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

Notice is hereby given that the **19th Annual General Meeting** ("**AGM**") of the Members of Azure Power India Private Limited ("**Company**"") will be held on Wednesday the 30th day of September 2026 at 11:00 AM (IST) at the registered office at DSC-304, Second Floor, DLF South Court, Saket District Centre, New Delhi – 110017 to transact the following businesses:

## A. ORDINARY BUSINESS ITEMS

1. **TO CONSIDER AND ADOPT THE ANNUAL REPORT OF THE COMPANY FOR THE PERIOD ENDED ON 31st MARCH 2026**

   **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 2026, together with the schedules and notes attached thereto, along with the Reports thereon of the Director's and the Auditor's, as circulated to the Members and laid before the meeting be and are hereby considered and adopted.

2. **TO RE-APPOINT RETIRING DIRECTORS**

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

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

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

## B. SPECIAL BUSINESS ITEMS:

3. **TO CONSIDER AND APPROVE RATIFICATION OF THE REMUNERATION OF M/S SAURABH MISHRA & ASSOCIATES, COST ACCOUNTANTS AS COST AUDITOR OF THE COMPANY FOR THE FINANCIAL YEAR 2026-27**

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

   "**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, and pursuant to the recommendation of the Board of Directors, the members hereby approve and ratify, the remuneration payable to M/s Saurabh Mishra & Associates, Cost Accountants (Firm Registration No. 002680) as the Cost Auditors of the Company for the financial year 2026-27 as fixed by the Board of Directors."

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

KAPIL SHARMA Digitally signed by KAPIL SHARMA Date: 2026.08.14 21:03:09 +05'30'

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

**Date: 14.08.2026**
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 explanatory statement as required under section 102(1) of the Companies Act, 2013 in respect of special business is annexed hereto and forms an integral part of the notice.

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

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

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

**ANNEXURE – A**

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

**ITEM NO. 3**

Pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Cost Audit and Records) Rules, 2014 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications thereof, for the time being in force), the Board of Directors of the Company at their meeting held on August 13, 2026, had appointed M/s Saurabh Mishra & Associates, Cost Accountants (Firm Registration No. 002680) as the Cost Auditors to conduct an audit of the Cost Records of the Company for the Financial Year 2026-27, and authorised any Director to fix the remuneration to be paid to the Cost Auditors.

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

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

<u>**Form No. MGT-11**</u>

**Proxy Form**

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

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

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

110017

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/her**

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 19th Annual General Meeting of members of the Company for financial year 2025-26, to be held on Wednesday the 30th day of September 2026 at 11:00 AM at DSC-304, Second Floor, DLF South Court, Saket District Centre, New Delhi – 110017, and at any adjournment thereof in respect of such resolutions as are indicated below:

1. **Resolution No. 1**

**To consider and adopt Annual Report of the Company for the period ended 31 March 2026.**

Accepted

Rejected

2. **Resolution No. 2**

**To re-appoint retiring Directors**

Accepted

Rejected

3. **Resolution No. 3**

**To Consider and approve ratification of the remuneration of M/S Saurabh Mishra & Associates, Cost Accountants as Cost Auditor of the Company for the Financial Year 2026-27.**

Accepted

Rejected

Signed this ……..day of...........2026

Signature of Shareholder

**Affix Revenue Stamp**

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.*

**ATTENDANCE SLIP**
(To be presented at the entrance)

***(19th Annual General Meeting for FY 2025-26 on Wednesday the 30th day of September, 2026 at 11:00 AM at DSC-304, Second Floor, DLF South Court, Saket District Centre, New Delhi – 110017)***

Folio No./DP ID & Client ID: No. of shares held:

Name & Address of the Member:
Signature:

Name of the Proxyholder: Signature:

I hereby record my presence at the 19th Annual General Meeting for FY 2025-26,

______________________________________________

Signature of the attending Member/Proxy

Notes:
1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his

## Director's Report

To
**The Members,**
**Azure Power India Private Limited**

Your Board of Directors presents herewith the 19th Director's Report on the affairs of the Company together with the audited financial statements for the financial year ended on March 31, 2026 (the "**year under review**").

### 1) FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY

The Company's financial performance as on March 31, 2026, is summarized as follows:

| Particulars | For the year ended on March 31, 2026 (INR in Lakhs) | For the year ended on March 31, 2025 (INR in Lakhs) | For the year ended on March 31, 2026 (INR in Lakhs) | For the year ended on March 31, 2025 (INR in Lakhs) |
|---|---|---|---|---|
| | Standalone | | Consolidated | |
| **REVENUE FROM OPERATIONS** | | | | |
| Sale of Power | 23,028 | 22,937 | 1,97,620 | 2,03,453 |
| Services Rendered | 5,075 | 4,369 | | |
| **Other operating revenue** | | | | |
| Viability gap funding income | - | - | 1,219 | 1,353 |
| Carbon credit emission income | - | - | 566 | 239 |
| **Total Revenue from Operations** | **28,103** | **27,306** | **1,99,405** | **2,05,045** |
| Government grants related to assets | | | 17 | 17 |
| Other Income | 1,985 | 12,642 | 11,704 | 14,199 |
| Finance Income/Interest Income | 20,493 | 23,861 | 15,364 | 17,206 |
| **Total Income** | **50,581** | **63,809** | **2,26,490** | **2,36,467** |
| **EXPENSES** | | | | |
| Employee benefits expense | 9,405 | 8,583 | 11,383 | 10,667 |
| Depreciation and amortization expense | 5,713 | 5,743 | 42,934 | 44,437 |
| Impairment expense (net of reversal) | 57,786 | 3,852 | 19,971 | 2,430 |
| Finance cost | 25,385 | 29,122 | 1,19,545 | 1,28,092 |
| Other expenses | 11,549 | 18,706 | 32,384 | 43,410 |
| **Total expenses** | **1,09,838** | **66,006** | **2,26,217** | **2,29,036** |
| **Profit/(Loss) before tax** | **(59,257)** | **(2,197)** | **273** | **7,431** |
| Total Tax expense/ (Tax Benefit) | 14,006 | 14,056 | 43,670 | (10,007) |
| **Profit/(Loss) after tax** | **(73,263)** | **(16,253)** | **(43,397)** | **17,438** |
| **Total comprehensive income/ (expense/loss)** | **(72,982)** | **(16,240)** | **(43,032)** | **16,182** |

***Note**: Previous year's figures have been regrouped/ reclassified, to conform to the classification adopted in the current year classification.*

### 2) PERFORMANCE REVIEW AND STATE OF THE COMPANY'S AFFAIRS

**Standalone Financial Details:** Total Income for FY 2026 stood at INR 50,581 lakhs, (INR 63,809 lakhs in

FY 2025). Loss after tax for FY 2026 was INR 73,263 lakhs as compared to net loss after tax of INR 16,253 lakhs for FY 2025.

Cash and Cash Equivalent as on 31st March 2026 was INR 21,224 lakhs. The Board of Directors of your Company continues to focus on judicious management of its working capital.

**Consolidated Financial Details:** Total Income for FY 2026 stood at INR 2,26,490 lakhs, (INR 2,36,467 Lakhs in FY 2025). Loss after tax for the FY 2026 was INR 43,397 lakhs as compared to Profit after tax of INR 17,438 lakhs in FY 2025.

## 3) CURRENT SIZE OF OPERATIONS:

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

Group (collectively "Azure Power India Private Limited" ("**Company**"), "Azure Power Global Limited" ("**Ultimate Holding Company**"), its subsidiaries and sister concerns), is one of India's leading utility scale renewable energy project developers and operators. We build, own, and operate large renewable energy projects that supply clean energy to India's power grid. We developed India's first utility-scale solar power project in 2009 and have grown to achieve substantial scale in the Indian renewable industry. Our operational power plants are spread over 12 Indian states (including one Union Territory), with a total operating capacity of 3,041 MW including rooftop capacity as at March 31, 2026.

**Project Pipeline**

In Fiscal Year 2020, we won a bid for 2,000 MWs manufacturing linked project with SECI, and we also elected to exercise a greenshoe option for an additional 2,000 MWs as per auction guidelines. Out of this 4,000 MWs, 3,033 MWs of PPA were executed and balance 967 MWs were pending for PPA execution. During the Fiscal Year 2026, we executed PPAs for 400 MW capacity with SECI, and we are under discussions with SECI towards signing PPAs for the balance capacity of 567 MWs. For the 3,033 MWs for which we had executed PPAs with SECI during Fiscal Years 2022 and 2023, the Group will not continue with construction of these projects. For details, see section "Cancelled Projects" below.

In Fiscal Year 2023, We executed PPA with SECI for our first wind project of 120 MW. For this 120 MW Wind Project, the tariff was adopted by CERC (in March 2024), after a delay of more than 16 months. The approval for power procurement by one of the buying states (procuring 45 MW out of the 120 MW contracted capacity) regulatory commission was granted in May 2024. Because of the inordinate delay in getting these regulatory approvals (which is a Condition Precedent to be fulfilled by SECI and/or the buying utility under the PPA), this tariff is no longer market competitive. Owing to this delay, and a few deviations in the PPA (from the standard bidding guidelines), we asked SECI to withdraw their tariff adoption petition filed at CERC and made a submission to the same effect at CERC as well. Despite our submissions, the said tariff was adopted at CERC, owing to which we have filed an appeal against the CERC order at APTEL. The matter is still pending adjudication.

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

a. 300 MW Hybrid Connectivity at 220 kV at Lakadia ISTS substation, Gujarat (in-principle connectivity grant secured)

b. 300 MW Solar Connectivity at 220 kV at Raghanesda ISTS substation, Gujarat (Final connectivity grant secured)

c. 600 MW Solar Connectivity at 400 kV at Bhadla-V ISTS substation, Gujarat (awaiting in-principle grant)

d. 1,350 MW Non-Solar Connectivity in Rajasthan and Gujarat (awaiting in-principle grant)

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

**Cancelled Projects**

Following a review of project commercial viability and a Special Committee review and findings into certain projects and contracts for compliance and anti-corruption matters, Azure reassessed its commitments under SECI's 4,000 MW manufacturing-linked tender.

The company had executed PPAs for 2,333 MW, but these projects became subject to legal challenges in the Andhra Pradesh High Court, creating uncertainty around tariff approvals. Given the legal risks, project economics, and findings from the Special Committee review, Azure decided to withdraw from the 2,333 MW projects and sought relief from its contractual obligations.

In October 2023, the Andhra Pradesh High Court granted interim protection against the encashment of bank guarantees worth INR 1,223 million. Subsequently, in March 2024, SECI terminated the PPAs, reserved its rights to forfeit related guarantees and fees, reassigned the projects to another developer, and reduced Azure's generation and manufacturing allocations under the tender. As a result, Azure recorded a write-off of INR 254 million and a provision of INR 1,223 million related to these projects.

Separately, Azure also chose to exit 700 MW projects under the same tender due to economic, execution, and compliance-related concerns. The company recognized provisions of INR 1,053 million in FY2023 and INR 20 million in FY2024. Further during Fiscal Year 2025 SECI encashed INR 350 million of bank guarantees. A provision of INR 72 million was later reversed in FY 2026 following execution of a 400 MW PPA.

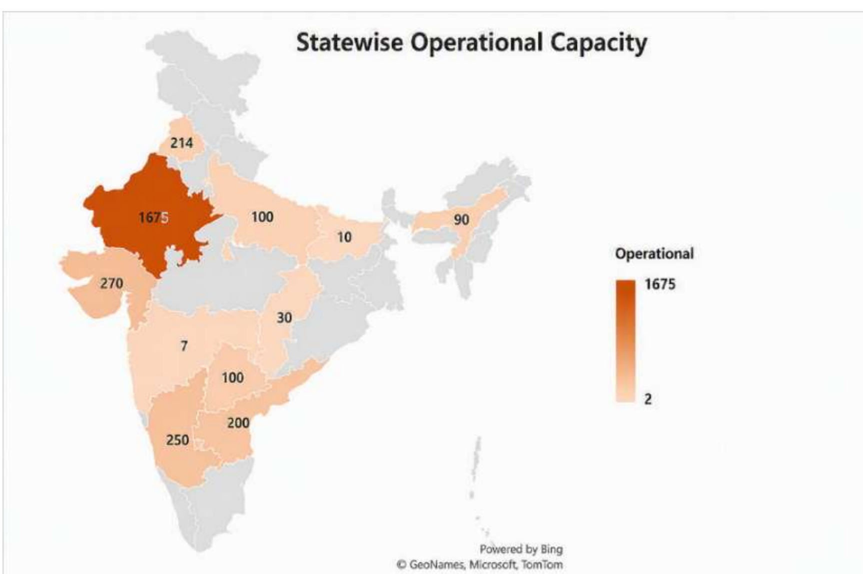
Separately, Bank Guarantees of approximately INR 220 million were submitted for obligations under module MCAs. To prevent coercive actions, including encashment of the bank guarantees, we filed a petition before the High Court of Andhra Pradesh. A stay has been granted against any coercive action including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

The company also recognized an additional provision of INR 195 million in FY2025 relating to these manufacturing contracts, including delays arising from reduced manufacturing capacity allocations.

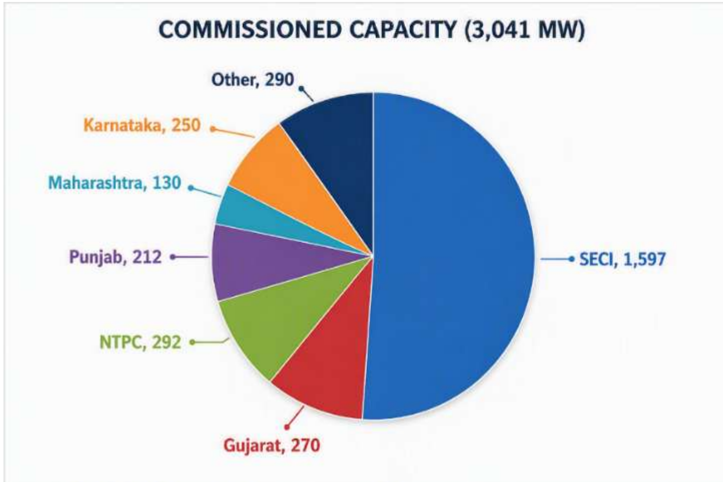
**PPA in respect of our 150 MW solar-wind Hybrid project**

In relation to the 150 MW Solar-Wind Hybrid Project, the Group decided to withdraw from the project and surrender the associated ISTS Connectivity grant due to economic and execution-related challenges during Fiscal Year 2025. The Group has paid liquidated damages of INR 199 million in Fiscal Year 2026 against provision recognized in Fiscal Year 2025.

The map below outlines our operational portfolio as at March 31, 2026 (excluding our rooftop portfolio of 93 MW).




We sell renewable power to our off-taker customers under long-term PPAs, typically 25 years in duration, at a fixed tariff. The strength of our off-taker customers is fundamental to our business and more than 62% of our PPAs (operational capacity) are signed with top-rate Central Government-owned intermediaries such as SECI and NTPC. Our counterparty exposure for the commissioned capacity is set out below:




During FY 2026, we generated 5,791 million units of clean and green electricity for the Indian power grid. Our goal is to remain a leader in the renewable energy market in India. All our operating assets are currently solar. We intend to explore adding wind, hybrid and storage assets over time, to complement our solar generation capacity.

## 4) RISK FACTORS

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

**Financial Risks**

- Our cash reserves and cash flows may be insufficient to meet our working capital requirements and expansion plans absent further financing. Accordingly, our failure to obtain additional financing on acceptable terms and in a timely manner could materially and adversely affect our financial condition 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 two fiscal years, and we may not be profitable in the future.

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

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

- Adverse tax Assessments & litigations, regulatory actions and related liabilities may adversely affect our liquidity, cash flows and financial position

**Compliance risk**

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

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

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

- We had identified material weaknesses in our internal control over financial reporting in earlier years which was remediated during Fiscal Year 2025. If we fail to maintain an effective system of internal controls over financial reporting in the future, we may not be able to accurately or timely report our financial results, which may adversely affect investor confidence.

- Our construction activities may be subject to cost overruns or delays which may adversely affect our business, results of operations, financial condition and cash flows.

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

**Risks Related to Retention of Management and Key Employees**

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

**Off-taker risks related to compliance with the terms of PPAs, delay in payments, and LOAs cancelled**

- Counterparties to our PPAs may not fulfil 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.

**Project Risk**

- Construction and execution challenges in renewable energy projects may affect project timelines, costs and returns.

- Our renewable energy pipeline is subject to development, connectivity and regulatory risks that may impact future growth and financial performance

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

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

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

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

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

**Health, Safety and Environmental Risks**

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

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

**Competition Risks**

- We may not be able to acquire rights to develop and generate power from new renewable 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 completely own all the land on which we operate.

**Contractual Risks Related to Our PPAs and Fixed Tariffs**

- We may not be able to sign PPAs for balance capacity of 567 MWs in respect of the 4,000 MWs manufacturing linked tender for which letter of award has already been received.

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

- Restriction in transfer of PPAs.

**Risks Related to 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 was brought against our Parent Company in the New York.

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

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

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

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

- 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.

- Future issuances of any equity securities may cause a dilution in your shareholding, impact 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 taxation on income arising from the sale of our shares.

**5) CREDIT RATING OF SECURITIES**

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

| Borrower or Borrower Group | Borrowing | Rating Agency | Action |
|---|---|---|---|
| Azure Power India Private Limited | Long term & Short term | CRISIL | Crisil A/Stable (Upgraded from 'Crisil A-/Stable')<br><br>Crisil A1 (Upgraded from 'Crisil A2+') |
| Azure Power India Private Limited | Long term & Short term | CARE | CARE A-; Stable, Upgraded from CARE BBB+ and removed from Rating Watch with Developing Implications; Stable outlook assigned<br><br>CARE A-; Stable / CARE A2+, Upgraded from CARE BBB+ / CARE A2 and removed from Rating Watch with Developing Implications; Stable outlook assigned |

**6) INSURANCE**

Your Company has obtained insurance coverage for its key assets against risks and perils considered material and reasonably foreseeable.

**7) DIVIDEND**

The Board of Directors of your Company, considering losses during the year has decided not to recommend any dividend for the year under review.

**8) TRANSFER TO RESERVES**

The Board of Directors of your Company, considering losses during the year has decided not to transfer any amount to the general reserves for the year under review.

**9) DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

Your company is a subsidiary of Azure Power Global Limited, Holding Company (a company incorporated in Mauritius) and as at the end of the relevant financial year, had 50 direct Indian subsidiaries, 1 direct U.S. subsidiary, 1 Associate Company. All the Indian subsidiaries are engaged in the business of operating power projects.

A report on the performance and financial position of each of the subsidiaries, associates and joint venture companies as at the financial year end as per the Companies Act, 2013 in Form No. AOC-1 is attached herewith as **Annexure-I.**

## 10) INVESTMENT IN SUBSIDIARY COMPANIES DURING THE YEAR

As on 31st March 2026, 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, 2026 (INR in Lakhs) | As at March 31, 2025 (INR in Lakhs) |
|---|---|---|---|
| 1. | 1,26,523 shares (March 31, 2025: 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 (March 31, 2025: 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, 2025: 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, 2025: 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, 2025: 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, 2025: 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, 2025: 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, 2025: 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, 2025: 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, 2025: 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, 2025: 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, 2025: 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, 2025: 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, 2025: 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, 2025: 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, 2025: 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, 2025: 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, 2025: 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, 2025: 1,24,583) equity shares of INR 10/- each fully paid up in Azure Power Mars Private Limited | 1,101 | 1,101 |
| 20. | 7,76,874 shares (March 31, 2025: 7,76,874) equity shares of INR 10/- each fully paid up in Azure Power Pluto Private Limited | 24,914 | 24,914 |
| 21. | 1,26,640 shares (March 31, 2025: 1,26,640) equity shares of INR 10/- each fully paid up in Azure Power Uranus Private Limited | 1,239 | 1,239 |
| 22. | 1,65,135 shares (March 31, 2025: 1,65,135) equity shares of INR 10/- each fully paid up in Azure Power Venus Private Limited | 5,028 | 5,028 |
| 23. | 6,99,499 shares (May 23, 2025: 6,99,499) equity shares of INR 10/- each fully paid up in Azure Power Saturn Private Limited* | 2043 | 2043 |
| 24. | 9,28,836 shares (March 31, 2025: 9,28,836) equity shares of INR 10/- each fully paid up in Azure Power Thirty Three Private Limited | 35,713 | 35,713 |
| 25. | 29,52,087 shares (March 31, 2025: 29,52,087) equity shares of INR 10/- each fully paid up in Azure Power Thirty Four Private Limited | 15,904 | 15,904 |
| 26. | 1,17,446 (March 31, 2025: 1,17,446) equity shares of INR 10/- each fully paid up in Azure Power Thirty Six Private Limited | 6,693 | 6,693 |
| 27. | 36,40,673 shares (March 31, 2025: 36,40,673) equity shares of INR 10/- each fully paid up in Azure Power Thirty Seven Private Limited | 5,607 | 5,607 |
| 28. | 1,20,402 shares (May 30, 2025: 1,20,402) equity shares of INR 10/- each fully paid up in Azure Power Thirty Eight Private Limited* | 1945 | 1945 |
| 29. | 86,765 shares (March 31, 2025: 86,765) equity shares of INR 10/- each fully paid up in Azure Power Thirty Nine Private Limited | 604 | 604 |
| 30. | 26,32,123 shares (March 31, 2025: 26,32,123) equity shares of INR 10/- each fully paid up in Azure Power Forty Private Limited | 13,684 | 13,684 |
| 31. | 10,82,632 shares (March 31, 2025: 10,82,632) equity shares of INR 10/- each fully paid up in Azure Power Forty One Private Limited | 28,992 | 28,992 |
| 32. | 12,22,477 shares (March 31, 2025: 12,22,477) equity shares of INR 10/- each fully paid up in Azure Power Forty Three Private Limited | 34,191 | 34,191 |

| | | | |
|---|---|---|---|
| 33. | 27,56,629 shares (March 31, 2025: 27,56,629) equity shares of INR 10/- each fully paid up in Azure Power Maple Private Limited | 21,967 | 21,967 |
| 34. | 15,43,001 shares (March 31, 2025: 15,43,001) equity shares of US$ 1 each fully paid up in Azure Power US Inc. | 951 | 951 |
| 35. | 46,04,457 shares (March 31, 2025: 33,99,638) equity shares of INR 10/- each fully paid up in Azure Power Fifty One Private Limited | 3,099 | 3,099 |
| 36. | 13,26,537 shares (March 31, 2025: 13,26,537) equity shares of INR 10/- each fully paid up in Azure Power Fifty Two Private Limited | 1,499 | 1,499 |
| 37. | 1,10,000 shares (March 31, 2025: 1,10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Three Private Limited | 11 | 11 |
| 38. | 10,000 shares (March 31, 2025: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Four Private Limited | 1 | 1 |
| 39. | 1,09,999 shares (March 31, 2025: 1,09,999) equity shares of INR 10/- each fully paid up in Azure Power Fifty Six Private Limited | 11 | 11 |
| 40. | 10,000 shares (March 31, 2025: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Seven Private Limited | 1 | 1 |
| 41. | 10,000 shares (March 31, 2025: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Eight Private Limited | 1 | 1 |
| 42. | 10,000 shares (March 31, 2025: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Nine Private Limited | 1 | 1 |
| 43. | 10,000 shares (March 31, 2025: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Sixty Private Limited | 1 | 1 |
| 44. | 10,000 shares (March 31, 2025: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Sixty One Private Limited | 1 | 1 |
| 45. | 10,000 shares (March 31, 2025: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Sixty Two Private Limited | 1 | 1 |
| 46. | 10,000 shares (March 31, 2025: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Sixty Three Private Limited | 1 | 1 |
| 47. | 10,000 shares (March 31, 2025: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Sixty Four Private Limited | 1 | 1 |
| 48. | 10,000 shares (March 31, 2025: 10,000) equity shares of INR 10/- each fully paid up in Kotuma Wind Parks Private Limited | 1 | 1 |
| 49. | 10,000 shares (March 31, 2025: 10,000) equity shares of INR 10/- each fully paid up in Two Wind Energy Private Limited | 1 | 1 |

| | | | |
|---|---|---|---|
| 50. | 10,000 shares (March 31, 2025: 10,000) equity shares of INR 10/- each fully paid up in Azure Energy Transition Private Limited | 1 | 1 |
| 51. | 10,000 shares (March 31, 2025: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Sixty Five Private Limited | 1 | 1 |
| 52. | 10,000 shares (March 31, 2025: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Sixty Six Private Limited | 1 | 1 |
| 53. | 10,000 shares (March 31, 2025: 10,000) equity shares of INR 10/- each fully paid up in Azure Green Hydrogen Private Limited | 1 | 1 |

***Note:** Following entities have ceased to be subsidiaries of the Company:

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

During the year ended March 31, 2021, the Company along with its fellow subsidiary Azure Power Rooftop Private Limited (APRPL) entered into a contract with Radiance Renewables Private Limited ("Radiance") to sell certain subsidiaries (the "Rooftop Subsidiaries") with an operating capacity of 153 MW, for INR 53,500 lakhs, subject to certain purchase price adjustments (the "Rooftop Sale Agreement"). Whereby, Radiance acquired 100% of the equity ownership of the Rooftop Subsidiaries owned by the Company. There was a restriction on transfer of 33.2 MW operating capacity that is part of the Restricted Group as defined in the Green Bond Indenture. The Company had transferred 48.6% equity ownership of these entities in FY 2022 and remaining 51.4% ownership was to be transferred post refinancing of the Green Bonds which were due in December 2024. There was also a restriction on transfer of equity ownership relating to the 16 MW project with Delhi Jal Board (DJB), wherein 49% of the equity ownership was transferred to Radiance in FY 2022 and the balance 51% was to be transferred on or after September 30, 2024. Pursuant to refinancing Green Bonds, the Company transferred ownership of 33.2 MW operating capacity forming part of Restricted Group. Out of 33.2 MW, the Company had transferred 51.4% remaining equity ownership to Radiance for 21.8 MW during the previous year. During the current year, in May 2025, the remaining 51.4% equity ownership for the balance 11.4 MW was also transferred to Radiance, completing the transfer of the entire 33.2 MW Restricted Group capacity. For the 16 MW project with Delhi Jal Board (DJB), during the current year, in April 2025, the Company transferred the balance 51% remaining equity ownership to Radiance, completing the transfer of the entire 16 MW DJB capacity. Accordingly, with the transfer of both the Restricted Group (33.2 MW) and DJB (16 MW) portfolios completed during the current year, no investments under the Rooftop Sale Agreement remain classified as current investment in these standalone financial statements as at March 31, 2026. The Company has transferred 100% shareholding in relation to 17.3 MW operating capacity in earlier years.

**Investment in the Compulsorily Convertible Debentures (CCD) of Subsidiaries**

| Sr. No. | Details of Investment in the Compulsorily Convertible Debentures (CCD) of Subsidiaries | As at March 31, 2026 (INR in Lakhs) | As at March 31, 2025 (INR in Lakhs) |
|---|---|---|---|
| 1. | 3,20,758 CCDs (March 31, 2025: 3,20,758) in Azure Power Thirty Seven Private Limited | 8,500 | 8,500 |
| 2. | 1,70,183 CCDs (March 31, 2025: 1,70,183) in Azure Power Forty Three Private Limited | 5,000 | 5,000 |
| 3. | 15,63,00,000 (March 31, 2025: Nil) CCD in Azure Power Fifty Two Private Limited | 15,630 | - |
| 4. | 3,59,98,380 (March 31, 2025: 3,59,98,380) CCD in Azure Power Fifty One Private Limited | 3,600 | 3,600 |
| 5. | 1,10,85,039 (March 31, 2025: 1,10,85,039) CCD in Azure Power Fifty Three Private Limited | 1,109 | 1,109 |

| | | | |
|---|---|---|---|
| 6. | 1,04,34,789 (March 31, 2025: 1,04,34,789) CCD in Azure Power Fifty Four Private Limited | 1,043 | 1,043 |
| 7. | 23,00,000 (March 31, 2025: 23,00,000) CCD in Azure Power Fifty Six Private Limited | 230 | 230 |
| 8. | 24,00,000 (March 31, 2025: 24,00,000) CCD in Azure Power Fifty Seven Private Limited | 240 | 240 |
| 9. | 1,06,91,461 (March 31, 2025: 1,06,76,461) CCD in Azure Power Fifty Nine Private Limited | 1,069 | 1,068 |
| 10. | 1,03,94,669 (March 31, 2025: 1,03,79,669) CCD in Azure Power Sixty Private Limited | 1,039 | 1,038 |
| 11. | 83,00,000 (March 31, 2025: 83,00,000) CCD in Azure Power Sixty Two Private Limited | 830 | 830 |

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

| Sr. No. | Details of Investment | Type of Securities | As at March 31, 2026 (INR in Lakhs) | As at March 31, 2025 (INR in Lakhs) |
|---|---|---|---|---|
| 1. | 5,61,921 (March 31, 2025: 5,61,921) equity shares of INR 10/- each fully paid up in Premier Energies International Private Limited (earlier known as Azure Power Fifty- Five Private Limited) * | Equity | 1,365 | 1,365 |
| 2. | 13,00,000 (March 31, 2025: 13,00,000) compulsorily convertible debentures of INR 245/- each fully paid up in Premier Energies International Private Limited (earlier known as Azure Power Fifty- Five Private Limited) * | CCD | 3,185 | 3,185 |

* During the year ended March 31, 2022, the Company had entered into a non-binding obligation with M/s Premier Energies Limited ("Premier"), a solar module manufacturing company, relating to execution of tender received from SECI. The Company had invested INR 937 lakhs in equity shares of the Premier Energies International Private Limited ("entity") for its 26% of the equity shares of an entity, where Premier had invested in 74% of equity shares. During the year ended March 31, 2023, the Company had further invested INR 428 lakhs in equity shares (without dividend rights) and INR 3,185 lakhs in compulsorily convertible debentures of entity and the Company also entered into related module supply agreements and share and debentures subscription agreements with Premier.

## 11) IMPAIRMENT ASSESSMENT OF INVESTMENTS AND FINANCIAL ASSETS

During the year, the Company carried out its annual assessment of the recoverability of investments in subsidiaries (including equity shares and CCD's) and impairment of loans, receivables etc. in accordance with the applicable requirements of Indian Accounting Standards (Ind AS), including Ind AS 36 *Impairment of Assets* and Ind AS 109 *Financial Instruments*.

Based on the assessment of the standalone financial position, operating performance and recoverability of the underlying investments and financial assets, the Company recognised a net impairment charge of INR 61,931 lakhs during the financial year ended March 31, 2026 (Previous year: INR 4,957 lakhs) reported under Standalone Financial Statement for the Company for FY 2026.

Based on the assessment of the consolidated financial position, operating performance and recoverability of the underlying investments and financial assets, the Company recognised a net impairment charge of INR 17,818 lakhs during the financial year ended March 31, 2026 (Previous year: INR 4,485 lakhs) reported under Consolidated Financial Statement for the Company for FY 2026.

The impairment primarily relates to certain subsidiaries based on their financial position and recoverability assessment.

The Company believes that the impairment assessment has been carried out using appropriate assumptions and methodologies consistent with the applicable accounting standards. Detailed disclosures regarding the impairment assessment, key assumptions and amounts recognised are provided in the Note 54 to the notes to the Standalone Financial Statements and Note 52 to the notes to the Consolidated Financial Statements.

## 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 Simplifying Solar Energy Services for utilities and commercial sites. | 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™ Power to be Free! | 2321064 | 24-04-2012 | Registered | 35 |
| Azure Power™ Power to be Free! | 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 54" of the Consolidated Financial Statement for FY 2026 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") operate as one unit ("Group"), 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 of the Group, including our Group's Chief Executive Officer and our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by these financial statements, March 31, 2026. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information disclosed by us in our reports is accumulated and communicated to Management of the Group, including our Group's principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding our required disclosure.

Based on the foregoing, our Group's Chief Executive Officer and our Chief Financial Officer have concluded that, as of March 31, 2026, our disclosure controls and procedures were effective.

Management of the Group 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 all the subsidiaries including the Company assets are made in accordance with Groups Management authorization; and provide reasonable assurance that unauthorized acquisition, use or disposition of all the subsidiaries including the 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.

The Internal Financial Controls Over Financial Reporting of the Group itself have similarly been evaluated and are commensurate with its size, scale and the nature of its operations.

Management of the Group used the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI') to evaluate the effectiveness of our internal controls over financial reporting. Management of the Group has assessed the effectiveness of our internal controls over financial reporting as of March 31, 2026 and has concluded that such internal control over financial reporting is effective

## 16) DEPOSITS

During the year under review, your Company has not accepted any deposit under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

## 17) AUDITORS & AUDITOR'S REPORT:

**Statutory Auditors**

In Compliance with the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Act and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s)/ re-enactment(s)/amendment(s) thereof, for the time being in the force), M/s ASA & Associates LLP, Chartered Accountants, (Firm Registration No. 009571N/N500006) were appointed as Statutory Auditors of the Company for a period of 5 (five) consecutive years years to hold the office from the conclusion of AGM held for FY 2023 till the conclusion of the AGM of the Company to be held for the FY 2028.

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

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

**Cost Auditors**

Pursuant to the provision of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s Saurabh Mishra & Associates (FRN: 002680) were appointed as Cost Auditor of the Company for the FY 2026.

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

The members in their 18th Annual General Meeting held on 30th September 2025 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 FY 2026, 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 (COP - 12262) were appointed as Secretarial Auditors to undertake Secretarial Audit of the Company for the FY 2026. The report in MR-3 is annexed herewith as **Annexure - III.**

**Internal Auditors**

For the FY 2026, Mr. Subodh Kumar was appointed as the Lead Internal Auditor of the Company, pursuant to the earlier decision of the Board of Directors of the Company to internalize the Internal audit system.

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

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

## 19) DISCLOSURE FOR FRAUDS AGAINST THE COMPANY

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

## 20) CAPITAL STRUCTURE

As on 31st March 2026, following was the Share Capital of the Company.

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

a) **Issue of Shares or other Securities:**
During the year under review, there was no change in the capital structure.

b) **Issue of equity shares with differential rights:**
During the year under review, no equity shares with differential voting rights were issued by the Company.

c) **Issue of sweat equity shares:**
During the year under review, no sweat equity shares were issued by the Company.

d) **Issue of employee stock options:**
During the year under review, no employee stock options were issued

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

f) **Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees:**
The company has not made any provision for the purchase of its own shares by employees or by trustees for the benefit of employees.

## 21) DOWNSTREAM INVESTMENT

During the financial year under review, the Company made downstream investments aggregating to INR 1,56,33,00,000. The Company has complied with the provisions of the Foreign Exchange Management Act, 1999 ("FEMA") read with the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("NDI Rules") in respect of such downstream investments. The Company has also obtained a certificate from M/s ASA & Associates LLP, Chartered Accountants (Firm Registration No. 009571N/N500006), Statutory Auditors of the Company, confirming compliance with the applicable provisions of FEMA read with the NDI Rules relating to the downstream investments made during the financial year.

## 22) ANNUAL RETURN

The Annual Return of the Company as on 31st March 2026 will be available on the website of the Company at https://www.azurepower.com/financial-information

## 23) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

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

a) **Conservation of Energy**

The company continuously strives to achieve all around efficiency in energy consumption. It has taken effective energy efficiency measures in all its project companies. During the year under review, this has helped it to achieve CO2 mitigation/emission of 53,54,91,615.90 Kwh through its projects.

b) **Technology Absorption**

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

c) **Foreign Exchange Earnings and Outgo**

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

| Particulars | March 31, 2026 (amount in INR) |
|---|---|
| Foreign Exchange Earnings | 60,25,683.31 |
| Foreign Exchange Outgo | 22,49,36,003.18 |

## 24) CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

1. Mr. Brijesh Mehra (Chairman)
2. Mr. Philippe Pierre Wind (Member)
3. Mr. Richard Payette (Member)

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

During the year under review members of the Committee met 2 (Two) times.

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

## 25) 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, 2026, following were the Directors of the Company:

1. Ms. Pratibha Bajaj
2. Mr. Brijesh Mehra (Chairperson)
3. Mr. Julian Gratiaen
4. Mr. Sunil Kumar Gupta
5. Mr. Richard Payette
6. Mr. Jean Francois Joseph Boisvenu
7. Mr. Philippe Pierre Wind

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

1. The Board of Directors, at its meeting held on August 20, 2025, approved and re-recommended the re-appointment of the retiring directors, Ms. Pratibha Bajaj and Mr. Richard Payette. The members subsequently re-appointed both directors at the Annual General Meeting held on September 30, 2025.
2. Mr. Sugata Sircar, Executive Director-Group CFO, resigned from the Board with effect from September 30, 2025.
3. Mr. Jaime Garcia Nieto resigned from the Board with effect from April 18, 2025

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

1. Appointment of Mr. Ambuj Agrawal as Nominee Director on the Board with effect from July 20, 2026.

## 26) NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

For the financial year in review, the Board of Directors had 05 (Five) Board meetings i.e., 11 June 2025, 20 August 2025, 17 September 2025, 10 December 2025 and 17 March 2026 which were in compliance with the relevant provisions of all the applicable laws and rules.

