully paid up in Azure Power Thirty Eight Private Limited	1,945	1,945
31.	86,765 shares (March 31, 2022: 86,765) equity shares of INR 10/- each fully paid up in Azure Power Thirty Nine Private Limited	604	604
32.	26,32,123 shares (March 31, 2022: 26,32,123) equity shares of INR 10/- each fully paid up in Azure Power Forty Private Limited	13,684	13,684
33.	10,82,632 shares (March 31, 2022: 10,82,632) equity shares of INR 10/- each fully paid up in Azure Power Forty One Private Limited	28,992	28,992
34.	NIL shares (March 31, 2022: 90,000) equity shares of INR 10/- each fully paid up in Azure Power Forty Two Private Limited*	-	9
35.	12,22,477 shares (March 31, 2022: 12,22,477) equity shares of INR 10/- each fully paid up in Azure Power Forty Three Private Limited	34,191	34,191
36.	1,45,449 shares (March 31, 2022: 1,45,449) equity shares of INR 10/- each fully paid up in Azure Power Forty Four Private Limited	2,333	2,333

37.	27,56,629 shares (March 31, 2022: 27,56,629) equity shares of INR 10/- each fully paid up in Azure Power Maple Private Limited	21,967	21,967
38.	15,43,001 shares (March 31, 2022: 15,43,001) equity shares of US$ 1 each fully paid up in Azure Power US Inc.	951	951
39.	46,04,457 shares (March 31, 2022: 33,99,638) equity shares of INR 10/- each fully paid up in Azure Power Fifty One Private Limited	3,099	2,099
40.	13,26,537 shares (March 31, 2022: 13,26,537) equity shares of INR 10/- each fully paid up in Azure Power Fifty Two Private Limited	1,499	1,499
41.	1,10,000 shares (March 31, 2022: 1,10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Three Private Limited	11	11
42.	10,000 shares (March 31, 2022: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Four Private Limited	1	1
43.	1,10,000 shares (March 31, 2022: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Six Private Limited	11	11
44.	10,000 shares (March 31, 2022: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Seven Private Limited	1	1
45.	10,000 shares (March 31, 2022: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Eight Private Limited	1	1
46.	10,000 shares (March 31, 2022: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Nine Private Limited	1	1
47.	10,000 shares (March 31, 2022: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Sixty Private Limited	1	1
48.	10,000 shares (March 31, 2022: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Sixty One Private Limited	1	1
49.	10,000 shares (March 31, 2022: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Sixty Two Private Limited	1	1
50.	10,000 shares (March 31, 2022: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Sixty Three Private Limited	1	1
51.	10,000 shares (March 31, 2022: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Sixty Four Private Limited	1	1
52.	10,000 shares (March 31, 2022: 10,000) equity shares of INR 10/- each fully paid up in Kotuma Wind Parks Private Limited	1	1
53.	10,000 shares (March 31, 2022: 10,000) equity shares of INR 10/- each fully paid up in Two Wind Energy Private Limited	1	1
54.	10,000 shares (March 31, 2022: Nil) equity shares of INR 10/- each fully paid up in Azure Energy Transition Private Limited	1	-
55.	10,000 shares (March 31, 2022: Nil) equity shares of INR 10/- each fully paid up in Azure Power Sixty Five Private Limited	1	-
56.	10,000 shares (March 31, 2022: Nil) equity shares of INR 10/- each fully paid up in Azure Power Sixty Six Private Limited	1	-
57.	10,000 shares (March 31, 2022: Nil) equity shares of INR 10/- each fully paid up in Azure Green Hydrogen Private Limited	1	-
58.	NIL shares (March 31, 2022: 75,623) equity shares of INR 10/- each fully paid up in Azure Sun Energy Private Limited#	-	635

*During the current year, application has been made to the Registrar of Companies (ROC) for striking off the names of these entities from the register of companies maintained by ROC and approval for the same has been received.

#The Company entered into an agreement with the buyer for disposal of rooftop business through transfer of shareholding. During the year, the Company had transferred stake to the buyer pursuant to the agreement entered into,

Sr. No.	Details of Investment in the Compulsorily Convertible Debentures (CCD) of Subsidiaries	As at March 31, 2023 (INR in Lakhs)	As at March 31, 2022 (INR in Lakhs)
1.	3,20,758 CCDs (March 31, 2022: 3,20,758) in Azure Power Thirty Seven Private Limited	8,500	8,500
2.	1,70,183 CCDs (March 31, 2022: 1,70,183) in Azure Power Forty Three Private Limited	5,000	5,000

b) As on 31st March, 2023, your Company had an investment in other companies as per table below:

Sr. No.	Details of Investment in the Equity Shares of Other companies	As at March 31, 2023 (INR in Lakhs)	As at March 31, 2022 (INR in Lakhs)
1.	5,61,921 equity shares (March 31, 2022: 3,96,206) of INR 10/- each fully paid up in Premier Energies International Private Limited (earlier known as Azure Power Fifty- Five Private Limited) ****	1,365	961
2.	13,00,000 compulsorily convertible debentures (March 31, 2022: Nil) of INR 245/- each fully paid up in Premier Energies International Private Limited (earlier known as Azure Power Fifty- Five Private Limited) ****	3,185	-

***** During the previous year ended March 31, 2022, the Company has entered into a non-binding obligation with M/s Premier Energies limited ("Premier/ Manufacturer"), a solar module manufacturing company, relating to execution of tender received from SECI. The Company has invested INR 937 lakhs in equity shares of the entity for its 26% of the equity shares of an entity, where Premier have invested in 74% of equity shares. During the year ended March 31, 2023, the Company has further invested INR 429 lakhs in equity shares (without dividend rights) and INR 3,185 lakhs in compulsorily convertible debentures of Premier. During the current year, the Company has entered into related module supply agreements and share and debentures subscription agreements with Premier. The Company is entitled for return of 10% p.a. on investment made under the agreement. During the current year, the Company has recognised income of INR 409 lakhs (INR 24 lakhs during March 31, 2022) on the investment.*

c) As on 31st March, 2023, the details of investment in Associate companies are as per table below:

Sr. No.	Details of Investment in the Equity Shares of Associate Company	As at March 31, 2023 (Amount in INR)	As at March 31, 2022 (Amount in INR)
1	Nil shares (March 31, 2022: 2600) equity shares of INR 10/- each fully paid up in Waaree Power Private Limited**	-	26,000

*** During the year ended March 31, 2020, the Company won a tender issued by Solar Energy Corporation of India Limited (SECI). Pursuant to the terms of the tender, the Company had agreed to a firm purchase commitment with a solar module manufacturer i.e. Waaree Power Private Limited to procure 2,800 MWs of modules. Pursuant to the terms of the tender, the Company had entered into a joint venture agreement on January 6, 2020 with a Waaree Power Private Limited to establish a manufacturing facility with a capacity of manufacturing 500 MW Solar PV Modules per annum. Accordingly, the Company had invested INR 0.26 lakhs to acquire 26% of the equity shares in a newly formed company incorporated as part of the joint venture agreement to establish a manufacturing facility (investee) and is committed to further invest 26% of the equity required for construction of the manufacturing facility, and additionally procure modules. During the year ended March 31, 2023, the company has entered into a termination agreement with Waaree for the termination of the said contract and has accordingly recorded a loss on termination of contract amounting to INR 5,395 lakhs during the previous year ended March 31, 2022.*

12. 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
Azure Power™	2321064	24-04-2012	Registered	35
Azure Power™	2321065	24-04-2012	Registered	40
Azure	2321076	24-04-2012	Registered	7
Azure	2321077	24-04-2012	Registered	35
Azure	2321078	24-04-2012	Registered	37
Azure	2321079	24-04-2012	Registered	40
Azure Power	2892073	29-01-2015	Registered.	7
Azure Power	2892074	29-01-2015	Registered.	35
Azure Power	2892075	29-01-2015	Registered.	37
Azure Power	2892076	29-01-2015	Registered.	40

b) **Patents**:

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

13. 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 57" of the Consolidated Financial Statement for FY'23 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

All companies under Azure Power Global Limited (**"APGL/Holding Company/Parent Company""**), including Azure Power India Private Limited and its subsidiaries, (**"Group"**) operate as one unit, having common systems, processes, controls, and resources which are used by all components of the Group. The Group has a common Internal Control framework applicable to all the subsidiaries including the Company.

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.

During the current year, management used the Committee of Sponsoring Organizations of the Treadway Commission Internal Control Integrated Framework (2013), or the COSO framework, to evaluate the effectiveness of our internal control over financial reporting.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement in our annual or interim financial statements would not be prevented or detected on a timely basis. The scope of our management's assessment of the effectiveness of internal control over financial reporting includes all of our consolidated operations. Further, Management determined that, as of March 31, 2023, our internal controls over financial reporting were ineffective due to inadequacy of certain review controls including control failures in financial statement closing procedures, controls pertaining to capitalization, vendor reconciliation process, land acquisition, documentation on testing of control attributes and completeness and accuracy of reports used including inadequate consideration in designing of risk and controls matrices.

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 material weaknesses. Management is taking support from external consultants while performing this remediation exercise. These efforts include creation of a Management Assurance Service function, assessing and strengthening internal control framework, testing operational controls, adding accounting personnel for assistance on critical accounting matters, training of team members, implementing additional process level reviews, and periodic monitoring by the Audit and Risk Committee of the effectiveness of the remedial efforts and overall reporting framework. As it continues to implement such remediation, management may take additional measures or modify the plan elements described above. On March 14, 2024, the Board has appointed Mr. Vijay Kumar Wadhwani as Chief Compliance & Ethics Officer and approved the Chief Compliance & Ethics Charter including specific power and responsibilities.

Our management recognizes that there are inherent limitations in the effectiveness of any system of internal control over financial reporting, including the possibility of human error and the circumvention or override of internal control. Accordingly, even the most effective internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation and may not prevent or detect all misstatements and can only provide reasonable assurance with respect to the preparation and presentation of our financial statements.

16. DEPOSITS

During the year under review, your Company has not accepted any deposit under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Further, there were no remaining unclaimed deposits as on 31st March, 2023.

17. AUDITORS & AUDITOR'S REPORT:

Statutory Auditors

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

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

The Statutory Auditors of the Company have given qualified opinion on the Consolidated and Standalone Financial Statements as illustrated in **Annexure III** 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 2022-23.

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

Further, the Board in their meeting held on 08th August, 2023 has appointed M/s Saurabh Mishra & Associates, Cost Accountants (Registration No. 002680) as Cost Auditor to conduct Cost Audit of the Company for FY 2023-24. The members in their extra ordinary general meeting held on 29th September 2023 approved and ratified the remuneration payable to M/s Saurabh Mishra & Associates, Cost Accountants (Firm Registration No. 002680) as the Cost Auditors of the Company for the financial year 2022-23 and 2023-24, as fixed by the Board or CFO of the Company.

Secretarial Auditors

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the rules made thereunder, M/s Abhishek Gupta & Associates, Practicing Company Secretaries (M. No. 9857) were appointed as Secretarial Auditors to undertake Secretarial Audit of the Company for the financial year 2022-23.

The Secretarial Auditor has not given any qualified opinion on the Secretarial records and compliances of the Company for the financial year 2022-23. The said report in form no. MR-3 is attached herewith as **Annexure-IV.**

Internal Auditors

Pursuant to the applicable provisions of the Companies Act, 2013, your Company appointed PWC as Internal Auditor for the financial year 2022-2023. For the financial year 2023-2024, Audit & Risk Committee decided to internalize the Internal audit and hence, Mr. Vishal Mittal (part of Management Assurance Team) has been appointed as an Internal auditor.

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

The explanations or comments made by the Board relating to the qualifications, reservations or adverse remarks made by the Auditors in their report are furnished in (**"Annexure-III"**) 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 2023, 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 the Paid-up, Issued and Subscribed Share Capital of the Company was increased from INR 6,85,89,790/- divided into 68,58,979 equity shares of INR 10/- each to INR 6,92,06,190/- divided into 69,20,619 equity shares of INR 10/- each.

S. No.	Date of Allotment	Number of Equity Shares Allotted @ INR 7510 including premium of INR 7500	Name and Address of Allottee	Amount (INR)
1.	20-04-2022	61,640	Azure Power Global Limited Services Ltd, 1st Floor, The Exchange, 18 Cybercity, Ebene, Mauritius	46,29,16,400

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.
**The Board of Directors of the Company on April 25, 2022 had approved the proposal for Buy-back of 1,02,497 fully paid up equity shares of the Company having a face value of INR 10 each from its existing shareholders on a proportionate basis. However, the Board took note of the non-acceptance of the buy back offer by the shareholders.

21. ANNUAL RETURN:

The Annual Return of the Company as on 31st March, 2023 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 CO_2 mitigation/emission of 49,29,98,581.29Kwh through its projects and of subsidiary companies.

b) Technology Absorption

The Company selects best available technology and lowest cost capital in its subsidiaries for implementing Solar Power projects so that the cost of power generation is the lowest and the project companies are in the position to achieve grid parity in near future only. The Company imports or uses domestic technology, as required, of high quality, for its projects to maintain lowest cost of power generation and achieve highest yields. Emphasis is always placed on in-house development of engineering, designing, procurement and construction supervision processes and technologies.

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, 2023 (amount in INR)
Foreign Exchange Earnings	-
Foreign Exchange Outgo	1,26,27,699

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. Ms. Supriya Prakash Sen (Member)
2. Mr. Philippe Pierre Wind (Member)

The provisions of CSR were applicable on the company for the FY 2022-23. 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.

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

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, 2023, following were the Directors of theCompany:

1. Mr. Richard Alan Rosling
2. Mr. Mangalath Unnikrishnan
3. Mr. Cyril Sebastien Dominique Cabanes
4. Ms. Supriya Prakash Sen
5. Mr. Deepak Malhotra
6. Ms. Christine Ann McNamara
7. Ms. Delphine Voeltzel
8. Mr. Rupesh Agarwal
9. Mr. Sugata Sircar

During the year under review till the date of report, the following changes took place in the composition of the Board of Directors:

1. Mr. Ranjit Gupta tendered his resignation vide letter dated April 25, 2022 terminating his Executive Employment Agreement ("**EEA**") and was relieved from the office of Managing Director and Chief Executive Officer with effect from April 26, 2022.
2. Appointment of Ms. Delphine Voeltzel, representative of Ontario Municipal Employees Retirement System ("**OMERS**"), as Nominee Director with effect from May 11, 2022
3. Mr. Arno Lockheart Harris resigned from the office of the Board of Directors, members of various Committee's and Chairman of the Board of Directors with effect from May 31, 2022.
4. Appointment of Mr. Harsh Dinesh Shah as Managing Director with effect from August 05, 2022 who subsequently resigned effective August 29, 2022.
5. Appointment of Mr. Rupesh Agarwal as Managing Director with effect from August 29, 2022.
6. Appointment of Mr. Sugata Sircar as Non-Executive Additional Director with effect from October 01, 2022. On May 01, 2023, Mr. Sugata Sircar designation was changed to Executive Director Finance.
7. Appointment of Mr. Jean Francois Joseph Boisvenu as Non-Executive Additional Director on the Board with effect from April 24, 2023 and further regularized pursuant to Shareholders approval dated September 29, 2023.
8. Ms. Christine Ann McNamara resigned from the Board with effect from June 26, 2023.
9. Appointment of Mr. Richard Payette as Non-Executive Additional Director on the Board with effect from July 01, 2023 and further regularized pursuant to Shareholders approval dated September 29, 2023.
10. Mr. Rupesh Agarwal resigned from the Board with effect from July 10, 2023.
11. Appointment of Mr. Sunil Kumar Gupta as an Additional Director on the Board with effect from August 08, 2023 and subsequently as Managing Director with effect from August 08, 2023. Further regularized pursuant to Shareholders approval dated September 29, 2023.
12. Mr. Richard Alan Rosling resigned from the Board with effect from October 11, 2023.
13. Mr. Deepak Malhotra resigned from the Board with effect from October 29, 2023
14. Mr. Cyril Sebastien Dominique Cabanes resigned from the Board with effect from October 30, 2023.
15. Appointment of Mr. Philippe Pierre Wind as Nominee Director on the Board with effect from October 31, 2023.
16. Appointment of Mr. Jaime Garcia Nieto as Nominee Director on the Board with effect from December 01, 2023.
17. Mr. Mangalath Unnikrishnan resigned from the Board with effect from March 13, 2024.

25. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

For the financial year in review, the Board of Directors had 9 (Nine) Board meetings i.e 25 April, 2022, 27 April 2022, 09 June 2022, 05 August 2022, 26 August 2022, 12 September 2022, 28 September 2022, 22 November 2022 and 08 February 2023 which were in compliance with the relevant provisions of all the applicable laws and rules.

26. BOARD COMMITTEE'S

A. **Finance Committee**:

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

During the period under review, the Finance Committee of the Company comprised of Mr. Rupesh Agarwal, Ms. Akriti Gandotra, and Mr. Pawan Kumar Agrawal as members of the Committee.

The Finance Committee of the Company met 10 (Ten) times during the year whereas urgent matters were approved by the members of Finance Committee through circular resolutions.

B. **Audit and Risk Committee**:

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

Mr. Richard Payette was appointed as new Chairperson of the Committee effective July 1, 2023 (replacing Ms. Christine Ann McNamara who had been in office from March 1, 2022 to June 26, 2023). Mr. Arno Lockheart Harris resigned from the membership of the Committee effective May 31, 2022. Mr. Sugata Sircar was appointed as member of the Audit & Risk Committee with effect from October 1, 2022 but left the role on April 30, 2023 to become the Group CFO. Mr. Jean-François Boisvenu was appointed as a member of the Audit & Risk Committee on March 15, 2023.

During the year under review members of the Audit Committee met 4 (Four) 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.

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. DOWNSTREAM INVESTMENT

The Company has made downstream investment of INR 46,19,74,193/- during the year under review. The Company also obtained the required Statutory Auditors Certificate certifying that the Company has complied with applicable FEMA Rules and Regulations with respect to downstream investment made by the Company being the first level Indian company during the period under review.

30. 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.

31. RISK MANAGEMENT POLICY

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

Group Management have categorized and organized our "Risk Factors" set forth above broadly in line with these Twelve Key Enterprise Level Risks. Other risks that we intend to manage are also set forth below in the following categories:

- contractual risks related to our PPAs, Rooftop Sale Agreement and financial covenants;
- risks related to our limited operating history and growth strategy;
- risks related to the COVID-19 pandemic;
- risks related to litigation and legal proceedings;
- external risks including the Indian and Global economy, unrest, terrorism, war, and Indian infrastructure;
- risks related to U.S. securities laws, our corporate structure, control of our Company, investments in Mauritius companies and accounting issues;
- risks related to our Company's equity shares; and
- tax risks for shareholders and investors.

32. CONTRACTS AND ARRANGEMENTS WITH THE RELATED PARTIES

All the contracts/arrangements/transactions entered into by the Company during the year under review with the related parties were in the ordinary course of business and on an arm's length basis. The details of related party transactions has been provided under Form No. AOC-2 attached herewith as **Annexure-VI.**

33. 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 had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operatingeffectively.

34. HUMAN RESOURCES DEVELOPMENT AND INDUSTRIALRELATIONS

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.

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. No cases were reported during the financial year 2022-23.

36. 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

During the previous year, current year and subsequent to the year end, the Group received whistle-blower complaints on various matters, including lapses in internal controls for certain key areas, governance and vendor management. The Board of Directors of the Holding Company have engaged external counsel to undertake investigations on the allegations thereof. Some of the Group companies have made certain adjustments in the books of account as a prudent measure.

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

In September 2022, we received an additional whistle-blower complaint primarily making similar allegations of misconduct as raised in the May 2022 complaint, as well as allegations of misconduct related to joint ventures and land acquisition, allegations of our failure to be transparent with the market and advisors and other claims. The Holding Company's Ethics Committee, supervised by the Holding Company's Board's Audit and Risk Committee, with the support of external counsel and forensic accounting professionals, investigated these September 2022 allegations. The investigation of the September 2022 complaint identified significant control issues in the process of acquiring land and land use rights in relation to one of our projects. The investigation specified that third party land aggregators may have been involved in improper payments but no improper transfer of money by the Group was identified. We have made an adjustment (de-capitalization) in the books of accounts of INR 138 million (US$1.8 million) on estimate, as a prudent measure in the given project. Further, we have reviewed the entire amount paid to land aggregators in other projects to identify any similar issue and after an assessment a further adjustment (decapitalisation) aggregating to INR 118 million (US$1.6 million) has been made in the books of account for FY 2022 on estimate, as a prudent measure, though no improper payments by the Group could be identified. In line with review made during the previous year, we reviewed the entire amount paid to land aggregators during the current year and made adjustment of INR 28 million (US$0.4 million) during the year ended March 31, 2023 on prudent basis though no improper payments by the Group could be identified in current year as well.

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

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

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

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

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

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

38. 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.

39. CAUTIONARY STATEMENT

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

b) As per the provision of the Companies Act, 2013, a company is required to convene the Annual General Meeting ("AGM") for adoption of its annual audited financial statements within the six months from the end of each financial year, i.e. September 30 ("Due Date"). The Registrar of Companies ("ROC") granted three months extensions to the Company to hold the AGMs for financial year 2021-22 and 2022-23 on or before December 31, 2022, and December 31, 2023, respectively. Considering the delay in closure of audit due to ongoing investigations (refer note 49 to standalone financial statements), the Company has not been able to hold the AGM for financial year 2021-22 and 2022-23 within timelines as stated above. The AGM for financial year 2022-23 is not held till date and the AGM for financial year 2021-22 was held beyond December 31, 2022. The Company will apply for compounding of the Offence for not holding the AGM for financial year 2021-22 and 2022-23, on or before December 31, 2022, and December 31, 2023 respectively, and liable to pay penalties as may be imposed by ROC.

For and on behalf of the Board of Directors,

AZURE POWER INDIA PRIVATE LIMITED

Sunil Kumar Gupta
Managing Director
DIN: 07095152

Date: 29-04-2024
Place: Gurugram

Sugata Sircar
Director
DIN: 01119161

Date: 29-04-2024
Place: Gurugram

Information regarding Subsidiaries, Joint Venture and Associate Companies of the Company:

Information regarding companies which have become or ceased to be company's subsidiaries, joint venture or associate companies.

1. Companies which have become the subsidiary company during the financial year 2022-23:

Sr. No.	Name of the Subsidiaries
1.	Azure Power Sixty Five Private Limited
2.	Azure Power Sixty Six Private Limited

2. Companies which have ceased to be subsidiary company during the financial year 2022-23:

Sr. No.	Name of the Subsidiaries
1.	Azure Power Thirty Five Private Limited*
2.	Azure Power Forty Two Private Limited*
3.	Azure Sun Energy Private Limited#

3. Companies which have ceased to be Associate Company during the financial year 2022-23:

Sr. No.	Name of the Associate
1.	Waaree Power Private Limited

* During the current year, application has been made to the Registrar of Companies (ROC) for striking off the names of these entities from the register of companies maintained by ROC and approval for the same has been received.

#The Company entered into an agreement with the buyer for disposal of rooftop business through transfer of shareholding. During the year, the Company had transferred stake to the buyer pursuant to the agreement entered into,

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

Sunil Kumar Gupta
Managing Director
DIN: 07095152

Date: 29-04-2024
Place: Gurugram

Sugata Sircar
Director
DIN: 01119161

Date: 29-04-2024
Place: Gurugram

Annexure-II

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	2022-23	INR in thousands	1,265	1,00,626	4,26,866	3,24,975	-	37,942	14,135	8,817	5,318	-	100.00%
2	Azure Solar Private Limited	2022-23	INR in thousands	11,846	3,56,258	26,87,669	23,19,565	-	5,02,841	2,19,903	27,079	1,92,824	-	92.31%
3	Azure Power (Haryana) Private Limited	2022-23	INR in thousands	49,538	94,279	19,83,296	18,39,479	-	1,62,157	-10,729	-14,293	3,564	-	99.17%
4	Azure Power (Rajasthan) Private Limited	2022-23	INR in thousands	989	(22,481)	4,84,838	5,06,330	-	97,428	36,090	9,660	26,430	-	100.00%
5	Azure Urja Private Limited	2022-23	INR in thousands	1,416	7,15,475	28,15,460	20,98,569	2,49,988	3,59,651	1,22,246	31,695	90,551	-	100.00%
6	Azure Surya Private Limited	2022-23	INR in thousands	667	4,98,350	8,43,587	3,44,570	-	1,58,366	1,10,748	12,481	98,267	-	67.33%
7	Azure Power (Karnataka) Private Limited	2022-23	INR in thousands	642	2,31,976	9,94,719	7,62,101	-	1,15,135	55,869	11,817	44,052	-	58.87%

8	Azure Power Infrastructure Pvt Ltd	2022-23	INR in thousands	2,073	12,46,930	38,16,707	25,67,704	-	5,06,698	1,95,087	52,701	1,42,386	-	94.59%
9	Azure Sunrise Pvt Ltd	2022-23	INR in thousands	2,163	(2,33,129)	43,40,021	45,70,987	-	5,32,230	(1,17,313)	47,541	1,64,854	-	100.00%
10	Azure Sunshine Pvt Ltd	2022-23	INR in thousands	563	3,58,157	19,16,901	15,58,181	-	2,04,080	85,938	15,861	70,077	-	100.00%
11	Azure Power (Raj.) Pvt Ltd	2022-23	INR in thousands	4,177	10,92,532	31,43,473	20,46,764	-	4,53,585	2,37,006	45,513	1,91,493	-	100.00%
12	Azure Photovoltaic Pvt Ltd	2022-23	INR in thousands	3,405	7,61,926	34,80,527	27,15,196	-	4,21,854	1,24,769	34,554	90,215	-	100.00%
13	Azure Clean Energy Pvt Ltd	2022-23	INR in thousands	464	10,37,477	27,46,201	17,08,260	-	4,04,231	2,56,883	27,384	2,29,499	-	100.00%
14	Azure Green Tech Private Limited	2022-23	INR in thousands	564	7,36,974	36,81,970	29,44,432	-	3,94,843	1,87,336	19,641	1,67,695	-	100.00%
15	Azure Power Earth Private Limited	2022-23	INR in thousands	4,598	9,58,110	70,69,491	61,06,783	-	7,26,851	28,179	89,628	-61,449	-	100.00%
16	Azure Power Eris Private Limited	2022-23	INR in thousands	714	2,39,994	6,89,088	4,48,380	-	1,15,902	60,266	9,805	50,461	-	100.00%
17	Azure Power Mars Private Limited	2022-23	INR in thousands	1,246	1,05,410	3,94,148	2,87,492	-	50,794	22,134	3,773	18,361	-	100.00%
18	Azure Power Mercury Private Limited	2022-23	INR in thousands	4,639	44,402	2,68,280	2,19,239	-	13,068	-19,717	-9,589	-10,128	-	51.40%
19	Azure Power Pluto Private Limited	2022-23	INR in lakhs	78	25,467	86,869	61,324	-	12,771	5,753	1,028	4,725	-	100.00%
20	Azure Power Saturn Private Limited	2022-23	INR in thousands	13,609	53,547	5,21,697	4,54,631	-	64,499	-18,188	2,763	-20,951	-	51.40%
21	Azure Power Jupiter	2022-23	INR in thousands	1,674	3,61,787	29,82,544	26,19,083	-	3,73,239	42,504	31,599	10,905	-	51.01%

	Private Limited												
22	Azure Power Makemake Private Limited	2022-23	INR in thousands	2,685	9,18,404	24,91,218	15,70,129	-	3,03,035	1,11,329	26,738	84,591	-	100.00%
23	Azure Power Uranus Private Limited	2022-23	INR in thousands	1,266	40,595	4,14,053	3,72,192	-	60,936	223	6,980	-6,757	-	100.00%
24	Azure Power Venus Private Limited	2022-23	INR in thousands	1,651	1,62,379	24,91,783	23,27,753	-	3,17,494	7,635	34,301	-26,666	-	100.00%
25	Azure Power Thirty Three Private Limited	2022-23	INR in lakhs	93	13,112	1,47,305	1,34,100	-	15,269	-3,730	1,317	-5,047	-	100.00%
26	Azure Power Thirty Four Private Limited	2022-23	INR in lakhs	295	10,775	77,223	66,153	-	9,493	896	1,184	-288	-	100.00%
27	Azure Power Thirty Six Private Limited	2022-23	INR in thousands	1,174	4,25,377	33,13,864	28,87,313	-	4,22,230	51,273	46,095	5,178	-	100.00%
28	Azure Power Thirty Seven Private Limited	2022-23	INR in lakhs	365	18,038	67,534	49,131	-	8,914	3,616	1,263	2,353	-	99.84%
29	Azure Power Thirty Eight Private Limited	2022-23	INR in thousands	2,361	1,00,696	7,96,465	6,93,408	-	67,729	-65,205	-10,892	-54,313	-	51.00%
30	Azure Power Thirty Nine Private Limited	2022-23	INR in thousands	868	54,364	59,869	4,637	-	-	-195	62	-257	-	100.00%
31	Azure Power Forty Private Limited	2022-23	INR in thousands	26,321	14,55,217	57,25,882	42,44,344	-	4,17,585	92,988	30,950	62,038	-	100.00%
32	Azure Power Forty One Private Limited	2022-23	INR in lakhs	108	23,102	1,80,414	1,57,204	-	16,627	-934	-196	-738	-	100.00%

33	Azure Power Forty Three Private Limited	2022-23	INR in lakhs	122	40,265	3,19,333	2,78,946	-	36,899	3,625	1,452	2,173	-	100.00%
34	Azure Power Forty Four Private Limited	2022-23	INR in thousands	2,830	1,35,438	8,66,290	7,28,022	-	73,392	-14,873	-14,873	-101,916	-	51.40%
35	Azure Power Maple Private Limited	2022-23	INR in thousands	27,566	9,56,680	1,88,62,380	1,78,78,134	-	6,87,497	-4,16,307	1,59,326	-5,75,633	-	100.00%
36	Azure Power US Inc.	2022-23	US Dollars	15,43,001	45,12,812	61,27,415	71,602	-	-	16,095	-	16,095	-	100.00%
37	Azure Power Fifty One Private Limited	2022-23	INR in thousands	46,044	-1,47,650	4,60,279	5,61,885	-	-	-4,09,965	-5,417	-4,04,548	-	100.00%
38	Azure Power Fifty Two Private Limited	2022-23	INR in thousands	13,265	-10,04,040	2,80,057	12,70,801	-	-	-11,34,234	-6,116	-11,28,118	-	100.00%
39	Azure Power Fifty Three Private Limited	2022-23	INR in thousands	1,100	-3,73,854	71	3,72,825	-	-	-3,16,641	598	-3,17,239	-	100.00%
40	Azure Power Fifty Four Private Limited	2022-23	INR in thousands	100	-3,67,230	595	3,67,725	-	-	-3,14,392	595	-3,14,987	-	100.00%
41	Azure Power Fifty Six Private Limited	2022-23	INR in thousands	1100	-1,100	20,971	20,971	-	-	-907	-47	-860	-	100.00%
42	Azure Power Fifty Seven Private Limited	2022-23	INR in thousands	100	-216	21,738	21,854	-	-	-37	-	-37	-	100.00%
43	Azure Power Fifty Eight Private Limited	2022-23	INR in thousands	100	-206	4,25,960	4,26,066	-	-	-32	-	-32	-	100.00%
44	Azure Power Fifty Nine	2022-23	INR in thousands	100	-3,69,479	537	3,69,916	-	-	-3,13,884	511	-3,14,395	-	100.00%

	Private Limited													
45	Azure Power Sixty Private Limited	2022-23	INR in thousands	100	-3,66,576	464	3,66,940	-	-	-3,13,960	486	-3,14,446	-	100.00%
46	Azure Power Sixty One Private Limited	2022-23	INR in thousands	100	-125	49,822	49,847	-	-	-38	-	-38	-	100.00%
47	Azure Power Sixty Two Private Limited	2022-23	INR in thousands	100	-2,58,106	510	2,58,516	-	-	-02,07,540	60	-2,07,600	-	100.00%
48	Kotuma Wind Parks Pvt Ltd	2022-23	INR in thousands	100	-9,694	2,21,678	2,31,272	-	-	-9,719	-	-9,719	-	100.00%
49	Two Wind Energy Pvt. Ltd.	2022-23	INR in thousands	100	-30,762	5,46,463	5,77,125	-	-	-30,663	-	-30,663	-	100.00%
50	Azure Green Hydrogen Private Limited	2022-23	INR in thousands	100	-610	2,206	2,716	-	-	-536	74	-610	-	100.00%
51	Azure Power Sixty Three Private Limited	2022-23	INR in thousands	100	-5,947	1,92,806	198,653	-	-	-3,352	2,595	-5,947	-	100.00%
52	Azure Energy Transition Private Limited	2022-23	INR in thousands	100	-17,221	8,347	25,468	-	-	-17,202	93	-17,295	-	100.00%
53	Azure Power Sixty Four Private Limited	2022-23	INR in thousands	100	-454	2,340	2,694	-	-	-356	98	-454	-	100.00%
54	Azure Power Sixty Five Private Limited	2022-23	INR in thousands	100	-430	2,336	2,666	-	-	-332	98	-430	-	100.00%
55	Azure Power Sixty Six Private Limited	2022-23	INR in thousands	100	-6	101	7	-	-	-6	-	-6	-	100.00%

A. 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

A. Names of subsidiaries which have been liquidated or sold during the year:

Sr. No.	Name of the Subsidiaries
1.	Azure Power Thirty Five Private Limited*
2.	Azure Power Forty Two Private Limited*
3.	Azure Sun Energy Private Limited#

*During the year, application had been made to the Registrar of Companies (ROC) for striking off the names of these entities from the register of companies maintained by ROC, approval for the same has been received during the current year.

#The Company entered into an agreement with the buyer for disposal of rooftop business through transfer of shareholding. During the year, the Company had transferred stake to the buyer pursuant to the agreement entered into.

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: Waaree Power Private Limited

For and on behalf of the Board of Directors

AZURE POWER INDIA PRIVATE LIMITED

AZURE POWER INDIA PRIVATE LIMITED New Delhi

Sugata Sircar
Director
DIN: 01119161

Date: 29-04-2024
Place: Gurugram

AZURE POWER INDIA PRIVATE LIMITED New Delhi

Sunil Kumar Gupta
Managing Director
DIN: 07095152

Date: 29-04-2024
Place: Gurugram

(Annexure–III)

Management replies to Independent Auditor's qualification/ remarks

Sl. No.	Independent Auditor's Qualification	Management's Reply
1.	**<u>Paragraph (1) of Independent Auditor' Report</u>** 1. Refer note no. 50 of the accompanying consolidated financial Statements and note no. 48 of the accompanying standalone 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 year. In response to such whistle blower complaints, the Board of Directors and Audit and Risk Committee of the parent company appointed external legal counsels to conduct investigations into the significant issues highlighted in the said complaints. These issues include, but are not limited to, lapses in key control areas, governance issues, assets capitalization date and problems with vendor management. A special committee was constituted by the Board of Directors of the parent company ('the Special Committee'), to review certain material projects and contracts for anti-corruption and related compliance issues. Independent external counsel and forensic advisors were engaged to support the Special Committee. The Special Committee's investigation is not yet complete. As a result of above: a) based on the review exercise of significant projects with respect to land aggregator costs, the management has written off of INR 2,828 Lakh on an estimate basis as a prudent measure during the previous year ended March 31, 2022. During the current year, an incremental adjustment/written off of INR 281 Lakh has been made in respect of the above matter. b) there are identified design deficiencies noted in some of the key controls in significant areas. Refer to our 'Adverse Report' on Internal Control and Financial Report provided in Annexure A as referred to in para 2(g) of the Other legal and Regulatory Requirements. These deficiencies constitute material weaknesses. c) the Group has voluntarily disclosed certain matters to the U.S. Securities and Exchange Commission and the U.S. Department of Justice. Engagement and cooperation with the aforesaid authorities is continuing on those matters. In respect of the above matters, we are unable to comment whether the outcome will result in any possible adjustments and/or disclosures to the consolidated	The matters in Paragraph 1 read along with Note 48 to the standalone financial statements and Note 50 to the consolidated financial statements which is re-iterated below, are self-explanatory and do not require further comments: During the previous and current year, the Group received whistle-blower complaints on various matters, including lapses in internal control for certain key areas, governance and vendor management. The Board of Directors of the holding company engaged external counsel to undertake investigations on the allegations thereof. Some of the Group companies have made certain adjustments in the books of account as a prudent measure. In May 2022, a whistle-blower complaint was received that alleged health and safety lapses, procedural irregularities, misconduct by certain employees, improper payments and false statements in a project. Following extensive investigation by the Holding Company's Ethics Committee, supervised by the Board's Audit and Risk Committee of the holding company and by external counsel and forensic professionals, the Parent Company identified evidence of manipulation and misrepresentation of project data by some employees at that project site. Weak controls over payments to a vendor and failures to provide accurate information both internally and externally were found, but no direct evidence that any improper payment was made to any government official was identified. Further, in Fiscal 2023, we reported to SECI that this project had (i) shortfalls in generation and (ii) that it failed to timely complete and commission the requisite contractually required capacity. On January 3, 2023 and January 4, 2023, SECI advised us, inter alia, that the project may be liable for damages and penalties for shortfalls in generation. Further, in September 2022, the Parent received an additional whistle-blower complaint primarily making similar allegations of misconduct as raised in May 2022, as well as allegations of misconduct related to joint ventures and land acquisition, allegations of our failure to be transparent with the market and advisors and other claims. The Holding Company's Ethics Committee, supervised by the Board's Audit and Risk Committee, with the support of external counsel and forensic accounting professionals, investigated these September 2022 allegations. The investigation of the September 2022 complaint identified significant control issues in the process of acquiring land and land use rights in relation to a subsidiary Company. The investigation specified that third party land aggregators may have been involved in improper payments but no improper transfer of money by the Parent Group was identified. The Group has made an adjustment (de-capitalization) in the books of accounts of INR 2,528

	financial Statements, and the non-compliance with the applicable laws and regulations, if any.	lakhs and INR 281 lakhs on estimate during the year ended March 31, 2022 and 2023 respectively, as a prudent measure in the Group though no improper payments by the Group could be identified in the current year. The Parent Group's investigation did not substantiate other portions of this September 2022 whistle-blower complaint. As part of the investigations of the May 2022 and September 2022 whistle-blower complaints, the review was also widened to include a review of projects commissioned in financial year ended March 31, 2022 and financial year ended March 31, 2023 to ensure that similar weaknesses were not present. As part of our investigations, we identified inconsistencies in project data in certain of our projects, but we identified no improper payments made in connection with these projects. We have taken a range of actions due to these findings, and the employees involved in the misconduct are no longer associated with us. In accordance with the recommendations of the Ethics Committee, the Board's Audit and Risk Committee and their legal and forensic advisors, we are implementing remedial measures in both project control and monitoring. Further, we reported the findings from its investigations of the May 2022 and September 2022 whistle-blower complaints to the SEC and the U.S. Department of Justice, and we continue to cooperate with these authorities. In addition, a Special Committee of the Parent Company's Board (the "Special Committee") was convened in August 2022 to review certain material projects and contracts over a three-year period for anti-corruption and related compliance issues. Independent outside counsel and forensic advisors were engaged to support the Special Committee. The Special Committee's investigation has identified evidence that individuals formerly affiliated with the Group may have had knowledge of, or were involved in, an apparent scheme with persons outside the Group to make improper payments in relation to certain projects. To date, the Special Committee has not identified related improper payments or transfers by the Group. The Special Committee's investigation is still ongoing. The Special Committee's review and its findings has impacted the decision-making of the Parent Group in connection with such projects. The Group have disclosed the details of the Special Committee's investigation to the SEC and the U.S. Department of Justice, and we continue to cooperate with those agencies. The current members of the Board of Directors of the ultimate holding company have confirmed that none of them were aware of the apparent scheme referred to above other than through the Special Committee investigation. Our Group including our subsidiaries with respect to affected projects could be exposed to liabilities under the relevant contractual and tender documents (including levy of damages and liquidated damages, reduction of PPA tariffs and/or short closure of capacity), administrative actions (including the risk of PPA cancellation, risk of being debarred from SECI's future contracts,

		withdrawal or nullification of commissioning certificates and/or revocation of commissioning extensions) and penalties from customers and other civil liabilities, all of which could adversely impact the revenue, profitability and capitalization of the affected projects. In addition, civil and/or criminal fines and/or penalties by regulatory authorities (including by the SEC, the U.S. Department of Justice and applicable Indian regulatory authorities) could be imposed on us as well as ongoing obligations, remedial corporate measures or other relief against us that could adversely impact our operations. Any such fines, penalties, ongoing obligations or other measures or relief against us could materially and adversely affect our business, results of operations, financial condition and cash flows in future periods. Further, in addition, certain of those outcomes could adversely impact our ability to maintain compliance with the covenants under our credit facilities or result in an event of default thereunder. In addition, we could be exposed to future litigation in connection with any findings of fraud, corruption, or other misconduct by persons who served as our directors, officers and employees. The Parent Group remains steadfast in its commitment to upholding the principles of transparency, accountability, and ethical conduct in all areas of its operations and it will continue to monitor and assess its internal processes to ensure compliance with all relevant laws and regulations.
2.	**Paragraph (2) of Independent Auditor's Report** Refer note no. 53 to the accompanying consolidated financial Statements and Note 49 of the accompanying standalone financial Statements, which describes the matters relating to non-compliances with certain provisions of the Companies Act, 2013 ("the Act") with respect to the adoption of the annual audited consolidated and standalone financial Statements for the year ended March 31, 2023, and March 2022, before the shareholders in the Annual General Meeting within the stipulated time as prescribed under Section 96 of the Act. Hence, the Company has also not complied with the provisions of Section 137 of the Act relating to the filing of consolidated and standalone financial Statements with the Registrar of Companies ("ROC") and with Section 92 relating to the filing of annual returns. The consequential impact of the said non-compliance, including the liability for penal charges, if any, on the consolidated and standalone financial Statements, including the consequential impact under other applicable laws and regulations is presently not ascertainable. Accordingly, we are unable to comment on the same.	The matters in Paragraph 2 read along with Note 49 to the standalone financial statements and Note 53 to the consolidated financial statements which is re-iterated below, are self-explanatory and do not require further comments: As per the provision of the Companies Act, 2013, a company is required to convene the Annual General Meeting ("AGM") for adoption of its annual audited financial statements within the six months from the end of each financial year, i.e. September 30 ("Due Date"). The Registrar of Companies ("ROC") granted three months extensions to the Group companies (except for 33.2 MW rooftop portfolio for which agreement for sale have been entered into with Radiance), to hold the AGMs for financial year 2021-22 and 2022-23 on or before December 31, 2022, and December 31, 2023, respectively. Considering the delay in closure of audit due to ongoing investigations (refer note 50), the Group Companies have not been able to hold the AGM for financial year 2021-22 and 2022-23 within timelines as stated above. The AGM for financial year 2022-23 is not held till date and the AGM for financial year 2021-22 was held beyond December 31, 2022. The Group Companies will apply for compounding of the Offence for not holding the AGM for financial year 2021-22 and 2022-23, on or before December 31, 2022, and December 31, 2023 respectively, and liable to pay penalties as may be imposed by ROC. Management is unable to ascertain the amount of penalties for these Offences and hence no accruals for the same has

		been taken in these financial statements.
3.	<u>Paragraph (a) to (e) of Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")</u> According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2023: a) In Note no 50 of the Company's consolidated and Note no 48 of the Company's standalone financial Statements, and paragraph 1 of the Basis for Qualified Opinion paragraph in our audit report regarding various whistleblower issues and based on the findings of independent external legal counsels engaged by the Company which highlighted the significant issues related to lapses in key control areas, governance issues, assets capitalization date and problems with vendor management. These findings indicate the material weakness in the Company's internal financial controls with reference to the consolidated and standalone financial Statements. b) We identified deficiencies in the Company's internal control systems related to land procurement processes. There were material weaknesses in selection and approval mechanisms for land aggregators. These material weaknesses could lead to material misstatements in the Company's consolidated and standalone financial Statements and disclosures. c) Material weaknesses were noted in the Company's financial reporting and closing process which has led to significant delays in the completion of these consolidated and standalone financial Statements and non-compliance with applicable provisions and other relevant legislations. d) In the course of our audit, we observed deficiencies in the Company's processes related to monitoring of management review controls inter-alia including those related to significant estimates which raises concerns about the potential for material misstatements in the financial statement disclosures. e) The Company did not have an appropriate internal control system for the periodic reconciliation of Vendor balances.	All companies under Azure Power Global Limited ("**APGL/Holding Company/Parent Company**""), including Azure Power India Private Limited and its subsidiaries, ("**Group**") operate as one unit, having common systems, processes, controls, and resources which are used by all components of the Group. The Group has a common Internal Control framework applicable to all the subsidiaries including the Company. 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. During the current year, management used the Committee of Sponsoring Organizations of the Treadway Commission Internal Control—Integrated Framework (2013), or the COSO framework, to evaluate the effectiveness of our internal control over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement in our annual or interim financial statements would not be prevented or detected on a timely basis. The scope of our management's assessment of the effectiveness of internal control over financial reporting includes all of our consolidated operations. Further, Management determined that, as of March 31, 2023, our internal controls over financial reporting were ineffective due to inadequacy of certain review controls including control failures in financial statement closing procedures, controls pertaining to capitalization, vendor reconciliation process, land acquisition, documentation on testing of

		control attributes and completeness and accuracy of reports used including inadequate consideration in designing of risk and controls matrices. 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 material weaknesses. Management is taking support from external consultants while performing this remediation exercise. These efforts include creation of a Management Assurance Service function, assessing and strengthening internal control framework, testing operational controls, adding accounting personnel for assistance on critical accounting matters, training of team members, implementing additional process level reviews, and periodic monitoring by the Audit and Risk Committee of the effectiveness of the remedial efforts and overall reporting framework. As it continues to implement such remediation, management may take additional measures or modify the plan elements described above. On March 14, 2024, the Board has appointed Mr. Vijay Kumar Wadhwani as Chief Compliance & Ethics Officer and approved the Chief Compliance & Ethics Charter including specific power and responsibilities. Our management recognizes that there are inherent limitations in the effectiveness of any system of internal control over financial reporting, including the possibility of human error and the circumvention or override of internal control. Accordingly, even the most effective internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation and may not prevent or detect all misstatements and can only provide reasonable assurance with respect to the preparation and presentation of our financial statements.
4.	**Emphasis of Matters:** a. Refer note no. 46 to the accompanying consolidated financial statements regarding the restatements carried out by the Company, 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. Refer Note 51 read with Note 54 (xxx) of the consolidated financial statements includes the Financial Statements of "Azure Power Fifty Three Private	**Response to point (a):** 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 balance sheet as at March 31, 2022 and April 1, 2021 (beginning of the preceding period) and Statement of Profit and Loss for the year ended March 31, 2022 for the reasons as stated in the notes 46 to consolidated Balance Sheet and consolidated Statement of Profit and Loss. **Response to point (b) to (f) as per Note 51 of the consolidated financial**

	Limited", which states that the Subsidiary Company has accumulated losses of INR 3,739 Lakh and its net worth has fully eroded as at March 31, 2023. The Subsidiary Company's current liabilities exceeded its current assets by INR 3,728 Lakh as at the balance sheet date. In view of Groups' decision to terminate the project as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2023. Accordingly, the financial statements of the Subsidiary Company have been prepared on not on going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. c. Refer Note 51 read with Note 54 (xxxi) of the consolidated financial statements includes the Financial Statements of "Azure Power Fifty Four Private Limited", which states that the Subsidiary Company has accumulated losses of INR 3,672 Lakh and its net worth has fully eroded as at March 31, 2023. The Subsidiary Company's current liabilities exceeded its current assets by INR 3,671 Lakh as at the balance sheet date. In view of Groups' decision to terminate the project as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2023. 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 51 read with Note 54 (xxxii) of the consolidated financial statements includes the Financial Statements of "Azure Power Fifty Nine Private Limited", which states that the Subsidiary Company has accumulated losses of INR 3,695 Lakh, and its net worth has fully eroded as at March 31, 2023. The Subsidiary Company's current liabilities exceeded its current assets by INR 3,694 Lakh as at the balance sheet date. In view of Groups' decision to terminate the project as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2023. 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	**statements:** 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 FY 2021-22. In respect of these 2,333 MW projects, two PILs were filed in the High Court of Andhra Pradesh in FY 2021-22, 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. Currently, we cannot predict the outcome of these two PILs. Further, a Special Committee of the Board of the Holding Company (the "Special Committee") was convened to review certain material projects and contracts over a three-year period for anti-corruption and related compliance issues. Independent outside counsel and forensic advisors were engaged to support the Special Committee. Based on the economics and uncertainties associated with the PILs and ongoing Special Committee review, the Group concluded that it should seek to terminate the PPAs in respect of these 2,333 MW projects and filed a petition at the Andhra Pradesh High Court seeking a declaration that the Group should be discharged from performance of the obligations under the Andhra Pradesh PPAs for a capacity of 2,333 MW as a result of the absence of the unconditional tariff adoption order from the regulatory commission. Since there was a threat by SECI to revoke the Bank Guarantee, the High Court in its order dated October 16, 2023, directed SECI not to take coercive steps against the Group until the next date of hearing. This matter is pending. 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 these projects. In its second letter, SECI informed the Group that it was awarding these projects and associated PPAs to a third-party. Further, SECI informed the Group that it had reduced Azure's capacity allocation under the manufacturing Letter of Award by 2,333 MW and its corresponding manufacturing capacity of solar cells and solar modules. Accordingly, the Group has written off INR 2,660 lakhs against impairment provision recognised in the financial statements for the year ended March

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

e. Refer Note 51 read with Note 54 (xxxiii) of the consolidated financial statements includes the Financial Statements of "Azure Power Sixty Private Limited", which states that the Subsidiary Company has accumulated losses of INR 3,666 Lakh and its net worth has fully eroded as at March 31, 2023. The Subsidiary Company's current liabilities exceeded its current assets by INR 3,665 Lakh as at the balance sheet date. In view of Groups' decision to terminate the project as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2023. 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 51 read with Note 54 (xxxiv) of the consolidated financial statements includes the Financial Statements of "Azure Power Sixty Two Private Limited", which states that the Subsidiary Company has accumulated losses of INR 2,581 Lakh and its net worth has fully eroded as at March 31, 2023. The Subsidiary Company's current liabilities exceeded its current assets by INR 2,580 Lakh as at the balance sheet date. In view of Groups' decision to terminate ·the project as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2023. 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 55 read with Note 54 (xxviii) of the consolidated financial statements includes the Financial Statements of Azure Power Fifty One Private Limited, which states that the Subsidiary Company has accumulated losses of INR 4,113 Lakh and its net worth has fully eroded as at March 31, 2023. The Subsidiary Company's current liabilities exceeded its current assets by INR 4,140 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

31,2022 and recognised a provision of INR 12,315 lakhs towards Bank Guarantees in its financial statements for the year ended March 31, 2023.

Response to point (b) to (f) as per Note 54 of the consolidated financial statements:

During the financial year March 31, 2023, Azure Power Fifty Three Private Limited (subsidiary company) has accumulated losses of INR 3,73,854 thousands and its net worth has fully eroded Further, The subsidiary company's current liabilities exceeded the current assets by INR 3,72,754 thousands as at the balance sheet date. Considering these factors including the termination of PPA of these financial statements, the absence of any order in hand or alternate business plan etc , in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2023 Accordingly, the financial statements of the Company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

During the financial year March 31, 2023, Azure Power Fifty Four Private Limited (subsidiary company) has accumulated losses of INR 3,67,230 thousands and its net worth has fully eroded. Further, The Company's current liabilities exceeded the current assets by INR 3,67,130 thousands as at the balance sheet date. Considering these factors including the termination of PPA as mentioned in note 31 of these financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2023. Accordingly, the financial statements of the Company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

During the financial year March 31, 2023, Azure Power Fifty Nine Private Limited (subsidiary company) has accumulated losses ofINR 3,69,479 thousands assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2023. 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.

h. Refer Note 55 read with Note 54(xxix) of the consolidated financial statements includes the Financial Statements of Azure Power Fifty Two Private Limited, which states that the Subsidiary Company has accumulated losses of INR 11,406 Lakh and its net worth has fully eroded as at March 31, 2023. The Subsidiary Company's current liabilities exceeded its current assets by INR 11,897 Lakh as at the balance sheet date. In view of Groups' decision to withdraw from the project as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2023. 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.

and its net worth has fully eroded, Further, The Subsidiary Company's current liabilities exceeded the current assets by INR 3,69,379 thousands as at the balance sheet date. Considering these factors including the termination of PPA as mentioned in note 29 of these financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2023. Accordingly, the financial statements of the Company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

During the financial year March 31, 2023, Azure Power Sixty Private Limited (subsidiary company) has accumulated losses of INR 3,66,576 thousands and its net worth has fully eroded. Further, The Subsidiary Company's current liabilities exceeded the current assets by INR 3,66,476 thousands as at the balance sheet date. Considering these factors including the termination of Power Purchase Agreement as mentioned in note 31 of these financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2023. Accordingly, the financial statements of the Company have been prepared on not for going concern basis i e, assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention, Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

During the financial year ended March 31, 2023, Azure Power Fifty One Private Limited (subsidiary company) has accumulated losses of INR 4, 11,298 thousand and its net worth has fully eroded as at March 31, 2023. The subsidiary company's current liabilities exceeded its current assets by INR 4, 13,936 thousand as at the balance sheet date, Considering these factors including the decision for withdrawal from the project of these financial statements, the absence of any order in hand or alternate business plan etc , in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2023. Accordingly, the financial statements of the Company have been prepared on

		not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year. During the financial year March 31, 2023, Azure Power Fifty Two Private Limited (subsidiary company) has accumulated losses of INR 11,40,556 thousand and its net worth has fully eroded as at March 31, 2023. The subsidiary company's current liabilities exceeded its current assets by INR 11,89,686 thousand as at the balance sheet date. Considering these factors including the decision for withdrawal from the project of these financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2023. Accordingly, the financial statements of the Company have been prepared on not for going concern basis i e, assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year. **Response to point (g) to (h):** A Special Committee of the Board of the Holding Company (the "Special Committee") was convened to review certain material projects and contracts over a three-year period for anti-corruption and related compliance issues. Independent outside counsel and forensic advisors were engaged to support the Special Committee. In light of the ongoing Special Committee review as well as economic and execution challenges, the Group has decided to withdraw from the 700 MW projects which is part of the 4,000 MW manufacturing linked tender awarded by SECI in Fiscal 2020. The Group intends to commence 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 taken a provision of INR 4,077 lakhs for impairment of assets and recognised a provision of INR 5,361 lakhs towards Bank Guarantees in its financial statements for the year ended March 31, 2023.