## 27) BOARD COMMITTEE'S

A. **Finance Committee**:

As on the date of this report, the Finance Committee of the Company is comprised of Mr. Sunil Kumar Gupta (MD and CEO) and Mr. Rajat Kumar Gupta (CFO) as members of the Committee.

The Finance Committee of the Company met 13 (Thirteen) times during the year whereas urgent matters were approved by the members of Finance Committee through circular resolutions.

During the financial year, Mr. Sugata Sircar, Group Chief Financial Officer and a Member of the Finance Committee, tendered his resignation with effect from 30th September 2025. Consequent upon his resignation, Mr. Rajat Kumar Gupta was appointed as the Chief Financial Officer of the Company.

Accordingly, the Board of Directors, at its Meeting held on 17th September 2025, reconstituted the Finance Committee by appointing Mr. Rajat Kumar Gupta as a Member of the Committee in place of

Mr. Sugata Sircar, with effect from 17th September 2025.

B. **Audit and Risk Committee**:

As of the date of this report, the Audit and Risk Committee of the Company is comprised of Four members including Mr. Richard Payette (Chairperson), Mr. Jean Francois Boisvenu, Ms. Pratibha Bajaj and Mr. Julian Suresh Paul Gratiaen respectively.

During the financial year, the Board of Directors, at its meeting held on June 11, 2025, reconstituted the Audit and Risk Committee by appointing Ms. Pratibha Bajaj as a member of the Committee.

During the year under review members of the Audit Committee met 5 (Five) times.

**C. Nomination and Remuneration Committee**

As of the date of this report, the Nomination and Remuneration Committee of the Company is comprised of four members including Mr. Brijesh Mehra (Chairperson), Mr. Philippe Pierre Wind, Mr. Jean Francois and Mr. Julian Suresh Paul Gratiaen respectively.

During the year under review members of the Nomination and Remuneration Committee met 1 (One time.

**D. Investment & Capital Committee**

As of the date of this report, the Investment & Capital Committee of the Company is comprised of four members including Ms. Pratibha Bajaj (Chairperson), Mr. Brijesh Mehra, Mr. Richard Payette and Mr. Julian Suresh Paul Gratiaen respectively.

During the year under review members of the Investment & Capital Committee met 1 (One) times.

**E. Sustainability and Corporate Social Responsibility Committee**

As of the date of this report, the Sustainability and Corporate Social Responsibility Committee of the Company is comprised of three members including Mr. Richard Payette, Mr. Brijesh Mehra (Chairperson) and Mr. Philippe Pierre Wind respectively.

During the year under review members of the Committee met 2 (two) times.

## 28) COMPLIANCE WITH SECRETARIAL STANDARDS

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

The Secretarial Auditor has not given any qualified opinion on the Secretarial records and compliances of the Company for FY 2026. The said report in form no. MR-3 is attached herewith as **Annexure-III.**

## 29) 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.

However, during FY 2026, the Company issued corporate guarantees aggregating to INR 262,699 lakhs((INR 2,37,000 lakhs in FY 2025)) and released corporate guarantees aggregating to INR 161,245 lakhs (INR 1,53,700 lakhs in FY 2025) on behalf of certain wholly owned subsidiary companies in the ordinary course of business to support their borrowing requirements.

Details of the said guarantees are provided in Note 28 to the Standalone Financial Statements. The particulars of the corporate guarantees issued and released during the financial year ended March 31, 2026 are set out in

**Annexure VI** to this Board's Report, which forms an integral part of this Report.

## 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

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

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

## 32) CONTRACTS AND ARRANGEMENTS WITH THE RELATED PARTIES

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

The Audit & Risk Committee and Board of Directors of Holding Company approved and adopted the RPT Approval Framework at its meeting held on 10th December 2025, which provides for omnibus approvals for recurring and ordinary-course related party transactions subject to defined limits, governance requirements and periodic reporting.

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

RPT Committee consists of Tax Head, FP&A Head, VP Capital Team and Company Secretary.

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

## 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, noting that as noted in the financial statements, the accounts of six subsidiaries incorporated into the consolidated accounts were prepared on a basis other than going concern.

e) the Directors determined that, as of March 31, 2026, our internal controls over financial reporting were effective.

## 34) HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS

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

## 35) COMPLIANCE STATEMENT ON THE MATERNITY BENEFIT ACT, 1961

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

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

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

The Company has in place Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Committee (IC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

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

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

## 37) DISCLOSURE UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

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

## 38) VIGIL MECHANISM

As the Holding Company and the Company has disclosed in its filings since 2022, in May and September of 2022, the Group received whistleblower complaints and initiated internal investigations headed by the Audit and Risk Committee of the Holding Company (the "**ARC Investigation**") and a Special Committee of Board of Directors of the Holding Company established in August 2022 (the "**Special Committee Investigation**"). None of those allegations pertain to the Company. At the direction of the Board of Directors of the Holding Company, external counsel for the committees initiated a voluntary self-disclosure on behalf of the Holding Company to the U.S. Department of Justice and the U.S. Securities and Exchange Commission (the "**U.S. Government**"). The Holding Company continues to cooperate with the U.S. Government's investigations.

The ARC Investigation was concluded in the previous year. The Special Committee Investigation, which is substantially complete, identified evidence that individuals formerly affiliated with the Group may have had knowledge of, or were involved in, an apparent scheme with persons outside the Group to make improper payments in relation to certain projects. To date, the Special Committee has not identified related improper payments or transfers by the Group. The Special Committee's review and the information it identified have impacted the decision-making of the Group in connection with such projects.

On November 20, 2024, a grand jury in the Eastern District of New York indicted former Company directors Cyril Cabanes and Deepak Malhotra, former Azure executives Ranjit Gupta and Rupesh Agarwal, and several other individuals (unrelated to the Group) for alleged conduct related to the Special Committee Investigation. Separately, on November 20, 2024, the SEC brought complaints against former director Cyril Cabanes and other individuals (unrelated to the Group) for alleged conduct related to the Special Committee Investigation. The Company is not a defendant in either action. On May 18, 2026, the U.S. Department of Justice moved to dismiss the criminal indictment with prejudice. The United States District Court has not yet ruled on that motion.

Our Group (specifically 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 from lenders) 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 U.S. Government 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, 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 Company is required to form and adopt policy for Vigil Mechanism or Whistle blower as the provision of Section 177 of the Companies Act, 2013 is applicable. Azure Group has a common Whistleblower and Anti Retaliation Policy applicable to all subsidiaries including the Company.

https://azurepower.com/public/storage/documents/whistleblower-and-anti-retaliation-policy.pdf

## 39) REGISTERED OFFICE OF THE COMPANY

During the financial year under review, there was no change in the Registered Office of the Company.

**Registered Office of the Company**: DSC-304, Second Floor, DLF South Court, Saket District Centre, New Delhi – 110017 with effect from August 8, 2024.

## 40) OTHER DISCLOSURES

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

## 41) ACKNOWLEDGEMENT

Your directors wish to place on record their 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 their 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 will continue their sincere and dedicated endeavor towards attainment of better working results during the current year.

## 42) 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 from those expressed in the statements. 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 FY 2022and FY 2023on or before December 31, 2022, and December 31, 2023, respectively. Considering the delay in closure of audit (refer note 49), the AGM for FY 2022and FY 2023were held in February 2024 and May 2024 respectively, i.e. after the extension granted by ROC.

The Company successfully filed the compounding application with the ROC in December 2024. As of the reporting date, the application is pending disposal with the Regional Director, and the Management believes that the financial impact of the same is not material.

**For and on behalf of the Board of Directors,**

**AZURE POWER INDIA PRIVATE LIMITED**

| | |
|---|---|
| SUNIL GUPTA Digitally signed by SUNIL GUPTA Date: 2026.08.13 20:15:28 +05'30' | Brijesh Mehra Digitally signed by Brijesh Mehra Date: 2026.08.13 20:12:07 +05'30' |
| **Sunil Kumar Gupta** | **Brijesh Mehra** |
| **Managing Director** | **Board Chairman** |
| **DIN: 07095152** | **DIN: 03341307** |
| Date: 13.08.2026 | Date: 13.08.2026 |
| Place: Gurugram | Place: Mumbai |

**Annexure-I**

## Form AOC-1

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

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

### PART "A": Subsidiaries

| Sl. No. | Name of the subsidiary | Reporting Period | Reporting Currency | Share capital | Reserves and surplus | Total assets | Total liabilities | Investment | Turnover | Profit before tax | Provision for tax | Profit after tax | Proposed dividend | % of Share Holding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Azure Power (Punjab) Private Limited | 2025-26 | INR in lakhs | 12.65 | 1208.34 | 1435.75 | 214.76 | - | 235.87 | -110.95 | 51.29 | -162.24 | 0 | 100% |
| 2 | Azure Solar Private Limited | 2025-26 | INR in lakhs | 118.46 | 7204.48 | 22945.4 | 15622.46 | - | 4760.91 | 2582.98 | 674.58 | 1908.4 | 0 | 100%* |
| 3 | Azure Power (Haryana) Private Limited | 2025-26 | INR in lakhs | 495.38 | 1724.3 | 20860.53 | 18640.85 | - | 1828.73 | -178.68 | 576.29 | -754.97 | 0 | 99.17% |
| 4 | Azure Power (Rajasthan) Private Limited | 2025-26 | INR in lakhs | 9.89 | 422.23 | 3878.59 | 3446.47 | - | 959.2 | 474.41 | 124.98 | 349.43 | 0 | 100.00% |
| 5 | Azure Urja Private Limited* | 2025-26 | INR in lakhs | 14.16 | 9457.83 | 29245.05 | 19773.06 | 2,500.00 | 3013.86 | -563.29 | -24.76 | -538.53 | 0 | 100%* |
| 6 | Azure Surya Private Limited* | 2025-26 | INR in lakhs | 6.67 | 6668.73 | 7513.72 | 838.32 | - | 1484.19 | 1252.59 | 918.43 | 334.16 | 0 | 100%* |
| 7 | Azure Power (Karnataka) Private Limited* | 2025-26 | INR in lakhs | 6.42 | 3715.93 | 9950.39 | 6228.04 | - | 1113.62 | 414.22 | 200.63 | 213.59 | 0 | 100%* |
| 8 | Azure Power Infrastructure Pvt Ltd | 2025-26 | INR in lakhs | 20.73 | 15013.14 | 42335.56 | 27301.69 | - | 4498.95 | 1788.08 | 672.8 | 1115.28 | 0 | 100%* |
| 9 | Azure Sunrise Pvt Ltd | 2025-26 | INR in lakhs | 21.63 | 6846.6 | 35563.4 | 28695.17 | - | 5292.49 | -746.31 | 786.19 | -1532.5 | 0 | 100.00% |
| 10 | Azure Sunshine Pvt Ltd | 2025-26 | INR in lakhs | 5.63 | 5993.59 | 20632.1 | 14632.88 | - | 1915.8 | 182.07 | 173.43 | 8.64 | 0 | 100.00% |
| 11 | Azure Power (Raj.) Pvt Ltd | 2025-26 | INR in lakhs | 41.77 | 15953.43 | 39750.55 | 23755.35 | - | 4086.5 | 1923.08 | 1299.07 | 624.01 | 0 | 100.00% |
| 12 | | 2025-26 | | 34.05 | 11948.49 | 32922.08 | 20939.54 | - | 4001.35 | 1147.68 | 742.14 | 405.54 | 0 | 100.00% |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Azure Photovoltaic Pvt Ltd | | INR in lakhs | | | | | | | | | | | |
| 13 | Azure Clean Energy Pvt Ltd | 2025-26 | INR in lakhs | 4.64 | 12429.71 | 32999.67 | 20565.32 | - | 3854.9 | 2576.99 | 1302.51 | 1274.48 | 0 | 100.00% |
| 14 | Azure Green Tech Private Limited | 2025-26 | INR in lakhs | 5.64 | 12466.84 | 38144.28 | 25671.8 | - | 3590.91 | 1475.77 | 679.7 | 796.07 | 0 | 100.00% |
| 15 | Azure Power Earth Private Limited | 2025-26 | INR in lakhs | 45.98 | 9305.84 | 57789.63 | 48437.81 | - | 6811.76 | -393.48 | 360.49 | -753.97 | 0 | 100.00% |
| 16 | Azure Power Eris Private Limited | 2025-26 | INR in lakhs | 7.14 | 3477.86 | 8210.99 | 4725.99 | - | 949.89 | 1079.49 | 330.65 | 748.84 | 0 | 100.00% |
| 17 | Azure Power Mars Private Limited | 2025-26 | INR in lakhs | 12.46 | 1456.57 | 4213.68 | 2744.65 | - | 475 | 71.86 | 66.24 | 5.62 | 0 | 100.00% |
| 18 | Azure Power Pluto Private Limited | 2025-26 | INR in lakhs | 78 | 33,887 | 1,04,137 | 7,012 | - | 11,781 | 5,780 | 2,601 | 3,179 | 0 | 100.00% |
| 19 | Azure Power Jupiter Private Limited | 2025-26 | INR in lakhs | 16.74 | 3817.52 | 28579.88 | 24745.62 | - | 3469.55 | 138.42 | 39.2 | 99.22 | 0 | 51.01% |
| 20 | Azure Power Makemake Private Limited | 2025-26 | INR in lakhs | 26.85 | 11833.58 | 28059.49 | 16199.06 | 2,213.00 | 2994.06 | 1579.72 | 565.5 | 1014.22 | 0 | 100.00% |
| 21 | Azure Power Uranus Private Limited | 2025-26 | INR in lakhs | 12.66 | 178.35 | 3552.72 | 3361.71 | - | 530.1 | -77.11 | 106.05 | -183.16 | 0 | 100.00% |
| 22 | Azure Power Venus Private Limited | 2025-26 | INR in lakhs | 16.51 | 115.33 | 19693.85 | 19562.01 | - | 2976.46 | 123.25 | 1474.86 | -1351.61 | 0 | 100.00% |
| 23 | Azure Power Thirty Three Private Limited | | INR in lakhs | 93 | 3,005 | 1,29,189 | 1,26,091 | - | 13,866 | -4,262 | 3,278 | -7,540 | 0 | 100.00% |
| 24 | Azure Power Thirty Four Private Limited | 2025-26 | INR in lakhs | 295 | 14,819 | 71,698 | 56,584 | - | 8,991 | 1839 | 416 | 1423 | 0 | 100.00% |
| 25 | Azure Power Thirty Six Private Limited | 2025-26 | INR in lakhs | 11.74 | 4423.21 | 28578.27 | 24143.32 | - | 3663.28 | 287.6 | 1562.85 | -1275.25 | 0 | 100.00% |
| 26 | Azure Power Thirty Seven | 2025-26 | INR in lakhs | 365 | 24,370 | 73,686 | 48,951 | - | 8,527 | 2,424 | 3,510 | -1,086 | 0 | 99.84% |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Private Limited | | | | | | | | | | | | | |
| 27 | Azure Power Thirty Nine Private Limited | 2025-26 | INR in lakhs | 8.68 | 528.08 | 544.83 | 7.17 | - | 0 | -1.98 | 0.05 | -2.03 | 0 | 100.00% |
| 28 | Azure Power Forty Private Limited | 2025-26 | INR in lakhs | 263.21 | 13542.22 | 52079.42 | 38273.99 | - | 5377.39 | 212.66 | 70.78 | 141.88 | 0 | 100.00% |
| 29 | Azure Power Forty One Private Limited | 2025-26 | INR in lakhs | 108 | 20,608 | 1,44,944 | 1,24,228 | - | 17,984 | -1,118 | -4597 | 3,479 | 0 | 100.00% |
| 30 | Azure Power Forty Three Private Limited | 2025-26 | INR in lakhs | 122 | 42,769 | 2,80,165 | 2,37,274 | - | 31,415 | 2,579 | 845 | 1,734 | 0 | 100.00% |
| 31 | Azure Power Maple Private Limited | 2025-26 | INR in lakhs | 276 | -19,475 | 1,75,986 | 1,95,185 | - | 15,931 | -8,473 | 11,681 | -20,154 | 0 | 100.00% |
| 32 | Azure Power US Inc. | 2025-26 | INR in lakhs | 15.43 | 44.41752 | 60.5974 | 0.74988 | 0.06 | 0 | 0.0155 | 0.00301 | 0.01249 | 0 | 100.00% |
| 33 | Azure Power Fifty One Private Limited | 2025-26 | INR in lakhs | 460.44 | -776.07 | 8399.03 | 8714.66 | - | 680.92 | 203.07 | 11.78 | 191.29 | 0 | 100.00% |
| 34 | Azure Power Fifty Two Private Limited | 2025-26 | INR in lakhs | 132.65 | -10169.46 | 19155.224 | 29192.03 | - | 0 | 383.58 | 1.88 | 381.7 | 0 | 100.00% |
| 35 | Azure Power Fifty Three Private Limited | 2025-26 | INR in lakhs | 11 | -1123.36 | 3.52 | 1115.88 | - | 0 | -2.1 | -0.09 | -2.01 | 0 | 100.00% |
| 36 | Azure Power Fifty Four Private Limited | 2025-26 | INR in lakhs | 1 | -1054.19 | 0.01 | 1053.2 | - | 0 | -2.15 | 0 | -2.15 | 0 | 100.00% |
| 37 | Azure Power Fifty Six Private Limited | 2025-26 | INR in lakhs | 11 | -248.58 | 13.85 | 251.43 | - | 0 | -7.09 | 0.02 | -7.11 | 0 | 100.00% |
| 38 | Azure Power Fifty Seven Private Limited | 2025-26 | INR in lakhs | 1 | -259.03 | 3.45 | 261.48 | - | 0 | -1.93 | 0 | -1.93 | 0 | 100.00% |
| 39 | Azure Power Fifty Eight | 2025-26 | INR in lakhs | 1 | -724.76 | 4381.03 | 5104.79 | - | 0 | -352.67 | 0.58 | -353.25 | 0 | 100.00% |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Private Limited | | | | | | | | | | | | | |
| 40 | Azure Power Fifty Nine Private Limited | 2025-26 | INR in lakhs | 1 | -1078.47 | 1.09 | 1078.56 | - | 0 | -2.38 | 0 | -2.38 | 0 | 100.00% |
| 41 | Azure Power Sixty Private Limited | 2025-26 | INR in lakhs | 1 | -1049.46 | 1.06 | 1049.52 | - | 0 | -2.36 | 0 | -2.36 | 0 | 100.00% |
| 42 | Azure Power Sixty One Private Limited | 2025-26 | INR in lakhs | 1 | -16.91 | 493.71 | 509.62 | - | 0 | -4.27 | 0.11 | -4.38 | 0 | 100.00% |
| 43 | Azure Power Sixty Two Private Limited | 2025-26 | INR in lakhs | 1 | -840.7 | 0.03 | 839.73 | - | 0 | -2.09 | 0 | -2.09 | 0 | 100.00% |
| 44 | Kotuma Wind Parks Pvt Ltd | 2025-26 | INR in lakhs | 1 | -2631.97 | 162.4 | 2793.37 | - | 0 | -90.25 | -0.65 | -89.6 | 0 | 100.00% |
| 45 | Two Wind Energy Pvt. Ltd. | 2025-26 | INR in lakhs | 1 | -6227.19 | 235.59 | 6461.78 | - | 0 | -134.12 | 9.39 | -143.51 | 0 | 100.00% |
| 46 | Azure Green Hydrogen Private Limited | 2025-26 | INR in lakhs | 1 | -20.2 | 16.39 | 35.59 | - | 0 | -4.37 | 0.11 | -4.48 | 0 | 100.00% |
| 47 | Azure Power Sixty Three Private Limited | 2025-26 | INR in lakhs | 1 | -20.2 | 16.39 | 35.59 | - | 0 | -4.37 | 0.11 | -4.48 | 0 | 100.00% |
| 48 | Azure Energy Transition Private Limited | 2025-26 | INR in lakhs | 1 | -290.78 | 18.75 | 308.53 | - | 0 | -24.11 | 0.34 | -24.45 | 0 | 100.00% |
| 49 | Azure Power Sixty Four Private Limited | 2025-26 | INR in lakhs | 1 | -17.96 | 17.54 | 34.5 | - | 0 | -4.04 | 0.14 | -4.18 | 0 | 100.00% |
| 50 | Azure Power Sixty Five Private Limited | 2025-26 | INR in lakhs | 1 | -17.55 | 16.62 | 33.17 | - | 0 | -4.01 | 0.14 | -4.15 | 0 | 100.00% |
| 51 | Azure Power Sixty Six Private Limited | 2025-26 | INR in lakhs | 1 | -7.62 | 0.04 | 6.66 | - | 0 | -2 | 0 | -2 | 0 | 100.00% |

***Held directly or indirectly through subsidiary companies***

**Names of subsidiaries which are yet to commence commercial Operations.**

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

**Names of subsidiaries which have been liquidated or sold during the year:** Azure Power Saturn Private Limited and Azure Power Thirty Eight Private Limited transferred to Radiance

**Part "B": Associates and Joint Ventures**

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

Details of associates or joint ventures: Premier Energies International Private Limited

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

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

**For and on behalf of the Board of Directors**

**AZURE POWER INDIA PRIVATE LIMITED**

SUNIL GUPTA Digitally signed by SUNIL GUPTA Date: 2026.08.13 20:16:08 +05'30'

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

Brijesh Mehra Digitally signed by Brijesh Mehra Date: 2026.08.13 20:12:37 +05'30'

**Brijesh Mehra**
**Board Chairman**
**DIN: 03341307**

**(Annexure – II)**

**Management replies to Independent Auditor's qualification/ remarks**

| Independent Auditor's Qualification | Management's Reply |
| --- | --- |
| **<u>Paragraph (1) of Independent Auditor' Report</u>**<br>Refer Note no. 49 of the accompanying standalone financial statements and Refer note no. 47 of the accompanying consolidated financial Statements, the Company, the Parent Company and some subsidiaries (collectively referred to as the 'Group'), have received several complaints via the Group's common whistleblower mechanism during the earlier years. In response to such whistle blower complaints, the Board of Directors and Audit and Risk Committee of the Parent Company appointed external legal counsels to conduct investigations into the significant issues highlighted in the said complaints. These issues include, but are not limited to, lapses in key control areas, governance issues, assets capitalization date and problems with vendor management.<br><br>A special committee was constituted by the Board of Directors of the Parent Company ('the Special Committee'), to review certain material projects and contracts for anti-corruption and related compliance issues. Independent external counsels and forensic advisors were engaged to support the Special Committee. The Special Committee has substantially completed its review.<br><br>As a result of above, the Group has voluntarily disclosed certain matters to the U.S. Securities and Exchange Commission and the U.S. Department of Justice. Engagement and cooperation with the aforesaid authorities are continuing on those matters. We are informed that any potential liability or penalty from authorities cannot be assessed at this stage.<br><br>In respect of the above matter, we are unable to comment whether the outcome will result in possible adjustments and/or disclosures to the standalone financial statements, and the non-compliance with the applicable laws and regulations, if any.<br><br>The above matter was also the subject matter of qualification in the previous year's report. | As the Holding Company and the Company has disclosed in its filings since 2022, in May and September of 2022, the Group received whistleblower complaints and initiated internal investigations headed by the Audit and Risk Committee of the Holding Company (the "ARC Investigation") and a Special Committee of Board of Directors of the Holding Company established in August 2022 (the "Special Committee Investigation"). None of those allegations pertain to the Company. At the direction of the Board of Directors of the Holding Company, external counsel for the committees initiated a voluntary self-disclosure on behalf of the Holding Company to the U.S. Department of Justice and the U.S. Securities and Exchange Commission (the "U.S. Government"). The Holding Company continues to cooperate with the U.S. Government's investigations.<br><br>The ARC Investigation was concluded in the previous year. The Special Committee Investigation, which is substantially complete, identified evidence that individuals formerly affiliated with the Group may have had knowledge of, or were involved in, an apparent scheme with persons outside the Group to make improper payments in relation to certain projects. To date, the Special Committee has not identified related improper payments or transfers by the Group. The Special Committee's review and the information it identified have impacted the decision-making of the Group in connection with such projects.<br><br>On November 20, 2024, a grand jury in the Eastern District of New York indicted former Company directors Cyril Cabanes and Deepak Malhotra, former Azure executives Ranjit Gupta and Rupesh Agarwal, and several other individuals (unrelated to the Group) for alleged conduct related to the Special Committee Investigation. Separately, on November 20, 2024, the SEC brought complaints against former director Cyril Cabanes and other individuals (unrelated to the Group) for alleged conduct related to the Special Committee Investigation. On May 18, 2026, the U.S. Department of Justice moved to dismiss the criminal indictment with prejudice. The United States District Court has not yet ruled on that motion.<br><br>Our Group (specifically 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 from lenders) 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 U.S. Government and applicable Indian and Mauritian 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, 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. |

**For and on behalf of the Board of Directors**

**AZURE POWER INDIA PRIVATE LIMITED**

SUNIL GUPTA Digitally signed by SUNIL GUPTA Date: 2026.08.13 20:16:30 +05'30'

Brijesh Mehra Digitally signed by Brijesh Mehra Date: 2026.08.13 20:12:56 +05'30'

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

**Brijesh Mehra**
**Board Chairman**
**DIN: 03341307**

**FORM NO. MR-3**
**SECRETARIAL AUDIT REPORT**
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026
*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,

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

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

**Management's responsibility**

The Management along with the Board of Directors are responsible for ensuring that the Company complies with the provisions of all applicable laws and maintains the required statutory records and documents in the prescribed manner.

**Auditor's responsibility**

My responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. I have conducted the audit in accordance with the Company Secretaries Auditing Standards ("CSAS") prescribed by the Institute of Company Secretaries of India. These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some mis-statements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS.

**Basis for Opinion**

I 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 the secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.

Abhishek Gupta & Associates ★ Delhi ★ Company Secretaries

**Opinion**

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and provided as scanned copies in physical or electronic mode 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 March 31, 2026 (" **Audit Period**"), 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, 2026 according to the provisions of:

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

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

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

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

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

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

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

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

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

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

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client to the

Abhishek Gupta & Associates
Delhi
Company Secretaries

extent of securities issued **(Not applicable to the Company during the Audit Period);**

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

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

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

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

**Legislation Name:**

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

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

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

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

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

Abhishek Gupta & Associates
Delhi
Company Secretaries

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

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

**D.** I further report that

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

The following changes in the composition of the Board of Directors took place during the period under review:

1. Ms. Jaime Garcia Nieto resigned from the post of Director of the company w.e.f. April 18, 2025.
2. Ms. Sugata Sircar resigned from the post of Director of the company w.e.f. September 30, 2025.
3. Ms. Pratibha Bajaj and Mr. Richard Payette retired by rotation at the Annual General Meeting held on September 30, 2025 and being eligible, were re-appointed as Directors of the Company.

b) Adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days/ at a shorter notice in compliance with the provisions of the Companies Act, 2013 in advance. The records of all the meetings were properly recorded in the Minutes Book/registers maintained for the purpose.

c) The Company has adequate systems and processes, commensurate with its size and nature of operations, to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

d) During the Audit Period, Azure Power Saturn Private Limited ceased to be a subsidiary of the Company with effect from May 23, 2025, and Azure Power Thirty-Eight Private Limited ceased to be a subsidiary of the Company with effect from May 30, 2025.

e) All decisions made at Board Meetings have unanimous consent of Directors (excluding the directors who are concerned or interested in specific items) as recorded in the minutes of the meetings of the Board of Directors, and the circular resolutions passed by the Board of Directors of the Company were approved with requisite majority if any.

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/Central Processing Centre and other authorities and all the formalities relating to the same is in compliance with the Act.

g) I have not examined the Financial Statement, financial Books and related financial Act, Foreign Currency Transactions, Related Party Transactions, including Reconciliation of Bank Statements etc. For these matters, I rely on the report of statutory auditor's and their observations, if any, and notes on accounts in Financial Statement for the year ended 31st March, 2026.

Abhishek Gupta & Associates
Delhi

h) The Company created, modified, and satisfied the certain charges and duly filed the requisite forms with the Registrar of Companies in accordance with the provisions of the Act and the rules made thereunder.

i) The Company made investments and provided loans or advances in the nature of loans, guarantees, and securities to its subsidiaries and other entities in compliance with the applicable provisions of the Act and the rules made thereunder.

j) As disclosed by the Holding Company in its public filings, investigations arising from whistleblower complaints received in 2022 and related proceedings before the U.S. authorities are ongoing and have not attained finality as on the date of this Report. Although none of the allegations pertain to the Company, this observation is based on the disclosures made by the Holding Company and the representations provided by the management of the Company.

**E.** I further report that during the Audit Period, no event or action having a significant bearing on the Company's affairs occurred which required reporting under the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards and other laws referred to above.

**For Abhishek Gupta & Associates**
**Company Secretaries**

13/08/2026

Abhishek Gupta & Associates ★ Company Secretaries ★ Delhi

**Place: New Delhi**
**Date: 13.08.2026**

**Abhishek Gupta**
**Propriẹtor**
**M. No.: 9857; C.P. No.: 12262**
**UDIN: F009857H001129272**
**Peer Review Certificate No. 2375/2022**

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

**Annexure – I**

To,

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

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records as per the Auditing Standards (CSAS-1 to CSAS-4), Guidance Notes on ICSI Auditing Standards and Guidance Note on Secretarial Audit issued by The Institute of Company Secretaries of India. The verification was done to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as well as correctness of the values and figures reported in various disclosures and returns as required to be filed by the company under the specified laws.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. It is the responsibility of the management of the company to devise proper systems to ensure compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards and to ensure that the systems are adequate and operate effectively. My 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**

13/08/2026

Abhishek Gupta & Associates
Delhi
Company Secretaries

**Abhishek Gupta**
**Proprietor**
**M. No.: 9857; C.P. No.: 12262**
**UDIN: F009857H001129272**
**Peer Review Certificate No. 2375/2022**

**Place: New Delhi**
**Date: 13.08.2026**

Annexure-IV

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

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

| | |
|---|---|
| **a. Average net profit/(loss) of the Company as per sub-section (5) of section 135** | **INR (356,330,000)** |
| **b. Two percent of average net profit of the company as per sub-section (5) of section 135.** | **NA** |
| **c. Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.** | **NA** |
| **d. Amount required to be set-off for the financial year, if any.** | **NA** |
| **e. Total CSR obligation for the financial year [(b)+(c)-(d)].** | **NA** |

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

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

| Total Amount Spent for the Financial Year. (in INR) | Amount Unspent (in INR) | |
|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per subsection (6) of | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135. |

| | section 135. | | | | |
|---|---|---|---|---|---|
| | **Amount.** | **Date of transfer.** | **Name of the Fund** | **Amount** | **Date of transfer** |
| NA | NA | | | | |

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

| S 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 |

**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 | | | | | | | | |

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

Yes No ✓

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

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

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

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

**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 2025-26. However, due to losses during the three immediately preceding financial years, the Company was not obligated for spending for CSR activities. Hence the spending on CSR during the year was Nil.**

**For and on behalf of the Board of Directors**

**AZURE POWER INDIA PRIVATE LIMITED**

Brijesh Mehra
Digitally signed by Brijesh Mehra
Date: 2026.08.13 20:13:22 +05'30'

**Brijesh Mehra**
**Chairman of Sustainability & CSR Committee**
**DIN: 03341307**

Date: 13.08.2026
Place: Mumbai

SUNIL GUPTA
Digitally signed by SUNIL GUPTA
Date: 2026.08.13 20:16:57 +05'30'

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

Date: 13.08.2026
Place: Gurugram

**(Annexure-V)**

## RELATED PARTY TRANSACTIONS

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

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

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

2. Details of material contracts or arrangement or transactions at arm's length basis:

**(INR in thousands)**

| S No | Name(s) of the related party and nature of relationship | Nature of contracts/ arrangement/ transactions | Duration of the contracts/ arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any: | Date(s) of approval by the Finance Committee, if any: | Amount paid as advances, if any: |
|---|---|---|---|---|---|---|
| 1. | Azure Power Maple Private Limited (Subsidiary Company) | Service Agreement & Operations & Maintenance Management Agreement | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | - |
| 2. | Azure Power Fifty Two Private Limited (Subsidiary Company) | Service Agreement & Operations & Maintenance Management Agreement | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | |
| 3. | Azure Power Forty Three Private Limited (Subsidiary Company) | Service Agreement & Operations & Maintenance Management Agreement | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | - |
| 4. | Azure Power Forty One Private Limited (Subsidiary Company) | Service Agreement & Operations & Maintenance Management Agreement | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | - |
| 5. | Azure Power Pluto Private Limited (Subsidiary Company) | Service Agreement & Operations & Maintenance Management Agreement | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | - |
| 6. | Azure Power Forty Private Limited (Subsidiary Company) | Service Agreement & Operations & Maintenance Management Agreement | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | - |
| 7. | Azure Power Thirty Seven Private Limited (Subsidiary Company) | Service Agreement & Operations & Maintenance Management Agreement | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | - |
| 8. | Azure Power Thirty Three Private Limited (Subsidiary Company) | Service Agreement & Operations & Maintenance Management | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | - |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | Agreement | | | | |
| 9. | Azure Power Infrastructure Private Limited (Subsidiary Company) | Service Agreement & Operations & Maintenance Management Agreement | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | - |
| 10. | Azure Sunrise Private Limited (Subsidiary Company) | Management Fees & Management Consultancy Agreement | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | |
| 11. | Azure Power Jupiter Private Limited (Subsidiary Company) | Management Fees & Management Consultancy Agreement | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | |
| 12. | Azure Power Thirty Four Private Limited (Subsidiary Company) | Service Agreement & Operations & Maintenance Management Agreement | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | - |
| 13. | Azure Photovoltaic Private Limited (Subsidiary Company) | Service Agreement & Operations & Maintenance Management Agreement | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | - |
| 14. | Azure Power (Raj.) Private Limited (Subsidiary Company) | Service Agreement & Operations & Maintenance Management Agreement | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | - |
| 15. | Azure Green Tech Private Limited (Subsidiary Company) | Service Agreement & Operations & Maintenance Management Agreement | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | - |
| 16. | Azure Clean Energy Private Limited (Subsidiary Company) | Service Agreement & Operations & Maintenance Management Agreement | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | - |
| 17. | Azure Urja Private Limited (Subsidiary Company) | Service Agreement & Operations & Maintenance Management Agreement | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | - |
| 18. | Azure Power Earth Private Limited (Subsidiary Company) | Service Agreement & Operations & Maintenance Management Agreement | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | - |
| 19. | Azure Sunshine Private Limited (Subsidiary Company) | Service Agreement & Operations & Maintenance Management Agreement | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | - |
| 20. | Azure Power Thirty Six Private Limited (Subsidiary | Service Agreement & Operations & Maintenance | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | - |

| | | | | | | |
|---|---|---|---|---|---|---|
| | Company) | Management Agreement | | | | |
| 21. | Azure Power Venus Private Limited (Subsidiary Company) | Service Agreement & Operations & Maintenance Management Agreement | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | - |
| 22. | Azure Power (Karnataka) Private Limited (Subsidiary Company) | Service Agreement & Operations & Maintenance Management Agreement | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | - |
| 23. | Azure Power (Haryana) Private Limited (Subsidiary Company) | Service Agreement & Operations & Maintenance Management Agreement | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | - |
| 24. | Azure Surya Private Limited (Subsidiary Company) | Service Agreement & Operations & Maintenance Management Agreement | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | - |
| 25. | Azure Power Eris Private Limited (Subsidiary Company) | Service Agreement & Operations & Maintenance Management Agreement | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | - |
| 26. | Azure Power Makemake Private Limited (Subsidiary Company) | Service Agreement & Operations & Maintenance Management Agreement | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | - |
| 27. | Azure Power Mars Private Limited (Subsidiary Company) | Service Agreement & Operations & Maintenance Management Agreement | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | - |
| 28. | Azure Power (Punjab) Private Limited (Subsidiary Company) | Service Agreement & Operations & Maintenance Management Agreement | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | - |
| 29. | Azure Power Uranus Private Limited (Subsidiary Company) | Service Agreement & Operations & Maintenance Management Agreement | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | - |
| 30. | Azure Power (Rajasthan) Private Limited (Subsidiary Company) | Management Fees & Management Consultancy Agreement | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | - |
| 31. | Azure Solar Private Limited (Subsidiary Company) | Management Fees & Management Consultancy Agreement | As per Service Agreement dated 05.09.2025 | As per Service Agreement dated 05.09.2025 | Ratified on 17.10.2025 | - |
| 32. | Azure Power Forty Three Private Limited (Subsidiary | Transfer of Assets: Schneider Make Transformer – | As per agreed terms | As per Arm's Length Price | Ratified on 10.04.2025 | - |

| | | | | | | |
|---|---|---|---|---|---|---|
| | Company) | 12.5MVA (600-800V/33KV) | | | | |
| 33. | Azure Power Forty Three Private Limited (Subsidiary Company) | Transfer of Assets: Central Inverter (3.125 MW) | As per agreed terms | As per Arm's Length Price | Ratified on 10.04.2025 | - |
| 34. | Azure Solar Private Limited (Subsidiary Company) | Transfer of Assets: Dust IQ Sensors, Quartity-1 | As per agreed terms | As per Arm's Length Price | Ratified on 17.10.2025 | |
| 35. | Azure Power Infrastructure Private Limited (Subsidiary Company) | Transfer of Assets: 11 KV VCB<br><br>Quantity-1 | As per agreed terms | As per Arm's Length Price | Ratified on 17.10.2025 | |
| 36. | Azure Power (Raj.) Private Limited (Subsidiary Company) | Transfer of Assets: Dust IQ Sensors, Quartity-1 | As per agreed terms | As per Arm's Length Price | Ratified on 17.10.2025 | |
| 37. | Azure Sunrise Private Limited (Subsidiary Company) | Transfer of Assets: Dust IQ Sensors, Quartity-1 | As per agreed terms | As per Arm's Length Price | Ratified on 17.10.2025 | |
| 38. | Azure Power Forty One Private Limited (Subsidiary Company) | Transfer of Assets: PTZ Camera with accessories Quartity-10 | As per agreed terms | As per Arm's Length Price | Ratified on 01.12.2025 | |
| 39. | Azure Power Forty Maple Private Limited (Subsidiary Company) | Transfer of Assets: PTZ Camera with accessories Quartity-10 | As per agreed terms | As per Arm's Length Price | Ratified on 01.12.2025 | |

**For and on behalf of the Board of Directors**

**AZURE POWER INDIA PRIVATE LIMITED**

SUNIL GUPTA Digitally signed by SUNIL GUPTA Date: 2026.08.13 20:17:25 +05'30'

Brijesh Mehra Digitally signed by Brijesh Mehra Date: 2026.08.13 20:13:51 +05'30'

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

**Brijesh Mehra**
**Board Chairman**
**DIN: 03341307**

**(Annexure-VI)**

**Particulars of Corporate Guarantees Issued and Released during the FY 2026**

Pursuant to the disclosure under Section 186 of the Companies Act, 2013 read with the Board's Report, the particulars of corporate guarantees issued and released by the Company during the financial year ended March 31, 2026 are provided below:

**A. Corporate Guarantees Issued During the Financial Year**

**(INR Lakhs)**

| S. No | Name of the Wholly Owned Subsidiary | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|---|
| 1. | Azure Power (Haryana) Private Limited | 1,974 | - |
| 2. | Azure Power (Karnataka) Private Limited | 3,140 | - |
| 3. | Azure Photovoltaic Private Limited | 20,541 | - |
| 4. | Azure Power Infrastructure Private Limited | 26,283 | - |
| 5. | Azure Power (Raj.) Private Limited | 22,327 | - |
| 6. | Azure Sunrise Private Limited | 26,594 | - |
| 7. | Azure Power Eris Private Limited | 4,171 | - |
| 8. | Azure Power Pluto Private Limited | 57,009 | - |
| 9. | Azure Urja Private Limited | 14,258 | - |
| 10. | Azure Clean Energy Private Limited | 15,400 | - |
| 11. | Azure Green Tech Private Limited | 15,439 | - |
| 12. | Azure Power Mars Private Limited | 2,079 | - |
| 13. | Azure Sunshine Private Limited | 7,627 | - |
| 14. | Azure Power Thirty Seven Private Limited | 45,857 | - |
| 15. | Azure Power Thirty Four Private Limited | - | 56,800 |
| 16. | Azure Power Venus Private Limited | - | 6,900 |
| 17. | Azure Power Earth Private Limited | - | 35,700 |
| 18. | Azure Power Thirty Six Private Limited | - | 21,700 |
| 19. | Azure Power Makemake Private Limited | - | 14,800 |
| 20. | Azure Power Uranus Private Limited | - | 2,700 |
| 21. | Azure Power Thirty Three Private Limited | - | 88,400 |
| | **Total** | **2,62,699** | **2,37,000** |

**B. Corporate Guarantees Released During the Financial Year**

**(INR Lakhs)**

| S. No | Name of the Company | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|---|
| 1. | Azure Power Jupiter Private Limited | 968 | 968 |
| 2. | Azure Power Rooftop (GenCo.) Private Limited | - | 4,682 |
| 3. | Azure Power Rooftop Three Private Limited | 2,666 | - |
| 4. | Azure Power Maple Private Limited | - | 1,13,092 |
| 5. | Azure Power Forty One Private Limited | 1,23,746 | 1,255 |
| 6. | Azure Power Forty Three Private Limited | 12,798 | 9,803 |
| 7. | Azure Power Forty Private Limited | 1,680 | 1,920 |
| 8. | Azure Power Rooftop One Private Limited | - | 11,463 |
| 9. | Azure Power Thirty Eight Private limited | - | 2,876 |
| 10. | Azure Power Thirty Four Private Limited | 2,882 | 1,761 |
| 11. | Azure Power Venus Private Limited | 1,224 | 683 |
| 12. | Azure Power Earth Private Limited | 1,704 | 1,030 |
| 13. | Azure Power Thirty Six Private Limited | 1,541 | 915 |

| | | | |
|---|---|---|---|
| 14. | Azure Power Makemake Private Limited | 1,195 | 671 |
| 15. | Azure Power Uranus Private Limited | 186 | 74 |
| 16. | Azure Power Thirty Three Private Limited | 4,063 | 2,538 |
| 17. | Azure Power (Haryana) Private Limited | 77 | - |
| 18. | Azure Power (Karnataka) Private Limited | 89 | - |
| 19. | Azure Photovoltaic Private Limited | 472 | - |
| 20. | Azure Power Infrastructure Private Limited | 647 | - |
| 21. | Azure Power (Raj.) Private Limited | 514 | - |
| 22. | Azure Sunrise Private Limited | 612 | - |
| 23. | Azure Power Eris Private Limited | 85 | - |
| 24. | Azure Power Pluto Private Limited | 1,459 | - |
| 25. | Azure Urja Private Limited | 423 | - |
| 26. | Azure Clean Energy Private Limited | 436 | - |
| 27. | Azure Green Tech Private Limited | 477 | - |
| 28. | Azure Power Mars Private Limited | 62 | - |
| 29. | Azure Sunshine Private Limited | 216 | - |
| 30. | Azure Power Thirty Seven Private Limited | 1,023 | - |
| | **Total** | **1,61,244** | **1,53,730** |

**For and on behalf of the Board of Directors,**

**AZURE POWER INDIA PRIVATE LIMITED**

SUNIL GUPTA Digitally signed by SUNIL GUPTA Date: 2026.08.13 20:17:45 +05'30'

Brijesh Mehra Digitally signed by Brijesh Mehra Date: 2026.08.13 20:14:17 +05'30'

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

Date: 13.08.2026
Place: Gurugram

**Brijesh Mehra**
**Board Chairman**
**DIN: 03341307**

Date: 13.08.2026
Place: Mumbai

Smartworks Golf View Towers
9th Floor, Tower-B Sector 42
**Gurugram** 122 009 INDIA
**T** +91 124 6926 200

Aurobindo Tower
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Adchini, Aurobindo Marg
**New Delhi** 110 017 INDIA
**T** +91 11 4100 9999

asaandassociates.co.in

**To the Members of Azure Power India Private Limited**

**Report on the Audit of the Standalone Financial Statements**

**Qualified Opinion**

We have audited the accompanying standalone financial statements of Azure Power India Private Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2026, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Qualified Opinion**

Refer Note no. 49 of the accompanying standalone financial statements, the Company, the Parent Company and some subsidiaries (collectively referred to as the 'Group'), have received several complaints via the Group's common whistleblower mechanism during the earlier years. In response to such whistle blower complaints, the Board of Directors and Audit and Risk Committee of the Parent Company appointed external legal counsels to conduct investigations into the significant issues highlighted in the said complaints. These issues include, but are not limited to, lapses in key control areas, governance issues, assets capitalization date and problems with vendor management.

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

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

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

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

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

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

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regards.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

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

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

**Report on Other legal and Regulatory Requirements**

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

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

(a) We have sought and, except for the possible effects of the matter described in the Basis for Qualified Opinion section above, 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

(d) In our opinion, except, for the possible effect of the matter described in the Basis for Qualified Opinion section above, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

(e) The possible effects of the matter described in the Basis for Qualified Opinion section above, in our opinion, may have an adverse effect on the functioning of the Company.

(f) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

(g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note no. 33(b) to the standalone financial statements.

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

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

iv.

(a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note no. 48(iv) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note no. 48(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.

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

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

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2026, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

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

3. In our opinion, according to information, explanation 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

KRISHNA NITHYANANDA KAMATH

Digitally signed by KRISHNA NITHYANANDA KAMATH
Date: 2026.08.13 20:38:28 +05'30'

**K Nithyananda Kamath**
Partner
Membership No. 027972

**UDIN:** 26027972WFCNXY8653

Place: Gurugram
Date: August 13, 2026

ASA

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

i.

(a)

A. According to the information and explanations given to us and audit procedures performed by us, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

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

(b) The Company has a program of verification of property, plant and equipment to cover Inverter, Transformer and Modules once every 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 program, property, plant and equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, certain discrepancies were noticed on such verification and have been properly dealt with in the books of account.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the standalone financial statements are held in the name of the Company. Further, title deeds of immovable properties which are pledged with the trustee have been independently confirmed by the trustee and verified by us.

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

(e) According to the information and explanations given to us, no proceedings have been initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the Order are not applicable to the Company.

ii.

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

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

iii.

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

The details of such loans/guarantee 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 | 2,62,699 | - | 11,788 | - |
| - Fellow Subsidiaries | - | - | 3,858 | - |
| Balance outstanding as at balance sheet date in respect of above cases | | | | |
| - Subsidiaries | 2,56,108 | - | 10,935 | - |
| - Fellow Subsidiaries | - | - | 3,740 | - |

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

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

| Name of the Entity | Amount (INR in Lakhs) | Due Date | Date of Payment | Remarks, If any |
|---|---|---|---|---|
| Azure Power Fifty One Private Limited | 34.99 | More than 1 Year | Payment is still outstanding | No Remarks |
| Azure Power Fifty Three Private Limited | 1.96 | More than 1 Year | Payment is still outstanding | No Remarks |
| Azure Power Fifty Four Private Limited | 1.49 | More than 1 Year | Payment is still outstanding | No Remarks |
| Azure Power Fifty Six Private Limited | 3.56 | More than 1 Year | Payment is still outstanding | No Remarks |
| Azure Power Fifty Seven Private Limited | 4.24 | More than 1 Year | Payment is still outstanding | No Remarks |
| Azure Power Fifty Nine Private Limited | 1.49 | More than 1 Year | Payment is still outstanding | No Remarks |
| Azure Power Sixty Private Limited | 1.49 | More than 1 Year | Payment is still outstanding | No Remarks |
| Azure Power Sixty Two Private Limited | 0.83 | More than 1 Year | Payment is still outstanding | No Remarks |
| Azure Power Rooftop One Private Limited | 15.30 | November 12, 2025 | Payment is still outstanding | No Remarks |

(d) According to the information and explanations given to us and based on the audit procedures performed by us, there are no overdue amounts outstanding for more than ninety days in respect of the loans granted by the Company, except for the following loan(s), in respect of which an amount of INR. 64.33 lakhs was overdue for more than ninety days as at March 31, 2026. In our opinion, the Company has taken reasonable steps for the recovery of the overdue amount.

| **No. of Cases** | **Principal Amount Overdue** | **Interest Overdue (INR in Lakhs)** | **Total Overdue (INR in Lakhs)** | **Remarks, if any** |
|---|---|---|---|---|
| 9 | - | 64.33 | 64.33 | No Remark |

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

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

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

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

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

vii.

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

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

(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, 2026 on account of any dispute, are as follows:

| Name of the Statute | Nature of the Dues | Amount Demanded (INR in Lakhs) | Amount Paid (INR in Lakhs) | Period to which the amount relates | Forum where dispute is pending | Remarks, if any |
|---|---|---|---|---|---|---|
| South Delhi Municipal Corporation | Property Tax | 2,020 | - | From FY 2015-16 to FY 2024-25 | High Court of Delhi | No Remarks |
| Andhra Pradesh Act on Entry of Goods Act, 2001 | Entry Tax | 1,130 | 283 | Financial Year 2016-17 | High Court of Andhra Pradesh | No Remarks |
| Andhra Pradesh Act on Entry of Goods Act, 2001 | Entry Tax | 2,246 | 561 | Financial Year 2017-18 | High Court of Andhra Pradesh | No Remarks |
| Goods and Service Tax Act, 2017 | Goods and Service Tax | 40 | 8 | Financial Year 2017-18 | GST Appellate Tribunal (GSTAT) | No Remarks |
| Goods and Service Tax Act, 2017 | Goods and Service Tax | 17 | 2 | Financial Year 2017-18 | Appellate Authority | No Remarks |
| Goods and Service Tax Act, 2017 | Goods and Service Tax | 85 | 18 | Financial Year 2017-18 | Pending to be appealed | No Remarks |
| Goods and Service Tax Act, 2017 | Goods and Service Tax | 8 | 2 | Financial Year 2018-19 | GST Appellate Tribunal (GSTAT) | No Remarks |
| Goods and Service Tax Act, 2017 | Goods and Service Tax | 411 | 41 | Financial Year 2018-19 | Appellate Authority | No Remarks |
| Goods and Service Tax Act, 2017 | Goods and Service Tax | 51 | 15 | Financial Year 2018-19 | Pending to be appealed | No Remarks |
| Goods and Service Tax Act, 2017 | Goods and Service Tax | 200 | 20 | Financial Year 2019-20 | Appellate Authority | No Remarks |
| Goods and Service Tax Act, 2017 | Goods and Service Tax | 45 | 5 | Financial Year 2020-21 | Appellate Authority | No Remarks |
| Goods and Service Tax Act, 2017 | Goods and Service Tax | 8,712 | - | From FY 2017-18 to FY 2021-22 | High Court of Delhi | No Remarks |
| Service Tax Act, 1994 | Service Tax | 148 | 11 | From FY 2014-15 to FY 2017-18 | Customs Excise & Service Tax | No Remarks |

| Name of the Statute | Nature of the Dues | Amount Demanded (INR in Lakhs) | Amount Paid (INR in Lakhs) | Period to which the amount relates | Forum where dispute is pending | Remarks, if any |
|---|---|---|---|---|---|---|
| | | | | | Appellate Tribunal (CESTAT) | |

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

ix.

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

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

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

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

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

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

x.

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

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

xi.

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

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

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

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

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

xiv.

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

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

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

xvi.

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

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

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

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

xvii. According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, the Company has not incurred cash losses in the current and immediately preceding financial year.

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

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

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

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

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

KRISHNA NITHYANANDA KAMATH
Digitally signed by KRISHNA NITHYANANDA KAMATH
Date: 2026.08.13 20:39:04 +05'30'

**K Nithyananda Kamath**
Partner
Membership No. 027972

**UDIN:** 26027972WFCNXY8653

Place: Gurugram
Date: August 13, 2026

## Annexure B to the Independent Auditors' Report

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

We have audited the internal financial controls with reference to the Standalone Financial Statements of Azure Power India Private Limited (hereinafter referred to as "the Company") as at March 31, 2026, 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 the Group level irrespective of whether certain controls in respect of particular process may not be applicable during the year for a particular subsidiary.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to the Standalone Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Standalone Financial Statements were established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

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

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has maintained, in all material respects, an adequate internal financial controls with reference to the Standalone Financial Statements and such controls with reference to the Standalone Financial Statements were operating effectively as at March 31, 2026, based on the internal financials control over financial reporting criteria, established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

KRISHNA NITHYANANDA KAMATH
Digitally signed by KRISHNA NITHYANANDA KAMATH
Date: 2026.08.13 20:39:28 +05'30'

**K Nithyananda Kamath**
Partner
Membership No. 027972

**UDIN:** 26027972WFCNXY8653

Place: Gurugram
Date: August 13, 2026

**Azure Power India Private Limited**
**Standalone Balance Sheet as at March 31, 2026**
(All amount in INR lakhs, unless otherwise stated)

| | Notes | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 1,28,323 | 1,32,598 |
| Capital work-in-progress | 3 | 908 | 98 |
| Right-of-use assets | 32 | 4,060 | 4,528 |
| Intangible assets | 3.1 | 114 | 47 |
| Non-current investments | 4 | 2,92,106 | 3,27,184 |
| Financial assets | 5 | | |
| - Investments | 5.1 | 4,550 | 4,550 |
| - Trade receivables | 5.2 | 5,794 | 6,618 |
| - Loans | 5.3 | 74,995 | 97,724 |
| - Other financial assets | 5.4 | 49,634 | 46,258 |
| Other non-current assets | 6 | 855 | 906 |
| Income tax assets (net) | 7 | 9,743 | 4,350 |
| **Total non-current assets** | | **5,71,082** | 6,24,861 |
| **Current assets** | | | |
| Financial assets | 8 | | |
| - Investments | 8.1 | 21,733 | 25 |
| - Trade receivables | 8.2 | 13,066 | 11,100 |
| - Cash and cash equivalents | 8.3 | 21,224 | 13,928 |
| - Other bank balances | 8.4 | 33,256 | 34,383 |
| - Loans | 8.5 | 454 | 56,636 |
| - Other current financial assets | 8.6 | 2,511 | 6,927 |
| Other current assets | 9 | 8,583 | 16,050 |
| **Total current assets** | | **1,00,827** | **1,39,049** |
| **Total assets** | | **6,71,909** | 7,63,910 |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Equity share capital | 10 | 692 | 692 |
| Other equity | 11 | 3,86,646 | 4,59,628 |
| **Total equity** | | **3,87,338** | 4,60,320 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | 12 | | |
| - Borrowings | 12.1 | 1,80,766 | 2,03,667 |
| - Lease liabilities | 32 | 2,938 | 3,217 |
| - Other financial liabilities | 12.2 | 5,775 | 7,089 |
| Provisions | 13.1 | 1,654 | 1,425 |
| Deferred tax liabilities (net) | 17 | 16,505 | 2,355 |
| Other non-current liabilities | 14 | 6,967 | 7,390 |
| **Total non-current liabilities** | | **2,14,605** | 2,25,143 |
| **Current liabilities** | | | |
| Financial liabilities | 15 | | |
| - Borrowings | 15.1 | 35,138 | 44,866 |
| - Lease liabilities | 32 | 622 | 577 |
| - Trade payables | | | |
| Total outstanding dues of micro enterprises and small enterprises | 15.2 | 317 | 545 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 15.2 | 8,876 | 6,797 |
| - Other current financial liabilities | 15.3 | 7,986 | 6,223 |
| Other current liabilities | 16 | 896 | 757 |
| Provisions | 13.2 | 16,131 | 18,682 |
| **Total current liabilities** | | **69,966** | 78,447 |
| **Total liabilities** | | **2,84,571** | 3,03,590 |
| **Total equity and liabilities** | | **6,71,909** | 7,63,910 |
| See accompanying notes to the standalone financial statements | 2.2 - 55 | | |

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

As per our report of even date

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

KRISHNA NITHYANANDA KAMATH
Digitally signed by KRISHNA NITHYANANDA KAMATH
Date: 2026.08.13 20:43:06 +05'30'

**K Nithyananda Kamath**
Partner
Membership No: 027972
Place : Gurugram
Date : August 13, 2026

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

SUNIL GUPTA
Digitally signed by SUNIL GUPTA
Date: 2026.08.13 19:55:46 +05'30'

**Sunil Kumar Gupta**
Managing Director and CEO
DIN: 07095152
Place : Gurugram
Date : August 13, 2026

Brijesh Mehra
Digitally signed by Brijesh Mehra
Date: 2026.08.13 20:01:48 +05'30'

**Brijesh Mehra**
Board Chairman
DIN : 03341307
Place : Mumbai
Date : August 13, 2026

Rajat Kumar Gupta
Digitally signed by Rajat Kumar Gupta
Date: 2026.08.13 20:02:15 +05'30'

**Rajat Kumar Gupta**
Chief Financial Officer
Place: Gurugram
Date : August 13, 2026

KAPIL SHARMA
Digitally signed by KAPIL SHARMA
Date: 2026.08.13 19:55:03 +05'30'

**Kapil Sharma**
Company Secretary
Membership No: A37154
Place: Gurugram
Date : August 13, 2026

**Azure Power India Private Limited**
**Standalone Statement of Profit and Loss for the year ended March 31, 2026**
(All amount in INR lakhs, unless otherwise stated)

| | Notes | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|---|
| **Revenue** | | | |
| Revenue from operations | 18 | 28,103 | 27,306 |
| Finance income | 19 | 20,493 | 23,861 |
| Other income | 20 | 1,985 | 12,642 |
| **Total income** | | **50,581** | 63,809 |
| **Expenses** | | | |
| Employee benefits expense | 21 | 9,405 | 8,583 |
| Finance costs | 22 | 25,385 | 29,122 |
| Depreciation and Amortisation expense | 23 | 5,713 | 5,743 |
| Impairment expense (net of reversal) | 24 | 57,786 | 3,852 |
| Other expenses | 25 | 11,549 | 18,706 |
| **Total expenses** | | **1,09,838** | 66,006 |
| **Loss before tax** | | **(59,257)** | (2,197) |
| **Tax expense:** | | | |
| Current tax expense | 17 | - | 282 |
| Income tax adjustment pertaining to earlier years | 17 | 5 | (1,425) |
| Deferred tax charge | 17 | 14,001 | 15,199 |
| **Total tax expense** | | **14,006** | 14,056 |
| **Loss after tax** | | **(73,263)** | **(16,253)** |
| **Other comprehensive income** | | | |
| **Items that will be reclassified to profit or loss** | | | |
| Net movement on cash flow hedge reserve | | 433 | 29 |
| Income tax effect on cash flow hedge reserve | 17 | (150) | (10) |
| **Items that will not be reclassified to profit or loss** | | | |
| Re-measurement loss on defined benefit plans | 36 | (4) | (9) |
| Income tax effect on re-measurement losses on defined benefit plans | 17 | 2 | 3 |
| **Total other comprehensive income** | | **281** | 13 |
| **Total comprehensive loss** | | **(72,982)** | **(16,240)** |
| **Earnings per equity share: [Nominal value of share: INR 10 (March 31, 2025: INR 10)]** | | | |
| (1) Basic earnings per share (in INR) | 26 | (1,058.62) | (234.85) |
| (2) Diluted earnings per share (in INR) | 26 | (1,058.62) | (234.85) |
| See accompanying notes to the standalone financial statements | 2.2 - 55 | | |

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

As per our report of even date

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

KRISHNA NITHYANANDA KAMATH Digitally signed by KRISHNA NITHYANANDA KAMATH Date: 2026.08.13 20:43:41 +05'30'

**K Nithyananda Kamath**
Partner
Membership No: 027972
Place : Gurugram
Date : August 13, 2026

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

SUNIL GUPTA Digitally signed by SUNIL GUPTA Date: 2026.08.13 19:56:36 +05'30'

**Sunil Kumar Gupta**
Managing Director and CEO
DIN: 07095152
Place : Gurugram
Date : August 13, 2026

Brijesh Mehra Digitally signed by Brijesh Mehra Date: 2026.08.13 20:02:53 +05'30'

**Brijesh Mehra**
Board Chairman
DIN : 03341307
Place : Mumbai
Date : August 13, 2026

Rajat Kumar Gupta Digitally signed by Rajat Kumar Gupta Date: 2026.08.13 20:03:20 +05'30'

**Rajat Kumar Gupta**
Chief Financial Officer
Place: Gurugram
Date : August 13, 2026

KAPIL SHARMA Digitally signed by KAPIL SHARMA Date: 2026.08.13 19:56:57 +05'30'

**Kapil Sharma**
Company Secretary
Membership No: A37154
Place: Gurugram
Date : August 13, 2026

**Azure Power India Private Limited**
**Standalone Statement of Cash Flows for the year ended March 31, 2026**
(All amount in INR lakhs, unless otherwise stated)

| | | | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|---|---|
| A | **Cash flow from operating activities** | | | |
| | Loss before tax | | (59,257) | (2,197) |
| | **Adjustments for :** | | | |
| | Depreciation and Amortisation expense | | 5,713 | 5,743 |
| | Interest income | | (20,493) | (23,686) |
| | Reversal of Share based payment liability | | - | (168) |
| | Foreign exchange fluctuation (net) | | 105 | 197 |
| | Amortisation of performance bank guarantee | | 40 | 40 |
| | Interest income on investments | | (270) | (270) |
| | Amortisation of extension charges | | 14 | 14 |
| | MTM gain on mutual fund | | (151) | - |
| | Gain on sale of mutual fund | | (101) | - |
| | Income on financial assets measured at amortised cost | | (34) | (31) |
| | Liabilities no longer required written back | | (1,086) | (478) |
| | Advances written off | | - | 924 |
| | Deferred revenue | | (425) | (459) |
| | Dividend received | | - | (11,656) |
| | Provision for bank guarantee | | - | 3,935 |
| | Impairment expense | | 57,786 | 3,852 |
| | Assets written off | | 106 | 184 |
| | (Profit)/Loss on sale of plant, property and equipments | | (2) | 76 |
| | Finance costs | | 25,385 | 29,122 |
| | Insurance claim | | (307) | (7) |
| | **Operating profit before working capital changes** | | **7,023** | 5,135 |
| | Changes in working capital: | | | |
| | Decrease in other non-current assets | | 1 | 125 |
| | Decrease/ (increase) in other current assets | | 7,469 | (762) |
| | Decrease in trade receivables | | 3,709 | 58,287 |
| | Decrease in other current and non-current financial assets | | 446 | 15,773 |
| | Increase/ (decrease) in trade payables | | 2,757 | (1,327) |
| | Increase/(decrease) in other current and non current financial liabilities | | 1,940 | (415) |
| | Increase/(decrease) in other current liabilities | | 122 | (455) |
| | Increase in current and non-current provisions | | (2,441) | (3,495) |
| | **Cash from operations** | | **21,026** | 72,866 |
| | Income taxes paid (net of refund) | | (5,397) | (877) |
| | **Net cash from operating activities** | **(A)** | **15,629** | 71,989 |
| B | **Cash flow from investing activities** | | | |
| | Net Purchases of property, plant and equipment (including capital work in progress, capital advances and capital creditors) | | (1,467) | (238) |
| | Purchase of intangible assets | | (149) | (73) |
| | Insurance claim received | | 307 | 7 |
| | Interest received | | 18,183 | 10,513 |
| | Dividend received | | - | 11,656 |
| | Loans given to subsidiaries/ fellow subsidiaries | | (12,263) | (51,196) |
| | Receipt of loans given to subsidiaries/ fellow subsidiaries | | 84,897 | 24,529 |
| | Investment in mutual fund | | (40,818) | - |
| | Proceeds from sale of mutual fund | | 19,337 | - |
| | Proceeds from disposal of investment in equity shares | | 25 | 25 |
| | Investment in compulsory convertible debenture of subsidiaries | | (15,633) | (9,158) |
| | Net proceeds/ (investment in) from bank deposits (having original maturity of more than three months) | | 1,116 | (29,773) |
| | **Net cash from/ (used in) investing activities** | **(B)** | **53,535** | (43,708) |
| C | **Cash flow from financing activities** | | | |
| | Proceeds of borrowings from bank/financial institution | | 78,440 | 49,679 |
| | Repayments of borrowings from bank/financial institution | | (92,672) | (35,199) |
| | Payment of ancilliary cost of borrowings | | (1,273) | - |
| | Proceeds of borrowings from subsidiaries/ fellow subsidiaries | | 17,490 | 300 |
| | Repayment of borrowings from subsidiaries/ fellow subsidiaries | | (38,096) | (24,258) |
| | Finance costs paid | | (25,153) | (22,226) |
| | Payment of lease liabilities | | (604) | (495) |
| | **Net cash used in financing activities** | **(C)** | **(61,868)** | **(32,199)** |
| | **Net increase/ (decrease) in cash and cash equivalents** | **(A)+(B)+(C)** | **7,296** | (3,918) |
| | Cash and cash equivalents at the beginning of the year | | 13,928 | 17,846 |
| | **Cash and cash equivalents at the end of the year** | | **21,224** | 13,928 |
| | **Balances with scheduled banks: (refer note 8.3)** | | | |
| | - In current accounts | | 903 | 2,178 |
| | - Deposits with original maturity of less than 3 months | | 20,321 | 11,750 |
| | **Total cash and cash equivalents** | | **21,224** | 13,928 |

**Azure Power India Private Limited**
**Standalone Statement of Cash Flows for the year ended March 31, 2026**
(All amount in INR lakhs, unless otherwise stated)

**Change in liabilities arising from financing activities**

| **Particulars** | **Opening balance as at April 01, 2025** | **Cash flow (net)** | **Change in foreign exchange rate** | **Other changes*** | **Closing balance as at March 31, 2026** |
|---|---|---|---|---|---|
| Borrowings | 2,48,533 | (36,111) | 2,506 | 976 | 2,15,904 |
| Lease liabilities (including current lease) | 3,794 | (604) | - | 370 | 3,560 |
| **Total liabilities from financing activities** | **2,52,327** | **(36,715)** | **2,506** | **1,346** | **2,19,464** |

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

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

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

See accompanying notes to the standalone financial statements 2.2 - 55

As per our report of even date

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

KRISHNA NITHYANANDA KAMATH
Digitally signed by KRISHNA NITHYANANDA KAMATH
Date: 2026.08.13 20:44:25 +05'30'

**K Nithyananda Kamath**
Partner
Membership No: 027972
Place : Gurugram
Date : August 13, 2026

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

SUNIL GUPTA
Digitally signed by SUNIL GUPTA
Date: 2026.08.13 19:57:48 +05'30'

**Sunil Kumar Gupta**
Managing Director and CEO
DIN: 07095152
Place : Gurugram
Date : August 13, 2026

Brijesh Mehra
Digitally signed by Brijesh Mehra
Date: 2026.08.13 20:04:32 +05'30'

**Brijesh Mehra**
Board Chairman
DIN : 03341307
Place : Mumbai
Date : August 13, 2026

Rajat Kumar Gupta
Digitally signed by Rajat Kumar Gupta
Date: 2026.08.13 20:04:07 +05'30'

**Rajat Kumar Gupta**
Chief Financial Officer
Place: Gurugram
Date : August 13, 2026

KAPIL SHARMA
Digitally signed by KAPIL SHARMA
Date: 2026.08.13 19:57:25 +05'30'

**Kapil Sharma**
Company Secretary
Membership No: A37154
Place: Gurugram
Date : August 13, 2026

**Azure Power India Private Limited**
**Standalone Statement of Changes in Equity for the year ended March 31, 2026**
(All amount in INR lakhs, unless otherwise stated)

**A. Equity share capital**

| | Number of shares | Share capital |
|---|---|---|
| **For the year ended March 31, 2026** | | |
| **Equity shares of INR 10 each issued, subscribed and fully paid** | | |
| **At April 01, 2025** | 69,20,619 | 692 |
| Changes during the year | - | - |
| **At March 31, 2026** | **69,20,619** | **692** |
| For the year ended March 31, 2025 | | |
| Equity shares of INR 10 each issued, subscribed and fully paid | | |
| At April 01, 2024 | 69,20,619 | 692 |
| Changes during the year | - | - |
| At March 31, 2025 | 69,20,619 | 692 |

**B. Other Equity**

**For the year ended March 31, 2026:**

| **Particulars** | **Deemed capital contribution by holding company / ESOP reserve** | **Reserves and surplus** | | **Items of other comprehensive income** | | **Total** |
|---|---|---|---|---|---|---|
| | | **Deficit in the standalone statement of profit and loss** | **Securities premium reserve*** | **Cash flow hedge reserve (refer note 34)** | **Defined benefit plans (refer note 36)** | |
| At April 01, 2025 | 3,329 | (54,792) | 5,11,225 | (161) | 27 | 4,59,628 |
| Loss for the year | - | (73,263) | - | - | - | (73,263) |
| Other comprehensive income/ (loss) | - | - | - | 283 | (2) | 281 |
| **At March 31, 2026** | **3,329** | **(1,28,055)** | **5,11,225** | **122** | **25** | **3,86,646** |

For the year ended March 31, 2025:

| Particulars | Deemed capital contribution by holding company / ESOP reserve | Reserves and surplus | | Items of other comprehensive income | | Total |
|---|---|---|---|---|---|---|
| | | Deficit in the standalone statement of profit and loss | Securities premium reserve* | Cash flow hedge reserve (refer note 34) | Defined benefit plans (refer note 36) | |
| At April 01, 2024 | 3,497 | (38,539) | 5,11,225 | (180) | 33 | 4,76,036 |
| Loss for the year | - | (16,253) | - | - | - | (16,253) |
| Other comprehensive (loss)/income | - | - | - | 19 | (6) | 13 |
| Total comprehensive income/ (loss) | 3,497 | (54,792) | 5,11,225 | (161) | 27 | 4,59,796 |
| Reversal of deemed capital contribution by holding company on account of employee stock option plan (refer note 26) | (168) | - | - | - | - | (168) |
| At March 31, 2025 | 3,329 | (54,792) | 5,11,225 | (161) | 27 | 4,59,628 |

*The amount is net of share issue expenses.

See accompanying notes to the standalone financial statements 2.2 - 55

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

As per our report of even date

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

KRISHNA NITHYANANDA KAMATH Digitally signed by KRISHNA NITHYANANDA KAMATH Date: 2026.08.13 20:44:53 +05'30'

**K Nithyananda Kamath**
Partner
Membership No: 027972
Place : Gurugram
Date : August 13, 2026

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

SUNIL GUPTA Digitally signed by SUNIL GUPTA Date: 2026.08.13 19:58:16 +05'30'

**Sunil Kumar Gupta**
Managing Director and CEO
DIN: 07095152
Place : Gurugram
Date : August 13, 2026

Brijesh Mehra Digitally signed by Brijesh Mehra Date: 2026.08.13 20:05:04 +05'30'

**Brijesh Mehra**
Board Chairman
DIN : 03341307
Place : Mumbai
Date : August 13, 2026

Rajat Kumar Gupta Digitally signed by Rajat Kumar Gupta Date: 2026.08.13 20:05:39 +05'30'

**Rajat Kumar Gupta**
Chief Financial Officer
Place: Gurugram
Date : August 13, 2026

KAPIL SHARMA Digitally signed by KAPIL SHARMA Date: 2026.08.13 19:58:38 +05'30'

**Kapil Sharma**
Company Secretary
Membership No: A37154
Place: Gurugram
Date : August 13, 2026

## 1. Corporate information

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

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

## 2. Material accounting policies

### 2.1 Basis of preparation

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

The standalone financial statements were authorised for issue by the Company's Board of Directors on August 13, 2026.

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

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

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

### 2.2 Summary of material accounting policies

#### a) Use of Estimates

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

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

### b) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when it is:

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

All other liabilities are classified as non-current.

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

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

### c) Property, plant and equipment

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

**Derecognition**

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

**(INR amount in lakhs, unless otherwise stated)**

**Capital Spares**

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

## d) Capital work in progress ("CWIP")

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

## e) Depreciation

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

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

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

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

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

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

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

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

### f) Intangible assets

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

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

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

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

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

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

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

### g) Leases

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

**Company as a Lessee**

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

**i) Right of use assets**

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

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

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

**ii) Lease Liabilities**

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

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

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

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

**(iv)** The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the right of use asset if the recognition criteria for a provision are met. Refer to note 42 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

## h) Borrowing costs

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

## i) Financial instruments

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

**Financial assets**

**Initial recognition and measurement**

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

**Subsequent measurement**

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

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

**Debt instruments at amortised cost**

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

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

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

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

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

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

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

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

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

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

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

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

**Derecognition**

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

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

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

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

**Impairment of financial assets**

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

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

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

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

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

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

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

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

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

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

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

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

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

**Financial liabilities**

**Initial recognition and measurement**

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

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

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

**Subsequent measurement**

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

**Financial liabilities at fair value through profit or loss**

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

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

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

**Loans and borrowings**

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

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

**Derecognition**

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

**Reclassification of financial assets and financial liabilities**

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

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

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

**Offsetting of financial instruments**

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

**Derivative financial instruments and hedge accounting**

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

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

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

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

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

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

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

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

***Undesignated contracts***

Changes in fair value of undesignated derivative contracts are reported directly in standalone statement of profit and loss along with the corresponding transaction gains and losses on the items being economically hedged. Realised gains (losses) and changes in the fair value of these foreign exchange derivative contracts are recorded in foreign exchange gains (losses), net in the standalone statement of profit and loss. These derivatives are not held for speculative or trading purposes.