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

Sugata Sircar
Director
DIN: 01119161

Date: 29-04-2024
Place: Gurugram

Sunil Kumar Gupta
Managing Director
DIN: 07095152

Date: 29-04-2024
Place: Gurugram

ABHISHEK GUPTA & ASSOCIATES
COMPANY SECRETARIES

Office : 16/10, 1st Floor,
New Rohtak Road, Near MTNL Office,
Karol Bagh, New Delhi-110005
Mobile : +91 99 1085 9837 (India)
Tel. Fax : 011 42430303
E-mail : abhishek@agassociate.in
pcsabhishekgupta@gmail.com
Web : www.agassociate.in

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[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,
Unit No. 409 & 410, 4th Floor, Southern Park, D2,
Saket Place, Saket, South Delhi, New Delhi, 110017, India

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 Unit No. 409 & 410, 4th Floor, Southern Park, D2, Saket Place, Saket, South Delhi, New Delhi, 110017, India. 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, 2023 ('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, 2023 according to the provisions of:

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

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

Abhishek Gupta & Associates
Delhi
Company Secretaries

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of its applicability.

(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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit Period);**

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period);**

f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 **(Not applicable to the Company during the Audit Period);**

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

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**

i) The Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**

Abhishek Gupta & Associates Delhi Company Secretaries

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

k) The Securities and Exchange Board of India SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 **(Not applicable to the Company during the Audit Period);** and

l) 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

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

a. Secretarial Standards issued by The Institute of Company Secretaries of India.

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

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

Abhishek Gupta & Associates
Delhi
Company Secretaries

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 Labour Laws & other General Laws which may be specifically applicable to the Company including 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 has issued and allotted 61,640 Equity Shares to Azure Power Global Limited on 20/04/2022 at a premium of INR 7,500/- per share.

b. M/s MSKA & Associates (FRN: 105047W), Chartered Accountants, were appointed as Statutory Auditor of the Company for a period of 5 years in the Annual General Meeting (AGM) of the Company held on September 25, 2019 to hold office till the conclusion of the AGM to be held for the financial year 2023-24. However, M/s MSKA & Associates, Chartered Accountants tendered their resignation on 02 February, 2024 as the

Abhishek Gupta & Associates
Delhi
Company Secretaries

Statutory Auditor of the Company. To fill the casual vacancy caused due to the resignation of /s MSKA & Associates, Chartered Accountants, the shareholders (on the recommendation of the Board) in their Extra-Ordinary General Meeting held on 16 February, 2024, approved the appointment of M/s ASA & Associates, LLP, Chartered Accountants (Firm Registration No. 009571N/N500006) as Statutory Auditors of the Company for the financial year 2022-23 and to hold the office till the conclusion of the ensuing AGM.

c. The Board of Directors of the Company on April 25, 2022 had approved the proposal for Buy-back of 1,02,497 fully paid up equity shares of the Company having a face value of INR 10 each from its existing shareholders on a proportionate basis. However, the Board took note of the non-acceptance of the buy back offer by the shareholders.

d. During the previous year, current year and subsequent to the year end, the Group received whistle-blower complaints on various matters, including lapses in internal controls for certain key areas, governance and vendor management. The Board of Directors of the Holding Company have engaged external counsel to undertake investigations on the allegations thereof. Some of the Group companies have made certain adjustments in the books of account as a prudent measure.

e. The Company has defaulted in conducting Annual General Meeting of the Company for Financial Year 2022-23 on due date.

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

For Abhishek Gupta & Associates
Company Secretaries

29/04/2024

Abhishek Gupta & Associates
Delhi
Company Secretaries

Abhishek Gupta
Proprietor
M. No.: 9857; C.P. No.: 12262
UDIN: F009857F000263242
Peer Review Certificate No. 2375/2022

Place: New Delhi
Date: 29.04.2024

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

Annexure – I

The Members,
Azure Power India Private Limited,
Unit No. 409 & 410, 4th Floor, Southern Park, D2,
Saket Place, Saket, South Delhi, New Delhi, 110017, India

My Secretarial Audit Report for the financial year ended 31st March, 2023 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

29/04/2024

Abhishek Gupta & Associates Company Secretaries Delhi

Abhishek Gupta
Proprietor
M. No.: 9857; C.P. No.: 12262
UDIN: F009857F000263242
Peer Review Certificate No. 2375/2022

Place: New Delhi
Date: 29.04.2024

Annexure-V

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. Ms. Supriya Prakash Sen (Member) 2. Mr. Philippe Pierre Wind (Member)
3.	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company	https://investors.azurepower.com/corporate-governance/governance-documents
4.	**Provide the executive summary along with web-link(s) of Impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.**	Not Applicable

a. Average net profit of the Company as per sub-section (5) of section 135	INR (75,33,33,333.33)
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 section 135.	**Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.**

	Amount.	Date of transfer.	Name of the Fund	Amount	Date of transfer
NA	NA				

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

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

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

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

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

Yes No ✓

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

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

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode 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 2022-23. 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

Sugata Sircar
Director
DIN: 01119161

Date: 29-04-2024
Place: Gurugram

Sunil Kumar Gupta
Managing Director
DIN: 07095152

Date: 29-04-2024
Place: Gurugram

Annexure-VI

FORM- NO. AOC-2

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) for disclosure of particulars of contracts/arrangements entered into 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 LAKHS)

Name(s) of the related party and nature of relationship	Nature of contracts/arrangement/transactions	Duration of the contracts / arrangements/ transaction	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board/Committee, if any:	Amount paid as advances, if any:
Azure Power Maple Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Power Forty Three Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	16/04/20211 1/01/2022	-
Azure Power Forty One Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Power Pluto Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Power Forty Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	16/04/20211 1/01/2022	-
Azure Power Thirty Seven Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Power Thirty Three Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022 12/01/2022	-
Azure Power Infrastructure Private Ltd (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Sunrise Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Power Jupiter Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Power Thirty Four Private Limited (Subsidiary	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022 12/01/2022	-

Company)					
Azure Photovoltaic Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Power (Raj.) Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Green Tech Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Clean Energy Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Urja Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Power Earth Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022 12/01/2022	-
Azure Sunshine Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Power Thirty Six Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022 12/01/2022	-
Azure Power Venus Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022 12/01/2022	-
Azure Power (Karnataka) Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Power (Haryana) Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Surya Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Power Eris Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Power Makemake Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022 12/01/2022	-
Azure Power Mars Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Power (Punjab) Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-

Azure Power Uranus Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022 12/01/2022	-
Azure Solar Private Limited (Subsidiary Company)	Management Services rendered	-	-	-	-
Azure Power Fifty One Private Limited (Subsidiary Company)	Management Services rendered	-	-	-	-
Azure Power Fifty Two Private Limited (Subsidiary Company)	Management Services rendered	-	-	-	-
Azure Power Fifty Three Private Limited (Subsidiary Company)	Management Services rendered	-	-	-	-
Azure Power Fifty Four Private Limited (Subsidiary Company)	Management Services rendered	-	-	-	-
Kotuma Wind Parks Private Limited (Subsidiary Company)	Management Services rendered	-	-	-	-
Azure Power Thirty Seven Private Limited (Subsidiary Company)	Sale of Goods & Services	-	-	-	-
Azure Power Earth Private Limited (Subsidiary Company)	Sale of Goods & Services	-	-	-	-
Azure Power Eris Private Limited (Subsidiary Company)	Sale of Goods & Services	-	-	16/09/2022	-
Azure Power Thirty Three Private Limited (Subsidiary Company)	Sale of Goods & Services	-	-	-	-
Azure Power Fifty One Private Limited (Subsidiary Company)	Sale of Goods & Services	-	-	-	-
Azure Power Thirty Six Private Limited (Subsidiary Company)	Purchase of Goods & Services	-	-	12/04/2022	-
Azure Power Forty Three Private Limited (Subsidiary Company)	Purchase of Goods & Services	-	-	16/09/2022	-
Azure Power Maple Private Limited (Subsidiary Company)	Purchase of Goods & Services	-	-	-	-
Azure Power Forty Private Limited (Subsidiary Company)	Purchase of Goods & Services	-	-	08/04/2022	-

Azure Power Forty One Private Limited (Subsidiary Company)	Purchase of Goods & Services	-	-	-	-
Azure Power Forty Private Limited (Subsidiary Company)	Corporate Guarantee Given	-	-	23/12/2019	-
Azure Power Forty Three Private Limited (Subsidiary Company)	Corporate Guarantee Given	-	-	-	-
Azure Power Rooftop (GenCo.) Private Limited (Fellow Subsidiary Company)	Corporate Guarantee Given	-	-	-	-
Azure Power Rooftop One Private Limited (Fellow Subsidiary Company)	Corporate Guarantee Given	-	-	-	-
Azure Power Rooftop Three Private Limited (Fellow Subsidiary Company)	Corporate Guarantee Given	-	-	-	-
Azure Power Rooftop Five Private Limited (Fellow Subsidiary Company)	Corporate Guarantee Given	-	-	-	-
Azure Power Maple Private Limited (Subsidiary Company)	Corporate Guarantee Given	-	-	-	-
Azure Power Forty One Private Limited (Subsidiary Company)	Corporate Guarantee Given	-	-	-	-
Azure Power Jupiter Private Limited (Subsidiary Company)	Corporate Guarantee Given	-	-	-	-

*The aforesaid transactions have been carried out by the Company on an arm's length basis during the year under review.

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

Sugata Sircar
Director
DIN:01119161

Date: 29-04-2024
Place: Gurugram

Sunil Kumar Gupta
Managing Director
DIN: 07095152

Date: 29-04-2024
Place: Gurugram

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INDEPENDENT AUDITOR'S REPORT

To the Members of Azure Power India Private Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial Statements of Azure Power India Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion, the aforesaid standalone financial Statements give the information required by the Companies Act, 2013, ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its Loss and other comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

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

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

   As a result of above:

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

   b) the Group has voluntarily disclosed certain matters to the U.S. Securities and Exchange Commission and the U.S. Department of Justice. Engagement and cooperation with the aforesaid authorities is continuing on those matters.

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

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2. Refer note no. 49 to the accompanying standalone financial statements, which describes the matters relating to non-compliances with certain provisions of the Companies Act, 2013 ("the Act") with respect to the adoption of the annual audited standalone financial Statements for the year ended March 31, 2023 and March 2022, before the shareholders in the Annual General Meeting within the stipulated time as prescribed under Section 96 of the Act. Hence, the Company has also not complied with the provisions of Section 137 of the Act relating to the filing of standalone financial Statements with the Registrar of Companies ("ROC") and with Section 92 relating to the filing of annual returns. The consequential impact of the said non-compliance, including the liability for penal charges, if any, on the standalone financial Statements, including the consequential impact under other applicable laws and regulations is presently not ascertainable. Accordingly, we are unable to comment on the same.

The above matters were subject matter of qualification in the predecessor auditor's report.

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

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

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

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

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

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

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

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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.

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

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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.

Other Matters

The comparative standalone financial information of the Company as at and for the year ended March 31, 2022 prepared in accordance with Ind AS included in the standalone financial Statements has been audited by the predecessor auditor. The report of the predecessor auditor on comparative financial information dated December 30, 2023 expressed modified opinion related to matters mentioned above in the paragraphs of Basis for qualified opinion.

Our opinion is not modified in respect of this matter.

Report on Other legal and Regulatory Requirements

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

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

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

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

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

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

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

(f) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 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".

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(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 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 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 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. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only with effect from April 01, 2023, reporting under clause (g) of Rule 11 is not applicable.

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

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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: 24027972BKCRHQ8888

Place: Gurugram
Date: April 29, 2024

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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. The Company has not maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (Excluding right-of-use assets). The details of the same are below.

Description of Property, Plant and Equipment	Written Down Value as at March 31, 2023 (INR in Lakhs)
Plant and Machinery	858

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

(b) The Property, Plant and Equipment are 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 three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, the Property, Plant and Equipment has been physically verified by the management during the year and no material discrepancy have been noticed on such verification. However, Property, Plant and Equipment (Including Right of Use asset) other than above have not been physically verified by the Management during the Year. Accordingly, the discrepancies, if any, could not be ascertained and therefore, we are unable to comment on whether the discrepancies, if any have been properly dealt with in the books of account. Also, Refer Annexure B to the independent Auditor's Report.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the standalone financial statements are held in the name of the Company except for immovable properties aggregating to INR 113 Lakh (excluding incidental charges capitalized in books of accounts) for which original copy of tittle deeds was not made available by the company to us for verification purposes. Hence, we cannot comment upon the same.

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

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

ii.

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

(b) According to information and explanations given to us and on the basis of our examination of the records, the Company has not been 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 guarantees to any other entity. However, the company has not provided advances in the nature of loans or provided security to any other entity.

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The details of such guarantees and unsecured loans to provided 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	195,452	-	25,040	-
- Fellow Subsidiaries	1,234	-	834	-
Balance Outstanding as at balance sheet date in respect of above cases				
- Subsidiaries	195,452	-	22,790	-
- Fellow Subsidiaries	1,234	-	834	-

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 investments made, guarantees provided, securities given and/or grant of all loans are not prejudicial to the interest of the Company.

c. In case of the loans, schedule of repayment of principal and payment of interest have been stipulated. The principal has been renewed/extended by the Company and accordingly, principal is not due for repayment however, they have not been regular in the payment of interest to the Company. The details of the same are follows:

Name of the Entity	Amount (INR in Lakhs)	Due Date	Date of Payment	Remarks, if any
Azure Power (Karnataka) Private Limited	11	August 11, 2022	Payment is still Outstanding	No Remarks
Azure Power Infrastructure Private Limited	2	September 29, 2022	Payment is still Outstanding	No Remarks
Azure Power (Raj.) Private Limited	1	December 07, 2022	Payment is still Outstanding	No Remarks
Azure Sunrise Private Limited	33	May 19, 2022	Payment is still Outstanding	No Remarks
Azure Power Earth Private Limited	99	March 31, 2023	Payment is still Outstanding	No Remarks
Azure Power Jupiter Private Limited	804	March 31, 2023	Payment is still Outstanding	No Remarks
Azure Power Thirty Three Private Limited	186	March 31, 2023	Payment is still Outstanding	No Remarks
Azure Power Thirty Nine Private Limited	10	March 31, 2023	Payment is still Outstanding	No Remarks
Azure Power Forty Private Limited	1,060	June 17, 2022	Payment is still Outstanding	No Remarks
Azure Power Forty One Private Limited	1,920	April 04, 2022	Payment is still Outstanding	No Remarks
Azure Power Forty Three Private Limited	3,048	June 08, 2022	Payment is still Outstanding	No Remarks
Azure Power Rooftop (Genco.) Private Limited	20	October 07, 2022	Payment is still Outstanding	No Remarks
Azure Power Rooftop One Private Limited	23	October 07, 2022	Payment is still Outstanding	No Remarks

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Name of the Entity	Amount (INR in Lakhs)	Due Date	Date of Payment	Remarks, if any
Azure Power Rooftop Three Private Limited	6	October 07, 2022	Payment is still Outstanding	No Remarks
Azure Power Rooftop Five Private Limited	7	October 07, 2022	Payment is still Outstanding	No Remarks
Azure Power Maple Private Limited	642	May 11, 2022	Payment is still Outstanding	No Remarks
Azure Power Fifty Six Private Limited	4	March 11, 2023	Payment is still Outstanding	No Remarks
Azure Power Fifty Seven Private Limited	12	September 13, 2022	Payment is still Outstanding	No Remarks
Azure Power Fifty Eight Private Limited	30	March 23, 2023	Payment is still Outstanding	No Remarks

d. According to the information and explanation given to us and on the basis of our examination of the records of the company, the details of amount overdue for more than ninety days are as follows:

No. of Cases	Principal Amount overdue (INR in Lakhs)	Interest overdue (INR in Lakhs)	Total Overdue (INR in Lakhs)	Remarks
13	Nil	6,785	6,785	Company is in the process of recovering the outstanding amount.

e. The details of loan granted has fallen due during the year which has been renewed or extended are follows:

Name of the parties	Aggregate amount of loans or advances in the nature of loans granted during the year (INR in Lakhs)	Aggregate overdue amount settled by renewal or extension or by fresh loans granted to same parties (INR in Lakhs)	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Azure Power (Rajasthan) Private Limited	-	900	-
Azure Power (Karnataka) Private Limited	-	350	-
Azure Power Earth Private Limited	-	136	-
Azure Power Jupiter Private Limited	-	2,766	-
Azure Power Thirty Three Private Limited	-	344	-
Azure Power Thirty Nine Private Limited	-	34	-
Azure Power Forty Private Limited	-	3,930	-
Azure Power Forty One Private Limited	-	4,981	-
Azure Power Forty Three Private Limited	-	4,747	-
Azure Power Rooftop (GenCo.) Private Limited	512	225	44%
Azure Power Rooftop	205	252	123%

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Name of the parties	Aggregate amount of loans or advances in the nature of loans granted during the year (INR in Lakhs)	Aggregate overdue amount settled by renewal or extension or by fresh loans granted to same parties (INR in Lakhs)	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
One Private Limited			
Azure Power Rooftop Three Private Limited	-	67	-
Azure Power Rooftop Five Private Limited	117	78	67%
Azure Power Maple Private Limited	10,790	13,040	121%
Azure Power Fifty Seven Private Limited	-	160	-
Azure Power Fifty Eight Private Limited	2,900	175	6%

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 Act 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 the records of the Company examined by us, in our opinion, 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 have been regularly deposited by the Company with appropriate authorities in all cases during the year.

There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employee's state insurance, income- tax, service tax, duty of customs, duty of excise, cess, and other statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they become payable.

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(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, 2023 on account of any dispute, are as follows:

Name of the Statute	Nature of the Dues	Amount Demanded (INR in Lakhs)	Amount Paid (INR in Lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
South Delhi Municipal Corporation	Property Tax	846	-	From FY 2004-05 to FY 2020-21	High Court of Delhi	No Remarks
Andhra Pradesh Act on Entry of Goods Act, 2001	Entry Tax	1,130	-	FY 2016-17	High Court of Andhra Pradesh	No Remarks
Andhra Pradesh Act on Entry of Goods Act, 2001	Entry Tax	2,246	-	FY 2017-18	High Court of Andhra Pradesh	No Remarks
Goods and Service Tax Act, 2017	Goods and Service Tax	193	19	FY 2017-18	Appellate Authority	No Remarks
Goods and Service Tax Act, 2017	Goods and Service Tax	342	34	FY 2018-19	Appellate Authority	No Remarks
Goods and Service Tax Act, 2017	Goods and Service Tax	109	11	FY 2019-20	Appellate Authority	No Remarks

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

ix.

(a) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not taken any loan from any bank or financial institution or government or any government authority. Accordingly, the provision stated in paragraph 3(ix)(b) of the Order is not applicable to the Company.

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

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

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(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 and explanations given to us and based on our examination of the records of the Company, the Company has made private placement of shares during the year and the requirements of Section 42 and Section 62 of the Act have been complied with. The amount raised has been used for the purposes for which they were raised.

xi.

(a) 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, we were informed of several allegations which the Group has received through the whistle blower mechanism set up at the group level which has been considered by us for any bearing on our audit and reporting under this clause. However, there is no allegation which pertains to the Company. Refer to Para 1 of the 'Basis of Qualified Opinion' paragraph in Independent Auditor's Report.

(b) Since no allegation reported above in clause (a) pertains to the Company, reporting to the Central Government in accordance with the provisions of Section sub-section (12) of section 143 of the Companies Act is not applicable.

(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. Refer to Para 1 of the 'Basis of Qualified Opinion' paragraph in Independent Auditor's Report.

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

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

xiv.

(a) The internal audit of the Company is covered under the group internal audit pursuant to which an internal audit is carried out every year. In our opinion, read with our opinion in Annexure B to the Independent Auditor's Report, the Company did not have an internal audit system commensurate with its size and nature of its business.

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

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

Particulars	**March 31, 2023 (Current financial Year) INR in Lakh**	**March 31, 2022 (Previous financial Year) INR in Lakh**
Cash Losses	7,829	8,250

xviii. There has been resignation of the statutory auditor during the year and we have taken into consideration of issues, objections or concerns raised by the outgoing auditor.

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, due to losses during the three immediately preceding financial years, the Company was not obligated to spend on CSR activities. Further, there are no unspent amounts which are required to be transferred either to a Fund or to a Special Account as per the provisions of Section 135 of the Act read with schedule VII. Hence, reporting under paragraph (xx)(a) to (b) of the order is not applicable to the Company.

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

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

K Nithyananda Kamath
Partner
Membership No. 027972

UDIN: 24027972BKCRHQ8888

Place: Gurugram
Date: April 29, 2024

Annexure – B to the Independent Auditors' Report

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

Adverse Opinion

We have audited the internal financial controls with reference to the standalone financial Statements of Azure Power India Private Limited (hereinafter referred to as "the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial Statements of the Company for the year ended on that date. The Group works on a common control environment accordingly, the controls have been designed to operate at a group level irrespective of whether certain controls in respect of particular process may not be applicable during the year for a particular subsidiary.

In our opinion, because of the possible effects of the material weaknesses described below in the Basis for Adverse Opinion section of our report on the achievement of the objectives of the control criteria, the Company has not maintained adequate internal financial controls with reference to standalone financial Statements and such internal financial controls were not operating effectively as of March 31, 2023, based on the internal control with reference to standalone financial Statements criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Basis for Adverse Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2023:

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

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

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

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

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

We have considered the material weaknesses identified and reported in point no (a), (b), and (c) above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial Statements of the Company for the year ended March 31, 2023, and these material weaknesses have affected our opinion on the standalone financial Statements of the Company and we have issued a qualified opinion on the standalone financial Statements with respect to these matters.

ASA & Associates LLP
Chartered Accountants

We have considered the material weaknesses identified and reported in point no (d) and (e) above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial Statements of the Company for the year ended March 31, 2023, and these material weaknesses do not affect our opinion on the standalone financial Statements of the Company with respect to these matters.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls With reference to Standalone financial Statements

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

ASA & Associates LLP
Chartered Accountants

Inherent Limitations of Internal Financial Controls With reference to Standalone financial Statements

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

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

K Nithyananda Kamath
Partner
Membership No. 027972

ASA & Associates LLP
Chartered Accountants

UDIN: 24027972BKCRHQ8888

Place: Gurugram
Date: April 29, 2024

Azure Power India Private Limited
CIN: U40106DL2008PTC174774
Standalone Balance Sheet as at March 31, 2023
(All amount in INR lakhs, unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	3	1,40,954	1,47,116
Capital work-in-progress	3	823	1,047
Right-of-use assets	31	4,802	4,031
Intangible assets	4	6	37
Non-current Investments	4A	3,27,701	3,26,716
Financial assets	5		
- Investments in equity shares	5.1	4,550	961
- Trade receivables	5.2	40,240	40,805
- Loans	5.3	15,929	37,830
- Other financial assets	5.4	43,769	37,668
Deferred tax assets (net)	16	7,804	10,381
Income tax assets (net)	6	30	3,941
Other non current assets	7	10,912	1,118
Total non-current assets		**5,97,520**	6,11,651
Current assets			
Current Investments	4A	-	260
Financial assets			
- Trade receivables	8.1	23,746	20,014
- Cash and cash equivalents	8.2	18,158	38,114
- Other bank balances	8.3	42,961	18,927
- Loans	8.4	79,258	1,00,094
- Other current financial assets	8.5	37,826	27,160
Other current assets	9	4,005	7,941
Total current assets		**2,05,954**	**2,12,510**
Total assets		**8,03,474**	8,24,161
Equity and liabilities			
Equity			
Equity share capital	10	692	686
Other equity	11	4,95,591	5,11,702
Total equity		**4,96,283**	5,12,388
Non-current liabilities			
Financial liabilities			
- Borrowings	12.1	1,99,554	2,28,769
- Lease liabilities	31	3,200	3,033
- Other financial liabilities	12.2	6,292	4,278
Provisions	13.1	1,137	1,779
Other non-current liabilities	13.3	8,328	8,768
Total non-current liabilities		**2,18,511**	2,46,627
Current liabilities			
Financial liabilities			
- Borrowings	14.1	49,739	36,436
- Lease liabilities	31	392	373
- Trade payables			
Total outstanding dues of micro enterprises and small enterprises	14.2	293	252
Total outstanding dues of creditors other than micro enterprises and small enterprises	14.2	5,052	8,067
- Other current financial liabilities	14.3	13,618	18,086
Provisions	13.2	17,939	354
Other current liabilities	15	1,647	1,578
Total current liabilities		**88,680**	65,146
Total liabilities		**3,07,191**	3,11,773
Total equity and liabilities		**8,03,474**	8,24,161
See accompanying notes to the financial statements	2.2 - 53		

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

As per our report of even date

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

ASA & Associates LLP Chartered Accountants

K Nithyananda Kamath
Partner
Membership No: 027971
Place : Gurugram
Date : April 29, 2024

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

Sunil Gupta
Managing Director
DIN: 07095152
Place: Gurugram
Date : April 29, 2024

Sugata Sircar
Director
DIN: 01119161
Place: Gurugram
Date : April 29, 2024

Kapil Sharma
Company Secretary
Place: Gurugram
Date : April 29, 2024

AZURE POWER INDIA PRIVATE LIMITED New Delhi

Azure Power India Private Limited
Standalone Statement of Profit and Loss for the year ended March 31, 2023
(All amount in INR lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue			
Revenue from operations	17	33,092	32,365
Finance income	18.1	18,557	18,127
Other income	18.2	7,045	5,074
Total revenue		**58,694**	55,566
Expenses			
Construction, sub contracting and other site expenses	19	-	430
Employee benefits expense	20	6,829	5,852
Depreciation and amortisation expense	21	5,325	5,635
Finance costs	22	24,010	39,391
Other expenses	23	40,482	18,699
Total expenses		**76,646**	70,007
Loss before tax		**(17,952)**	(14,441)
Tax expense:			
Current tax expense		2,083	-
Deferred tax charge/ (credit)	16	1,960	(5,668)
Total tax expense/ (benefit)		**4,043**	(5,668)
Loss after tax		**(21,995)**	**(8,773)**
Other comprehensive income			
Items that will be reclassified to profit or loss			
Net movement on cash flow hedge reserve		1,565	1,619
Income tax effect on cash flow hedge reserve	16	(553)	(559)
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans	35	183	(19)
Income tax effect on re-measurement gains/(losses) on defined benefit plans	16	(64)	10
Total other comprehensive income		**1,131**	1,051
Total comprehensive (expense)		**(20,864)**	**(7,722)**
Earnings per equity share: [Nominal value of share: INR 10 (March 31, 2022: INR 10)]			
(1) Basic earnings per share (in INR)	24	(317.97)	(180.20)
(2) Diluted earnings per share (in INR)	24	(317.97)	(180.20)
See accompanying notes to the financial statements	2.2 - 53		

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

As per our report of even date

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

ASA & Associates LLP Chartered Accountants

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

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

Sunil Gupta
Managing Director
DIN: 07095152
Place: Gurugram
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DIN: 01119161
Place: Gurugram
Date : April 29, 2024

Kapil Sharma
Company Secretary
Place: Gurugram
Date : April 29, 2024

Azure Power India Private Limited New Delhi

Azure Power India Private Limited
Standalone Statement of Cash Flows for the year ended March 31, 2023
(All amount in INR lakhs, unless otherwise stated)

			For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Cash flow from operating activities**			
	Loss before tax		(17,952)	(14,441)
	Adjustment for :			
	Depreciation and amortisation expense		5,325	5,635
	Interest income		(18,557)	(18,127)
	Reversal of Share based payment liability		(6,333)	(2,806)
	Foreign exchange fluctuation (net)		271	731
	Amortisation of Performance bank guarantee		40	40
	Amortisation of extension charges		14	14
	Miscellaneous income		(18)	(16)
	Liabilities no longer required written back		(135)	(1,861)
	Provision for doubtful assets		6,804	2,616
	Advances written off		452	92
	Inter company balances written off		-	1,034
	Allowance for doubtful debts		5,388	196
	Provision against impairment of assets		-	289
	Deferred revenue		(428)	(423)
	Loss on account of modification of contactual cash flows		84	-
	Allowance for doubtful trade receivables written back		(43)	-
	Impairment expense		392	
	Provision for diminution in value of investments		-	167
	Assets written off		375	467
	Finance costs		24,010	39,391
	Operating (loss)/profit before working capital changes		**(311)**	12,998
	Changes in working capital:			
	(Increase) in other non-current assets		(136)	(2)
	Decrease/ (increase) in other current assets		3,484	(4,064)
	(Increase) in trade receivables		(7,467)	(2,597)
	(Increase) in other current and non-current financial assets		(4,678)	(16,667)
	(Increase)/ decrease in trade payables		(3,114)	6,998
	Increase in other current and non current financial liabilities		1,487	3,708
	Increase/(decrease) in other current liabilities		57	(5,280)
	Increase in current and non-current provisions		17,723	196
	Cash generated from/ (used in) operations		**7,045**	(4,710)
	Income taxes (paid)/ received (net of refund)		1,739	(1,472)
	Net cash from/ (used in) operating activities	(A)	**8,784**	(6,182)
B	**Cash flow from investing activities**			
	Purchases of property, plant and equipment (including capital work in progress, capital advances and capital creditors)		(12,451)	(75)
	Disposal of property, plant and equipment		1,392	144
	Purchase of intangible assets		(16)	(38)
	Interest received		5,540	13,266
	Loans and advances given to subsidiaries/ fellow subsidiaries (refer note 26)		(25,874)	(1,85,034)
	Loans and advances repaid by subsidiaries/ fellow subsidiaries (refer note 26)		66,092	1,13,161
	Investment in equity shares of subsidiaries (refer note 26)		(1,004)	(20,741)
	Investment in equity shares of others		(3,588)	(938)
	Proceeds from disposal of subsidiaries		221	5,304
	Net investment in bank deposits (having the original maturity of more than three months)		(25,957)	(12,484)
	Net cash from/ (used in) investing activities	(B)	**4,355**	(87,435)
C	**Cash flow from financing activities**			
	Net proceeds from issue of equity shares (including securities premium)		4,629	1,73,097
	Net proceeds from non-current borrowings		81	2,26,198
	Repayment of non-current borrowings		(30,678)	(2,49,171)
	Repayment of current borrowings		-	(15,155)
	Proceeds from non-current borrowings from subsidiaries/ fellow subsidiaries (refer note 26)		10,800	54,321
	Repayment of non-current borrowings from subsidiaries/ fellow subsidiaries (refer note 26)		-	(45,174)
	Repayment of current borrowings from subsidiaries/ fellow subsidiaries (refer note 26)		-	(172)
	Finance costs paid		(17,364)	(28,852)
	Payment of lease liabilities		(563)	(399)
	Net cash (used in)/ from financing activities	(C)	**(33,095)**	1,14,693
	Net (decrease)/ increase in cash and cash equivalents	(A)+(B)+(C)	**(19,956)**	21,076
	Cash and cash equivalents at the beginning of the year		38,114	17,038
	Cash and cash equivalents at the end of the year		**18,158**	38,114
	Balances with scheduled banks:			
	- In current accounts		2,175	20,203
	- Deposits with original maturity of less than 3 months		15,983	17,911
	Total cash and cash equivalents (refer note 8.2)		**18,158**	38,114

ASA & Associates LLP Chartered Accountants

Azure Power India Private Limited New Delhi

(All amount in INR lakhs, unless otherwise stated)

Change in liabilities arising from financing activities

Particulars	Opening balance as at April 01, 2022	Cash flow (net)	Change in foreign exchange rate	Other changes*	Closing balance as at March 31, 2023
Non-current borrowings (including current maturities)	2,65,205	(19,797)	3,416	469	2,49,293
Lease liabilities (including current lease)	3,406	(186)	-	372	3,592
Total liabilities from financing activities	**2,68,611**	**(19,983)**	**3,416**	**841**	**2,52,885**

Particulars	Opening balance as at April 01, 2021	Cash flow (net)	Change in foreign exchange rate	Other changes*	Closing balance as at March 31, 2022
Non-current borrowings (including current maturities)	2,72,446	(13,826)	2,111	4,474	2,65,205
Current borrowings	15,327	(15,327)	-	-	-
Lease liabilities (including current lease)	3,502	(399)	-	303	3,406
Total liabilities from financing activities	2,91,275	(29,552)	2,111	4,777	2,68,611

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

Notes:

1 The Cash Flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) on "Statement of Cash Flows" referred to Section 133 of Companies Act 2013.

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

See accompanying notes to the financial statements 2.2 - 53

As per our report of even date

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

ASA & Associates LLP Chartered Accountants

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

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

CIN: U40106DL2008PTC174774

Sunil Gupta
Managing Director
DIN: 07095152
Place: Gurugram
Date : April 29, 2024

Sugata Sircar
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Place: Gurugram
Date : April 29, 2024

Kapil Sharma
Company Secretary
Place: Gurugram
Date : April 29, 2024

Azure Power India Private Limited New Delhi

Azure Power India Private Limited
Standalone Statement of Changes in Equity for the year ended March 31, 2023
(All amount in INR lakhs, unless otherwise stated)

A. Equity share capital

	Number of shares	Share capital
For the year ended March 31, 2023		
Equity shares of INR 10 each issued, subscribed and fully paid		
At April 01, 2022	68,58,979	686
Changes in equity share capital during the year	61,640	6
At March 31, 2023	**69,80,619**	**692**
For the year ended March 31, 2022		
Equity shares of INR 10 each issued, subscribed and fully paid		
At April 01, 2021	45,51,443	455
Changes in equity share capital during the year	23,07,536	231
At March 31, 2022	68,58,979	686

B. Other equity

For the year ended March 31, 2023:

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

For the year ended March 31, 2022:

Particulars	Deemed capital contribution by parent - ESOP reserve	Reserves and surplus		Items of other comprehensive income		Total equity
		Surplus/(Deficit) in the statement of profit and loss	Securities premium reserve*	Cash flow hedge reserve	Defined benefit plans	
At April 01, 2021	2,457	11,093	3,33,736	(1,595)	(61)	3,45,630
Loss for the year	-	(8,773)	-	-	-	(8,773)
Other comprehensive income/ (expense) (net of tax)	-	-	-	1,060	(9)	1,051
Total comprehensive income/ (expense)	2,457	2,320	3,33,736	(535)	(70)	3,37,908
Securities premium on issue of equity shares during the year, net of share issues expesnes (refer note 10)	-	-	1,72,866	-	-	1,72,866
Deemed capital contribution by parent on account of employee stock option plan (refer note 25)	928	-	-	-	-	928
At March 31, 2022	3,385	2,320	5,06,602	(535)	(70)	5,11,702

*The amount is net of share issue expenses.

See accompanying notes to the financial statements 2.2 - 53

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

As per our report of even date

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

ASA & Associates LLP Chartered Accountants

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

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

Sunil Gupta
Managing Director
DIN: 07095152
Place: Gurugram
Date : April 29, 2024

Sugata Sircar
Director
DIN: 01119161
Place: Gurugram
Date : April 29, 2024

Kapil Sharma
Company Secretary
Place: Gurugram
Date : April 29, 2024

AZURE POWER INDIA PRIVATE LIMITED New Delhi

1. Corporate information

Azure Power India Private Limited ("the Company") is a private Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is a subsidiary of Azure Power Global Limited ("APGL or Holding Company or Parent"). The Company, Holding Company along with its subsidiaries are collectively referred as "Group". The registered office of the company is located at Unit no. 409 & 410, 4th Floor, Southern Park, D-II, Saket Place, Saket, 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. Significant accounting policies

2.1 Basis of preparation

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

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

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

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

2.2 Summary of significant accounting policies

a) Use of Estimates

The preparation of 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.

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b) Current versus non-current classification

The Company presents assets and liabilities in the 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 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 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.

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(INR amount in lakhs, unless otherwise stated)

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 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.

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 previous year, the Company basis the technical assessment, have 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 statement of profit and loss in the period in which the expenditure is incurred.

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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 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 statement of profit and loss when the asset is derecognized.

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 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.

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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 respective asset if the recognition criteria for a provision are met. Refer to note 41 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

h) Borrowing costs

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

i) Financial instruments

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

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Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the 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 statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss.

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

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

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

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

Debt instrument included within FVTPL category are measured at fair value with all changes recognised in the 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 period is recognised as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The 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 balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

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

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Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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Reclassification of financial assets and financial liabilities

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

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

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

Offsetting of financial instruments

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

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Derivative financial instruments and hedge accounting

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

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

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to 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 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 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 statement of profit and loss. These derivatives are not held for speculative or trading purposes.

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

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k) Revenue recognition

Revenue from contracts with customers

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

Sale of power

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

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

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

Income from carbon credit emission

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

Revenue from supply erection and installation contracts

The Company considers whether there are promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. For contracts relating to the construction of solar projects under development, the Company is responsible for the overall management of the project and identifies various goods and services to be provided, including Design and Engineering Work, Procurement and supply of materials, site preparation and foundation, erection and installation of solar power equipment, performance testing and commissioning. The Company accounts for these items as a single performance obligation because it provides composite service of integrating the goods and services (the inputs) into the completed project (the combined output) which the customer has contracted to buy.

For contracts that meet the over time revenue recognition criteria, the Company's performance is measured using an Input method, by reference to the costs Incurred to the satisfaction of a performance obligation relative to the total expected inputs to the completion of the project. The Company excludes the effect of any costs incurred that do not contribute to the Company's performance in transferring control of goods or services to the customer (such as

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unexpected amounts of wasted materials, labour or other resources) and adjusts the input method for any costs incurred that are not proportionate to the Company's progress in satisfying the, performance obligation (such as uninstalled materials).

Contract revenue earned in excess of billing has been reflected under other current assets and billing in excess of contract revenue has been reflected under current liabilities in the balance sheet.

Liquidated damages / penalties are provided for based on management's assessment of the estimated liability as per contractual terms and / or acceptances. Possible liquidated damages which can be levied by customers for delay in execution of project are accounted for as and when they are levied by the customer.

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

Income from services

Revenue from maintenance contracts are recognised as and when services are rendered.

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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 statement of profit and loss.

Dividends

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

Application of interpretation for Service Concession Arrangements (SCA)

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

l) Government grants

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

Government grant relating to income are deferred and recognised in the 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 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.

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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 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 statement of profit and loss are also recognised in other comprehensive income or 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 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 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

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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 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 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:

- 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

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- 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 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 Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

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p) Segment reporting

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

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

q) Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for share options of the parent company (equity-settled transactions). Incremental fair value of the stock option granted relating to already vested options is recognised in the 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 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

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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 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 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.

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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 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 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.

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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 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 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 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 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.

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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 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 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 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 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 financial statements areas.

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y) Trade Payables

These amounts represents 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.

aa) Changes in accounting policy and disclosures – New and amended standards

i. Other amendments

A number of minor amendments to existing standards also became effective on April 01, 2022 and have been adopted by the Company. The adoption of these new accounting pronouncements did not have a significant impact on the accounting policies, method of computation or presentation applied by the Company.

ii. Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are not expected to have a significant impact on the Company's financial statements. The Company has not early adopted any amendment, standard or interpretation that has been issued but is not yet effective. Refer the note 45- "Standards notified but not yet effective" in Notes to Financial Statements.

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Notes to standalone financial statements for the year ended March 31, 2023
(INR amount in lakhs, unless otherwise stated)

3. Property, plant and equipment

	Freehold land	Plant and machinery	Furniture and fixtures	Vehicles	Computers	Office equipment	Leasehold improvements	Building	Total	Capital work in progress
Gross block at cost										
At April 1, 2021	1,453	1,70,744	91	694	837	205	1,352	7,854	**1,83,230**	518
Additions	-	269	-	93	49	2	48	3	**464**	790
Disposals/ adjustments	-	(655)	-	-	-	-	-	-	**(655)**	(261)
At March 31, 2022	1,453	1,70,358	91	787	886	207	1,400	7,857	1,83,039	1,047
Additions	-	741	-	86	98	1	-	-	**926**	24
Disposals/ adjustments	-	(1,969)	-	(69)	(1)	-	-	-	**(2,039)**	(248)
Impairment	-	(335)	-	-	-	-	-	-	**(335)**	-
At March 31, 2023	**1,453**	**1,68,795**	**91**	**804**	**983**	**208**	**1,400**	**7,857**	**1,81,591**	**823**
Accumulated depreciation										
At April 1, 2021	-	27,639	68	358	657	149	1,198	941	**31,010**	-
Charge for the year	-	4,591	14	67	95	22	43	217	**5,049**	-
Disposals/ adjustments	-	(136)	-	-	-	-	-	-	**(136)**	-
At March 31, 2022	-	32,094	82	425	752	171	1,241	1,158	35,923	-
Charge for the year	-	4,556	3	76	75	18	40	218	**4,986**	-
Disposals/ adjustments	-	(262)	-	(9)	(1)	-	-	-	**(272)**	-
At March 31, 2023	-	**36,388**	**85**	**492**	**826**	**189**	**1,281**	**1,376**	**40,637**	-
Net block										
At March 31, 2023	**1,453**	**1,32,407**	**6**	**312**	**157**	**19**	**119**	**6,481**	**1,40,954**	**823**
At March 31, 2022	1,453	1,38,264	9	362	134	36	159	6,699	1,47,116	1,047

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

Capital work in progress (CWIP) Ageing Schedule

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

As at March 31, 2022	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	743	12	34	258	1,047
Total	743	12	34	258	1,047

Note:
1. As at March 31, 2023 and March 31, 2022, there is no CWIP whose completion is overdue or has exceeded its cost compared to original plan.
2. Refer note 12.1 and 14.1 for information on property, plant and equipment pledged as security by the Company.

4. Intangible assets

	Software	Total
Gross carrying amount		
At April 01, 2021	1,675	1,675
Additions	38	38
At March 31, 2022	1,713	1,713
Additions	16	16
At March 31, 2023	**1,729**	**1,729**
Accumulated amortisation		
At April 01, 2021	1,425	1,425
Charge for the year	251	251
At March 31, 2022	1,676	1,676
Charge for the year	47	47
At March 31, 2023	**1,723**	**1,723**
Net block		
At March 31, 2023	**6**	**6**
At March 31, 2022	37	37

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AZURE POWER INDIA PRIVATE LIMITED New Delhi

(All amount in INR lakhs, unless otherwise stated)

		As at March 31, 2023	As at March 31, 2022
4A. Non-current investments			
Investment in equity shares of subsidiaries (at cost and unquoted)			
1,26,523 shares (March 31, 2022: 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 shares (March 31, 2022: 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, 2022: 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, 2022: 98,873) equity shares of INR 10/- each fully paid up in Azure Power (Rajasthan) Private Limited#		2,591	2,591
1,04,532 shares (March 31, 2022: 1,04,532) equity shares of INR 10/- each fully paid up in Azure Urja Private Limited#		6,335	6,335
44,898 shares (March 31, 2022: 44,898) equity shares of INR 10/- each fully paid up in Azure Surya Private Limited#		1,523	1,523
37,776 shares (March 31, 2022 : 37,776) equity shares of INR 10/- each fully paid up in Azure Power (Karnataka) Private Limited#		1,001	1,001
3,40,458 shares (March 31, 2022: 3,40,458) equity shares of INR 10/- each fully paid up in Azure Photovoltaic Private Limited#		8,989	8,989
1,96,054 shares (March 31, 2022: 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 shares (March 31, 2022: 4,17,742) equity shares of INR 10/- each fully paid up in Azure Power (Raj.) Private Limited#		9,115	9,115
56,402 shares (March 31, 2022: 56,402) equity shares of INR 10/- each fully paid up in Azure Green Tech Private Limited#		7,059	7,059
46,354 shares (March 31, 2022: 46,354) equity shares of INR 10/- each fully paid up in Azure Clean Energy Private Limited#		6,581	6,581
2,16,325 shares (March 31, 2022: 2,16,325) equity shares of INR 10/- each fully paid up in Azure Sunrise Private Limited#		9,100	9,100
56,335 shares (March 31, 2022: 56,335) equity shares of INR 10/- each fully paid up in Azure Sunshine Private Limited#		3,509	3,509
4,59,770 shares (March 31, 2022: 4,59,770) equity shares of INR 10/- each fully paid up in Azure Power Earth Private Limited#		17,154	17,154
71,445 shares (March 31, 2022: 71,445) equity shares of INR 10/- each fully paid up in Azure Power Eris Private Limited#		2,205	2,205
85,374 shares (March 31, 2022: 85,374) equity shares of INR 10/- each fully paid up in Azure Power Jupiter Private Limited#		3,757	3,757
2,68,474 shares (March 31, 2022: 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 shares (March 31, 2022: 1,24,583) equity shares of INR 10/- each fully paid up in Azure Power Mars Private Limited#		1,101	1,101
2,38,438 shares (March 31, 2022: 2,38,438) equity shares of INR 10/- each fully paid up in Azure Power Mercury Private Limited* #		816	816
7,76,874 shares (March 31, 2022: 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 shares (March 31, 2022: 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 shares (March 31, 2022: 1,65,135) equity shares of INR 10/- each fully paid up in Azure Power Venus Private Limited#		5,028	5,028
6,99,499 shares (March 31, 2022: 6,99,499) equity shares of INR 10/- each fully paid up in Azure Power Saturn Private Limited* #		2,043	2,043
9,28,836 shares (March 31, 2022: 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 shares (March 31, 2022: 29,52,087) equity shares of INR 10/- each fully paid up in Azure Power Thirty Four Private Limited#		15,904	15,904
Nil shares (March 31, 2022: 1,00,000) equity shares of INR 10/- each fully paid up in Azure Power Thirty Five Private Limited***		-	10
1,17,446 (March 31, 2022: 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 shares (March 31, 2022: 36,40,673) equity shares of INR 10/- each fully paid up in Azure Power Thirty Seven Private Limited#		5,607	5,607
1,20,402 shares (March 31, 2022: 1,20,402) equity shares of INR 10/- each fully paid up in Azure Power Thirty Eight Private Limited* #		1,945	1,945
86,765 shares (March 31, 2022: 86,765) equity shares of INR 10/- each fully paid up in Azure Power Thirty Nine Private Limited		604	604
26,32,123 shares (March 31, 2022: 26,32,123) equity shares of INR 10/- each fully paid up in Azure Power Forty Private Limited#		13,684	13,684
10,82,632 shares (March 31, 2022: 10,82,632) equity shares of INR 10/- each fully paid up in Azure Power Forty One Private Limited##		28,992	28,992
Nil shares (March 31, 2022: 90,000) equity shares of INR 10/- each fully paid up in Azure Power Forty Two Private Limited***		-	9
12,22,477 shares (March 31, 2022: 12,22,477) equity shares of INR 10/- each fully paid up in Azure Power Forty Three Private Limited#		34,191	34,191
1,45,449 shares (March 31, 2022: 1,45,449) equity shares of INR 10/- each fully paid up in Azure Power Forty Four Private Limited* #		2,333	2,333
27,56,629 shares (March 31, 2022: 27,56,629) equity shares of INR 10/- each fully paid up in Azure Power Maple Private Limited#		21,967	21,967
15,43,001 shares (March 31, 2022: 15,43,001) equity shares of USS 1 each fully paid up in Azure Power US Inc.		951	951
46,04,457 shares (March 31, 2022: 33,99,638) equity shares of INR 10/- each fully paid up in Azure Power Fifty One Private Limited		3,099	2,099
13,26,537 shares (March 31, 2022: 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 shares (March 31, 2022: 1,09,999) equity shares of INR 10/- each fully paid up in Azure Power Fifty Three Private Limited (refer note 52)		11	11
9,999 shares (March 31, 2022: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Fifty Four Private Limited (refer note 52)		1	1
1,09,999 shares (March 31, 2022: 1,09,999) equity shares of INR 10/- each fully paid up in Azure Power Fifty Six Private Limited		11	11
9,999 shares (March 31, 2022: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Fifty Seven Private Limited		1	1
9,999 shares (March 31, 2022: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Fifty Eight Private Limited		1	1
9,999 shares (March 31, 2022: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Fifty Nine Private Limited (refer note 52)		1	1
9,999 shares (March 31, 2022: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Sixty Private Limited (refer note 52)		1	1
9,999 shares (March 31, 2022: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Sixty two Private Limited (refer note 52)		1	1
9,999 shares (March 31, 2022: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Sixty One Private Limited		1	1
9,999 shares (March 31, 2022: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Sixty three Private Limited		1	1
9,999 shares (March 31, 2022: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Sixty four Private Limited		1	1
9,999 shares (March 31, 2022: 9,999) equity shares of INR 10/- each fully paid up in Kotuma Wind Parks Private Limited		1	1
9,999 shares (March 31, 2022: 9,999) equity shares of INR 10/- each fully paid up in Two Wind Energy Private Limited		1	1
9,999 shares (March 31, 2022: Nil) equity shares of INR 10/- each fully paid up in Azure Energy Transition Private Limited		1	-
9,999 shares (March 31, 2022: Nil) equity shares of INR 10/- each fully paid up in Azure Power Sixty Five Private Limited		1	-
9,999 shares (March 31, 2022: Nil) equity shares of INR 10/- each fully paid up in Azure Power Sixty Six Private Limited		1	-
9,999 shares (March 31, 2022: Nil) equity shares of INR 10/- each fully paid up in Azure Green Hydrogen Private Limited		1	-
Total	**(A)**	**3,20,836**	3,19,851
Investment in Compulsorily Convertible Debentures (CCD) of subsidiaries (at cost)			
3,20,758 (March 31, 2022: 3,20,758) CCD in Azure Power Thirty Seven Private Limited		8,500	8,500
1,70,183 (March 31, 2022: 1,70,183) CCD in Azure Power Forty Three Private Limited		5,000	5,000
Total	**(B)**	**13,500**	13,500
Investment in equity shares of Associates (at cost)			
Nil shares (March 31, 2022: 2600) equity shares of INR 10/- each fully paid up in Waaree Power Private Limited**		-	0
Total	**(C)**	-	0
Less:-			
Provision for diminution in value of investments (refer note 23 and 44)		6,635	6,635
Total	**(D)**	**6,635**	6,635
Total	**(A+B-C-D)**	**3,27,701**	3,26,716
Aggregate value of unquoted investments		3,34,336	3,33,351
Aggregate amount of impairment in value of investments		6,635	6,635

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Azure Power India Private Limited
New Delhi

		As at March 31, 2023	As at March 31, 2022

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

* Refer note 44.

** During the year ended March 31, 2020, the Company won a tender issued by Solar Energy Corporation of India Limited (SECI). Pursuant to the terms of the tender, the Company had agreed to a firm purchase commitment with a solar module manufacturer i.e. Waaree Power Private Limited to procure 2,800 MWs of modules. Pursuant to the terms of the tender, the Company had entered into a joint venture agreement on January 6, 2020 with a Waaree Power Private Limited to establish a manufacturing facility with a capacity of manufacturing 500 MW Solar PV Modules per annum. Accordingly, the Company had invested INR 0.26 lakhs to acquire 26% of the equity shares in a newly formed company incorporated as part of the joint venture agreement to establish a manufacturing facility (investee) and is committed to further invest 26% of the equity required for construction of the manufacturing facility, and additionally procure modules. During the year ended March 31, 2023, the company has entered into a termination agreement with Waaree for the termination of the said contract and has accrodingly recorded a loss on termination of contract amounting to INR 5,395 lakhs during the previous year ended March 31, 2022 (refer note 23).

*** During the current year, application has been made to the Registrar of Companies (ROC) for striking off the names of these entites from the register of companies maintained by ROC and approval for the same has been received.

Current investments			
Investment in equity shares of subsidiaries (at fair value and unquoted) (refer note 44)			
Nil shares (March 31, 2022: 75,623) equity shares of INR 10/- each fully paid up in Azure Sun Energy Private		-	635
Total	A	-	635
Less:-			
Provision for diminution in value of investments (refer note 23 and 44)		-	375
Total	B	-	375
Total	(A-B)	-	260
Aggregate value of unquoted investments		-	635
Aggregate amount of impairment in value of investments		-	375

#51% of investment made by the company in the subsidiaries is pledged against borrowing taken by the respective subsidiaries.

5 Non-current financial assets

5.1 Investment in equity shares

Investment in equity shares of others (at fair value through profit and loss)		
5,61,921 equity shares (March 31, 2022: 3,96,206) of INR 10/- each fully paid up in Premier Energies International Private Limited (earlier known as Azure Power Fifty- Five Private Limited) ****	1,365	961
13,00,000 compulsorily convertible debentures (March 31, 2022: Nil) of INR 245/- each fully paid up in Premier Energies International Private Limited (earlier known as Azure Power Fifty- Five Private Limited) ****	3,185	-
Total	4,550	961

**** During the previous year ended March 31, 2022, the Company has entered into a non-binding obligation with M/s Premier Energies limited ("Premier/ Manufacturer"), a solar module manufacturing company, relating to execution of tender received from SECI. The Company has invested INR 937 lakhs in equity shares of the entity for its 26% of the equity shares of an entity, where Premier have invested in 74% of equity shares. During the year ended March 31, 2023, the Company has further invested INR 429 lakhs in equity shares (without dividend rights) and INR 3,185 lakhs in compulsorily convertible debentures of Premier. During the current year, the Company has entered into related module supply agreements and share and debentures subscription agreements with Premier. The Company is entitled for return of 10% p.a. on investment made under the agreement. During the current year, the Company has recognised income of INR 409 lakhs (INR 24 lakhs during March 31, 2022) on the investment.