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

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

**Fair value hedge: hedging of foreign exchange exposure**

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

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

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

**Investment in subsidiaries**

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

Any acquisition costs related to acquisition is expensed when incurred.

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

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

### j) Financial guarantees

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

### k) Revenue recognition

**Revenue from contracts with customers**

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

**Sale of power**

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

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

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

**Income from carbon credit emission**

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

**Management Fee**

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

**Contract assets**

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

**Contract liabilities**

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

**Trade receivables**

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

**Interest income**

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

**Dividends**

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

**Application of interpretation for Service Concession Arrangements (SCA)**

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

## l) Government grants

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

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

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

**Viability Gap Funding (VGF)**

The Company records the proceeds received from Viability Gap Funding (VGF) on fulfilment of the underlying conditions as deferred revenue. Such deferred VGF revenue is recognised as other operating income in proportion to the actual sale of solar energy kilowatts during the period to the total estimated sale of solar energy kilowatts during the tenure of the applicable power purchase agreement pursuant to the revenue recognition policy.

### m) Foreign currency transactions

**Functional and Presentation Currency**

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

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

**Conversion**

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

**Exchange differences**

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

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

### n) Retirement and other employee benefits

**Short-term obligations**

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

**Other long-term employee benefit obligations**

**Defined contribution plan**

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

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

**Defined benefit plans**

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

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

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

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

### o) Income taxes

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

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

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

**Deferred Tax**

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

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

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

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

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

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

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

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

**Minimum Alternate Tax**

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

## p) Segment reporting

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

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

## q) Share-based payments

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

**Equity-settled transactions**

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

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

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty,

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

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

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

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

**Cash-settled transactions**

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

**r) Earnings per share**

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

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

**s) Provisions**

**General**

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

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

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

**Decommissioning liability**

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

## t) Impairment of non-financial assets

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

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

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

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

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

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

### u) Contingent assets/liabilities

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

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

### v) Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### w) Cash and cash equivalents

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

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

### x) Events occurring after the balance sheet date

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

### y) Trade Payables

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

### z) Material prior period errors

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

**3 Property, plant and equipment and Capital work in progress**

| | 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, 2024 | 1,453 | 1,69,542 | 91 | 823 | 1,252 | 213 | 2,192 | 7,857 | 1,83,423 | 431 |
| Additions | - | 608 | - | - | 91 | - | 4 | - | 703 | 435 |
| Disposals/ adjustments | - | (372) | - | (130) | (60) | (2) | - | - | (564) | (768) |
| At March 31, 2025 | 1,453 | 1,69,778 | 91 | 693 | 1,283 | 211 | 2,196 | 7,857 | 1,83,562 | 98 |
| Additions | 198 | 595 | 1 | 4 | 139 | 2 | - | 89 | **1,028** | 1,624 |
| Disposals/ adjustments | - | (175) | - | (38) | (1) | - | - | (3) | **(217)** | (814) |
| **At March 31, 2026** | **1,651** | **1,70,198** | **92** | **659** | **1,421** | **213** | **2,196** | **7,943** | **1,84,373** | **908** |
| **Accumulated depreciation** | | | | | | | | | | |
| At April 1, 2024 | - | 41,465 | 88 | 542 | 931 | 201 | 1,194 | 1,593 | 46,014 | - |
| Charge for the year | - | 4,532 | 1 | 28 | 157 | 8 | 221 | 216 | 5,163 | - |
| Disposals/ adjustments | - | (93) | - | (66) | (52) | (2) | - | - | (213) | - |
| At March 31, 2025 | - | 45,904 | 89 | 504 | 1,036 | 207 | 1,415 | 1,809 | 50,964 | - |
| Charge for the year | - | 4,559 | - | 2 | 166 | 1 | 222 | 218 | **5,168** | - |
| Disposals/ adjustments | - | (42) | - | (38) | (1) | - | - | (1) | **(82)** | - |
| **At March 31, 2026** | **-** | **50,421** | **89** | **468** | **1,201** | **208** | **1,637** | **2,026** | **56,050** | **-** |
| **Net block** | | | | | | | | | | |
| **At March 31, 2026** | **1,651** | **1,19,777** | **3** | **191** | **220** | **5** | **559** | **5,917** | **1,28,323** | **908** |
| At March 31, 2025 | 1,453 | 1,23,874 | 2 | 189 | 247 | 4 | 781 | 6,048 | 1,32,598 | 98 |

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

* During the current year ended March 31, 2026, the Company has conducted physical verifications of its property, plant and equipment. Based on the outcome of the physical verification, certain discrepancies were identified which were reviewed and appropriately adjusted in the books of accounts. Accordingly, the Company has written off plant and machinery (net) amounting to INR 5 Lakhs (March 31, 2025; INR 22 lakhs).

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

| **As at March 31, 2026** | **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 | 908 | - | - | - | 908 |
| **Total** | **908** | **-** | **-** | **-** | **908** |

| As at March 31, 2025 | 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 | 98 | - | - | - | 98 |
| Total | 98 | - | - | - | 98 |

(ii) As at March 31, 2026 and March 31, 2025, there is no CWIP whose completion is overdue or has exceeded its cost compared to original plan.

**3.1 Intangible assets**

| | Software | Total |
|---|---|---|
| **Gross carrying amount** | | |
| At April 01, 2024 | 1,796 | 1,796 |
| Additions | 73 | 73 |
| At March 31, 2025 | 1,869 | 1,869 |
| Additions | 149 | 149 |
| **At March 31, 2026** | **2,018** | **2,018** |
| **Accumulated amortisation** | | |
| At April 01, 2024 | 1,760 | 1,760 |
| Charge for the year | 62 | 62 |
| At March 31, 2025 | 1,822 | 1,822 |
| Charge for the year | 82 | 82 |
| **At March 31, 2026** | **1,904** | **1,904** |
| **Net block** | | |
| **At March 31, 2026** | **114** | **114** |
| At March 31, 2025 | 47 | 47 |

(All amount in INR lakhs, unless otherwise stated)

| | | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| **4. Non-current investments** | | | |
| **(a) Investment in equity shares of subsidiaries (at cost and unquoted)** | | | |
| 1,26,523 (March 31, 2025: 1,26,523) equity shares of INR 10/- each fully paid up in Azure Power (Punjab) Private Limited# | | 1,813 | 1,813 |
| 49,12,787 (March 31, 2025: 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, 2025: 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, 2025: 98,873) equity shares of INR 10/- each fully paid up in Azure Power (Rajasthan) Private Limited# | | 2,591 | 2,591 |
| 1,04,532 (March 31, 2025: 1,04,532) equity shares of INR 10/- each fully paid up in Azure Urja Private Limited# | | 6,335 | 6,335 |
| 44,898 (March 31, 2025: 44,898) equity shares of INR 10/- each fully paid up in Azure Surya Private Limited# | | 1,523 | 1,523 |
| 37,776 (March 31, 2025 : 37,776) equity shares of INR 10/- each fully paid up in Azure Power (Karnataka) Private Limited# | | 1,001 | 1,001 |
| 3,40,458 (March 31, 2025: 3,40,458) equity shares of INR 10/- each fully paid up in Azure Photovoltaic Private Limited# | | 8,989 | 8,989 |
| 1,96,054 (March 31, 2025: 1,96,054) equity shares of INR 10/- each fully paid up in Azure Power Infrastructure Private Limited# | | 9,460 | 9,460 |
| 4,17,742 (March 31, 2025: 4,17,742) equity shares of INR 10/- each fully paid up in Azure Power (Raj.) Private Limited# | | 9,115 | 9,115 |
| 56,402 (March 31, 2025: 56,402) equity shares of INR 10/- each fully paid up in Azure Green Tech Private Limited# | | 7,059 | 7,059 |
| 46,354 (March 31, 2025: 46,354) equity shares of INR 10/- each fully paid up in Azure Clean Energy Private Limited# | | 6,581 | 6,581 |
| 2,16,325 (March 31, 2025: 2,16,325) equity shares of INR 10/- each fully paid up in Azure Sunrise Private Limited# | | 9,100 | 9,100 |
| 56,335 (March 31, 2025: 56,335) equity shares of INR 10/- each fully paid up in Azure Sunshine Private Limited# | | 3,509 | 3,509 |
| 4,59,770 (March 31, 2025: 4,59,770) equity shares of INR 10/- each fully paid up in Azure Power Earth Private Limited# | | 17,154 | 17,154 |
| 71,445 (March 31, 2025: 71,445) equity shares of INR 10/- each fully paid up in Azure Power Eris Private Limited# | | 2,205 | 2,205 |
| 85,374 (March 31, 2025: 85,374) equity shares of INR 10/- each fully paid up in Azure Power Jupiter Private Limited# | | 3,757 | 3,757 |
| 2,68,474 (March 31, 2025: 2,68,474) equity shares of INR 10/- each fully paid up in Azure Power Makemake Private Limited# | | 7,626 | 7,626 |
| 1,24,583 (March 31, 2025: 1,24,583) equity shares of INR 10/- each fully paid up in Azure Power Mars Private Limited# | | 1,101 | 1,101 |
| 7,76,874 (March 31, 2025: 7,76,874) equity shares of INR 10/- each fully paid up in Azure Power Pluto Private Limited# | | 24,914 | 24,914 |
| 1,26,640 (March 31, 2025: 1,26,640) equity shares of INR 10/- each fully paid up in Azure Power Uranus Private Limited# | | 1,239 | 1,239 |
| 1,65,135 (March 31, 2025: 1,65,135) equity shares of INR 10/- each fully paid up in Azure Power Venus Private Limited# | | 5,028 | 5,028 |
| 9,28,836 (March 31, 2025: 9,28,836) equity shares of INR 10/- each fully paid up in Azure Power Thirty Three Private Limited# | | 35,713 | 35,713 |
| 29,52,087 (March 31, 2025: 29,52,087) equity shares of INR 10/- each fully paid up in Azure Power Thirty Four Private Limited# | | 15,904 | 15,904 |
| 1,17,446 (March 31, 2025: 1,17,446) equity shares of INR 10/- each fully paid up in Azure Power Thirty Six Private Limited# | | 6,693 | 6,693 |
| 36,40,673 (March 31, 2025: 36,40,673) equity shares of INR 10/- each fully paid up in Azure Power Thirty Seven Private Limited# | | 5,607 | 5,607 |
| 86,765 (March 31, 2025: 86,765) equity shares of INR 10/- each fully paid up in Azure Power Thirty Nine Private Limited | | 604 | 604 |
| 26,32,123 (March 31, 2025: 26,32,123) equity shares of INR 10/- each fully paid up in Azure Power Forty Private Limited# | | 13,684 | 13,684 |
| 10,82,632 (March 31, 2025: 10,82,632) equity shares of INR 10/- each fully paid up in Azure Power Forty One Private Limited# | | 28,992 | 28,992 |
| 12,22,477 (March 31, 2025: 12,22,477) equity shares of INR 10/- each fully paid up in Azure Power Forty Three Private Limited# | | 34,191 | 34,191 |
| 27,56,629 (March 31, 2025: 27,56,629) equity shares of INR 10/- each fully paid up in Azure Power Maple Private Limited## | | 21,967 | 21,967 |
| 15,43,000 (March 31, 2025: 15,43,000) equity shares of US$ 1 each fully paid up in Azure Power US Inc. | | 951 | 951 |
| 46,04,457 (March 31, 2025: 46,04,457) equity shares of INR 10/- each fully paid up in Azure Power Fifty One Private Limited | | 3,099 | 3,099 |
| 13,26,537 (March 31, 2025: 13,26,537) equity shares of INR 10/- each fully paid up in Azure Power Fifty Two Private Limited | | 1,499 | 1,499 |
| 1,09,999 (March 31, 2025: 1,09,999) equity shares of INR 10/- each fully paid up in Azure Power Fifty Three Private Limited (refer note 51) | | 11 | 11 |
| 9,999 (March 31, 2025: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Fifty Four Private Limited (refer note 51) | | 1 | 1 |
| 1,09,999 (March 31, 2025: 1,09,999) equity shares of INR 10/- each fully paid up in Azure Power Fifty Six Private Limited | | 11 | 11 |
| 9,999 (March 31, 2025: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Fifty Seven Private Limited | | 1 | 1 |
| 9,999 (March 31, 2025: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Fifty Eight Private Limited | | 1 | 1 |
| 9,999 (March 31, 2025: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Fifty Nine Private Limited (refer note 51) | | 1 | 1 |
| 9,999 (March 31, 2025: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Sixty Private Limited (refer note 51) | | 1 | 1 |
| 9,999 (March 31, 2025: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Sixty two Private Limited (refer note 51) | | 1 | 1 |
| 9,999 (March 31, 2025: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Sixty One Private Limited | | 1 | 1 |
| 9,999 (March 31, 2025: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Sixty three Private Limited | | 1 | 1 |
| 9,999 (March 31, 2025: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Sixty four Private Limited | | 1 | 1 |
| 9,999 (March 31, 2025: 9,999) equity shares of INR 10/- each fully paid up in Kotuma Wind Parks Private Limited | | 1 | 1 |
| 9,999 (March 31, 2025: 9,999) equity shares of INR 10/- each fully paid up in Two Wind Energy Private Limited | | 1 | 1 |
| 9,999 (March 31, 2025: 9,999) equity shares of INR 10/- each fully paid up in Azure Energy Transition Private Limited | | 1 | 1 |
| 9,999 (March 31, 2025: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Sixty Five Private Limited | | 1 | 1 |
| 9,999 (March 31, 2025: 9,999) equity shares of INR 10/- each fully paid up in Azure Power Sixty Six Private Limited | | 1 | 1 |
| 9,999 (March 31, 2025: 9,999) equity shares of INR 10/- each fully paid up in Azure Green Hydrogen Private Limited | | 1 | 1 |
| **Total** | **(A)** | **3,13,699** | 3,13,699 |
| **(b) Investment in Compulsorily Convertible Debentures (CCD) of subsidiaries (at cost and unquoted)** | | | |
| 3,20,758 (March 31, 2025: 3,20,758) CCD in Azure Power Thirty Seven Private Limited | | 8,500 | 8,500 |
| 1,70,183 (March 31, 2025: 1,70,183) CCD in Azure Power Forty Three Private Limited | | 5,000 | 5,000 |
| 15,63,00,000 (March 31, 2025: Nil) CCD in Azure Power Fifty Two Private Limited | | 15,630 | - |
| 3,59,98,380 (March 31, 2025: 3,59,98,380) CCD in Azure Power Fifty One Private Limited | | 3,600 | 3,600 |
| 1,10,85,039 (March 31, 2025: 1,10,85,039) CCD in Azure Power Fifty Three Private Limited | | 1,109 | 1,109 |
| 1,04,34,789 (March 31, 2025: 1,04,34,789) CCD in Azure Power Fifty Four Private Limited | | 1,043 | 1,043 |
| 23,00,000 (March 31, 2025: 23,00,000) CCD in Azure Power Fifty Six Private Limited | | 230 | 230 |
| 24,00,000 (March 31, 2025: 24,00,000) CCD in Azure Power Fifty Seven Private Limited | | 240 | 240 |
| 1,06,91,461 (March 31, 2025: 1,06,76,461) CCD in Azure Power Fifty Nine Private Limited | | 1,069 | 1,068 |
| 1,03,94,669 (March 31, 2025: 1,03,79,669) CCD in Azure Power Sixty Private Limited | | 1,039 | 1,038 |
| 83,00,000 (March 31, 2025: 83,00,000) CCD in Azure Power Sixty Two Private Limited | | 830 | 830 |
| **Total** | **(B)** | **38,290** | **22,658** |
| **Less:-** | | | |
| Impairment of investment in equity shares of subsidiaries (refer note 24, 28 and 54) | | 39,430 | 15 |
| Impairment of investments in CCD (refer note 24, 28 and 54) | | 20,453 | 9,158 |
| **Total** | **(C)** | **59,883** | **9,173** |
| **Total** | **(A+B-C)** | **2,92,106** | 3,27,184 |
| **Aggregate value of unquoted investments** | | 3,51,989 | 3,36,357 |
| **Aggregate amount of impairment in value of investments** | | 59,883 | 9,173 |

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

#51% of investment made by the company in the subsidiaries is pledged against borrowing taken by the respective subsidiaries.
##100% of investment made by the company in the subsidiary is pledged against borrowing taken by the subsidiary.

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **5 Non-current financial assets** | | |
| (Carried at amortised cost, unless otherwise stated) | | |
| **5.1 Investments** | | |
| (at fair value through profit and loss) | | |
| **(a) Investment in equity shares (unquoted)** | | |
| 5,61,920 (March 31, 2025: 5,61,920) equity shares of INR 10/- each fully paid up in Premier Energies International Private Limited (earlier known as Azure Power Fifty- Five Private Limited) *** | 1,365 | 1,365 |
| **(b) Investment in compulsorily convertible debentures (unquoted)** | | |
| 13,00,000 (March 31, 2025: 13,00,000) compulsorily convertible debentures of INR 245/- each fully paid up in Premier Energies International Private Limited (earlier known as Azure Power Fifty- Five Private Limited) *** | 3,185 | 3,185 |
| **Total** | **4,550** | 4,550 |
| **Aggregate value of unquoted investments** | **4,550** | 4,550 |

*** During the year ended March 31, 2022, the Company had entered into a non-binding obligation with M/s Premier Energies Limited (“Premier”), a solar module manufacturing company, relating to execution of tender received from SECI. The Company had invested INR 937 lakhs in equity shares of the Premier Energies International Private Limited ("entity") for its 26% of the equity shares of an entity, where Premier had invested in 74% of equity shares. During the year ended March 31, 2023, the Company had further invested INR 428 lakhs in equity shares (without dividend rights) and INR 3,185 lakhs in compulsorily convertible debentures of entity and the Company also entered into related module supply agreements and share and debentures subscription agreements with Premier. The Company is entitled for coupon of 8.5% p.a. on investment made under the agreement towards Compulsory Convertible Debentures (refer note 20 and 5.4).

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **5.2 Trade receivables** | | |
| *(Unsecured)* | | |
| Trade receivables (refer note 35) | 5,794 | 6,618 |
| **Total trade receivables** | **5,794** | 6,618 |
| **Break-up for trade receivables** | | |
| Undisputed trade receivables, considered good | 5,794 | 6,618 |
| Undisputed trade receivables, credit impaired | 7 | 28 |
| **Total** | **5,801** | 6,646 |
| **Impairment allowance for doubtful trade receivable (refer note 39)** | | |
| Undisputed trade receivables, credit impaired | (7) | (28) |
| **Total** | **5,794** | 6,618 |

(i) Trade receivables includes Safeguard duty (SGD) receivables as at March 31, 2026 amounting to INR 5,801 lakhs (March 31, 2025: INR 6,612 lakhs). The Company has recognised Change in Law claim towards Safeguard Duty (SGD) in accordance with approval from Central Electricity Regulatory Commission (CERC) in relation to 200 MW, Solar Power project located in Bhadla, stated that the total payment of compensation on account of SGD amounting to INR 10,890 lakhs which is payable in form of monthly annuity amounting to INR 122 lakhs considering discount rate of 10.41% for a period of 13 years and balance payment in form of upfront amounting to INR 947 lakhs has already been received in earlier years.

(ii) Trade receivables ageing schedule

| **As at March 31, 2026** | **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 | 5,794 | - | - | - | - | - | - | **5,794** |
| Undisputed trade receivables, credit impaired | 7 | - | - | - | - | - | - | **7** |
| | **5,801** | **-** | **-** | **-** | **-** | **-** | **-** | **5,801** |

| As at March 31,2025 | Unbilled receivables* | Non-current but not due** | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | | Less than 6 Months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade receivables, considered good | 6,585 | 33 | - | - | - | - | - | 6,618 |
| Undisputed trade receivables, credit impaired | 28 | - | - | - | - | - | - | 28 |
| | 6,613 | 33 | - | - | - | - | - | 6,646 |

**Notes:**
* Unbilled receivables represents receivables where the goods and/or services have been provided to the customer for which the Company has unconditional right to consideration. However, the Company is yet to raise invoices to the customers.
** Non-Current but not due represent receivables which aren't due as per credit terms agreed with the customer.

| | | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| **5.3 Loans** | | | |
| (Unsecured) | | | |
| Loans to subsidiaries/ fellow subsidiaries, considered good (refer note 28)* | | 74,995 | 97,724 |
| Loans to subsidiaries/ fellow subsidiaries, credit impaired (refer note 28)* | | 20,436 | 10,807 |
| | (A) | 95,431 | 1,08,531 |
| Less: Impairment allowance for loans (refer note 28 and 39) | (B) | (20,436) | (10,807) |
| **Total** | (A-B) | **74,995** | **97,724** |

* The loans given to subsidiaries/ fellow subsidiaries carry interest rate ranging between 7.75% p.a. to 10.83% p.a.with receivable due on or before October 14, 2034.

(This space has been intentionally left blank.)

| | | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| **5.4 Other financial assets** | | | |
| Interest accrued but not due on loans to subsidiaries and fellow subsidiaries, considered good (refer note 28) | | 7,371 | 5,716 |
| Interest accrued but not due on loans to subsidiaries and fellow subsidiaries, credit impaired (refer note 28) | | 1,060 | 316 |
| | (A) | 8,431 | 6,032 |
| Less: Impairment allowance for interest accrued (refer note 28 and 39) | (B) | (1,060) | (316) |
| | (A-B) | 7,371 | 5,716 |
| Security deposits | | 288 | 251 |
| Term deposits* | | 38,569 | 38,558 |
| Interest accrued on term deposits | | 440 | 1,249 |
| Interest accrued on investments (refer note 5.1) | | 202 | 202 |
| Performance guarantee deposit | | 144 | 127 |
| **Financial asset at fair value through other comprehensive income** | | | |
| Derivative assets (refer note 34) | | 2,620 | 155 |
| **Total** | | **49,634** | **46,258** |

*Term deposits includes of INR 32,779 lakhs (March 31, 2025: INR 30,842 lakhs) representing cash margin against bank guarantees issued for bidding and execution of new projects and deposits against letter of credit issued by various banks for procuring solar power equipment and of INR 5,767 lakhs (March 31, 2025: INR 6,338 lakhs) in term deposits towards Debt-Service Reserve account for its outstanding loan.

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **6. Other non-current assets** | | |
| (Unsecured, considered good) | | |
| Capital advances | 6 | 2 |
| Prepaid assets | 37 | 37 |
| Prepaid performance guarantee deposits | 595 | 635 |
| Contract assets (refer note 35) | 217 | 232 |
| **Total** | **855** | 906 |
| **7. Income tax assets (net)** | | |
| Advance income-tax (net of provision for tax of INR Nil (March 31, 2025: INR 282 lakhs). | 9,743 | 4,350 |
| **Total** | **9,743** | 4,350 |

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

| | | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| **8.1 Investments** | | | |
| (Carried at fair value through profit and loss (FVTPL)) | | | |
| Investment in mutual funds (unquoted)* | | 21,733 | - |
| **Investment in equity shares of others (unquoted)** | | | |
| Nil (March 31, 2025: 6,99,499) equity shares of INR 10/- each fully paid up in Azure Power Saturn Private Limited | | - | 2,043 |
| Nil (March 31, 2025: 1,20,402) equity shares of INR 10/- each fully paid up in Azure Power Thirty Eight Private Limited | | - | 1,945 |
| **Total** | **(A)** | **21,733** | 3,988 |
| **Less:-** | | | |
| Provision for diminution in value of investments (refer note 24 and 45) | | - | 3,963 |
| **Total** | **(B)** | **-** | 3,963 |
| **Total** | **(A-B)** | **21,733** | 25 |

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| ***Liquid mutual funds (measured at FVTPL) (Unquoted)** | | |
| 1. Axis Liquid Fund - Number of units 115,032.83 (March 31, 2025: Nil) | 3,525 | - |
| 2. Axis Overinght Fund - Number of units 16,913.56 (March 31, 2025: Nil) | 241 | - |
| 3. HDFC Liquid Fund - Number of units 57,789.37 (March 31, 2025: Nil) | 3,126 | - |
| 4. Kotak Liquid Fund - Number of units 63,338.09 (March 31, 2025: Nil) | 3,525 | - |
| 5. Aditya Birla Liquid Fund - Number of units 499,707.05 (March 31, 2025: Nil) | 2,224 | - |
| 6. Nippon India Liquid Fund - Number of units 45,193.16 (March 31, 2025: Nil) | 3,048 | - |
| 7. Bandhan Liquid Fund - Number of units 121,091.95 (March 31, 2025: Nil) | 4,029 | - |
| 8. HSBC Liquid Fund - Number of units 73,414.60 (March 31, 2025: Nil) | 2,015 | - |
| **Total** | **21,733** | **-** |
| **Aggregate value of unquoted investments** | 21,733 | - |
| **Aggregate value of unquoted investments** | - | 3,988 |
| **Aggregate amount of impairment in value of investments** | - | 3,963 |

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **8.2 Trade receivables** | | |
| (Unsecured) | | |
| Trade receivables - subsidiaries* (refer note 28 and 35) | 8,498 | 7,293 |
| Trade receivables - others* (refer note 35) | 4,568 | 3,807 |
| **Total** | **13,066** | 11,100 |
| **Break-up for trade receivables:** | | |
| Undisputed trade receivables, considered good | 13,066 | 11,100 |
| Undisputed trade receivables, credit impaired^ | 5,986 | 10,110 |
| **Total** | **19,052** | 21,210 |
| **Impairment allowance for doubtful trade receivable (refer note 28, 39, 51 and 52)** | | |
| Undisputed trade receivables, credit impaired | (5,986) | (10,110) |
| **Total** | **13,066** | 11,100 |

| | **As at March 31, 2026** | As at March 31, 2025 |
|---|---|---|

(i) Trade receivables includes Safeguard duty (SGD) receivables as at March 31, 2026 amounting to INR 812 lakhs (March 31, 2025: INR 732 lakhs)

(ii) Trade receivables ageing schedule

| **As at March 31, 2026** | **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 | 3,057 | 1,507 | 2,869 | 1,358 | 1,378 | 1,181 | 1,716 | **13,066** |
| Undisputed trade receivables, credit impaired | 4 | 2 | 2 | - | - | 213 | 5,765 | **5,986** |
| | **3,061** | **1,509** | **2,871** | **1,358** | **1,378** | **1,394** | **7,481** | **19,052** |

| As at March 31, 2025 | Unbilled receivables** | Current but not due# | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | | Less than 6 Months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade receivables, considered good | 4,082 | 716 | 1,770 | 975 | 1,106 | 1,042 | 1,409 | 11,100 |
| Undisputed trade receivables, credit impaired | 13 | 3 | 2 | 23 | - | 5,388 | 4,681 | 10,110 |
| | 4,095 | 719 | 1,772 | 998 | 1,106 | 6,430 | 6,090 | 21,210 |

* Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.
** Unbilled receivables represents receivables where the goods and/or services have been provided to the customer for which the Company has unconditional right to consideration. However, the Company is yet to raise invoices to the customer.
# Current but not due represent receivables which aren't due as per credit terms agreed with the customer.
^ Includes trade receivables pertaining to related parties of INR 5,950 lakhs (March 31, 2025: INR 10,041 lakhs).

**8.3 Cash and cash equivalents**

| | | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| Balances with banks: | | | |
| - In current accounts | | 903 | 2,178 |
| - Deposits with original maturity of less than 3 months | | 20,321 | 11,750 |
| **Total** | | **21,224** | 13,928 |

**8.4 Other bank balances**

| | | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| - Deposits with original maturity of more than 3 months, but with remaining maturity of less than 12 months | | 33,256 | 34,383 |
| **Total** | | **33,256** | 34,383 |

**8.5 Loans**
*(Unsecured)*

| | | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| Loans to subsidiaries/ fellow subsidiaries, considered good (refer note 28)* | | 454 | 56,636 |
| Loans to subsidiaries/ fellow subsidiaries, credit impaired (refer note 28)* | | 30 | - |
| | (A) | 484 | 56,636 |
| Less: Impairment allowance for loans (refer note 28 and 39) | (B) | (30) | - |
| | (A-B) | 454 | 56,636 |
| **Total** | | **454** | 56,636 |

* Loans given to subsidiaries/fellow subsidiaries company carries interest rate ranging from 10.17% p.a. to 10.78% p.a. and are receivable sue on or before March 31, 2027.

**8.6 Other current financial assets**

| | | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| Interest accrued and due on loans and advances to subsidiaries/ fellow subsidiaries, considered good (refer note 28) | | 126 | 3,339 |
| Interest accrued and due on loans and advances to subsidiaries/ fellow subsidiaries, credit impaired (refer note 28) | | 273 | 21 |
| | (A) | 399 | 3,360 |
| Less: Impairment allowance for interest accrued (refer note 28 and 39) | (B) | (273) | (21) |
| | (A-B) | 126 | 3,339 |
| Contractually reimbursable from holding company/ subsidiaries/ fellow subsidiaries, considered good (refer note 28) | | 1,608 | 2,640 |
| Contractually reimbursable from holding company/ subsidiaries/ fellow subsidiaries, credit impaired (refer note 28) | | 879 | 313 |
| | (C) | 2,487 | 2,953 |
| Less: Impairment allowances for doubtful contractually reimbursable expenses (refer note 28 and 39) | (D) | (879) | (313) |
| | (C-D) | 1,608 | 2,640 |
| Interest accrued on term deposits | | 723 | 929 |
| Interest accrued and not due on loans and advances to subsidiaries/ fellow subsidiaries, considered good (refer note 28) | | 54 | 19 |
| **Total** | | **2,511** | **6,927** |

**9. Other current assets**
(Unsecured, considered good)

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Balance with statutory authorities | 5,026 | 4,773 |
| Money paid under protest | 1,566 | 1,562 |
| Advance to vendors | 1,107 | 9,125 |
| Prepaid assets | 509 | 496 |
| Deferred financing cost | 259 | - |
| Prepaid performance guarantee deposit | 40 | 40 |
| Contract assets (refer note 35) | 14 | 14 |
| Other advances | 62 | 40 |
| **Total** | **8,583** | 16,050 |

(This space has been intentionally left blank.)

(All amount in INR lakhs, unless otherwise stated)

| | **As at March 31, 2026** | As at March 31, 2025 |
|---|---|---|

## 10. Equity share capital

**Authorised share capital:**
**Equity share capital**

| | | |
|---|---|---|
| 4,33,33,333 (March 31, 2025: 4,33,33,333) equity shares of INR 10/- each | 4,333 | 4,333 |
| 8,66,66,667 (March 31, 2025: 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, 2025: 69,20,619) equity shares of INR 10/- each | 692 | 692 |
| | **692** | 692 |

**A. Reconciliation of number of equity shares**

| | **Number of Shares** | **Amount** |
|---|---|---|
| At April 01, 2024 | 69,20,619 | 692 |
| Changes during the year | - | - |
| At March 31, 2025 | 69,20,619 | 692 |
| Changes during the year | - | - |
| **At March 31, 2026** | **69,20,619** | **692** |

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

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

| | **As at March 31, 2026** | As at March 31, 2025 |
|---|---|---|
| **Azure Power Global Limited, holding company** | | |
| 68,18,032 (March 31, 2025: 68,18,032) equity shares of INR 10/-each fully paid up | 682 | 682 |

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

| **Name of the shareholder** | **Number of shares held** | **Percentage of holding** | Number of shares held | Percentage of holding |
|---|---|---|---|---|
| | **March 31, 2026** | **March 31, 2026** | March 31, 2025 | March 31, 2025 |
| **Equity shares of INR 10 each fully paid** | | | | |
| Azure Power Global Limited | 68,18,032 | 98.52% | 68,18,032 | 98.52% |
| Inderpreet S Wadhwa (refer note 33(b)(ii), contingent liabilities) | 97,497 | 1.41% | 97,497 | 1.41% |

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

**E. Details of shares held by Promoters**

**For the year ended March 31, 2026**

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

For the year ended March 31, 2025

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

**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.

(All amount in INR lakhs, unless otherwise stated)

## 11. Other equity

**For the year ended March 31, 2026:**

| **Particulars** | **Deemed capital contribution by holding company / ESOP reserve (refer note 11.1)** | **Reserves and surplus** | | **Items of other comprehensive income** | | **Total** |
|---|---|---|---|---|---|---|
| | | **Deficit in the standalone statement of profit and loss (refer note 11.2)** | **Securities premium reserve (refer note 11.3)*** | **Cash flow hedge reserve (refer note 11.4 and 34)** | **Defined benefit plans (refer note 11.5 and 36)** | |
| **At April 01, 2025** | 3,329 | (54,792) | 5,11,225 | (161) | 27 | 4,59,628 |
| Loss for the year | - | (73,263) | - | - | - | (73,263) |
| Other comprehensive income/ (loss) | - | - | - | 283 | (2) | 281 |
| **At March 31, 2026** | **3,329** | **(1,28,055)** | **5,11,225** | **122** | **25** | **3,86,646** |

For the year ended March 31, 2025:

| Particulars | Deemed capital contribution by holding company / ESOP reserve (refer note 11.1) | Reserves and surplus | | Items of other comprehensive income | | Total |
|---|---|---|---|---|---|---|
| | | Deficit in the standalone statement of profit and loss (refer note 11.2) | Securities premium reserve (refer note 11.3)* | Cash flow hedge reserve (refer note 11.4 and 34) | Defined benefit plans (refer note 11.5 and 36) | |
| At April 01, 2024 | 3,497 | (38,539) | 5,11,225 | (180) | 33 | 4,76,036 |
| Loss for the year | - | (16,253) | - | - | - | (16,253) |
| Other comprehensive income/ (loss) | - | - | - | 19 | (6) | 13 |
| Total comprehensive income/(loss) | 3,497 | (54,792) | 5,11,225 | (161) | 27 | 4,59,796 |
| Reversal of deemed capital contribution by holding company on account of employee stock option plan (refer note 25) | (168) | - | - | - | - | (168) |
| At March 31, 2025 | 3,329 | (54,792) | 5,11,225 | (161) | 27 | 4,59,628 |

*The amount is net of share issue expenses.

**Nature and purpose of reserves**

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

**11.2 Deficit in the standalone statement of profit and loss**
Deficit in the standalone statement of profit and loss are the results of the Company earned till date net of appropriations.

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

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

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

## 12. Non-current financial liabilities
(Carried at amortised cost, unless otherwise stated)

### 12.1 Non-current borrowings

| | Non-current portion | | Current portion* | |
|---|---|---|---|---|
| | **As at March 31, 2026** | As at March 31, 2025 | **As at March 31, 2026** | As at March 31, 2025 |
| **Term loans (secured)**** | | | | |
| Term loans from bank[(1)] | 28,166 | 18,395 | 1,294 | 1,445 |
| Term loans from financial institutions[(2)] | 92,065 | 80,265 | 7,438 | 6,128 |
| Foreign currency loan from bank[(3)] | - | 23,865 | 26,406 | 2,498 |
| **Term loans (unsecured)**** | | | | |
| Term loans from bank[(1)] | - | - | - | 34,795 |
| **From related party (unsecured)** | | | | |
| Loan from subsidiaries[(4)] (refer note 28) | 60,535 | 81,142 | - | - |
| **Total borrowings** | **1,80,766** | 2,03,667 | **35,138** | 44,866 |

*Refer note 15.1
** Interest rate ranging 7.75% - 10.78% per annum

**[(1)]Term loans from banks**
During the current year, the Company has borrowed INR 30,000 lakhs from Société Générale S.A. to refinance the existing unsecured loan taken from Hong Kong and Shanghai Banking Corporation (HSBC). The principal amount is repayable in 3 annual instalments, commencing from September 2026 and ending in September 2028. The borrowing is secured by an exclusive charge ensuring a minimum security cover of 1.5 times, including charge over distribution accounts of 200 MW project and Azure Power Forty One Private Limited, exclusive charge over the Collection Account including cash surplus from subsidiaries and projects, charge over the Debt Service Reserve Amount, and a non-disposal undertaking over NDU securities. The net carrying value of the loan as of March 31, 2026 is INR 29,460 lakhs post adjustment of unamortised balance of ancillary cost of borrowing amounting to INR 540 lakhs.

**[(2)]Term loans from financial institutions**
During the year ended March 31, 2022, the Company had taken loans amounting INR 18,000 lakhs and INR 34,000 lakhs from Aseem Infrastructure Finance Limited and NIIF Infrastructure Finance Limited respectively for refinancing of its 100 MW Solar project with NTPC Limited. These facilities are repayable in 63 quarterly instalments commencing from December, 2021 and ending on June 2037. These facility are secured by charge on immovable properties, charge on movable properties, assignment of project contracts and charge on other assets including but not limited to bank accounts and accounts receivables of the underlying solar power project. As at March 31, 2026, net carrying value of the loans are INR 13,848 lakhs and INR 26,158 lakhs (March 31, 2025: INR 14,760 lakhs and INR 27,879 lakhs) post adjustment of unamortised balance of ancillary cost of borrowing of INR 48 lakhs and INR 90 lakhs (March 31, 2025: INR 54 lakhs and INR 103 lakhs) of Aseem Infrastructure Finance Limited and NIIF Infrastructure Finance Limited respectively.

During the current year, the Company has borrowed INR 48,405 lakhs from India Infradebt Limited to refinance the existing loan taken under joint facilitation agreement from Axis Bank and Tata Cleantech Capital Limited. The principal amount is repayable in 63 quarterly instalments, commencing from September 2025 and ending in March 2041. The loan is secured by a charge over the movable and immovable assets of the project, assignment of project contracts and charge on other assets including but not limited to bank accounts and accounts receivables of the underlying solar power project. The net carrying value of the loan as of March 31, 2026 is INR 45,401 lakhs post adjustment of unamortised balance of ancillary cost of borrowing amounting to INR 361 lakhs. The loan from Axis Bank and Tata Cleantech Capital Limited was repaid in July 2025.

During the year ended March 31, 2022, the Company had taken a loan amounting INR 15,200 lakhs from Indian Renewable Energy Development Agency (IREDA) for refinancing of its 30 MW Solar project with Chhattisgarh State Power Distribution Company Limited. The facility is repayable in 168 monthly instalments commencing from April, 2022 and ending on March 2036. The loan is secured by charge on immovable properties, charge on movable properties, assignment of project contracts and charge on other assets including but not limited to bank accounts and accounts receivables of the underlying solar power project. As at March 31, 2026, net carrying value of the loan is INR 10,650 lakhs (March 31, 2025: INR 11,788 lakhs) post adjustment of unamortised balance of ancillary cost of borrowing INR 70 lakhs (March 31, 2025: INR 84 lakhs).

During the year ended March 31, 2024 and March 31, 2025, the Company borrowed an amount of INR 2,500 lakhs and 1,666 lakhs respectively from Kotak Infrastructure Debt Fund Limited for financing of a 10 MW solar power project with Bangalore Electricity Supply Company Limited. The facility is repayable in 49 quarterly instalments commencing from March 2024 and ending in March 2036. The loan is secured by charge on immovable properties, charge on movable properties, assignment of project contracts and charge on other assets including but not limited to bank accounts and accounts receivables of the underlying solar power project. As at March 31, 2026, net carrying value of the loan is INR 3,446 lakhs (March 31,2025: INR 3,766 lakhs) post adjustment of unamortised balance of ancillary cost of borrowing INR 30 lakhs (March 31, 2025: INR 35 lakhs).

**[(3)]Foreign currency loan from banks**

During the year ended March 31, 2025, the Company borrowed INR 26,279 lakhs from HSBC Bank. The facility is repayable in six semi-annually installments, commencing from May 2025 and ending in November 2027. The lender holds a put option exercisable at any time after November 2026; accordingly, the borrowing has been classified as a current liability. The loan facility is secured through pari-passu charge over current assets and moveable fixed assets, excluding any assets charged to the project specific facilities, and cash margin charged to the working capital lenders. The net carrying value of the loan as of March 31, 2026, is INR 26,406 lakhs (March 31, 2025 INR 26,363 lakhs) post adjustment of unamortised balance of ancillary cost of borrowing INR 109 lakhs (INR 274 lakhs).

**[(4)]Loans from subsidiaries**
The Company has taken loans from its subsidiaries carry interest rate ranging from 8.80% to 11.50% per annum. Refer note 39 for terms of repayment. Refer note 28 for disclosures on related party.

(All amount in INR lakhs, unless otherwise stated)

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **12.2 Other financial liabilities** | | |
| Interest accrued and but not due on borrowings from subsidiaries (refer note 28) | 5,775 | 7,089 |
| **Total** | **5,775** | 7,089 |
| **13. Provisions** | | |
| **13.1 Non-current** | | |
| Provision for gratuity (refer note 36) | 349 | 235 |
| Provision for decommissioning liabilities* | 1,305 | 1,190 |
| **Total** | **1,654** | 1,425 |

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

| | | |
|---|---|---|
| **Movement for provision for decommissioning liabilities** | | |
| Opening balance | 1,190 | 1,094 |
| Adjustment due to change in estimates | (5) | (12) |
| Accretion during the year | 120 | 108 |
| **Closing balance** | **1,305** | 1,190 |
| **13.2 Current** | | |
| Provision for compensated absences | 390 | 270 |
| Provision for gratuity (refer note 36) | 136 | 101 |
| Provision for bank guarantees** (refer note 20, 25, 51 and 52) | 15,605 | 18,311 |
| **Total** | **16,131** | 18,682 |
| ****Movement in the provision for bank guarantees during the year is as follows:** | | |
| Opening balance | 18,311 | 17,876 |
| Provision created during the year (refer note 25) | - | 3,935 |
| Payment during the year | (1,988) | (3,500) |
| Reversed during the year (refer note 20) | (718) | - |
| **Closing balance** | **15,605** | 18,311 |
| **14. Other non-current liabilities** | | |
| Contract Liability | | |
| Deferred revenue on account of Safeguard Duty (refer note 35) | 6,967 | 7,390 |
| **Total** | **6,967** | 7,390 |
| **15. Current financial liabilities** | | |
| (Carried at amortised cost, unless stated otherwise) | | |
| **15.1 Current borrowings** | | |
| Current maturities of non-current borrowings | | |
| Term loans (secured) (refer note 12.1) | | |
| -Term loans from bank | 1,294 | 1,445 |
| -Term loans from financial institutions | 7,438 | 6,128 |
| -Foreign currency loan from bank | 26,406 | 2,498 |
| Term loans (Unsecured) (refer note 12.1) | | |
| -Term loans from bank | - | 34,795 |
| **Total** | **35,138** | **44,866** |

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(All amount in INR lakhs, unless otherwise stated)

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **15.2 Trade payables** | | |
| - Total outstanding dues of micro enterprises and small enterprises (refer note 30) | 317 | 545 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 8,876 | 6,797 |
| **Total** | **9,193** | **7,342** |

**Trade payables ageing schedule**

| **As at March 31, 2026** | **Unbilled dues*** | **Not due trade payables**** | **Outstanding for following periods from due date of payment** | | | | **Total** |
|---|---|---|---|---|---|---|---|
| | | | **Less than 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | |
| Total outstanding dues of micro enterprises and small enterprises | - | 87 | 64 | 24 | 17 | 125 | 317 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 7,515 | 226 | 514 | 328 | 230 | 63 | 8,876 |
| | **7,515** | **313** | **578** | **352** | **247** | **188** | **9,193** |

| As at March 31, 2025 | Unbilled dues* | Not due trade payables** | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|---|
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Total outstanding dues of micro enterprises and small enterprises | - | 134 | 48 | 127 | 39 | 197 | 545 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 3,412 | 345 | 328 | 2,513 | 32 | 167 | 6,797 |
| | 3,412 | 479 | 376 | 2,640 | 71 | 364 | 7,342 |

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

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **15.3 Other current financial liabilities** | | |
| Interest accrued but not due on borrowings | 258 | 227 |
| Payables to holding company (refer note 28) | 332 | 324 |
| Payable to subsidiaries/ fellow subsidiaries (refer note 28) | 3,184 | 1,359 |
| Payable to others (refer note 27) | 1,981 | 1,981 |
| Payable to employees | 1,196 | 1,089 |
| Payable towards capital creditors (refer note 30) | 747 | 405 |
| **Financial liabilities at fair value through other comprehensive income** | | |
| Derivative liability (refer note 34) | 288 | 838 |
| **Total** | **7,986** | 6,223 |

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **16. Other current liabilities** | | |
| Statutory dues | 467 | 326 |
| Contract liability | | |
| -Deferred revenue on account of Safeguard duty (refer note 35) | 429 | 431 |
| **Total** | **896** | 757 |

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(All amount in INR lakhs, unless otherwise stated)

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **17. Deferred tax** | | |
| **Deferred tax liabilities (net)** | | |
| Deferred tax liabilities (net) | 16,505 | 2,355 |
| **Total** | **16,505** | **2,355** |

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

| | As at March 31, 2024 | Movement during the year | As at March 31, 2025 | Movement during the year | As at March 31, 2026 |
|---|---|---|---|---|---|
| **Deferred tax liabilities:** | | | | | |
| Difference between tax base and book base of property, plant and equipment | 30,501 | 11,298 | 41,799 | (811) | 40,988 |
| Right-of-use assets | 1,764 | (182) | 1,582 | (163) | 1,419 |
| Deferred finance cost | - | 96 | 96 | 347 | 443 |
| Unrealised gain on mutual fund | - | - | - | 53 | 53 |
| Contract assets | 91 | (5) | 86 | (5) | 81 |
| **Total deferred tax liabilities (A)** | 32,356 | 11,207 | 43,563 | **(579)** | **42,984** |
| **Deferred tax assets:** | | | | | |
| Unabsorbed depreciation and brought forward losses | 31,326 | (9,649) | 21,677 | (11,941) | 9,736 |
| Allowance under section 94B of Income Tax Act, 1961 | - | 7,351 | 7,351 | (600) | 6,751 |
| Minimum alternate tax | 7,836 | (1,777) | 6,059 | (282) | 5,777 |
| Provision for decommissioning liabilities | 275 | 142 | 417 | 41 | 458 |
| Lease liabilities | 1,358 | (77) | 1,281 | (37) | 1,244 |
| Provision for employee benefits | 220 | 2 | 222 | 92 | 314 |
| Impairment of assets | 100 | - | 100 | 1 | 101 |
| Trade receivables measured at amortised cost | 9 | (6) | 3 | (3) | - |
| Performance bank guarantee | 61 | 8 | 69 | 8 | 77 |
| Allowance for doubtful trade receivable | 3,938 | 14 | 3,952 | (1,860) | 2,092 |
| **Total deferred tax assets (B)** | 45,123 | (3,992) | 41,131 | **(14,581)** | **26,550** |
| **Deferred tax assets/ (liabilities) (net) through Profit and Loss (B-A)** | 12,767 | (15,199) | (2,432) | **(14,001)** | **(16,434)** |
| **Other Comprehensive Income** | | | | | |
| Cash flow hedge reserve | 97 | (10) | 87 | (150) | (63) |
| Defined benefit plan | (13) | 3 | (10) | 2 | (8) |
| **Deferred tax asset/ (liability) (net)** | 12,851 | (15,206) | (2,355) | **(14,149)** | **(16,505)** |

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

| | | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|---|
| **Accounting loss before income tax** | | **(59,257)** | **(2,197)** |
| Applicable statutory income tax rate | | 34.94% | 34.94% |
| **Tax at applicable tax rate** | **(A)** | **(20,704)** | **(768)** |
| **Adjustments:** | | | |
| Permanent difference in property, plant and equipment not considered for deferred tax purpose | | 507 | 233 |
| Permanent difference disallowed under income tax Act | | 21,762 | 1,380 |
| Impact due to change in deferred tax rate on plant, property and equipment and asset retirement obligation | | - | 11,740 |
| Disallowance as per section 94B of Income Tax Act, 1961 not considered for deferred tax purpose | | 600 | - |
| Allowance as per section 94B of Income Tax Act, 1961 considered for deferred tax purpose | | - | (6,751) |
| Permanent disallowance on account of deemed dividend from subsidiaries | | 9,637 | 6,091 |
| Impact of revision in earlier year income tax returns | | 258 | 3,607 |
| Earlier year tax | | 5 | (1,425) |
| Carry forward losses & unabsorbed depreciation not considered for deferred tax purposes | | 1,991 | - |
| Leases | | - | (40) |
| Others | | (50) | (11) |
| **Total** | **(B)** | **34,710** | **14,824** |
| **Total tax expense** | **(A+B)** | **14,006** | **14,056** |
| **Component of tax expenses** | | | |
| Current tax expense | | - | 282 |
| Income tax adjustment pertaining to earlier years | | 5 | (1,425) |
| Deferred tax charge | | 14,001 | 15,199 |
| **Total tax expense** | | **14,006** | **14,056** |

(All amount in INR lakhs, unless otherwise stated)

| | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
|---|---|---|
| **18. Revenue from operations** | | |
| **Revenue from contracts with customers** | | |
| Sale of power* (refer note 35) | 23,028 | 22,937 |
| **Services rendered** | | |
| Management fees** (refer note 28 and 35) | 5,075 | 4,369 |
| **Total** | **28,103** | 27,306 |

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

| | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
|---|---|---|
| **19. Finance income** | | |
| Interest income on financial asset measured at amortised cost | | |
| - Term deposits | 4,622 | 5,662 |
| - Loan to related parties (refer note 28) | 15,132 | 14,935 |
| - Trade receivables from subsidiaries (refer note 28) | - | 2,270 |
| - Safeguard duty receivable | 730 | 802 |
| - Other trade receivables | 9 | 17 |
| Interest on income tax refund | - | 175 |
| **Total** | **20,493** | 23,861 |
| **20. Other income** | | |
| Interest income on financial asset measured at FVTPL | | |
| -Interest income on investments (refer note 5.1) | 270 | 270 |
| Mark to market ("MTM") gain on mutual fund (refer note 8.1) | 151 | - |
| Gain on sale of mutual fund | 101 | - |
| Provisions/ liabilities no longer required written back | 1,086 | 478 |
| Sale of scrap | 11 | 23 |
| Insurance claim | 307 | 7 |
| Reversal of share based compensation (net) (refer note 27) | - | 168 |
| Dividend income (refer note 28) | - | 11,656 |
| Profit on sale of Property, plant and equipment | 2 | - |
| Miscellaneous income | 57 | 40 |
| **Total** | **1,985** | 12,642 |
| **21. Employee benefits expense** | | |
| Salaries, wages and bonus | 8,266 | 7,240 |
| Contribution to provident and other funds (refer note 36) | 371 | 334 |
| Gratuity expenses (refer note 36) | 224 | 97 |
| Staff welfare expenses | 544 | 912 |
| **Total** | **9,405** | 8,583 |
| **22. Finance costs** | | |
| Interest expenses on financial liabilities measured at amortised cost | | |
| - Term loans | 16,291 | 17,373 |
| - Loans from subsidiaries (refer note 28) | 7,568 | 9,860 |
| - Lease liabilities (refer note 32) | 370 | 393 |
| Interest on delayed payment of statutory dues | 19 | 6 |
| Loan prepayment charges | 560 | - |
| Exchange differences regarded as an adjustment to borrowing costs | - | 794 |
| Bank guarantee charges | 257 | 292 |
| Other finance costs | 320 | 404 |
| **Total** | **25,385** | 29,122 |
| **23. Depreciation and Amortisation expense** | | |
| Depreciation of property, plant and equipment (refer note 3) | 5,168 | 5,163 |
| Depreciation on right-of-use assets (refer note 32) | 463 | 518 |
| Amortisation of intangible assets (refer note 3.1) | 82 | 62 |
| **Total** | **5,713** | 5,743 |

(All amount in INR lakhs, unless otherwise stated)

| | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
|---|---|---|
| **24. Impairment expense (net of reversals)** | | |
| - on intercompany loans, interest accrued and contractually reimbursable expenses (refer note 5.3, 5.4, 8.5, 8.6, 28, 39 and 54) | 11,221 | (4,201) |
| - net reversal of ECL on trade receivables (refer note 28 and 39) | (4,145) | (1,105) |
| - on investments in CCD and equity shares (refer note 4, 28 and 54) | 50,710 | 9,158 |
| **Total** | **57,786** | **3,852** |
| | | |
| **25. Other expenses** | | |
| Power and fuel | 31 | 29 |
| Guest house expense | 25 | - |
| Rent (refer note 32) | 166 | 72 |
| Rates and taxes | 706 | 997 |
| Solar park charges | 1,265 | 1,166 |
| Insurance | 400 | 373 |
| Repair and maintenance | | |
| -Plant and machinery | 1,082 | 654 |
| -Other | 381 | 342 |
| Advertisement and sales promotion | 1 | 21 |
| Membership and subscription | 135 | 144 |
| Travelling and conveyance | 264 | 384 |
| Communication costs | 94 | 88 |
| Printing and stationery | 17 | 18 |
| Legal and professional fees (including payment to auditors) | 4,571 | 7,929 |
| Recruitment expenses | 90 | 55 |
| Security charges | 315 | 303 |
| Bank charges | 9 | 35 |
| Software maintenance charges | 682 | 360 |
| Foreign exchange fluctuation (net) | 166 | 197 |
| Assets written off (refer note 3) | 104 | 184 |
| Loss on disposal of plant, property and equipment (refer note 3) | - | 76 |
| Provision for termination of power purchase agreement (refer note 33 (a) (iii)) | 354 | - |
| Provision for bank guarantee and others (refer note 13.2, 51 and 52) | - | 3,935 |
| Advance written off | - | 924 |
| Miscellaneous expenses | 691 | 420 |
| **Total** | **11,549** | 18,706 |
| | | |
| **Payment to auditor:** | | |
| Auditor's remuneration | 292 | 281 |
| Reimbursement of expenses | 6 | 24 |
| **Total** | **298** | 305 |

(This space has been intentionally left blank.)

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

| | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
|---|---|---|

## 26. Earnings per share

Basic EPS amounts are calculated by dividing the loss for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

| | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Loss after tax for calculation of basic EPS | (73,263) | (16,253) |
| Loss after tax for calculation of diluted EPS | (73,263) | (16,253) |
| Weighted average number of equity shares in calculating basic EPS | 69,20,619 | 69,20,619 |
| Total weighted average number of shares in calculating diluted EPS | 69,20,619 | 69,20,619 |
| Basic earning per share (In INR) | **(1,058.62)** | (234.85) |
| Diluted earning per share (In INR) | **(1,058.62)** | (234.85) |

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

**27. Share-based payment**

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

**Description of terms and conditions of grant**

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

No new grant have been made by the Company during the year ended March 31, 2026 and March 31, 2025.

The details of activity have been summarized below:

| **Particulars** | **As at March 31, 2026** | | As at March 31, 2025 | |
|---|---|---|---|---|
| | **No. of options** | **Weighted average exercise price (INR)** | No. of options | Weighted average exercise price (INR) |
| Outstanding at the beginning of the year | **1,42,048** | **1,054** | 3,04,204 | 1,158 |
| Granted during the year | - | - | - | - |
| Exercised during the year | - | - | - | - |
| Forfeited during the year | (27,128) | 1,096 | (1,62,156) | 1,250 |
| **Outstanding at the end of the year** | **1,14,920** | **1,044** | 1,42,048 | 1,054 |
| Exercisable at the end of the year | 1,14,920 | 1,044 | 1,42,048 | 1,054 |

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

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

| | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
|---|---|---|
| Reversal for equity-settled share-based compensation | - | (168) |
| **Total decrease in equity arising from equity-settled share-based payment transactions** | - | (168) |

**(ii) Stock Appreciation Rights (SARs)**

The Company granted incentive compensation in the form of Stock Appreciation Rights ("SARs"), as defined in the APGL 2016 Equity Incentive Plan, as amended in 2020, to its erstwhile CEO and COO. The SARs have been granted in 3 tranches with maturity dates up to March 31, 2028.
On April 26, 2022, the Company through its Board of Directors ("BOD") has accepted the resignations of erstwhile Mr. Ranjit Gupta (CEO) and Mr. Murali Subramanian (COO) of the Company. Both of the KMP's were relinquished from their roles with the Company/ Group with immediate effect. Considering the same, adjustment was made in financial year 2022-23. (refer note 15.3)

**The details of activity have been summarized below:**

| | **As at March 31, 2026** | | As at March 31, 2025 | |
|---|---|---|---|---|
| | **No. of options** | **Weighted average exercise price (INR)** | No. of options | Weighted average exercise price (INR) |
| **Outstanding at the beginning of the year** | **6,80,000** | **878** | 6,80,000 | 878 |
| Granted during the year | - | - | - | - |
| Forfeited/reversed during the year | - | - | - | - |
| **Outstanding at the end of the year** | **6,80,000** | **878** | 6,80,000 | 878 |
| Vested at the end of the year | 6,80,000 | 878 | 6,80,000 | 878 |

**Effect of the stock appreciation rights on the standalone statement of profit and loss account and on its financial position:**
The Company recognises SAR cost in the standalone statement of profit and loss with corresponding increase in liability for cash-settled shared-based payments.

| | **March 31, 2026** | March 31, 2025 |
|---|---|---|
| Expense arising from cash-settled share-based payment transactions | - | - |
| **Total impact in liability arising from cash settled share-based payment transactions** | - | - |

(This space has been intentionally left blank.)

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

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

Related parties where control exists

| | | |
|---|---|---|
| **Holding company:** | Azure Power Global Limited | |
| **Key managerial personnel:** | Mr. Brijesh Mehra (Nominee Director w.e.f. May 08, 2024)<br>Mr. Philippe Pierre Wind (Nominee Director w.e.f. October 31, 2023)<br>Mr. Jean Francois Joseph Boisvenu (Director w.e.f. April 24, 2023)<br>Mr. Richard Payette (Director w.e.f. July 01, 2023)<br>Mr. Sunil Kumar Gupta (Managing Director and Chief Executive Officer (CEO) w.e.f. August 08, 2023)<br>Mr. Sugata Sircar (Director and Group Chief Financial Officier (CFO) w.e.f. October 01, 2022 till September 30, 2025)<br>Mr. Julian Suresh Paul Gratiaen (Nominee Director w.e.f. August 13, 2024)<br>Ms. Pratibha Bajaj (Nominee Director w.e.f October 30, 2024)<br>Mr. Jaime Garcia Nieto (Nominee Director w.e.f. December 01, 2023 till April 18, 2025)<br>Mr. Rajat Kumar Gupta (Chief Financial Officer (CFO) w.e.f. September 01, 2025)<br>Mr. Ambuj Agrawal (Nominee Director w.e.f. July 20, 2026) | |
| **Subsidiary company:** | Azure Power (Punjab) Private Limited | Azure Power Thirty Seven Private Limited |
| | Azure Power (Haryana) Private Limited | Azure Power Thirty Eight Private Limited (till September 30, 2024) |
| | Azure Solar Private Limited | Azure Power Thirty Nine Private Limited |
| | Azure Power (Rajasthan) Private Limited | Azure Power Forty Private Limited |
| | Azure Urja Private Limited | Azure Power Forty Three Private Limited |
| | Azure Surya Private Limited | Azure Power Forty Four Private Limited (till September 30, 2024) |
| | Azure Power (Karnataka) Private Limited | Azure Power Fifty One Private Limited |
| | Azure Photovoltaic Private Limited | Azure Power Fifty Two Private Limited |
| | Azure Power Infrastructure Private Limited | Azure Power Fifty Three Private Limited |
| | Azure Power (Raj.) Private Limited | Azure Power Fifty Four Private Limited |
| | Azure Green Tech Private Limited | Azure Power Fifty Six Private Limited |
| | Azure Clean Energy Private Limited | Azure Power Fifty Seven Private Limited |
| | Azure Sunrise Private Limited | Azure Power Fifty Eight Private Limited |
| | Azure Sunshine Private Limited | Azure Power Fifty Nine Private Limited |
| | Azure Power Earth Private Limited | Azure Power Sixty Private Limited |
| | Azure Power Eris Private Limited | Azure Power Sixty One Private Limited |
| | Azure Power Jupiter Private Limited | Azure Power Sixty two Private Limited |
| | Azure Power Makemake Private Limited | Kotuma Wind Parks Private Limited |
| | Azure Power Mars Private Limited | Two Wind Energy Private Limited |
| | Azure Power Mercury Private Limited (till September 30, 2024) | Azure Power Maple Private Limited |
| | Azure Power Pluto Private Limited | Azure Power Sixty Three Private Limited |
| | Azure Power Uranus Private Limited | Azure Power Sixty Four Private Limited |
| | Azure Power Venus Private Limited | Azure Power US Inc |
| | Azure Power Saturn Private Limited (till September 30, 2024) | Azure Power Thirty Six Private Limited |
| | Azure Power Thirty Three Private Limited | Azure Power Sixty Five Private Limited |
| | Azure Power Thirty Four Private Limited | Azure Power Sixty Six Private Limited |
| | Azure Energy Transition Private Limited | Azure Green Hydrogen Private Limited |
| | Azure Power Forty One Private Limited | |
| **Fellow subsidiary company:** | Azure Power Rooftop Private Limited | Azure Power Rooftop Four Private Limited |
| | Azure Power Rooftop (Genco) Private Limited | Azure Power Rooftop Five Private Limited |
| | Azure Power Rooftop One Private Limited | Azure Power Rooftop Six Private Limited |
| | Azure Power Rooftop Two Private Limited | Azure Power Rooftop Seven Private Limited |
| | Azure Power Rooftop Three Private Limited | Azure Power Rooftop Eight Private Limited |
| | Azure Power Energy Limited | Azure Power Solar Energy Private Limited |

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

Following transactions were carried out with related parties in the ordinary course of business for the year ended March 31, 2026:

**1. Transactions during the year**

| | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
|---|---|---|
| **a). Settlement of liabilities by the entity on behalf of** | | |
| Azure Power (Punjab) Private Limited | 8 | 9 |
| Azure Power (Haryana) Private Limited | 11 | 1 |
| Azure Solar Private Limited | - | 66 |
| Azure Power (Rajasthan) Private Limited | 1 | 2 |
| Azure Urja Private Limited | 57 | 9 |
| Azure Surya Private Limited | 3 | - |
| Azure Power (Karnataka) Private Limited | - | 4 |
| Azure Photovoltaic Private Limited | - | 9 |
| Azure Power Infrastructure Private Limited | 9 | 6 |
| Azure Green Tech Private Limited | - | 3 |
| Azure Clean Energy Private Limited | - | 6 |
| Azure Sunrise Private Limited | 111 | 4 |
| Azure Sunshine Private Limited | 33 | 2 |
| Azure Power Earth Private Limited | 8 | 186 |
| Azure Power Jupiter Private Limited | 13 | 15 |
| Azure Power Makemake Private Limited | 6 | - |
| Azure Power Mars Private Limited | 13 | - |
| Azure Power Uranus Private Limited | 3 | 16 |
| Azure Power Venus Private Limited | 6 | 75 |
| Azure Power Thirty Three Private Limited | 15 | 461 |
| Azure Power Thirty Four Private Limited | 3 | 236 |
| Azure Power Thirty Six Private Limited | 5 | 110 |
| Azure Power Thirty Seven Private Limited | - | 4 |
| Azure Power Thirty Nine Private Limited | 0 | 2 |
| Azure Power Forty Private Limited | 10 | 35 |
| Azure Power Forty One Private Limited | 6 | 10 |
| Azure Power Forty Three Private Limited | - | - |
| Azure Power Rooftop Private Limited | 0 | 64 |
| Azure Power Rooftop (GenCo.) Private Limited | 0 | - |
| Azure Power Rooftop One Private Limited | 0 | 3 |
| Azure Power Rooftop Two Private Limited | 0 | 1 |
| Azure Power Rooftop Three Private Limited | 0 | 1 |
| Azure Power Rooftop Four Private Limited | 0 | 4 |
| Azure Power Rooftop Five Private Limited | 118 | 5 |
| Azure Power Rooftop Six Private Limited | 1 | 2 |
| Azure Power Rooftop Seven Private Limited | 1 | 2 |
| Azure Power Rooftop Eight Private Limited | 16 | 2 |
| Azure Power Maple Private Limited | 26 | 48 |
| Azure Power Fifty One Private Limited | - | 19 |
| Azure Power Fifty Two Private Limited | 27 | 37 |
| Azure Power Fifty Three Private Limited | 0 | - |
| Azure Power Fifty Four Private Limited | 2 | 3 |
| Azure Power Fifty Six Private Limited | 0 | 1 |
| Azure Power Fifty Seven Private Limited | 0 | 2 |
| Azure Power Fifty Eight Private Limited | 0 | - |
| Azure Power Fifty Nine Private Limited | 3 | 3 |
| Azure Power Sixty Private Limited | 3 | 3 |
| Azure Power Sixty One Private Limited | 1 | - |
| Azure Power Sixty two Private Limited | 3 | - |
| Kotuma Wind Parks Private Limited | 0 | 4 |
| Two Wind Energy Private Limited | 0 | - |
| Azure Green Hydrogen Private Limited | 0 | - |
| Azure Power Sixty Three Private Limited | 25 | 1 |
| Azure Energy Transition Private Limited | 0 | 2 |
| Azure Power Sixty Four Private Limited | 0 | 1 |
| Azure Power Sixty Five Private Limited | 0 | - |
| Azure Energy Sixty Six Private Limited | 2 | 1 |
| Azure Power Solar Energy Limited | 0 | - |
| Azure Power Energy Limited | 0 | - |
| Azure Power Global Limited | 1 | 1 |

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

| | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| **b) Settlement of liabilities on behalf of the entity** | | |
| Azure Solar Private Limited | 4 | - |
| Azure Surya Private Limited | - | 55 |
| Azure Power (Karnataka) Private Limited | 83 | - |
| Azure Photovoltaic Private Limited | 157 | - |
| Azure Power Infrastructure Private Limited | - | - |
| Azure Power (Raj.) Private Limited | 362 | 3 |
| Azure Green Tech Private Limited | 51 | - |
| Azure Clean Energy Private Limited | 365 | - |
| Azure Power Eris Private Limited | 37 | 45 |
| Azure Power Makemake Private Limited | - | 193 |
| Azure Power Pluto Private Limited | 447 | 184 |
| Azure Power Venus Private Limited | - | - |
| Azure Power Thirty Seven Private limited | 318 | - |
| Azure Power Forty Three Private limited | 24 | 85 |
| Azure Power Mars Private Limited | - | 2 |
| Azure Power Fifty One Private Limited | 194 | - |
| | | |
| **c) Management services rendered (excluding GST)** | | |
| Azure Power Maple Private Limited | 528 | 501 |
| Azure Power Fifty Two Private Limited | 402 | - |
| Azure Power Forty Three Private Limited | 1,108 | 1,003 |
| Azure Power Forty One Private Limited | 528 | 497 |
| Azure Power Pluto Private Limited | 264 | 249 |
| Azure Power Forty Private Limited | 158 | 149 |
| Azure Power Thirty Seven Private Limited | 182 | 172 |
| Azure Power Thirty Three Private Limited | 476 | 446 |
| Azure Power Infrastructure Private Limited | 88 | 83 |
| Azure Sunrise Private Limited | 88 | 83 |
| Azure Power Jupiter Private Limited | 92 | 85 |
| Azure Power Thirty Four Private Limited | 229 | 215 |
| Azure Photovoltaic Private Limited | 70 | 66 |
| Azure Power (Raj.) Private Limited | 70 | 66 |
| Azure Green Tech Private Limited | 70 | 66 |
| Azure Clean Energy Private Limited | 70 | 66 |
| Azure Urja Private Limited | 60 | 56 |
| Azure Power Earth Private Limited | 176 | 176 |
| Azure Sunshine Private Limited | 35 | 33 |
| Azure Power Thirty Six Private Limited | 91 | 86 |
| Azure Power Venus Private Limited | 73 | 68 |
| Azure Power (Karnataka) Private Limited | 18 | 17 |
| Azure Power (Haryana) Private Limited | 18 | 17 |
| Azure Surya Private Limited | 18 | 17 |
| Azure Power Eris Private Limited | 18 | 17 |
| Azure Power Makemake Private Limited | 49 | 46 |
| Azure Power Mars Private Limited | 9 | 8 |
| Azure Power (Punjab) Private Limited | 4 | 3 |
| Azure Power Uranus Private Limited | 12 | 12 |
| Azure Power (Rajasthan) Private Limited | 9 | 8 |
| Azure Solar Private Limited | 62 | 58 |

(This space has been intentionally left blank.)