5.2 Trade receivables

Carried at amortised cost		
Unsecured, considered good		
Trade receivables-subsidiaries (refer note 26)	32,254	32,254
Trade receivables-others	7,986	8,551
Total trade receivables	**40,240**	40,805
Break-up for trade receivables		
From others		
Undisputed trade receivables, considered good	40,240	40,805
Undisputed trade receivables, credit impaired	18	49
Total	**40,258**	40,854
Impairment allowance doubtful trade receivable (refer note 38)		
Undisputed trade receivables, credit impaired	(18)	(49)
Total	**40,240**	40,805

Trade receivables Ageing Schedule

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

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Azure Power India Private Limited New Delhi

Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2023
(All amount in INR lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022

As at March 31.2022	Unbilled receivables*	Non-current but not due**	Outstanding for following periods from due date of payment: Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables, considered good	8,551	32,254	-	-	-	-	-	40,805
Undisputed trade receivables, credit impaired	49	-	-	-	-	-	-	49
	8,600	32,254	-	-	-	-	-	40,854

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 customer.
** Non-Current but not due represent receivables which aren't due as per credit terms agreed with the customer.
(i) Trade receivable are considered as non current pursuant to the restrictions under the bond indenture of Senior notes/Green bond issued by certain subsidiaries of Holding Company, referred as entities of the Restricted Group and will be settled post maturity of such Senior notes/ Green Bond. These balances are undisputed and are considered good.
(ii) Trade receivables includes Safeguard duty (SGD) /GST receivables as at March 31, 2023 amounting to INR 8,004 lakhs (March 31, 2022 INR 8,600 lakhs). The company has recognised Safeguard Duty (SGD) claim in accordance with approval from Solar Exchange Corporation of India (SECI) & Central Electricity Regulatory Commission (CERC) in relation to 200 MW, Solar Power project located in Bhadla, stated that the total payment of compensation on account of SGD/GST amounting to INR 10,890 lakhs which shall be payable in form of monthly annuity amounting to INR 122 lakhs considering discount rate of 10.41% for a period of 13 years and balance payment in form of upfront amounting to INR 947 lakhs has already been received in previous years however the same has not been recognised in previous years due to lack of reasonable certainity.

5.3 Loans
(Unsecured, considered good)
Carried at amortised cost

Loans to subsidiaries/fellow subsidiaries (refer note 26)*	15,829	37,742
Performance guarantee deposit	100	88
Total	**15,929**	37,830

* The long term loans granted to subsidiaries/ fellow subsidiaries carries interest rate ranging between 8.20% p.a. to 10.00% p.a. having repayment terms of 3-20 years along with interest.

5.4 Other financial assets
(Carried at amortised cost, unless otherwise stated)

Security deposits	491	458
Term deposits*	27,687	25,764
Interest accrued on term deposits	479	512
Interest accrued on loans to subsidiaries and fellow subsidiaries (refer note 26)	3,080	4,778
Interest accrued on trade receivables from subsidiaries and fellow subsidiaries (refer note 26)	8,720	5,819
Interest accrued on investments (refer note 5.1)	433	-
Financial asset at fair value through other comprehensive income		
Derivative assets (refer note 33)	2,879	337
Total	**43,769**	37,668

*Represents cash margin against bank guarantees issued for bidding and execution of new projects and deposits against letter of credit issued by various banks for procuring solar power equipment's. Further, the Company has carried balance of INR 11,454 lakhs (March 31, 2022: INR 13,966 lakhs) in term deposits towards Debt-Service Reserve account for its outstanding loan.

6. Income tax assets (net)

Advance income-tax (net of provision for tax of INR 2,090 lakhs (March 31, 2022: INR Nil)	30	3,941
Total	**30**	3,941

7. Other non-current assets
(Unsecured, considered good)

Capital advances	9,726	14
Prepaid assets	211	75
Prepaid performance guarantee deposits	714	754
Contract assets (refer note 34)	261	275
Total	**10,912**	1,118

8. Current financial assets
(Carried at amortised cost, unless otherwise stated)

8.1 Trade receivables

Trade receivables - subsidiaries (refer note 26)	19,007	15,338
Trade receivables - others*	4,739	4,676
Total trade receivables	**23,746**	20,014
Break-up for trade receivables:		
Undisputed trade receivables, considered good	23,746	20,014
Undisputed trade receivables, credit impaired	5,510	134
Total	**29,256**	20,148
Impairment allowance doubtful trade receivable (refer note 38 and 53)		
Undisputed trade receivables, credit impaired	(5,510)	(134)
Total	**23,746**	20,014

Trade receivables ageing schedule

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

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Azure Power India Private Limited New Delhi

	As at March 31, 2023	As at March 31, 2022

As at March 31.2022	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	2,899	2.373	11,154	473	2,423	685	7	20.014
Undisputed trade receivables, credit impaired	17	8	12	29	35	5	28	134
	2,916	2,381	11,166	502	2,458	690	35	20,148

* Trade receivbles 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.

Trade receivables includes Safeguard duty (SGD) /GST receivables as at March 31, 2023 amounting to INR 595 lakhs (March 31, 2022: INR 536 lakhs)

8.2 Cash and cash equivalents

Balances with banks:		
- In current accounts	2,175	20,203
- Deposits with original maturity of less than 3 months	15,983	17,911
Total	**18,158**	38,114

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

8.3 Other bank balances

- Deposits with original maturity of more than 3 months but remaining maturity of less than 12 months	42,961	18.927
Total	**42,961**	18,927

8.4 Loans

(Unsecured)			
(Carried at amortised cost)			
Loans to subsidiaries/ fellow subsidiaries, considered good (refer note 26)*		79,258	1,00,094
Loans to subsidiaries/ fellow subsidiaries, credit impaired (refer note 26)*		4,675	2.144
Total	(A)	83,933	1,02,238
Less: Provision for doubtful assets (refer note 26)	(B)	(4,675)	(2.144)
Total	(A-B)	**79,258**	**1,00,094**

* Loans to subsidiaries/ fellow subsidiaries carry interest rate ranging from 6.95% p.a. to 10.60% p.a. and are repayable before March31, 2024.

8.5 Other current financial assets

(Carried at amortised cost, unless otherwise stated)			
(Unsecured)			
Interest accrued on term deposits		555	140
Interest accrued and due on loans and advances to subsidiaries/ fellow subsidiaries (refer note 26)		2,563	6.324
Interest accrued and not due on loans and advances to subsidiaries/ fellow subsidiaries, considered good (refer note 26)		17,279	3.336
Interest accrued and not due on loans and advances to subsidiaries/ fellow subsidiaries, credit impaired (refer note 26)		18	-
	(A)	17,297	3.336
Less: Provision for doubtful assets (refer note 26)	(B)	(18)	-
	(A-B)	17,279	3.336
Contractually reimburseable from subsidiaries/ fellow subsidiaries, considered good (refer note 26)		15,581	17,360
Contractually reimburseable from subsidiaries/ fellow subsidiaries, credit impaired (refer note 26)		4,727	472
	(D)	20,308	17.832
Less: Provision for doubtful assets (refer note 26)	(E)	(4,727)	(472)
	(D-E)	15,581	17.360
Financial asset at fair value through other comprehensive income			
Derivative assets (refer note 33)		1,848	-
Total		**37,826**	27,160

9. Other current assets

(Unsecured, considered good)		
Balance with statutory authorities	2,130	1.754
Advance to vendors	335	4.506
Money paid under protest	905	-
Prepaid assets	477	1.174
Prepaid performance guarantee deposit	40	40
Contract assets (refer note 34)	14	14
Receivables against sale of investments	-	418
Other advances	104	35
Total	**4,005**	7.941

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(All amount in INR lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
10. Equity share capital		
Authorised share capital:		
Equity share capital		
4,33,33,333 (March 31, 2022: 4,33,33,333) equity shares of INR 10/- each	4,333	4,333
8,66,66,667 (March 31, 2022: 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, 2022: 68,58,979) equity shares of INR 10/- each*	692	686
	692	686

A. Reconciliation of number of equity shares

	Number of Shares	Amount
At April 1, 2021	45,51,443	455
Changes during the year**	23,07,536	231
At March 31, 2022	68,58,979	686
Changes during the year*	61,640	6
At March 31, 2023	**69,20,619**	**692**

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

**During the year ended March 31, 2022, the Company have issued 23,07,536 number of equity shares of INR 10 each fully paid up to Azure Power Global Limited @ INR 7,510 per share (which includes INR 7,500 per share as security premium).

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

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

	March 31, 2023	March 31, 2022
Azure Power Global Limited, holding company		
68,18,032 (March 31, 2022: 67,56,392) equity shares of INR 10/-each fully paid up	682	676

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

Name of the shareholder	Number of shares held March 31, 2023	Percentage of holding March 31, 2023	Number of shares held March 31, 2022	Percentage of holding March 31, 2022
Equity shares of INR 10 each fully paid				
Azure Power Global Limited	68,18,032	98.52%	67,56,392	98.50%
Inderpreet S Wadhwa (refer note 32(b), contingent liabilities)	97,497	1.41%	97,497	1.42%

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, 2023

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

For the year ended March 31, 2022

S. No.	Promoters Name	No. of shares at the beginning of the year	Change during the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	Azure Power Global Limited	44,48,856	23,07,536	98.50%	51.87%

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

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(All amount in INR lakhs, unless otherwise stated)

11. Other equity

For the year ended March 31, 2023:

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

For the year ended March 31, 2022:

Particulars	Deemed capital contribution by parent / ESOP reserve (refer note 11.1)	Reserves and surplus		Items of other comprehensive income		Total equity
		Surplus/(Deficit) in the statement of profit and loss (refer note 11.2)	Securities premium reserve (refer note 11.3)*	Cash flow hedge reserve (refer note 11.4)	Defined benefit plans (refer note 11.5 and 35)	
At April 01, 2021	2,457	11,093	3,33,736	(1,595)	(61)	3,45,630
Loss for the year	-	(8,773)	-	-	-	(8,773)
Other comprehensive income/(expense) (net of tax)	-	-	-	1,060	(9)	1,051
Total comprehensive income/(expense)	2,457	2,320	3,33,736	(535)	(70)	3,37,908
Securities premium on issue of equity shares (refer note 10)	-	-	1,72,866	-	-	1,72,866
Deemed capital contribution by parent on account of employee stock option plan (refer note 25)	928	-	-	-	-	928
At March 31, 2022	3,385	2,320	5,06,602	(535)	(70)	5,11,702

*The amount is net of share issue expenses.

Nature and purpose of reserves

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

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

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

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

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

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12. Non-current financial liabilities
12.1 Non-current borrowings

At amortised cost	Non-current portion		Current portion*	
	As at March 31, 2023	As at March 31, 2022	**As at March 31, 2023**	As at March 31, 2022
Term loans (secured)				
Term loans from bank[1]	21,548	22,910	1,364	1,322
Term loans from financial institutions[2]	89,776	95,691	5,889	5,532
Foreign currency loan from bank[3]	5,367	8,106	4,788	6,226
Foreign currency loan from financial institutions[3]	20,118	30,387	17,950	23,340
Vehicle loan[1]	77	71	12	16
From related party (unsecured)				
Loan from subsidiaries[4] (refer note 26)	62,668	71,604	19,736	-
Total borrowings	**1,99,554**	2,28,769	**49,739**	36,436

*Refer note 14.1

[1]Term loans from banks

The Company has taken a loan amounting INR 25,000 lakhs from Axis Bank in financial year 2021-22 for refinancing of its 200 MW Solar project at Rajasthan. The loan is disbursed to refinance the loan taken from Tata Cleantech Capital Limited (TCCL), Yes bank and State bank of India. This facility carries interest rate of 7.5% per annum, the interet rate is subject to reset every three years based upon 3 year MCLR rate. The loan is repayable in 70 quarterly instalments ranging from 1.10% to 1.71% of the loan amount commencing from December 2022 and ending on March 2039. It is secured by first charge and collateralised by movable and immovable properties of the underlying solar power project asset. As at March 31, 2023, net carrying value of the loan is INR 22,912 lakhs (March 31, 2022: INR 24,232 lakhs) post adjustment of unamortised balance of ancillary cost of borrowing INR 98 lakhs (March 31, 2022: INR 109 lakhs).

The Company had taken a loan amounting INR 16,010 lakhs from Yes Bank, TMB, Syndicate and Punjab and Sindh Bank in financial year 2015-16 for financing of its 30 MW Solar project at Chhattisgarh and which carries a floating rate of interest at a base rate plus 1.5% per annum. The loan was repayable in 58 quarterly instalments starting from December 31, 2015 and ending on December 31, 2029. It was secured by first charge and collateralised by movable and immovable properties of the underlying solar power project asset. During the previous year, the loan was refinanced from Aditya Birla Finance Limited and further refinanced from Indian Renewable Energy Development Agency (IREDA).

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

The Company had taken a loan amounting INR 70 lakhs from HDFC Bank in financial year 2021-22 which carries fixed interest rate 7.2% per annum. The loan was repayable in 60 monthly instalments ranging from 1.39% - 1.98% of the loan amount commencing from November 2021 and ending on October 2026. The loan was repaid during the current year.

The Company had taken a loan amounting INR 24 lakhs from HDFC Bank in financial year 2021-22 which carries fixed interest rate 7.1% per annum. The loan was repayable in 60 monthly instalments ranging from 1.39% - 1.97% of the loan amount commencing from January 2022 and ending on December 2026. As at March 31, 2023, net carrying value of the loan is INR 19 lakhs (March 31, 2021: INR 23 lakhs) post adjustment of unamortised balance of ancillary cost of borrowing INR NIL (March 31, 2022: INR NIL).

[2]Term loans financial institutions

The Company had taken loan of INR 57,300 lakhs from Indian Renewable Energy Development Agency (IREDA) relating to financing of its 100 MW Solar project at Andhra Pradesh. The floating interest rate is at Grade-II as per IREDA. The loan is repayable in 73 quarterly instalments starting from June 30, 2018 and ending on June 30, 2036. It is secured by underlying solar power projects assets. During the previous year, the loan had been refinanced by Aseem Infrastructure Finance Limited and NIIF Infrastructure Finance Limited.

The Company has taken a loan amounting INR 18,000 lakhs and INR 34,000 lakhs from Aseem Infrastructure Finance Limited and NIIF Infrastructure Finance Limited respectively in financial year 2021-22 for refinancing of its 100 MW Solar project at Andhra Pradesh. The loan was disbursed to refinance the loan taken from IREDA. These facility carries interest rate of 7.75% per annum. the interest rate is subject to reset for every five years in case of loan taken from NIIF Infrastructure Finance Limited based upon -35 bps ("Spread") over and above the NIIF IFL 5 YR Benchmark Rate and for every three years in case of loan taken from Aseem Infrastructure Finance Limited based upon AIFL Benchmark Rate/Benchmark Rate and the applicable Spread. These facilities are repayable in 63 quarterly instalments ranging from 1.23% to 2.55% of the loan amount commencing from December, 2021 and ending on June 2037. These facilities are secured by first charge and collateralised by movable and immovable properties of the underlying solar power project asset. As at March 31, 2023, net carrying value of the loan is INR 16,600 lakhs and INR 31,355 lakhs (March 31, 2022: INR 17,475 lakhs and INR 33,008 lakhs) post adjustment of unamortised balance of ancillary cost of borrowing of INR 68 and INR 129 lakhs (March 31, 2022: INR 75 and INR 142 lakhs) of Aseem Infrastructure Finance Limited and NIIF Infrastructure Finance Limited respectively.

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The Company has taken a loan amounting INR 33,100 lakhs from Tata Cleantech Capital Limited (TCCL) in financial year 2021-22 for financing of its 200 MW Solar project at Rajasthan. The loan was disbursed to refinance the loan taken from TCCL, Yes bank and State bank of India. This facility carries a floating rate of interest 7.5% per annum, the interest rate is subject to reset every three years based upon TCCL New Prime Lending Rate- Long Term (TCCL NPLR-LT). The loan is repayable in 70 quarterly instalments ranging from 1.1% - 1.71% of the loan amount commencing from December, 2021 and ending on March 2039. It is secured by first charge and collateralised by movable and immovable properties of the underlying solar power project asset. As at March 31, 2023, net carrying value of the loan is INR 30,294 lakhs (March 31, 2022: INR 32,053 lakhs) post adjustment of unamortised balance of ancillary cost of borrowing INR 148 lakhs (March 31, 2022: INR 152 lakhs).

During the year ended March 31, 2021, the Company borrowed amount of INR 17,343 Lakhs from Aditya Birla Finance Limited and Tata Cleantech Capital Limited for financing of its 200 MW solar project with Solar Energy Corporation of India. The loan was borrowed from a consortium of banks led by Yes Bank, which carries annual floating rate of interest at a MCLR (Marginal cost of funds-based lending rate) plus 0.55%. The loan is repayable in 72 quarterly instalments commencing from September 2020. The borrowing is collateralized by the underlying solar power project assets. During the previous year, the loan was refinanced by Axis Bank and TCCL.

During the year ended March 31, 2022, the Company has taken a loan amounting INR 15,200 lakhs from Indian Renewable Energy Development Agency (IREDA) for refinancing of its 30 MW Solar project at Chhattisgarh. The loan is disbursed to refinance the loan taken from Aditya Birla finance limited. These facility carries interest rate of 7.5% per annum and the interest rate is subject to reset every three years based upon rate of interest notified by IREDA as per applicable grading. The loan is repayable in 168 monthly instalments ranging from 0.50% - 0.60% of the loan amount commencing from April, 2022 and ending on March 2036. It is secured by first charge and collateralised by movable and immovable properties of the underlying solar power project asset. As at March 31, 2023, net carrying value of the loan is INR 14,061 lakhs (March 31, 2022: INR 15,093 lakhs) post adjustment of unamortised balance of ancillary cost of borrowing INR 115 lakhs (March 31, 2021: INR 107 lakhs).

During the year ended March 31, 2021, the Company borrowed an amount of INR 4,125 Lakhs from Kotak Infrastructure Debt Fund Limited for financing of a 10 MW solar power project with Bangalore Electricity Supply Company Limited. These facilities carry an interest rate of 8.50% per annum fixed till September 30, 2022 and shall be reset every two years thereafter based upon rate as notified by lender. The loan is repayable in 54 quarterly instalments ranging from 1.85% - 1.88% commencing from December 2020. It is secured by first charge and collateralised by movable and immovable properties of the underlying solar power project asset. As at March 31, 2023, net carrying value of the loan is INR 3,355 lakhs (March 31, 2022: INR 3,594 lakhs) post adjustment of unamortised balance of ancillary cost of borrowing INR 7 lakhs (March 31, 2022: INR 74 lakhs).

(3) Foreign currency loan from banks and financial institutions

During the year ended March 31, 2021, the Company borrowed USD 930 lakhs (INR 69,311 Lakhs) for providing funds to project SPVs as shareholder loans or through other instrument for capital expenditure or for payment of capital expenditure in respect of each project from Export Development Canada and Standard Chartered Bank (Singapore) Limited. These facilities are foreign currency loans and carries an interest rate of LIBOR+Margin of 3.95% and the loan is repayable in 8 half yearly instalments ranging from 2.5% - 32.5% commencing from November 2021 and ending on May 2025. The borrowing is collateralized by the shares of project SPVs and hypothecation/charge over receivables of the Company. As at March 31, 2023, net carrying value of the loan is INR 38,068 lakhs and 10,155 lakhs (March 31, 2022: INR 53,727 lakhs & 14,332 lakhs) post adjustment of unamortised balance of ancillary cost of borrowing INR 244 lakhs & INR 62 lakhs (March 31, 2022: INR 543 lakhs & 139 lakhs) from Export Development Canada and Standard Chartered Bank (Singapore) Limited respectively.

During financial year 2018-19 and 2019-20, the Company entered into buyer's credit facility amounting to US$ 228.01 lakhs and US$ 345.80 lakhs, respectively, at six months LIBOR plus 0.5% spread, for its 200 MW solar power project. The Company has taken US$/INR full currency swap for its principal and interest payment. As per this, the Company pays fixed INR, receives US$ and pays fixed interest ranging between 8.11% to 8.12%, for respective buyers' credit and receives a variable interest at six months LIBOR plus 0.5% on the US$ notional amount. The facility was repayable starting from September 2021 till April 2022. During the previous year, these facility were refinanced by Axis bank and TCCL.

(4) Loan from subsidiaries

The Company has taken an unsecured loans from its subsidiaries/fellow subsidiaries carry interest rate ranging from 6.9% to 10.60% per annum, which are repayable after 3 years along with interest (repayable at the option of borrower) from the date of issue of instrument. Refer note 26 for further details.

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(All amount in INR lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
12.2 Other financial liabilities		
Other financial liabilities at amortised cost		
Interest accrued and not due on borrowings from subsidiaries (refer note 26)	6,292	4,278
Total	6,292	4,278
13. Provisions		
13.1 Non-current		
Provision for gratuity (refer note 35)	202	313
Provision for decommissioning liabilities*	935	1,466
Total	1,137	1,779

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

Movement for provision for decommissioning liabilities		
Opening balance	1,466	1,539
Adjustment due to change in estimates	(616)	(188)
Accretion during the year	85	115
Closing balance	935	1,466
13.2 Current		
Provision for compensated absences	228	332
Provision for gratuity (refer note 35)	35	22
Provision for bank guarantees (refer note 23, 52 and 53)	17,676	-
Total	17,939	354

Movement in the provision is as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	-	-
Provision created during the year	17,676	-
Closing balance	17,676	-

13.3 Other non-current liabilities		
Contract Liability		
Deferred revenue on account of Safeguard Duty (refer note 34)	8,328	8,768
Total	8,328	8,768
14. Current financial liabilities		
(Carried at amortised cost, unless stated otherwise)		
14.1 Current borrowings		
Current maturities of non-current borrowings (refer note 12.1):		
Term loans (secured)		
Term loans from bank	1,364	1,322
Term loans from financial institutions	5,889	5,532
Foreign currency loan from bank	4,788	6,226
Foreign currency loan from financial institutions	17,950	23,340
Vehicle loan	12	16
From related party (unsecured)		
Loan from subsidiaries(refer note 26)*	19,736	-
Total	49,739	36,436

* Loans from subsidiaries carry interest rate of 10% p.a. and are repayable before March 31, 2024.

14.2 Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 29)	293	252
- Total outstanding dues of creditors other than micro enterprises and small enterprises	5,052	8,067
Total	5,345	8,319

Trade payables ageing schedule

As at March 31, 2023	Unbilled dues*	Not due trade payable**	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	57	39	42	55	100	293
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,572	314	52	62	5	47	5,052
	4,572	371	91	104	60	147	5,345

As at March 31, 2022	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	4	-	75	55	32	86	252
Total outstanding dues of creditors other than micro enterprises and small enterprises	7,809	147	59	5	29	18	8,067
	7,813	147	134	60	61	104	8,319

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 aren't due as per credit terms agreed with the vendor.

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	As at March 31, 2023	As at March 31, 2022
14.3 Other current financial liabilities		
(Carried at amortised cost, unless stated otherwise)		
Interest accrued and not due on borrowings from subsidiaries/fellow subsidiaries (refer note 26)	2,012	-
Interest accrued and not due on borrowings	1,509	2,280
Payables to holding Company (refer note 26)	-	183
Payable to subsidiaries (refer note 26)	5,353	5,145
Payable to others*	3,424	-
Payable to employees	792	776
Payable towards purchase of property, plant and equipment (refer note 29)	528	1,258
Carried at fair value through profit and loss		
Cash-settled share-based payments** (refer note 25)	-	8,444
Total	**13,618**	**18,086**

* Represents INR 1,443 lakhs payable to Azure Renewable Energy Private Limited and INR 1,981 lakhs payable to Ex CEO and Ex COO.
** Cash-settled share-based payments are current pursuant to resignation of Mr. Ranjit Gupta (CEO) and Mr. Murali Subramanian (COO).

	As at March 31, 2023	As at March 31, 2022
15. Other current liabilities		
Statutory dues	664	607
Advance from subsidiaries (refer note 26)	543	543
Contract liability		
Deferred revenue on account of Safeguard duty (refer note 34)	440	428
Total	**1,647**	**1,578**

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(All amount in INR lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
16 Deferred tax assets (net)		
Deferred tax asset (net)	7,804	10,381
Total	**7,804**	**10,381**

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

	As at March 31, 2021	Movement during the year	As at March 31, 2022	Movement during the year	As at March 31, 2023
Deferred tax liabilities:					
Difference between tax base and book base of property, plant and equipment	29,531	1,072	30,603	125	30,728
Leases	368	(149)	219	204	423
Contract assets	106	(5)	101	(5)	96
Performance bank guarantee	31	10	41	(41)	-
Total deferred tax liabilities (A)	**30,036**	**928**	**30,964**	**283**	**31,247**
Deferred tax assets:					
Unabsorbed depreciation and brought forward losses	28,093	6,414	34,507	(5,503)	29,004
Minimum alternate tax	5,753	-	5,753	2,083	7,836
Provision for decommissioning liabilities	387	(18)	369	(134)	235
Provision for employee benefits	157	66	223	(60)	163
Impairment of assets	-	100	100	-	100
Trade receivables measured at amortised cost	-	-	-	18	18
Performance bank guarantee	-	-	-	51	51
Allowance for doubtful trade receivable	17	37	54	1,868	1,922
Deferred viability gap funding income	3	(3)	-	-	-
Total deferred tax assets (B)	**34,410**	**6,596**	**41,006**	**(1,677)**	**39,329**
Deferred tax assets/(liabilities) (net) (B-A) through Profit and Loss	**4,374**	**5,668**	**10,042**	**(1,960)**	**8,082**
Other Comprehensive Income					
Deferred tax asset/(liability) recognised in Other Comprehensive Income					
On cash flow hedge reserve	856	(559)	297	(553)	(256)
On defined benefit plan	32	10	42	(64)	(22)
Deferred tax asset (net)	**5,262**	**5,119**	**10,381**	**(2,577)**	**7,804**

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

		For the year ended March 31, 2023	For the year ended March 31, 2022
Accounting loss before income tax		**(17,952)**	**(14,441)**
Applicable statutory income tax rate		34.94%	34.94%
Tax at applicable tax rate	**(A)**	**(6,272)**	**(5,046)**
Adjustments:			
Permanent difference in property, plant and equipment not considered for deferred tax purpose		(145)	(1,290)
Other permanent difference disallowed under income tax Act		4,366	2,206
Disallowance as per section 94B of Income Tax Act, 1961 not considered for deferred tax purpose		1,820	2,414
Impairment of assets in relation to projects (refer note 52 and 53)		4,260	929
Leases		4	-
Capital loss		-	(4,907)
Trade receivables		-	25
Others		10	-
Total	**(B)**	**10,315**	**(622)**
Total tax expense/(benefit)	**(A+B)**	**4,043**	**(5,668)**
Component of tax expenses			
Current tax expense		2,083	-
Deferred tax charge/(credit)		1,960	(5,668)
Total tax expense/(benefit)		**4,043**	**(5,668)**

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(All amount in INR lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
17. Revenue from operations		
Revenue from contracts with customers		
Sale of power* (refer note 34)	24,622	24,312
Construction revenue (refer note 26)	-	393
Services rendered		
Management fees (refer note 26)	8,470	7,660
Total	**33,092**	32,365

*Revenue from sale of power is recognised at point in time.

	For the year ended March 31, 2023	For the year ended March 31, 2022
18.1 Finance income		
Interest income on financial asset measured at amortised cost		
- Term deposits	4,914	2,456
- Loan to subsidiaries/fellow subsidiaries (refer note 26)	9,189	11,299
- Trade receivables from subsidiaries (refer note 26)	3,225	3,226
- Safeguard duty receivable	926	979
- Others	303	167
Total	**18,557**	18,127
18.2 Other income		
Liabilities no longer required written back	135	1,861
Reversal of share based payment liability (net) (refer note 25)*	6,333	2,806
Allowance for doubtful trade receivables written back (refer note 38)	43	-
Miscellaneous income	125	407
Fair value gain on investments measured at fair value through profit or loss (refer note 5.1)	409	-
Total	**7,045**	5,074

* Refer note 51 for reclassification

	For the year ended March 31, 2023	For the year ended March 31, 2022
19. Construction, sub contracting and other site expenses		
Cost of material and services consumed	-	430
Total	**-**	430
20. Employee benefits expense		
Salaries, wages and bonus	5,955	5,244
Contribution to provident and other funds (refer note 35)	244	218
Gratuity expenses (refer note 35)	131	94
Staff welfare expenses	499	296
Total	**6,829**	5,852
21. Depreciation and amortisation expense		
Depreciation of property, plant and equipment (refer note 3)	4,986	5,049
Amortisation on right-of-use assets (refer note 31)	292	335
Amortisation of intangible assets (refer note 4)	47	251
Total	**5,325**	5,635
22. Finance costs		
Interest expenses on financial liabilities measured at amortised cost		
- Term loans	15,506	26,636
- Loans from subsidiaries (refer note 26)	6,973	6,461
- Lease liabilities (refer note 31)	377	304
Loan prepayment charges	6	2,176
Other borrowing costs	907	3,565
Interest on delayed payment of statutory dues	24	66
Other finance costs	217	183
Total	**24,010**	39,391

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	For the year ended March 31, 2023	For the year ended March 31, 2022
23. Other expenses		
Power and fuel	28	19
Guest house expense	16	20
Rent (refer note 31)	-	62
Rates and taxes	1,664	2,352
Insurance	331	356
Repair and maintenance		
-Plant and machinery	478	831
-Other	407	327
Development and testing expense	3	258
Advertisement and sales promotion	89	73
Travelling and conveyance	326	134
Communication costs	93	78
Printing and stationery	15	18
Legal and professional fees (including payment to auditors)*	4,358	1,763
Corporate social responsibilities (refer note 28)	-	84
Recruitment expenses	625	353
Security charges	276	233
Bank charges	5	36
Software maintenance charges	152	154
Foreign exchange fluctuation (net)	271	731
Assets written off	375	467
Allowance for doubtful debts (refer note 5.2, 8.1, 38 and 53)	5,388	196
Provision for doubtful assets (refer note 52 and 53)	6,804	2,616
Provision for diminution in value of investments (refer note 4A and 44)	-	167
Loss on account of modification of contactual cash flows	84	-
Expense relating to Impairment of assets (refer note 26, 52 & 53)	-	289
Provision for bank guarantee and others (refer note 13.2, 52 & 53)	17,676	5,395
Impairment expense	392	-
Advances written off	452	92
Inter company balances written off (refer note 26)	-	1,034
Miscellaneous expenses	174	561
Total	**40,482**	18,699

***Payment to auditor:**		
Auditor's remuneration (including taxes thereon)	-	48
Reimbursement of expenses	-	2
Total	-	50

The audit fee for the year ended March 31, 2023 amounting to INR 47 lakhs has not been recognised in current year since the current auditor's appointment was made on February 16, 2024 and this is a non-adjusting subsequent event.

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(All amount in INR lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022

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	(21,995)	(8,773)
Loss after tax for calculation of diluted EPS	(21,995)	(8,773)
Weighted average number of equity shares in calculating basic EPS	69,17,410	48,68,367
Total weighted average number of shares in calculating diluted EPS	69,17,410	48,68,367
Basic earning per share (In INR)	(317.97)	(180.20)
Diluted earning per share (In INR)	(317.97)	(180.20)

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Azure Power India Private Limited New Delhi

(All amount in INR lakhs, unless otherwise stated)

25. Share-based payment

(i) Employee Stock Option Plans (ESOPs)

ESOPs are issued by Azure Power Global Limited (Holding Company) to the employees of the Company and some entities forming part of the Group. As per Ind AS 102, *Share-based Payment*, the Company adopts fair valuation model for calculating its expense under ESOP's. ESOP gives an employee a right to purchase equity shares of Azure Power Global Limited at exercise price.

Description of terms and conditions of grant

Method of valuation of grants

Ind AS 102 requires adoption of graded vesting mechanism. Accordingly the stock compensation expense is computed separately for each tranche. The fair value of the share options is estimated at the grant date using a Black Scholes Option Pricing Model taking into account the terms and conditions upon which the share options were granted considering the following inputs:-

Particulars	March 31, 2023#	March 31, 2022
Exercise price	-	1,430
Expected volatility	-	46.34%- 47.84%
Expected life of options granted in years	-	3.58- 5.08
Dividend yield (%)	-	0%
Risk-free interest Rate	-	0.55%- 0.80%

No new grant have been made by the Company during the year.

The details of activity have been summarized below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of options	Weighted average exercise price (INR)	No. of options	Weighted average exercise price (INR)
Outstanding at the beginning of the year	5,58,829	1,314	7,03,708	1,217
Granted during the year	543	-	24,205	1,583
Forfeited during the year	(1,38,687)	1,455	(32,474)	1,608
Exercised during the year	(4,870)	112	(1,36,611)	824
Outstanding at the end of the year	**4,15,815**	**1,276**	5,58,829	1,314
Exercisable at the end of the year	2,81,960	1,183	2,50,784	1,127

Effect of the employee share-based payment plans on the profit and loss account and on its financial position:

Incremental fair value recognized as an expense over the remaining period of service condition. In case of already vested options, incremental fair value recognized immediately. Any decrease in fair value of options is not accounted for.

The Company recognises ESOP cost in the standalone statement of profit and loss, except the cost of services which is initially capitalized by the company as part of the cost of property, plant and equipment and corresponding increase in equity as a contribution from holding company.

	March 31, 2023	March 31, 2022
Expense arising from equity-settled share-based payment transactions	130	928
Total increase in equity arising from equity-settled share-based payment transactions	**130**	928

(ii) Stock Appreciation Rights (SARs)

The Company granted incentive compensation in the form of Stock Appreciation Rights ("SARs"), as defined in the APGL 2016 Equity Incentive Plan, as amended in 2020, to its CEO and COO. The SARs have been granted in 3 tranches with maturity dates up to March 31, 2028.

The 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 SARs were granted considering the following inputs:-

	March 31, 2023#	March 31, 2022
Exercise Price	-	1,411
Share price at measurement date (INR per share)	-	1,261
Expected Volatility	-	49.03% - 61.04%
Expected life of SAR granted in years	-	2.21-5.38
Dividend yield (%)	-	0%
Risk-free Interest Rate	-	2.36% - 2.49%

The details of activity have been summarized below:

	As at March 31, 2023		As at March 31, 2022	
	No. of options	Weighted average exercise price (INR)	No. of options	Weighted average exercise price (INR)
Outstanding at the beginning of the year	**18,75,000**	**810**	18,75,000	810
Granted during the year	-	-	-	-
Forfeited/reversed during the year	(11,95,000)	771	-	-
Outstanding at the end of the year	**6,80,000**	**878**	18,75,000	810
Vested at the end of the year	6,80,000	878	6,80,000	805
Exercisable at the end of the year	680000*	878	130000*	1,154

Effect of the stock appreciation rights on the statement of profit and loss account and on its financial position:

The Company recognises SAR cost in the standalone statement of profit and loss with corresponding increase in liability for cash-settled shared-based payments.

	March 31, 2023	March 31, 2022
Expense arising from cash-settled share-based payment transactions	(6,463)	(3,733)
Total amount of liability arising from cash settled share-based payment transactions	**(6,463)**	(3,733)

Fair value of SAR as on March 31, 2023 has been taken basis the expected settlement with Ex-CEO and Ex-COO.

* On April 26, 2022, the Company through its Board of Directors ("BOD") has accepted the resignations of erstwhile Mr . Ranjit Gupta (CEO) and Mr. Murali Subramanian (COO) of the Company. Both of the KMP's were relinquished from their roles with the Company/ Group with immediate effect. Considering the same, adjustment has been made in FY 2022-23.

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Azure Power India Private Limited New Delhi

(All amount in INR lakhs, unless otherwise stated)

26. Related party disclosures:
The list of related parties as identified by the management is as under:

Related parties where control exists

Holding company:	Azure Power Global Limited
Key managerial personnel:	Ms. Delphine Voeltzel (Nominee Director w.e.f. May 11, 2022) Mr. Unnikrishnan Mangalath Sukumarapanicker (Nominee Director w.e.f. August 19, 2020 to March 13, 2024) Ms. Supriya Prakash Sen (Director w.e.f. August 01, 2020) Mr. Sugata Sircar (Director w.e.f. October 01, 2022) Mr. Sunil Kumar Gupta (Managing Director and Chief Executive Officer w.e.f. August 08, 2023) Mr. Philippe Pierre Wind (Nominee Director w.e.f. October 31, 2023) Mr. Jaime Garcia Nieto (Nominee Director w.e.f. December 01, 2023) Mr. Jean Francois Joseph Boisvenu (Director w.e.f. April 24, 2023) Mr. Richard Payette (Director w.e.f. July 01, 2023) Mr. Richard Alan Rosling (Charimnan of the Board of Directors from September 30, 2021 till October 11, 2023) Mr. Barney Sheppard Rush (Director till September 30, 2021) Mr. Arno Lockheart Harris (Director w.e.f August 23, 2016 till May 31, 2022) Mr. Harsh Dinesh Shah (Chief Executive Officer and Director w.e.f. August 05, 2022 till August 29, 2022) Mr. Cyril Sabastien Dominique Cabanes (Director till October 30, 2023) Mr. Deepak Malhotra (Director w.e.f November 28, 2019 till October 29, 2023) Mr. Rupesh Agarwal (Director w.e.f August 29, 2022 till July 10, 2023) Ms. Christine Ann Mcnamara (Director w.e.f. March 01, 2022 till June 26, 2023) Mr. Ranjit Gupta (Chief Executive Officer and Director w.e.f. July 18, 2019 till April 26, 2022) Mr. Murali Subramanian (Chief Operating Officier w.e.f. July 18, 2019 till April 26, 2022) Mr. Pawan Kumar Agrawal (Chief Financial Officer w.e.f March 15, 2019 upto December 31, 2023) Mr. Kapil Sharma (Company Secretary)
Subsidiary company:	Azure Power (Punjab) Private Limited Azure Power (Haryana) Private Limited Azure Solar Private Limited Azure Power (Rajasthan) Private Limited Azure Sun Energy Private Limited (till June 30, 2022) Azure Urja Private Limited Azure Surya Private Limited Azure Power (Karnataka) Private Limited Azure Photovoltaic Private Limited Azure Power Infrastructure Private Limited Azure Power (Raj.) Private Limited Azure Green Tech Private Limited Azure Renewable Energy Private Limited (till Febuary 03, 2022) Azure Clean Energy Private Limited Azure Sunrise Private Limited Azure Sunlight Private Limited (till Febuary 03, 2022) Azure Sunshine Private Limited Azure Power Earth Private Limited Azure Power Eris Private Limited Azure Power Jupiter Private Limited Azure Power Makemake Private Limited Azure Power Mars Private Limited Azure Power Mercury Private Limited Azure Power Pluto Private Limited Azure Power Uranus Private Limited Azure Power Venus Private Limited Azure Power Saturn Private Limited Azure Power Thirty Three Private Limited Azure Power Thirty Four Private Limited Azure Power Thirty Five Private Limited Azure Power Thirty Six Private Limited

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Azure Power India Private Limited New Delhi

	Azure Power Thirty Seven Private Limited
	Azure Power Thirty Eight Private Limited
	Azure Power Thirty Nine Private Limited
	Azure Power Forty Private Limited
	Azure Power Forty One Private Limited
	Azure Power Forty Two Private Limited
	Azure Power Forty Three Private Limited
	Azure Power Forty Four Private Limited
	Azure Power Fifty One Private Limited
	Azure Power Fifty Two Private Limited
	Azure Power Fifty Three Private Limited
	Azure Power Fifty Four Private Limited
	Azure Power Fifty Six Private Limited
	Azure Power Fifty Seven Private Limited
	Azure Power Fifty Eight Private Limited
	Azure Power Fifty Nine Private Limited
	Azure Power Sixty Private Limited
	Azure Power Sixty One Private Limited
	Azure Power Sixty two Private Limited
	Kotuma Wind Parks Private Limited
	Two Wind Energy Private Limited
	Azure Power Maple Private Limited
	Azure Power Sixty Three Pvt Ltd
	Azure Power Sixty Four Pvt Ltd
	Azure Power Sixty Four Private Limited
	Azure Power Sixty Five Private Limited
	Azure Power Sixty Six Private Limited
	Azure Green Hydrogen Private Limited
	Azure Power Sixty Three Private Limited
	Azure Energy Transition Private Limited
	Azure Power Fifty Five Private Limited
Fellow subsidiary company:	Azure Power Rooftop Private Limited
	Azure Power Rooftop (Genco) Private Limited
	Azure Power Rooftop One Private Limited
	Azure Power Rooftop Two Private Limited
	Azure Power Rooftop Three Private Limited
	Azure Power Rooftop Four Private Limited
	Azure Power Rooftop Five Private Limited
	Azure Power Rooftop Six Private Limited
	Azure Power Rooftop Seven Private Limited
	Azure Power Rooftop Eight Private Limited
Associate company:	Waaree Power Private Limited
Entity having significant influence:	International Finance Corporation (till August 6, 2021)

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Azure Power India Private Limited New Delhi

(All amount in INR lakhs, unless otherwise stated)

Following transactions were carried out with related parties in the ordinary course of business for the year ended March 31, 2023:

1. Transactions during the year

a). Settlement of liabilities by the entity on behalf of	March 31, 2023	March 31, 2022
Azure Power (Punjab) Private Limited	6	11
Azure Power (Haryana) Private Limited	10	47
Azure Solar Private Limited	0	213
Azure Power (Rajasthan) Private Limited	17	58
Azure Sun Energy Private Limited	-	1
Azure Urja Private Limited	8	24
Azure Surya Private Limited	2	650
Azure Power (Karnataka) Private Limited	3	323
Azure Photovoltaic Private Limited	-	545
Azure Power Infrastructure Private Limited	40	27
Azure Power (Raj.) Private Limited	18	694
Azure Green Tech Private Limited	2	-
Azure Renewable Energy Private Limited	-	11
Azure Clean Energy Private Limited	8	323
Azure Sunrise Private Limited	1	679
Azure Sunlight Private Limited	-	9
Azure Power Earth Private Limited	7	152
Azure Power Eris Private Limited	3	21
Azure Power Jupiter Private Limited	12	53
Azure Power Makemake Private Limited	125	15
Azure Power Mars Private Limited	0	4
Azure Power Mercury Private Limited	-	9
Azure Power Pluto Private Limited	36	132
Azure Power Uranus Private Limited	5	12
Azure Power Venus Private Limited	4	31
Azure Power Saturn Private Limited	-	6
Azure Power Thirty Three Private Limited	-	362
Azure Power Thirty Four Private Limited	187	94
Azure Power Thirty Five Private Limited	0	0
Azure Power Thirty Six Private Limited	100	31
Azure Power Thirty Seven Private Limited	8	133
Azure Power Thirty Eight Private Limited	-	67
Azure Power Thirty Nine Private Limited	0	1
Azure Power Forty Private Limited	104	2,427
Azure Power Forty One Private Limited	5	1,956
Azure Power Forty Two Private Limited	0	0
Azure Power Forty Three Private Limited	784	6,863
Azure Power Forty Four Private Limited	-	67
Azure Power Rooftop Private Limited	61	56
Azure Power Rooftop (Genco) Private Limited	0	6
Azure Power Rooftop One Private Limited	0	3
Azure Power Rooftop Two Private Limited	0	-
Azure Power Rooftop Three Private Limited	0	5
Azure Power Rooftop Four Private Limited	0	1
Azure Power Rooftop Five Private Limited	0	0
Azure Power Rooftop Six Private Limited	0	0
Azure Power Rooftop Seven Private Limited	0	0
Azure Power Rooftop Eight Private Limited	0	-
Azure Power One Private Limited	-	0
Azure Power Maple Private Limited	641	10,326
Azure Power Fifty One Private Limited	362	502
Azure Power Fifty Two Private Limited	196	504
Azure Power Fifty Three Private Limited	448	502
Azure Power Fifty Four Private Limited	442	472
Azure Power Fifty Five Private Limited	-	0
Azure Power Fifty Six Private Limited	54	0
Azure Power Fifty Seven Private Limited	0	0
Azure Power Fifty Eight Private Limited	59	287
Azure Power Fifty Nine Private Limited	435	502
Azure Power Sixty Private Limited	435	472
Azure Power Sixty One Private Limited	0	472
Azure Power Sixty two Private Limited	289	472
Kotuma Wind Parks Private Limited	160	177
Two Wind Energy Private Limited	400	142
Azure Power US Inc.	-	0
Azure Power Energy Limited	8	-

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(All amount in INR lakhs, unless otherwise stated)

Azure Power Global Limited	-	486
Azure Power Sixty Four Private Limited	0	-
Azure Power Sixty Five Private Limited	0	-
Azure Green Hydrogen Private Limited	1	-
Azure Power Sixty Three Private Limited	3	-
Azure Energy Transition Private Limited	35	-

b) Settlement of liabilities on behalf of the entity	**March 31, 2023**	**March 31, 2022**
Azure Solar Solutions Private Limited	-	0
Azure Green Tech Private Limited	-	5
Azure Sunshine Private Limited	-	1
Azure Power Forty Six Private Limited	-	234
Azure Power Rooftop Eight Private Limited	-	1
Azure Power Solar Energy Limited	-	95
Azure Power Rooftop Two Private Limited	-	0
Azure Photovoltaic Private Limited	16	-
Azure Power Thirty Three Private Limited	8	-
Azure Power Global Limited	4,726	-

c) Construction services rendered	**March 31, 2023**	**March 31, 2022**
Azure Power Thirty Four Private Limited	-	466
Azure Power Forty Private Limited	-	(73)

d) Operation and maintenance services rendered	**March 31, 2023**	**March 31, 2022**
Azure Power (Rajasthan) Private Limited	-	1
Azure Power Mercury Private Limited	-	4
Azure Power Saturn Private Limited	-	30
Azure Power Thirty Eight Private Limited	-	14
Azure Power Forty Four Private Limited	-	4
Azure Power Fifty One Private Limited	-	239

e) Management services rendered (excluding GST)	**March 31, 2023**	**March 31, 2022**
Azure Power Maple Private Limited	297	656
Azure Power Forty Three Private Limited	1.791	938
Azure Power Forty One Private Limited	307	309
Azure Power Pluto Private Limited	217	276
Azure Power Forty Private Limited	270	83
Azure Power Thirty Seven Private Limited	154	350
Azure Power Thirty Three Private Limited	399	988
Azure Power Infrastructure Private Limited	72	92
Azure Sunrise Private Limited	72	92
Azure Power Jupiter Private Limited	179	174
Azure Power Thirty Four Private Limited	186	238
Azure Photovoltaic Private Limited	58	73
Azure Power (Raj.) Private Limited	58	73
Azure Green Tech Private Limited	58	73
Azure Clean Energy Private Limited	58	73
Azure Urja Private Limited	50	62
Azure Power Earth Private Limited	144	183
Azure Sunshine Private Limited	29	36
Azure Power Thirty Six Private Limited	77	160
Azure Power Venus Private Limited	61	136
Azure Power (Karnataka) Private Limited	15	18
Azure Power (Haryana) Private Limited	15	19
Azure Surya Private Limited	15	18
Azure Power Eris Private Limited	14	18
Azure Power Makemake Private Limited	40	52
Azure Power Mars Private Limited	7	9
Azure Power (Punjab) Private Limited	3	4
Azure Power Uranus Private Limited	10	12
Azure Power (Rajasthan) Private Limited	0	3
Azure Solar Private Limited	2	15
Azure Power Rooftop One Private Limited	-	3
Azure Power Fifty One Private Limited	636	212
Azure Power Fifty Two Private Limited	3,163	1,041
Azure Power Fifty Three Private Limited	7	41
Azure Power Fifty Four Private Limited	7	41
Azure Power Fifty Nine Private Limited	-	41
Azure Power Sixty Private Limited	-	41
Azure Power Sixty two Private Limited	-	27
Kotuma Wind Parks Private Limited	3	121

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Azure Power India Private Limited New Delhi ★

(All amount in INR lakhs, unless otherwise stated)

Two Wind Energy Private Limited	-	362
Azure Power Fifty Seven Private Limited	-	4
Azure Power Global Limited	-	492
Azure Power Rooftop Three Private Limited	0	-

f) Interest income*	March 31, 2023	March 31, 2022
Azure Power Forty Three Private Limited	1,971	4,186
Azure Power Thirty Three Private Limited	2,254	2,252
Azure Power Forty One Private Limited	1,307	2,977
Azure Power Earth Private Limited	905	906
Azure Power Forty Four Private Limited	-	231
Azure Power Maple Private Limited	3,400	2,337
Azure Power Thirty Four Private Limited	382	382
Azure Power Jupiter Private Limited	286	286
Azure Solar Solutions Private Limited	-	63
Azure Power (Rajasthan) Private Limited	95	107
Azure Power Thirty Six Private Limited	100	100
Azure Power Thirty Eight Private Limited	-	102
Azure Power Mercury Private Limited	-	55
Azure Power Saturn Private Limited	-	13
Azure Solar Private Limited	-	16
Azure Power (Karnataka) Private Limited	24	3
Azure Power Fifty One Private Limited	46	30
Azure Power Fifty Two Private Limited	87	15
Azure Power Fifty Three Private Limited	45	0
Azure Power Fifty Four Private Limited	45	0
Azure Power Fifty Six Private Limited	23	0
Azure Power Fifty Seven Private Limited	12	4
Azure Power Fifty Eight Private Limited	179	1
Azure Power Fifty Nine Private Limited	45	0
Azure Power Sixty Private Limited	45	0
Azure Power Thirty Nine Private Limited	4	4
Azure Power Makemake Private Limited	2	2
Azure Sunrise Private Limited	21	30
Azure Power Infrastructure Private Limited	41	19
Azure Power (Raj.) Private Limited	14	3
Azure Power Rooftop (Genco) Private Limited	55	8
Azure Power Rooftop One Private Limited	38	12
Azure Power Rooftop Three Private Limited	7	3
Azure Power Rooftop Five Private Limited	15	3
Azure Urja Private Limited	-	0
Azure Power Forty Private Limited	780	366
Azure Power Sixty One Private Limited	6	-
Azure Power Sixty Two Private Limited	6	-
Azure Green Hydrogen Private Limited	6	-
Azure Power Sixty Three Private Limited	95	-
Azure Power Sixty Four Private Limited	6	-
Azure Power Sixty Five Private Limited	6	-
Kotuma Wind Parks Private Limited	20	-
Two Wind Energy Private Limited	31	-
Azure Energy Transition Private Limited	10	-

* Includes interest income from trade receivables from related parties.

g) Interest Expense	March 31, 2023	March 31, 2022
Azure Sunrise Private Limited	-	1,181
Azure Power Pluto Private Limited	758	758
Azure Power (Haryana) Private Limited	753	834
Azure Clean Energy Private Limited	379	379
Azure Urja Private Limited	631	518
Azure Green Tech Private Limited	1,035	625
Azure Sunshine Private Limited	627	434
Azure Surya Private Limited	93	93
Azure Power Mars Private Limited	47	68
Azure Power (Karnataka) Private Limited	19	37
Azure Power Thirty Four Private Limited	852	407
Azure Power (Punjab) Private Limited	-	34
Azure Power Makemake Private Limited	322	241
Azure Power Thirty Six Private Limited	269	184
Azure Power Thirty Seven Private Limited	829	583
Azure Power Forty Four Private Limited	-	10

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(All amount in INR lakhs, unless otherwise stated)

Azure Renewable Energy Private Limited	-	5
Azure Solar Private Limited	144	70
Azure Power Earth Private Limited	89	-
Azure Power Venus Private Limited	58	-
Azure Power Thirty Three Private Limited	68	-

h) Sale of goods and services	**March 31, 2023**	**March 31, 2022**
Azure Urja Private Limited	-	101
Azure Photovoltaic Private Limited	-	36
Azure Power Infrastructure Private Limited	-	0
Azure Power (Raj.) Private Limited	-	36
Azure Green Tech Private Limited	-	15
Azure Sunrise Private Limited	-	11
Azure Power Makemake Private Limited	-	9
Azure Power Pluto Private Limited	-	11
Azure Power Uranus Private Limited	-	5
Azure Power Earth Private Limited	2	-
Azure Power Eris Private Limited	17	-
Azure Power Thirty Three Private Limited	5	-
Azure Power Thirty Seven Private Limited	8	38
Azure Power Fifty One Private Limited	44	-

i) Purchase of goods and services	**March 31, 2023**	**March 31, 2022**
Azure Power Forty Three Private Limited	145	0
Azure Power Maple Private Limited	29	-
Azure Power Thirty Six Private Limited	165	71
Azure Power Forty Private Limited	50	-
Azure Power Forty One Private Limited	16	-
j) Sale of Capital goods and services		
Azure Power (Karnataka) Private Limited	-	23
k) Sale return of goods and services		
Azure Power Forty Private Limited	-	110

l) Key managerial personnel remuneration	**March 31, 2023**	**March 31, 2022**
Mr. Ranjit Gupta		
- Short term employee benefits	473	412
- Stock Apreciation Right	1,032	(1,962)
Mr. Murali Subramanian		
- Short term employee benefits	-	173
- Stock Apreciation Right	948	(1,772)
Mr. Pawan Kumar Agrawal (Chief Financial Officer)		
- Short term employee benefits	433	264
- Employee stock option	-	163
Mr. Harsh Dinesh Shah		
- Short term employee benefits	458	-
Mr. Rupesh Agarwal		
- Short term employee benefits	367	-

m) Loan provided to subsidiary/fellow subsidiary	**March 31, 2023**	**March 31, 2022**
Azure Power (Karnataka) Private Limited	-	350
Azure Power Forty One Private Limited	-	55,700
Azure Power Forty Three Private Limited	-	35,900
Azure Power Maple Private Limited	10,790	48,012
Azure Power Fifty One Private Limited	1,400	990
Azure Power Fifty Two Private Limited	3,000	400
Azure Power Fifty Three Private Limited	210	800
Azure Power Fifty Four Private Limited	210	800
Azure Power Fifty Six Private Limited	500	100
Azure Power Fifty Seven Private Limited	-	160
Azure Power Fifty Eight Private Limited	2,900	500
Azure Power Fifty Nine Private Limited	210	800
Azure Power Sixty Private Limited	210	800
Azure Power Thirty Eight Private Limited	-	170
Azure Power Infrastructure Private Limited	-	1,200
Azure Power (Raj.) Private Limited	-	300
Azure Sunrise Private Limited	1,350	500
Azure Power Forty Private Limited	-	36,930

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(All amount in INR lakhs, unless otherwise stated)