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

| | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
|---|---|---|
| **d) Interest income** | | |
| Azure Power Forty Three Private Limited | 1,426 | 1,889 |
| Azure Power Thirty Three Private Limited | 1,378 | 2,006 |
| Azure Power Forty One Private Limited | 1,604 | 1,780 |
| Azure Power Earth Private Limited | 600 | 817 |
| Azure Power Maple Private Limited | 5,494 | 6,053 |
| Azure Power Thirty Four Private Limited | - | 377 |
| Azure Power Jupiter Private Limited | 398 | 391 |
| Azure Power (Rajasthan) Private Limited | 110 | 115 |
| Azure Power Thirty Six Private Limited | - | 71 |
| Azure (Haryana) Private Limited | 10 | - |
| Azure Power Greentech Private Limited | 5 | - |
| Azure Power Sunshine Private Limited | 3 | - |
| Azure Solar Private Limited | 8 | 1 |
| Azure Power Uranus Private Limited | 8 | - |
| Azure Power Venus Private Limited | 43 | 6 |
| Azure Power Rooftop Private Limited | 6 | 1 |
| Azure Power Rooftop Four Private Limited | 19 | 16 |
| Azure Power Rooftop Eight Private Limited | 13 | 11 |
| Azure Power (Karnataka) Private Limited | - | 25 |
| Azure Power Fifty One Private Limited | 109 | 158 |
| Azure Power Fifty Two Private Limited | 94 | 958 |
| Azure Power Fifty Three Private Limited | - | 9 |
| Azure Power Fifty Four Private Limited | - | 7 |
| Azure Power Fifty Six Private Limited | 0 | 16 |
| Azure Power Fifty Seven Private Limited | - | 19 |
| Azure Power Fifty Eight Private Limited | 350 | 350 |
| Azure Power Fifty Nine Private Limited | - | 7 |
| Azure Power Sixty Private Limited | - | 7 |
| Azure Power Makemake Private Limited | - | 2 |
| Azure Sunrise Private Limited | 65 | 114 |
| Azure Power Rooftop (Genco) Private Limited | 772 | 386 |
| Azure Power Rooftop One Private Limited | 1,277 | 679 |
| Azure Power Rooftop Three Private Limited | 20 | 15 |
| Azure Power Rooftop Five Private Limited | 53 | 41 |
| Azure Power Forty Private Limited | 533 | 533 |
| Azure Power Sixty One Private Limited | 3 | 3 |
| Azure Power Sixty Two Private Limited | - | 4 |
| Azure Green Hydrogen Private Limited | 3 | 3 |
| Azure Power Sixty Three Private Limited | 441 | 30 |
| Azure Power Sixty Four Private Limited | 3 | 3 |
| Azure Power Sixty Five Private Limited | 3 | 3 |
| Kotuma Wind Parks Private Limited | 89 | 89 |
| Two Wind Energy Private Limited | 170 | 188 |
| Azure Energy Transition Private Limited | 22 | 22 |
| **e) Interest expense** | | |
| Azure Power Pluto Private Limited | 629 | 761 |
| Azure Power (Haryana) Private Limited | 924 | 1,121 |
| Azure Clean Energy Private Limited | 440 | 409 |
| Azure Urja Private Limited | 799 | 958 |
| Azure Power Infrastructure Private Limited | 336 | 389 |
| Azure Green Tech Private Limited | 1,477 | 1,485 |
| Azure Sunshine Private Limited | 915 | 921 |
| Azure Surya Private Limited | 83 | 101 |
| Azure Power Mars Private Limited | 57 | 57 |
| Azure Power (Karnataka) Private Limited | 68 | 23 |
| Azure Power Thirty Four Private Limited | 24 | 1,031 |
| Azure Power (Punjab) Private Limited | 212 | 255 |
| Azure Photovoltaic Private Limited | 82 | 80 |
| Azure Power Makemake Private Limited | - | 293 |
| Azure Power Thirty Six Private Limited | 127 | 270 |
| Azure Power Thirty Seven Private Limited | 1,146 | 1,130 |
| Azure Solar Private Limited | 199 | 213 |
| Azure Sunrise Private Limited | 33 | - |
| Azure Power Eris Private Limited | 17 | - |
| Azure Power Earth Private Limited | - | 147 |
| Azure Power Venus Private Limited | - | 93 |
| Azure Power Thirty Three Private Limited | - | 123 |

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

| | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
|---|---|---|
| **f) Transfer of property, plant and equipment** | | |
| Azure Power (Punjab) Private Limited | 1 | - |
| Azure Solar Private Limited | 4 | - |
| Azure Power Infrastructure Private Limited | 7 | - |
| Azure Power Forty Three Private Limited | 24 | - |
| Azure Green Tech Private Limited | - | 43 |
| Azure Power Eris Private Limited | - | 23 |
| Azure Power Uranus Private Limited | - | 15 |
| Azure Power Maple Private Limited | - | 3 |
| | | |
| **g) Purchase of property, plant and equipment** | | |
| Azure Power Infrastructure Private Limited | - | 201 |
| Azure Power Thirty Seven Private limited | - | 20 |
| Azure Power Forty Three Private limited | - | 45 |
| | | |
| **h) Key managerial personnel remuneration** | | |
| Mr. Sunil Kumar Gupta | | |
| - Short term employee benefits | 771 | 675 |
| Mr. Sugata Sircar | | |
| - Short term employee benefits | 317 | 392 |
| Mr. Rajat Kumar Gupta | | |
| - Short term employee benefits | 193 | - |
| Mr. Pawan Kumar Agrawal | | |
| - Short term employee benefits | - | 180 |
| | | |
| **i) Loan given to subsidiary/fellow subsidiary** | | |
| Azure Power Forty Three Private Limited | - | 658 |
| Azure Power Rooftop Four Private Limited | - | 130 |
| Azure Power Rooftop Eight Private Limited | - | 80 |
| Azure Power Maple Private Limited | 403 | 7,871 |
| Azure Power Fifty One Private Limited | 2,000 | - |
| Azure Power Fifty Two Private Limited | 500 | 1,550 |
| Azure Power Fifty Six Private Limited | 8 | - |
| Azure Power (Haryana) Private Limited | 480 | - |
| Azure Green Tech Private Limited | 230 | - |
| Azure Sunshine Private Limited | 135 | - |
| Azure Power (Rajasthan) Private Limited | - | 80 |
| Azure Power Earth Private Limited | - | 6,700 |
| Azure Power Thirty Three Private Limited | - | 15,300 |
| Azure Solar Private Limited | - | 160 |
| Azure Power Uranus Private Limited | 89 | - |
| Azure Power Venus Private Limited | - | 850 |
| Azure Power Rooftop Private Limited | - | 100 |
| Azure Power Fifty Seven Private Limited | - | 8 |
| Azure Power Rooftop (Genco) Private Limited | 3,740 | 4,600 |
| Azure Power Rooftop One Private Limited | - | 11,765 |
| Azure Power Rooftop Three Private Limited | - | 145 |
| Azure Power Rooftop Five Private Limited | 118 | 30 |
| Azure Power Sixty Three Private Limited | 4,560 | 1,070 |
| Azure Power Jupiter Private Limited | - | 100 |

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

| | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
|---|---|---|
| **j) Loan repaid by subsidiary/ fellow subsidiary*** | | |
| Azure Power (Haryana) Private Limited | 480 | - |
| Azure Solar Private Limited | 160 | - |
| Azure Power (Karnataka) Private Limited | - | 250 |
| Azure Power Earth Private Limited | - | 259 |
| Azure Power Thirty Three Private Limited | - | 488 |
| Azure Power Thirty Four Private limited | - | 5,412 |
| Azure Power Fifty Seven Private Limited | - | 194 |
| Azure Power Venus Private Limited | - | 362 |
| Azure Power (Rajasthan) Private Limited | - | 277 |
| Azure Power Forty One Private Limited | 17,158 | - |
| Azure Power Forty Three Private Limited | 17,597 | 3,189 |
| Azure Green Tech Private Limited | 230 | - |
| Azure Sunrise Private Limited | 1,100 | 250 |
| Azure Sunshine Private Limited | 135 | - |
| Azure Power Rooftop Private Limited | 100 | - |
| Azure Power Rooftop One Private Limited | 185 | - |
| Azure Power Rooftop Three Private Limited | 83 | - |
| Azure Power Fifty Three Private Limited | - | 90 |
| Azure Power Fifty Four Private Limited | - | 68 |
| Azure Power Maple Private Limited | 37,128 | 11,785 |
| Azure Power Fifty One Private Limited | - | 1,568 |
| Azure Power Fifty Two Private Limited | 9,931 | - |
| Azure Power Fifty Six Private Limited | - | 163 |
| Azure Power Fifty Nine Private Limited | - | 68 |
| Azure Power Sixty Private Limited | - | 68 |
| Azure Power Sixty Two Private Limited | - | 38 |
| Two Wind Energy Private Limited | 610 | - |
| | | |
| **k) Borrowings taken from subsidiary** | | |
| Azure Power (Karnataka) Private Limited | 5,200 | - |
| Azure Photovoltaic Private Limited | - | 300 |
| Azure Power Infrastructure Private Limited | 1,130 | - |
| Azure Green Tech Private Limited | 1,171 | - |
| Azure Clean Energy Private Limited | 2,354 | - |
| Azure Power Pluto Private Limited | 940 | - |
| Azure Power Thirty Seven Private Limited | 2,741 | - |
| Azure Sunrise Private Limited | 2,584 | - |
| Azure Power Eris Private Limited | 1,370 | - |
| | | |
| **l) Repayment of borrowings to subsidiary** | | |
| Azure Power (Punjab) Private Limited | 2,527 | - |
| Azure Power (Haryana) Private Limited | 11,106 | - |
| Azure Solar Private Limited | 174 | 90 |
| Azure Urja Private Limited | 9,370 | 310 |
| Azure Surya Private Limited | 1,137 | - |
| Azure Power (Karnataka) Private Limited | 176 | 215 |
| Azure Photovoltaic Private Limited | 158 | - |
| Azure Power Infrastructure Private Limited | 4,654 | - |
| Azure Green Tech Private Limited | 230 | 365 |
| Azure Sunrise Private Limited | 129 | - |
| Azure Sunshine Private Limited | 135 | - |
| Azure Power Earth Private Limited | - | 1,853 |
| Azure Power Eris Private Limited | 73 | - |
| Azure Power Makemake Private Limited | - | 3,374 |
| Azure Power Pluto Private Limited | 8,228 | 1,025 |
| Azure Power Venus Private Limited | - | 1,199 |
| Azure Power Thirty Three Private Limited | - | 1,417 |
| Azure Power Thirty Four Private limited | - | 12,100 |
| Azure Power Thirty Six Private limited | - | 1,750 |
| Azure Power Thirty Seven Private Limited | - | 560 |

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

| | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
|---|---|---|
| **m) Investment in Compulsorily Convertible Debentures (CCD) of subsidiaries** | | |
| Azure Power Fifty One Private Limited | - | 3,600 |
| Azure Power Fifty Two Private Limited | 15,630 | - |
| Azure Power Fifty Three Private Limited | - | 1,109 |
| Azure Power Fifty Four Private Limited | - | 1,043 |
| Azure Power Fifty Six Private Limited | - | 230 |
| Azure Power Fifty Seven Private Limited | - | 240 |
| Azure Power Fifty Nine Private Limited | 1 | 1,068 |
| Azure Power Sixty Private Limited | 1 | 1,038 |
| Azure Power Sixty Two Private Limited | - | 829 |
| | | |
| **n) Sale proceeds from sale of investment** | | |
| Azure Power Mercury Private Limited | - | 12 |
| Azure Power Forty four Private limited | - | 13 |
| | | |
| **o) Dividend income** | | |
| Azure Surya Private Limited | - | 337 |
| Azure Power (Raj.) Private Limited | - | 1,500 |
| Azure Clean Energy Private Limited | - | 4,000 |
| Azure Power Pluto Private Limited | - | 4,050 |
| Azure Power Thirty Seven Private Limited | - | 998 |
| Azure Power Solar Private Limited | - | 771 |
| | | |
| **p) Impairment Expenses (net of reversals) of ECL provision on trade receivable** | | |
| Azure Power Fifty Two Private Limited | (4,447) | - |
| Two Wind Energy Private Limited | 356 | - |
| Azure Power Fifty One Private Limited | - | (1,100) |
| Azure Power Sixty two Private Limited | - | (29) |
| Two Wind Energy Private Limited | - | 16 |
| Azure Power Fifty Seven Private Limited | - | (33) |
| | | |
| **q) Impairment Expenses (net of reversals); on intercompany loan, interest accrued and Contractually reimbursable** | | |
| Azure Power Fifty Two Private Limited | (7,222) | 1,985 |
| Azure Power Fifty One Private Limited | - | (1,977) |
| Azure Power Fifty Three Private Limited | - | (1,100) |
| Azure Power Fifty Four Private Limited | 2 | (1,035) |
| Azure Power Fifty Nine Private Limited | 3 | (1,058) |
| Azure Power Sixty Private Limited | 3 | (1,029) |
| Azure Power Sixty two Private Limited | 3 | (797) |
| Kotuma Wind Parks Private Limited | 90 | 104 |
| Two Wind Energy Private Limited | (213) | 177 |
| Azure Power Fifty Six Private Limited | 8 | (210) |
| Azure Power Fifty Seven Private Limited | - | (179) |
| Azure Power Rooftop Four Private Limited | 17 | 208 |
| Azure Power Rooftop Five Private Limited | 166 | 481 |
| Azure Power Rooftop Eight Private Limited | 12 | 229 |
| Azure Power Rooftop (Genco) Private Limited | 10,885 | - |
| Azure Power Rooftop One Private Limited | 5,481 | - |
| Azure Power Maple Private Limited | 1,986 | - |
| | | |
| **r) Impairment Expenses (net of reversals) ; on investments in CCD and equity shares** | | |
| Azure Power Fifty One Private Limited | - | 3,600 |
| Azure Power Fifty Two Private Limited | 11,292 | - |
| Azure Power Fifty Three Private Limited | - | 1,109 |
| Azure Power Fifty Four Private Limited | - | 1,043 |
| Azure Power Fifty Nine Private Limited | 1 | 1,068 |
| Azure Power Sixty Private Limited | 1 | 1,038 |
| Azure Power Sixty two Private Limited | - | 830 |
| Azure Power Fifty Six Private Limited | - | 230 |
| Azure Power Fifty Seven Private Limited | - | 240 |
| Azure Power Earth Private Limited | 1,670 | - |
| Azure Power Thirty Three Private Limited | 15,779 | - |
| Azure Power Maple Private Limited | 21,967 | - |

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

| | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
|---|---|---|
| **s) Corporate guarantees given on behalf of** | | |
| Azure Power (Haryana) Private Limited | 1,974 | - |
| Azure Power (Karnataka) Private Limited | 3,140 | - |
| Azure Photovoltaic Private Limited | 20,541 | - |
| Azure Power Infrastructure Private Limited | 26,283 | - |
| Azure Power (Raj.) Private Limited | 22,327 | - |
| Azure Sunrise Private Limited | 26,594 | - |
| Azure Power Eris Private Limited | 4,171 | - |
| Azure Power Pluto Private Limited | 57,009 | - |
| Azure Urja Private Limited | 14,258 | - |
| Azure Clean Energy Private Limited | 15,400 | - |
| Azure Green Tech Private Limited | 15,439 | - |
| Azure Power Mars Private Limited | 2,079 | - |
| Azure Sunshine Private Limited | 7,627 | - |
| Azure Power Thirty Seven Private Limited | 45,857 | - |
| Azure Power Thirty Four Private Limited | - | 56,800 |
| Azure Power Venus Private Limited | - | 16,900 |
| Azure Power Earth Private Limited | - | 35,700 |
| Azure Power Thirty Six Private Limited | - | 21,700 |
| Azure Power Makemake Private Limited | - | 14,800 |
| Azure Power Uranus Private Limited | - | 2,700 |
| Azure Power Thirty Three Private Limited | - | 88,400 |
| | | |
| **t) Corporate guarantees released on behalf of** | | |
| Azure Power Jupiter Private Limited | 968 | 968 |
| Azure Power Rooftop (GenCo.) Private Limited | - | 4,682 |
| Azure Power Rooftop Three Private Limited | 2,666 | - |
| Azure Power Maple Private Limited | - | 1,13,092 |
| Azure Power Forty One Private Limited | 1,23,746 | 1,255 |
| Azure Power Forty Three Private Limited | 12,798 | 9,803 |
| Azure Power Forty Private Limited | 1,680 | 1,920 |
| Azure Power Rooftop One Private Limited | - | 11,463 |
| Azure Power Thirty Eight Private limited | - | 2,876 |
| Azure Power Thirty Four Private Limited | 2,882 | 1,761 |
| Azure Power Venus Private Limited | 1,224 | 683 |
| Azure Power Earth Private Limited | 1,704 | 1,030 |
| Azure Power Thirty Six Private Limited | 1,541 | 915 |
| Azure Power Makemake Private Limited | 1,195 | 671 |
| Azure Power Uranus Private Limited | 186 | 74 |
| Azure Power Thirty Three Private Limited | 4,063 | 2,538 |
| Azure Power (Haryana) Private Limited | 77 | - |
| Azure Power (Karnataka) Private Limited | 89 | - |
| Azure Photovoltaic Private Limited | 472 | - |
| Azure Power Infrastructure Private Limited | 647 | - |
| Azure Power (Raj.) Private Limited | 514 | - |
| Azure Sunrise Private Limited | 612 | - |
| Azure Power Eris Private Limited | 85 | - |
| Azure Power Pluto Private Limited | 1,459 | - |
| Azure Urja Private Limited | 423 | - |
| Azure Clean Energy Private Limited | 436 | - |
| Azure Green Tech Private Limited | 477 | - |
| Azure Power Mars Private Limited | 62 | - |
| Azure Sunshine Private Limited | 216 | - |
| Azure Power Thirty Seven Private Limited | 1,023 | - |

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

**2. Balances outstanding at the end of the year**

| | **As at March 31, 2026** | As at March 31, 2025 |
|---|---|---|
| **a) Trade Receivables (net of impairment allowance)** | | |
| Azure Power (Punjab) Private Limited | 1 | 1 |
| Azure Power (Haryana) Private Limited | 5 | 4 |
| Azure Solar Private Limited | 202 | 135 |
| Azure Power (Rajasthan) Private Limited | 18 | 9 |
| Azure Sun Energy Private Limited | - | - |
| Azure Urja Private Limited | 15 | 13 |
| Azure Surya Private Limited | 23 | 28 |
| Azure Power (Karnataka) Private Limited | 5 | 27 |
| Azure Photovoltaic Private Limited | 18 | 116 |
| Azure Power Infrastructure Private Limited | 113 | 128 |
| Azure Power (Raj.) Private Limited | 18 | 15 |
| Azure Green Tech Private Limited | 20 | 105 |
| Azure Clean Energy Private Limited | 18 | 112 |
| Azure Sunrise Private Limited | 23 | 19 |
| Azure Sunshine Private Limited | 9 | 55 |
| Azure Power Earth Private Limited | 252 | 221 |
| Azure Power Eris Private Limited | 23 | 4 |
| Azure Power Jupiter Private Limited | 1,927 | 1,827 |
| Azure Power Makemake Private Limited | 73 | 20 |
| Azure Power Mars Private Limited | 2 | 2 |
| Azure Power Pluto Private Limited | 68 | 55 |
| Azure Power Uranus Private Limited | 17 | 75 |
| Azure Power Venus Private Limited | 100 | 21 |
| Azure Power Thirty Three Private Limited | 645 | 131 |
| Azure Power Thirty Four Private Limited | 313 | 66 |
| Azure Power Thirty Six Private Limited | 125 | 26 |
| Azure Power Thirty Seven Private Limited | 45 | 259 |
| Azure Power Forty Private Limited | 1,256 | 1,085 |
| Azure Power Forty One Private Limited | 135 | 1,558 |
| Azure Power Forty Three Private Limited | 1,465 | 269 |
| Azure Power Rooftop Three Private Limited | 11 | 11 |
| Azure Power Maple Private Limited | 966 | 395 |
| Azure Power Fifty Two Private Limited | 442 | - |
| Two Wind Energy Private Limited | 145 | 501 |
| | | |
| **b) Impairment allowance for doubtful trade receivable** | | |
| Azure Power Fifty Two Private Limited | - | 4,447 |
| Two Wind Energy Private Limited | 4,416 | 4,060 |
| Kotuma Wind Parks Private Limited | 1,524 | 1,524 |
| Azure Power Fifty Seven Private Limited | 10 | 10 |

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

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **c) Contractually reimbursable from holding company/ subsidiaries/ fellow subsidiaries (net of impairment allowance)** | | |
| Azure Power Global Limited | - | 27 |
| Azure Power Energy Limited | 19 | 18 |
| Azure Power Solar Energy Private Limited | 6 | 6 |
| Azure Power (Punjab) Private Limited | 3 | 11 |
| Azure Power (Haryana) Private Limited | 9 | 1 |
| Azure Power (Rajasthan) Private Limited | 3 | 1 |
| Azure Urja Private Limited | 52 | 10 |
| Azure Power (Karnataka) Private Limited | - | 4 |
| Azure Photovoltaic Private Limited | - | 9 |
| Azure Green Tech Private Limited | - | 47 |
| Azure Clean Energy Private Limited | - | 6 |
| Azure Sunrise Private Limited | 107 | 4 |
| Azure Sunshine Private Limited | 31 | 2 |
| Azure Power Earth Private Limited | 11 | 3 |
| Azure Power Jupiter Private Limited | 235 | 229 |
| Azure Power Mars Private Limited | 15 | - |
| Azure Power Uranus Private Limited | 5 | 91 |
| Azure Power Venus Private Limited | 10 | 4 |
| Azure Power Thirty Three Private Limited | 28 | 20 |
| Azure Power Thirty Four Private limited | 5 | - |
| Azure Power Thirty Six Private limited | 7 | 2 |
| Azure Power Thirty Nine Private Limited | 2 | 2 |
| Azure Power Forty Private limited | 7 | - |
| Azure Power Forty One Private Limited | 6 | - |
| Azure Power Rooftop Private Limited | 67 | 66 |
| Azure Power Rooftop (GenCo.) Private Limited | 1 | - |
| Azure Power Rooftop One Private Limited | 40 | 40 |
| Azure Power Rooftop Two Private Limited | 2 | 2 |
| Azure Power Rooftop Three Private Limited | 1 | 1 |
| Azure Power Rooftop Six Private Limited | 3 | 2 |
| Azure Power Rooftop Seven Private Limited | 3 | 2 |
| Azure Power Rooftop Eight Private Limited | 16 | - |
| Azure Power Maple Private Limited | 82 | 57 |
| Azure Power Fifty One Private Limited | 19 | 19 |
| Azure Power Fifty Two Private Limited | 61 | 553 |
| Azure Power Fifty Eight Private Limited | 59 | 59 |
| Azure Power Sixty One Private Limited | 473 | 472 |
| Azure Power Sixty Two Private Limited | - | - |
| Kotuma Wind Parks Private Limited | 140 | 286 |
| Two Wind Energy Private Limited | - | 534 |
| Azure Power Sixty Three Private Limited | 27 | 1 |
| Azure Energy Transition Private Limited | 42 | 42 |
| Azure Power US Inc | 7 | 6 |
| Azure Power Sixty Four Private Limited | 1 | 1 |
| Azure Power Sixty Six Private Limited | 3 | - |
| | | |
| **d) Impairment allowance for contractual reimbursable expenses** | | |
| Azure Power Fifty Two Private Limited | - | 126 |
| Azure Power Fifty Three Private Limited | 0 | - |
| Azure Power Fifty Four Private Limited | 3 | 0 |
| Azure Power Fifty Nine Private Limited | 3 | 0 |
| Azure Power Sixty Private Limited | 3 | 1 |
| Azure Power Sixty two Private Limited | 4 | 1 |
| Kotuma Wind Parks Private Limited | 213 | 66 |
| Two Wind Energy Private Limited | 542 | 8 |
| Azure Power Fifty Six Private Limited | 0 | - |
| Azure Power Fifty Seven Private Limited | 2 | 2 |
| Azure Power Rooftop Four Private Limited | 10 | 10 |
| Azure Power Rooftop Five Private Limited | 11 | 11 |
| Azure Power Rooftop Eight Private Limited | 88 | 88 |

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

| | **As at March 31, 2026** | As at March 31, 2025 |
|---|---|---|
| **e) Payable** | | |
| Azure Power Global Limited | 332 | 324 |
| Azure Solar Private Limited | 19 | 21 |
| Azure Surya Private Limited | 52 | 56 |
| Azure Power (Karnataka) Private Limited | 88 | - |
| Azure Photovoltaic Private Limited | 162 | - |
| Azure Power Infrastructure Private Limited | 179 | 195 |
| Azure Power (Raj.) Private Limited | 365 | 3 |
| Azure Green Tech Private Limited | 54 | - |
| Azure Clean Energy Private Limited | 368 | - |
| Azure Power Eris Private Limited | 59 | 22 |
| Azure Power Makemake Private Limited | 251 | 257 |
| Azure Power Pluto Private Limited | 467 | 184 |
| Azure Power Thirty Four Private Limited | - | 255 |
| Azure Power Forty Private Limited | 33 | 37 |
| Azure Power Forty One Private limited | - | 189 |
| Azure Power Forty Three Private Limited | 762 | 121 |
| Azure Power Thirty Seven Private limited | 323 | 17 |
| Azure Power Solar Energy Private Limited | 2 | 2 |
| | | |
| **f) Interest accrued but not due on loans and advances (net of impairment allowances)** | | |
| Azure Power Forty Three Private Limited | - | 373 |
| Azure Power Forty One Private Limited | 3 | 1,602 |
| Azure Power Jupiter Private Limited | 710 | 352 |
| Azure Power Maple Private Limited | 212 | 3,372 |
| Azure Power Thirty Three Private Limited | 1,603 | 362 |
| Azure Power (Rajasthan) Private Limited | 173 | 74 |
| Azure Sunrise Private Limited | - | 101 |
| Azure Power Forty Private Limited | 959 | 479 |
| Azure Power Earth Private Limited | 696 | 157 |
| Azure Power Rooftop Private Limited | - | 1 |
| Azure Solar Private Limited | - | 1 |
| Azure Power Uranus Private Limited | 7 | - |
| Azure Power Venus Private Limited | 43 | 4 |
| Azure Power Rooftop (Genco) Private Limited | 152 | 347 |
| Azure Power Rooftop One Private Limited | 1,670 | 611 |
| Azure Power Rooftop Three Private Limited | 19 | 14 |
| Azure Power Fifty One Private Limited | 126 | 28 |
| Azure Power Fifty Two Private Limited | 63 | 826 |
| Azure Power Fifty Eight Private Limited | 630 | 315 |
| Azure Power Sixty One Private Limited | 5 | 2 |
| Azure Green Hydrogen Private Limited | 5 | 2 |
| Azure Power Sixty Three Private Limited | 424 | 27 |
| Azure Energy Transition Private Limited | 41 | 20 |
| Azure Power Sixty Four Private Limited | 5 | 2 |
| Azure Power Sixty Five Private Limited | 5 | 2 |
| | | |
| **g) Impairment allowance for interest accrued on loans and advance** | | |
| Azure Power Fifty One Private Limited | 6 | 6 |
| Azure Power Fifty Two Private Limited | 248 | 7 |
| Azure Power Fifty Three Private Limited | 2 | 2 |
| Azure Power Fifty Four Private Limited | 1 | 1 |
| Azure Power Fifty Nine Private Limited | 2 | 2 |
| Azure Power Sixty Private Limited | 2 | 2 |
| Azure Power Sixty two Private Limited | 1 | 1 |
| Kotuma Wind Parks Private Limited | 23 | 80 |
| Two Wind Energy Private Limited | 32 | 169 |
| Azure Power Fifty Six Private Limited | 4 | 4 |
| Azure Power Fifty Seven Private Limited | 4 | 4 |
| Azure Power Rooftop Four Private Limited | 31 | 15 |
| Azure Power Rooftop Five Private Limited | 85 | 37 |
| Azure Power Rooftop Eight Private Limited | 19 | 7 |
| Azure Power Rooftop (Genco) Private Limited | 873 | - |

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

| | **As at March 31, 2026** | As at March 31, 2025 |
|---|---|---|
| **h) Interest accrued but not due on borrowings** | | |
| Azure Power (Haryana) Private Limited | - | 1,009 |
| Azure Solar Private Limited | 356 | 185 |
| Azure Power Pluto Private Limited | 5 | 381 |
| Azure Clean Energy Private Limited | 158 | 368 |
| Azure Urja Private Limited | - | 852 |
| Azure Power Thirty Four Private Limited | 39 | 18 |
| Azure Power Thirty Seven Private Limited | 905 | 999 |
| Azure Sunrise Private Limited | 1 | - |
| Azure Sunshine Private Limited | 1,607 | 829 |
| Azure Power Eris Private Limited | 6 | - |
| Azure Power Mars Private Limited | 103 | 51 |
| Azure Power Infrastructure Private Limited | - | 350 |
| Azure Surya Private Limited | - | 91 |
| Azure Power (Punjab) Private Limited | - | 230 |
| Azure Power Thirty Six Private Limited | 357 | 243 |
| Azure Power Earth Private Limited | - | - |
| Azure Photovoltaic Private Limited | 4 | 72 |
| Azure Power (Karnataka) Private Limited | 27 | - |
| Azure Green Tech Private Limited | 2,207 | 1,411 |
| | | |
| **i) Loan to subsidiary/fellow subsidiary* (net of impairment allowances)** | | |
| Azure Power (Rajasthan) Private Limited | 1,096 | 1,096 |
| Azure Power (Karnataka) Private Limited | - | - |
| Azure Sunrise Private Limited | - | 1,100 |
| Azure Power Earth Private Limited | 6,700 | 6,700 |
| Azure Power Jupiter Private Limited | 3,938 | 3,938 |
| Azure Power Thirty Three Private Limited | 15,401 | 15,401 |
| Azure Power Thirty Four Private Limited | - | - |
| Azure Power Forty Private Limited | 5,237 | 5,237 |
| Azure Power Forty One Private Limited | 349 | 17,507 |
| Azure Power Forty Three Private Limited | 20 | 17,617 |
| Azure Power Rooftop (Genco) Private Limited | - | 6,272 |
| Azure Power Rooftop One Private Limited | 7,122 | 12,788 |
| Azure Power Rooftop Three Private Limited | 145 | 228 |
| Azure Power Maple Private Limited | 22,515 | 57,844 |
| Azure Power Fifty Eight Private Limited | 3,443 | 3,443 |
| Azure Power Fifty Two Private Limited | 850 | 2,945 |
| Azure Power Sixty One Private Limited | 27 | 27 |
| Azure Solar Private Limited | - | 160 |
| Azure Power Uranus Private Limited | 89 | - |
| Azure Power Venus Private Limited | 488 | 488 |
| Azure Power Rooftop Private Limited | - | 100 |
| Azure Green Hydrogen Private Limited | 27 | 27 |
| Azure Power Sixty Three Private Limited | 5,730 | 1,170 |
| Azure Energy Transition Private Limited | 222 | 222 |
| Azure Power Sixty Four Private Limited | 25 | 25 |
| Azure Power Sixty Five Private Limited | 25 | 25 |
| Azure Power Fifty One Private Limited | 2,000 | - |
| | | |
| **j) Impairment allowance for loans to subsidiary/fellow subsidiaries** | | |
| Azure Power Fifty Two Private Limited | - | 7,336 |
| Kotuma Wind Parks Private Limited | 873 | 873 |
| Two Wind Energy Private Limited | 1,237 | 1,847 |
| Azure Power Fifty Six Private Limited | 8 | - |
| Azure Power Maple Private Limited | 1,986 | - |
| Azure Power Rooftop Four Private Limited | 184 | 184 |
| Azure Power Rooftop Five Private Limited | 552 | 433 |
| Azure Power Rooftop Eight Private Limited | 134 | 134 |
| Azure Power Rooftop (Genco) Private Limited | 10,011 | - |
| Azure Power Rooftop One Private Limited | 5,481 | - |

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

| **k) Borrowings*** | **As at March 31, 2026** | As at March 31, 2025 |
|---|---|---|
| Azure Power (Punjab) Private Limited | - | 2,527 |
| Azure Power (Haryana) Private Limited | - | 11,106 |
| Azure Solar Private Limited | 2,150 | 2,324 |
| Azure Urja Private Limited | - | 9,370 |
| Azure Surya Private Limited | - | 1,137 |
| Azure Power (Karnataka) Private Limited | 5,043 | 19 |
| Azure Photovoltaic Private Limited | 662 | 820 |
| Azure Power Infrastructure Private Limited | 870 | 4,395 |
| Azure Green Tech Private Limited | 15,525 | 14,584 |
| Azure Clean Energy Private Limited | 6,976 | 4,622 |
| Azure Sunrise Private Limited | 2,455 | - |
| Azure Sunshine Private Limited | 8,991 | 9,126 |
| Azure Power Eris Private Limited | 1,297 | - |
| Azure Power Mars Private Limited | 565 | 564 |
| Azure Power Pluto Private Limited | 949 | 8,237 |
| Azure Power Thirty Seven Private Limited | 13,740 | 10,999 |
| Azure Power Makemake Private Limited | - | - |
| Azure Power Thirty Four Private Limited | 207 | 207 |
| Azure Power Thirty Six Private Limited | 1,105 | 1,105 |

| **l) Outstanding Corporate guarantees** | **As at March 31, 2026** | As at March 31, 2025 |
|---|---|---|
| Azure Power (Haryana) Private Limited | 1,897 | - |
| Azure Power (Karnataka) Private Limited | 3,051 | - |
| Azure Photovoltaic Private Limited | 20,069 | - |
| Azure Power Infrastructure Private Limited | 25,636 | - |
| Azure Power (Raj.) Private Limited | 21,813 | - |
| Azure Sunrise Private Limited | 25,982 | - |
| Azure Power Eris Private Limited | 4,086 | - |
| Azure Power Pluto Private Limited | 55,550 | - |
| Azure Urja Private Limited | 13,835 | - |
| Azure Clean Energy Private Limited | 14,964 | - |
| Azure Green Tech Private Limited | 14,962 | - |
| Azure Power Mars Private Limited | 2,017 | - |
| Azure Sunshine Private Limited | 7,411 | - |
| Azure Power Thirty Seven Private Limited | 44,834 | - |
| Azure Power Forty Private Limited | 28,800 | 30,480 |
| Azure Power Forty Three Private Limited | 1,94,063 | 2,06,861 |
| Azure Power Rooftop Three Private Limited | - | 2,666 |
| Azure Power Jupiter Private Limited | 16,968 | 17,935 |
| Azure Power Forty One Private Limited | - | 1,23,746 |
| Azure Power Thirty Four Private Limited | 52,157 | 55,039 |
| Azure Power Venus Private Limited | 14,993 | 16,217 |
| Azure Power Earth Private Limited | 32,966 | 34,670 |
| Azure Power Thirty Six Private Limited | 19,244 | 20,785 |
| Azure Power Makemake Private Limited | 12,934 | 14,129 |
| Azure Power Uranus Private Limited | 2,440 | 2,626 |
| Azure Power Thirty Three Private Limited | 81,799 | 85,862 |

**Terms and conditions of transactions with related parties**

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

- Loans from/to related parties carry an interest rate of 7.75% - 11.50% 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. (refer note 31)

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

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

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**29. Segment information**

The Company's activities mainly involve sale of electricity. Considering the nature of Company's business and operations, there are no separate reportable operating segments in accordance with the requirements of Indian Accounting Standard 108, 'Operating Segments' referred in to Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and hence, there are no additional disclosures to be provided other than those already provided in the standalone financial statements. The Company's principal operations, revenue and decision-making functions are located in India and there are no revenue and material non-current assets outside India except investment in Azure Power US Inc (refer note 4.1).

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

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| **Sale of Power:** | | |
| Solar Energy Corporation of India | 10,274 | 9,727 |
| NTPC Vidyut Vyapar Nigam Limited | 8,939 | 9,205 |
| Chhattisgarh State Power Distribution Company Limited | 2,763 | 2,892 |

**30. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

The Micro and Small Enterprises have been identified by the company from the available information. On the basis of the information and records available with the company, following are outstanding dues to the Micro and Small Enterprises:

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year* | 594 | 613 |
| Principal amount due to micro and small enterprises* | 407 | 347 |
| Interest due on above | 187 | 266 |
| 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 | 187 | 266 |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006 | - | - |

* Includes payable of INR 277 lakhs (March 31, 2025: INR 68 lakhs) relating to Payable towards capital creditors.

**31. Corporate guarantees**

The Company has issued corporate 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 classified such guarantees as Contingent Liabilities. Refer below for details:-

| Company Name | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Azure Power Forty Private Limited | 28,800 | 30,480 |
| Azure Power Rooftop Three Private Limited | - | 2,666 |
| Azure Power Forty Three Private Limited | 1,94,063 | 2,06,861 |
| Azure Power Jupiter Private Limited | 16,968 | 17,935 |
| Azure Power Forty One Private Limited | - | 1,23,746 |
| Azure Power Thirty Four Private Limited | 52,157 | 55,039 |
| Azure Power Venus Private Limited | 14,993 | 16,217 |
| Azure Power Earth Private Limited | 32,966 | 34,670 |
| Azure Power Thirty Six Private Limited | 19,244 | 20,785 |
| Azure Power Makemake Private Limited | 12,934 | 14,129 |
| Azure Power Uranus Private Limited | 2,440 | 2,626 |
| Azure Power Thirty Three Private Limited | 81,799 | 85,862 |
| Azure Power (Haryana) Private Limited | 1,897 | - |
| Azure Power (Karnataka) Private Limited | 3,051 | - |
| Azure Photovoltaic Private Limited | 20,069 | - |
| Azure Power Infrastructure Private Limited | 25,636 | - |
| Azure Power (Raj.) Private Limited | 21,813 | - |
| Azure Sunrise Private Limited | 25,982 | - |
| Azure Power Eris Private Limited | 4,086 | - |
| Azure Power Pluto Private Limited | 55,550 | - |
| Azure Urja Private Limited | 13,835 | - |
| Azure Clean Energy Private Limited | 14,964 | - |
| Azure Green Tech Private Limited | 14,962 | - |
| Azure Power Mars Private Limited | 2,017 | - |
| Azure Sunshine Private Limited | 7,411 | - |
| Azure Power Thirty Seven Private Limited | 44,834 | - |
| **Total** | **7,12,471** | **6,11,016** |

(All amount in INR lakhs, unless otherwise stated)

**32. Leases**

**Company as lessee:**

The Company leases land for construction of solar power plants. These leases typically run for 25 to 27 years which is further extendable on mutual agreement by both lessor and lessee. Accordingly, the Company has taken lease period of 35 years considering reasonable certainity and expectation of extension of the lease period. Additionally the Company leases building space to be used as corporate office. The period of the lease for the same is between 1.5 to 5 years.

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

**i) Right-of-use assets**

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Opening balance | 4,528 | 5,048 |
| Additions during the year | - | 10 |
| Adjustment due to change in estimates | (5) | (12) |
| Depreciation for the year | (463) | (518) |
| **Closing balance** | **4,060** | 4,528 |

**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, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Opening balance | 3,794 | 3,886 |
| Additions during the year | - | 10 |
| Accretion of interest | 370 | 393 |
| Payments | (604) | (495) |
| **Closing balance** | **3,560** | 3,794 |

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Current | 622 | 577 |
| Non-current | 2,938 | 3,217 |
| **Total** | **3,560** | 3,794 |

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

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Interest on lease liabilities | 370 | 393 |
| Depreciation on right of use of assets | 463 | 518 |
| Expenses relating to short-term leases | 166 | 72 |
| **Total** | **999** | 983 |

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

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Total cash outflow for leases | 604 | 495 |

The maturity analysis of leases is disclosed in note 39. The weighted average incremental borrowing rate applied to lease liabilities is 10%. The Company has applied single discount rate to a portfolio of leases of similar assets in similar economic environment with similar end date.

Extension options:

Lease contain extension options exercisable by the Company before the end of the non-cancellable contract period. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only on mutual agreement. The Company assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Company reassess whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

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**33. Commitments and contingencies**

**a) Commitments**
(i) The Company has commitments of INR 664 lakhs (net of advances) (March 31, 2025: INR 306 lakhs) for purchases of capital assets.

(ii) The Company has extended comfort letters to provide continued financial and operational support to certain subsidiaries to ensure that these subsidiaries are able to meet their debts, commitments and liabilities as they fall due and they continue as going concerns.

(iii) The Company has entered into below Power Purchase Agreement (PPA) to supply power :

| Name of Authority | Capacity (in MWs) | PPA Date | Tariff (INR/Kwh) | Duration of PPA in Years |
|---|---|---|---|---|
| Solar Energy Corporation of India Limited | 200 | April 27, 2018 | 2.48 | 25 |
| NTPC Vidyut Vyapar Nigam Limited | 100 | April 19, 2016 | 5.12 | 25 |
| Solar Energy Corporation of India Limited* (SECI) | 3 | October 14, 2015 | 5.43 | 25 |
| Bangalore Electricity Supply Company Limited | 10 | September 27, 2014 | 6.66 | 25 |
| Chhattisgarh State Power Distribution Company Limited | 10 | September 15, 2014 | 6.46 | 25 |
| Chhattisgarh State Power Distribution Company Limited | 10 | September 01, 2015 | 6.45 | 25 |
| Chhattisgarh State Power Distribution Company Limited | 10 | August 01, 2014 | 6.44 | 25 |

*The Company has initiated the surrender/discontinuance of the project due to its commercial non-viability, primarily arising from property tax disputes and associated operational challenges. The surrender of the project is currently expected to be completed by October 2026, subject to the requisite approvals and completion of related processes. Accordingly, the Company has recognized provisions for closure-related obligations on best judgement. (refer note 25)

**b) Contingent liabilities:**

| | **March 31, 2026** | March 31, 2025 |
|---|---|---|
| (i) Guarantees, letter of credit and counter guarantees given by the Company | 7,41,631 | 7,41,520 |

(ii) The Company had two outstanding disputes with its erstwhile Chief Executive Officer, Mr. Inderpreet Singh Wadhwa (IW). In respect of the first matter, the Company had received an unfavorable Award from the Mumbai Centre for International Arbitration in relation to Mr. Wadhwa's transition from the Company, and subsequently made payments as required in the Award, without prejudice to its rights.
In respect of second matter, the Company received a favourable Award from Singapore International Arbitration Centre (SIAC) in relation to the purchase price of shares, held by Mr. Inderpreet Singh Wadhwa (IW) (erstwhile Chief Executive Officer) and Mr. H. S. Wadhwa (HSW) (erstwhile Chief Operating Officer), in Azure Power India Private Limited. Subsequently, IW and HSW filed an appeal challenging the SIAC award on May 05, 2022, before the Singapore High Court. However, vide order dated June 29, 2022, the appeal filed by IW and HSW was dismissed. Consequently, the Award in the Company favour has been upheld. The Company have subsequently filed a petition before the High Court of Delhi seeking enforcement of the Award. On November 04, 2022, the court have passed restraining order against IW and HSW from alienating or creating any third-party rights over the shares of the Company as held by them. This matter is currently pending before the Honourable High Court.

(iii) Based on term of sanctions, Company is having obligation to meet the debt shortfall to one of the lenders of Azure Power Maple Private Limited.

(iv) A contingent liability amounting to INR 4,725 lakhs may arise on account of dispute raised by one of the vendor and matter is under litigation.

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**34. Derivative instruments and hedging activities:**

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

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

The following table presents outstanding notional amount and standalone balance sheet location information related foreign exchange derivative contracts as of March 31, 2026 and March 31, 2025.

| | **As at March 31, 2026** | As at March 31, 2025 |
|---|---|---|
| Notional Amount (US$ denominated) | 2,80,12,500 | 3,16,33,655 |
| Non-current – Other financial assets (INR) | 2,620 | 155 |
| Current – Other financial Liability (INR) | 288 | 838 |

**Particulars of un-hedged foreign currency exposure as at March 31, 2026 and March 31, 2025**

| | **March 31, 2026** | | March 31, 2025 | |
|---|---|---|---|---|
| | **US$** | **INR** | US$ | INR |
| Payables | 11,46,822 | 1,086 | 7,53,679 | 631 |

| | **March 31, 2026** | | March 31, 2025 | |
|---|---|---|---|---|
| | **Euro** | **INR** | Euro | INR |
| Payables | 2,398 | 3 | 7,581 | 10 |

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

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

| **Particulars** | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
|---|---|---|
| Revenue as per contracted price (including management fees) | 28,064 | 27,241 |
| Adjustments for: | | |
| Rebate/Discount | (371) | (380) |
| Revenue recognised from contract liabilities | 425 | 459 |
| Amortisation of contract assets | (15) | (14) |
| **Revenue from contract with customers** | **28,103** | 27,306 |

**b) Contract balances**
The following table provides information about trade receivables, contract assets and contract liabilities:

| **Particulars** | **Non-Current** | | **Current** | |
|---|---|---|---|---|
| | **As at March 31, 2026** | As at March 31, 2025 | **As at March 31, 2026** | As at March 31, 2025 |
| Trade receivables | 5,794 | 6,618 | 13,066 | 11,100 |
| Contract assets* | 217 | 232 | 14 | 14 |
| Contract liabilities- Deferred revenue on account of Safeguard Duty | 6,967 | 7,390 | 429 | 431 |

* Represents liquidated damages incurred by the Company on account of delay in commissioning of projects which are considered as variable consideration by the Company and hence, amortised over the period of Power Purchase Agreement i.e. 25 years as per requirement of Ind AS 115.

Reconciliation of contract assets and contract liabilities:

| **Particulars** | **Contract Assets** | | **Contract Liabilities** | |
|---|---|---|---|---|
| | **As at March 31, 2026** | As at March 31, 2025 | **As at March 31, 2026** | As at March 31, 2025 |
| **Opening Balance** | 246 | 260 | 7,821 | 8,280 |
| Deletion/adjustment during the year | (15) | (14) | (425) | (459) |
| **Closing Balance** | **231** | 246 | **7,396** | **7,821** |

**36. Employee benefits**

**(a) Defined contribution plan**

The Company makes contribution towards provident and other funds to a defined contribution retirement benefit plan for qualifying employees. The Company's contribution to the Employee Provident Fund is deposited with the Regional Provident Fund Commissioner.

The Company has recognised INR 371 lakhs (March 31, 2025: INR 334 Lakhs) for provident and other funds contribution in the standalone statement of profit and loss. The contribution payable to the plan by the Company is at the rate specified in the rules to the scheme.

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

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

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

**Standalone statement of profit and loss**

**Amounts recognised in Standalone Statement of Profit and Loss for the year ended March 31, 2026**

| | **Gratuity** | |
|---|---|---|
| | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
| Current service cost | 64 | 74 |
| Interest cost on benefit liability | 20 | 23 |
| Past service cost | 140 | - |
| **Net expense recognized in standalone statement of profit and loss** | **224** | 97 |

**Amount recognised in other comprehensive income for the year ended March 31, 2026:**

| | **Gratuity** | |
|---|---|---|
| | **For the year ended March 31, 2026** | **For the year ended March 31, 2025** |
| Effect of change in financial assumptions | 3 | (7) |
| Effect of change in demographic assumptions | (6) | 7 |
| Experience loss | (1) | (9) |
| **Actuarial loss recognized in the year** | **(4)** | (9) |

**Standalone balance sheet figures as at:**

| | **Gratuity** | |
|---|---|---|
| | **As at March 31, 2026** | As at March 31, 2025 |
| Present value of defined benefit obligation | 485 | 336 |

**Changes in the present value of the defined benefit obligation for the year ended March 31, 2026 are as follows:**

| | **Gratuity** | |
|---|---|---|
| | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
| Present value of obligation as at the beginning | 336 | 324 |
| Current service cost | 64 | 74 |
| Interest cost | 20 | 23 |
| Past service cost | 140 | - |
| Re-measurement or actuarial loss | 4 | 9 |
| Benefits paid | (82) | (119) |
| On account of transfer of employees | 3 | 25 |
| **Present value of obligation as at the end** | **485** | 336 |
| **Current portion** | **136** | 101 |
| **Non-current portion** | **349** | 235 |

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

| | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
|---|---|---|
| Discount rate (per annum) | 6.63% | 6.45% |
| Employee turnover rate (per annum) | 27.00% | 28.00% |
| Withdrawal rate (per annum) | 27.00% | 28.00% |
| 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, 2026 is as shown below:**

| | **Discount rate** | | | |
|---|---|---|---|---|
| | **For the year ended March 31, 2026** | | For the year ended March 31, 2025 | |
| | **1 % increase** | **1 % decrease** | 1 % increase | 1 % decrease |
| Defined benefit obligation increased/(decreased) by | (15) | 16 | (10) | 11 |

| | **Salary Escalation Rate** | | | |
|---|---|---|---|---|
| | **For the year ended March 31, 2026** | | For the year ended March 31, 2025 | |
| | **1 % increase** | **1 % decrease** | 1 % increase | 1 % decrease |
| Defined benefit obligation increased/(decreased) by | 18 | (17) | 12 | (11) |

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

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

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

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 4.65 years (March 31, 2025: 4.38 years).

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

| | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
|---|---|---|
| Within the next 12 months (next annual reporting period) | 140 | 104 |
| Between 2 and 5 years | 267 | 185 |
| Between 5 and 10 years | 155 | 98 |

**(c)** The Government has consolidated 29 existing Labour legislations into a unified framework comprising 4 Labour Codes viz., Code on Wages, 2019, Code on Social Security, 2020, Industrial Relation Code, 2020 and Occupational Safety, Health and Working Condition Code, 2020 (collectively referred to as the new Labour Codes). These codes have been made effective November 21, 2025, however, the supporting rules are yet to be notified.
Pursuant to the enactment of the New Labour Codes and based on ICAI guidance and actuarial valuation, the Company has recognised a one-time adjustment during the year ended March 31, 2026. Accordingly, an expense of INR 237 lakhs has been recognised as an employee benefit expense in the standalone financial statement for the year ended March 31, 2026 towards additional gratuity and leave encashment provision. Any future impact on notification of the rules, if any, will be recognised in the respective periods as and when applicable.

(All amount in INR lakhs, unless otherwise stated)

**37. 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, 2026** | As at March 31, 2025 | **As at March 31, 2026** | As at March 31, 2025 |
| **Financial assets carried at amortised cost** | | | | |
| Trade receivables (Non-current) | 5,794 | 6,618 | 5,794 | 6,618 |
| Loans to subsidiaries/fellow subsidiaries (including interest accrued) | 82,366 | 1,03,440 | 82,366 | 1,03,440 |
| Security deposits | 288 | 251 | 288 | 251 |
| Performance guarantee deposit | 144 | 127 | 144 | 127 |
| Term deposits (including interest accrued) | 39,009 | 39,807 | 39,009 | 39,807 |
| **Total** | **1,27,601** | **1,50,243** | **1,27,601** | **1,50,243** |
| **Financial assets measured at fair value** | | | | |
| Derivative instruments at fair value through OCI[2] | 2,620 | 155 | 2,620 | 155 |
| ("FVTPL")[1] | 21,733 | - | 21,733 | - |
| Investment in equity shares at fair value through profit and loss | 1,365 | 1,365 | 1,365 | 1,365 |
| Investment in compulsorily convertible debentures at fair value through profit and loss (including interest accrued) | 3,387 | 3,387 | 3,387 | 3,387 |
| **Total** | **29,105** | **4,907** | **29,105** | **4,907** |
| **Financial liabilities carried at amortised cost** | | | | |
| Term loans from banks - In Indian currency[3] (Including current maturities) | 29,472 | 54,635 | 29,472 | 54,635 |
| Foreign currency loan from bank[3] (Including current maturities and interest accrued) | 26,636 | 26,590 | 26,636 | 26,590 |
| Term loans from financial institutions - In Indian currency[3] (Including current maturities) | 99,519 | 86,393 | 99,519 | 86,393 |
| Loan from subsidiaries[4] (including current maturities and interest accrued) | 66,310 | 88,231 | 66,310 | 88,231 |
| **Total** | **2,21,937** | 2,55,849 | **2,21,937** | 2,55,849 |
| **Financial liabilities measured at fair value** | | | | |
| Derivative instruments at fair value through OCI[2] | 288 | 838 | 288 | 838 |
| **Total** | **288** | 838 | **288** | 838 |

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

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

**The following methods and assumptions were used to estimate the fair values:**

(1) The fair values investment in mutual funds is based on quoted Net Asset Value (NAV) declared by the mutual fund as at the reporting date.

(2) The Company enters into derivative financial instrument with various counterparties, principally financial institutions/banks 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.

(3) 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.

(4) 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, 2026 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.

(This space has been intentionally left blank.)

(All amount in INR lakhs, unless otherwise stated)

**38. 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, 2026:**

| | | **Fair value measurement using** | | |
|---|---|---|---|---|
| | **Carrying value** | **Quoted prices in active markets (Level 1)** | **Significant observable inputs (Level 2)** | **Significant unobservable inputs (Level 3)** |
| **Financial assets carried at amortised cost** | | | | |
| Trade receivables (Non current) | 5,794 | - | - | 5,794 |
| Loans to subsidiaries/fellow subsidiaries (including inteest accrued) | 82,366 | - | - | 82,366 |
| Security deposits | 288 | - | - | 288 |
| Performance bank guarantee receivable | 144 | - | - | 144 |
| Term deposits (including inteest accrued) | 39,009 | - | 39,009 | - |
| **Financial assets measured at fair value** | | | | |
| Derivative instruments at fair value through OCI | 2,620 | - | 2,620 | - |
| Investment in mutual fund at fair value through profit and loss ("FVTPL") | 21,733 | 21,733 | - | - |
| Investment in equity shares at fair value through profit and loss | 1,365 | - | - | 1,365 |
| Investment in compulsorily convertible debentures at fair value through profit and loss (including interest accrued) | 3,387 | - | - | 3,387 |

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

| | | **Fair value measurement using** | | |
|---|---|---|---|---|
| | **Carrying value** | **Quoted prices in active markets (Level 1)** | **Significant observable inputs (Level 2)** | **Significant unobservable inputs (Level 3)** |
| **Financial liabilities carried at amortised cost** | | | | |
| Term loans from banks - In Indian Currency (Including current maturities) | 29,472 | - | - | 29,472 |
| Foreign currency loan from bank (Including current maturities and interest accrued) | 26,636 | - | - | 26,636 |
| Term Loans from financial institution - In Indian Currency (Including current maturities) | 99,519 | - | - | 99,519 |
| Term Loans from financial institution - In Indian Currency (Including current maturities) | - | - | - | - |
| Loan from subsidiaries (Including current maturities and interest accrued) | 66,310 | - | - | 66,310 |
| **Financial liabilities measured at fair value** | | | | |
| Derivative instruments at fair value through other comprehensive income | 288 | - | 288 | - |

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, 2025:

| | | Fair value measurement using | | |
|---|---|---|---|---|
| | Carrying value | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial assets carried at amortised cost | | | | |
| Trade receivables (Non current) | 6,618 | - | - | 6,618 |
| Loans to subsidiaries/fellow subsidiaries (including inteest accrued) | 1,03,440 | - | - | 1,03,440 |
| Security deposits | 251 | - | - | 251 |
| Performance bank guarantee receivable | 127 | - | - | 127 |
| Term deposits (including interest accrued) | 39,807 | - | 39,807 | - |
| Financial assets measured at fair value | | | | |
| Derivative instruments at fair value through OCI | 155 | - | 155 | - |
| Investment in equity shares at fair value through profit and loss | 1,365 | - | - | 1,365 |
| Investment in compulsorily convertible debentures at fair value through profit and loss (including interest accrued) | 3,387 | - | - | 3,387 |

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

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(All amount in INR lakhs, unless otherwise stated)

| | Carrying value | Fair value measurement using: Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|---|---|---|---|---|
| Financial liabilities carried at amortised cost | | | | |
| Term loans from banks - In Indian Currency (Including current maturities) | 54,635 | - | - | 54,635 |
| Foreign currency loan from bank (Including current maturities and interest accrued) | 26,590 | - | - | 26,590 |
| Term loans from financial institution - In Indian Currency (Including current maturities) | 86,393 | - | - | 86,393 |
| Loan from subsidiary (Including current maturities and interest accrued) | 88,231 | - | - | 88,231 |
| **Financial liabilities measured at fair value** | | | | |
| Derivative instruments at fair value through other comprehensive income | 838 | - | 838 | - |

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

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

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(All amount in INR lakhs, unless otherwise stated)

**39. Financial risk management objectives and policies**

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

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

**Market risk**

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

The sensitivity analysis in the following sections relate to the position as at March 31, 2026 and March 31, 2025.

**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 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, 2026** | **Floating rate financial instruments** | **Fixed rate financial instruments** | **Non-interest bearing** | **Total** |
|---|---|---|---|---|
| Financial assets | - | 1,85,580 | 41,637 | 2,27,217 |
| Financial liabilities | 1,55,627 | 69,870 | 16,921 | 2,42,418 |

| As at March 31, 2025 | Floating rate financial instruments | Fixed rate financial instruments | Non-interest bearing | Total |
|---|---|---|---|---|
| Financial assets | - | 2,52,623 | 25,526 | 2,78,149 |
| Financial liabilities | 1,67,391 | 84,936 | 20,654 | 2,72,981 |

**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, 2026** | | March 31, 2025 |
|---|---|---|---|---|---|
| **Effect on profit before tax** | +/(-)50 | (-)/+ | 778 | (-)/+ | 837 |

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

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(All amount in INR lakhs, unless otherwise stated)

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

The following table analysis foreign currency risk from financial instruments relating to US$ as of March 31, 2026 and March 31, 2025:

| | **As at March 31, 2026** | As at March 31, 2025 |
|---|---|---|
| **Borrowings** | | |
| Payables | 1,086 | 631 |

The following table analysis foreign currency risk from financial instruments relating to Euro as of March 31, 2026 and March 31, 2025:

| | | |
|---|---|---|
| Payables* | 3 | 10 |

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

| | **Change in US$ rate** | | **As at March 31, 2026** | | As at March 31, 2025 |
|---|---|---|---|---|---|
| **Effect on profit before tax** | +/(-)5% | (-)/+ | 54 | +/(-)5% | 32 |

* Since the outstanding payable in EURO is not significant, hence Foreign currency sensitivity has not been disclosed seperately.

**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, 2026** | For the year ended March 31, 2025 |
|---|---|---|
| Opening balance | 10,138 | 11,299 |
| **Changes in allowance for expected credit loss:** | | |
| Written off during the year | - | (56) |
| Reversal during the year (refer note 24) | (4,145) | (1,105) |
| **Closing balance** | 5,993 | 10,138 |

(This space has been intentionally left blank.)

(All amount in INR lakhs, unless otherwise stated)

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

**Movement of impairment allowances for doubtful loans during the year :**

| **Particulars** | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
|---|---|---|
| Opening balance | 10,807 | 9,405 |
| Created during the year (refer note 24) | 17,605 | 1,402 |
| Reversed during the year (refer note 24) | (7,946) | - |
| **Closing balance** | 20,466 | 10,807 |

**Movement of impairment allowances doubtful contractually reimbursable expenses during the year :**

| **Particulars** | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
|---|---|---|
| Opening balance | 313 | 5,234 |
| Created during the year (refer note 24) | 692 | 109 |
| Reversed during the year (refer note 24) | (126) | (5,030) |
| **Closing balance** | 879 | 313 |

**Movement of impairment allowances for doubtful interest receivable during the year :**

| **Particulars** | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
|---|---|---|
| Opening balance | 337 | 1,018 |
| Created during the year (refer note 24) | 1,191 | 59 |
| Reversed during the year (refer note 24) | (195) | (740) |
| **Closing balance** | 1,333 | 337 |

**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, 2026** | | | | |
| Lease liabilities | 660 | 1,492 | 8,977 | 11,129 |
| Borrowings* | 48,260 | 91,298 | 79,990 | 2,19,548 |
| Loan from subsidiaries* | - | 89,109 | - | 89,109 |
| Trade payables | 9,193 | - | - | 9,193 |
| Other financial liabilities** | 7,440 | - | - | 7,440 |
| Derivative liability | 288 | - | - | 288 |
| | **65,841** | **1,81,899** | **88,967** | **3,36,707** |
| As at March 31, 2025 | | | | |
| Lease liabilities | 610 | 1,929 | 9,200 | 11,739 |
| Borrowings* | 58,431 | 86,940 | 88,019 | 2,33,390 |
| Loan from subsidiaries* | - | 1,19,897 | - | 1,19,897 |
| Trade payables | 7,342 | - | - | 7,342 |
| Other financial liabilities** | 5,158 | - | - | 5,158 |
| Derivative liability | 838 | - | - | 838 |
| | 72,379 | 2,08,766 | 97,219 | 3,78,364 |

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

(All amount in INR lakhs, unless otherwise stated)

**40. Disclosure of interest in subsidiaries:-**

**List of interest in subsidiaries: -**

| Name | Country of Incorporation /Principal place of business | % equity interest* | |
|---|---|---|---|
| | | **March 31, 2026** | March 31, 2025 |
| **Subsidiaries** | | | |
| Azure Power (Punjab) Private Limited | India | 100% | 100% |
| Azure Power (Haryana) Private Limited | India | 99.17% | 99.17% |
| Azure Solar Private Limited | India | 92.31% | 92.31% |
| Azure Power (Rajasthan) Private Limited | India | 100% | 100% |
| Azure Urja Private Limited | India | 73.80% | 73.80% |
| Azure Surya Private Limited | India | 67.33% | 67.33% |
| Azure Power (Karnataka) Private Limited | India | 58.87% | 58.87% |
| Azure Photovoltaic Private Limited | India | 100% | 100% |
| Azure Power Infrastructure Private Limited | India | 94.59% | 94.59% |
| Azure Power (Raj.) Private Limited | India | 100% | 100% |
| Azure Green Tech Private Limited | India | 100% | 100% |
| Azure Clean Energy Private Limited | India | 100% | 100% |
| Azure Sunrise Private Limited | India | 100% | 100% |
| Azure Sunshine Private Limited | India | 100% | 100% |
| Azure Power Earth Private Limited | India | 100% | 100% |
| Azure Power Eris Private Limited | India | 100% | 100% |
| Azure Power Jupiter Private Limited | India | 51.01% | 51.01% |
| Azure Power Makemake Private Limited | India | 100% | 100% |
| Azure Power Mars Private Limited | India | 100% | 100% |
| Azure Power Pluto Private Limited | India | 100% | 100% |
| Azure Power Uranus Private Limited | India | 100% | 100% |
| Azure Power Venus Private Limited | India | 100% | 100% |
| Azure Power Thirty Three Private Limited | India | 100% | 100% |
| Azure Power Thirty Four Private Limited | India | 100% | 100% |
| Azure Power Thirty Six Private Limited | India | 100% | 100% |
| Azure Power Thirty Seven Private Limited | India | 100% | 100% |
| Azure Power Thirty Nine Private Limited | India | 100% | 100% |
| Azure Power Forty Private Limited | India | 100% | 100% |
| Azure Power Forty One Private Limited | India | 100% | 100% |
| Azure Power Forty Three Private Limited | India | 100% | 100% |
| Azure Power Maple Private Limited | India | 100% | 100% |
| Azure Power Fifty One Private Limited | India | 100% | 100% |
| Azure Power Fifty Two Private Limited | India | 100% | 100% |
| Azure Power Fifty Three Private Limited | India | 100% | 100% |
| Azure Power Fifty Four Private Limited | India | 100% | 100% |
| Azure Power Fifty Six Private Limited | India | 100% | 100% |
| Azure Power Fifty Seven Private Limited | India | 100% | 100% |
| Azure Power Fifty Eight Private Limited | India | 100% | 100% |
| Azure Power Fifty Nine Private Limited | India | 100% | 100% |
| Azure Power Sixty Private Limited | India | 100% | 100% |
| Azure Power Sixty one Private Limited | India | 100% | 100% |
| Azure Power Sixty two Private Limited | India | 100% | 100% |
| Kotuma Wind Parks Private Limited | India | 100% | 100% |
| Two Wind Energy Private Limited | India | 100% | 100% |
| Azure Green Hydrogen Private Limited | India | 100% | 100% |
| Azure Power Sixty Three Private Limited | India | 100% | 100% |
| Azure Energy Transition Private Limited | India | 100% | 100% |
| Azure Power Sixty Four Private Limited | India | 100% | 100% |
| Azure Power Sixty Five Private Limited | India | 100% | 100% |
| Azure Power Sixty Six Private Limited | India | 100% | 100% |
| Azure Power US Inc. | United States of America | 100% | 100% |

* Includes shareholding held by nominee shareholders.

**41. 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, business requirements and the requirements of the financial covenants, if any. To maintain or adjust the capital structure, the Company reviews the fund positions 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, 2026 and March 31, 2025.

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**42. Significant accounting judgements, estimates and assumptions**

The preparation of the Company's standalone financial statements requires 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/ Assumptions**

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

**(i) Classification of leases**

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

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

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. (refer note 32)

**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 27.

**(ii) Estimation of Defined Benefit Obligation**

The cost of the defined benefit obligation and the present value of the defined benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
In determining the appropriate discount rate, management considers the interest rates of government bonds, and extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are disclosed in Note 36.

**(iii) Provision for decommissioning**

The Company has recognised provisions for the future decommissioning of solar power plants set up on leased land/solar park at the end of the lease term. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the leased land and the expected timing of those costs. The carrying amount of the provision as at March 31, 2026 was INR 1305 lakhs (March 31, 2025: INR 1,190 lakhs). The Company estimates that the costs would be settled upon the expiration of the lease and calculates the provision using the Discounted Cash Flow (DCF) method based on the following assumptions (refer note 13.1):

► Estimated range of cost per megawatt– INR 5.6 lakhs to INR 6.4 lakhs (March 31, 2025 - INR 5.2 lakhs to INR 6.0 lakhs)
► Discount rate – 10.0% (March 31, 2025: 10.0 % p.a.)
► Inflation rate – 8.0% (March 31, 2025: 8.0 % p.a.)

(This space has been intentionally left blank.)

**(iv) Fair value measurement of financial instruments**
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.
Assumptions include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. (refer note 37 and 38)

**(v) Depreciation on property, plant and equipment**
Depreciation on property plant and equipment is calculated on a straight line basis using the rates arrived at based on the useful lives estimated by the management. Considering the applicability of Schedule II of the Companies Act, 2013, the management has re-estimated useful lives and residual value of all of its property plant and equipment. The management believes that depreciation rates currently used fairly reflects its estimate of the useful lives and residual value of the Property plant and equipment, though these rates in certain cases are different from lives prescribed under Schedule II of the Companies Act, 2013.
Based on legal opinion obtained, management is of the view that application of CERC and/or SERC rates for the purpose of accounting of depreciation expense is not mandatory. Hence, company is depreciating the assets based on life as determined by the management. (refer note 3 and 23)

**(vi) Impairment of non-financial assets**
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount. Recoverable amount is arrived at fair value less costs of disposal and its value in use. The fair value less costs of disposal is determined based on available data from binding arm's length sales transactions for similar assets, or observable market prices. The value in use is determined using a discounted cash flow model, with cash flows derived from the business plan/budget covering the remaining useful life of the project. The discount rate applied reflects current market assessments of the time value of money and the risks specific to the asset. The recoverable amount is sensitive to the discount rate used in the discounted cash flow model, expected future cash inflows, and the growth rate used for extrapolation.

**(vii) Key assumption about the likelihood and magnitude of an outflow of resources in case of Income Tax**
Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, legal interpretations of various other acts/laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies. (refer note 17)

**(viii) Provision for expected credit losses (ECL) of trade receivables and contract assets**
The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. As per the requirements of Ind AS 109, on subsequent measurement, the management while making ECL assessment considered the past experience with the Government of honouring its commitments and the strong capacity and ability of the Government to meet its contractual cash flow obligations. (refer note 35 and 39)

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

**43.** 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, 2026 with associated enterprises were undertaken at arms length price. The Management confirms that all the transactions with associate enterprises are undertaken at arm length prices and is confident that the aforesaid regulations will not have any impact on the standalone financial statements, particularly on the amount of tax expense and that of provision for taxation.

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(All amount in INR lakhs, unless otherwise stated)

**44. Ratio Analysis and its elements**

| Ratio | Numerator | Denominator | March 31, 2026 | March 31, 2025 | % change | Reason for variance * |
|---|---|---|---|---|---|---|
| Current ratio | Current Assets | Current Liabilities | 1.44 | 1.77 | (19%) | Not Applicable |
| Debt- Equity Ratio | Total Debt | Shareholder's Equity | 0.56 | 0.54 | 3% | Not Applicable |
| Return on Equity ratio | Net Profits after taxes – Preference Dividend** | Average Shareholder's Equity | (0.04) | (0.03) | (38%) | Primarily on account of loss incurred during the current year. |
| Inventory Turnover ratio | Cost of goods sold | Average Inventory | - | - | - | Not Applicable |
| Trade Receivable Turnover Ratio | Gross credit sales - sales return | Average Trade Receivable | 1.54 | 0.70 | 119% | Primarily due to collection of receivable in subsidiaries in previous year. |
| Trade Payable Turnover Ratio | Other expenses | Average Trade Payables | 1.34 | 1.61 | (16%) | Not Applicable |
| Net Capital Turnover Ratio | Revenue from operation | Average working capital | 0.61 | 0.64 | (3%) | Not Applicable |
| Net Profit ratio | Net Profit** | Revenue from operation | (0.55) | (0.45) | (21%) | Not Applicable |
| Return on Capital Employed | Earnings before interest and taxes** | Tangible Net Worth + Total Debt + Deferred Tax Liability | 0.04 | 0.04 | (11%) | Not Applicable |
| Debt Service Coverage ratio | Net profit after taxes + Non-cash operating expenses + Interest | Interest & Lease Payments + Principal Repayments | 0.12 | 0.31 | (62%) | Primarily on account of refinance of borrowing during the current year |
| Return on Investment | Interest (Finance Income) | Investment | - | - | - | Not Applicable |

* The Company has further explained the reason for variances in ratios, where change is more than 25% as compared to previous year.
** Impairment expense being one time in nature is not considered for calculation of to make it comparable.

**45. Sale of certain Rooftop Subsidiaries**

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

There was a restriction on transfer of 33.2 MW operating capacity that are part of the Restricted Group as defined in the Green Bond Indenture. The Company had transferred 48.6% equity ownership of these entities in financial year 2021-22 and remaining 51.4% ownership was to be transferred post refinancing of the Green Bonds which were due in December 2024. There was also a restriction on transfer of equity ownership relating to the 16 MW project with Delhi Jal Board (DJB), wherein 49% of the equity ownership was transferred to Radiance in financial year 2021-22 and the balance 51% was to be transferred on or after September 30, 2024.

Pursuant to refinancing of the Green Bonds, the Company transferred ownership of 33.2 MW operating capacity forming part of Restricted Group. Out of 33.2 MW, the Company had transferred 51.4% remaining equity ownership to Radiance for 21.8 MW during the previous year. During the current year, in May 2025, the remaining 51.4% equity ownership for the balance 11.4 MW was also transferred to Radiance, completing the transfer of the entire 33.2 MW Restricted Group capacity.

For the 16 MW project with Delhi Jal Board (DJB), during the current year, in April 2025, the Company transferred the balance 51% remaining equity ownership to Radiance, completing the transfer of the entire 16 MW DJB capacity.
Accordingly, with the transfer of both the Restricted Group (33.2 MW) and DJB (16 MW) portfolios completed during the current year, no investments under the Rooftop Sale Agreement remain classified as current investment in these standalone financial statements as at March 31, 2026.

The Company has transferred 100% shareholding in relation to 17.3 MW operating capacity in earlier years.
Further, the APRPL and Radiance have mutually terminated the agreement for transfer in shareholding of the remaining un-transferred 86.5 MW portfolio to Radiance.

**46. Recent accounting pronouncement**

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.
In August 2025, MCA notified the following amendments to:
1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants.
2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk.
3. Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively.

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

**47. Arbitration with vendor**

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

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**48. Additional regulatory information required by Schedule III**

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

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

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

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

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

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

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

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

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

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

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

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

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

(x) The Company has complied with the number of layers prescribed under clause 87 of section 2 of the Act read with companies (restriction on number of layers) rule, 2017.

(xi) The Company do not have any transactions with companies struck off.

**49. Whistleblower complaint**

As the Holding Company and its consolidated subsidiaries (the "Group") has disclosed in its filings since 2022, in May and September of 2022, the Group received whistleblower complaints and initiated internal investigations headed by the Audit and Risk Committee of the Ultimate Parent Company (the "ARC Investigation") and a Special Committee of Board of Directors of the Holding Company established in August 2022 (the "Special Committee Investigation"). None of those allegations pertain to the Company. At the direction of the Board of Directors of the Holding Company, external counsel for the committees initiated a voluntary self-disclosure on behalf of the Parent Company to the U.S. Department of Justice and the U.S. Securities and Exchange Commission (the "U.S. Government"). The Holding Company continues to cooperate with the U.S. Government's investigations. The ARC Investigation was concluded in the previous year. The Special Committee Investigation, which is substantially complete, identified evidence that individuals formerly affiliated with the Group may have had knowledge of, or were involved in, an apparent scheme with persons outside the Group to make improper payments in relation to certain projects. To date, the Special Committee has not identified related improper payments or transfers by the Group. The Special Committee's review and the information it identified have impacted the decision-making of the Group in connection with such projects. The Company is not a defendant in either action. On May 18, 2026, the U.S. Department of Justice moved to dismiss the criminal indictment with prejudice. The United States District Court has not yet ruled on that motion.

Our Group (specifically 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 from lenders) 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 U.S. Government 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, 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.

**50. Annual General Meeting of Financial year 2021-22 and 2022-23**

As per the provision of the Companies Act, 2013, a company is required to convene the Annual General Meeting ("AGM") for adoption of its annual audited financial statements within the six months from the end of each financial year, i.e. September 30 ("Due Date"). The Registrar of Companies ("ROC") granted three months extensions to the Company to hold the AGMs for financial year 2021-22 and 2022-23 on or before December 31, 2022, and December 31, 2023, respectively. Considering the delay in closure of audit due to the then ongoing investigations (refer note 49), the AGM for financial year 2021-22 and 2022-23 were held in February 2024 and May 2024 respectively, i.e. after the extension granted by ROC.

The Company had successfully filed the compounding application with the ROC in December 2024. As of the reporting date, the application is pending disposal with the Regional Director and the Management believes that the financial impact of the same is not material.

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**51. Manufacturing linked tender award of 4000 MW**

Pursuant to the manufacturing linked tender award of 4,000 MW, the Group executed PPAs for a capacity of 2,333 MW with SECI, for which SECI executed a Power Sale Agreement ("PSA") with the state of Andhra Pradesh during financial year 2021-22. In respect of these 2,333 MW projects, two Public interest litigations (PILs) were filed in the High Court of Andhra Pradesh in the same financial year, challenging various aspects of the manufacturing linked tender and seeking to quash the Andhra Pradesh Regulator's approval for procurement of capacity tied up by Andhra Pradesh Discoms with SECI pursuant to the tender. The tariff adoption for the capacities by the CERC is subject to the outcome of the PILs. We are not a party to the PILs, and the PILs are currently pending adjudication. We cannot predict the outcome of these two PILs.

Based on the economics and uncertainties associated with the PILs and Special Committee of the Board of the Holding Company (the "Special Committee") review, the Group decided to terminate the PPAs in respect of these 2,333 MW projects and filed a petition at the Andhra Pradesh High Court seeking a declaration that the Group should be discharged from performance of the obligations under the Andhra Pradesh PPAs for a capacity of 2,333 MW as a result of the absence of the unconditional tariff adoption order from the regulatory commission. Considering the communication received from SECI and imminent threat of encashment of Bank Guarantees. we obtained an interim order dated October 16, 2023 from the High Court of Andhra Pradesh restraining such encashment and any coercive action against us till the next hearing date. The next hearing date will be notified by the court in due course.

On March 18, 2024, we received two letters from SECI. In its first letter, SECI stated that it had terminated the PPAs with the Group in respect of the 2,333 MW projects and reserved its rights to take action against the Group including forfeiture of the performance bank guarantees and success charges and fees in respect of the PPAs and other documentation associated with the 2,333 MW projects. In its second letter, SECI informed the Group that it was awarding the 2,333 MW projects and associated PPAs to a third-party. Further, SECI informed the Group that it had reduced Azure's capacity allocation under the manufacturing Letter of Award by 2,333 MW and its corresponding manufacturing capacity under Manufacturing Contract Agreements (MCAs) of solar cells and solar modules by 583 MW from 1,000 MW.

Accordingly, the Company has recognised provisions of INR 5,097 lakhs cumulatively till March 31, 2026 (March 31, 2025: INR 5,097 lakhs) against impairment of assets and INR 12,315 lakhs cumulatively till March 31, 2026 (March 31, 2025: INR 12,315 lakhs) towards Bank Guarantees in its standalone financial statements.

In light of the Special Committee review as well as economic and execution challenges, the Group has decided to withdraw from the 700 MW projects which is part of the 4,000 MW manufacturing linked tender awarded by SECI. The Group continues discussions with SECI to ensure an orderly withdrawal from the 700 MW projects and from the obligations of the Group under the PPA, Performance Bank Guarantees and other guarantees relating to the projects.

Accordingly, the Company has recognised provision for INR 15,523 lakhs cumulatively till March 31, 2026 (March 31, 2025: INR 15,523 lakhs) against impairment of assets and recognised provisions of INR 1,345 lakhs, (net of reversal of provision of INR 716 lakhs after execution of PPA with SECI for 400 MW) cumulatively till March 31, 2026 (March 31, 2025 : INR 2,061 lakhs) towards Bank Guarantees in its standalone financial statements.

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

Accordingly, provisions of INR 1,945 lakhs cumulatively till March 31, 2026 (March 31, 2025 : INR 1,945 lakhs) was recognized towards bank guarantees related to MCAs referred to above, including delays due to reduced capacity under the MCAs.

**52. Power Purchase Agreement of 150 MW hybrid project**

The Company had recognized provision of INR 8,626 lakhs till March 31, 2025 towards impairment of assets against Naregal site for wind projects pursuant to expiry of Government Orders ("GOs") during Fiscal Year 2025 and uncertainty of execution of project at that site. This matter remains status quo.