Azure Power Rooftop (Genco) Private Limited	512	225
Azure Power Rooftop One Private Limited	205	252
Azure Power Rooftop Three Private Limited	-	67
Azure Power Rooftop Five Private Limited	117	78
Azure Power Sixty One Private Limited	200	-
Azure Power Sixty Two Private Limited	210	-
Kotuma Wind Parks Private Limited	400	-
Two Wind Energy Private Limited	600	-
Azure Green Hydrogen Private Limited	200	-
Azure Power Sixty Three Private Limited	2,050	-
Azure Energy Transition Private Limited	200	-
Azure Power Sixty Four Private Limited	200	-
Azure Power Sixty Five Private Limited	200	-

n) Loan repaid by subsidiary/ fellow subsidiary	March 31, 2023	March 31, 2022
Azure Power Forty One Private Limited	1,864	52,848
Azure Power Fifty One Private Limited	-	990
Azure Power Fifty Two Private Limited	-	400
Azure Power Maple Private Limited	-	28,048
Azure Power Thirty Eight Private Limited	-	1,219
Azure Solar Private Limited	-	300
Azure Power (Rajasthan) Private Limited	-	250
Azure Solar Solutions Private Limited	-	1,259
Azure Power Saturn Private Limited	-	13
Azure Power Forty Three Private Limited	23,653	26,000
Azure Power Infrastructure Private Limited	1,200	-
Azure Power (Raj.) Private Limited	300	-
Azure Sunrise Private Limited	500	-
Azure Power Forty Private limited	33,000	-
Azure Power Fifty Three Private Limited	950	-
Azure Power Fifty Four Private Limited	950	-
Azure Power Fifty Six Private Limited	450	-
Azure Power Fifty Eight Private Limited	325	-
Azure Power Fifty Nine Private Limited	950	-
Azure Power Sixty Private Limited	950	-
Azure Power Sixty One Private Limited	175	-
Azure Power Sixty Two Private Limited	175	-
Azure Green Hydrogen Private Limited	175	-
Azure Power Sixty Three Private Limited	125	-
Azure Power Sixty Four Private Limited	175	-
Azure Power Sixty Five Private Limited	175	-

o) Borrowings taken/transferred from subsidiary	March 31, 2023	March 31, 2022
Azure Power (Haryana) Private Limited	-	9,387
Azure Power Thirty Four Private Limited	6,500	2,400
Azure Power Thirty Seven Private Limited	-	7,510
Azure Power Makemake Private Limited*	-	1,434
Azure Power Thirty Six Private Limited	200	2,000
Azure Urja Private Limited	-	7,700
Azure Sunshine Private Limited	-	7,850
Azure Power (Karnataka) Private Limited*	-	234
Azure Green Tech Private Limited*	-	13,716
Azure Solar Private Limited	-	2,091
Azure Power Earth Private Limited	1,700	-
Azure Power Venus Private Limited	1,100	-
Azure Power Thirty Three Private Limited	1,300	-

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(All amount in INR lakhs, unless otherwise stated)

p) Repayment of borowings to subsidiary	**March 31, 2023**	**March 31, 2022**
Azure Green Tech Private Limited	-	1,097
Azure Sunrise Private Limited	-	28,182
Azure Power (Punjab) Private Limited	-	806
Azure Power (Haryana) Private Limited	-	9,100
Azure Power Mars Private Limited	-	500
Azure Urja Private Limited	-	3,266
Azure Power (Karnataka) Private Limited	-	867
Azure Sunshine Private Limited	-	1,368
Azure Renewable Energy Private Limited	-	46
Azure Power Forty Four Private Limited	-	114

q) Investment in subsidiaries	**March 31, 2023**	**March 31, 2022**
Azure Power Maple Private Limited	-	16,562
Azure Power Fifty One Private Limited	-	2,068
Azure Power Fifty Two Private Limited	-	1,468
Azure Power Fifty Six Private Limited	-	10
Azure Power Forty Private Limited	-	625
Azure Power Fifty Nine Pvt Ltd	-	1
Azure Power Sixty Pvt Ltd	-	1
Azure Power Sixty One Pvt Ltd	-	1
Azure Power Sixty Two Pvt Ltd	-	1
Kotuma Winds Parks Pvt Ltd	-	1
Two Wind Energy Pvt. Ltd.	-	1
Azure Power Sixty Three Private Limited	-	1
Azure Power Sixty Four Private Limited	-	1
Azure Power Sixty Three Private Limited	1	-
Azure Energy Transition Private Limited	1	-
Azure Power Sixty Four Private Limited	1	-
Azure Power Sixty Five Private Limited	1	-
Azure Power Sixty Six Private Limited	1	-
Azure Green Hydrogen Private Limited	1	-
Azure Power Fifty One Private Limited	1,000	-
r) Diminution in investments		
Azure Power Thirty Five Private limited	10	-
Azure Power Forty Two Private limited	9	-

s) Corporate guarantees given	**March 31, 2023**	**March 31, 2022**
Azure Power Forty Three Private Limited	11,726	15,600
Azure Power Forty Private Limited	2,320	36,000
Azure Solar Private Limited	-	25,500
Azure Power Rooftop (GenCo.) Private Limited	362	-
Azure Power Rooftop One Private Limited	719	-
Azure Power Rooftop Three Private Limited	97	-
Azure Power Rooftop Five Private Limited	56	-
Azure Power Maple Private Limited	32,650	-
Azure Power Forty One Private Limited	1,28,632	-
Azure Power Jupiter Private Limited	20,124	21,500

t) Corporate guarantees released	**March 31, 2023**	**March 31, 2022**
Azure Power Jupiter Private Limited	-	21,500
Azure Power Thirty Eight Private limited	1,266	-
Azure Sun Energy Private Limited	1,437	-
Azure Sunlight Private Limited	-	571

u) Refund of advance by subsidiary	**March 31, 2023**	**March 31, 2022**
Azure Power Forty one Private Limited	-	1,740

v) Inter company balances written off	**March 31, 2023**	**March 31, 2022**
Azure Solar Solutions Private Limited (till Febuary 03, 2022)	-	955
Azure Renewable Energy Private Limited (till Febuary 03, 2022)	-	1
Azure Sunlight Private Limited (till Febuary 03, 2022)	-	2
Azure Power Mercury Private Limited	-	170
Azure Power Thirty Eight Private Limited	-	179
Azure Power Forty Four Private Limited	-	120
Azure Green Tech Private Limited	-	566
Azure Power (Karnataka) Private Limited	-	234
Azure Power Makemake Private Limited	-	234

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(All amount in INR lakhs, unless otherwise stated)

2. Balances outstanding at the end of the year

a) Trade Receivable # (note 1)^	**March 31, 2023**	**March 31, 2022**
Azure Solar Private Limited	17	16
Azure Power (Rajasthan) Private Limited	21	21
Azure Sun Energy Private Limited	0	25
Azure Urja Private Limited	30	37
Azure Power (Karnataka) Private Limited	19	5
Azure Photovoltaic Private Limited	1	1
Azure Power Infrastructure Private Limited	45	76
Azure Green Tech Private Limited	17	3
Azure Sunshine Private Limited	19	2
Azure Power Earth Private Limited	9,295	9,132
Azure Power Jupiter Private Limited	1,595	1,419
Azure Power Makemake Private Limited	132	85
Azure Power Pluto Private Limited	240	95
Azure Power Uranus Private Limited	54	36
Azure Power Venus Private Limited	311	479
Azure Power Thirty Three Private Limited	24,283	23,603
Azure Power Thirty Four Private Limited	474	260
Azure Power Thirty Six Private Limited	1,159	1,071
Azure Power Thirty Seven Private Limited	136	12
Azure Power Forty Private Limited	695	392
Azure Power Forty One Private Limited	536	208
Azure Power Forty Three Private Limited	4,420	3,264
Azure Power Rooftop Three Private Limited	11	27
Azure Power Maple Private Limited	1,409	814
Azure Power Fifty One Private Limited	1,100	229
Azure Power Fifty Two Private Limited	4,447	324
Azure Power Fifty Three Private Limited	-	44
Azure Power Fifty Four Private Limited	-	44
Azure Power Fifty Seven Private Limited	43	43
Azure Power Fifty Nine Private Limited	-	44
Azure Power Sixty Private Limited	-	44
Kotuma Wind Parks Private Limited	1.523	1.434
Two Wind Energy Private Limited	4,561	4,303
Azure Power (Punjab) Private Limited	1	-
Azure Power (Haryana) Private Limited	3	-
Azure Renewable Energy Private Limited	0	-
Azure Clean Energy Private Limited	43	-
Azure Power Eris Private Limited	5	-
Azure Power Mars Private Limited	3	-
Azure Power Mercury Private Limited	0	-
Azure Power Saturn Private Limited	0	-
Azure Power Thirty Eight Private limited	0	-
Azure Power Forty four Private limited	0	-
Azure Power Sixty Two Private Limited	29	29
Azure Power Energy Limited	1	-

Includes contract assets.
Note 1: Net of provision on trade receivables

b) Contractually reimburseable from subsidiaries/ fellow subsidiaries^	**March 31, 2023**	**March 31, 2022**
Azure Power Energy Limited	16	5
Azure Power Solar Energy Private Limited	-	1
Azure Power (Punjab) Private Limited	6	4
Azure Power (Haryana) Private Limited	12	1
Azure Power (Rajasthan) Private Limited	27	14
Azure Solar Solutions Private Limited	0	0
Azure Sun Energy Private Limited	-	5
Azure Photovoltaic Private Limited	483	499
Azure Power Infrastructure Private Limited	-	5
Azure Power (Raj.) Private Limited	648	648
Azure Green Tech Private Limited	5	4
Azure Renewable Energy Private Limited	-	0
Azure Clean Energy Private Limited	-	7
Azure Sunrise Private Limited	618	631
Azure Sunlight Private Limited	0	0
Azure Power Earth Private Limited	7	1
Azure Power Eris Private Limited	1	1
Azure Power Jupiter Private Limited	205	191

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(All amount in INR lakhs, unless otherwise stated)

Azure Power Makemake Private Limited	122	-
Azure Power Mars Private Limited	-	0
Azure Power Uranus Private Limited	57	202
Azure Power Venus Private Limited	127	122
Azure Power Thirty Four Private limited	181	-
Azure Power Thirty Five Private Limited	0	0
Azure Power Thirty Seven Private Limited	-	32
Azure Power Thirty Nine Private Limited	0	0
Azure Power Forty One Private Limited	13	284
Azure Power Forty Private limited	3	-
Azure Power Forty Three Private limited	20	-
Azure Power Forty Four Private Limited	0	0
Azure Power Forty Five Private Limited	0	0
Azure Power Forty Nine Private Limited	0	0
Azure Power Fifty Private Limited	0	0
Azure Power Rooftop Private Limited	53	3,719
Azure Power Rooftop One Private Limited	37	37
Azure Power Rooftop Two Private Limited	2	2
Azure Power Rooftop Three Private Limited	0	8
Azure Power Rooftop Four Private Limited	6	6
Azure Power Rooftop Five Private Limited	6	6
Azure Power Rooftop Eight Private Limited	87	86
Azure Power Rooftop Five Private Limited	0	0
Azure Power Maple Private Limited	9,714	9,097
Azure Power Rooftop Five Private Limited	0	0
Azure Power Fifty One Private Limited	824	472
Azure Power Fifty Two Private Limited	614	472
Azure Power Fifty Five Private Limited	0	0
Azure Power Sixty One Private Limited	472	472
Azure Power Fifty Nine Private Limited	442	-
Kotuma Wind Parks Private Limited	337	177
Two Wind Energy Private Limited	542	142
Azure Power US Inc	6	6
Azure Surya Private Limited	172	-
Azure Power (Karnataka) Private Limited	44	-
Azure Power Forty Two Private limited	0	-
Azure Power Rooftop Six Private Limited	0	-
Azure Power Rooftop Seven Private Limited	0	-
Azure Power Fifty Seven Private Limited	0	-
Azure Power Fifty Eight Private Limited	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 Fifty Nine Private Limited	549	-
Azure Power Sixty Private Limited	520	-
Azure Power Sixty Two Private Limited	761	472
Azure Power Sixty Private Limited	441	-
Azure Green Hydrogen Private Limited	1	-
Azure Power Sixty Three Private Limited	1	-
Azure Energy Transition Private Limited	35	-
Azure Power Sixty Four Private Limited	0	-
Azure Power Sixty Five Private Limited	0	-

c) Advance taken outstanding	March 31, 2023	March 31, 2022
Azure Surya Private Limited	139	139
Azure Power (Karnataka) Private Limited	55	55
Azure Power Uranus Private Limited	29	29
Azure Power Venus Private Limited	286	286
Azure Power Forty Private Limited	34	34

d) Payable	March 31, 2023	March 31, 2022
Azure Power Global Limited	325	183
Azure Solar Private Limited	19	19
Azure Urja Private Limited	7	14
Azure Surya Private Limited	27	129
Azure Power (Karnataka) Private Limited	-	28
Azure Photovoltaic Private Limited	484	494
Azure Power (Raj.) Private Limited	610	639
Azure Sunrise Private Limited	586	617
Azure Power Mercury Private Limited	930	930
Azure Power Pluto Private Limited	165	92

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(All amount in INR lakhs, unless otherwise stated)

Azure Power Thirty Three Private Limited	669	3
Azure Power Thirty Four Private Limited	-	7
Azure Power Thirty Six Private Limited	160	95
Azure Power Thirty Eight Private Limited	0	0
Azure Power Forty Private Limited	52	86
Azure Power Forty Three Private Limited	676	475
Azure Power Rooftop (GenCo.) Private Limited	261	261
Azure Power Fifty Three Private Limited	-	299
Azure Power Fifty Four Private Limited	-	328
Azure Power Fifty Nine Private Limited	-	299
Azure Power Sixty Private Limited	-	328
Azure Power Infrastructure Private Limited	15	-
Azure Clean Energy Private Limited	15	-
Azure Sunshine Private Limited	6	-
Azure Power Thirty Seven Private limited	73	-
Azure Power Forty One Private limited	181	-
Azure Power Solar Energy Private Limited	92	-

e) Interest accrued on loans and advances*^	March 31, 2023	March 31, 2022
Azure Power Forty Three Private Limited	7,789	5,906
Azure Power Forty One Private Limited	4,705	3,478
Azure Power Jupiter Private Limited	814	536
Azure Power Maple Private Limited	5,910	2,589
Azure Power Thirty Three Private Limited	6,167	4,135
Azure Power (Rajasthan) Private Limited	307	214
Azure Power (Karnataka) Private Limited	27	3
Azure Power (Raj.) Private Limited	1	3
Azure Sunrise Private Limited	47	27
Azure Power Forty Private Limited	1,060	329
Azure Power Earth Private Limited	2,530	1,713
Azure Power Makemake Private Limited	5	2
Azure Power Rooftop Private Limited	15	15
Azure Power Thirty Nine Private Limited	10	7
Azure Power Infrastructure Private Limited	2	17
Azure Power Thirty Four Private Limited	1,400	1,028
Azure Power Thirty Six Private Limited	279	189
Azure Power Rooftop (Genco) Private Limited	60	7
Azure Power Rooftop One Private Limited	48	11
Azure Power Rooftop Three Private Limited	9	3
Azure Power Rooftop Five Private Limited	18	3
Azure Power Fifty One Private Limited	68	27
Azure Power Fifty Two Private Limited	91	13
Azure Power Fifty Three Private Limited	4	0
Azure Power Fifty Four Private Limited	4	0
Azure Power Fifty Six Private Limited	4	0
Azure Power Fifty Seven Private Limited	15	3
Azure Power Fifty Eight Private Limited	170	1
Azure Power Fifty Nine Private Limited	4	0
Azure Power Sixty Private Limited	4	0
Azure Power Sixty One Private Limited	0	-
Azure Power Sixty Two Private Limited	1	-
Kotuma Wind Parks Private Limited	18	-
Two Wind Energy Private Limited	27	-
Azure Green Hydrogen Private Limited	0	-
Azure Power Sixty Three Private Limited	38	-
Azure Energy Transition Private Limited	9	-
Azure Power Sixty Four Private Limited	0	-
Azure Power Sixty Five Private Limited	0	-

*Includes interest accrued on trade receivables from related parties.

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(All amount in INR lakhs, unless otherwise stated)

f) Interest due on borrowings	March 31, 2023	March 31, 2022
Azure Power (Haryana) Private Limited	1,088	411
Azure Solar Private Limited	192	63
Azure Power Pluto Private Limited	1,426	742
Azure Clean Energy Private Limited	711	370
Azure Urja Private Limited	910	342
Azure Power Thirty Four Private Limited	-	388
Azure Power Thirty Seven Private Limited	1,288	541
Azure Power Makemake Private Limited	23	231
Azure Sunshine Private Limited	910	346
Azure Power Mars Private Limited	78	35
Azure Surya Private Limited	175	91
Azure Renewable Energy Private Limited	0	0
Azure Power Thirty Six Private Limited	-	170
Azure Power Rooftop (Genco) Private Limited	0	0
Azure Power Earth Private Limited	-	0
Azure Power (Karnataka) Private Limited	19	-
Azure Green Tech Private Limited	1,484	547

g) Loan to subsidiary/fellow subsidiary*^	March 31, 2023	March 31, 2022
Azure Power (Rajasthan) Private Limited	900	900
Azure Power (Karnataka) Private Limited	350	350
Azure Power Infrastructure Private Limited	-	1,200
Azure Power (Raj.) Private Limited	-	300
Azure Sunrise Private Limited	1,350	500
Azure Power Earth Private Limited	136	136
Azure Power Jupiter Private Limited	2,766	2,766
Azure Power Mercury Private Limited	40	40
Azure Power Thirty Three Private Limited	344	344
Azure Power Thirty Four Private Limited	3,470	3,470
Azure Power Thirty Nine Private Limited	34	34
Azure Power Forty Private Limited	3,930	36,930
Azure Power Forty One Private Limited	11,765	13,629
Azure Power Forty Three Private Limited*	14,856	38,509
Azure Power Rooftop (Genco) Private Limited	737	225
Azure Power Rooftop One Private Limited	457	252
Azure Power Rooftop Three Private Limited	67	67
Azure Power Rooftop Five Private Limited	195	78
Azure Power Maple Private Limited	47,080	36,290
Azure Power Fifty Three Private Limited	60	800
Azure Power Fifty Four Private Limited	60	800
Azure Power Fifty Six Private Limited	150	100
Azure Power Fifty Seven Private Limited	160	160
Azure Power Fifty Eight Private Limited	3,075	500
Azure Power Fifty Nine Private Limited	60	800
Azure Power Sixty Private Limited	60	800
Azure Power Fifty Two Private Limited	3,000	-
Azure Power Sixty One Private Limited	25	-
Azure Power Sixty Two Private Limited	35	-
Kotuma Wind Parks Private Limited	400	-
Two Wind Energy Private Limited	600	-
Azure Green Hydrogen Private Limited	25	-
Azure Power Sixty Three Private Limited	1,925	-
Azure Energy Transition Private Limited	200	-
Azure Power Sixty Four Private Limited	25	-
Azure Power Sixty Five Private Limited	25	-
Azure Power Fifty One Private Limited	1,400	-

h) Borrowings taken	March 31, 2023	March 31, 2022
Azure Power (Haryana) Private Limited	9,187	9,187
Azure Solar Private Limited	2,091	2,091
Azure Urja Private Limited	7,700	7,700
Azure Surya Private Limited	878	878
Azure Power (Karnataka) Private Limited*	234	234
Azure Green Tech Private Limited*	12,619	12,619
Azure Clean Energy Private Limited	3,571	3,571
Azure Sunshine Private Limited	7,650	7,650
Azure Power Mars Private Limited	444	444
Azure Power Pluto Private Limited	7,153	7,153
Azure Power Thirty Seven Private Limited	9,523	9,523
Azure Power Makemake Private Limited*	3,104	3,104

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Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2022
(All amount in INR lakhs, unless otherwise stated)

Azure Power Thirty Four Private Limited	11,450	4,950
Azure Power Thirty Six Private Limited	2,700	2,500
Azure Power Rooftop (GenCo.) Private Limited	0	0
Azure Power Rooftop One Private Limited	0	-
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	March 31, 2023	March 31, 2022
Azure Sun Energy Private Limited	-	1,437
Azure Power Thirty Eight Private Limited	3,232	4,498
Azure Power Mercury Private Limited	-	36,099
Azure Power Forty Private Limited	38,320	36,000
Azure Power Forty Three Private Limited	2,22,626	2,10,900
Azure Power Rooftop (Genco) Private Limited	6,933	6,571
Azure Power Rooftop One Private Limited	11,385	10,666
Azure Power Rooftop Three Private Limited	2,614	2,517
Azure Power Rooftop Five Private Limited	1,501	1,445
Azure Power Maple Private Limited	1,32,550	99,900
Azure Power Jupiter Private Limited	20,124	-
Azure Power Forty One Private Limited	1,28,632	-

j) Other payables	March 31, 2023	March 31, 2022
Mr. Ranjit Gupta	1,032	4,281
Mr. Murali Subramanian	948	4,163

Terms and conditions of transactions with related parties

- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

- Loans from/to related parties carry an interest rate of 6.95% - 10.60% p.a. and are repayable/receivable in accordance with the terms of the respective agreement.

- The Company has given corporate guarantee to the banks and financial institutions in respect of loan taken by the subsidiaries/fellow subsidiaries. (refer note 30)

- Azure Power Global Limited (ultimate holding Company) and our Company, are respondents in arbitration proceedings initiated by the former Chairman, CEO and Managing Director of the Company, Mr. Inderpreet Singh Wadhwa ("IW") and former COO Mr. H.S Wadhwa ("HSW"), in relation to the purchase price of the shares of IW's and HSW's in the Company. The arbitration was conducted under the Singapore International Arbitration Centre (SIAC) Rules, with the seat of arbitration in Singapore and was decided in favor of the Company by way of award. The Comapny has filed enforcement petition before the High Court of Delhi. Management strongly believes in the merits of the case; however, an unfavorable outcome in these proceedings could potentially have a material adverse effect on the results of operations, cash flows and financial condition. As management believes it will be successful in the arbitration, the Company has not accrued any amount with respect to this arbitration in its standalone financial statements. Subsequently, IW and HSW filed an appeal challenging the SIAC award on May 5, 2022, before the Singapore High Court. However, vide order dated June 29, 2022, the appeal filed by IW and HSW has been dismissed. Consequently, the Award in our favour has been upheld. We have filed a petition before the High Court of Delhi seeking enforcement of the Award. There is no adverse order passed by the Hon'ble High Court till date. This matter is next listed for hearing on July 11, 2024.

*During the previous year, the Company entered in to a contract ("Rooftop Sale Agreement") with Radiance Renewables Private Limited ("Radiance") to sell certain subsidiaries (the "Rooftop Subsidiaries") at agreed consideration. During earlier years, the Azure Power (Karnataka) Private Limited, Azure Green Tech Private Limited and Azure Power Makemake Private Limited (the subsidiary companies) had given certain loans to Azure Renewable Energy Private Limited (the rooftop Subsidiary under sale), out of which INR 234 Lakhs , INR 566 Lakhs and INR 234 Lakhs respectively were outstanding as of the date of sale of the subsidiary. Basis the consideration agreed with the Radiance in relation to sale of Azure Renewable Energy Private Limited, the Company have agreed to repay the above-mentioned loan amount. The same balance is outstanding in books as of March 31, 2023.

^During the year the Company has recognised a loss allowance of INR 12,192 lakhs (March 31, 2022: 2,645 lakhs) on receivables (trade receivables, contractually reimburseable from subsidiaries, loans and interest accrued thereon) from related parties.

- On April 26, 2022, the Company through its Board of Directors ("BOD") has accepted the resignations of erstwhile Mr . Ranjit Gupta (CEO) and Mr. Murali Subramanian (COO) of the Company. Both of the KMP's were relinquished from their roles with the Company/ Group with immediate effect.

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(All amount in INR lakhs, unless otherwise stated)

27. Segment information

The Company's activities mainly involve sale of electricity. Considering the nature of Company's business and operations, there are no separate reportable operating segments in accordance with the requirements of Indian Accounting Standard 108, 'Operating Segments' referred in to Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and hence, there are no additional disclosures to be provided other than those already provided in the financial statements. The Company's principal operations, revenue and decision-making functions are located in India and there are no revenue and non-current assets outside India.

Information about revenue from major cutomers who contributed 10% or more relating to revenue from sale of power:

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Sale of Power:		
Solar Energy Corporation of India	10,923	11,169
NTPC Vidyut Vyapar Nigam Limited	9,509	9,216
Chhattisgarh State Power Distribution Company Limited	2,946	2,729

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28. Disclosure relating to Corporate Social Responsibility (CSR) Expenditure

As per provision of Section 135 of the Companies Act, 2013 read with Companies Amendment Act, 2021, the Company has to spend at least 2% of the average profits of the preceding three financial years towards CSR. Accordingly, a CSR committee has been formed for carrying out the CSR activities as per Schedule VII of the Companies Act, 2013.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Amount required to be spent by the company during the year	-	-
Amount of expenditure incurred		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	-	84
Amount approved by Board	-	84
(Excess)/Shortfall at the end of the year	-	-
Total of previous years shortfall/(excess)	-	-
Amount spent towards obligations in relation to:		
Ongoing projects	-	-
Other than Ongoing projects	-	84
Accrual towards unspent obligations	-	-
Reason for shortfall	-	Not Applicable
Nature of CSR activities	NA	Skill development, supply of dry ration and other eligible expenditure
Details of related party transactions	-	Not Applicable

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, 2023	For the year ended March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year*	305	395
Principal amount due to micro and small enterprises*	62	199
Interest due on above	243	42
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	243	42
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	42	196

* Includes payable of INR 12 lakhs (March 31, 2022: INR 143 lakhs) relating to purchase of capital assets.

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(All amount in INR lakhs, unless otherwise stated)

30. Financial guarantees

The Company has issued financial guarantees to banks on behalf of and in respect of loan facilities availed by its group Companies. In accordance with the policy of the Company (refer note 2.2 (j)). The Company has designated such guarantees as "Insurance Contracts". The Company has classified financial guarantees as Contingent Liabilities. Accordingly, there are no assets and liabilities recognized in the balance sheet under these contracts.

Refer below for details:-

Company Name	As at March 31, 2023	As at March 31, 2022
Azure Sun Energy Private Limited	-	1,437
Azure Power Thirty Eight Private Limited	3,232	4,498
Azure Power Forty Private Limited	38,320	36,000
Azure Power Rooftop (Genco) Private Limited	6,933	6,571
Azure Power Rooftop One Private Limited	11,385	10,666
Azure Power Rooftop Three Private Limited	2,614	2,517
Azure Power Rooftop Five Private Limited	1,501	1,445
Azure Power Forty Three Private Limited	2,22,626	2,10,900
Azure Power Maple Private Limited	1,32,550	99,900
Azure Power Jupiter Private Limited	20,124	-
Azure Power Forty One Private Limited	1,28,632	-
	5,67,917	4,10,033

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31. Leases

Company as lessee:
The Company leases land for construction of solar power plants and building space to be used as corporate office. These leases typically run for 9 to 27 years which is further extendable on mutual agreement by both lessor and lessee. Accordingly, the Company has taken lease period of 35 years considering reasonable certainity and expectation of extension of the lease period.

Information about the leases for which the Company is a lessee is presented below:

i) Right-of-use assets

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Opening balance	4,031	4,555
Additions during the year	1,307	-
Adjustment due to change in estimates	(244)	(189)
Depreciation for the year	(292)	(335)
Closing balance	**4,802**	4,031

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, 2023**	For the year ended March 31, 2022
Opening balance	3,406	3,502
Adjustment due to change in estimates	372	-
Accretion of interest	377	304
Payments	(563)	(400)
Closing balance	**3,592**	3,406

Particulars	**As at March 31, 2023**	As at March 31, 2022
Current	392	373
Non-current	3,200	3,033
Total	**3,592**	3,406

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

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Interest on lease liabilities	377	304
Depreciation on right of use of assets	292	335
Expenses relating to short-term leases	-	62
Total	**669**	701

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

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Total cash outflow for leases	563	399

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.

32. Commitments and contingencies

a) Commitments
(i) The Company has commitments of INR 2,84,913 lakhs (net of advances) (March 31, 2022: INR 135 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**
Chhattisgarh State Power Distribution Company Limited	10	August 01, 2014	6.44	25
Chhattisgarh State Power Distribution Company Limited	10	September 01, 2015	6.45	25
Chhattisgarh State Power Distribution Company Limited	10	September 15, 2014	6.46	25
Bangalore Electricity Supply Company Limited	10	September 27, 2014	6.66	25
Solar Energy Corporation of India Limited	3	October 14, 2015	5.43	25
NTPC Vidyut Vyapar Nigam Limited	100	April 19, 2016	5.12	25
Solar Energy Corporation of India Limited	200	April 27, 2018	2.48	25

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b) Contingent liabilities:

	March 31, 2023	March 31, 2022
(i) Guarantees, letter of credit and counter guarantees given by the Company	5,92,005	4,60,485

(ii) The Company had two outstanding disputes with its erstwhile Chief Executive Officer, Mr. Inderpreet Singh Wadhwa (IW). During the previous year, the Company has received an unfavourable Award from the Mumbai Centre for International Arbitration in relation to Mr. Wadhwa's transition from the Company, and subsequently made payments as required in the Award, without prejudice to its rights.
In respect of second matter, during the current year the Company received a favourable Award from Singapore International Arbitration Centre in relation to the purchase price of shares, held by Mr. Inderpreet Singh Wadhwa and Mr. H. S. Wadhwa (HSW) (erstwhile Chief Operating Officer), in Azure Power India Private Limited. Subsequently, IW and HSW filed an appeal challenging the SIAC award on May 05, 2022, before the Singapore High Court. However, vide order dated June 29, 2022, the appeal filed by IW and HSW has been dismissed. Consequently, the Award in our favour has been upheld. We have filed a petition before the High Court of Delhi seeking enforcement of the Award. There is no adverse order passed by the Hon'ble High Court till date. This matter is next listed for hearing on July 11, 2024.

(iii) A PIL had been initiated by certain individuals claiming to be wildlife experts/interested in conservation of wildlife, before the Supreme Court of India against various state governments such as Rajasthan, Gujarat, and Ministry of Renewable Energy (MNRE), Ministry of Power (MOP) among others, seeking protection of the two endangered bird species, namely the Great Indian Bustard (GIB) and the Lesser Florican found in the states of Rajasthan and Gujarat. The Supreme Court by way of order dated April 19, 2021 issued directions to: (i) underground all low voltage transmission lines, existing and future lines falling in potential and priority habitats of GIB, (ii) to convert all existing high voltage lines in priority and potential areas of GIB where found feasible within a period of one year, if not found feasible, the matter to be referred to the committee formed by the Supreme Court which will take a decision on feasibility, and (iii) to install bird diverters on all existing overhead lines in the interim.

We and many other developers have projects in the potential area as determined by the court, hence aggrieved by the order, the Solar Power Developers Association ("SPDA") and Union of India have filed an application before the Supreme Court seeking among others, exemption from undergrounding of transmission lines in potential areas. The matter was last listed on November 30, 2022, whereby directions have been passed to parties to ensure installation of bird diverters in the Priority Area and for them to be in compliance with quality standards issued by the Supreme Court Committee. The PIL is presently pending. The SPDA has filed an application seeking modification of Supreme Court's order dated April 19, 2021. Further, the Supreme Court vide its order dated March 21, 2024 modified its earlier order dated April 19, 2021 directing the Central Government to constitute an expert committee to examine the issue of installing overhead and underground powerlines in the priority areas marked for the conservation of the Great Indian Bustard (GIB). The expert committee on the GIB issue will, inter-alia, look into (i) the scope and feasibility of laying down underground and overhead transmission lines, (ii) measures for the conservation of GIB, and (iii) identifying suitable alternatives for laying down power lines in the future. The expert committee is required to submit its report latest by July 31, 2024. Citing practical difficulties in laying down underground transmission lines, the Supreme Court has also restricted the requirement of laying down underground transmission lines only to the priority area (covering roughly 13,163 sq km). If the modification application is dismissed, we might entail significant costs and delays.

(iv)During the previous year, the Company filed petition with Central Electricity Regulatory Commission ("CERC") seeking directions from CERC to Power Grid Corporation of India Limited ("PGCIL") to extend the long-term open access start date under the Long Term Access Agreement executed by AZI and PGCIL to align the same with Scheduled Commercial Operation Dates ("SCODs") of the company and extend the deadline for completion of the dedicated transmission line and pooling substation under the Transmission Agreement between AZI and PGCIL to appropriately align the same with the SCODs and not to take any coercive action against the Petitioners including but not limited to imposition of charges on account of operationalization of LTA.
During the current year in December 2022, the Company received an unfavourable order from CERC, whereby CERC has disallowed the petition in line with the order dated May 23, 2022, in Petition No. 525/MP/2020 in which the Commission has already inter alia held that the waiver from transmission charges under Ministry of Power orders apply after the COD of the generating station and does not provide any exemption from payment of charges before COD. The matter is presently pending with the appellate authority. The Company is expecting to receive requisite waivers over-due course resulting thereto no financial impact is being taken in books of account.

(v) During the earlier years, the Company had received a demand of INR 1,200 lakhs (INR 1,200 lakhs as at March 31, 2022) related to services tax assessment from FY 2014-15 to 2016-17. The Company is contesting the demand and subsequently filed an appeal on April 12, 2024 is confident that there should not be a tax outflow related to this claim.

33. Derivative instruments and hedging activities:

Contract designated as cash flow hedge:
During financial year 2018-19 and 2019-20, the Company entered into buyer's credit facility amounting to US$ 228.01 Lakhs and US$ 345.80 Lakhs, respectively, at six months LIBOR plus 0.5% spread, for its 200 MW solar power project. The Company has taken USD/INR currency swap for its principal and interest payment. As per this swap arrangement, the Company pays fixed INR and receive USD and pays fixed interest ranging between 8.11% to 8.12%, for respective buyer's credit and receives a variable interest at six months LIBOR plus 0.5% on the US$ notional amount. The facility was repaid during the previous year.

During financial year 2020-21, the Company took a long term borrowing amounting to US$ 930 Lakhs, at LIBOR plus margin of 3.95% and the loan is repayable in 8 half yearly instalments commencing November 2021.The funds were provided to project SPVs as shareholder loans or through other instrument for capital expenditure or for payment of capital expenditure in respect of various specified projects. The Company has taken US$ 930 Lakh currency swap for its principal and interest payment. As per this swap arrangement, the Company pays fixed INR and receive USD and pays fixed interest ranging between 9.10 to 10.20%, for these long term borrowing and receives a variable interest at six months LIBOR plus 3.95% on the US$ notional amount. During the year, the Company has tested the effectiveness of the hedge relationship and the hedge was effective.

Th risk management objective of the hedge arrangement is to reduce the variability in payment of foreign currency equivalent cash flows arising from repayment of principal and interest components.

The following table presents outstanding notional amount and balance sheet location information related foreign exchange derivative contracts as of March 31, 2023 and March 31, 2022.

	March 31, 2023	March 31, 2022
Notional Amount (USD denominated)	590	907
Non-current – Other financial assets (INR)	2,879	337
Current – Other financial assets (INR)	1,848	-

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(All amount in INR lakhs, unless otherwise stated)

Particulars of un-hedged foreign currency exposure as at March 31, 2023 and March 31, 2022

	March 31, 2023		March 31, 2022	
	USD	INR	USD	INR
Payables	65.64	5,397	2.69	204
Receivables	-	-	0.08	6

	March 31, 2023		March 31, 2022	
	Euro	INR	Euro	INR
Trade receivables	0.16	15	-	-

34. Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers"

a) Reconciliation of the amount of revenue recognised in statement of profit and loss with the contracted price:

	As at March 31, 2023	As at March 31, 2022
Revenue as per Contracted price	33,418	32,686
Adjustments for:		
Rebate/Discount	(312)	(307)
Amortisation of extension charges	(14)	(14)
Revenue from contract with customers	**33,092**	32,365

b) Movement in expected credit loss on trade receivables during the year (refer note 2.2(k)):

	As at March 31, 2023	As at March 31, 2022
Opening balance	183	50
Changes in allowance for expected credit loss:		
Provision towards credit impaired receivables during the year	5,388	196
Trade receivable written off during the year	-	(63)
Amounts written back during the year	(43)	-
Closing balance	**5,528**	183

c) Contract balances

The following table provides information about trade receivables and contract assets as at March 31, 2023 and March 31, 2022.

	As at March 31, 2023	As at March 31, 2022
Non current assets		
Trade receivables	40,240	40,805
Contract assets*	261	275
Current assets		
Trade receivables	23,746	20,014
Contract assets*	14	14
Other non current and current liabilities		
Contract liabilities	8,768	9,196

* 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.

Movement of Contract Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	289	303
Addition during the year	-	-
Deletion/adjustment during the year	(14)	(14)
Closing Balance	**275**	289

Movement of Contract Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	9,196	-
Addition during the year	-	9,619
Revenue recognised during the year	(428)	(423)
Closing Balance	**8,768**	**9,196**

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35. Employee benefits

(a) Defined contribution plan

The Company makes contribution towards provident fund 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 244 Lakhs (March 31, 2022: INR 218 Lakhs) for provident fund contribution in the statement of profit and loss. The contribution payable to the plan by the Company is at the rate specified in the rules to the scheme.

(b) Defined benefit plan
Gratuity and other post-employment benefits

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is unfunded and accrued cost is recognised through reserve in the accounts of the company.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss account and the unfunded status and amounts recognized in the balance sheet.

Statement of profit and loss

Amounts recognised in Statement of Profit & Loss for the year ended March 31, 2023

	Gratuity	
	March 31, 2023	March 31, 2022
Current service cost	104	75
Interest cost on benefit liability	27	19
Net expense recognized in statement of profit and loss	**131**	94

Amount recognised in other comprehensive income for the year ended March 31, 2023:

	Gratuity	
	March 31, 2023	March 31, 2022
Effect of change in financial assumptions	(4)	12
Effect of change in demographic assumptions	78	-
Experience (gains)/ losses	109	(31)
Actuarial loss/ (gain) recognized in the year	**183**	(19)

Balance Sheet figures as at:

	Gratuity	
	March 31, 2023	March 31, 2022
Present value of defined benefit obligation	237	335

Changes in the present value of the defined benefit obligation for the year ended March 31, 2023 are as follows:

	Gratuity	
	March 31, 2023	March 31, 2022
Present value of obligation as at the beginning	335	230
Current service cost	104	75
Interest cost	27	19
Re-measurement or actuarial loss /(gain)	(183)	19
Benefits paid	(51)	(8)
On account of transfer of employees	5	-
Present value of obligation as at the end	**237**	335
Current portion	35	22
Non-current portion	202	313

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

	March 31, 2023	March 31, 2022
Discount rate (per annum)	7.27%	7.42%
Employee turnover rate (per annum)	30.00%	9.00%

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(All amount in INR lakhs, unless otherwise stated)

Withdrawal rate (per annum)	30.00%	9.00%
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, 2023 is as shown below:

	Discount rate			
	March 31, 2023		March 31, 2022	
	1 % increase	**1 % decrease**	1 % increase	1 % decrease
Defined benefit obligation increased/(decreased) by	(9)	9	(21)	24

	Salary Escalation Rate			
	March 31, 2023		March 31, 2022	
	1 % increase	**1 % decrease**	1 % increase	1 % decrease
Defined benefit obligation increased/(decreased) by	10	(10)	24	(21)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these are not computed. Further, there are no changes in current year from the previous year in the methods and assumptions used in preparing the sensitivity analysis.

The Company does not have any plan assets. Company has sufficient balance of cash and cash equivalent to fund the liabilities that may arise in near future.

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

	March 31, 2023	March 31, 2022
Within the next 12 months (next annual reporting period)	36	23
Between 2 and 5 years	159	91
Between 5 and 10 years	90	184

Expected contributions to post-employment benefit plans for the year ending 31 March 2024 is INR Nil.
The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 5.4 years (March 31, 2022: 11.73 years).

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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 March 31, 2023	As at March 31, 2022	**As at March 31, 2023**	As at March 31, 2022
Financial assets carried at amortised cost				
Trade receivables (Non- current)	40,240	40,805	40,240	40,805
Loans to subsidiaries/fellow subsidiaries	15,829	37,742	15,829	37,742
Security deposits	491	458	491	458
Performance bank guarantee receivable	100	88	100	88
Term deposits	27,687	25,764	27,687	25,764
Total	**84,347**	1,04,857	**84,347**	1,04,857
Financial assets measured at fair value				
Derivative instruments at fair value through OCI(1)	4,727	337	4,727	337
Total	**4,727**	337	**4,727**	337
Financial liabilities carried at amortised cost				
Term loans from banks - In Indian currency(2) (Including current maturities)	22,912	24,233	22,912	24,233
Foreign currency loan from bank(2) (Including current maturities)	10,155	14,332	10,155	14,332
Foreign currency loan from financial institutions(2) (Including current maturities)	38,068	53,727	38,068	53,727
Term loans from financial institutions - In Indian currency(2) (Including current maturities)	95,665	1,01,223	95,665	1,01,223
Vehicle loan(2) (Including current maturities)	89	87	89	87
Loan from subsidiaries(3) (including current maturities)	82,404	71,604	82,404	71,604
Total	**2,49,293**	2,65,206	**2,49,293**	2,65,206
Financial liabilities measured at fair value				
Cash-settled share-based payments at fair value through profit and loss (including current portion)(4)	-	8,444	-	8,444
Total	-	8,444	-	8,444

The management assessed that the fair value of cash and cash equivalents, term deposits, interest accrued on term deposits, other bank balances, trade receivables, performance guarantee receivables, unbilled revenue, viability gap funding receivable (VGF), security deposits received, current borrowings, receivable/payable from/to subsidiaries/fellow subsidiaries, loan to subsidiaries/fellow subsidiaries, trade payables, other payables, derivative asset/liability and security deposits paid, as applicable, approximates their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date.

The following methods and assumptions were used to estimate the fair values:
Measured at fair value:

(1) The Company enters into derivative financial instrument (USD-INR full currency swap) with various counterparties, principally financial institutions with investment grade credit ratings. These derivatives are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies and interest rate curves etc.

(4) Fair value of cash-settled share based payment is based on valuation as on reporting date.

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, 2023 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, 2023:

		Fair value measurement using		
	Carrying value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets carried at amortised cost				
Trade receivables	40,240	-	-	40,240
Loans to subsidiaries/fellow subsidiaries	15.829	-	-	15,829
Security deposits	491	-	-	491
Performance bank guarantee receivable	100	-	-	100
Term deposits	27,687	-	-	27,687
Financial assets measured at fair value				
Derivative instruments at fair value through OCI	4,727	-	4,727	-

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

		Fair value measurement using		
	Carrying value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities carried at amortised cost				
Term loans from banks - In Indian Currency (Including current maturities)	22,912	-	-	22,912
Foreign currency loan from bank (Including current maturities)	10,155	-	-	10.155
Foreign currency loan from financial institution (Including current maturities)	38,068	-	-	38,068
Term Loans from financial institution - In Indian Currency (Including current maturities)	95,665	-	-	95.665
Vehicle loan (Including current maturities)	89	-	-	89
Loan from subsidiaries (Including current maturities)	82,404	-	-	82,404

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, 2022:

		Fair value measurement using		
	Carrying value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets carried at amortised cost				
Trade receivables	40,805	-	-	40,805
Loans to subsidiaries/fellow subsidiaries	37,742	-	-	37,742
Security deposits	458	-	-	458
Performance bank guarantee receivable	88	-	-	88
Term deposits	25,764	-	-	25,764
Financial assets measured at fair value				
Derivative instruments at fair value through OCI	337	-	337	-

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(All amount in INR lakhs, unless otherwise stated)

37. Fair value hierarchy

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)	24,233	-	-	24,233
Foreign currency loan from bank (Including current maturities)	14,332	-	-	14,332
Foreign currency loan from financial institution (Including current maturities)	53,727	-	-	53,727
Term loans from financial institution - In Indian Currency (Including current maturities)	1,01,223	-	-	1,01,223
Non-convertible debentures (Including current maturities)	-	-	-	-
Loan from subsidiary (Including current maturities)	71,604	-	-	71,604
Financial liabilities measured at fair value				
Cash-settled share-based payments at fair value through profit and loss (including current portion)	8,444	-	8,444	-

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

The management assessed that the fair value of cash and cash equivalents, term deposits, interest accrued on term deposits, other bank balances, trade receivables, performance guarantee receivables, unbilled revenue, viability gap funding receivable (VGF), security deposits received, current borrowings, receivable/payable from/to subsidiaries/fellow subsidiaries, loan to subsidiaries/fellow subsidiaries, trade payables, other payables, derivative asset/liability and security deposits paid, as applicable, approximates their carrying amounts largely due to the short-term maturities of these instruments.

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38. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, investments, trade and other receivables, cash and cash equivalents, deposits with banks and other financial assets.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investment in mutual funds and derivative instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2023 and March 31, 2022.

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, 2023	**Floating rate financial instruments**	**Fixed rate financial instruments**	**Non-interest bearing**	**Total**
Financial assets	-	1,81,718	1,24,719	3,06,437
Financial liabilities	1,66,800	82,493	28,847	2,78,140

As at March 31, 2022	Floating rate financial instruments	Fixed rate financial instruments	Non-interest bearing	Total
Financial assets	-	2,00,438	1,21,395	3,21,833
Financial liabilities	1,93,515	71,604	49,133	3,14,252

Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on financial liabilities, with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	**March 31, 2023**		March 31, 2022	
Effect on profit before tax	+/(-)50	(-)/+	834	(-)/+	968

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment. Though there is exposure on account of interest rate movement as shown above but the Company minimises the foreign currency (US dollar) interest rate exposure through derivatives and INR interest rate exposure through re-financing.

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company are exposed to foreign currency risk arising from changes in foreign exchange rates on foreign currency loan, derivative financial instruments and operating payables/receivables. The Company enters into foreign exchange derivative contracts to mitigate fluctuations in foreign exchange rates in respect of these loans.

The following table analysis foreign currency risk from financial instruments relating to US$ as of March 31, 2023 and March 31, 2022:

	As at March 31, 2023	As at March 31, 2022
Borrowings		
Foreign currency loans from banks and financial institutions (including interest accrued)	49,732	70,339
Payables	5,397	204
Receivables	-	6

The following table analysis foreign currency risk from financial instruments relating to Euro as of March 31, 2023 and March 31, 2022:

Trade receivables	15	-

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(All amount in INR lakhs, unless otherwise stated)

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD/Rupee exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary liabilities. The company's exposure to foreign currency changes for all other currencies is not material.

	Change in USD rate		March 31, 2023		March 31, 2022
Effect on profit before tax	+/(-)5%	(-)/+	2,756	+/(-)5%	3,527

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, 2023	For the year ended March 31, 2022
Opening balance	183	50
Changes in allowance for expected credit loss:		
Provision created during the year (refer note 23)	5,388	196
Trade receivable written off during the year	-	(63)
Written back during the year (refer note 18.2)	(43)	-
Closing balance	5,528	183

(b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk is the risk that Company will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach of Company to manage liquidity is to ensure, as far as possible, that these will have sufficient liquidity to meet their respective liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to their reputation.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	Less than 1 year	1 to 5 years	> 5 years	Total
As at March 31, 2023				
Lease liabilities	417	1,905	10,156	12,478
Borrowings*	47,138	83,731	1,12,012	2,42,881
Loan from subsidiaries*	19,736	68,960	-	88,696
Trade payables	5,345	-	-	5,345
Other financial liabilities**	10,097	-	-	10,097
	82,733	**1,54,596**	**1,22,168**	**3,59,497**
As at March 31, 2022				
Lease liabilities	397	1,804	5,826	8,027
Borrowings*	51,978	1,05,106	1,27,141	2,84,225
Loan from subsidiaries*	-	75,882	-	75,882
Trade payables	8,319	-	-	8,319
Other financial liabilities**	15,806	-	-	15,806
	76,500	1,82,792	1,32,967	3,92,259

*Including interest accrued on non-current borrowings.
**Excluding interest accrued on borrowings.

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(All amount in INR lakhs, unless otherwise stated)

39. Disclosure of interest in subsidiaries and associates:-

List of interest in subsidiaries: -

Name	Country of Incorporation /Principal place of business	% equity interest#	
		March 31, 2023	March 31, 2022
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 Sun Energy Private Limited	India	-	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	51.40%	51.40%
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	51.40%	51.40%
Azure Power Thirty Three Private Limited	India	100%	100%
Azure Power Thirty Four Private Limited	India	100%	100%
Azure Power Thirty Five Private Limited*	India	-	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 Two Private Limited*	India	-	100%
Azure Power Forty Three Private Limited	India	100%	100%
Azure Power Forty Four Private Limited**	India	51%	51%
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 US Inc.	United States of America	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%

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(All amount in INR lakhs, unless otherwise stated)

Name	Country of Incorporation /Principal place of business	% equity interest#	
		March 31, 2023	March 31, 2022
Azure Power Fifty Nine Private Limited	India	100%	100%
Azure Power Sixty Private Limited	India	100%	100%
Azure Power Sixty two Private Limited	India	100%	100%
Azure Power Sixty one Private Limited	India	100%	100%
Azure Power Sixty Three Private Limited	India	100%	100%
Azure Power Sixty Four Private Limited	India	100%	100%
Kotuma Wind Parks Private Limited	India	100%	100%
Two Wind Energy Private Limited	India	100%	100%
Azure Energy Transition Private Limited	India	100%	0%
Azure Power Sixty Five Private Limited	India	100%	0%
Azure Power Sixty Six Private Limited	India	100%	0%
Azure Green Hydrogen Private Limited	India	100%	0%

Information about associates :-

Name	Country of Incorporation /Principal place of business	% equity interest	
		March 31, 2023	March 31, 2022
Joint Venture			
Waaree Power Private Limited (refer note 4A)	India	-	26.00%
Associate			

* During the current year application had been made to the Registrar of Companies (ROC) for striking off the names of these entites from the register of companies maintained by ROC, approval for the same has been received during the current year.

** During the previous year, the Company had disposed of investments in rooftop subsidaries as part of share purchase agreement. (also see note 44)

Includes shareholding held by nominee shareholders.

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40. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants, if any. To maintain or adjust the capital structure, the Company reviews the fund management at regular intervals and take necessary actions to maintain the requisite capital structure.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

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41. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

A. Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

(i) Classification of leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

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 given in Note 35.

(iii) Provision for decommissioning

The Company has recognised provisions for the future decommissioning of solar power plants set up on leased land at the end of the lease term. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the leased land and the expected timing of those costs. The carrying amount of the provision as at March 31, 2023 was INR 935 lakhs (March 31, 2022: INR 1,466 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 3.9 lakhs to 4.5 lakhs (March 31, 2022 - INR 3.9 lakhs to 4.5 lakhs)
► Discount rate – 10.0% (March 31, 2022: 8.5 % p.a.)
► Inflation rate – 8.0% (March 31, 2022: 8.0 % p.a.)

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(iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

Assumptions include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(v) Depreciation on property, plant and equipment

Depreciation on property plant and equipment is calculated on a straight line basis using the rates arrived at based on the useful lives estimated by the management. Considering the applicability of Schedule II of the Companies Act, 2013, the management has re-estimated useful lives and residual value of all of its property plant and equipment. The management believes that depreciation rates currently used fairly reflects its estimate of the useful lives and residual value of the Property plant and equipment, though these rates in certain cases are different from lives prescribed under Schedule II of the Companies Act, 2013.

Based on legal opinion obtained, management is of the view that application of CERC and/or SERC rates for the purpose of accounting of depreciation expense is not mandatory. Hence, company is depreciating the assets based on life as determined by the management.

During the previous year, the Company basis the technical assessment, had revised the useful life of solar power project assets i.e. plant and machinery (excluding inverter) and building from 25 years to 35 years. These changes had been considered as change of accounting estimate as per Ind AS 8 (Accounting policies, change in accounting estimates and errors) and had been accounted for prospectively with effect from April 01, 2021. (Refer note 3 and 21)

(vi) Impairment of non-financial assets

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

Assumptions include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(vii) Key assumption about the likelihood and magnitude of an outflow of resources in case of Income Tax

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, legal interpretations of various other acts/laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

(viii) Provision for expected credit losses of trade receivables and contract assets

The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. As per the requirements of Ind AS 109, on subsequent measurement, the management while making ECL assessment considered the past experience with the Government of honouring its commitments and the strong capacity and ability of the Government to meet its contractual cash flow obligations.

(ix) Recognistion and measurement of provision and contingencies

The company recognises provision if it is probable that an outflow of cash and other economic resources will be required to settle the provision. If outflow is not probable, then item is treated as contingent liability. Risk and uncertainities are taken into account in measuring provision.

42. The Company is in process of conducting a transfer pricing study as required by the transfer pricing regulations under the income tax act ('regulations') to determine whether the transactions entered during the year ended March 31, 2023 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.

(All amount in INR lakhs, unless otherwise stated)

43. Ratio Analysis and its elements

Ratio	Numerator	Denominator	March 31,2023	March 31,2022	% change	Reason for variance *
Current ratio	Current Assets	Current Liabilities	2.32	3.26	(29%)	Primarily due to increase in current liabilities as compared to the previous year.
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.50	0.52	(3%)	Not Applicable
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	(0.04)	(0.02)	113%	Primarily due to increase in losses in current year as compared to previous year.
Inventory Turnover ratio	Cost of goods sold	Average Inventory	-	-	-	Not Applicable
Trade Receivable Turnover Ratio	Gross credit sales - sales return	Average Trade Receivable	0.39	0.44	(10%)	Not Applicable
Trade Payable Turnover Ratio	Other expense	Average Trade Payables	4.02	2.95	36%	Primarily due to increase in expenses in current year as compared to previous year
Net Capital Turnover Ratio	Revenue from operation	Average working capital	0.19	0.36	(49%)	Primarily due to increase in average current assets in current year as compared to previous year.
Net Profit ratio	Net Profit	Revenue from operation	(0.89)	(0.36)	152%	Primarily due to increase in losses in current year as compared to previous year.
Return on Capital Employed	Earnings before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	0.82%	3.25%	(75%)	Primarily due to decrease in operating profit as compared to previous year.
Debt Service Coverage ratio	Net profit after taxes + Non-cash operating expenses	Interest & Lease Payments + Principal Repayments	0.37	0.11	251%	Primarily on account of repayment of borrowings in the previous year.
Return on Investment	Interest (Finance Income)	Investment	-	-	0%	Not Applicable

* The Company has further explained the reason for variances in ratios, where change is more than 25% as compared to previous year.

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44. During the year ended March 31, 2021, Azure Power Global Limited (Holding Company) has identified certain subsidiaries on a going concern basis, which currently form part of our Rooftop business. Out of this identified portfolio, during the previous year, the Company and Azure Power Rooftop Private Limited (APRPL), being the Subsidiaries of the Holding Company have 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 and APRPL, respectively

Further, as per the terms of the Rooftop Sale Agreement in respect of the 33.2 MWs capacity which are operated through certain subsidiaries of Holding Company, referred as entities of the Restricted Group (which had issued Senior Notes/Green Bonds during previous years), 48.6% of the equity ownership have been transferred to Radiance during the previous year, and pursuant to the terms of these Green Bonds, the remaining 51.4% can only be transferred post refinancing of Green Bonds. Further during the previous year, Company has transferred 100% shareholding relating to 9.5 MW rooftop project forming part of Restricted Group post refinancing of bonds during the year and 5.32 MW of entities forming the part of disposal group. There are restrictions on transfer of equity ownership relating to the 16 MW project with Delhi Jal Board (DJB), wherein 49% of the equity ownership have been transferred to Radiance on closing date, and the remaining 51% will be transferred on or after March 31, 2024.

During the year, the Company has transferred 100% ownership in 2.5 MW rooftop project post receipt of consideration from radiance.

45. Standards notified but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies and added guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies, accounting estimates and correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. The Company does not expect this amendment to have any significant impact in its financial statements.

46. Subsequent Events

(a) On February 13, 2024, FS India Solar Ventures Private Limited ("First Solar") sent us a notice that First Solar was terminating the Master Supply Agreement, dated August 22, 2022 ("First Solar MSA"), between First Solar and the Company. The notice claims that a termination payment of INR 23,978 lakhs is due to be paid by the Company to First Solar under the First Solar MSA. The Company disputes that such a termination payment is due and intends to engage in commercial discussions with First Solar to resolve the matter.

(b) On March 05, 2024, Siemens Gamesa Renewable Power Private Limited (" Siemens Gamesa") sent us a notice which claims a default and damages of INR 19,340 lakhs in connection with a supply agreement between Siemens Gamesa and the Company in respect of our 345.6 MW wind power project in the state of Karnataka. The Company disputes such claim of default and damages and intends to engage in mutual discussions with Simens Gamesa to resolve the matter.

47. Additional regulatory information required by Schedule III

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Company have not traded or invested in crypto currency or virtual currency during the financial year.

(iv) The Company have not advanced or loaned or invested either from borrowed fund or share premium or any other source and kind of funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding whether recorded in writting or otherwise that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(v) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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(vi) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vii) The Company has not been declared as a wilful defaulter by any bank, financial institution, government, any other government authority or any other lender.

(viii) The Company has used its specific borrowings for the specific purpose for which they were taken.

(ix) There are no immovable properties for which the title deeds are not held in the name of the Company.

(x) The company has complied with the number of layers prescribed under clouse 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. Whisteblower complaint

During the previous and current year, the Group received whistle-blower complaints on various matters, including lapses in internal control for certain key areas, governance and vendor management. The Board of Directors of the holding company engaged external counsel to undertake investigations on the allegations thereof. None of those allegations pertain to the Company and therefore no adjustment was required to be made in the books on account. However, some of the Group companies have made certain adjustments in the books of account as a prudent measure. Further, in one of the ongoing investigation ("Special Committee") in relation to material projects of the Group, the Special Committee have identified evidence that certain individuals formerly affiliated with the Group may have had knowledge of, or were involved in an apparent scheme with persons outside the Group to make improper payments in relation to certain projects. To date, the Special Committee has not identified related improper payments or transfers by the Group. The Special Committee's investigation is still ongoing. The Special Committee's review and its findings has impacted the decision-making of the Group in connection with such projects. The Group has disclosed the details of the Special Committee's investigation to the SEC and the U.S. Department of Justice, and the Group continues to cooperate with those agencies. The Group remains steadfast in its commitment to upholding the principles of transparency, accountability, and ethical conduct in all areas of its operations. We will continue to monitor and assess our internal processes to ensure compliance with all relevant laws and regulations.

49. As per the provision of the Companies Act, 2013, a company is required to convene the Annual General Meeting ("AGM") for adoption of its annual audited financial statements within the six months from the end of each financial year, i.e. September 30 ("Due Date"). The Registrar of Companies ("ROC") granted three months extensions to the Company to hold the AGMs for financial year 2021-22 and 2022-23 on or before December 31, 2022, and December 31, 2023, respectively. Considering the delay in closure of audit due to ongoing investigations (refer note 48), the Company has not been able to hold the AGM for financial year 2021-22 and 2022-23 within timelines as stated above. The AGM for financial year 2022-23 is not held till date and the AGM for financial year 2021-22 was held beyond December 31, 2022.

The Company will apply for compounding of the Offence for not holding the AGM for financial year 2021-22 and 2022-23, on or before December 31, 2022, and December 31, 2023 respectively, and liable to pay penalties as may be imposed by ROC. Management is unable to ascertain the amount of penalties for these Offences and hence no accruals for the same has been taken in these financial statements.

50. The Company has a secured bank loan with a carrying amount (net of unamortised balance of ancillary cost of borrowing) of INR 166,801 lakhs at March 31, 2023 (March 31, 2022: INR 1,93,515 lakhs). The loan contained a covenant stating that the Company is required to submit it's annual audited financial statements within 180 days from the end of the year end and in case of breach of the said condition the loan will be repayable on demand. Due to various ongoing factors, the Company has not been able to meet the said condition with regard to submission of audited financial statements within the stipulated time period. However, management obtained waivers from the bank on various dates and latest on March 26, 2024, which extends the time period for submission of audited financial statements for the year ended March 31, 2023 till April 30, 2024. Accordingly, the loan is not payable on demand at March 31, 2023 and accordingly, the management has continued to classified the said loans as non-current as per the original repayment schedule.

51. Reclassification

Certain reclassifications have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements. As a result, certain line items have been reclassified in the statement of profit and loss , the details of which are as under:

Items of statement of Profit and Loss before and after reclassification for the year ended March 31, 2022:

Particulars	Amount before reclassification	Reclassification	Amount after reclassification
Other income			
Reversal of share based payment liability (refer note 18.2)	-	2,806	2,806
Employee benefits expense			
Share based payment expense (net) (refer note 20)	(2,806)	2,806	-

a) The Company has reclassified, write back of Cash-settled share-based payment liability in previous year from employee benefit expenses to other income to enhance comparability with the current year's financial statements.

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52. 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 FY 2021-22. In respect of these 2,333 MW projects, two PILs were filed in the High Court of Andhra Pradesh in FY 2021-22, 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. Currently, we cannot predict the outcome of these two PILs.

Further, a Special Committee of the Board of the Holding Company (the "Special Committee") was convened to review certain material projects and contracts over a three-year period for anti-corruption and related compliance issues. Independent outside counsel and forensic advisors were engaged to support the Special Committee.
Based on the economics and uncertainties associated with the PILs and ongoing Special Committee review, the Group concluded that it should seek to terminate the PPAs in respect of these 2,333 MW projects and filed a petition at the Andhra Pradesh High Court seeking a declaration that the Group should be discharged from performance of the obligations under the Andhra Pradesh PPAs for a capacity of 2,333 MW as a result of the absence of the unconditional tariff adoption order from the regulatory commission. Since there was a threat by SECI to revoke the Bank Guarantee, the High Court in its order dated October 16, 2023, directed SECI not to take coercive steps against the Group until the next date of hearing. This matter is pending.

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 these projects. In its second letter, SECI informed the Group that it was awarding these projects and associated PPAs to a third-party. Further, SECI informed the Group that it had reduced Azure's capacity allocation under the manufacturing Letter of Award by 2,333 MW and its corresponding manufacturing capacity of solar cells and solar modules.

Accordingly, the Group has recognised provisions for INR 2,371 lakhs against impairment of assets and recognised a provision of INR 12,315 lakhs towards Bank Guarantees in its financial statements for the year ended March 31, 2023.

53. A Special Committee of the Board of the Ultimate Holding Company (the "Special Committee") was convened to review certain material projects and contracts over a three-year period for anti-corruption and related compliance issues. Independent outside counsel and forensic advisors were engaged to support the Special Committee. In light of the ongoing Special Committee review as well as economic and execution challenges, the Group has decided to withdraw from the 700 MW projects which is part of the 4,000 MW manufacturing linked tender awarded by SECI in Fiscal 2020. The Group intends to commence 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 9,821 lakhs against impairment of assets and recognised a provision of INR 5,361 lakhs towards Bank Guarantees in its financial statements for the year ended March 31, 2023.

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date

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

ASA & Associates LLP Chartered Accountants

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

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

Sunil Gupta
Managing Director
DIN: 07095152
Place: Gurugram
Date : April 29, 2024

Sugata Sircar
Additional Director
DIN: 01119161
Place: Gurugram
Date : April 29, 2024

Kapil Sharma
Company Secretary
Place: Gurugram
Date : April 29, 2024

Azure Power India Private Limited New Delhi

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INDEPENDENT AUDITOR'S REPORT

To the Members of Azure Power India Private Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of Azure Power India Private Limited (hereinafter referred to as the "the Company" or "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, except for the possible effects of the matters described in Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("lnd AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group, as at March 31, 2023, consolidated loss and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Qualified Opinion

1. Refer note no. 50 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 year. In response to such whistle blower complaints, the Board of Directors and Audit and Risk Committee of the parent company appointed external legal counsels to conduct investigations into the significant issues highlighted in the said complaints. These issues include, but are not limited to, lapses in key control areas, governance issues, assets capitalization date and problems with vendor management.

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

   As a result of above:

   a) based on the review exercise of significant projects with respect to land aggregator costs, the management has written off of INR 2,528 Lakh on an estimate basis as a prudent measure during the previous year ended March 31, 2022. During the current year, an incremental adjustment/written off of INR 281 Lakh has been made in respect of the above matter.

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

   c) the Group has voluntarily disclosed certain matters to the U.S. Securities and Exchange Commission and the U.S. Department of Justice. Engagement and cooperation with the aforesaid authorities is continuing on those matters.

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

2. Refer note no. 53 to the accompanying consolidated financial Statements, which describes the matters relating to non-compliances with certain provisions of the Companies Act, 2013 ("the Act") with respect to the adoption of the annual audited consolidated financial Statements for the year ended March 31, 2023, and March 2022, before the shareholders in the Annual General Meeting within the stipulated time as prescribed under Section 96 of the Act. Hence, the Company has also not complied with the provisions of Section 137 of the Act relating to the filing of consolidated financial Statements with the Registrar of Companies ("ROC") and with Section 92 relating to the filing of annual returns. The consequential impact of the said non-compliance, including the liability for penal charges, if any, on the consolidated financial Statements, including the consequential impact under other applicable laws and regulations is presently not ascertainable. Accordingly, we are unable to comment on the same.

The above matters were subject matter of qualification in the predecessor auditor's report.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountant of India ("ICAI") and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters

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

a. Refer note no. 46 to the accompanying consolidated financial statements regarding the restatements carried out by the Company, 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. Refer Note 51 read with Note 54 (xxx) of the consolidated financial statements includes the Financial Statements of "Azure Power Fifty Three Private Limited", which states that the Subsidiary Company has accumulated losses of INR 3,739 Lakh and its net worth has fully eroded as at March 31, 2023. The Subsidiary Company's current liabilities exceeded its current assets by INR 3,728 Lakh as at the balance sheet date. In view of Groups' decision to terminate the project as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2023. Accordingly, the financial statements of the Subsidiary Company have been prepared on not on going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise.

c. Refer Note 51 read with Note 54 (xxxi) of the consolidated financial statements includes the Financial Statements of "Azure Power Fifty Four Private Limited", which states that the Subsidiary Company has accumulated losses of INR 3,672 Lakh and its net worth has fully eroded as at March 31, 2023. The Subsidiary Company's current liabilities exceeded its current assets by INR 3,671 Lakh as at the balance sheet date. In view of Groups' decision to terminate the project as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2023. Accordingly, the financial statements of the Subsidiary Company have been prepared on not on going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise.

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d. Refer Note 51 read with Note 54 (xxxii) of the consolidated financial statements includes the Financial Statements of "Azure Power Fifty Nine Private Limited", which states that the Subsidiary Company has accumulated losses of INR 3,695 Lakh, and its net worth has fully eroded as at March 31, 2023. The Subsidiary Company's current liabilities exceeded its current assets by INR 3,694 Lakh as at the balance sheet date. In view of Groups' decision to terminate the project as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2023. 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 51 read with Note 54 (xxxiii) of the consolidated financial statements includes the Financial Statements of "Azure Power Sixty Private Limited", which states that the Subsidiary Company has accumulated losses of INR 3,666 Lakh and its net worth has fully eroded as at March 31, 2023. The Subsidiary Company's current liabilities exceeded its current assets by INR 3,665 Lakh as at the balance sheet date. In view of Groups' decision to terminate the project as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2023. 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 51 read with Note 54 (xxxiv) of the consolidated financial statements includes the Financial Statements of "Azure Power Sixty Two Private Limited", which states that the Subsidiary Company has accumulated losses of INR 2,581 Lakh and its net worth has fully eroded as at March 31, 2023. The Subsidiary Company's current liabilities exceeded its current assets by INR 2,580 Lakh as at the balance sheet date. In view of Groups' decision to terminate the project as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2023. 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 55 read with Note 54 (xxviii) of the consolidated financial statements includes the Financial Statements of Azure Power Fifty One Private Limited, which states that the Subsidiary Company has accumulated losses of INR 4,113 Lakh and its net worth has fully eroded as at March 31, 2023. The Subsidiary Company's current liabilities exceeded its current assets by INR 4,140 Lakh as at the balance sheet date. In view of Groups' decision to withdraw from the project as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2023. 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.

h. Refer Note 55 read with Note 54(xxix) of the consolidated financial statements includes the Financial Statements of Azure Power Fifty Two Private Limited, which states that the Subsidiary Company has accumulated losses of INR 11,406 Lakh and its net worth has fully eroded as at March 31, 2023. The Subsidiary Company's current liabilities exceeded its current assets by INR 11,897 Lakh as at the balance sheet date. In view of Groups' decision to withdraw from the project as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2023. 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.

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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 Accounting Standards ("Ind AS") specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

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

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

(a) We did not audit the financial statements of 4 subsidiaries, whose financial statements reflect total assets of INR 24,527 Lakh as of March 31, 2023, total revenues of INR 2,187 Lakh and net cash inflows amounting to INR 898 Lakh for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of INR 1,873 Lakh for the year ended March 31, 2023, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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(b) The comparative financial information of the group as at and for the year ended March 31, 2022, prepared in accordance with Ind AS included in the consolidated financial Statements has been audited by the predecessor auditor. The report of the predecessor auditor on comparative financial information dated January 12, 2024, expressed modified opinion related to matters mentioned above in the paragraphs of Basis for qualified opinion.

(c)

i. The Consolidated Financial statements include the Financial Statements of Azure Solar Private Limited, which states that the Subsidiary Company's current liability exceeds its current assets by INR 2,270 Lakh. This condition indicates that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the company to enable the company to meet its liabilities and financial Obligations. Accordingly, the financial statements of Azure Solar Private Limited have been prepared on a going concern basis. (Refer note 54(i) to the consolidated financial statements).

ii. The Consolidated Financial statements include the Financial Statements of Azure Power (Rajasthan) Private Limited, which states that the Subsidiary Company has incurred an accumulated loss of INR 2,806 Lakh and, as of that date, the Subsidiary Company's net worth has fully eroded. The Subsidiary Company's current assets exceed its current liabilities by INR 1,584 Lakh as on March 31, 2023. This condition indicates that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the company to enable the company to meet its liabilities and financial Obligations. Accordingly, the financial statements of Azure Power (Rajasthan) Private Limited have been prepared on a going concern basis. (Refer note 54(ii) to the consolidated financial statements).

iii. The Consolidated Financial statements include the Financial Statements of Azure Power Urja Private Limited, which states that the Subsidiary Company's current liability exceeds its current assets by INR 386 Lakh. This condition indicates that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the company to enable the company to meet its liabilities and financial Obligations. Accordingly, the financial statements of Azure Power Urja Private Limited have been prepared on a going concern basis. (Refer note 54(iii) to the consolidated financial statements).

iv. The Consolidated Financial statements include the Financial Statements of Azure Power (Karnataka) Private Limited, which states that the Subsidiary Company's current liability exceeds its current assets by INR 199 Lakh. This condition indicates that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the company to enable the company to meet its liabilities and financial Obligations. Accordingly, the financial statements of Azure Power (Karnataka) Private Limited have been prepared on a going concern basis. (Refer note 54(iv) to the consolidated financial statement).

v. The Consolidated Financial statements include the Financial Statements of Azure Photovoltaic Private Limited, which states that the Subsidiary Company's current liability exceeds its current assets by INR 4,100 Lakh. This condition indicates that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the company to enable the company to meet its liabilities and financial Obligations. Accordingly, the financial statements of Azure Photovoltaic Private Limited have been prepared on a going concern basis. (Refer note 54(v) to the consolidated financial statement).

vi. The Consolidated Financial statements include the Financial Statements of Azure Power Sunrise Private Limited, which states that the Subsidiary Company has a negative net worth of INR 2,310 Lakh. This condition indicates that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the company to enable the company to meet its liabilities and financial Obligations. Accordingly, the financial statements of Azure Power Sunrise Private Limited have been prepared on a going concern basis. (Refer note 54(vi) to the consolidated financial statements).

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vii. The Consolidated Financial statements include the Financial Statements of Azure Power Sunshine Private Limited, which states that the Subsidiary Company's current liability exceeds its current assets by INR 835 Lakh. This condition indicates that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the company to enable the company to meet its liabilities and financial Obligations. Accordingly, the financial statements of Azure Power Sunshine Private Limited have been prepared on a going concern basis. (Refer note 54(vii) to the consolidated financial statements).

viii. The Consolidated Financial statements include the Financial Statements of Azure Power Jupiter Private Limited, which states that the Subsidiary Company's current liability exceeds its current assets by INR 5,260 Lakh. This condition indicates that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the company to enable the company to meet its liabilities and financial Obligations. Accordingly, the financial statements of Azure Power Jupiter Private Limited have been prepared on a going concern basis. (Refer note 54(viii) to the consolidated financial statements).

ix. The Consolidated Financial statements include the Financial Statements of Azure Power Uranus Private Limited, which states that the Subsidiary Company's current liability exceeds its current assets by INR 156 Lakh. This condition indicates that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the company to enable the company to meet its liabilities and financial Obligations. Accordingly, the financial statements of Azure Power Uranus Private Limited have been prepared on a going concern basis. (Refer note 54(ix) to the consolidated financial statements).

x. The Consolidated Financial statements include the Financial Statements of Azure Power Venus Private Limited, which states that the Subsidiary Company's current liability exceeds its current assets by INR 435 Lakh. This condition indicates that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the company to enable the company to meet its liabilities and financial Obligations. Accordingly, the financial statements of Azure Power Venus Private Limited have been prepared on a going concern basis. (Refer note 54(x) to the consolidated financial statements).

xi. The Consolidated Financial statements include the Financial Statements of Azure Power Thirty Three Private Limited, which states that the Subsidiary Company's current liability exceeds its current assets by INR 3,914 Lakh. This condition indicates that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the company to enable the company to meet its liabilities and financial Obligations. Accordingly, the financial statements of Azure Power Thirty Three Private Limited have been prepared on a going concern basis. (Refer note 54(xi) to the consolidated financial statements).

xii. The Consolidated Financial statements include the Financial Statements of Azure Power Three Four Private Limited, which states that the Subsidiary Company's current liability exceeds its current assets by INR 1208 Lakh. This condition indicates that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the company to enable the company to meet its liabilities and financial Obligations. Accordingly, the financial statements of Azure Power Three Four Private Limited have been prepared on a going concern basis. (Refer note 54(xii) to the consolidated financial statements).

xiii. The Consolidated Financial statements include the Financial Statements of Azure Power Forty Private Limited, which states that the Subsidiary Company's current liability exceeds its current assets by INR 3,925 Lakh. This condition indicates that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the company to enable the company to meet its liabilities and financial Obligations. Accordingly, the financial statements of Azure Power Forty Private Limited have been prepared on a going concern basis. (Refer note 54(xiii) to the consolidated financial statements).

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xiv. The Consolidated Financial statements include the Financial Statements of Azure Power Forty One Private Limited, which states that the Subsidiary Company's current liability exceeds its current assets by INR 13,143 Lakh. This condition indicates that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the company to enable the company to meet its liabilities and financial Obligations. Accordingly, the financial statements of Azure Power Forty One Private Limited have been prepared on a going concern basis. (Refer note 54(xiv) to the consolidated financial statements).

xv. The Consolidated Financial statements include the Financial Statements of Azure Power Forty Three Private Limited, which states that the Subsidiary Company's current liability exceeds its current assets by INR 20,638 Lakh. This condition indicates that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the company to enable the company to meet its liabilities and financial Obligations. Accordingly, the financial statements of Azure Power Forty Three Private Limited have been prepared on a going concern basis. (Refer note 54(xv) to the consolidated financial statements).

xvi. The Consolidated Financial statements include the Financial Statements of Azure Power Maple Private Limited, which states that the Subsidiary Company's current liability exceeds its current assets by INR 1,28,604 Lakh. This condition indicates that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the company to enable the company to meet its liabilities and financial Obligations. Accordingly, the financial statements of Azure Power Maple Private Limited have been prepared on a going concern basis. (Refer note 54(xvi) to the consolidated financial statements).

xvii. The Consolidated Financial statements include the Financial Statements of Azure Power Fifty Six Private Limited, which states that the Subsidiary Company's current liability exceeds its current assets by INR 189 Lakh. This condition indicates that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the company to enable the company to meet its liabilities and financial Obligations. Accordingly, the financial statements of Azure Power Fifty Six Private Limited have been prepared on a going concern basis. (Refer note 54(xvii) to the consolidated financial statements).

xviii. The Consolidated Financial statements include the Financial Statements of Azure Power Fifty Seven Private Limited, which states that the Subsidiary Company has incurred an accumulated loss of INR 2 Lakh and, as of that date, the Subsidiary Company's net worth has fully eroded. The Subsidiary Company's current assets exceed its current liabilities by INR 215 Lakh as on March 31, 2023. This condition indicates that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the company to enable the company to meet its liabilities and financial Obligations. Accordingly, the financial statements of Azure Power Fifty Seven Private Limited have been prepared on a going concern basis. (Refer note 54(xviii) to the consolidated financial statements).

xix. The Consolidated Financial statements include the Financial Statements of Azure Power Fifty Eight Private Limited, which states that the Subsidiary Company has incurred an accumulated loss of INR 2 Lakh and, as of that date, the Subsidiary Company's net worth has fully eroded. The Subsidiary Company's current assets exceed its current liabilities by INR 4,128 Lakh as on March 31, 2023. This condition indicates that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the company to enable the company to meet its liabilities and financial Obligations. Accordingly, the financial statements of Azure Power Fifty Eight Private Limited have been prepared on a going concern basis. (Refer note 54(xix) to the consolidated financial statements).

xx. The Consolidated Financial statements include the Financial Statements of Azure Power Sixty One Private Limited, which states that the Subsidiary Company has incurred an accumulated loss of INR 1 Lakh and, as of that date, the Subsidiary Company's net worth has fully eroded. The Subsidiary Company's current assets exceed its current liabilities by INR 476 Lakh as on March 31, 2023. This condition indicates that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the company to enable the company to enable the

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company to meet its liabilities and financial Obligations. Accordingly, the financial statements of Azure Power Sixty One Private Limited have been prepared on a going concern basis. (Refer note 54(xx) to the consolidated financial statements).

xxi. The Consolidated Financial statements include the Financial Statements of Kotuma Wind Parks Private Limited, which states that the Subsidiary Company has incurred an accumulated loss of INR 98 Lakh and, as of that date, the Subsidiary Company's net worth has fully eroded. The Subsidiary Company's current assets exceed its current liabilities by INR 2,261 Lakh as on March 31, 2023. This condition indicates that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the company to enable the company to meet its liabilities and financial Obligations. Accordingly, the financial statements of Kotuma Wind Parks Private Limited have been prepared on a going concern basis. (Refer note 54(xxi) to the consolidated financial statements).

xxii. The Consolidated Financial statements include the Financial Statements of Two Wind Energy Private Limited, which states that the Subsidiary Company has incurred an accumulated loss of INR 308 Lakh and, as of that date, the Subsidiary Company's net worth has fully eroded. The Subsidiary Company's current assets exceed its current liabilities by INR 5,762 Lakh as on March 31, 2023. This condition indicates that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the company to enable the company to meet its liabilities and financial Obligations. Accordingly, the financial statements of Two Wind Energy Private Limited have been prepared on a going concern basis. (Refer note 54(xxii) to the consolidated financial statements).

xxiii. The Consolidated Financial statements include the Financial Statements of Azure Green Hydrogen Private Limited, which states that the Subsidiary Company has incurred an accumulated loss of INR 6 Lakh and, as of that date, the Subsidiary Company's net worth has fully eroded. The Subsidiary Company's current assets exceed its current liabilities by INR 5 Lakh as on March 31, 2023. This condition indicates that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the company to enable the company to meet its liabilities and financial Obligations. Accordingly, the financial statements of Azure Green Hydrogen Private Limited have been prepared on a going concern basis. (Refer note 54(xxiii) to the consolidated financial statements).

xxiv. The Consolidated Financial statements include the Financial Statements of Azure Power Sixty Three Private Limited, which states that the Subsidiary Company has incurred an accumulated loss of INR 59 Lakh and, as of that date, the Subsidiary Company's net worth has fully eroded. The Subsidiary Company's current assets exceed its current liabilities by INR 58 Lakh as on March 31, 2023. This condition indicates that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the company to enable the company to meet its liabilities and financial Obligations. Accordingly, the financial statements of Azure Power Sixty Three Private Limited have been prepared on a going concern basis. (Refer note 54(xxiv) to the consolidated financial statements).

xxv. The Consolidated Financial statements include the Financial Statements of Azure Energy Transition Private Limited, which states that the Subsidiary Company has incurred an accumulated loss of INR 173 Lakh and, as of that date, the Subsidiary Company's net worth has fully eroded. The Subsidiary Company's current assets exceed its current liabilities by INR 171 Lakh as on March 31, 2023. This condition indicates that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the company to enable the company to meet its liabilities and financial Obligations. Accordingly, the financial statements of Azure Energy Transition Private Limited have been prepared on a going concern basis. (Refer note 54(xxv) to the consolidated financial statements).

xxvi. The Consolidated Financial statements include the Financial Statements of Azure Power Sixty Four Private Limited, which states that the Subsidiary Company has incurred an accumulated loss of INR 5 Lakh and, as of that date, the Subsidiary Company's net worth has fully eroded. The Subsidiary Company's current assets exceed its current liabilities by INR 4 Lakh as on March 31, 2023. This condition indicates that a material

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uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the company to enable the company to meet its liabilities and financial Obligations. Accordingly, the financial statements of Azure Power Sixty Four Private Limited have been prepared on a going concern basis. (Refer note 54(xxvi) to the consolidated financial statements).

xxvii. The Consolidated Financial statements include the Financial Statements of Azure Power Sixty Five Private Limited, which states that the Subsidiary Company has incurred an accumulated loss of INR 4 Lakh and, as of that date, the Subsidiary Company's net worth has fully eroded. The Subsidiary Company's current assets exceed its current liabilities by INR 3 Lakh as on March 31, 2023. This condition indicates that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the holding company has provided financial letter of support to the company to enable the company to meet its liabilities and financial Obligations. Accordingly, the financial statements of Azure Power Sixty Five Private Limited have been prepared on a going concern basis. (Refer note 54(xxvii) 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 reports of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

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

a. Except for the possible effect of the matters described in the Basis for Qualified Opinion above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d. Except for the matters described in the Basis for Qualified Opinion section above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

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

f. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India are disqualified as on March 31, 2023 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".

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 35(b) to the financial statements.

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

iv.

(a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, as disclosed in the Note 49(iii), whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, as disclosed in Note 49(iv), whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors 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. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable with effect from April 1, 2023, to the holding company and its subsidiaries which are companies incorporated in India, and accordingly reporting under clause (g) of Rule 11 is not applicable for the financial year ended March 31, 2023.

vi. The Group has neither declared nor paid any dividend during the year.

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

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3. According to the information and explanations given to us, the details of Qualifications/adverse remarks made by the respective auditors of the subsidiaries in the Companies (Auditor's Report) Order 2020 (CARO) Reports issued till the date of our audit report for the companies included in the consolidated financial statements are as follows:

S. No.	Name of the Company	CIN	Type of company (Holding/ Subsidiary)	Clause Number of the CARO report which is Qualified or Adverse
1	Azure Power India Private Limited	U40106DL2008PTC174774	Holding	i(a)(A), i(b), i(c), iii(c), iii(d), iii(e), vii(b), xi(a), xi(c), xiv(a), xviii
2	Azure Power (Punjab) Private Limited	U40106DL2009PTC290476	Subsidiary	i(b), iii(c), vii(b), xi(a), xi(c), xiv(a)
3	Azure Power (Haryana) Private Limited	U40108DL2009PTC291351	Subsidiary	iii(c), iii(d), iii(e), vii(b), xi(a), xi(c), xiv(a)
4	Azure Solar Private Limited	U40106DL2010PTC209414	Subsidiary	i(b), vii(b), xi(a), xi(c), xiv(a)
5	Azure Power (Rajasthan) Private Limited	U40101DL2010PTC204588	Subsidiary	i(b), xi(a), xi(c), xiv(a)
6	Azure Urja Private Limited	U40300DL2010PTC209420	Subsidiary	vii(b), xi(a), xi(c), xiv(a)
7	Azure Surya Private Limited	U40300DL2010PTC209423	Subsidiary	i(c), iii(c), iii(d), iii(e), vii(b), xi(a), xi(c), xiv(a)
8	Azure Power (Karnataka) Private Limited	U40107DL2010PTC29103	Subsidiary	i(c), iii(c), iii(d), vii(b), xi(a), xi(c), xiv(a)
9	Azure Photovoltaic Private Limited	U40300DL2010PTC209803	Subsidiary	i(b), i(c), iii(c), iii(e), vii(b), xi(a), xi(c), xiv(a)
10	Azure Power Infrastructure Private Limited	U40102DL2010PTC208927	Subsidiary	i(b), iii(c), iii(d), iii(e), vii(b), xi(a), xi(c), xiv(a)
11	Azure Power (Raj.) Private Limited	U40106DL2010PTC207053	Subsidiary	i(b), i(c), vii(b), xi(a), xi(c), xiv(a)
12	Azure Green Tech Private Limited	U40106DL2012PTC237073	Subsidiary	iii(c), iii(d), iii(e), vii(b), xi(a), xi(c), xiv(a)
13	Azure Clean Energy Private Limited	U40105DL2012PTC236882	Subsidiary	iii(c), iii(d), iii(e), vii(b), xi(a), xi(c), xiv(a)
14	Azure Sunrise Private Limited	U40106DL2012PTC236103	Subsidiary	i(b), i(c), iii(c), iii(d), iii(e), xi(a), xi(c), xiv(a)
15	Azure Sunshine Private Limited	U40106DL2012PTC237070	Subsidiary	vii(b), xi(a), xi(c), xiv(a)
16	Azure Power Earth Private Limited	U40300DL2014PTC273940	Subsidiary	i(b), xi(a), xi(c), xiv(a)
17	Azure Power Eris Private Limited	U40300DL2014PTC273917	Subsidiary	i(b), i(c), vii(b), xi(a), xi(c), xiv(a)
18	Azure Power Jupiter Private Limited	U40104DL2015PTC274952	Subsidiary	i(b), xi(a), xi(c), xiv(a)
19	Azure Power Makemake Private Limited	U40106DL2015PTC274954	Subsidiary	i(c), iii(e), xi(a), xi(c), xiv(a)
20	Azure Power Mars Private Limited	U40300DL2014PTC273939	Subsidiary	iii(c), iii(d), iii(e), vii(b), xi(a), xi(c), xiv(a)
21	Azure Power Pluto Private Limited	U40300DL2014PTC273942	Subsidiary	i(b), iii(c), iii(d), iii(e), vii(b), xi(a), xi(c), xiv(a)
22	Azure Power Uranus Private Limited	U40108DL2015PTC275032	Subsidiary	i(b), xi(a), xi(c), xiv(a)
23	Azure Power Venus Private Limited	U40106DL2015PTC275034	Subsidiary	i(b), i(c), xi(a), xi(c), xiv(a)
24	Azure Power Thirty Three Private Limited	U40300DL2016PTC298811	Subsidiary	i(b), i(c), xi(a), xi(b), xi(c), xiv(a)

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S. No.	Name of the Company	CIN	Type of company (Holding/ Subsidiary)	Clause Number of the CARO report which is Qualified or Adverse
25	Azure Power Thirty Four Private limited	U40106DL2016PTC300663	Subsidiary	i(b), iii(e), xi(a), xi(c), xiv(a)
26	Azure Power Thirty Six Private limited	U40108DL2016PTC299126	Subsidiary	i(b), iii(c), iii(d), iii(e), vii(b), xi(a), xi(c), xiv(a)
27	Azure Power Thirty Seven Private limited	U40300DL2016PTC299122	Subsidiary	i(b), vii(b), xi(a), xi(c), xiv(a)
28	Azure Power Thirty Nine Private limited	U40101DL2016PTC301060	Subsidiary	xi(a), xi(c), xiv(a), xvii
29	Azure Power Forty Private limited	U40107DL2016PTC302018	Subsidiary	i(a)(A), i(c), xi(a), xi(c), xiv(a)
30	Azure Power Forty One Private limited	U40300DL2016PTC301090	Subsidiary	i(a)(A), i(c), xi(a), xi(c), xiv(a)
31	Azure Power Forty Three Private limited	U40100Dl2017PTC310862	Subsidiary	i(a)(A), i(c), xi(a), xi(c), xiv(a)
32	Azure Power Maple Private Limited	U40106DL2017PTC324594	Subsidiary	i(a)(A), i(b), i(c), xi(a), xi(b), xi(c), xiv(a), xvii
33	Azure Power Fifty One Private Limited	U40106DL2019PTC359448	Subsidiary	i(b), xi(a), xi(b), xi(c), xiv(a), xvii
34	Azure Power Fifty Two Private Limited	U40106DL2019PTC359448	Subsidiary	i(b), xi(a), xi(b), xi(c), xiv(a), xvii
35	Azure Power Mercury Private Limited	U40100DL2014PTC273986	Subsidiary	xvii
36	Azure Power Thirty Eight Private Limited	U40300DL2016PTC301837	Subsidiary	xvii
37	Azure Power Forty Four Private Limited	U40300DL2017PTC311196	Subsidiary	xvii

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

ASA & Associates LLP Chartered Accountants

K Nithyananda Kamath
Partner
Membership No. 027972

UDIN: 24027972BKCRHR1015

Place: Gurugram
Date: April 29, 2024

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Annexure – A to the Independent Auditors' Report

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

Adverse Opinion

We have audited the internal financial controls with reference to the consolidated financial Statements of Azure Power India Private Limited (hereinafter referred to as the "the Company" or "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), as of March 31, 2023, in conjunction with our audit of the consolidated financial Statements of the Company for the year ended on that date. The Group works on a common control environment accordingly, the controls have been designed to operate at a group level irrespective of whether certain controls in respect of particular process may not be applicable during the year for a particular subsidiary.

In our opinion, because of the possible effects of the material weaknesses described below in the Basis for Adverse Opinion section of our report on the achievement of the objectives of the control criteria, the Company has not maintained adequate internal financial controls with reference to consolidated financial Statements and such internal financial controls were not operating effectively as of March 31, 2023, based on the internal control with reference to consolidated financial Statements criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Basis for Adverse Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2023:

a) In Note no 50 of the Company's consolidated financial Statements, and paragraph 1 of the Basis for Qualified Opinion paragraph in our audit report regarding various whistleblower issues and based on the findings of independent external legal counsels engaged by the Company which highlighted the significant issues related to lapses in key control areas, governance issues, assets capitalization date and problems with vendor management. These findings indicate the material weakness in the Company's internal financial controls with reference to the consolidated financial Statements.

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

c) Material weaknesses were noted in the Company's financial reporting and closing process which has led to significant delays in the completion of these consolidated financial Statements and non-compliance with applicable provisions and other relevant legislations.

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

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

We have considered the material weaknesses identified and reported in point no (a), (b), and (c) above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial Statements of the Company for the year ended March 31, 2023, and these material weaknesses have affected our opinion on the consolidated financial Statements of the Company and we have issued a qualified opinion on the consolidated financial Statements with respect to these matters.

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We have considered the material weaknesses identified and reported in point no (d) and (e) above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial Statements of the Company for the year ended March 31, 2023, and these material weaknesses do not affect our opinion on the consolidated financial Statements of the Company with respect to these matters.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls With reference to Consolidated financial Statements

A Company's internal financial control with reference to consolidated financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the 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 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 consolidated financial Statements.

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Inherent Limitations of Internal Financial Controls With reference to Consolidated financial Statements

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

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

ASA & Associates LLP
Chartered Accountants

K Nithyananda Kamath
Partner
Membership No. 027972

UDIN: 24027972BKCRHR1015

Place: Gurugram
Date: April 29, 2024

Azure Power India Private Limited
Consolidated Balance Sheet as at March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022*	As at April 1, 2021*
Assets				
Non-current assets				
Property, plant and equipment	3	12,86,095	11,77,386	8,99,803
Right-of-use assets	34	48,481	49,010	44,922
Capital work-in-progress	3	35,088	1,62,554	1,02,462
Intangible assets	4	7	38	250
Financial assets	5			
- Investments	5.1	4,551	937	-
- Trade receivables	5.2	38,976	32,150	-
- Loans	5.3	465	284	251
- Other financial assets	5.4	96,918	58,755	48,100
Deferred tax assets (net)	17	34,080	35,340	31,378
Income tax assets (net)	6	2,752	6,523	5,977
Other non-current assets	7	20,334	12,108	9,569
Total non-current assets		15,67,747	15,35,085	11,42,712
Current assets				
Inventory	7A	131	-	-
Financial assets	8			
- Trade receivables	8.1	55,921	58,347	48,831
- Cash and cash equivalents	8.2	38,959	1,03,821	67,246
- Other bank balances	8.3	83,753	53,650	41,348
- Loans	8.4	9,503	9,172	5,808
- Other current financial assets	8.5	14,250	5,948	14,332
Other current assets	9	7,147	11,115	6,927
Assets classified as held for sale	45	-	1,234	5,516
Total current assets		2,09,664	2,43,287	1,90,008
Total assets		17,77,411	17,78,372	13,32,720
Equity and liabilities				
Equity				
Equity share capital	10	692	686	455
Other equity	11	3,52,596	3,59,548	1,85,804
Equity attributable to equity holders of the parent		3,53,288	3,60,234	1,86,259
Non-controlling interest	11	2,528	3,225	1,484
Total equity		3,55,816	3,63,459	1,87,743
Liabilities				
Non-current liabilities				
Financial liabilities	12			
- Borrowings	12.1	10,57,347	10,83,115	8,41,030
- Lease liabilities	34	33,684	32,063	29,742
- Other financial liabilities	12.2	-	42	13,531
Provisions	13.1	7,533	8,659	7,053
Deferred tax liabilities (net)	17	19,218	3,002	438
Other non-current liabilities	14	68,275	55,647	24,608
Total non-current liabilities		11,86,057	11,82,528	9,16,402
Current liabilities				
Financial liabilities	15			
- Borrowings	15.1	1,60,762	1,53,306	1,36,012
- Lease liabilities	34	2,924	2,999	2,708
- Trade payables				
Total outstanding dues of micro enterprises and small enterprises	15.2	491	366	1,096
Total outstanding dues of creditors other than micro enterprises and small enterprises	15.2	12,441	11,846	6,681
- Other financial liabilities	15.3	30,472	55,253	73,917
Other current liabilities	16	6,105	5,265	2,628
Provisions	13.2	18,558	567	475
Current tax liabilities (net)	15A	3,785	2,089	1,906
Liabilities directly associated with assets classified as held for sale	45	-	694	3,152
Total current liabilities		2,35,538	2,32,385	2,28,575
Total liabilities		14,21,595	14,14,913	11,44,977
Total equity and liabilities		17,77,411	17,78,372	13,32,720

* Refer note 46 and 47 for restatement and reclassification respectively

See accompanying notes to the financial statements 2.2 - 58

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 : April 29, 2024

ASA & Associates LLP Chartered Accountants

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

Sunil Gupta
Managing Director
DIN: 07095152
Place : Gurugram
Date : April 29, 2024

Sugata Sircar
Director
DIN: 01119161
Place : Gurugram
Date : April 29, 2024

Kapil Sharma
Company Secretary
Place : Gurugram
Date : April 29, 2024

AZURE POWER INDIA PRIVATE LIMITED New Delhi

Azure Power India Private Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022*
Revenue			
Revenue from operations	18	2,05,136	1,82,339
Finance income	19	15,452	7,068
Other income	20	13,526	14,608
Total Income		**2,34,114**	2,04,015
Expenses			
Employee benefits expense	22	9,069	6,595
Depreciation and amortization expense	23	42,866	33,414
Impairment loss/ (reversal)	21	4,469	(626)
Finance costs	24	1,12,225	1,12,896
Other expenses	25	57,689	48,913
Total expenses		**2,26,318**	2,01,192
Profit before tax		**7,796**	2,823
Tax expense:			
Current tax	17	7,188	4,275
Income tax adjustment pertaining to earlier years	17	-	(17)
Deferred tax charge/(credit)	17	16,121	(1,992)
Total tax expense		**23,309**	2,266
(Loss)/Profit after tax		**(15,513)**	557
Other comprehensive income/ (expense)			
Items that will be reclassified to profit or loss			
Net movement on cash flow hedge reserve		4,409	1,737
Income tax effect on cash flow hedge reserve	17	(1,272)	(598)
Foreign currency translation reserve		(183)	2
Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans	37	220	17
Income tax effect on re-measurement gains/ (losses) on defined benefit plans	17	(83)	(4)
Total other comprehensive income		**3,091**	1,154
Total comprehensive (loss)/ income		**(12,422)**	1,711
Attributable to:			
Equity holders of the parent		(11,725)	1,559
Non-controlling interest		(697)	152
Earnings per equity share: [Nominal value of share : INR 10 (March 31, 2022 : INR 10)]			
(1) Basic earnings per share (INR)	26	(224.26)	11.45
(2) Diluted earnings per share (INR)	26	(224.26)	11.45

* Refer note 46 and 47 for restatement and reclassification respectively

See accompanying notes to the financial statements 2.2 - 58

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

As per our report of even date

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

ASA & Associates LLP Chartered Accountants

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

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

Sunil Gupta
Managing Director
DIN: 07095152
Place : Gurugram
Date : April 29, 2024

Sugata Sircar
Director
DIN: 01119161
Place : Gurugram
Date : April 29, 2024

Azure Power India Private Limited New Delhi

Kapil Sharma
Company Secretary
Place : Gurugram
Date : April 29, 2024

Azure Power India Private Limited
Consolidated Statement of Cash Flows for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A Cash flows from operating activities		
Profit before tax	7,796	2,823
Adjustment for :		
Depreciation and amortization expense	42,866	33,414
Impairment loss/(reversal)	4,469	(626)
Foreign exchange fluctuation (net)	52	1,292
Provision for expected credit losses	3,780	-
Bad debts written off	-	108
Reversal of Share-based payment liability	(6,333)	(2,807)
Loss on sale of property, plant and equipment	2,027	2,161
Viability gap funding income	(1,130)	-
Government grant income	(90)	(167)
Deferred revenue	12,764	232
Contract assets	(251)	(65)
Advances written off	684	-
Assets written off	2,246	-
Provision for liquidated damages	405	-
Loss on account of modification of contractual cash flows	285	-
Viability gap funding received	1,525	-
Interest income	(15,452)	(7,068)
Liabilities no longer required written back	(489)	(8,007)
Finance costs	1,12,225	1,12,896
Operating profit before working capital changes	**1,67,379**	1,34,186
Movements in working capital:		
(Increase) in trade receivables	(5,908)	(41,134)
(Increase)/ decrease in other current financial assets	(6,160)	3,277
Decrease/(Increase) in other current assets	2,916	(4,918)
Increase in trade payables	1,157	12,638
(Increase) in loans	(36)	(1,333)
Decrease/ (Increase) in non current financial assets	5,951	(6,422)
(Increase) in other non-current assets	(3)	(2,105)
(Increase) in inventories	(131)	-
Increase in other current and non current liabilities	141	33,619
Increase/(decrease) in other current and non-current financial liabilities	2,353	(347)
Increase in provisions	16,061	217
Cash generated from operations	**1,83,720**	1,27,678
Income tax paid (net of refunds)	(1,721)	(4,628)
Net cash flow from operating activities	**1,81,999**	1,23,048
B Cash flows from investing activities		
Purchases of property, plant and equipment (including capital work in progress, capital advance and capital creditors)	(62,027)	(3,85,359)
Disposal of property, plant and equipment	1,605	-
Purchase of intangible assets	(16)	(39)
Interest received	11,580	8,717
Purchase of investments	(4,023)	(937)
Loans to fellow subsidiary companies (refer note 27)	(834)	(2,064)
Loans repaid by fellow subsidiary companies (refer note 27)	500	-
Loans given to others	(142)	-
Proceeds from disposal of subsidiaries	315	5,304
Net investment in bank deposits (having the original maturity of more than three months)	(58,094)	(15,963)
Net cash (used in) investing activities	**(1,11,136)**	(3,90,340)
C Cash flows from financing activities		
Net proceeds from issue of equity shares (including securities premium)	4,649	1,73,077
Payments for hedging arrangements	5,442	(2,450)
Proceeds from External commercial borrowings/ Non-Convertible Debentures	-	1,97,667
Repayment of External commercial borrowings/Non-Convertible Debentures	(20,461)	(2,13,276)
Proceeds from non-current borrowings	32,418	7,26,148
Repayments of non-current borrowings	(50,679)	(3,98,129)
Proceeds from current borrowings	6,575	70,359
Repayment of current borrowings	(4,595)	(78,132)
Repayments of loans from fellow subsidiary companies (refer note 27)	-	(45,519)
Payment of lease rent (refer note 34)	(3,144)	(5,685)
Finance cost paid	(1,06,155)	(1,20,063)
Net cash flow (used in)/ from financing activities	**(1,35,950)**	3,03,996
Net (decrease)/increase in cash and cash equivalents	**(65,087)**	36,704
Net (decrease)/increase in cash and cash equivalents	**(65,087)**	36,704
Cash and cash equivalents at the beginning of the year	1,04,046	67,342
Cash and cash equivalents at the end of the year	**38,959**	**1,04,046**
Components of cash and cash equivalents		
Balances with schedule banks:		
- In current accounts (refer note 8.2)	7,794	65,195
- Deposits with original maturity of less than 3 months (refer note 8.2)	31,165	38,626
Cash and cash equivalents classified as held for sale (refer note 45)	-	225
Total cash and cash equivalents	**38,959**	1,04,046

ASA & Associates LLP
Chartered Accountants

Azure Power India Private Limited
New Delhi

Azure Power India Private Limited
Consolidated Statement of Cash Flows for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

Change in liabilities arising from financing activities

Particulars	**Opening balance as at April 01, 2022**	**Cash flow (net)**	**Change in foreign exchange rate**	**Other changes***	**Closing balance as at March 31, 2023**
Non current borrowings	11,54,762	(38,722)	12,088	192	11,28,320
Current borrowings	81,659	1,980	6,150	-	89,789
Lease liabilities	35,062	(3,144)	-	4,690	36,608
Total liabilities from financing activities	**12,71,483**	**(39,886)**	**18,238**	**4,882**	**12,54,717**

Particulars	Opening balance as at April 01, 2021	Cash flow (net)	Change in foreign exchange rate	Other changes	Closing balance as at March 31, 2022
Non current borrowings	8,87,610	3,12,409	5,166	(50,423)	11,54,762
Current borrowings	89,432	(53,292)	-	45,519	81,659
Lease liabilities	32,450	(5,685)	-	8,297	35,062
Total liabilities from financing activities	10,09,492	2,53,432	5,166	3,393	12,71,483

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

Notes:
The 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.

See accompanying notes to the financial statements 2.2 - 58

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

As per our report of even date

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

ASA & Associates LLP Chartered Accountants

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

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

Sunil Gupta
Managing Director
DIN: 07095152
Place : Gurugram
Date : April 29, 2024

Sugata Sircar
Director
DIN: 01119161
Place : Gurugram
Date : April 29, 2024

Azure Power India Private Limited New Delhi

Kapil Sharma
Company Secretary
Place : Gurugram
Date : April 29, 2024

Azure Power India Private Limited
Consolidated Statement of Changes in Equity for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

(a) Equity share capital

For the year ended March 31, 2023

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

	Number of shares	Share capital
At April 01, 2022	68,58,979	686
Changes in equity share capital due to prior period errors	-	-
Restated Balance as at April 01, 2022	**68,58,979**	**686**
Changes in equity share capital during the year	61,640	6
At March 31, 2023	**69,20,619**	**692**

For the year ended March 31, 2022

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

	Number of shares	Share capital
At April 01, 2021	45,51,443	455
Changes in equity share capital due to prior period errors	-	-
Restated Balance as at April 01, 2021	45,51,443	455
Changes in equity share capital during the year	23,07,536	231
At March 31, 2022	68,58,979	686

(b) Other equity

For the year ended March 31, 2023:

Particulars	Deemed capital contribution by parent / ESOP reserve (Note 11.1)	Reserves and surplus			Items of other comprehensive income			Non-controlling interests	Total equity
		Surplus/ (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)	Cash flow hedge reserve (Note 11.6)	Foreign currency translation reserve (FCTR) (Note 11.7)		
At April 01, 2022 (As Previously Reported)	3,533	(1,50,149)	5,06,582	403	(55)	(873)	31	3,225	3,62,697
Adjustment relating to prior period errors*	-	76	-	-	-	-	-	-	76
Restated balance at April 01, 2022	3,533	(1,50,073)	5,06,582	403	(55)	(873)	31	3,225	3,62,773
(Loss) for the year	-	(14,816)	-	-	-	-	-	(697)	(15,513)
Other comprehensive income/(expense) (net of tax)	-	-	-	-	137	3,137	(183)	-	3,091
Total Comprehensive income/ (loss)	3,533	(1,64,889)	5,06,582	403	82	2,264	(152)	2,528	3,50,351
Securities premium on account of issue of equity shares during the year (net of share issue expenses)	-	-	4,643	-	-	-	-	-	4,643
Deemed capital contribution by parent on account of employees Stock option plan (refer note 28)	130	-	-	-	-	-	-	-	130
At March 31, 2023	**3,663**	**(1,64,889)**	**5,11,225**	**403**	**82**	**2,264**	**(152)**	**2,528**	**3,55,124**

ASA & Associates LLP Chartered Accountants

Azure Power India Private Limited New Delhi

Azure Power India Private Limited
Consolidated Statement of Changes in Equity for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

For the year ended March 31, 2022:

Particulars	Deemed capital contribution by parent / ESOP reserve (Note 11.1)	Reserves and surplus: Surplus/ (Deficit) in the statement of profit and loss (Note 11.2)	Reserves and surplus: Securities premium reserve (Note 11.3)**	Reserves and surplus: Other reserve (Note 11.4)	Items of other comprehensive income: Defined benefit plans (Note 11.5)	Items of other comprehensive income: Cash flow hedge reserve (Note 11.6)	Items of other comprehensive income: Foreign currency translation reserve (FCTR) (Note 11.7)	Non-controlling interests	Total equity
At April 01, 2021 (As Previously Reported)	2,605	(1,48,901)	3,33,736	403	(68)	(2,012)	29	1,484	1,87,276
Adjustment relating to prior period errors*	-	12	-	-	-	-	-	-	12
Restated balance at April 01, 2021	2,605	(1,48,889)	3,33,736	403	(68)	(2,012)	29	1,484	1,87,288
Profit for the year	-	405	-	-	-	-	-	152	557
Other comprehensive income (net of tax)	-	-	-	-	13	1,139	2	-	1,154
Total Comprehensive income/ (loss)	2,605	(1,48,484)	3,33,736	403	(55)	(873)	31	1,636	1,88,999
Securities premium on account of issue of equity shares during the year (net of share issue expenses)	-	-	1,72,846	-	-	-	-	-	1,72,846
Deemed capital contribution by parent on account of employees Stock option plan (refer note 28)	928	-	-	-	-	-	-	-	928
Transactions with non-controling interest	-	(1,589)	-	-	-	-	-	1,589	-
At March 31, 2022	3,533	(1,50,073)	5,06,582	403	(55)	(873)	31	3,225	3,62,773

* Refer note 46 for restatement.
**The amount is net of share issue expenses.

See accompanying notes to the financial statements 2.2 - 58

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 : April 29, 2024

ASA & Associates LLP Chartered Accountants

For and on behalf of the board of directors of
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CIN: U40106DL2008PTC174774

Sunil Gupta
Managing Director
DIN: 07095152
Place : Gurugram
Date : April 29, 2024

Sugata Sircar
Director
DIN: 01119161
Place : Gurugram
Date : April 29, 2024

Kapil Sharma
Company Secretary
Place : Gurugram
Date : April 29, 2024

Azure Power India Private Limited New Delhi

1. Corporate information

Azure Power India Private Limited ("the Company") is domiciled in India. The Company was incorporated under the provisions of the Companies Act applicable in India. The Company is a subsidiary of Azure Power Global Limited ("APGL" or "Holding Company or Parent"). These consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as the 'Group or Parent Group') and the Group's interest in associates. The registered office of the Group is located at Unit no. 409 & 410, 4th Floor, Southern Park, D-II, Saket Place, Saket, New Delhi 110017.

The Group's primary business includes generation of solar energy and developing and managing infrastructure for solar power. The group pledges its plant to obtain long term loans. As per the legal view obtained by the Group, the company and it's subsidiaries are regulated under the Electricity Act, 2003. The projects of Group, which have commenced operations before March 31, 2017, are eligible for section 80-IA benefits under the Income Tax Act, 1961.

2. Significant 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 April 29, 2024.

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

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

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

Principles of Consolidation

In the preparation of Consolidated financial statements, investments in subsidiaries have been accounted in accordance for in accordance with the accounting principles as defined in the Ind AS 110 "Consolidated financial statements" notified under section 133 of Companies Act 2013, read together with Companies (Indian Accounting Standards) Rules, 2015. The Consolidated Financial statements are prepared on the following basis:

i. Subsidiary companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income, and expenses after eliminating all significant intra-group balances and intra-group transaction and also unrealized profits and losses.

ii. The Consolidated Financial statements are prepared using uniform accounting policies for like transactions other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements. The financial statements of the subsidiary are adjusted for the accounting principles followed by the Group.

ASA & Associates LLP Chartered Accountants

Azure Power India Private Limited New Delhi

(INR amount in lakhs, unless otherwise stated)

iii. The difference between the cost to the Group of its investments in the subsidiaries and its proportionate share in the equity of the investee Company at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital reserve, as the case may be. Goodwill is tested for impairment by management on annual basis.

iv. Non-controlling interest in the net profits of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance sheet separately.Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the holding Company.

v. The financial statements of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Company i.e., year ended March 31, 2023.

Nature of interest in consolidated entities: Subsidiaries

Name	Country of Incorporation /Principal place of business	Percentage of equity interest	
		March 31, 2023	March 31, 2022
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 Sun Energy Private Limited	India	0%	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 Five Private Limited	India	0%	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%

ASA & Associates LLP Chartered Accountants

Azure Power India Private Limited New Delhi

(INR amount in lakhs, unless otherwise stated)

Name	Country of Incorporation /Principal place of business	Percentage of equity interest	
		March 31, 2023	March 31, 2022
Azure Power Forty Two Private Limited	India	0%	100%
Azure Power Forty Three Private Limited	India	100%	100%
Azure Power Forty Four Private Limited	India	51.4%	51.4%
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%

Equity accounted investees: Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds voting rights in the range of 20% to 50%. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost. Such investments are accounted using equity method. Also see Note 5.1 "'Non-current investments in equity accounted investees " forming part of Notes to Consolidated Financial Statements.

2.2 Summary of significant accounting policies

a) Use of Estimates

The preparation of 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

ASA & Associates LLP Chartered Accountants

Azure Power India Private Limited New Delhi

The Group presents assets and liabilities in the 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 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 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 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.

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(INR amount in lakhs, unless otherwise stated)

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.

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 previous year, 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 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

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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 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 recognized in the 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.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective 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.

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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.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective 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

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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

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 Statement of Profit and Loss. The losses arising from impairment are recognised in the 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 statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 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 statement of profit and loss.

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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, 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.

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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.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The 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 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.

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Gains or losses on liabilities held for trading are recognised in the 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 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 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 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 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.

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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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the 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 statement of profit and loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss, except for the effective portion of cash flow hedges, which is recognized in OCI and later reclassified to 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

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

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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 statement of profit and loss.

k) Revenue recognition

Revenue from contracts with customers

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

Where Power Purchase Agreement or "PPA" include scheduled price changes, revenue is recognized at lower of the amount billed or by applying the average rate to the energy output estimated over the term of the PPA. The 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.

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Contract assets

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

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

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

Income from services

Revenue from maintenance contracts are recognised as and when services are rendered.

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 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.

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l) Government grants

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

Government grant relating to income are deferred and recognised in the 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 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 statement of profit and loss in proportion to the actual sale of solar energy kilowatts during the period to the total estimated sale of solar energy kilowatts during the tenure of the applicable power purchase agreement pursuant to the revenue recognition policy.

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 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 statement of profit and loss are also recognised in other comprehensive income or statement of profit and loss, respectively).

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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 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 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 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 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.

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o) Income taxes

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

Current income tax

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

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

Deferred tax

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

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

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 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

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gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary differences originate. However, the Group restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Minimum Alternate Tax

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

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

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through 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 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

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issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

s) Provisions

General

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

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determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

Impairment losses of continuing operations are recognised in the 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 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 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 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 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 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 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 effecting the determination of the amounts relating to conditions existing at the balance sheet date are adjusted to respective financial statements areas.

z) Trade Payables

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

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 – New and amended standards

i) Other amendments

A number of minor amendments to existing standards also became effective on April 01, 2022 and have been adopted by the Group. The adoption of these new accounting pronouncements did not have a significant impact on the accounting policies, method of computation or presentation applied by the Group.

ii) Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are not expected to have a significant impact on the Group's financial statements. The Group has not early adopted any amendment, standard or interpretation that has been issued but is not yet effective. Refer the note 48- "Standards notified but not yet effective" in Notes to Financial Statements.

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3. Property, plant and equipment

	Freehold land	Plant and Equipment	Furniture and fixtures	Vehicles	Computers	Office equipment	Leasehold improvements	Road	Building	Total	Capital work in progress
Gross block at cost											
At April 01, 2021	31,827	9,95,396	98	869	942	312	3,476	496	60,740	**10,94,156**	1,02,898
Additions*	2,880	3,08,832	3	108	93	819	48	938	3,799	**3,17,520**	3,79,346
Transfer to assets	-	-	-	-	-	-	-	-	-	-	(3,10,376)
Disposals/ Adjustments	(1,805)	(2,957)	-	-	-	-	-	-	(89)	**(4,851)**	(6,216)
Impairment loss	-	-	-	-	-	-	-	-	-	-	(2,662)
Assets classified as held for sale (refer note 45)	-	(4,472)	-	-	(44)	-	-	-	(379)	**(4,895)**	-
At March 31, 2022	32,902	12,96,799	101	977	991	1,131	3,524	1,434	64,071	14,01,930	1,62,990
Additions	4,963	1,49,492	4	116	122	94	-	391	900	**1,56,082**	21,826
Transfer to assets	-	-	-	-	-	-	-	-	-	-	(1,42,333)
Disposals/ Adjustments	(281)	(5,946)	-	(69)	(1)	-	-	(24)	(117)	**(6,438)**	(3,602)
Impairment loss	-	(335)	-	-		-	-	-	-	**(335)**	(3,357)
At March 31, 2023	**37,584**	**14,40,010**	**105**	**1,024**	**1,112**	**1,225**	**3,524**	**1,801**	**64,854**	**15,51,239**	**35,524**
Accumulated Depreciation											
At April 01, 2021	-	1,83,010	73	407	721	180	1,696	12	8,254	**1,94,353**	436
Charge for the year (refer note 23)	-	29,362	14	103	117	135	137	207	1,713	**31,788**	-
Disposals/ Adjustments	-	(655)	-	-	-	-	-	-	(2)	**(657)**	-
Assets classified as held for sale (refer note 45)	-	(809)	-	-	(44)	-	-	-	(87)	**(940)**	-
At March 31, 2022	-	2,10,908	87	510	794	315	1,833	219	9,878	2,24,544	436
Charge for the year (refer note 23)	-	38,399	4	116	99	206	134	474	1,728	**41,160**	-
Disposals/ Adjustments	-	(536)	-	(9)	(1)	-	-	(3)	(11)	**(560)**	-
At March 31, 2023	-	**2,48,771**	**91**	**617**	**892**	**521**	**1,967**	**690**	**11,595**	**2,65,144**	**436**
Net block											
At March 31, 2023	**37,584**	**11,91,239**	**14**	**407**	**220**	**704**	**1,557**	**1,111**	**53,259**	**12,86,095**	**35,088**
At March 31, 2022	32,902	10,85,891	14	467	197	816	1,691	1,215	54,193	11,77,386	1,62,554

*Addition includes adjustment amounting to INR 6,065 lakhs on account of recovery from one of the vendor for the year ended March 31, 2022 (refer note 5.4)

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, 2023 was INR 2,044 lakhs (March 31, 2022: INR 9,561 lakhs). Rate of borrowing is 8.5% p.a. to 9.9% p.a.

(iii) Property, plant and equipment are pledged as security against borrowing, the details related to which is described in Note 12.1 and Note 15.1 on borrowings.

(iv) As at March 31, 2023, there is no CWIP whose completion is overdue or has exceeded its cost compared to original plan.

(iv) During the previous year, the Group has changed the useful life of the property, plant and equipment (refer note 43(B)(vi)) for additional disclosure in regard to the same.

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

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(All amounts in INR lakhs, unless otherwise stated)

4. Intangible assets

	Software	Total
Gross block at cost		
At April 1, 2021	1,722	1,722
Additions	39	39
Disposals/ Adjustments	-	-
At March 31, 2022	1,761	1,761
Additions	16	16
Disposals/ Adjustments	-	-
At March 31, 2023	**1,777**	**1,777**
Accumulated Amortization		
At April 1, 2021	1,472	1,472
Charge for the year	251	251
Disposals/ Adjustments	-	-
At March 31, 2022	1,723	1,723
Charge for the year (refer note 23)	47	47
Disposals/ Adjustments	-	-
At March 31, 2023	**1,770**	**1,770**
Net block		
At March 31, 2023	7	7
At March 31, 2022	38	38

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Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022

5. Non-current financial assets

5.1. Non-current investements

Investment in equity shares of others (at fair value through profit and loss)		
5,61,921 shares (March 31, 2022: 3,96,206) 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	937
Investment in compulsorily convertible debentures (at fair value through profit and loss)		
13,00,000 compulsorily convertible debentures (March 31, 2022: Nil) of INR 245/- each fully paid up in Premier Energies International Private Limited (earlier known as Azure Power Fifty- Five Private Limited)*	3,185	-
Investment in equity shares of associates(at cost)		
Waaree Power Private Limited**	-	-
Total	4,551	937

* During the previous year ended March 31, 2022, the Group has entered into a non-binding obligation with M/s Premier Energies limited ("Premier/ Manufacturer"), a solar module manufacturing Group, relating to execution of tender received from SECI. The Group has invested INR 937 lakhs in equity shares of the entity for its 26% of the equity shares of an entity, where Premier have invested in 74% of equity shares. During the year ended March 31, 2023, the Group has further invested INR 429 lakhs in equity shares (without dividend rights) and INR 3,185 lakhs in compulsorily convertible debentures of Premier. During the current year, the Group has entered into related module supply agreements and share and debentures subscription agreements with Premier. The Group is entitled for return of 10% p.a. on investment made under the agreement. During the current year, the Group has recognised income of INR 409 lakhs (March 31, 2022: INR 24 lakhs) on the investment.

** During the year ended March 31, 2020, the Group won a tender issued by Solar Energy Corporation of India Limited (SECI). Pursuant to the terms of the tender, the Group had agreed to a firm purchase commitment with a solar module manufacturer i.e. Waaree Power Private Limited to procure 2,800 MWs of modules. Pursuant to the terms of the tender, the Group had entered into a joint venture agreement on January 6, 2020 with a Waaree Power Private Limited to establish a manufacturing facility with a capacity of manufacturing 500 MW Solar PV Modules per annum. Accordingly, the Group had invested INR 0.26 lakhs (INR 0.26 lakhs as of March 31, 2021) to acquire 26% of the equity shares in a newly formed Group incorporated as part of the joint venture agreement to establish a manufacturing facility (investee) and is committed to further invest 26% of the equity required for construction of the manufacturing facility, and additionally procure modules. During the year ended March 31, 2023, the Group has entered into a termination agreement with Waaree for the termination of the said contract and has accrodingly recorded a loss on termination of contract amounting to INR 5,395 lakhs during the previous year ended March 31, 2022.

5.2 Trade receivables
(Unsecured, considered good)

Carried at amortized cost		
Trade receivables - others (refer note 30)	38,963	32,126
Trade receivables - fellow subsidiaries (refer note 27)	13	24
Total	38,976	32,150
Break-up for trade receivables		
From others		
Undisputed trade receivables, considered good	38,976	32,150
Undisputed trade receivables, credit impaired	89	198
Total	39,065	32,348
Impairment allowance doubtful trade receivable (refer note 40)		
Undisputed trade receivables, credit impaired	(89)	(198)
Total	38,976	32,150

Trade receivables ageing schedule

As at March 31, 2023	Unbilled receivables*	Non current but not due**	Outstanding for following periods from due date of payment					Total
			Less than 6	6 months – 1	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables, considered good	36,354	2,622	-	-	-	-	-	38,976
Undisputed Trade Receivables – credit impaired	83	6	-	-	-	-	-	89
	36,437	2,628	-	-	-	-	-	39,065

As at March 31, 2022	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	24,452	7,698	-	-	-	-	-	32,150
Undisputed Trade Receivables – credit impaired	134	64	-	-	-	-	-	198
	24,586	7,762	-	-	-	-	-	32,348

* Unbilled receivables represents receivables where the goods and/or services have been provided to the customer for which the Company has unconditional right to consideration. However, the Company is yet to raise invoices to the customer.

** Non-Current but not due represent receivables which aren't 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, 2023 amounting to INR 36,437 lakhs (March 31, 2022 INR 24,450 lakhs). The company has recognised receivable in accordance with Central Electricity Regulatory Commission (CERC) orders passed in favor of the Group providing for payment of monthly annuity ranging from INR 6 lakhs to INR 188 lakhs for a period of 13 to 15 years in different companies of the Group considering discount rate ranging from 9%-10.41%.

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Particulars	As at March 31, 2023	As at March 31, 2022
5.3 Loans		
(Unsecured, considered good)		
Carried at amortized cost		
Performance guarantee deposit	320	284
Loan to others*	40	-
To related parties:		
Loans to fellow subsidiaries (refer note 27)**	105	-
Total	**465**	284

*Loan given to Azure Sun Energy Private Limited carrying interest rate of 10% p.a. is repayable in October 2024.
** The loans granted to fellow subsidiaries carries interest rate of 8.20% p.a. and are repayable in August 2024.

Particulars	As at March 31, 2023	As at March 31, 2022
5.4 Other financial assets		
(Carried at amortised cost, unless otherwise stated)		
Term deposits*	77,103	49,112
Interest accrued on term deposits	1,186	661
Interest accrued on loans to fellow subsidiaries (refer note 27)	9	-
Interest accrued on loans and advances to others	117	3
Interest accrued on investments (refer note 5.1)	433	-
Security deposits	741	651
Other receivables (refer note 57(iii))	-	6,065
Carried at fair value through other comprehensive income (refer note 36)		
Derivative assets	17,329	2,263
Total	**96,918**	58,755

* The Group has INR 30.453 lakhs (March 2022: INR 15.648 lakhs) as term deposits lying with banks that represents an amount towards Debt-Service Reserve account for its outstanding loan.

* The Group has INR 30 lakhs (March 2022: INR 11 lakhs) as term deposits lying with banks that represents an amount towards Interest-Service Reserve account for its working capital demand loan.
* The Group has INR 9.015 lakhs (March 2022: INR 8.724 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 Nil (March 2022: INR 262 lakhs) as term deposits lying with banks that represent an amount issued to statutory authorities.
* The Group has INR 36.923 lakhs (March 2022: INR 194 lakhs) as deposits for lien to third parties.

Particulars	As at March 31, 2023	As at March 31, 2022
6. Income tax assets (net)		
Advance income-tax (Net of provision for tax INR 2,621 lakhs (March 31, 2022: INR 60 lakhs))	2,752	6,523
Total	**2,752**	**6,523**
7. Other non-current assets		
(Unsecured, considered good)		
Capital advances	11,708	3,676
Prepaid asset	866	75
Prepaid performance guarantee deduction	1,819	2,607
Contract assets (refer note 30)	5,941	5,750
Total	**20,334**	12,108
7A. Inventories		
(Carried at lower of cost or net realisable value)		
Inventories	131	-
Total	**131**	-
8. Current financial assets		
(Carried at amortized cost, unless stated otherwise)		
8.1 Trade receivables		
(Unsecured)		
Trade receivables* (refer note 30)	55,921	58,347
Total	**55,921**	58,347
Break up for trade receivables:		
From others		
Undisputed trade receivables – considered good	54,634	56,287
Undisputed trade receivable – credit impaired	4,595	1,332
Disputed trade receivables - considered good	1,287	2,060
Disputed trade receivables – credit impaired	1,556	930
	62,072	60,609
Impairment allowance for doubtful trade receivables (refer note 40)		
Undisputed trade receivable – credit impaired	(4,595)	(1,332)
Disputed trade receivables – credit impaired	(1,556)	(930)
Total	**55,921**	**58,347**

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Particulars	**As at March 31, 2023**	As at March 31, 2022

Trade receivables ageing schedule

As at March 31, 2023	**Unbilled receivables****	**Current but not due*****	**Outstanding for following periods from due date of payment**					**Total**
			Less than 6 Months	**6 months – 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
Undisputed Trade Receivables – considered good	20,316	17,948	9,405	1,612	1,547	1,409	2,397	**54,634**
Undisputed Trade receivable – credit impaired	165	151	1,287	445	1,117	626	804	**4,595**
Disputed Trade Receivables – considered good	-	-	-	-	-	-	1,287	**1,287**
Disputed Trade receivable – credit impaired	1	1	-	5	116	146	1,287	**1,556**
	20,482	**18,100**	**10,692**	**2,062**	**2,780**	**2,181**	**5,775**	**62,072**

As at March 31, 2022	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	25,104	17,411	5,222	3,004	1,979	1,910	1,657	56,287
Undisputed Trade receivable – credit impaired	187	90	126	101	335	245	248	1,332
Disputed Trade Receivables – considered good	-	-	10	60	-	-	1,990	2,060
Disputed Trade receivable – credit impaired	-	-	10	190	360	110	260	930
	25,291	17,501	5,368	3,355	2,674	2,265	4,154	60,609

*Trade receivables are non-interest bearing and are generally on terms of 30 to 75 days except receivables agreed under Electricity (Late Payment Surcharge ("LPS") and Related Matters) Rules, 2022.

* *Unbilled receivables represents receivables where the goods and/or services have been provided to the customer for which the Company has unconditional right to consideration. However, the Group is yet to raise invoices to the customer.

*** Current but not due represent receivables which aren't due as per credit terms agreed with the customer.

Azure Power Sunrise Private Limited is currently in discussion with off-taker for the recovery of the said amount regarding to delay in receipt since past five years and the said matter is now pending at the board of the off-taker. The management is of the view that they have completed the performance obligation under the Power Purchase Agreement, hence the said amount is recoverable as on March 31, 2023.

Trade receivables includes Safeguard duty (SGD)/Goods and Services Tax (GST) receivables as at March 31, 2023 amounting to INR 2,245 lakhs (March 31, 2022 INR 7,389 lakhs).

8.2 Cash and cash equivalents

Balances with banks:		
- In current accounts	7,794	65,195
- Deposits with original maturity of less than 3 months	31,165	38,626
Total	**38,959**	1,03,821

There are no repatriation restriction with cash and cash equivalents as at the end of reporting period and prior period.

8.3 Other bank balances

- Deposits with original maturity for more than 3 months but with remaining maturity for less than 12 months	83,753	53,650
Total	**83,753**	53,650

8.4 Loans

(Unsecured, considered good)		
(Carried at amortised cost)		
Loans to third party*	1,402	1,300
To related parties:		
Loans to fellow subsidiaries** (refer note 27)	8,101	7,872
Total	**9,503**	9,172

*The loans are provided at rate of 10% p.a and repayable on or before March 31, 2024
** The loans granted to fellow subsidiaries carried interest rate ranging from 6.95% p.a. to 10.60% p.a. and are repayable on or before March 31, 2024.

8.5 Other current financial assets

(Carried at amortised cost, unless stated otherwise)		
Security deposits	2	1
Interest accrued on term deposits	913	300
Interest accrued on loans	145	31
Interest accrued on loans to fellow subsidiaries (refer Note 27)	1,749	995
Contractually reimburseable from related parties (refer note 27)	211	3,887
Insurance claim receivable	3,045	-
Viability gap funding receivable	-	1
Other receivables (refer note 57(iii))	6,086	599
Carried at fair value through profit or loss (refer note 36)		
Firm commitment	-	126
Derivative assets	-	8
Carried at fair value through other comprehensive income (refer note 36)		
Derivative assets	2,099	-
Total	**14,250**	5,948

9. Other current assets

(Unsecured, considered good)		
Contract assets (refer note 30)	164	164
Balance with statutory authorities	2,438	2,466
Prepaid asset	1,022	1,688
Prepaid performance bank guarantee	133	133
Advance to vendors	1,900	4,729
Money paid under protest	905	-
Deferred financing cost	371	1,423
Other advances	214	94
Other receivables	-	418
Total	**7,147**	11,115

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(All amounts in INR lakhs, unless otherwise stated)

10. Equity Share Capital

Particulars	March 31, 2023	March 31, 2022
Authorized share capital:		
Equity share capital		
4,33,33,333 (March 31, 2022: 4,33,33,333) equity shares of INR 10/- each	4,333	4,333
8,66,66,667 (March 31, 2022: 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, 2022: 68,58,979) equity shares of INR 10/- each	692	686
	692	686

A. Reconciliation of No. of Equity Shares	No. of shares	Amount
At April 01, 2021	45,51,443	455
Changes during the year**	23,07,536	231
At March 31, 2022	**68,58,979**	**686**
Changes during the year*	61,640	6
At March 31, 2023	**69,20,619**	**692**

*During the year ended March 31, 2023, the Company have issued 61,640 number of equity shares of INR 10 each fully paid up to Azure Power Global Limited @ INR 7,510 per share (which includes INR 7,500 per share as security premium).
**During the year ended March 31, 2022, the Company had issued 23,07,536 number of equity shares of INR 10 each fully paid up to Azure Power Global Limited @ INR 7,510 per share (which includes INR 7,500 per share as security premium).

B. Terms/rights attached to shares

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

C. Shares held by holding company

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

	March 31, 2023	March 31, 2022
Azure Power Global Limited, the holding company		
68,18,032 (March 31, 2022: 67,56,392) equity shares of INR 10/-each fully paid up	682	676

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
	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022
Equity shares of INR 10 each fully paid				
Azure Power Global Limited	68,18,032	98.52%	67,56,392	98.50%
Inderpreet S Wadhwa (refer note 35(b)(ii)- contingent liabilities)	97,497	1.41%	97,497	1.42%

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

E. Details of shares held by Promoters

For the year ended March 31, 2023

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

For the year ended March 31, 2022

Particulars	Promoter Name	No. of shares at the beginning of the year	Change during the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	Azure Power Global Limited	44,48,856	23,07,536	98.50%	51.87%

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

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(All amounts in INR lakhs, unless otherwise stated)

11. Other equity

For the year ended March 31, 2023:

Particulars	Deemed capital contribution by parent / ESOP reserve (Note 11.1)	Reserves and surplus			Items of other comprehensive income			(Non-controlling interests)	Total equity
		Surplus/(Deficit) in the statement of profit and loss (refer note 11.2)	Securities premium reserve** (Note 11.3)	Other reserve (Note 11.4)	Defined benefit plans (Note 11.5)	Cash flow hedge reserve (Note 11.6)	Foreign currency translation reserve (FCTR) (Note 11.7)		
At April 01, 2022 (As Previously Reported)	3,533	(1,50,149)	5,06,582	403	(55)	(873)	31	3,225	3,62,697
Adjustment relating to prior period errors*	-	76	-	-	-	-	-	-	76
Restated balance as at April 01, 2022	3,533	(1,50,073)	5,06,582	403	(55)	(873)	31	3,225	3,62,773
Loss for the year	-	(14,816)	-	-	-	-	-	(697)	(15,513)
Other comprehensive income/(expense) (net of tax)	-	-	-	-	137	3,137	(183)	-	3,091
Total Comprehensive income/(loss)	3,533	(1,64,889)	5,06,582	403	82	2,264	(152)	2,528	3,50,351
Securities premium on account of issue of equity shares during the year (net of share issue expenses)	-	-	4,643	-	-	-	-	-	4,643
Deemed capital contribution by parent on account of employees Stock option plan (refer note 28)	130	-	-	-	-	-	-	-	130
At March 31, 2022	3,663	(1,64,889)	5,11,225	403	82	2,264	(152)	2,528	3,55,124

For the year ended March 31, 2022:

Particulars	Deemed capital contribution by parent / ESOP reserve (Note 11.1)	Reserves and surplus			Items of other comprehensive income			(Non-controlling interests)	Total equity
		Surplus/(Deficit) in the statement of profit and loss (refer note 11.2)	Securities premium reserve** (Note 11.3)	Other reserve (Note 11.4)	Defined benefit plans (Note 11.5)	Cash flow hedge reserve (Note 11.6)	Foreign currency translation reserve (FCTR) (Note 11.7)		
At April 01, 2021 (As Previously Reported)	2,605	(1,48,901)	3,33,736	403	(68)	(2,012)	29	1,484	1,87,276
Adjustment relating to prior period errors*	-	12	-	-	-	-	-	-	12
Restated balance as at April 01, 2021	2,605	(1,48,889)	3,33,736	403	(68)	(2,012)	29	1,484	1,87,288
Profit for the year	-	405	-	-	-	-	-	152	557
Other comprehensive income (net of tax)	-	-	-	-	13	1,139	2	-	1,154
Total Comprehensive income/(loss)	2,605	(1,48,484)	3,33,736	403	(55)	(873)	31	1,636	1,88,999
Securities premium on account of issue of equity shares during the year (net of share issue expenses)	-	-	1,72,846	-	-	-	-	-	1,72,846
Deemed capital contribution by parent on account of employees Stock option plan (refer note 28)	928	-	-	-	-	-	-	-	928
Transactions with non-controling interest	-	(1,589)	-	-	-	-	-	1,589	-
At March 31, 2022	3,533	(1,50,073)	5,06,582	403	(55)	(873)	31	3,225	3,62,773

* 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 Surplus/(Deficit) in the statement of profit and loss
Surplus in the statement of profit and loss are the results of the Group earned till date net of appropriations.

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

11.4 Other reserve
The Group recognizes profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

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

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

11.7 Foreign currency translation reserve
Exchange differences arising on translation of the foreign operations are recognized in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

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(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
12. Non-current financial liabilities		
12.1 Non-current borrowings		
At amortized cost		
Term loans (secured) (refer note 15.1 & 56)		
Foreign currency loan from financial institutions	1,20,681	30,387
Foreign currency loan from bank	28,173	8,106
Term loan from financial institutions	3,76,367	3,78,393
Term loan from banks	38,912	1,55,594
Vehicle loan	77	70
Loans from related parties (secured)		
External commercial borrowings (refer note 27)	2,09,238	2,23,107
Non-convertible debentures (refer note 27)	2,83,899	2,87,458
Total	**10,57,347**	10,83,115
Current maturities of long-term borrowing (refer note 15.1)	70,973	71,647
Total borrowings	**11,28,320**	11,54,762
12.2 Other financial liabilities		
At amortized cost		
Payable to fellow subsidiaries (refer note 27)	-	42
Total	-	42
13. Provisions		
13.1 Non-current		
Provision for gratuity (refer note 37)	400	591
Provision for decommissioning liabilities* (refer note 46)	7,133	8,068
Total	7,533	8,659

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

Particulars	As at March 31, 2023	As at March 31, 2022
Movement in provision for decommissioning liabilities		
Opening balance	8,068	6,582
Addition during the year	779	1,847
Amount adjusted due to change in estimate	(2,333)	(928)
Accretion during the year	619	567
Closing balance	**7,133**	8,068
13.2 Current		
Provision for compensated absences	387	530
Provision for gratuity (refer note 37)	90	37
Provision for liquidated damages*	405	-
Provision for bank guarantee (refer note 51 & 55)**	17,676	-
Total	**18,558**	567

* Provision for liquidated damages represents the penalty imposed by the customers for not meeting the requirement of minimum power generation and supply as outlined in the respective Power purchase agreement. Movement in the provision is as follows:

Movement in the provision for liquidated damages is as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	-	-
Provision created during the year	405	-
Closing balance	405	-

** Provision for bank guarantees represents the penalty imposed by the customers for not meeting the requirement of minimum power generation and supply as outlined in the respective Power purchase agreement.

Movement in the provision for Bank Guarantee is as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	-	-
Provision created during the year	17,676	-
Closing balance	17,676	-

Particulars	As at March 31, 2023	As at March 31, 2022
14. Other non-current liabilities		
Deferred viability gap funding (grant)	17,848	17,532
Deferred government grant	1,404	1,495
Deferred revenue on SGD receivable (refer note 30)	39,733	28,894
Deferred revenue on revenue straightligning (refer note 30)	9,290	7,726
Total	**68,275**	55,647

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Particulars	As at March 31, 2023	As at March 31, 2022
15. Current financial liabilities		
(Carried at amortised cost, unless stated otherwise)		
15.1 Current borrowings		
Secured loans		
From Banks:		
Foreign currency loan from bank**	78,402	70,360
Current maturities of long-term borrowings (refer note 12.1 & 56)	70,973	71,647
Unsecured		
From related parties:		
Loans from others***	11,387	11,299
Total	**1,60,762**	1,53,306

** The Group has a buyer's credit facility amounting to INR 78,402 lakhs (March 31, 2022: INR 70,360 lakhs) for one of its under construction SPVs for 300 MW solar power project with Solar Energy Corporation of India. This facility carries a floating interest rate of 12 Month SOFR and spread ranging plus 0.21 PCT. As per the facility agreement, settlement of this buyer's credit will be made from disbursements of long-term project finance.

***The Group has taken loan from Radiance Renewables Private Limited which carries interest rate of 10% per annum and repayable on demand.

15.2 Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	491	366
- Total outstanding dues of creditors other than micro enterprises and small enterprises	12,441	11,846
Total	**12,932**	12,212

Trade payables Ageing Schedule

As at 31 March 2023	Unbilled dues*	Not due trade payable**	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	202	65	68	88	68	491
Total outstanding dues of creditors other than micro enterprises and small enterprises	9,843	1,328	1,121	68	21	60	12,441
	9,843	**1,530**	**1,186**	**136**	**109**	**128**	**12,932**

As at 31 March 2022	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	4	47	125	72	32	86	366
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,375	2,767	3,572	802	275	54	11,846
	4,379	2,814	3,697	874	307	140	12,212

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.

15.3 Other current financial liabilities		
(Carried at amortised cost, unless stated otherwise)		
Interest accrued and due on borrowings	323	162
Interest accrued but not due on borrowings	4,241	3,771
Contractually reimbursable expenses to holding company (refer note 27)	319	-
Interest accrued but not due to fellow subsidiaries (refer note 27)	8,995	9,161
Payable to fellow subsidiary companies (refer note 27)	444	460
Payable to employees	969	1,247
Payable for purchase of property, plant and equipment	9,611	30,932
Payable for stock appreciation rights (refer note 27 and 28)	1,981	-
Other payables	2,504	-
Interest accrued on loans and advances from third party	4	4
Financial liabilities at fair value through other comprehensive income (refer note 36)		
Derivative liabilities	1,081	938
Financial liabilities at fair value through profit or loss		
Cash-settled share-based payments (refer note 27 and 28)	-	8,444
Firm commitment (refer note 36)	-	9
Derivative liabilities (refer note 36)	-	125
Total	**30,472**	55,253
15A. Current tax liabilities (net)		
Provision for income tax (net of advance tax of INR 5,406 Lakhs)	3,785	2,089
	3,785	2,089
16. Other current liabilities		
Statutory dues	1,740	2,739
Deferred revenue on SGD receivable (refer note 30)	1,953	1,334
Deferred viability gap funding income	1,125	1,055
Deferred government grant	90	80
Advance from customers	1,197	57
Total	**6,105**	5,265

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(All amounts in INR lakhs, unless otherwise stated)

Nature of loan	Lender	Purpose	Type of Interest	Rate of interest	Repayment Terms	March 31, 2023[1]	March 31, 2022[1]
Term loan in INR*	Indian Renewable Energy Development Agency (IREDA)	Borrowing for financing of the 30 MW solar power project.	Floating Rate	Floating interest rate of 7.5% per annum with reset of every three year as notified by IREDA as per Applicable Rating.	The loan is repayable in 168 monthly instalments ranging from 0.50% - 0.60% commencing from April 2022 and ending in March 2036.	14,061	15,093
Term loan in INR*	NIIF Infrastructure Finance Ltd.	Borrowing for financing of the 100 MW solar power project.	Floating Rate	Interest rate of term loan is 7.75%, with reset every three years based upon AIFL benchmark rate and the applicable spread.	The loan is repayable in 63 quarterly instalments ranging from 1.23% - 2.55% commencing December 2021 and ending on June 2037.	31,355	33,008
Term loan in INR	HDFC Bank - Vehicle Loan	Vehicle loan	Fixed rate	Interest rate of term loan is 7.20%. Interest rate of term loan is 7.10%.	- The loan is repayable in 60 quarterly instalments ranging from 1.39% - 1.98% commencing November 2021 and ending on October 2026. - The loan is repayable in 60 quarterly instalments ranging from 1.39% - 1.97% commencing January 2022 and ending on December 2026.	89	88
Term loan in INR***	NIIF Infrastructure Finance Ltd.	For re-financing of its 35 MW solar project with NTPC Vidyut Vyapar Nigam Limited.	Fixed Rate	These facilities carry an interest rate of 8.00%.	The loan is repayable in 47 quarterly instalments ranging from 1.59% - 2.44% commencing September 2021.	16,131	17,503
Term loan in INR***	Kotak IDF	For re-financing of its 35 MW solar project with NTPC Vidyut Vyapar Nigam Limited.	Fixed Rate	These facilities carry an interest rate of 8.5%.	The loan is repayable in 47 quarterly instalments ranging from 1.59% - 2.44% commencing September 2021.	6,117	6,638
Foreign currency loan from bank	SBI Bank-Buyer's Credit	Borrowing for one of its under construction SPVs for 300 MW solar power project with Solar Energy Corporation of India.	Floating Rate	This facility carry a floating interest rate of of 12 Month SOFR and spread ranging plus 0.21 PCT.	The facility is repayable in May 2024	78,402	70,359
Foreign currency Loan**	Export Development Canada *	For providing funds to project SPVs as shareholder loans or through other instrument for capital expenditure or for payment of capital expenditure in respect of each project.	Floating Rate	These facilities are foreign currency loans and carries an interest rate of LIBOR+Margin of 3.95%	The loan is repayable in 8 half yearly instalments ranging from 2.5% - 32.5%commencing November 2021 and ending on May 2025	38,068	53,724
Term loan in INR***	Indian Renewable Energy Development Agency (IREDA)	Borrowing for financing of its 90 MW solar project.	Floating Rate	Floating interest rate of 7.5% per annum with reset of every three year as notified by lender.	The loan is repayable in 234 monthly instalments ranging from 0.30%- 0.70% commencing from October 2022.	34,095	35,754
Term loan in INR*	Kotak Infrastructure Debt Fund Limited	For financing of a 10 MW solar power project with Bangalore Electricity Supply Company Limited.	Floating Rate	These facilities carry an interest rate of 8.50% per annum fixed till September 30, 2022 and shall be reset every two years thereafter as notified by lender.	The loan is repayable in 54 quarterly instalments ranging from 1.85% - 1.88%commencing December 2020.	3,355	3,594
Foreign currency Loan**	Standard Chartered Bank (Singapore) Limited	For providing funds to project SPVs as shareholder loans or through other instrument for capital expenditure or for payment of capital expenditure in respect of each project.	Floating Rate	These facilities are foreign currency loans and carries an interest rate of LIBOR+Margin of 3.95%	The loan is repayable in 8 half yearly instalments ranging from 2.5% - 32.5%commencing November 2021 and ending on May 2025	10,155	14,332
Term loan in INR*	Tata Cleantech Capital Limited	The purpose of loan is for financing 200 MW solar power project.	Floating Rate	Interest rate of term loan is 7.50% and shall be reset every three years based upon 3 years based on TCCL Prime Lending Rate- Long term (TCCL NPLR-LT)	The loan is repayable in 70 quarterly instalments ranging from 1.1% - 1.71% commencing December 2021 and ending March 31, 2039.	30,294	32,053
Term loan in INR*	Axis Bank	The purpose of loan is for financing 200 MW solar power project.	Floating Rate	Interest rate of term loan is 7.50% and shall be reset every three years based upon 3 years MCLR Rate.	The loan is repayable in 70 quarterly instalments ranging from 1.1% - 1.71% commencing December 2022 and ending on March 31, 2039	22,912	24,234
Term loan in INR*	Aseem Infrastructure Finance Limited	Borrowing for financing of the 100 MW solar power project.	Floating Rate	Interest rate of term loan is 7.75%, with reset every five years based upon -35 bps ('Spread") over and above the NIIF IFL 5 YR benchmark rate.	The loan is repayable in 63 quarterly instalments ranging from 1.23% - 2.55% commencing December 2021 and ending on June 2037.	16,600	17,550
Term loan in INR***	Kotak Infrastructure Debt Fund Limited	Borrowing for re-financing of 5 MW solar power project with NTPC Vidyut Vyapar Nigam Limited.	Fixed rate	Interest rate of term loan is 8.25%.	The loan is repayable in 42 quarterly instalments ranging from 2.09%- 2.80% commencing from September 21, 2021.	3,647	4,026
Term loan in INR***	NIIF Infrastructure Finance Ltd.	Borrowing for re-financing of the 50 MW PV solar power project with NTPC Limited.	Floating Rate	Floating interest rate of 7.55% per annum with reset of every Five year as notified by lender.	The loan is repayable in 64 quarterly instalments ranging from 1.05% - 2.45% commencing December 31, 2021.	20,038	20,930

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Nature of loan	Lender	Purpose	Type of Interest	Rate of interest	Repayment Terms	March 31, 2023[1]	March 31, 2022[1]
Term loan in INR***	State Bank of India	Borrowing for financing of solar	Floating Rate	Interest rate of term loan is 6 month MCLR+ 1.45% which is currently at 8.5% per annum	The loan is repayable in 52 unequal quartely instalments commencing June 2020 and ending on March 31, 2033 ranging from 1.06% to 2.37%	3,168	4,070
Term loan in USD****	EDC, Socgen, MUFG and HKMC, Bank of Phillipiness, Deutsche Bank	Borrowing for financing of its 300 MW solar project with Solar Energy Corporation of India	Floating Rate	Interest rate of term loan is LIBOR−Margin of 2.1% per annum, payable on qaurterly basis.	The loan is repayable in 17 quarterly instalments ranging from 0.163%-0.629% commencing April 2022 and balance 87.192% payable in June 2026.	1,27,032	1,17,241
Term loan in INR***	L & T finance Limited, IREDA and L&T Infra Credit Pvt Ltd	For one of the under construction SPV's 600 MW solar power project with Solar Energy Corporation of India.	Floating Rate	Interest rate of term loan ranged between 7.20% to 9.2% (8.25% on March 31, 2023) payable monthly.This interest rate is applicable for Renewable Energy Projects with an Integrated Rating of IR-2. with 3 year reset as per L&Tpolicy.	The loan is repayable in 243 monthly instalments ranging from 0.30% - 0.58% commencing from July 31, 2022.	2,21,516	2,09,836
Term loan in INR***	SBI	For financing of its 300 MW solar project with Solar Energy Corporation of India	Floating Rate	Applicable rate of interest is 6 months MCLR plus 2.6% which is presently 9.55% payable monthly and after the operation date the interest rate will be 6 month MCLR Plus Margin based on credit rating payable monthly	The loan is repayable in 222 monthly instalments ranging from 0.21% - 0.77% commencing December 2022	15,344	14,183

[1] Borrowing amount represents outstanding loan amount including current maturities post adjusting unammortised ancillary cost of borrowing at the year end.

* Borrowing is secured by first charge on Company's movable and immovable properties and hypothycation on all the movable fixed assets both present and future.
** Borrowing is collateralized by the shares of project SPVs and hypothecation/charge over receivables of the Group.
*** Borrowing is collateralized by movable and immovable properties of underlying solar power project assets and pledge of 51% of equity shares of the company held by Azure Power India Private Limited.
**** Borrowing is collateralized by movable and immovable properties of underlying solar power project assets and pledge of 100% of equity shares of the company held by Azure Power India Private Limited.

During August 2017, some of the Group's subsidiaries (Restricted Group-III entities) have raised External Commercial Borrowings ("ECB") denominated in Indian Rupees and raised INR 2,04,867 lakhs from Azure Power Energy Limited (APEL) a fellow subsidiary. APEL has issued Solar Green Bonds to the ultimate investor and invested the proceeds back in the Restricted Group entities. The ECB's are recorded at amortized cost basis. In accordance with the terms of the issue, the proceeds were used for repayment of the existing project level loans. Pursuant to refinancing of existing US$ 5,000 lakhs Solar Green Bonds issued by APEL in 2017 due for repayment in November 2022, through issuance of US$ 4,140 lakhs Solar Green Bond (the "Bond"), the ECB have been refinanced in August 2021. The interest on the ECB's are payable on a semi-annual basis at interest rate of 7.65% p.a. and the principal is payable on a semi-annual instalment ranging from 3.4% to 3.8% and balance 67.4% on maturity in August 2026. The ECB's are secured by first charge on movable and immovable

During August 2017, some of the Group's subsidiary (Restricted Group-III entities) have issued Non-Convertible Debentures ("NCD") denominated in Indian Rupees and raised INR 1,07,700 Lakhs from APEL. APEL has issued Solar Green Bonds to the ultimate investor and invested the proceeds back in the Restricted Group entities. The NCD's are recorded at amortized cost basis. In accordance with the terms of the issue, the proceeds were used for repayment of the existing project level loans. The interest on the NCD's are payable on a semi-annual basis at interest rate of 7.65% and the principal is payable on a semi-annual instalment ranging from 3.4% to 3.8% and balance 67.4% on maturity in August 2026. The NCD's are secured by first charge on movable and immovable properties of underlying solar power project assets and pledge of 51% of equity shares of the company held by Azure Power India Private Limited.

Pursuant to refinancing of existing US$ 5,000 Lakhs Solar Green Bonds issued by APEL in 2017 through issuance of US$ 4,140 Lakhs Solar Green Bond (the "Bond") during August 2021, some of the Group's subsidiaries (Restricted Group-III entities) during the previous year have raised Non-Convertible Debentures ("NCD") denominated in Indian Rupees and raised INR 31,900 lakhs from Azure Power Energy Limited (APEL). These funds were utilised for the settlement of existing ECB of INR 7,200 Lakhs and NCD of INR 40,565 Lakhs. APEL has issued Solar Green Bonds to the ultimate investors and invested the proceeds back in some of the Group's subsidiaries (Restricted Group-III entities). The total premium of INR 11,148 lakhs is payable at the time of redemption of NCD. During the current year, redemption premium of INR 2,122 lakhs have been recorded as finance cost, using the effective interest rate method. The NCD's are recorded at amortized cost basis. The interest on the NCD's are payable on a semi-annual basis at interest rate of 7.65% p.a. and the principal is payable on a semi-annual instalment ranging from 3.4% to 3.8% and balance 67.4% on maturity in August 2026. Further, the issuance expenses relating to NCD's have been recorded as finance cost, using the effective interest rate

During the year ended March 2020, some of the Group's subsidiary (Restricted Group-II entities) have issued Non-Convertible Debentures ("NCD") denominated in Indian Rupees and raised INR 1,95,006 Lakhs from Azure Power Solar Energy Private Limited (APSEPL) a fellow subsidiary. APSEPL has issued Solar Green Bonds to the ultimate investor and invested the proceeds back in the Restricted Group-II entities. Azure Power Global Limited (Holding Company) has guaranteed the principal and interest repayments to the ultimate investors and the guarantee shall become ineffective on meeting certain financial covenants. The total premium of INR 6,767 lakhs are payable at the time of redemption of NCD. During the year, redemption premium of INR 1,341 lakhs have been recorded as finance cost, using the effective interest rate method. The NCD's are recorded at amortized cost basis. In accordance with the terms of the issue, the proceeds were used for repayment of the existing project level loans. The interest on NCD's are payable on a semi-annual basis at interest rate of 9.95% to 10.30% and the principal amount is payable in December 2024. The NCD's are secured by first charge on movable and immovable properties of underlying solar power project assets and pledge of 51% of equity shares of

The Group continues to service its payment obligations for its borrowings in accordance with its financing documents. However, the Group was not able to submit its audited financial statements for the year ended March 31, 2023 within the stipulated time as per the covenants for the borrowings. The Group has obtained suitable waivers from its lenders for this non-compliance. (Refer note 56)

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(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
17. Deferred tax assets/(liabilities)		
Deferred tax asset	34,080	35,340
Total	**34,080**	**35,340**
Deferred tax liability	19,218	3,002
Total	**19,218**	**3,002**
Deferred tax asset (net)	**14,862**	**32,338**

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

	As at April 01, 2021	Movement during the year	As at March 31, 2022	Movement during the year	As at March 31, 2023
Deferred tax liability:					
Difference between tax base and book base of property, plant and equipment	69,809	36,185	1,05,994	51,137	1,57,131
Contract assets	152	216	368	(49)	319
Premium on non-convertible debentures	95	96	191	(191)	-
Leases	977	2,883	3,860	(922)	2,938
Capital Work in progress margin	-	276	276	(276)	-
Other Differences	3,675	(3,675)	-	177	177
Total deferred tax liability (A)	**74,708**	**35,981**	**1,10,689**	**49,876**	**1,60,565**
Deferred tax assets:					
Unabsorbed depreciation and brought forward losses	86,238	39,848	1,26,086	26,674	1,52,760
Capital Work in progress margin	3,720	(3,720)	-	-	-
Minimum alternate tax	6,379	767	7,146	6,066	13,212
Deferred Revenue	4,621	589	5,210	757	5,967
Provision for decommissioning liabilities	1,913	482	2,395	(551)	1,844
Allowance for doubtful trade receivable	2,682	(1,463)	1,219	514	1,733
Provision for employee benefits	(949)	1,301	352	(92)	260
Performance bank guarantee	17	50	67	66	133
Other Differences	-	101	101	321	422
Total deferred tax assets (B)	**1,04,621**	**37,955**	**1,42,576**	**33,755**	**1,76,331**
Deferred tax asset / (liability) (Net) (B) - (A)	**29,913**	**1,974**	**31,887**	**(16,121)**	**15,766**
Other Comprehensive Income					
Deferred tax liability recognised in Other Comprehensive Income					
On cash flow hedge reserve	995	(572)	423	(1,272)	(849)
On defined benefit plan	32	(4)	28	(83)	(55)
Deferred tax asset / (liability) net	**30,940**	**1,398**	**32,338**	**(17,476)**	**14,862**

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

		For the year ended March 31, 2023	For the year ended March 31, 2022
Accounting profit before income tax		**7,796**	**2,823**
Applicable statutory income tax rate		34.94%	34.94%
Tax at applicable tax rate	**(A)**	**2,724**	**987**
Adjustments:			
Carry forward losses as reversing in the tax holiday		(297)	(184)
Disallowance as per section 94B of Income Tax Act, 1961 not considered for deferred tax purpose		9,325	9,668
Permanent difference in property, plant and equipment not considered for deferred tax purpose		156	(10,757)
Other permanent differences disallowed under income tax Act		11,426	6,439
Difference in tax rate of subsidiaries		(253)	86
Income tax adjustment pertaining to earlier year		-	4
Impact of fair valuation of rooftop assets under disposal group (refer note 45)		-	(3,977)
Others		228	-
Total	**(B)**	**20,585**	**1,279**
Total tax expense	**(A+B)**	**23,309**	**2,266**
Component of tax expenses:			
Current tax expense		7,188	4,275
Income tax adjustment pertaining to earlier year		-	(17)
Deferred tax charge/(credit)		16,121	(1,992)
Total tax expense		**23,309**	**2,266**

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Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022#
18. Revenue from operations		
Revenue from contract with customers		
Sale of power*(refer 30 & 47)	2,03,874	1,73,419
Management fees (refer note 27)	-	495
Other operating revenue		
Viability gap funding income**	1,130	1,054
Government grants related to assets	90	167
Carbon credit emission income	42	7,204
Total	**2,05,136**	1,82,339

*Revenue is recognised at point in time.
**Refer note 47 for reclassification.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022#
19. Finance income		
Interest income on financial asset measured at amortised cost		
- Term deposits	9,120	4,282
- Loan to subsidiaries (refer note 27)	818	750
- Trade receivables	1,030	-
- Safeguard duty receivables	2,557	1,615
- Others	1,534	408
Interest on refund of income tax	393	13
Total	**15,452**	7,068
20. Other income		
Sale of scrap	44	31
Liabilities no longer required written back*	489	8,007
Reversal of share based payment liability (net) (refer note 28)	6,333	2,807
Provision for doubtful debts written back (refer note 40)	153	1,695
Related party balances written back (refer note 27)	-	1,098
Insurance claim**	4,384	-
Late payment surcharge	1,418	-
Fair value gain on investments at fair value through profit or loss (refer note 5.1)	409	-
Gain on disposal of Property, plant and equipement	-	99
Miscellaneous income	296	871
Total	**13,526**	14,608

* Includes gain of INR Nil (March 31, 2022: INR 2,679 lakhs) on account of write back of redemption premium on non-convertible debentures repaid during the current year.
** Includes amount of INR 3265 Lakhs related to floods (refer note 57 (v)).

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022#
21. Impairment loss / (reversal)		
Impairment loss / (reversal)*	4,469	(626)
Total	**4,469**	(626)

* Refer note 55 (March 31, 2022: refer note 45)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022#
22. Employee benefits expense		
Salaries, wages and bonus	8,042	6,136
Contribution to provident and other funds (refer note 37)	327	274
Gratuity expense (refer note 37)	176	142
Staff welfare expenses	524	43
Share based payment expense (net) (refer note 28)	-	-
Total	**9,069**	6,595
23. Depreciation and amortization expense*		
Depreciation of property, plant and equipment (refer note 3)	41,160	31,788
Depreciation of right of use assets (refer note 34 and 46)	1,659	1,375
Amortisation of intangible assets (refer note 4)	47	251
Total	**42,866**	33,414

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(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022#
24. Finance costs		
Interest expenses on financial liabilities measured at amortized cost		
- Term loans	51,520	32,087
- Loans from related parties (refer note 27)	52,400	57,803
- Lease liabilities (refer note 34)	3,266	2,350
- Buyer's credit	1,340	4,623
Prepayment charges on repayment of term loans	6	7,958
Interest on delayed payment of statutory dues	260	281
Other finance costs	2,436	2,003
Other borrowing costs	997	5,791
Total	**1,12,225**	1,12,896
25. Other expenses		
Power and fuel	31	20
Guest house expenses	337	205
Rent (refer note 34)	36	71
Rates and taxes	4,807	5,006
Solar park maintenance	694	656
Insurance	2,475	2,100
Repair and maintenance		
-Plant and machinery	3,142	3,132
-Other	1,687	905
Development and Testing expense	3	-
Advertisement and sales promotion	-	-
Travelling and conveyance	681	294
Communication costs	136	126
Printing and stationery	-	-
Legal and professional fees (Including payment to auditors)	9,868	2,372
Corporate social responsibilities	217	169
Operation and maintenance fees	51	2
Provision for expected credit losses (refer note 5.2, 8.1 and 40)	3,933	-
Provision for Bank Guarantee (refer note 51 and 55)	17,676	-
Recruitment expenses	745	550
Bad debts written off (refer note 40)	-	108
Security charges	2,836	2,192
Bank charges	49	84
Software maintenance charges	152	154
Advances written off	684	309
Assets written off	2,246	5,022
Loss on cancellation of hedge contract*	1,597	11,402
Liquidation charges for cancellation of contract	405	5,395
Foreign exchange fluctuation (net)	52	1,292
Loss on sale of property, plant and equipment	2,027	2,161
Land development charges	130	130
Tender and application fee	18	-
Adjustment related to viability gap funding (refer note 47)	-	1,339
Loss on account of modification of contractual cash flows	285	1,977
Provision against impairment of assets	-	289
Miscellaneous expenses	689	1,451
Total	**57,689**	48,913

* Amount represents loss on cancellation of forward contracts taken for purchase of modules and invterors.
# Refer note 46 for restatement.

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(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022*

26. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the (loss)/profit for the year attributable to equity shareholders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/ (loss) attributable to equity shareholders of the Company (after adjusting for interest on the convertible debentures and convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

(Loss)/Profit after tax for calculation of basic EPS	(15,513)	557
(Loss)/Profit after tax for calculation of diluted EPS	(15,513)	557
Weighted average number of equity shares in calculating basic EPS	69,17,410	48,68,367
Weighted average number of shares in calculating diluted EPS	69,17,410	48,68,367
Basic Earning per share (In INR)	(224.26)	11.45
Diluted Earning per share (In INR)	(224.26)	11.45

*Refer note 46 for restatement.

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(INR amount in lakhs, unless otherwise stated)

27. Related party disclosures:

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

Related parties where control exists

Holding Company:	Azure Power Global Limited
Key Managerial Personnel ("KMP"):	Mr. Ranjit Gupta (Chief Executive Officer and Director w.e.f. July 18, 2019 till April 26, 2022) Mr. Harsh Dinesh Shah (Chief Executive Officer and Director w.e.f. August 05, 2022 till August 29, 2022) Mr. Rupesh Agarwal (Director w.e.f August 29, 2022 till July 10, 2023) Mr. Sunil Kumar Gupta (Managing Director and Chief Executive Officer w.e.f. August 08, 2023) Ms. Supriya Prakash Sen (Director w.e.f. August 01. 2020) Mr. Unnikrishnan Mangalath Sukumarapanicker (Nominee Director w.e.f. August 19, 2020 to March 13, 2024) Mr. Barney Sheppard Rush (Director till September 30, 2021) Ms. Christine Ann Mcnamara (Director w.e.f. March 01, 2022 till June 26, 2023) Ms. Delphine Voeltzel (Nominee Director w.e.f. May 11, 2022) Mr. Arno Lockheart Harris (Director w.e.f August 23, 2016 till May 31, 2022) Mr. Richard Alan Rosling (Charirman of the Board of Directors from September 30, 2021 till October 11, 2023) Mr. Sugata Sircar (Director w.e.f. October 01, 2022) Mr. Jean Francois Joseph Boisvenu (Director w.e.f. April 24, 2023) Mr. Richard Payette (Director w.e.f. July 01, 2023) Mr. Deepak Malhotra (Director w.e.f November 28, 2019 till October 29, 2023) Mr. Cyril Sabastien Dominique Cabanes (Director till October 30, 2023) Mr. Philippe Pierre Wind (Nominee Director w.e.f. October 31, 2023) Mr. Jaime Garcia Nieto (Nominee Director w.e.f. December 01, 2023) Mr. Murali Subramanian (Chief Operating Officer w.e.f July 18, 2019 till April 26, 2022) Mr. Pawan Kumar Agrawal (Chief Financial Officer w.e.f March 15, 2019 upto December 31, 2023) Mr. Kapil Sharma (Company Secretary)

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 Nine Private Limited Azure Power Mercury Private Limited Azure Sunlight Private Limited (till Febuary 03, 2022)
Entity having significant influence:	International Finance Corporation (till August 6, 2021)
Associate Company:	Waaree Power Private Limited

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(INR amount in lakhs, unless otherwise stated)

27. Related party disclosures:

1. Following transactions were carried out with related parties in the ordinary course of business:

Nature of transaction	Key management personnel		Holding company		Fellow Subsidiary Company	
	For the year ended March 31, 2023	For the year ended March 31, 2022	**For the year ended March 31, 2023**	For the year ended March 31, 2022	**For the year ended March 31, 2023**	For the year ended March 31, 2022
a) Settlement of liabilities on behalf of the Group						
Azure Power Global Limited	-	-	4,726	-	-	-
Azure Power Rooftop Four Private Limited	-	-	-	-	11	-
Azure Power Rooftop Eight Private Limited	-	-	-	-	-	1
Azure Power Energy Private Limited	-	-	-	-	-	5
Azure Power Solar Energy Private Limited	-	-	-	-	-	95
b). Settlement of liabilities by the Group on behalf of						
Azure Power Global Limited	-	-	-	486	-	-
Azure Power Energy Private Limited	-	-	-	-	81	-
Azure Power Solar Energy Private Limited	-	-	-	-	1	-
Azure Power Rooftop Private Limited	-	-	-	-	61	92
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	-	6
Azure Power Rooftop One Private Limited	-	-	-	-	-	3
Azure Power Rooftop Three Private Limited	-	-	-	-	-	2
Azure Power Rooftop Four Private Limited	-	-	-	-	-	1
c). Management fees						
Azure Power Global Limited	-	-	-	492	-	-
Azure Power Rooftop Three Private Limited	-	-	-	-	-	3
d). Balances written back (net)						
Azure Solar Solutions Private Limited	-	-	-	-	-	955
Azure Renewable Energy Private Limited	-	-	-	-	-	1
Azure Sunlight Private Limited	-	-	-	-	-	2
Azure Power Thirty Eight Private Limited	-	-	-	-	-	179
Azure Power Forty Four Private Limited	-	-	-	-	-	120
Azure Power Mercury Private Limited	-	-	-	-	-	170
Azure Power Energy Limited	-	-	-	-	-	(329)
e) Key managerial personnel Remuneration						
Mr. Ranjit Gupta						
- Short term employee benefits	473	412	-	-	-	-
- Stock Appreciation Right	1,032	(1,962)	-	-	-	-
Mr. Murali Subramanian						
- Short term employee benefits	-	173	-	-	-	-
- Stock Appreciation Right	948	(1,772)	-	-	-	-
Mr. Pawan Kumar Agrawal						
- Short term employee benefits	433	264	-	-	-	-
- Employee stock option	-	163	-	-	-	-
Mr. Harsh Dinesh Shah						
- Short term employee benefits	458	-				
Mr. Rupesh Agarwal						
- Short term employee benefits	367	-				
f) Borrowings taken						
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	-	35
g) Interest expense on borrowings* **						
Azure Power Energy Limited	-	-	-	-	24,947	30,336
Azure Power Solar Energy Private Limited	-	-	-	-	27,333	27,233
Azure Power Rooftop Private Limited	-	-	-	-	-	12
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	-	3
h) Loan given						
Azure Power Rooftop Private Limited	-	-	-	-	-	1,300
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	512	225
Azure Power Rooftop One Private Limited	-	-	-	-	205	252
Azure Power Rooftop Three Private Limited	-	-	-	-	-	67
Azure Power Rooftop Four Private Limited	-	-	-	-	-	105
Azure Power Rooftop Five Private Limited	-	-	-	-	117	100
Azure Power Rooftop Eight Private Limited	-	-	-	-	-	15
i) Loan repaid						
Azure Power Rooftop Private Limited	-	-	-	-	500	410
j) Repayment of borrowings						
Azure Power Rooftop Private Limited	-	-	-	-	-	150

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k) Interest income						
Azure Power Rooftop Private Limited	-	-	-	-	691	721
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	55	8
Azure Power Rooftop One Private Limited	-	-	-	-	38	12
Azure Power Rooftop Three Private Limited	-	-	-	-	7	3
Azure Power Rooftop Four Private Limited	-	-	-	-	9	2
Azure Power Rooftop Five Private Limited	-	-	-	-	17	4
Azure Power Rooftop Eight Private Limited	-	-	-	-	1	-
l) Corporate guarantees given						
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	362	-
Azure Power Rooftop One Private Limited	-	-	-	-	719	-
Azure Power Rooftop Three Private Limited	-	-	-	-	97	-
Azure Power Rooftop Five Private Limited	-	-	-	-	56	-

2. Balances outstanding at the end of the year

Particulars	**Key Management Personnel**		**Holding company**		**Fellow Subsidiary Company**	
	As at March 31, 2023	As at March 31, 2022	**As at March 31, 2023**	As at March 31, 2022	**As at March 31, 2023**	As at March 31, 2022
a).Trade receivable						
Azure Power Rooftop Three Private Limited	-	-	-	-	13	24
b).Contractually reimburseable from related parties						
Azure Power Rooftop Private Limited	-	-	-	-	53	3,718
Azure Power Rooftop One Private Limited	-	-	-	-	37	37
Azure Power Rooftop Two Private Limited	-	-	-	-	2	2
Azure Power Rooftop Three Private Limited	-	-	-	-	-	12
Azure Power Rooftop Four Private Limited	-	-	-	-	6	6
Azure Power Rooftop Five Private Limited	-	-	-	-	9	9
Azure Power Rooftop Eight Private Limited	-	-	-	-	87	85
Azure Power Solar Energy Private Limited	-	-	-	-	1	1
Azure Power Energy Limited	-	-	-	-	16	17
c). Payable						
Azure Power Global Limited	-	-	319	158	-	-
Azure Power Rooftop Private Limited	-	-	-	-	73	70
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	267	267
Azure Power Rooftop Four Private Limited	-	-	-	-	11	-
Azure Power Solar Energy Private Limited	-	-	-	-	92	-
Azure Power Energy Limited	-	-	-	-	1	7
d). Borrowing taken						
Azure Power Energy Limited***	-	-	-	-	2,68,419	2,86,755
Azure Power Solar Energy Private Limited***	-	-	-	-	2,45,796	2,44,477
e). Interest payable on borrowings						
Azure Power Energy Limited	-	-	-	-	2,367	2,556
Azure Power Solar Energy Private Limited	-	-	-	-	6,607	6,606
Azure Power Rooftop Private Limited	-	-	-	-	21	-
f). Loan to related party						
Azure Power Rooftop Private Limited	-	-	-	-	6,608	7,108
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	737	225
Azure Power Rooftop One Private Limited	-	-	-	-	457	252
Azure Power Rooftop Three Private Limited	-	-	-	-	67	67
Azure Power Rooftop Four Private Limited	-	-	-	-	105	105
Azure Power Rooftop Five Private Limited	-	-	-	-	217	100
Azure Power Rooftop Eight Private Limited	-	-	-	-	15	15
g). Interest accrued on loans and advances						
Azure Power Rooftop Private Limited	-	-	-	-	1,611	966
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	60	7
Azure Power Rooftop One Private Limited	-	-	-	-	48	14
Azure Power Rooftop Three Private Limited	-	-	-	-	9	3
Azure Power Rooftop Four Private Limited	-	-	-	-	9	2
Azure Power Rooftop Five Private Limited	-	-	-	-	20	3
Azure Power Rooftop Eight Private Limited	-	-	-	-	1	-
h) Outstanding Corporate guarantees						
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	6,933	6,571
Azure Power Rooftop One Private Limited	-	-	-	-	11,385	10,666
Azure Power Rooftop Three Private Limited	-	-	-	-	2,614	2,517
Azure Power Rooftop Five Private Limited	-	-	-	-	1,501	1,445
i) Payable for Cash-settled share-based payments						
Mr. Ranjit Gupta	1,032	4,281	-	-	-	-
Mr. Murali Subramanian	948	4,163	-	-	-	-

*** Excluding amortization of anciliary cost of borrowings.

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Terms and conditions of transactions with related parties

- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

- Loans from/to related parties carry an interest rate of 6.95% - 10.60% p.a. and are repayable/receivable in accordance with the terms of the respective agreement.
- The Group has given corporate guarantee to the banks and financial institutions in respect of loan taken by the fellow subsidiaries (refer note 32).
- Azure Power Global Limited (holding Company) and Azure Power India Private Limited ("AZI"), are respondents in arbitration proceedings initiated by the former Chairman, CEO and Managing Director of the Group, Mr. Inderpreet Singh Wadhwa ("IW") and former COO Mr. H.S Wadhwa ("HSW"), in relation to the purchase price of the shares of IW's and HSW's in AZI. The arbitration was conducted under the Singapore International Arbitration Centre (SIAC) Rules, with the seat of arbitration in Singapore and was decided in favor of AZI by way of award. AZI has filed enforcement petition before the High Court of Delhi. Management strongly believes in the merits of the case; however, an unfavorable outcome in these proceedings could potentially have a material adverse effect on the results of operations, cash flows and financial condition. As management believes it will be successful in the arbitration, the group has not accrued any amount with respect to this arbitration in its financial statements. Subsequently, IW and HSW filed an appeal challenging the SIAC award on May 05, 2022, before the Singapore High Court. However, vide order dated June 29, 2022, the appeal filed by IW and HSW has been dismissed. Consequently, the Award in our favour has been upheld. We have filed a petition before the High Court of Delhi seeking enforcement of the Award. There is no adverse order passed by the Hon'ble High Court till date. This matter is next listed for hearing on July 11, 2024.

- On April 26, 2022, the Group through its Board of Directors ("BOD") has accepted the resignations of erstwhile Mr.Ranjit Gupta (CEO) and Mr. Murali Subramanian (COO) of the Group. Both of the KMP's were relinquished from their roles with the Group with immediate effect.

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(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 (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 considering the following inputs:-

Particulars	March 31, 2023#	March 31, 2022
Exercise Price	-	1430
Expected Volatility	-	46.34%- 47.84%
Expected life of options granted in years	-	3.8-5.1
Dividend yield (%)	-	0%
Risk-free Interest Rate	-	0.55%- 0.80%

No new grant have been made by the Company during the year.

The details of activity have been summarized below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of options	Weighted average exercise price (INR)	No. of options	Weighted average exercise price (INR)
Outstanding at the beginning of the year	**5,58,829**	**1,314**	7,03,708	1,217
Granted during the year	543	-	24,205	1,583
Forfeited during the year	(1,38,687)	1,455	(32,474)	1,608
Exercised during the year	(4,870)	112	(1,36,611)	824
Outstanding at the end of the year	**4,15,815**	**1,276**	5,58,828	1,314
Exercisable at the end of the year	2,81,960	1,183	2,50,784	1,127

Effect of the employee share-based payment plans on the profit and loss account and on its financial position:
Incremental fair value recognized as an expense over the remaining period of service condition. In case of already vested options, incremental fair value recognized immediately. Any decrease in fair value of options is not accounted for.
The Group recognizes ESOP cost in the consolidated statement of profit and loss, except the cost of services which is initially capitalized by the Group as part of the cost of property, plant and equipment and corresponding increase in equity as a contribution from holding company.

	March 31, 2023	March 31, 2022
Expense arising from equity-settled share-based payment transactions	130	928
Total increase in equity arising from equity-settled share-based payment transactions	**130**	928

(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.

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 SARs were granted considering the following inputs:-

	March 31, 2023#	March 31, 2022
Exercise Price	-	1411
Share price at measurement date (INR per share)	-	1,261
Expected Volatility	-	49.03% - 61.04%
Expected life of SAR granted in years	-	2.21-5.38
Dividend yield (%)	-	0%
Risk-free Interest Rate	-	2.36% - 2.49%

The details of activity have been summarized below:

	As at March 31, 2023		As at March 31, 2022	
	No. of options	Weighted average exercise price (INR)	No. of options	Weighted average exercise price (INR)
Outstanding at the beginning of the year	**18,75,000**	**810**	18,75,000	810
Granted during the year	-	-	-	-
Exercised during the year	(11,95,000)	771	-	-
Outstanding at the end of the year	**6,80,000**	**878**	18,75,000	810
Vested at the end of the year	6,80,000	878	6,80,000	805
Exercisable at the end of the year	680000*	878	130,000*	1,154

Effect of the stock appreciation rights on the statement of profit and loss account and on its financial position:
The Group recognizes SAR cost in the consolidated statement of profit and loss, 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 liability for cash-settled shared-based payments.

	March 31, 2023	March 31, 2022
Expense arising from cash-settled share-based payment transactions	(6,463)	(3,735)
Total amount of liability arising from cash settled share-based payment transactions	**(6,463)**	**(3,735)**

Fair value of SAR as on March 31, 2023 has been taken basis the expected settlement with ex CEO and ex COO.

* On April 26, 2022, the 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. Considering the same adjustment has been made in FY 2022-23.

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29. Segment information

The Group activities mainly involve sale of electricity. Considering the nature of Group's business and operations, there are no separate reportable operating segments in accordance with the requirements of Indian Accounting Standard 108, 'Operating Segments' referred in to Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and hence, there are no additional disclosures to be provided other than those already provided in the financial statements. The Group's principal operations, revenue and decision-making functions are located in India and significant there are no revenue and non-current assets outside India.

Information about revenue from major customers who contributed 10% or more relating to revenue from sale of power:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of Power:		
Solar Energy Corporation of India	86,629	55,219
National Thermal Power Corporation Limited	28,527	21,725
Punjab State Power Corporation Limited	19,398	19,774
Gujarat Urja Vikas Nigam Limited	-	16,344

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, 2023 and March 31, 2022.

	March 31, 2023	March 31, 2022
Non current assets		
Contract assets*	5,941	5,750
Trade receivables	38,976	32,150
Current assets		
Trade receivables	55,921	58,347
Contract assets*	164	164
Non current liabilities		
Deferred revenue	49,023	36,620
Current liabilities		
Deferred revenue	1,953	1,334

* Includes amounting to INR Nil (March 31, 2022: 3,381 lakhs) liquidated damages incurred by the Group on account of delay in commissioning of projects which are considered as variable consideration by the Group and hence, amortised over the period of Power Purchase Agreement i.e. 25 years as per requirement of Ind AS 115.

Reconciliation of the amount of revenue recognised in statement of profit and loss with the contracted price:

Particulars	March 31, 2023	March 31, 2022
Revenue as per Contracted price	2,04,614	1,82,446
Adjustments for:		
Rebate/Discount	(2,106)	(1,450)
Amortisation of contract assets	(164)	(409)
Amortisation of contract liabilities	1,572	531
Revenue from contract with customers	**2,03,916**	**1,81,118**

Movement of Contract Assets

Particulars	March 31, 2023	March 31, 2022
Opening Balance	5,914	3,510
Addition during the year	-	2,574
Revenue recognised/ (reversed) during the year	(164)	(409)
Adjustment due to revenue straightlining	355	239
Closing Balance	**6,105**	5,914

Movement of Contract liabilities

Particulars	March 31, 2023	March 31, 2022
Opening Balance	37,954	6,746
Addition during the year	13,030	31,312
Revenue recognised during the year	(1,572)	(1,064)
Adjustment due to revenue straightlining	1,564	960
Closing Balance	**50,976**	**37,954**

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(All amounts in INR lakhs, unless otherwise stated)

31. Capitalization of expenditure (net)

During the year, the Group had 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 Group:-

Particulars	**March 31, 2023**	March 31, 2022
Salaries, wages and bonus	470	2,296
Finance cost	2,005	13,972
Depreciation on right of use assets	76	302
Project development expenses	4,409	4,819
Legal and professional expenses	358	562
Security and supervision charges	110	263
Bank Charges	475	2,459
Travelling expenses	119	229
Insurance expenses	103	351
Interest on lease liability	217	779
Lease rent	159	682
Other expenses	900	6,576
Interest income	(226)	(1,455)
Loss on cancellation of hedge contract	-	1,355
Total	**9,175**	33,190

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 balance sheet under these contracts.

Company Name	**As at March 31, 2023**	As at March 31, 2022
Azure Power Rooftop (Genco) Private Limited	6,933	6,571
Azure Power Rooftop One Private Limited	11,385	10,666
Azure Power Rooftop Three Private Limited	2,614	2,517
Azure Power Rooftop Five Private Limited	1,501	1,445

Also refer note 27.

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33. Capital and other commitments

(i) The Group has commitments of INR 2,99,974 lakhs (net of advances) (March 31, 2022: INR 12,117 lakhs (net of advances)) for purchases of assets for the construction of solar power plants.

(ii) The Parent company and its subsidiaries have entered in to Power Purchase Agreement (PPA) with following parties:

Name of Authority	Agreement date	Rate	Period*
NTPC Vidyut Vyapar Nigam Limited	October 15, 2010	17.91 kw/h	25 Years
Solar Energy Corporation of India	March 28, 2014	5.45 kw/h	25 Years
Solar Energy Corporation of India	March 28, 2014	5.45 kw/h	25 Years
Bangalore Electricity Supply Company Limited	January 18, 2014	7.47 kw/h	25 Years
Gujarat Urja Vikas Nigam Limited***	April 30, 2010	15 kw/h	12 Years
Gujarat Urja Vikas Nigam Limited	April 30, 2010	5 kw/h	13 Years
NTPC Vidyut Vyapar Nigam Limited	October 15, 2011	11.94 kw/h	25 Years
NTPC Vidyut Vyapar Nigam Limited	January 25, 2011	8.21 kw/h	25 Years
Bihar State Power (Holding) Company Limited	January 17, 2015	8.39 kw/h	25 Years
Solar Energy Corporation of India	February 5, 2015	5.45 kw/h	25 Years
Punjab State Power Corporation Ltd.	March 31, 2015	7.33 kw/h	25 Years
Punjab State Power Corporation Ltd.	March 31, 2015	7.19 kw/h	25 Years
Southern Power Distribution Company of Andhra Pradesh Limited**	December 5, 2014	6.63 kw/h	25 Years
Gulbarga Electricity Supply Corporation Limited ,Kalaburgi	January 23, 2015	6.51 kw/h	25 Years
Hubli Electricity Supply Company Limited	January 9, 2015	6.51 kw/h	25 Years
Chamundeshwari Electricity Supply Corporation Limited	January 2, 2015	6.51 kw/h	25 Years
Punjab State Power Corporation Ltd.	February 3, 2017	5.62 kw/h	25 years
Punjab State Power Corporation Ltd.	February 3, 2017	5.63 kw/h	25 years
Punjab State Power Corporation Ltd.	February 3, 2017	5.64 kw/h	25 years
Solar Energy Corporation of India	March 28, 2014	5.45 kw/h	25 Years
Uttar Pradesh Power Corporation Ltd., Lucknow	December 27, 2013	8.99 kw/h	12 Years
Punjab State Power Corporation Ltd.	December 27, 2013	7.67 kw/h	25 Years
Punjab State Power Corporation Ltd.	December 27, 2013	7.97 kw/h	25 Years
Punjab State Power Corporation Ltd.	December 27, 2013	8.28 kw/h	25 Years
Solar Energy Corporation of India	October 14, 2015	5.43 kw/h	25 Years
Bangalore Electricity Supply Company Limited	September 27, 2014	6.66 kw/h	25 Years
Chhattisgarh State Power Distribution Company Limited	August 1, 2014	6.44 kw/h	25 Years
NTPC Limited	April 19, 2016	5.12 kw/h	25 Years
Chhattisgarh State Power Distribution Company Limited	September 1, 2014	6.45 kw/h	25 Years
Chhattisgarh State Power Distribution Company Limited	September 15, 2014	6.46 kw/h	25 Years
NTPC Limited	April 29, 2016	4.78 kw/h	25 Years
The Green Energy Development Corporation of Odisha Limited	July 30, 2016	5.69 kw/h	25 Years
Ordnance Factory, Bhandra	May 3, 2016	5.50 kw/h	25 Years
Ordnance Factory, Ambajhari	May 3, 2016	5.31 kw/h	25 Years
Solar Energy Corporation of India Limited	October 21, 2016	4.43 kw/h	25 Years
Delhi Metro Rail Corporation Limited	April 19, 2016	5.55 kw/h	25 Years
Solar Energy Corporation of India Limited	September 26, 2016	4.43 kw/h	25 Years
NTPC Limited	August 10, 2016	4.67 kw/h	25 Years
Gujarat Urja Vikas Nigam Limited	October 24, 2017	2.67 kw/h	25 Years
Delhi Jal Board	December 21, 2016	4.94 kw/h	25 Years
Indian Railways	April'2017	4.58-4.98 kw/h	25 Years
Solar Energy Corporation of India	April 27, 2018	2.48 kw/h	25 Years
Bangalore Electricity Supply Company Limited	April 20, 2018	2.93/kwh	25 Years
Hubli Electricity Supply Company Limited	April 20, 2018	2.93/kwh	25 Years
Maharashtra State Electricity Distribution Company Limited	July 30, 2018	2.72/kwh	25 Years
Assam Power Distribution Company Limited	June 25, 2018	3.17-3.70/kwh	25 Years
Solar Energy Corporation of India Limited	October 31, 2018	2.53/kwh	25 Years
Solar Energy Corporation of India Limited	September 17, 2019	2.58/kwh	25 Years
Solar Energy Corporation of India Limited	November 27, 2019	2.54/kwh	25 Years
Solar Energy Corporation of India Limited	July 15, 2022	2.35/kwh	25 Years
Solar Energy Corporation of India Limited	August 31, 2022	2.70/kwh	25 Years

*The period starts from date of commissioning of the project.

** The tariff for the project is INR 5.89 per kWh for first year, increasing by 3% each year from the second year to the tenth year and thereafter with the same tariff as that in year ten for the remainder of the 25-year term. The tariff is INR 6.63 per kWh as at March 31, 2023 after considering the esclations.

*** The tariff for the project is INR 15 per kWh for first 12 years, decreasing from the 13th year to the 25th year to INR 5 per kWh.

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34. Leases

Group as lessee:

The Group leases land for construction of solar power plants. These leases typically run for 25-30 years which is further extendable on mutual agreement by both lessor and lessee. Accordingly, the Group has taken lease period of 35 years considering reasonable certainity and expectation of extension of the lease period. Additionally the Group leases land for building space to be used as corporate office. The period of the lease for the same is 9 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, 2023**	For the year ended March 31, 2022*
Opening balance	49,010	44,922
Additions during the year	2,998	6,186
Adjustment due to change in estimate	679	-
Depreciation for the year#	(1,735)	(2,084)
Impairment	(2,471)	-
Asset held for sale	-	(14)
Closing balance	**48,481**	49,010

Including capitalization of INR 76 lakhs during the year (March 31, 2022: INR 302 lakhs).
* Refer note 46 for restatement.

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, 2023**	For the year ended March 31, 2022*
Opening balance	35,062	32,450
Additions during the year	249	2,569
Adjustment due to change in estimate	2,948	-
Accretion of interest#	3,484	3,158
Impairment	(1,991)	-
Payments	(3,144)	(3,095)
Liabilities held for sale	-	(20)
Closing balance	**36,608**	35,062

Including capitalization of INR 217 lakhs during the year (March 31, 2022: INR 779 lakhs)

Particulars	**As at March 31, 2023**	As at March 31, 2022
Current	2,924	2,999
Non-current	33,684	32,063
Total	36,608	35,062

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

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Interest on lease liabilities	3,266	2,350
Depreciation of right-of-use assets	1,659	1,375
Expenses relating to short-term leases	36	71
Total	**4,961**	3,796

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

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2021
Total cash outflow for leases#	**3,144**	**5,685**

Including amount paid for land use rights during the year INR Nil (March 31, 2022: INR 2,590 lakhs).

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 46,522 lakhs (March 31, 2022: INR 83,316 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, 2023**	March 31, 2022
Viability Gap Funding (VGF)	19,383	18,059

b. Pending litigations:

i) During the earlier years, the Group had received a demand of INR 1,200 lakhs (March 31, 2022: INR 1,200 lakhs) related to services tax assessment from FY 2014-15 to 2016-17. The Group is contesting the demand and subsequently filed an appeal on April 12, 2024 is confident that there should not be a tax outflow related to this claim.

ii) The Group had two outstanding disputes with its erstwhile Chief Executive Officer, Mr. Inderpreet Singh Wadhwa (IW). During the previous year, the Group has received an unfavourable award from the Mumbai Centre for International Arbitration in relation to Mr. Wadhwa's transition from the Group, and subsequently made payments as required in the Award, without prejudice to its rights.
In respect of second matter, during the current year the Group received a favourable Award from Singapore International Arbitration Centre in relation to the purchase price of shares, held by Mr. Inderpreet Singh Wadhwa and Mr. H. S. Wadhwa (HSW) (erstwhile Chief Operating Officer), in Azure Power India Private Limited. Subsequently, IW and HSW filed an appeal challenging the SIAC award on May 05, 2022, before the Singapore High Court. However, vide order dated June 29, 2022, the appeal filed by IW and HSW has been dismissed. Consequently, the Award in Group's favour has been upheld. The Group have filed a petition before the High Court of Delhi seeking enforcement of the Award. There is no adverse order passed by the Hon'ble High Court till date. This matter is next listed for hearing on July 11, 2024.

iii) A PIL had been initiated by certain individuals claiming to be wildlife experts/interested in conservation of wildlife, before the Supreme Court of India against various state governments such as Rajasthan, Gujarat, and Ministry of Renewable Energy (MNRE), Ministry of Power (MOP) among others, seeking protection of the two endangered bird species, namely the Great Indian Bustard (GIB) and the Lesser Florican found in the states of Rajasthan and Gujarat. The Supreme Court by way of order dated April 19, 2021 issued directions to: (i) underground all low voltage transmission lines, existing and future lines falling in potential and priority habitats of GIB, (ii) to convert all existing high voltage lines in priority and potential areas of GIB where found feasible within a period of one year, if not found feasible, the matter to be referred to the committee formed by the Supreme Court which will take a decision on feasibility, and (iii) to install bird diverters on all existing overhead lines in the interim.
We and many other developers have projects in the potential area as determined by the court, hence aggrieved by the order, the Solar Power Developers Association ("SPDA") and Union of India have filed an application before the Supreme Court seeking among others, exemption from undergrounding of transmission lines in potential areas. The matter was last listed on November 30, 2022, whereby directions have been passed to parties to ensure installation of bird diverters in the Priority Area and for them to be in compliance with quality standards issued by the Supreme Court Committee. The PIL is presently pending. The SPDA has filed an application seeking modification of Supreme Court's order dated April 19, 2021. Further, the Supreme Court vide its order dated March 21, 2024 modified its earlier order dated April 19, 2021 directing the Central Government to constitute an expert committee to examine the issue of installing overhead and underground powerlines in the priority areas marked for the conservation of the Great Indian Bustard (GIB). The expert committee on the GIB issue will, inter-alia, look into (i) the scope and feasibility of laying down underground and overhead transmission lines, (ii) measures for the conservation of GIB, and (iii) identifying suitable alternatives for laying down power lines in the future. The expert committee is required to submit its report latest by July 31, 2024. Citing practical difficulties in laying down underground transmission lines, the Supreme Court has also restricted the requirement of laying down underground transmission lines only to the priority area (covering roughly 13,163 sq km). If the modification application is dismissed, we might entail significant costs and delays.

iv) In relation to the Company's 50 MWs project in Andhra Pradesh, the DISCOM, Andhra Pradesh Distribution Company ("APDC"), had issued a letter to the Restricted Group requesting the reduction of quoted tariff to INR 2.44 per unit as against the PPA rate of INR 5.89 per unit for solar projects from the date of commissioning and threatened termination of the PPA in case of refusal to accede to such reduction ("Letter"). The Restricted Group had challenged the Letter in the High Court at Vijayawada. The High Court vide its judgment dated September 24, 2019, whilst quashing the aforesaid Letter and directed DISCOM to approach the Andhra Pradesh Electricity Regulatory Commission ("APERC") for reduction of tariff by directing DISCOM to make payment of outstanding and future invoices at the "interim" rate of Rs. 2.44/- per unit, until the dispute is resolved by APERC. Accordingly, the restricted Group has filed a writ petition challenging the Judgment, whereby the Restricted Group has inter alia sought: (i) setting aside of the Judgment to the limited extent of the direction to Discoms to make payment at the "interim" rate of Rs. 2.44 per unit and the implied blessing granted by the High Court to approach the APERC for reduction of tariff; and (ii) quashing of all actions undertaken by the respondents and/or restrain the respondents from taking any action seeking reduction of tariff under the concluded PPA and/or unilateral alteration of the terms of such PPA, pursuant to the directions in the Judgment, including quashing of the proceedings. Further, the appellate authority during several hearings had directed the DISCOM to remit the overdue receivables at interim rate.

During the previous year on March 15,2022, High court of Andhra Pradesh, Amaravati has passed an order in favour of the Group and has directed the discom to make the payments of arrears with within six weeks from the date of this order, at the original rate of INR 5.89 per unit mentioned in PPAs. During the current year, the Group has received a letter from off taker dated August 04, 2022, stating outstanding liability as at May 31, 2022, to be paid in 12 monthly installments. The Group has also received dues pursuant to the same.
Based on a legal opinion obtained by the management and based on favourable order passed from the appellate authority on the above matter, the Group is invoicing and recognizing revenue as per the PPA and reports the receivables as recoverable. The Group has recognized allowance for doubtful trade receivables on this receivable as per the expected credit loss model pending receipt of dues.

(v) During the previous year, the Group filed petition with Central Electricity Regulatory Commission ("CERC") seeking directions from CERC to Power Grid Corporation of India Limited ("PGCIL") to extend the long-term open access start date under the Long Term Access Agreement executed by AZI and PGCIL to align the same with Scheduled Commercial Operation Dates ("SCODs") of the Group and extend the deadline for completion of the dedicated transmission line and pooling substation under the Transmission Agreement between AZI and PGCIL to appropriately align the same with the SCODs and not to take any coercive action against the Petitioners including but not limited to imposition of charges on account of operationalization of LTA.

During the current year in December 2022, the Group received an unfavourable order from CERC, whereby CERC has disallowed the petition in line with the order dated May 23, 2022, in Petition No. 525/MP/2020 in which the Commission has already inter alia held that the waiver from transmission charges under Ministry of Power orders apply after the COD of the generating station and does not provide any exemption from payment of charges before COD. The matter is presently pending with the appellate authority. The Group is expecting to receive requisite waivers over-due course resulting thereto no financial impact is being taken in books of account.

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36. Derivative instruments and hedging activities

Contract designated as cash flow hedge:
During financial year 2018-19 and 2019-20, the Group entered into buyer's credit facility amounting to US$ 228.01 Lakhs and US$ 345.80 Lakhs, respectively, at six months LIBOR plus 0.5% spread, for its 200 MW solar power project. The Group has taken USD/INR currency swap for its principal and interest payment. As per this swap arrangement, the Group pays fixed INR and receive USD and pays fixed interest ranging between 8.11% to 8.12%, for respective buyers' credit and receives a variable interest at six months LIBOR plus 0.5% on the US$ notional amount. The facility was repayable starting from September 2021 till April 2022. During the previous year, this facility has been repaid in the current year.

During financial year 2020-21, the Group took a long term borrowing amounting to US$ 930 Lakhs, at LIBOR plus margin of 3.95% and the loan is repayable in 8 half yearly instalments commencing November 2021.The funds were provided to project SPVs as shareholder loans or through other instrument for capital expenditure or for payment of capital expenditure in respect of various specified projects. The Group has taken US$ 930 Lakh currency swap for its principal and interest payment. As per this swap arrangement, the Group pays fixed INR and receive USD and pays fixed interest ranging between 9.10 to 10.20%, for these long term borrowing and receives a variable interest at six months LIBOR plus 3.95% on the US$ notional amount. During the year, the Group has tested the effectiveness of the hedge relationship and the hedge was effective.

During the current year and previous year, the Group took long term borrowings, at LIBOR plus margin (basis each disbursement), repayable in quarterly instalments. The funds were raised for payment of capital expenditure in respect of the project. The Group has taken currency swap for its principal and interest payment. As per this swap arrangement, the Group pays fixed INR and receive USD and pays fixed interest, for these long term borrowing and receives a variable interest on the US$ notional amount. During the year, the Group has tested the effectiveness of the hedge relationship and the hedge was effective.

The Group is exposed to changes in principal and interest cash flows on letter of credit discounted for buyer's credit and long term foreign currency borrowings to be settled in USD. The Group has entered into forward contracts to hedge its exposure to foreign currency risk and interest volatility risk.

Th risk management objective of the hedge arrangement is to reduce the variability in payment of foreign currency equivalent cash flows arising from repayment of principal and interest components. During the year, the group have tested the effectiveness of the hedge relationship and the hedge was effective.

The following table presents outstanding notional amount and balance sheet location information related foreign exchange derivate contracts as of March 31, 2023 and March 31, 2022.

Particulars	**March 31, 2023**	March 31, 2022
Notional Amount (USD lakhs denominated)	3,129	3,419
Non-current – Other financial assets (INR)	17,329	2,263
Current – Other financial liabilities (INR)	1,081	1,081

Contract designated as fair value hedge:
The Group hedged the exposure to fluctuations in the fair value of firm commitments denominated in foreign currency through forward exchange derivative contracts. Fair value adjustments related to non-financial instruments will be recognized in the hedged item upon recognition, and will eventually affect earnings as and when the hedged item is derecognized.

Changes in the fair value of derivatives designated and qualifying as fair value hedges, together with any changes in the fair value of the hedged firm commitments attributable to the hedged risk, will be recorded in in the consolidated balance sheet. The gain or loss on the hedging derivative in a hedge of a foreign-currency-denominated firm commitment and the offsetting loss or gain on the hedged firm commitment is recognized in earnings in the accounting period, post the recognition of the hedged item in the balance sheet. The forward exchange derivative contracts were not entered into for trading or speculative purposes.

The foreign exchange derivative contracts mature generally over a period of 3 months – 12 months.
The Group documented each hedging relationship and assessed its initial effectiveness on inception date and the subsequent effectiveness was tested as determined at the time of inception of the contract. The hedge contracts were effective as of reporting date.

The following table presents outstanding notional amount and balance sheet location information related to foreign exchange derivative contracts designated as fair value hedge as of March 31, 2023 and March 31, 2022.

Particulars	**March 31, 2023**	March 31, 2022
Notional Amount (USD lakhs denominated)	-	157
Current – Other financial assets (INR)	2,099	134
Current – Other financial liabilities (INR)	-	134

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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 327 lakhs (March 31, 2022: INR 274 lakhs) for provident fund contribution in the Statement of Profit and Loss. The contribution payable to the plan by the Group is at the rate specified in the rules to the scheme.

(b) Defined benefit plan
Gratuity and other post-employment benefits

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is unfunded and accrued cost is recognized through reserve in the accounts of the Group.

The following tables summaries the components of net benefit expense recognized in the profit and loss account and the unfunded status and amounts recognized in the balance sheet.

Statement of profit and loss

Amounts recognised in Statement of Profit & Loss for the year ended March 31, 2023

Particular	Gratuity	
	March 31, 2023	March 31, 2022
Current service cost	176	103
Interest cost on benefit liability	-	39
Total Expense	**176**	142

Amount recognized in Other Comprehensive Income for the year ended March 31, 2023

Particular	Gratuity	
	March 31, 2023	March 31, 2022
Effect of change in financial assumptions	(9)	24
Effect of change in demographic assumptions	141	-
Experience gains/ (losses)	88	(7)
Actuarial gain/ (loss) recognized in the year	**220**	17

Balance Sheet :

Particular	Gratuity	
	March 31, 2023	March 31, 2022
Present value of defined benefit obligation	490	628

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

Particular	Gratuity	
	March 31, 2023	March 31, 2022
Present value of obligation as at the beginning of the year	628	493
Current service cost *	176	155
Interest cost *	-	39
Re-measurement (or Actuarial) (gain)/ loss	(220)	(17)
Benefits paid	(94)	(42)
Present Value of Obligation as at the end of the year	**490**	628
Current Liability	90	37
Non-Current Liability	400	591

* Expenditure amounting to INR 470 Lakhs Lakhs (March 31, 2022: INR 52 lakhs) has been capitalized. Refer note 31.

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

Particulars	**March 31, 2023**	March 31, 2022
Discount rate (per annum)	7.27%	7.42%
Employee turnover rate (per annum)	30.00%	9.00%
Withdrawal rate (per annum)	30.00%	9.00%
Salary Escalation Rate (per annum)	10.00%	10.00%
Retirement age	58 years	58 years

The estimates of future salary increases considered in actuarial valuation taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

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(All amounts in INR lakhs, unless otherwise stated)

Risk exposure

Through its defined benefit plans, the 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, 2023 is as shown below:

Sensitivity analysis	**March 31, 2023**	**March 31, 2023**	March 31, 2022	March 31, 2022
Assumption	**Discount rate**		Discount rate	
	1 % increase	1 % decrease	1 % increase	1 % decrease
Defined benefit obligation increased/(decreased) by	(17)	19	(55)	64

Sensitivity analysis	**March 31, 2023**	**March 31, 2023**	March 31, 2022	March 31, 2022
Assumption	**Salary Escalation Rate**		Salary Escalation Rate	
	1 % increase	1 % decrease	1 % increase	1 % decrease
Defined benefit obligation increased/(decreased) by	20	(19)	64	(56)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these are not computed. Further, there are no changes in current year from the previous year in the methods and assumptions used in preparing the sensitivity analysis.

The Group does not have any plan assets. Group has sufficient balance of Cash and cash equivalent to fund the liabilities that may arise in near future.
The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 5.26 years (March 31, 2022: 12.98 years).

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

Particular	**March 31, 2023**	March 31, 2022
Within the next 12 months (next annual reporting period)	93	40
Between 2 and 5 years	318	185
Between 5 and 10 years	174	303

Expected contributions to post-employment benefit plans for the year ending March 31, 2024 are INR Nil.

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(All amounts in INR lakhs, unless otherwise stated)

38. Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying value		Fair value	
	As at March 31, 2023	As at March 31, 2022	**As at March 31, 2023**	As at March 31, 2022
Financial assets carried at amortized cost				
Security deposits	741	651	741	651
Trade receivables (Non- current)	38,976	32,150	38,976	32,150
Performance bank guarantee receivable	320	284	320	284
Loans to fellow subsidiaries	105	-	105	-
Loan to others	40	-	40	-
Term deposits	77,103	49,112	77,103	49,112
Interest accured	1,745	664	1,745	664
Other receivables	-	6,065	-	6,065
	1,19,030	88,926	**1,19,030**	88,926
Financial assets measured at fair value				
Derivative instruments at fair value through other comprehensive income*	19,428	2,263	19,428	2,263
Investment in equity shares of others(at fair value through profit and loss)	1,366	937	1,366	937
Investment in compulsorily convertible debentures (at fair value through profit and loss)	3,185	-	3,185	-
Total	**23,979**	**3,200**	**23,979**	**3,200**
Financial liabilities carried at fair value				
Derivative instruments at fair value through other comprehensive income*	1,081	938	1,081	938
Derivative instruments at fair value through profit and loss*	-	125	-	125
Cash-settled share-based payments at fair value through profit and loss(including current portion)****	-	8,444	-	8,444
Total	**1,081**	9,507	**1,081**	9,507
Financial liabilities carried at amortized cost				
Term loans from banks - In Indian currency ** (Including current maturities)	45,511	1,59,976	45,511	1,59,976
Term loans from financial institution - In Indian currency** (Including current maturities)	3,93,854	3,95,613	3,98,925	3,96,896
Term loans from financial institutions - In foreign currency ** (Including current maturities)	1,41,634	53,727	1,41,634	53,727
Foreign currency loan from bank **(Including current maturities)	33,616	14,332	33,616	14,332
Vehicle loan** (Including current maturities)	89	87	89	87
External commercial borrowings ***	2,23,302	2,36,696	2,35,483	2,49,785
Non-convertible debenture ***	2,90,977	2,94,331	3,16,887	3,28,877
Total	**11,28,983**	11,54,762	**11,72,145**	12,03,680

The management assessed that the fair value of cash and cash equivalents, term deposits, interest accrued on term deposits, loans, other bank balances, trade receivables, performance guarantee receivables, unbilled revenue, viability gap funding receivable (VGF), security deposits received, current borrowings, receivable/payable from/to fellow subsidiaries, loan to fellow subsidiaries, trade payables, other payables, derivative asset/liability and security deposits paid, as applicable, approximates their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date.

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The following methods and assumptions were used to estimate the fair values:
Measured at fair value:
* The Group enter into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign currency option derivatives are valued using valuation techniques, which employs the use of market observable inputs. The Group used the derivatives option pricing model based on the principles of the Black-Scholes model to determine the fair value of the foreign exchange derivative contracts. The inputs considered in this model include the theoretical value of a call option, the underlying spot exchange rate as of the balance sheet date, the contracted price of the respective option contract, the term of the option contract, the implied volatility of the underlying foreign exchange rates and the risk-free interest rate as of the balance sheet date.

**** Fair value of cash-settled share based payment is based on valuation as on reporting 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, 2023 was assessed to be insignificant. Unamortised cost of borrowing has been adjusted with the closing balance of borrowings at the reporting date. Further, these amount also includes current portion of long term debt.

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(All amounts in INR lakhs, unless otherwise stated)

39. Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for financial instruments as at March 31, 2023:

		Fair value measurement using		
	Carrying value	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Financial assets carried at amortised cost:				
Security deposits	741	-	-	741
Trade receivables	38,976	-	-	38,976
Performance bank guarantee receivable	320	-	-	320
Loans to fellow subsidiaries	105	-	-	105
Loan to others	40	-	-	40
Interest accured	1745	-	-	1,745
Term deposits	77,103	-	-	77,103
Total	**1,19,030**	-	-	**1,19,030**
Financial assets measured at fair value:				
Derivative instruments at fair value through other comprehensive income	19,428	-	19,428	-
Investment in equity shares of others(at fair value through profit and loss)	1,366	-	1,366	-
Investment in compulsorily convertible debentures (at fair value through profit and loss)	3,185	-	3,185	-
Total	**23,979**	-	**23,979**	-
Financial liabilities carried at fair value				
Derivative instruments at fair value through other comprehensive income	1,081	-	1,081	-
	1,081	-	**1,081**	-
Financial liabilities carried at amortised cost				
Term Loans from Banks - In Indian Currency (Including current maturities)	45,511	-	-	45,511
Term Loans from financial institution - In Indian Currency (Including current maturities)	3,93,854	-	-	3,98,925
Term Loans from financial institutions - In Foreign Currency (Including current maturities)	1,41,634	-	-	1,41,634
Foreign currency loan from bank (Including current maturities)	33,616	-	-	33,616
Vehicle loan (Including current maturities)	89	-	-	89
External commercial borrowings	2,23,302	-	-	2,35,483
Non-Convertible Debenture	2,90,977	-	-	3,16,887
Total	**11,28,983**	-	-	**11,72,145**

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

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(All amounts in INR lakhs, unless otherwise stated)

Quantitative disclosures fair value measurement hierarchy for financial instruments as at March 31, 2022:

		Fair value measurement using		
	Carrying value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets carried at amortised cost:				
Security deposits	651	-	-	651
Trade receivables	32,150			32,150
Performance bank guarantee receivable	284	-	-	284
Loans to fellow subsidiaries	-	-	-	-
Term deposits	49,112	-	-	49,112
Interest accured	664	-	-	664
Other receivables	6,065			6,065
Total	88,926	-	-	88,926
Financial assets measured at fair value:				
Derivative instruments at fair value through other comprehensive income	2,263	-	-	2,263
Total	2,263	-	-	2,263
Financial liabilities carried at fair value				
Derivative instruments at fair value	125	-	125	-
Cash-settled share-based payments at fair value through profit and loss(including current portion)	8,444	-	8,444	-
	9,507	-	9,507	-

		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)	1,59,976	-	-	1,59,976
Term Loans from financial institution - In Indian Currency (Including current maturities)	3,95,613	-	-	3,96,896
Term Loans from financial institutions - In Foreign Currency (Including current maturities)	53,727	-	-	53,727
Foreign currency loan from bank (Including current maturities)	14,332		-	14,332
Vehicle loan (Including current maturities)	87	-	-	87
External commercial borrowings	2,36,696	-	-	2,49,785
Non-Convertible Debenture	2,94,331	-	-	3,28,877
Total	11,54,763	-	-	12,03,680

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

The management assessed that the fair value of cash and cash equivalents, term deposits, interest accrued on term deposits, other bank balances, trade receivables, performance guarantee receivables, unbilled revenue, viability gap funding receivable (VGF), security deposits received, current borrowings, receivable/payable from/to fellow subsidiaries, loan to fellow subsidiaries, trade payables, other payables, derivative asset/liability and security deposits paid, as applicable, approximates their carrying amounts largely due to the short-term maturities of these instruments.

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40. Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, investments, trade and other receivables, cash and cash equivalents, deposits with banks and other financial assets.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investment in mutual fund and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2023 and March 31, 2022:

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Financial instruments comprise of non-convertible debentures, loans to/from related parties which are fixed interest bearing whereas term loans from banks/financial institution are both fixed and floating interest bearing. Remaining financial assets and liabilities are non-interest bearing.

As at the reporting date, the Group's interest rate profiles is as follows:

As at March 31, 2023	**Floating rate financial instruments**	**Fixed rate financial instruments**	**Non-interest bearing**	**Total**
Financial assets	-	2,01,985	1,41,311	**3,43,296**
Financial liabilities	5,87,822	5,41,073	1,69,226	**12,98,121**

As at March 31, 2022	Floating rate financial instruments	Fixed rate financial instruments	Non-interest bearing	Total
Financial assets	-	1,53,147	1,69,917	3,23,064
Financial liabilities	5,95,175	7,12,807	31,008	13,38,990

Interest Rate Sensitivity
The following table demonstrates the sensitivity to a reasonably possible change in interest rates on financial liabilities with all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

		Increase/decrease in basis points		**March 31, 2023**		March 31, 2022
Effect on profit before tax	INR	+/(-)50	(-)/+	2,939	(-)/+	2,977

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 US$ as of March 31, 2023 and March 31, 2022:

	As at March 31, 2023	As at March 31, 2022
Borrowings		
Foreign currency loan from financial institutions and banks (including interest accured)	2,56,751	1,38,420
Trade payable	5,478	9,038
Receivables	-	6

The following table analysis foreign currency risk from financial instruments relating to Euro as of March 31, 2023 and March 31, 2022:

Trade receivables	43	-

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 USD rate		March 31, 2023		March 31, 2022
Effect on profit before tax	+/(-)5%	(-)/+	13,111	(-)/+	6,952

As the Group has entered into foreign exchange derivatives contract to mitigate the foreign exchange fluctuation risk, these derivatives act as economic hedges and will offset the impact of any fluctuations in foreign exchange rates.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from their operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

Trade receivables

Customer credit risk is managed on the basis of Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The Group evaluates the concentration of risk with respect to trade receivable as high. However since the trade receivables mainly comprise of state utilities/government entities, the Group does not foresee any credit risk attached to receivables from such state utilities/government entities. The Group does not hold collateral as security.

Movement in expected credit loss on trade receivables during the year :

	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	2,460	4,799
Changes in allowance for expected credit loss:		
Additional provision (net) towards credit impaired receivables	3,933	108
Provision written back during the year	(153)	(1,695)
Trade receivable written off during the year	-	(63)
Bad debts written off during the year	-	(108)
Held for Sale	-	(581)
Closing balance	**6,240**	2,460

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk is the risk that Group will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach of Group to manage liquidity is to ensure , as far as possible, that these will have sufficient liquidity to meet their respective liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to their reputation.

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

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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, 2023				
Non-current borrowings*	2,56,247	9,07,308	5,31,885	16,95,440
Lease liabilities	3,039	13,118	1,12,002	1,28,159
Current borrowings	1,60,762	-	-	1,60,762
Trade payables	12,932	-	-	12,932
Other financial liabilities**	16,913	-	-	16,913
	4,49,893	**9,20,426**	**6,43,887**	**20,14,206**

	Less than 1 year	1 to 5 years	> 5 years	Total
As at March 31, 2022				
Non-current borrowings*	1,70,684	10,16,804	5,06,845	16,94,333
Lease liabilities	3,125	13,400	83,444	99,969
Current borrowings	1,53,306	-	-	1,53,306
Trade payables	12,212	-	-	12,212
Other financial liabilities**	42,150	42	-	42,192
	3,81,477	10,30,246	5,90,289	20,02,012

*Including interest accured 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, 2023 and March 31, 2022.

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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, 2023	March 31, 2022
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 Sun Energy Private Limited**	India	-	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	51.40%	51.40%
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	51.40%	51.40%
Azure Power Thirty Three Private Limited	India	100%	100%
Azure Power Thirty Four Private Limited	India	100%	100%
Azure Power Thirty Five Private Limited*	India	-	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 Two Private Limited*	India	-	100%
Azure Power Forty Three Private Limited	India	100%	100%
Azure Power Forty Four Private Limited**	India	51.40%	51.40%
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 US Inc.	United States of America	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 two Private Limited	India	100%	100%
Azure Power Sixty one Private Limited	India	100%	100%
Azure Power Sixty Three Private Limited	India	100%	100%
Azure Power Sixty Four Private Limited	India	100%	100%
Koturna 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 Five Private Limited	India	100%	0%
Azure Power Sixty Six Private Limited	India	100%	0%

Information about associates

The consolidated financial statements of the Group includes associate listed in the table below:

Name	Country of Incorporation /Principal place of business	% equity interest	
		March 31, 2023	March 31, 2022
Waaree Power Private Limited (refer note 4A)	India	-	26.00%

The holding company

The holding Company of Azure Power India Private Limited is Azure Power Global Limited which is based in Mauritius.

* During the previous year application had been made to the Registrar of Companies (ROC) for striking off the names of these entites from the register of companies maintained by ROC, approval for the same has been received during the current year.

** During the current year the Group has disposed of investments in rooftop subsidiaries as part of share purchase agreement. (also see note 45)

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43. Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

A. Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

(i) Revenue from Viability Gap Funding (VGF)

The Group records the proceeds received from Viability Gap Funding (VGF) on fulfilment of the underlying conditions as deferred revenue. Such deferred VGF revenue is recognized as other operating 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.

(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.

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.

(iii) Estimation of Defined Benefit Obligation

The cost of the defined benefit obligation and the present value of the defined benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds, and extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates for the respective countries. Further details about the assumptions used, including a sensitivity analysis, are given in Note 37.

(iv) Provision for decommissioning

The Group has recognized provisions for the future decommissioning of solar power plants set up on leased land at the end of the lease term. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the leased land and the expected timing of those costs. The carrying amount of the provision as at March 31, 2023 is INR 7,133 lakhs (March 31, 2022: INR 8,068 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 3.9 lakhs to 4.5 lakhs (March 31, 2022 - INR 3.9 lakhs to 4.5 lakhs)
- ► Discount rate – 10.0% p.a. (March 31, 2022: 8.5%-10.0% p.a.)
- ► Inflation rate – 8.0% p.a. (March 31, 2022: 8.0 % p.a.)

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(v) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

Assumptions include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(vi) Depreciation on property, plant and equipment

Depreciation on property plant and equipment is calculated on a straight line basis using the rates arrived at based on the useful lives estimated by the management. Considering the applicability of Schedule II of the Companies Act, 2013, the management has re-estimated useful lives and residual value of all of its property plant and equipment. The management believes that depreciation rates currently used fairly reflects its estimate of the useful lives and residual value of the Property plant and equipment. though these rates in certain cases are different from lives prescribed under Schedule II of the Companies Act, 2013.

Based on legal opinion obtained, management is of the view that application of CERC and/or SERC rates for the purpose of accounting of depreciation expense is not mandatory. Hence, company is depreciating the assets based on life as determined by the management.

During the previous year, the Group basis the technical assessment, had revised the useful life of solar power project assets i.e. plant and machinery (excluding inverter) and building from 25 years to 35 years. These changes had been considered as change of accounting estimate as per Ind AS 8 (Accounting policies, change in accounting estimates and errors) and had been accounted for prospectively with effect from April 01, 2021. (Refer note 3 and 23)

(vii) Impairment of non-financial assets

The Group assess, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

(viii) Revenue estimate

Where power purchase agreements (PPAs) include scheduled price changes, revenue is recognized at lower of the amount billed or by applying the average rate to the energy output estimated over the term of the PPA. The determination of the lesser amount is undertaken annually based on the cumulative amount that would have been recognized had each method been consistently applied from the beginning of the contract term. The Group estimates the total kilowatt hour units expected to be generated over the entire term of the PPA. The contractual rates are applied to this annual estimate to determine the total estimated revenue over the term of the PPA. The Group then uses the total estimated revenue and the total estimated kilo-watt hours to compute the average rate used to record revenue on the actual energy output supplied. The Group compares the actual energy supplied to the estimate of the energy expected to be generated over the remaining term of the PPA on a periodic basis, but at least annually. Based on this evaluation, the Group reassesses the energy output estimated over the remaining term of the PPA and adjusts the revenue recognized and deferred to date. The difference between actual billing and revenue recognized is recorded as deferred revenue.

(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.

(x) Provision for expected credit losses of trade receivables and contract assets

The Group follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. As per the requirements of Ind AS 109, on subsequent measurement, the management while making ECL assessment considered the past experience with the Government of honouring its commitments and the strong capacity and ability of the Government to meet its contractual cash flow obligations.

(xi) Recognistion and measurement of provision and contingencies

The Group recognises provision if it is probable that an outflow of cash and other economic resources will be required to settle the provision. If outflow is not probable, then item is treated as contingent liability. Risk and uncertainities are taken into account in measuring provision.

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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, 2023

Name of the entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in Profit/(loss)		Share in Other Comprehensive income/(loss)		Share in Total Comprehensive income/(loss)	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income/(loss)	Amount	As a % of consolidated total comprehensive income/(loss)
Parent								
Azure Power India Private Limited	4,96,273	139.47%	(21,996)	98.54%	1,131	36.10%	(20,865)	167.97%
Indian Subsidiaries								
Azure Power (Punjab) Private Limited	1,019	0.29%	54	(0.24%)	1	0.02%	54	(0.44%)
Azure Power (Haryana) Private Limited	1,438	0.40%	36	(0.16%)	0	0.01%	36	(0.29%)
Azure Solar Private Limited	3,681	1.03%	1,928	(8.64%)	0	0.00%	1,928	(15.52%)
Azure Power (Rajasthan) Private Limited	(215)	(0.06%)	264	(1.18%)	0	0.00%	264	(2.13%)
Azure Solar Solutions Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Sun Energy Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Urja Private Limited	7,169	2.01%	906	(4.06%)	1	0.02%	906	(7.30%)
Azure Surya Private Limited	4,990	1.40%	982	(4.40%)	0	0.01%	983	(7.91%)
Azure Power (Karnataka) Private Limited	2,326	0.65%	440	(1.97%)	2	0.05%	442	(3.55%)
Azure Photovoltaic Pvt Ltd	7,654	2.15%	903	(4.05%)	2	0.08%	906	(7.29%)
Azure Power Infrastructure Pvt Ltd	12,490	3.51%	1,424	(6.38%)	2	0.05%	1,426	(11.48%)
Azure Power (Raj.) Pvt Ltd	10,967	3.08%	1,915	(8.58%)	0	0.00%	1,915	(15.42%)
Azure Green Tech Private Limited	7,375	2.07%	1,677	(7.51%)	(0)	(0.00%)	1,677	(13.50%)
Azure Renewable Energy Pvt Ltd	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Clean Energy Pvt Ltd	10,380	2.92%	2,295	(10.28%)	1	0.03%	2,296	(18.48%)
Azure Sun Rise Pvt Ltd	(2,310)	(0.65%)	(1,648)	7.39%	0	0.01%	(1,648)	13.27%
Azure Sun Light Pvt Ltd	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Sunshine Pvt Ltd	3,587	1.01%	701	(3.14%)	(0)	(0.01%)	701	(5.64%)
Azure Power Earth Private Limited	9,627	2.71%	(614)	2.75%	1	0.02%	(614)	4.94%
Azure Power Eris Private Limited	2,407	0.68%	505	(2.26%)	1	0.03%	506	(4.07%)
Azure Power Jupiter Private Limited	3,635	1.02%	109	(0.49%)	3	0.11%	112	(0.91%)
Azure Power Makemake Private Limited	9,213	2.59%	848	(3.80%)	0	0.01%	848	(6.83%)
Azure Power Mars Private Limited	1,067	0.30%	184	(0.82%)	(0)	(0.00%)	184	(1.48%)
Azure Power Mercury Private Limited	490	0.14%	(101)	0.45%	-	0.00%	(101)	0.82%
Azure Power Pluto Private Limited	25,539	7.18%	4,723	(21.16%)	6	0.18%	4,729	(38.07%)
Azure Power Uranus Private Limited	419	0.12%	(67)	0.30%	1	0.04%	(66)	0.53%
Azure Power Venus Private Limited	1,640	0.46%	(267)	1.20%	0	0.02%	(266)	2.14%
Azure Power Saturn Private Limited	671	0.19%	(210)	0.94%	-	0.00%	(210)	1.69%
Azure Power Thirty Three Private Limited	13,198	3.71%	(5,053)	22.64%	4	0.11%	(5,049)	40.65%

Name of the entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in Profit/(loss)		Share in Other Comprehensive income/(loss)		Share in Total Comprehensive income/(loss)	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income/(loss)	Amount	As a % of consolidated total comprehensive income/(loss)
Azure Power Thirty Four Private Limited	11,069	3.11%	(289)	1.30%	2	0.05%	(288)	2.32%
Azure Power Thirty Five Private Limited	(0)	(0.00%)	0	(0.00%)	-	0.00%	0	(0.00%)
Azure Power Thirty Six Private Limited	4,268	1.20%	54	(0.24%)	2	0.05%	55	(0.44%)
Azure Power Thirty Seven Private Limited	18,400	5.17%	2,352	(10.54%)	(0)	(0.01%)	2,351	(18.93%)
Azure Power Thirty Eight Private Limited	1,031	0.29%	(543)	2.43%	-	0.00%	(543)	4.37%
Azure Power Thirty Nine Private Limited	552	0.16%	(3)	0.01%	-	0.00%	(3)	0.02%
Azure Power Forty Private Limited	14,815	4.16%	620	(2.78%)	4	0.12%	624	(5.02%)
Azure Power Forty One Private Limited	23,212	6.52%	(741)	3.32%	2,103	67.13%	1,362	(10.96%)
Azure Power Forty Two Private Limited	(1)	(0.00%)	(3)	0.01%	-	0.00%	(3)	0.02%
Azure Power Forty Three Private Limited	40,384	11.35%	2,171	(9.73%)	17	0.55%	2,189	(17.62%)
Azure Power Forty Four Private Limited	1,383	0.39%	(1,019)	4.57%	-	0.00%	(1,019)	8.20%
Azure Power Forty Five Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Forty Six Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Forty Seven Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Forty Eight Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Forty Nine Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Fifty Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Fifty One Private Limited	(1,016)	(0.29%)	(4,045)	18.12%	-	0.00%	(4,045)	32.57%
Azure Power Fifty Two Private Limited	(9,908)	(2.78%)	(11,281)	50.54%	0	0.01%	(11,281)	90.81%
Azure Power Fifty Three Private Limited	(3,728)	(1.05%)	(3,172)	14.21%	-	0.00%	(3,172)	25.54%
Azure Power Fifty Four Private Limited	(3,671)	(1.03%)	(3,150)	14.11%	-	0.00%	(3,150)	25.36%
Azure Power Green Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Maple Private Limited	9,842	2.77%	(5,756)	25.79%	55	1.75%	(5,701)	45.90%
Azure Power Fifty Five Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Fifty Six Private Limited	0	0.00%	(9)	0.04%	-	0.00%	(9)	0.07%
Azure Power Fifty Seven Private Limited	(1)	(0.00%)	(0)	0.00%	-	0.00%	(0)	0.00%
Azure Power Fifty Eight Private Limited	(1)	(0.00%)	(0)	0.00%	-	0.00%	(0)	0.00%
Azure Power Fifty Nine Private Limited	(3,694)	(1.04%)	(3,144)	14.09%	-	0.00%	(3,144)	25.31%
Azure Power Sixty Private Limited	(3,665)	(1.03%)	(3,144)	14.09%	-	0.00%	(3,144)	25.31%
Azure Power Sixty one Private Limited	(0)	(0.00%)	(0)	0.00%	-	0.00%	(0)	0.00%
Azure Power Sixty two Private Limited	(2,580)	(0.73%)	(2,076)	9.30%	-	0.00%	(2,076)	16.71%
Kotuma Wind Parks Private Limited	(96)	(0.03%)	(97)	0.44%	1	0.03%	(96)	0.77%
Two Wind Energy Private Limited	(307)	(0.09%)	(307)	1.37%	-	0.00%	(307)	2.47%
Azure Green Hydrogen Private Limited	(5)	(0.00%)	(6)	0.03%	-	0.00%	(6)	0.05%
Azure Power Sixty Three Pvt Ltd	(58)	(0.02%)	(59)	0.27%	-	0.00%	(59)	0.48%
Azure Power Sixty Four Pvt Ltd	(4)	(0.00%)	(5)	0.02%	-	0.00%	(5)	0.04%

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Azure Power India Private Limited
New Delhi

(INR amount in lakhs, unless otherwise stated)

Name of the entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in Profit/(loss)		Share in Other Comprehensive Income/(loss)		Share in Total Comprehensive income/(loss)	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income/(loss)	Amount	As a % of consolidated total comprehensive income/(loss)
Subsidiaries incorporated outside India								
Azure Power Sixty Six Private Limited	1	0.00%	(0)	0.00%	-	0.00%	(0)	0.00%
Azure Energy Transition Private Limited	(171)	(0.05%)	(173)	0.77%	1	0.02%	(172)	1.39%
Azure Power Sixty Five Private Limited	(3)	(0.00%)	(4)	0.02%	-	0.00%	(4)	0.03%
Azure Power US Inc.	4,234	1.19%	12	(0.05%)	-	0.00%	12	(0.10%)
	7,35,013	**206.57%**	**(43,881)**	**196.59%**	**3,339**	**106.60%**	**(40,542)**	**326.38%**
Adjustments arising out of consolidation	(3,83,091)	(107.67%)	21,561	-96.59%	1	0.03%	28,817	-231.99%
Consolidated Net Assets/ Profit after tax	**3,51,922**	**98.91%**	**(22,321)**	**100.00%**	**3,132**	**100.00%**	**(11,725)**	**94.39%**
Non controlling interest in all subsidiaries	**2,528**	**0.71%**					(697)	5.61%
Associate (Investment as per equity method)								
Waaree Power Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Premier Energies International Private Limited	1,366	0.38%	-	0.00%	-	0.00%	-	0.00%
Total	**3,55,816**	**100.00%**					**(12,422)**	**100.00%**

For the year ended March 31, 2022

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	5,12,387	141.00%	(8,774)	890.81%	1,051	89.89%	(7,722)	(468.82%)
Indian Subsidiaries								
Azure Power (Punjab) Private Limited	964	0.27%	(98)	9.99%	2	0.14%	(97)	(5.87%)
Azure Power (Haryana) Private Limited	1,402	0.39%	977	(99.18%)	1	0.09%	978	59.37%
Azure Solar Private Limited	1,753	0.48%	1,101	(111.82%)	(0)	(0.00%)	1,101	66.86%
Azure Power (Rajasthan) Private Limited	(492)	(0.14%)	186	(18.90%)	0	0.02%	186	11.32%
Azure Solar Solutions Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Sun Energy Private Limited	379	0.10%	(52)	5.25%	-	0.00%	(52)	(3.14%)
Azure Urja Private Limited	6,263	1.72%	708	(71.90%)	(0)	(0.01%)	708	42.99%
Azure Surya Private Limited	4,007	1.10%	832	(84.51%)	(0)	(0.04%)	832	50.50%
Azure Power (Karnataka) Private Limited	1,885	0.52%	265	(26.89%)	(2)	(0.17%)	263	15.96%
Azure Photovoltaic Pvt Ltd	6,749	1.86%	886	(89.98%)	(0)	(0.03%)	886	53.78%
Azure Power Infrastructure Pvt Ltd	11,065	3.05%	1,226	(124.45%)	(1)	(0.11%)	1,224	74.33%
Azure Power (Raj.) Pvt Ltd	9,052	2.49%	1,330	(134.99%)	(0)	(0.00%)	1,329	80.71%
Azure Green Tech Private Limited	5,699	1.57%	898	(91.18%)	(0)	(0.00%)	898	54.52%
Azure Renewable Energy Pvt Ltd	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Clean Energy Pvt Ltd	8,084	2.22%	1,522	(154.52%)	(2)	(0.15%)	1,520	92.28%
Azure Sun Rise Pvt Ltd	(661)	(0.18%)	(469)	47.57%	(0)	(0.01%)	(469)	(28.45%)
Azure Sun Light Pvt Ltd	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Sunshine Pvt Ltd	2,886	0.79%	324	(32.91%)	1	0.13%	326	19.77%
Azure Power Earth Private Limited	10,241	2.82%	(1,465)	148.78%	(0)	(0.01%)	(1,466)	(88.97%)
Azure Power Eris Private Limited	1,902	0.52%	237	(24.07%)	0	0.00%	237	14.39%
Azure Power Jupiter Private Limited	3,522	0.97%	61	(6.15%)	(8)	(0.69%)	53	3.19%
Azure Power Makemake Private Limited	8,365	2.30%	714	(72.45%)	0	0.01%	714	43.33%
Azure Power Mars Private Limited	883	0.24%	82	(8.28%)	0	0.03%	82	4.97%
Azure Power Mercury Private Limited	397	0.11%	(235)	23.89%	-	0.00%	(235)	(14.28%)
Azure Power Pluto Private Limited	20,812	5.73%	3,602	(365.71%)	(4)	(0.30%)	3,598	218.45%
Azure Power Uranus Private Limited	485	0.13%	(69)	7.03%	0	0.02%	(69)	(4.19%)
Azure Power Venus Private Limited	1,907	0.52%	(99)	10.06%	-	0.00%	(99)	(6.01%)
Azure Power Saturn Private Limited	813	0.22%	(5)	0.47%	-	0.00%	(5)	(0.28%)
Azure Power Thirty Three Private Limited	18,238	5.02%	(4,420)	448.77%	3	0.23%	(4,417)	(268.17%)

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

Name of the entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in Profit/(loss)		Share in Other Comprehensive income/(loss)		Share in Total Comprehensive income/(loss)	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income/(loss)	Amount	As a % of consolidated total comprehensive income/(loss)
Azure Power Thirty Four Private Limited	11,357	3.13%	(155)	15.72%	(1)	(0.06%)	(155)	(9.44%)
Azure Power Thirty Five Private Limited	(1)	(0.00%)	(2)	0.17%	-	0.00%	(2)	(0.10%)
Azure Power Thirty Six Private Limited	4,213	1.16%	46	(4.63%)	(1)	(0.04%)	45	2.74%
Azure Power Thirty Seven Private Limited	16,047	4.42%	2,621	(266.09%)	4	0.33%	2,625	159.34%
Azure Power Thirty Eight Private Limited	1,050	0.29%	(347)	35.27%	-	0.00%	(347)	(21.09%)
Azure Power Thirty Nine Private Limited	555	0.15%	(4)	0.37%	-	0.00%	(4)	(0.22%)
Azure Power Forty Private Limited	14,189	3.90%	823	(83.58%)	(8)	(0.68%)	815	49.49%
Azure Power Forty One Private Limited	21,844	6.01%	(7,228)	733.85%	131	11.23%	(7,096)	(430.81%)
Azure Power Forty Two Private Limited	2	0.00%	(0)	0.05%	-	0.00%	(0)	(0.03%)
Azure Power Forty Three Private Limited	38,143	10.50%	(963)	97.78%	456	38.99%	(507)	(30.78%)
Azure Power Forty Four Private Limited	1,220	0.34%	(67)	6.77%	-	0.00%	(67)	(4.05%)
Azure Power Forty Five Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Forty Six Private Limited	4,367	1.20%	66	(6.69%)	-	0.00%	66	4.00%
Azure Power Forty Seven Private Limited	0	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Forty Eight Private Limited	(0)	(0.00%)	(0)	0.02%	-	0.00%	(0)	(0.01%)
Azure Power Forty Nine Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Fifty Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Fifty One Private Limited	2,029	0.56%	(63)	6.37%	-	0.00%	(63)	(3.81%)
Azure Power Fifty Two Private Limited	1,373	0.38%	(124)	12.55%	-	0.00%	(124)	(7.50%)
Azure Power Fifty Three Private Limited	(555)	(0.15%)	(565)	57.39%	-	0.00%	(565)	(34.32%)
Azure Power Fifty Four Private Limited	(521)	(0.14%)	(522)	52.95%	-	0.00%	(522)	(31.66%)
Azure Power Green Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Maple Private Limited	15,544	4.28%	(5,693)	578.04%	(454)	(38.82%)	(6,147)	(373.19%)
Azure Power Fifty Five Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Fifty Six Private Limited	9	0.00%	(1)	0.15%	-	0.00%	(1)	(0.09%)
Azure Power Fifty Seven Private Limited	(1)	(0.00%)	(1)	0.09%	-	0.00%	(1)	(0.05%)
Azure Power Fifty Eight Private Limited	(1)	(0.00%)	(1)	0.09%	-	0.00%	(1)	(0.05%)
Azure Power Fifty Nine Private Limited	(550)	(0.15%)	(551)	55.93%	-	0.00%	(551)	(33.44%)
Azure Power Sixty Private Limited	(520)	(0.14%)	(521)	52.93%	-	0.00%	(521)	(31.65%)
Azure Power Sixty one Private Limited	0	0.00%	(1)	0.09%	-	0.00%	(1)	(0.05%)
Azure Power Sixty two Private Limited	(504)	(0.14%)	(505)	51.28%	-	0.00%	(505)	(30.66%)
Kotuma Wind Parks Private Limited	0	0.00%	(1)	0.08%	-	0.00%	(1)	(0.05%)
Two Wind Energy Private Limited	0	0.00%	(1)	0.10%	-	0.00%	(1)	(0.06%)
Azure Green Hydrogen Private Limited	(0)	(0.00%)	(0)	0.02%	-	0.00%	(0)	(0.01%)
Azure Power Sixty Three Pvt Ltd	1	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Sixty Four Pvt Ltd	-	0.00%	-	0.00%	-	0.00%	-	0.00%

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)
Subsidiaries incorporated outside India								
Azure Power US Inc.	4,624	1.27%	2	(0.16%)	-	0.00%	2	0.09%
	7,72,898	212.70%	(14,494)	1471.63%	1,169	99.99%	(13,325)	-808.94%
Adjustments arising out of consolidation	(4,13,677)	(113.84%)	13,509	-1371.63%	1	0.09%	14,820	899.71%
Consolidated Net Assets/ Profit after tax	3,59,221	98.85%	(985)	100.00%	1,170	100.00%	1,495	90.77%
Non controlling interest in all subsidiaries	3,225	0.89%					152	9.23%
Associate (Investment as per equity method)								
Waaree Power Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Premier Energies International Private Limited	937	0.26%	-	0.00%	-	0.00%	-	0.00%
Total	3,63,383	100.00%					1,647	100.00%

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45. Impairment of assets and assets held for sale

In April 2021, Azure Power Global Limited (Holding Company) had entered into an agreement with Radiance Renewables Pvt. Ltd. ("Radiance") to sell certain subsidiaries (the "Rooftop Subsidiaries") with an operating capacity of 153 MW (the "Rooftop Portfolio") for INR 5,350 million, 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 Azure Power India Private Limited and Azure Power Rooftop Pvt. Ltd, as more fully described below.

As per the terms of the Rooftop Sale Agreement in respect of the 33.2 MWs capacity which are operated through certain subsidiaries of Holding Company, referred as entities of the Restricted Group (which had issued Senior Notes/Green Bonds during previous years) 48.6% of the equity ownership has been transferred to Radiance during the previous year, and pursuant to the terms of these Green Bonds, the remaining 51.4% can only be transferred post refinancing of Green Bonds. Further during the previous year, Group has transferred 100% shareholding relating to 9.5 MW rooftop project forming part of Restricted Group post refinancing of bonds during the year and 5.32 MW of entities forming the part of disposal group. Also there are restrictions on transfer of equity ownership relating to the 16 MW project with Delhi Jal Board (DJB), wherein 49% of the equity ownership have been transferred to Radiance during the previous year, and the remaining 51% will be transferred on or after March 31, 2024. As the significant Conditions Precedent have not been met for the said entities hence the Group continues to retain control over the said entities.

In May 2021, the Group has disposed its investment in a subsidiary on a going concern basis for consideration of INR 4,286 lakhs. The same was reported as asset held for sale under financials for the year ended March 31, 2021. During the current year, the Group has transferred 100% shareholding in relation to 2.5 MW operating capacity.

Accordingly, the Group has recognized reversal of impairment loss in relation to the Rooftop Subsidiaries aggregating to INR 47 lakhs (after considering revised purchase consideration other than 3rd party loan of INR 19,420 lakhs for AZI group subject to certain purchase price adjustments) during the financial year March 31, 2023 as compared to impairment loss of INR 3,286 lakhs during financial year March 31, 2022.

The assets and liabilities of the Rooftop Subsidiaries classified as held for sale, together with the calculation of the related impairment loss is shown below.

	As at March 31, 2023	As at March 31, 2022
Assets		
Non-current assets		
Property, plant and equipment	-	954
Financial assets		
- Other financial assets	-	115
Deferred tax assets (net)	-	74
Income tax assets (net)	-	2
Total non-current assets	-	1,145
Current assets		
Financial assets		
- Trade receivables	-	21
- Cash and cash equivalents	-	225
- Other bank balances	-	180
- Other current financial assets	-	2
Other current assets	-	1
Total current assets	-	429
Total assets (A)	-	1,574
Non-current liabilities		
Financial liabilities		
- Borrowings	-	558
Total non-current liabilities	-	558

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Current liabilities		
Financial liabilities		
- Borrowings	-	103
- Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	42
- Other current financial liabilities	-	17
Other current liabilities	-	1
Total current liabilities	-	163
Total liabilities (B)	-	721
Net Assets (C =A-B)	-	853
Fair Value (D)	-	540
Impairment loss (E=C-D)	-	313

The reversal of impairment loss recorded in relation to the Property, plant and equipment of the Rooftop Subsidiaries not classified as held for sale was INR 25 lakhs during fiscal year March 31, 2023 as compared to INR 2,414 Lakhs in year ended March 31, 2022.

	As at March 31, 2023	As at March 31, 2022
Assets		
Non-current assets		
Carrying value of Property Plant and Equipment	-	19,142
Fair Value	-	17,438
Impairment loss	-	**1,704**

The fair value of consideration related to the rooftop sale in previous year includes expected recovery of VGF for INR 4,630 lakhs. The Group has undertaken to refund to the purchaser an amount equivalent to 85% of any shortfall in recovery of VGF. Based on the current circumstances, management has assessed that they have complied with the conditions associated with the grant of VGF and hence have determined that the recovery of the VGF is likely.

During the previous year ended March 31, 2022, in respect of the 33.2 MW operating capacity that are part of the Restricted Groups, and 16 MW project with Delhi Jal Board, the Group has consolidated the entities in the consolidated financial statements and net carrying value of assets are reinstated. The Group has reported the non-controlling interest equivalent to shareholding transferred to Radiance.

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(INR amount in lakhs, unless otherwise stated)

46. Restatement for the year ended March 31, 2022 and as at April 1, 2021

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 balance sheet as at March 31, 2022 and April 1, 2021 (beginning of the preceding period) and Statement of Profit and Loss for the year ended March 31, 2022 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:

(i) Reconciliation of restated items of consolidated Balance Sheet as at March 31, 2022 and April 1, 2021

	Notes	As at March 31, 2022			As at April 1, 2021		
		As previously reported	Adjustments	Restated balance	As previously reported	Adjustments	Restated Balance
Assets							
Non-current assets							
Property, plant and equipment		11,77,386	-	11,77,386	8,99,803	-	8,99,803
Right-of-use assets	v	50,170	(1,160)	49,010	45,684	(762)	44,922
Capital work-in-progress		1,62,554	-	1,62,554	1,02,462	-	1,02,462
Intangible assets		38	-	38	250	-	250
Financial assets							
- Investments		937	-	937	-	-	-
- Trade Receivables		32,150	-	32,150	-	-	-
- Loans		284	-	284	251	-	251
- Other financial assets		58,755	-	58,755	48,100	-	48,100
Deferred tax assets (net)		35,340	-	35,340	31,378	-	31,378
Income tax assets (net)		6,523	-	6,523	5,977	-	5,977
Other non current assets		12,108	-	12,108	9,569	-	9,569
Total non-current assets		**15,36,245**	**(1,160)**	**15,35,085**	**11,43,474**	**(762)**	**11,42,712**
Current assets							
Financial assets							
- Trade receivables		58,347	-	58,347	48,831	-	48,831
- Cash and cash equivalents		1,03,821	-	1,03,821	67,246	-	67,246
- Other bank balances		53,650	-	53,650	41,348	-	41,348
- Loans		9,172	-	9,172	5,808	-	5,808
- Other financial assets		5,948	-	5,948	14,332	-	14,332
Other current assets		11,115	-	11,115	6,927	-	6,927
Assets classified as held for sale		1,234	-	1,234	5,516	-	5,516
Total current assets		**2,43,287**	**-**	**2,43,287**	**1,90,008**	**-**	**1,90,008**
Total assets		**17,79,532**	**(1,160)**	**17,78,372**	**13,33,482**	**(762)**	**13,32,720**
Equity and liabilities							
Equity							
Equity share capital		686	-	686	455	-	455
Other equity		3,59,472	76	3,59,548	1,85,792	12	1,85,804
Equity attributable to equity holders of the parent		**3,60,158**	**76**	**3,60,234**	**1,86,247**	**12**	**1,86,259**
Non-controlling interest		3,225	-	3,225	1,484	-	1,484
Total equity		**3,63,383**	**76**	**3,63,459**	**1,87,731**	**12**	**1,87,743**
Non-current liabilities							
Financial liabilities							
- Borrowings		10,83,115	-	10,83,115	8,41,030	-	8,41,030
- Lease liabilities		32,063	-	32,063	29,742	-	29,742
- Other financial liabilities		42	-	42	13,531	-	13,531
Provisions	v	9,895	(1,236)	8,659	7,827	(774)	7,053
Deferred tax liabilities (net)		3,002	-	3,002	438	-	438
Other non current liabilities		55,647	-	55,647	24,608	-	24,608
Total non current liabilities		**11,83,764**	**(1,236)**	**11,82,528**	**9,17,176**	**(774)**	**9,16,402**
Current liabilities							
Financial liabilities							
- Borrowings		1,53,306	-	1,53,306	1,36,012	-	1,36,012
- Lease liabilities		2,999	-	2,999	2,708	-	2,708
- Trade payables							
Total outstanding dues of micro enterprises and small enterprises		366	-	366	1,096	-	1,096
Total outstanding dues of creditors other than micro enterprise and small enterprises		11,846	-	11,846	6,681	-	6,681
- Other current financial liabilities		55,253	-	55,253	73,917	-	73,917
Current tax liabilities (net)		2,089	-	2,089	1,906	-	1,906
Provisions		567	-	567	475	-	475
Other current liabilities		5,265	-	5,265	2,628	-	2,628
Liabilities directly associated with assets classified as held for sale		694	-	694	3,152	-	3,152
Total current liabilities		**2,32,385**	**-**	**2,32,385**	**2,28,575**	**-**	**2,28,575**
Total liabilities		**14,16,149**	**(1,236)**	**14,14,913**	**11,45,751**	**(774)**	**11,44,977**
Total equity and liabilities		**17,79,532**	**(1,160)**	**17,78,372**	**13,33,482**	**(762)**	**13,32,720**

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(ii) Reconciliation of restated items of consolidated Statement of Profit and Loss for the year ended March 31, 2022

	Notes	For the year ended March 31, 2022		
		As previously reported (After reclassification)	Adjustments	Restated balance
Revenue				
Revenue from operations		1,82,339	-	1,82,339
Finance income		7,068	-	7,068
Other income		14,608	-	14,608
Total income		**2,04,015**	**-**	**2,04,015**
Expenses				
Construction, sub contracting and other site expenses		-	-	-
Employee benefits expense		6,595	-	6,595
Depreciation and amortization expense	v	33,439	(25)	33,414
Impairment loss		(626)	-	-626
Finance cost	v	1,12,935	(39)	1,12,896
Other expenses		48,913	-	48,913
Total expenses		**2,01,256**	**(64)**	**2,01,192**
Loss before tax		**2,759**	**64**	**2,823**
Tax expense:				
Current tax	(e)	4,275	-	4,275
Income tax adjustment pertaining to earlier year		(17)	-	(17)
Deferred tax credit	(e)	(1,992)	-	(1,992)
Total tax benefit		**2,266**	**-**	**2,266**
Loss after tax		**493**	**64**	**557**
Other comprehensive income/(loss)				
Items that will not be reclassified to profit or loss				
Effective portion of cash flow hedge reserve		1,737	-	1,737
Income tax effect on cash flow hedge reserve		(598)	-	(598)
Foreign currency translation reserve		2	-	2
		-		
Items that will not be reclassified to profit or loss		-		
Re-measurement gains/ (losses) on defined benefit plans		17	-	17
Income tax effect on re-measurement gains/ (losses) on defined benefit plans		(4)	-	(4)
Total other comprehensive expense		**1,154**	**-**	**1,154**
Total comprehensive expense		**1,647**	**64**	**1,711**

(iii) Reconciliation of statement of consolidated cash flows for the year ended March 31, 2022

	For the year ended March 31, 2022		
	As previously reported (After reclassification)	Adjustments	Restated balance
Net cash flow from operating activities	1,23,048	-	1,23,048
Net cash used in investing activities	(3,90,340)	-	(3,90,340)
Net cash flow from financing activities	3,03,996	-	3,03,996
Net decrease in cash and cash equivalents	**36,704**	**-**	**36,704**
Unrealized foreign exchange gain/(loss)	-		-
Cash and cash equivalents at the beginning of the year	67,342	-	67,342
Cash and cash equivalents at the end of the year (refer note 8.2)	**1,04,046**	**-**	**1,04,046**

(iv) Earnings per share

Basic and diluted earnings per share for the year ended March 31, 2022 have changed as below:

	For the year ended March 31, 2022		
	As previously reported (After reclassification)	Adjustments	Restated balance
(1) Basic earnings per share (in INR)	10.14	1.31	11.45
(2) Diluted earnings per share (in INR)	10.14	1.31	11.45

(v) Notes on restatement

During the current year, the Group has changed the discount rate used for computation of right of use assets and provision for decomissioning liability. As a result, at March 31, 2022 and March 31, 2021, the right of use and provision for decomissioning liability has been reduced by INR 1,160 lakhs & INR 1,236 lakhs and INR 762 lakhs & INR 774 lakhs respectively, resulting in an increase in retained earnings by INR 76 lakhs and INR 12 lakhs respectively.

Further, the depreciation and finance cost for the year March 31, 2022 has been reduced by INR 25 lakhs and INR 39 lakhs respectively.

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47. Reclassification

Certain reclassifications have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements. As a result, certain line items have been reclassified in the statement of profit & loss, the details of which are as under:

Items of consolidated balance sheet before and after reclassification as at March 31, 2022:

Particulars	Amount before reclassification	Reclassification	Amount after reclassification
Assets			
Sale of power	1,73,134	285	1,73,419
Other operating revenue	7,204	1,221	8,425
Other Income	14,775	(167)	14,608
Other expenses	47,574	1,339	48,913

The Group had earlier classified the viability gap funding income for year ended March 31, 2022 under sale of power. To align with requirements of Schedule III and Ind AS 20, the Group has reclassified the viability gap funding income from sale of power to other operating revenue for the year ended March 31, 2022.

The Group has reclassified amount of INR 167 Lakhs related to Government Grant related to assets from Other Income to Other Operating revenue to align with requirements of Schedule III for the year ended March 31, 2022.

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48. Standards notified but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

(a) Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies and added guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

(b) Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

(c) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies, accounting estimates and correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. The Company does not expect this amendment to have any significant impact in its financial statements.

49. Additional regulatory information required by Schedule III

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
(ii) The Group has not traded or invested in crypto currency or virtual currency during the financial year.
(iii) The Group has not advanced or loaned or invested (either from borrowed fund or share premium or any other source and kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding whether recorded in writting or otherwise that the Intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries.

(iv) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing otherwise) that the Group shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(v) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year (any previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vi) None of the entities under the Group have been declared as a wilful defaulter by any bank, financial institution or any other lender, government or any government authority.

(vii) The Group has used its specific borrowings for the specific purpose for which they were taken.
(viii) The Group has complied with the number of layers prescribed under clause 87 of section 2 of the Act read with Companies (Restriction on number of layers) Rules, 2017.

(ix) The Group has not entered into any scheme or arrangement, which has an accounting impact on current and previous financial year.

50. Whistle-blower Allegations and Special Committee Investigation

During the previous and current year, the group received whistle-blower complaints on various matters, including lapses in internal control for certain key areas, governance and vendor management. The Board of Directors of the holding company engaged external counsel to undertake investigations on the allegations thereof. Some of the Group companies have made certain adjustments in the books of account as a prudent measure.

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

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Further, in September 2022, the Parent received an additional whistle-blower complaint primarily making similar allegations of misconduct as raised in May 2022, as well as allegations of misconduct related to joint ventures and land acquisition, allegations of our failure to be transparent with the market and advisors and other claims. The Holding Company's Ethics Committee, supervised by the Board's Audit and Risk Committee of the holding company, with the support of external counsel and forensic accounting professionals, investigated these September 2022 allegations. The investigation of the September 2022 complaint identified significant control issues in the process of acquiring land and land use rights in relation to a subsidiary Company. The investigation specified that third party land aggregators may have been involved in improper payments but no improper transfer of money by the Parent Group was identified. The Group has made an adjustment (de-capitalization) in the books of accounts of INR 2,528 lakhs and INR 281 lakhs on estimate during the year ended March 31, 2022 and 2023 respectively, as a prudent measure in the Group though no improper payments by the Group could be identified in the current year.

The Parent Group's investigation did not substantiate other portions of this September 2022 whistle-blower complaint.
As part of the investigations of the May 2022 and September 2022 whistle-blower complaints, the review was also widened to include a review of projects commissioned in financial year ended March 31, 2022 and financial year ended March 31, 2023 to ensure that similar weaknesses were not present. As part of our investigations, we identified inconsistencies in project data in certain of our projects, but we identified no improper payments made in connection with these projects.

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

In addition, a Special Committee of the Parent Company's Board (the "Special Committee") was convened in August 2022 to review certain material projects and contracts over a three-year period for anti-corruption and related compliance issues. Independent outside counsel and forensic advisors were engaged to support the Special Committee. The Special Committee's investigation has identified evidence that individuals formerly affiliated with the Group may have had knowledge of, or were involved in, an apparent scheme with persons outside the Group to make improper payments in relation to certain projects. To date, the Special Committee has not identified related improper payments or transfers by the Group. The Special Committee's investigation is still ongoing. The Special Committee's review and its findings have impacted the decision-making of the Parent Group in connection with such projects. The Group have disclosed the details of the Special Committee's investigation to the SEC and the U.S. Department of Justice, and we continue to cooperate with those agencies. The current members of the Board of Directors of the ultimate holding Company have confirmed that none of them were aware of the apparent scheme referred to above other than through the Special Committee investigation.

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

The Parent Group remains steadfast in its commitment to upholding the principles of transparency, accountability, and ethical conduct in all areas of its operations and it will continue to monitor and assess its internal processes to ensure compliance with all relevant laws and regulations.

51. 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 FY 2021-22. In respect of these 2,333 MW projects, two PILs were filed in the High Court of Andhra Pradesh in FY 2021-22, 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. Currently, we cannot predict the outcome of these two PILs.

Further, a Special Committee of the Board of the Holding Company (the "Special Committee") was convened to review certain material projects and contracts over a three-year period for anti-corruption and related compliance issues. Independent outside counsel and forensic advisors were engaged to support the Special Committee.

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

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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 these projects. In its second letter, SECI informed the Group that it was awarding these projects and associated PPAs to a third-party.

Further, SECI informed the Group that it had reduced Azure's capacity allocation under the manufacturing Letter of Award by 2,333 MW and its corresponding manufacturing capacity of solar cells and solar modules. Accordingly, the Group has written off INR 2,660 lakhs against impairment provision recognised in the financial statements for the year ended March 31,2022 and recognised a provision of INR 12,315 lakhs towards Bank Guarantees in its financial statements for the year ended March 31, 2023.

52. 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, 2023 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.

53. As per the provision of the Companies Act, 2013, a company is required to convene the Annual General Meeting ("AGM") for adoption of its annual audited financial statements within the six months from the end of each financial year, i.e. September 30 ("Due Date"). The Registrar of Companies ("ROC") granted three months extensions to the Group companies (except for 33.2 MW rooftop portfolio for which agreement for sale have been entered into with Radiance), to hold the AGMs for financial year 2021-22 and 2022-23 on or before December 31, 2022, and December 31, 2023, respectively. Considering the delay in closure of audit due to ongoing investigations (refer note 50), the Group Companies have not been able to hold the AGM for financial year 2021-22 and 2022-23 within timelines as stated above. The AGM for financial year 2022-23 is not held till date and the AGM for financial year 2021-22 was held beyond December 31, 2022.
The Group Companies will apply for compounding of the Offence for not holding the AGM for financial year 2021-22 and 2022-23, on or before December 31, 2022, and December 31, 2023 respectively, and liable to pay penalties as may be imposed by ROC. Management is unable to ascertain the amount of penalties for these Offences and hence no accruals for the same has been taken in these financial statements.

54. Going concern

(i) As at March 31, 2023, the current liability of Azure Solar Private Limited (subsidiary company) exceeds its current assets by INR 2,270 lakhs (31 March 2022: INR 956 lakhs). Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(ii) During the financial year ended March 31, 2023, Azure Power (Rajasthan) Private Limited (subsidiary company) has accumulated losses of INR 2,806 lakhs and its networth is fully erored. Also as at March 31, 2023, the subsidiary company's current liability exceeds its current assets by INR 1,584 lakhs (31 March 2022: INR 47 lakhs). Further, Azure Power India Private Limited has also committed to extend operational and financial support to the subsidiary company, if required, in order to make Company to meet its obligations in future.

(iii) As at March 31, 2023, current liability of Azure Power Urja Private Limited (subsidiary company) exceeds its current assets by INR 386 lakhs (March 31, 2022: INR 424 lakhs). Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(iv) As at March 31, 2023, current liability of Azure Power (Karnataka) Private Limited (subsidiary company) exceeds its current assets by INR 199 lakhs (March 31, 2022: INR 385 lakhs). Azure Power India Private Limited has committed to extend financial and operational support to the (subsidiary company), as may be required, in order to make Company meet its obligations for future.

(v)As at March 31, 2023, current liability of Azure Photovoltaic Private Limited (subsidiary company) exceeds its current assets by INR 4,100 lakhs. Azure Power India Private Limited has committed to extend financial and operational support to the (subsidiary company), as may be required, in order to make Company meet its obligations for future.

(vi) During the financial year ended March 31, 2023, Azure Power Sunrise Private Limited (subsidiary company) has reported the negative net worth of INR 2,310 lakhs (against negative net worth of INR 661 lakhs as at March 31, 2022). This was primarily on account of depreciation and provision for trade receivables on overdue balances from customer in current year and previous year. During the previous year the subsidiary company has repaid the inter company borrowings of INR 36,725 lakhs resulting in saving of interest expenses in current and future years. Further, Azure Power India Private Limited has also committed to extend the financial support to the subsidiary company, if required, in order to make Company to meet its obligations in future.

(vii) As at March 31, 2023, current liability of Azure Power Sunshine Private Limited (subsidiary company) exceeds its current assets by INR 835 lakhs (March 31, 2022: INR 573 lakhs). Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(viii) As at March 31, 2023, current liability of Azure Power Jupiter Private Limited (subsidiary company) exceeds its current assets by INR 5,260 lakhs (March 31, 2022: INR 4,947 lakhs). Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(ix) As at March 31, 2023, current liability of Azure Power Uranus Private Limited (subsidiary company) exceeds its current assets by INR 156 lakhs. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

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(x)As at March 31, 2023, current liability of Azure Power Venus Private Limited (subsidiary company) exceeds its current assets by INR 435 lakhs. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(xi) As at March 31, 2023, current liability of Azure Power Thirty Three Private Limited (subsidiary company) exceeds its current assets by INR 3,914 lakhs. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(xii) As at March 31, 2023, current liability of Azure Power Thirty Four Private limited (subsidiary company) exceeds its current assets by INR 1,208 lakhs. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(xiii) As at March 31, 2023, current liability of Azure Power Forty Private Limited (subsidiary company) exceeds its current assets by INR 3,925 lakhs (March 31, 2022: INR 8653 lakhs). Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(xiv) As at March 31, 2023, current liabilities of Azure Power Forty One Private Limited (subsidiary company) exceeds its current assets by INR 13,143 lakhs (March 31, 2022: INR 12,638 lakhs). Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(xv) As at March 31, 2023, current liability of Azure Power Forty Three Private Limited (subsidiary company) exceeds its current assets by INR 20,638 lakhs (March 31, 2022: INR 25,962 lakhs). Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(xvi) As at March 31, 2023, current liabilities of Azure Power Maple Private Limited (subsidiary company) exceeds its current assets by INR 1,28,604 lakhs (March 31, 2022: INR 1,07,720 lakhs). Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(xvii) As at March 31, 2023, current liability of Azure Power Fifty Six Private Limited (subsidiary company) exceeds its current assets by INR 189 lakhs (March 31, 2022: INR 95 lakhs) and accumulated losses of INR 11 Lakhs. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(xviii) During the financial year ended March 31, 2023, Azure Power Fifty Seven Private Limited (subsidiary company) has accumulated losses of INR 2 lakh and its networth is fully erored . Also as at March 31, 2023, the subsidiary company's current liability exceeds its current assets by INR 215 lakhs. Further, Azure Power India Private Limited has also committed to extend operational and financial support to the subsidiary company, if required, in order to make Company to meet its obligations in future.

(xix) During the financial year ended March 31, 2023, Azure Power Fifty Eight Private Limited (subsidiary company) has accumulated losses of INR 2 lakh and its networth is fully erored . Also as at March 31, 2023, the subsidiary company's current liability exceeds its current assets by INR 4,128 lakhs. Further, Azure Power India Private Limited has also committed to extend operational and financial support to the subsidiary company, if required, in order to make Company to meet its obligations in future.

(xx) During the financial year ended March 31, 2023, Azure Power Sixty One Private Limited (subsidiary company) has accumulated losses of INR 1 lakh and its networth is fully erored . Also as at March 31, 2023, the subsidiary company's current liability exceeds its current assets by INR 476 lakhs. Further, Azure Power India Private Limited has also committed to extend operational and financial support to the subsidiary company, if required, in order to make Company to meet its obligations in future.

(xxi) During the financial year ended March 31, 2023, Kotuma Wind Parks Private Limited (subsidiary company) has accumulated losses of INR 98 lakhs and its networth is fully erored . Also as at March 31, 2023, the subsidiary company's current liability exceeds its current assets by INR 2,261 lakhs. Further, Azure Power India Private Limited has also committed to extend operational and financial support to the subsidiary company, if required, in order to make Company to meet its obligations in future.

(xxii) During the financial year ended March 31, 2023, Two Wind Energy Private Limited (subsidiary company) has accumulated losses of INR 308 lakhs and its networth is fully erored . Also as at March 31, 2023, the subsidiary company's current liability exceeds its current assets by INR 5,762 lakhs. Further, Azure Power India Private Limited has also committed to extend operational and financial support to the subsidiary company, if required, in order to make Company to meet its obligations in future.

(xxiii) During the financial year ended March 31, 2023, Azure Green Hydrogen Private Limited (subsidiary company) has accumulated losses of INR 6 lakhs and its networth is fully erored . Also as at March 31, 2023, the subsidiary company's current liability exceeds its current assets by INR 5 lakhs. Further, Azure Power India Private Limited has also committed to extend operational and financial support to the subsidiary company, if required, in order to make Company to meet its obligations in future.

(xxiv) During the financial year ended March 31, 2023, Azure Power Sixty Three Private Limited (subsidiary company) has accumulated losses of INR 59 lakhs and its networth is fully erored . Also as at March 31, 2023, the subsidiary company's current liability exceeds its current assets by INR 58 lakhs. Further, Azure Power India Private Limited has also committed to extend operational and financial support to the subsidiary company, if required, in order to make Company to meet its obligations in future.

(xxv) During the financial year ended March 31, 2023, Azure Energy Transition Private Limited (subsidiary company) has accumulated losses of INR 173 lakhs and its networth is fully erored . Also as at March 31, 2023, the subsidiary company's current liability exceeds its current assets by INR 171 lakhs. Further, Azure Power India Private Limited has also committed to extend operational and financial support to the subsidiary company, if required, in order to make Company to meet its obligations in future.

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(xxvi) During the financial year ended March 31, 2023, Azure Power Sixty Four Private Limited (subsidiary company) has accumulated losses of INR 5 lakhs and its networth is fully erored . Also as at March 31, 2023, the subsidiary company's current liability exceeds its current assets by INR 4 lakhs. Further, Azure Power India Private Limited has also committed to extend operational and financial support to the subsidiary company, if required, in order to make Company to meet its obligations in future.

(xxvii) During the financial year ended March 31, 2023, Azure Power Sixty Five Private Limited (subsidiary company) has accumulated losses of INR 4 lakhs and its networth is fully erored . Also as at March 31, 2023, the subsidiary company's current liability exceeds its current assets by INR 3 lakhs. Further, Azure Power India Private Limited has also committed to extend operational and financial support to the subsidiary company, if required, in order to make Company to meet its obligations in future.

(xxviii) During the financial year ended March 31, 2023, Azure Power Fifty One Private Limited (subsidiary company) has accumulated losses of INR 4,11,298 thousand and its net worth has fully eroded as at March 31, 2023. The subsidiary company's current liabilities exceeded its current assets by INR 4,13,936 thousand as at the balance sheet date. Considering these factors including the decision for withdrawal from the project of these financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2023. Accordingly, the financial statements of the Company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(xxxix) During the financial year March 31, 2023, Azure Power Fifty Two Private Limited (subsidiary company) has accumulated losses of INR 11,40,556 thousand and its net worth has fully eroded as at March 31, 2023. The subsidiary company's current liabilities exceeded its current assets by INR 11,89,686 thousand as at the balance sheet date. Considering these factors including the decision for withdrawal from the project of these financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2023. Accordingly, the financial statements of the Company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(xxx)During the financial year March 31, 2023, Azure Power Fifty Three Private Limited (subsidiary company) has accumulated losses of INR 3,73,854 thousands and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded the current assets by INR 3,72,754 thousands as at the balance sheet date. Considering these factors including the termination of PPA of these financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2023. Accordingly, the financial statements of the Company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(xxxi) During the financial year March 31, 2023, Azure Power Fifty Four Private Limited (subsidiary company) has accumulated losses of INR 3,67,230 thousands and its net worth has fully eroded. Further, The Company's current liabilities exceeded the current assets by INR 3,67,130 thousands as at the balance sheet date. Considering these factors including the termination of PPA as mentioned in note 31 of these financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2023. Accordingly, the financial statements of the Company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(xxxii) During the financial year March 31, 2023, Azure Power Fifty Nine Private Limited (subsidiary company) has accumulated losses of INR 3,69,479 thousands and its net worth has fully eroded. Further, The Subsidiary Company's current liabilities exceeded the current assets by INR 3,69,379 thousands as at the balance sheet date. Considering these factors including the termination of PPA as mentioned in note 29 of these financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2023. Accordingly, the financial statements of the Company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year

(xxxiii) During the financial year March 31, 2023, Azure Power Sixty Private Limited (subsidiary company) has accumulated losses of INR 3,66,576 thousands and its net worth has fully eroded. Further, The Subsidiary Company's current liabilities exceeded the current assets by INR 3,66,476 thousands as at the balance sheet date. Considering these factors including the termination of Power Purchase Agreement as mentioned in note 31 of these financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2023. Accordingly, the financial statements of the Company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

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Azure Power India Private Limited New Delhi

(xxxiv) During the financial year March 31, 2023, Azure Power Sixty Two Private Limited (subsidiary company) has accumulated losses of INR 2,581 lakhss and its net worth has fully eroded. Further, The Subsidiary Company's current liabilities exceeded the current assets by INR 2,580 lakhs as at the balance sheet date. Considering these factors including the termination of Power Purchase Agreement as mentioned in note 30 of these financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended March 31, 2023. Accordingly, the financial statements of the Company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

55. A Special Committee of the Board of the Holding Company (the "Special Committee") was convened to review certain material projects and contracts over a three-year period for anti-corruption and related compliance issues. Independent outside counsel and forensic advisors were engaged to support the Special Committee. In light of the ongoing Special Committee review as well as economic and execution challenges, the Group has decided to withdraw from the 700 MW projects which is part of the 4,000 MW manufacturing linked tender awarded by SECI in Fiscal 2020. The Group intends to commence 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 taken a provision of INR 4,077 lakhs for impairment of assets and recognised a provision of INR 5,361 lakhs towards Bank Guarantees in its financial statements for the year ended March 31, 2023.

56. The Group has secured loan from banks and financial institutions ("Lenders") with a carrying amount (net of unamortised balance of ancillary cost of borrowing) of INR 6,14,105 lakhs at March 31, 2023 (March 31, 2022: INR 6,19,470 lakhs). These loans contained a covenant stating that the respective group Companies are required to submit it's annual audited financial statements within 180 days from the end of the year end and in case of breach of the said condition the loan will be repayable on demand. Due to various ongoing factors, the group has not been able to meet the said condition with regard to submission of audited financial statements within the stipulated time period. However, management of respective group companies obtained waivers from the lenders, which extends the time period for submission of audited financial statements for the year ended March 31, 2023 till the date of signing of financial statements. Accordingly, the loan is not payable on demand as at March 31, 2023 and the management has continued to classified the said loans as non-current as per the original repayment schedule.

57. Subsequent Events

(i) On February 13, 2024, FS India Solar Ventures Private Limited ("First Solar") sent a notice to the Group that First Solar was terminating the Master Supply Agreement, dated August 22, 2022 ("First Solar MSA"), between First Solar and Group. The notice claims that a termination payment of INR 23,978 Lakhs million is due to be paid by Group to First Solar under the First Solar MSA. The Group disputes that such a termination payment is due and intends to engage in commercial discussions with First Solar to resolve the matter.

(ii) On March 05, 2024, Siemens Gamesa sent a notice to the Group which claims a default and damages of INR 19,340 lakhs in connection with a supply agreement between Siemens Gamesa and Company in respect of our 345.6 MW wind power project in the state of Karnataka. The Group disputes such claim of default and damages and intends to engage in mutual discussions with Simens Gamesa to resolve the matter.

(iii) Subsequent to the year end, the Group has entered into the settlement agreement dated May 11, 2023 with one of the vendor (Risen Energy Co., LTD.) pursuant to which the vendor has agreed to pay INR 6,577 lakhs in three installments as mentioned below due to failure to supply the modules at the price agreed in sale agreement dated September 24, 2020 which was last amended on March 23, 2021.

Period of Installments	Amount in USD (in lakhs)	Amount in INR (in lakhs)
Quarter 3 of 2023	20	1,644
Quarter 4 of 2023	20	1,644
Quarter 1 of 2024	40	3,289

The above amount are converted from USD to INR by considering the exchange rate of INR 82.22 to USD as at March 31, 2023.

(iv) In relation to Group's 10 MW project in Gujarat, Gujarat Urja Vikas Nigam Limited ("GUVNL") had filed a petition before the Gujarat Electricity Regulatory Commission ("GERC"), seeking reduction in our PPA tariff from INR 12.51 KWh as determined by GERC under Section 62 of the Electricity Act, 2003 to INR 8.15 KWh. While GERC and the Appellate Tribunal for Electricity ("APTEL") dismissed the claims made by GUVNL, an appeal filed by GUVNL against the order of APTEL is pending before the Supreme Court of India, which came up last for hearing on August 23, 2017, and is pending since then.

(v) During the current year in May 2022, one region out of 4 regions of one of the projects of the Group of 25 MW capacity was severely affected by floods and other climatic hazards and was not operational from May 2022 to February 2023. Subsequent to year end, the Company received insurance claim for loss of assets and loss for business interruption. Out of total insurance claim , the Company has recognised income of INR 3,265 lakhs related to loss of assets.

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AZURE POWER INDIA PRIVATE LIMITED New Delhi

58. On December 14, 2023, Azure Power Energy Limited ("APEL") and Azure Power Solar Energy Private Limited ("APSEPL") completed a consent solicitation (the "Consent Solicitation") in respect of the 3.575% Senior Notes due 2026 (the "2026 Notes") and 5.65% Senior Notes due 2024 (the "2024 Notes"). APEL and APSEPL sought the consent of the Noteholders of the 2026 Notes and 2024 Notes to amend certain terms of the indenture dated as of August 19, 2021 (the "2026 Indenture") and September 24, 2019 (the "2024 Indenture") respectively. The purpose of the consent solicitation was to: (i) undertake to make tender offers to purchase an outstanding principal amount of U.S.$12,000,000 of the 2026 Notes by March 25, 2024, an outstanding principal amount of U.S.$8,000,000 of the 2026 Notes by August 26, 2024 and an outstanding principal amount of U.S.$40,000,000 of the 2024 Notes by March 24, 2024; and (ii) make certain amendments and provide certain confirmations with respect to the reporting covenant of each of the Indentures (the "proposed amendments).

The consent solicitation was announced on November 28, 2023. The deadline to submit consent instructions expired at 5:00 pm New York time on December 7, 2023. Over 99% consent instructions were received. On December 8, 2023, APEL and APSEPL executed supplemental indenture with Azure Power Global Limited (as Parent), the trustee and the collateral agents to implement the proposed amendments. On December 14, 2023, the consent fee was paid and the proposed amendments became operative.

Pursuant to the terms of the amended Indentures, the Companies under the restricted groups (collectively referred to as Restricted Group-III and Restricted Group-II), are mandated to submit its Combined Annual Financial Statements within 30 days to Trustee following the submission of financials by the Parent Company to the Securities Exchange Commission ('SEC'). However, if the Parent Company does not file the said results with SEC and the Common Stock of the Parent Company is not listed for trading on an internationally recognised stock exchange, the Parent Company has a window of 120 days post the fiscal year-end to file these financials with the Trustee. Accordingly, on July 13, 2023, the Parent Company received a delisting notification from the New York Stock Exchange ('NYSE'), indicating the decision to delist its equity shares and on April 01, 2024, the Parent Company terminated and/or suspended its duty to file the reports/result with SEC. Accordingly, the Parent Company now has a window of 120 days post the fiscal year-end to file these 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$14,477,000 of the 2026 Notes and APSEPL purchased US$40,000,000 of the 2024 Notes on March 11, 2024.

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: 105047W

ASA & Associates LLP
Chartered Accountants

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

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

Sunil Gupta
Managing Director
DIN: 07095152
Place : Gurugram
Date : April 29, 2024

Sugata Sircar
Director
DIN: 01119161
Place : Gurugram
Date : April 29, 2024

AZURE POWER INDIA PRIVATE LIMITED
New Delhi

Kapil Sharma
Company Secretary
Place : Gurugram
Date : April 29, 2024