In case of the 150 MW solar-wind Hybrid Project, in light of economic and execution challenges, the Group had decided to withdraw from the project and the associated ISTS Connectivity grant. The Group continues discussions with SECI to ensure an orderly withdrawal from the 150 MW Hybrid Project and from the obligations of the Group under the PPA, Performance Bank Guarantees and other guarantees relating to the Hybrid Project. In the previous year, the Company had recognized a provision of INR 1,990 lakhs towards Bank Guarantees in relation to the 150 MW Hybrid Project. During the current year, pursuant to payment of INR 1,988 lakhs made against the said Bank Guarantees, the Company has reversed remining provision of INR 2 lakhs.

**53. Power Purchase Agreement of 120 MW wind power project**

The Power Purchase Agreement executed for the Company's 120 MW wind power project contained certain provisions not in accordance with the bidding guidelines issued by the Ministry of New and Renewable Energy ("MNRE"). The tariff for the project was adopted by the Central Electricity Regulatory Commission ("CERC") in March 2024, after a delay of over 16 months, despite the Company's objections to adoption of tariff for a PPA containing such deviations. Aggrieved by the said order, the Company has filed an appeal before the Appellate Tribunal for Electricity ("APTEL") challenging CERC's tariff adoption order, which is pending adjudication as at the balance sheet date.

In connection with the project, the Company has furnished performance bank guarantees aggregating to INR 2,030 Lakhs which remain outstanding as at the year end. Based on a legal assessment of the matter, amount of INR 2,030 lakhs is considered as contingent liability as at March 31, 2026.

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**54. Impairment Assessment of Investments in Subsidiaries, Loans, Interest accrued, Receivables and CCDs**

**(a) Basis of assessment**

At each reporting date, the Company assesses whether there is any indication that its investments in subsidiaries, loans, receivables and compulsorily convertible debentures (“CCDs”) are required to be impaired.

Investments in subsidiaries are tested for impairment in accordance with Ind AS 36 Impairment of Assets by comparing their carrying amount with the recoverable amount, being the higher of fair value less costs of disposal and value in use (“VIU”).

Loans, receivables and CCDs classified as financial assets are assessed for expected credit loss (“ECL”) in accordance with Ind AS 109 Financial Instruments. The assessment is performed with reference to the underlying cash flow generating capacity and financial position of the respective subsidiaries.

**(b) Indicators of impairment**

In assessing whether impairment indicators exist, the Company considers both external and internal sources of information, including changes in discount rates, actual performance below approved budgets or forecasts, continuing operating losses, adverse changes in market conditions, deterioration in financial position, negative net worth and other indicators of reduced recoverability.

Where such indicators are identified, the Company estimates the recoverable amount of the investment or determines the expected credit loss on the related financial assets, as applicable.

**(c) Impairment testing methodology**

**Operating subsidiaries/fellow subsidiaries**

For operating subsidiaries, value in use is determined using discounted cash flow models over the remaining project life. Key assumptions include long-term generation estimates, contracted power purchase agreement (“PPA”) tariffs, operating and maintenance costs, and an appropriate discount rate reflecting the risks specific to the underlying business.

**Non-operating subsidiaries/fellow subsidiaries**

For subsidiaries that do not have operating projects or identifiable future project cash flows, recoverability of loans, receivables and CCDs is assessed primarily based on the subsidiary’s net asset value/net worth and the expected recoverability of the underlying assets.

**(d) Impairment recognised during the year ended March 31, 2026**

Based on the assessment performed with reference to the financial position of subsidiaries as at March 31, 2026, impairment expenses (net of reversals) recognised during the year of INR 61,931 lakhs (March 31, 2025: INR 4,957 lakhs). (Refer note 24 and 28)

"Value in use" calculations for operating subsidiaries were based on weighted average cost of capital (“WACC”) ranging from 8.3% to 8.7% across the portfolio using discounted cash flow (DCF) methodology based on projections for 35 years project life with revenue projections based on long term PV Syst estimates as adjusted for degradation, applicable tariffs and O&M expenses with annual escalation from 3% to 4%.

**(e) CCD investment – settlement, reversal and fresh impairment**

During April 2025, the Company invested in CCDs of Azure Power Fifty Two Private Limited INR 15,630 lakhs while settlement of certain outstanding loans, interest accrued and receivables.

Consequent to the settlement, the impairment provision of INR 11,917 lakhs recognised in the previous year against the loans, interest accrued and contractual receivable was reversed. However, considering the continued accumulated losses, the Company recognised a fresh impairment loss of INR 11,543 lakhs on the CCDs and interest receivable as at March 31, 2026.

**(f) Net reversal of ECL on trade receivables**

During the current year, the Company has recognised net reversal of ECL on trade receivable based on accounting policy INR 4,145 lakhs (March 31, 2025 : INR 1,105 lakhs). (Refer note 28).

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**55.** Previous year's figures have been regrouped/ reclassified, to conform to the classification adopted in the current year classification.

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

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

KRISHNA NITHYANANDA KAMATH Digitally signed by KRISHNA NITHYANANDA KAMATH Date: 2026.08.13 20:46:43 +05'30'

**K Nithyananda Kamath**
Partner
Membership No: 027972
Place : Gurugram
Date : August 13, 2026

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

SUNIL GUPTA Digitally signed by SUNIL GUPTA Date: 2026.08.13 19:59:40 +05'30'

**Sunil Kumar Gupta**
Managing Director and CEO
DIN: 07095152
Place : Gurugram
Date : August 13, 2026

Brijesh Mehra Digitally signed by Brijesh Mehra Date: 2026.08.13 20:00:27 +05'30'

**Brijesh Mehra**
Board Chairman
DIN : 03341307
Place : Mumbai
Date : August 13, 2026

Rajat Kumar Gupta Digitally signed by Rajat Kumar Gupta Date: 2026.08.13 20:01:05 +05'30'

**Rajat Kumar Gupta**
Chief Financial Officer
Place: Gurugram
Date : August 13, 2026

KAPIL SHARMA Digitally signed by KAPIL SHARMA Date: 2026.08.13 19:59:15 +05'30'

**Kapil Sharma**
Company Secretary
Membership No: A37154
Place: Gurugram
Date : August 13, 2026

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**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"), as listed in Annexure I, which comprise the Consolidated Balance Sheet as at March 31, 2026, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and on the other financial information of subsidiaries, except for the possible effects of the matter described in Basis for Qualified Opinion Section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("lnd AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group, as at March 31, 2026, and their consolidated loss and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

**Basis for Qualified Opinion**

Refer note no. 47 of the accompanying consolidated financial Statements, the Company, Parent Company and some subsidiaries (collectively referred to as the 'Parent Group'), have received several complaints via the Group's common whistleblower mechanism during the earlier years. In response to such whistle blower complaints, the Board of Directors and Audit and Risk Committee of the Parent Company appointed external legal counsels to conduct investigations into the significant issues highlighted in the said complaints. These issues include, but are not limited to, lapses in key control areas, governance issues, assets capitalization date and problems with vendor management.

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

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

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

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

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the 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, is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated financial statements.

**Emphasis of Matters**

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

(a) Refer Note 48 read with Note 55 (q) of the consolidated financial statements includes the Financial Statements of Azure Power Fifty Three Private Limited (subsidiary company), which states that the subsidiary company has accumulated losses of INR 1,123 Lakhs and its net worth has fully eroded as at March 31, 2026. The subsidiary company's current liabilities exceeded its current assets by INR 1,112 Lakhs as at the balance sheet date. In view of Groups' decision to terminate the project, as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the subsidiary company as at and for the year ended March 31, 2026. 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.

(b) Refer Note 48 read with Note 55 (r) of the consolidated financial statements includes the Financial Statements of Azure Power Fifty Four Private Limited (subsidiary company), which states that the subsidiary company has accumulated losses of INR 1,054 Lakhs and its net worth has fully eroded as at March 31, 2026. The subsidiary company's current liabilities exceeded its current assets by INR 1,053 Lakhs as at the balance sheet date. In view of Groups' decision to terminate the project, as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the subsidiary company as at and for the year ended March 31, 2026. 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.

(c) Refer Note 48 read with Note 55 (s) of the consolidated financial statements includes the Financial Statements of Azure Power Fifty Nine Private Limited (subsidiary company), which states that the subsidiary company has accumulated losses of INR 1,078 Lakhs, and its net worth has fully eroded as at March 31, 2026. The subsidiary company's current liabilities exceeded its current assets by INR 1,077 Lakhs as at the balance sheet date. In view of Groups' decision to terminate the project, as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the subsidiary company as at and for the year ended March 31, 2026. 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.

(d) Refer Note 48 read with Note 55 (t) of the consolidated financial statements includes the Financial Statements of Azure Power Sixty Private Limited (subsidiary company), which states that the subsidiary company has accumulated losses of INR 1,049 Lakhs and its net worth has fully eroded as at March 31, 2026. The subsidiary company's current liabilities exceeded its current assets by INR 1,048 Lakhs as at the balance sheet date. In view of Groups' decision to terminate the project, as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the subsidiary company as at and for the year ended March 31, 2026. 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.

(e) Refer Note 48 read with Note 55 (u) of the consolidated financial statements includes the Financial Statements of Azure Power Sixty Two Private Limited (subsidiary company), which states that the subsidiary company has accumulated losses of INR 841 Lakhs and its net worth has fully eroded as at March 31, 2026. The subsidiary company's current liabilities exceeded its current assets by INR 840 Lakhs as at the balance sheet date. In view of Groups' decision to terminate the project, as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the subsidiary company as at and for the year ended March 31, 2026. 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.

(f) Refer Note 50 read with Note 55 (v) of the consolidated financial statements includes the Financial Statements of Kotuma Wind Parks Private Limited (subsidiary company), which states that the subsidiary company has accumulated losses of INR 2,636 Lakhs and its net worth has fully eroded as at March 31, 2026. The subsidiary company's current liabilities exceeded its current assets by INR 2,736 Lakhs as at the balance sheet date. In view of Groups' decision to withdraw from the project, as fully described in the note and in the absence of any orders in hand or alternate business plans, etc., the going concern assumption is not appropriate for the preparation of financial statements of the subsidiary company as at and for the year ended March 31, 2026. 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.

Our opinion is not modified in respect of these matters.

**Information other than the Consolidated Financial Statements and Auditor's Report thereon**

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

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

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

**Responsibilities of Management and Board of Directors for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

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

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

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

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

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

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

- Conclude on the appropriateness of the management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’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 Group to cease to continue as a going concern.

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

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

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

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

**Other Matters**

i. We did not audit the financial statements of one subsidiary incorporated outside India, forming part of these consolidated financial statements for the period from April 01, 2025 to March 31, 2026, whose financial statements reflect total revenues of INR 5 Lakhs and total profit after tax of INR 1 Lakhs for the said period. The financial statements of above subsidiary are unaudited and 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 that entity, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

ii. The consolidated financial statements include the financial statements of Azure Power Thirty Nine Private Limited (subsidiary company), which states that the subsidiary company has accumulated losses of INR 66 Lakhs as at March 31, 2026 and it's current liabilities exceed its current assets by INR 1 Lakhs as on March 31, 2026. These conditions indicate that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has committed to extend financial and operational support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of subsidiary company have been prepared on a going concern basis. (Refer note 55 (a) to the consolidated financial statements).

iii. The consolidated financial statements include the financial statements of Azure Power Maple Private Limited (subsidiary company), which states that the subsidiary company has accumulated losses of INR 41,154 Lakhs as at March 31, 2026 and as of that date, the Company's net worth has fully eroded. The subsidiary company's current liabilities exceed its current assets by INR 3,166 Lakhs as on March 31, 2026. These conditions indicate that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has committed to extend financial and operational support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of subsidiary company have been prepared on a going concern basis. (Refer note 55 (c) to the consolidated financial statements).

iv. The consolidated financial statements include the financial statements of Azure Power Fifty One Private Limited (subsidiary company), which states that the subsidiary company has incurred an accumulated losses of INR 3,413 Lakhs as on March 31, 2026, and as of that date, the subsidiary company's net worth has fully eroded. The subsidiary company's current liabilities exceed its current assets by INR 3,294 Lakhs as on March 31, 2026. These conditions indicate that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has committed to extend financial and operational support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of subsidiary company have been prepared on a going concern basis. (Refer note 55 (p) to the consolidated financial statements).

v. The consolidated financial statements include the financial statements of Azure Power Fifty Two Private Limited (subsidiary company), which states that the subsidiary company has incurred an accumulated losses of INR 11,534 Lakhs as on March 31, 2026, and as of that date, the subsidiary company's net worth has fully eroded. The subsidiary company's current liabilities exceed its current assets by INR 17,366 Lakhs as on March 31, 2026. These conditions indicate that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has committed to extend financial and operational support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of subsidiary company have been prepared on a going concern basis. (Refer note 55 (o) to the consolidated financial statements).

vi. The consolidated financial statements include the financial statements of Azure Power Fifty Six Private Limited (subsidiary company), which states that the subsidiary company has accumulated losses of INR 249 Lakhs as at March 31, 2026 and as of that date, the Company's net worth has fully eroded. The subsidiary company's current liabilities exceed its current assets by INR 229 Lakhs as on March 31, 2026. These conditions indicate that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has committed to extend financial and operational support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of subsidiary company have been prepared on a going concern basis. (Refer note 55 (d) to the consolidated financial statements).

vii. The consolidated financial statements include the financial statements of Azure Power Fifty Seven Private Limited (subsidiary company), which states that the subsidiary company has incurred an accumulated losses of INR 259 Lakhs as on March 31, 2026, and as of that date, the subsidiary company's net worth has fully eroded. The subsidiary company's current liabilities exceed its current assets by INR 258 Lakhs as on March 31, 2026. These conditions indicate that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has committed to extend financial and operational support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of subsidiary company have been prepared on a going concern basis. (Refer note 55 (e) to the consolidated financial statements).

viii. The consolidated financial statements include the financial statements of Azure Power Fifty Eight Private Limited (subsidiary company), which states that the subsidiary company has incurred an accumulated losses of INR 725 Lakhs as on March 31, 2026, and as of that date, the subsidiary company's net worth has fully eroded. The subsidiary company's current liabilities exceed its current assets by INR 995 Lakhs as on March 31, 2026. These conditions indicate that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has committed to extend financial and operational support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of subsidiary company have been prepared on a going concern basis. (Refer note 55 (f) to the consolidated financial statements).

ix. The consolidated financial statements include the financial statements of Azure Power Sixty One Private Limited (subsidiary company), which states that the subsidiary company has incurred an accumulated losses of INR 17 Lakhs as on March 31, 2026, and as of that date, the subsidiary company's net worth has fully eroded. The subsidiary company's current liabilities exceed its current assets by INR 462 Lakhs as on March 31, 2026. These conditions indicate that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has committed to extend financial and operational support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of subsidiary company have been prepared on a going concern basis. (Refer note 55 (g) to the consolidated financial statements).

x. The consolidated financial statements include the financial statements of Two Wind Energy Private Limited (subsidiary company), which states that the subsidiary company has incurred an accumulated losses of INR 6,227 Lakhs as on March 31, 2026, and as of that date, the subsidiary company's net worth has fully eroded. The subsidiary company's current liabilities exceed its current assets by INR 5,077 Lakhs as on March 31, 2026. These conditions indicate that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has committed to extend financial and operational support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of subsidiary company have been prepared on a going concern basis. (Refer note 55 (h) to the consolidated financial statements).

xi. The consolidated financial statements include the financial statements of Azure Green Hydrogen Private Limited (subsidiary company), which states that the subsidiary company has incurred an accumulated losses of INR 20 Lakhs as on March 31, 2026, and as of that date, the subsidiary company's net worth has fully eroded. These conditions indicate that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has committed to extend financial and operational support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of subsidiary company have been prepared on a going concern basis. (Refer note 55 (i) to the consolidated financial statements).

xii. The consolidated financial statements include the financial statements of Azure Power Sixty Three Private Limited (subsidiary company), which states that the subsidiary company has incurred an accumulated losses of INR 318 Lakhs as on March 31, 2026, and as of that date, the subsidiary company's net worth has fully eroded. The subsidiary company's current liabilities exceed its current assets by INR 1,325 Lakhs as on March 31, 2026. These conditions indicate that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has committed to extend financial and operational support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of subsidiary company have been prepared on a going concern basis. (Refer note 55 (j) to the consolidated financial statements).

xiii. The consolidated financial statements include the financial statements of Azure Energy Transition Private Limited (subsidiary company), which states that the subsidiary company has incurred an accumulated losses of INR 292 Lakhs as on March 31, 2026, and as of that date, the subsidiary company's net worth has fully eroded. The subsidiary company's current liabilities exceed its current assets by INR 28 Lakhs as on March 31, 2026. These conditions indicate that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has committed to extend financial and operational support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of subsidiary company have been prepared on a going concern basis. (Refer note 55 (k) to the consolidated financial statements).

xiv. The consolidated financial statements include the financial statements of Azure Power Sixty Four Private Limited (subsidiary company), which states that the subsidiary company has incurred an accumulated losses of INR 18 Lakhs as on March 31, 2026, and as of that date, the subsidiary company's net worth has fully eroded. These conditions indicate that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has committed to extend financial and operational support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of subsidiary company have been prepared on a going concern basis. (Refer note 55 (l) to the consolidated financial statements).

xv. The consolidated financial statements include the financial statements of Azure Power Sixty Five Private Limited (subsidiary company), which states that the subsidiary company has incurred an accumulated losses of INR 18 Lakhs as on March 31, 2026, and as of that date, the subsidiary company's net worth has fully eroded. These conditions indicate that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has committed to extend financial and operational support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of subsidiary company have been prepared on a going concern basis. (Refer note 55 (m) to the consolidated financial statements).

xvi. The consolidated financial statements include the financial statements of Azure Power Sixty Six Private Limited (subsidiary company), which states that the subsidiary company has incurred an accumulated losses of INR 8 Lakhs as on March 31, 2026, and as of that date, the subsidiary company's net worth has fully eroded. The subsidiary company's current liabilities exceed its current assets by INR 7 Lakhs as on March 31, 2026. These conditions indicate that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. However, the holding company has committed to extend financial and operational support to the subsidiary company to enable the subsidiary company to meet its liabilities and financial obligations. Accordingly, the financial statements of subsidiary company have been prepared on a going concern basis. (Refer note 55 (n) to the consolidated financial statements).

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements certified by the Management.

**Report on Other Legal and Regulatory Requirements**

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

(a) Except for the possible effect of the matter described in the Basis for Qualified Opinion Section above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

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

(d) In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion section above, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

(e) The possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, may have an adverse effect on the functioning of the Group.

(f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2026 taken on record by the Board of Directors of the Holding Company and its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

(g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to consolidated financial statements.

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

  i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 35(b) to the consolidated financial statements.

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

  iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

  iv.
    (a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, as disclosed in the Note no 46(iii), whose financial statements have been audited under the Act have represented to us, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, as disclosed in the Note no 46(iv), whose financial statements have been audited under the Act have represented to us, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The Holding Company and its subsidiaries have neither declared nor paid any dividend during the year.

vi. Based on our examination which included test checks, the Holding company and its subsidiaries incorporated in India have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been enabled and operated throughout the year for all relevant transactions recorded in the accounting software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

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

2. According to the information and explanations given to us, the following companies incorporated in India and included in the consolidated financial statements, have qualifications or adverse remarks made by the respective component auditors in their reports in the Companies (Auditor Report) Order (CARO).

| S. No. | Name of the Company | CIN | Type of company (Holding/ Subsidiary) | Clause Number of the CARO report which is Qualified or Adverse |
|---|---|---|---|---|
| 1 | Azure Power India Private Limited | U40106DL2008PTC174774 | Holding | iii(c), iii(d), vii(a), vii(b) |
| 2 | Azure Power (Punjab) Private Limited | U40106DL2009PTC290476 | Subsidiary | vii(b), (xvii) |
| 3 | Azure Power (Haryana) Private Limited | U40108DL2009PTC291351 | Subsidiary | vii(b), (xvii) |
| 4 | Azure Solar Private Limited | U40106DL2010PTC209414 | Subsidiary | vii(a), vii(b) |
| 5 | Azure Urja Private Limited | U40300DL2010PTC209420 | Subsidiary | i(c), vii(b) |
| 6 | Azure Surya Private Limited | U40300DL2010PTC209423 | Subsidiary | vii(b) |
| 7 | Azure Power (Karnataka) Private Limited | U40107DL2010PTC291031 | Subsidiary | vii(b) |
| 8 | Azure Photovoltaic Private Limited | U40300DL2010PTC209803 | Subsidiary | i(c), vii(b) |

| S. No. | Name of the Company | CIN | Type of company (Holding/ Subsidiary) | Clause Number of the CARO report which is Qualified or Adverse |
|---|---|---|---|---|
| 9 | Azure Power Infrastructure Private Limited | U40102DL2010PTC208927 | Subsidiary | vii(b) |
| 10 | Azure Power (Raj.) Private Limited | U40106DL2010PTC207053 | Subsidiary | i(c), vii(b) |
| 11 | Azure Green Tech Private Limited | U40106DL2012PTC237073 | Subsidiary | vii(b) |
| 12 | Azure Clean Energy Private Limited | U40105DL2012PTC236882 | Subsidiary | vii(b) |
| 13 | Azure Sunrise Private Limited | U40106DL2012PTC236103 | Subsidiary | i(c), vii(b) |
| 14 | Azure Sunshine Private Limited | U40106DL2012PTC237070 | Subsidiary | vii(b) |
| 15 | Azure Power Earth Private Limited | U40300DL2014PTC273940 | Subsidiary | vii(a), vii(b) |
| 16 | Azure Power Eris Private Limited | U40300DL2014PTC273917 | Subsidiary | vii(b) |
| 17 | Azure Power Mars Private Limited | U40300DL2014PTC273939 | Subsidiary | vii(b) |
| 18 | Azure Power Pluto Private Limited | U40300DL2014PTC273942 | Subsidiary | vii(b) |
| 19 | Azure Power Uranus Private Limited | U40108DL2015PTC275032 | Subsidiary | vii(a), vii(b), (xvii) |
| 20 | Azure Power Venus Private Limited | U40106DL2015PTC275034 | Subsidiary | vii(a), vii(b), (xvii) |
| 21 | Azure Power Thirty Three Private Limited | U40300DL2016PTC298811 | Subsidiary | i(c), vii(a), vii(b), (xvii) |
| 22 | Azure Power Thirty Six Private Limited | U40108DL2016PTC299126 | Subsidiary | vii(a), vii(b) |
| 23 | Azure Power Thirty Seven Private Limited | U40300DL2016PTC299122 | Subsidiary | vii(b) |
| 24 | Azure Power Thirty Nine Private Limited | U40101DL2016PTC301060 | Subsidiary | xvii, xix |
| 25 | Azure Power Forty Private Limited | U40107DL2016PTC302018 | Subsidiary | i(c), vii(a) |
| 26 | Azure Power Forty Three Private Limited | U40100Dl2017PTC310862 | Subsidiary | vii(a) |
| 27 | Azure Power Maple Private Limited | U40106DL2017PTC324594 | Subsidiary | (xvii), (xix) |
| 28 | Azure Power Fifty Two Private Limited | U40100DL2020PTC360279 | Subsidiary | xvii, xix |

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 Group as it is a private Company.

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

KRISHNA NITHYANANDA KAMATH
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Date: 2026.08.13 20:41:05 +05'30'

**K Nithyananda Kamath**
Partner
Membership No. 027972

**UDIN:** 26027972BVNFGF6123

Place: Gurugram
Date: August 13, 2026

**Annexure – I**

**List of entities included in the Consolidated Financial Statements**

| S. No. | Entity Name | Relationship |
|---|---|---|
| 1 | Azure Power India Private Limited* | Holding Company |
| 2 | Azure Power (Punjab) Private Limited | Subsidiary |
| 3 | Azure Power (Haryana) Private Limited | Subsidiary |
| 4 | Azure Solar Private Limited | Subsidiary |
| 5 | Azure Power (Rajasthan) Private Limited | Subsidiary |
| 6 | Azure Urja Private Limited | Subsidiary |
| 7 | Azure Surya Private Limited | Subsidiary |
| 8 | Azure Power (Karnataka) Private Limited | Subsidiary |
| 9 | Azure Photovoltaic Private Limited | Subsidiary |
| 10 | Azure Power Infrastructure Private Limited | Subsidiary |
| 11 | Azure Power (Raj.) Private Limited | Subsidiary |
| 12 | Azure Green Tech Private Limited | Subsidiary |
| 13 | Azure Clean Energy Private Limited | Subsidiary |
| 14 | Azure Sunrise Private Limited | Subsidiary |
| 15 | Azure Sunshine Private Limited | Subsidiary |
| 16 | Azure Power Earth Private Limited | Subsidiary |
| 17 | Azure Power Eris Private Limited | Subsidiary |
| 18 | Azure Power Jupiter Private Limited | Subsidiary |
| 19 | Azure Power Makemake Private Limited | Subsidiary |
| 20 | Azure Power Mars Private Limited | Subsidiary |
| 21 | Azure Power Pluto Private Limited | Subsidiary |
| 22 | Azure Power Uranus Private Limited | Subsidiary |
| 23 | Azure Power Venus Private Limited | Subsidiary |
| 24 | Azure Power Thirty Three Private Limited | Subsidiary |
| 25 | Azure Power Thirty Four Private limited | Subsidiary |
| 26 | Azure Power Thirty Six Private limited | Subsidiary |
| 27 | Azure Power Thirty Seven Private limited | Subsidiary |
| 28 | Azure Power Thirty Nine Private limited | Subsidiary |
| 29 | Azure Power Forty Private limited | Subsidiary |
| 30 | Azure Power Forty One Private limited | Subsidiary |
| 31 | Azure Power Forty Three Private limited | Subsidiary |
| 32 | Azure Power Maple Private Limited | Subsidiary |
| 33 | Azure Power Fifty One Private Limited | Subsidiary |
| 34 | Azure Power Fifty Two Private Limited | Subsidiary |
| 35 | Azure Power Fifty Three Private Limited | Subsidiary |
| 36 | Azure Power Fifty Four Private Limited | Subsidiary |
| 37 | Azure Power Fifty Six Private Limited | Subsidiary |
| 38 | Azure Power Fifty Seven Private Limited | Subsidiary |

| S. No. | Entity Name | Relationship |
|---|---|---|
| 39 | Azure Power Fifty Eight Private Limited | Subsidiary |
| 40 | Azure Power Fifty Nine Private Limited | Subsidiary |
| 41 | Azure Power Sixty Private Limited | Subsidiary |
| 42 | Azure Power Sixty One Private Limited | Subsidiary |
| 43 | Azure Power Sixty Two Private Limited | Subsidiary |
| 44 | Kotuma Wind Parks Private Limited | Subsidiary |
| 45 | Two Wind Energy Private Limited | Subsidiary |
| 46 | Azure Green Hydrogen Private Limited | Subsidiary |
| 47 | Azure Power Sixty Three Private Limited | Subsidiary |
| 48 | Azure Energy Transition Private Limited | Subsidiary |
| 49 | Azure Power Sixty Four Private Limited | Subsidiary |
| 50 | Azure Power Sixty Five Private Limited | Subsidiary |
| 51 | Azure Power Sixty Six Private Limited | Subsidiary |
| 52 | Azure Power US Inc. ** | Subsidiary |

*The Parent Company/Ultimate Holding Company of Azure Power India Private Limited is Azure Power Global Limited which is based in Mauritius.

** Incorporated outside India (United States of America)

**Annexure – A to the Independent Auditors' Report**

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

We have audited the internal financial controls with reference to the consolidated financial statements of Azure Power India Private Limited (hereinafter referred to as the "the Company" or "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), as of March 31, 2026, in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date. The Group works on a common control environment accordingly, the controls have been designed to operate at a Group level irrespective of whether certain controls in respect of particular process may not be applicable during the year for a particular subsidiary.

**Management's responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on, the internal control over Financial Reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note of Audit of Internal Controls over Financial Reporting issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on internal financial controls over financial reporting ("Guidance Note") issued by the ICAI and the standards on auditing, issued by ICAI and deemed to be prescribed under Section 143 (10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over Financial Reporting with reference to Consolidated Financial Statements and their operating effectiveness.

Our audit of internal financial controls system over Financial Reporting with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls over Financial Reporting with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements of the Group.

**Meaning of Internal financial controls with reference to Consolidated Financial Statements**

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

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

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

**Opinion**

In our opinion, the Holding Company and its subsidiaries, which are companies incorporated in India have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such controls were operating effectively as at March 31, 2026, based on the internal financial control over financial reporting criteria, established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial control over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

KRISHNA NITHYANANDA KAMATH
Digitally signed by KRISHNA NITHYANANDA KAMATH
Date: 2026.08.13 20:41:27 +05'30'

**K Nithyananda Kamath**
Partner
Membership No. 027972

**UDIN:** 26027972BVNFGF6123

Place: Gurugram
Date: August 13, 2026

**Azure Power India Private Limited**
**Consolidated Balance Sheet as at March 31, 2026**
(All amounts in INR lakhs, unless otherwise stated)

| | Notes | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 11,77,559 | 12,15,185 |
| Capital work-in-progress | 3 | 11,905 | 6,339 |
| Right-of-use assets | 34 | 55,397 | 45,148 |
| Intangible assets | 4 | 114 | 48 |
| Financial assets | 5 | | |
| - Investments | 5.1 | 4,551 | 4,551 |
| - Trade receivables | 5.2 | 32,111 | 34,453 |
| - Loans | 5.3 | 8,693 | 25,113 |
| - Other financial assets | 5.4 | 1,05,936 | 1,13,663 |
| Deferred tax assets (net) | 17 | 12,783 | 28,399 |
| Other non-current assets | 6 | 10,812 | 6,805 |
| Income tax assets (net) | 7 | 16,993 | 8,479 |
| **Total non-current assets** | | **14,36,854** | 14,88,183 |
| **Current assets** | | | |
| Inventories | 7A | 99 | 83 |
| Financial assets | 8 | | |
| - Investment | 8.1 | 22,425 | 25 |
| - Trade receivables | 8.2 | 33,289 | 51,748 |
| - Cash and cash equivalents | 8.3 | 38,105 | 33,851 |
| - Other bank balances | 8.4 | 73,120 | 45,510 |
| - Loans | 8.5 | 75 | - |
| - Other current financial assets | 8.6 | 4,020 | 10,832 |
| Other current assets | 9 | 10,736 | 18,443 |
| **Total current assets** | | **1,81,869** | 1,60,492 |
| **Total assets** | | **16,18,723** | 16,48,675 |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Equity share capital | 10 | 692 | 692 |
| Other equity | 11 | 3,11,345 | 3,54,418 |
| **Equity attributable to equity holders of the parent** | | **3,12,037** | 3,55,110 |
| Non-controlling interest | 11 | 1,953 | 1,912 |
| **Total equity** | | **3,13,990** | 3,57,022 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | 12 | | |
| - Borrowings | 12.1 | 10,10,938 | 10,18,053 |
| - Lease liabilities | 34 | 43,309 | 34,391 |
| - Other financial liabilities | 12.2 | 1 | 2 |
| Provisions | 13.1 | 10,286 | 9,197 |
| Deferred tax liabilities (net) | 17 | 34,887 | 7,613 |
| Other non-current liabilities | 14 | 57,203 | 61,947 |
| **Total non-current liabilities** | | **11,56,624** | 11,31,203 |
| **Current liabilities** | | | |
| Financial liabilities | 15 | | |
| - Borrowings | 15.1 | 86,626 | 99,263 |
| - Lease liabilities | 34 | 4,017 | 3,244 |
| - Trade payables | | | |
| Total outstanding dues of micro enterprises and small enterprises | 15.2 | 1,669 | 1,826 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 15.2 | 19,529 | 14,995 |
| - Other financial liabilities | 15.3 | 11,720 | 13,793 |
| Other current liabilities | 16 | 8,093 | 6,484 |
| Provisions | 13.2 | 16,425 | 18,873 |
| Current tax liabilities (net) | 16A | 30 | 1,972 |
| **Total current liabilities** | | **1,48,109** | 1,60,450 |
| **Total liabilities** | | **13,04,733** | 12,91,653 |
| **Total equity and liabilities** | | **16,18,723** | 16,48,675 |
| See accompanying notes to the consolidated 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

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

KRISHNA NITHYANANDA KAMATH
Digitally signed by KRISHNA NITHYANANDA KAMATH Date: 2026.08.13 20:47:52 +05'30'

SUNIL GUPTA
Digitally signed by SUNIL GUPTA Date: 2026.08.13 19:47:40 +05'30'

Brijesh Mehra
Digitally signed by Brijesh Mehra Date: 2026.08.13 19:35:29 +05'30'

Rajat Kumar Gupta
Digitally signed by Rajat Kumar Gupta Date: 2026.08.13 19:36:05 +05'30'

KAPIL SHARMA
Digitally signed by KAPIL SHARMA Date: 2026.08.13 19:48:11 +05'30'

**K Nithyananda Kamath**
Partner
Membership No: 027972
Place : Gurugram
Date : August 13, 2026

**Sunil Kumar Gupta**
Managing Director and CEO
DIN: 07095152
Place : Gurugram
Date : August 13, 2026

**Brijesh Mehra**
Board Chairman
DIN : 03341307
Place : Mumbai
Date : August 13, 2026

**Rajat Kumar Gupta**
Chief Financial Officer
Place : Gurugram
Date : August 13, 2026

**Kapil Sharma**
Company Secretary
Membership No. A37154
Place : Gurugram
Date : August 13, 2026

**Azure Power India Private Limited**
**Consolidated Statement of Profit and Loss for the year ended March 31, 2026**
(All amounts in INR lakhs, other than per share amount)

| | Notes | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|---|
| **Revenue** | | | |
| Revenue from operations | 18 | 1,99,405 | 2,05,045 |
| Finance income | 19 | 15,364 | 17,206 |
| Other income | 20 | 11,721 | 14,216 |
| **Total income** | | **2,26,490** | 2,36,467 |
| **Expenses** | | | |
| Employee benefits expense | 21 | 11,383 | 10,667 |
| Finance costs | 22 | 1,19,545 | 1,28,092 |
| Depreciation and amortisation expense | 23 | 42,934 | 44,437 |
| Impairment expense (net of reversal) | 24 | 19,971 | 2,430 |
| Other expenses | 25 | 32,384 | 43,410 |
| **Total expenses** | | **2,26,217** | 2,29,036 |
| **Profit before tax** | | **273** | 7,431 |
| **Tax expense:** | | | |
| Current tax | 17 | 2,427 | 6,384 |
| Income tax adjustment pertaining to earlier years | 17 | (1,475) | (1,814) |
| Deferred tax charge/(credit) | 17 | 42,718 | (14,577) |
| **Total tax expense/(benefit)** | | **43,670** | (10,007) |
| **(Loss)/ profit after tax** | | **(43,397)** | 17,438 |
| **Other comprehensive income** | | | |
| **Items that will be reclassified to profit or loss** | | | |
| Net movement on cash flow hedge reserve | | 543 | (1,669) |
| Income tax effect on cash flow hedge reserve | 17 | (174) | 414 |
| Exchange difference on translation of foreign operation | | 1 | 2 |
| **Items that will not be reclassified to profit or loss** | | | |
| Re-measurement losses on defined benefit plans | 37 | (7) | (4) |
| Income tax effect on re-measurement losses on defined benefit plans | 17 | 2 | 1 |
| **Total other comprehensive income /(loss)** | | **365** | (1,256) |
| **Total comprehensive (loss)/income** | | **(43,032)** | 16,182 |
| **(Loss)/ profit after tax attributable to:** | | | |
| Equity holders of the parent | | (43,438) | 17,396 |
| Non-controlling interest | | 41 | 42 |
| **Total comprehensive (loss)/ income attributable to:** | | | |
| Equity holders of the parent | | (43,073) | 16,140 |
| Non-controlling interest | | 41 | 42 |
| **Earnings per equity share: [Nominal value of share : INR 10 (March 31, 2025 : INR 10)]** | | | |
| (1) Basic earnings per share (INR) | 26 | (627.66) | 251.36 |
| (2) Diluted earnings per share (INR) | 26 | (627.66) | 251.36 |
| See accompanying notes to the consolidated 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

KRISHNA NITHYANANDA KAMATH
Digitally signed by KRISHNA NITHYANANDA KAMATH
Date: 2026.08.13 20:48:18 +05'30'

**K Nithyananda Kamath**
Partner
Membership No: 027972
Place : Gurugram
Date : August 13, 2026

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

SUNIL GUPTA
Digitally signed by SUNIL GUPTA
Date: 2026.08.13 19:49:21 +05'30'

**Sunil Kumar Gupta**
Managing Director and CEO
DIN: 07095152
Place : Gurugram
Date : August 13, 2026

Brijesh Mehra
Digitally signed by Brijesh Mehra
Date: 2026.08.13 19:39:06 +05'30'

**Brijesh Mehra**
Board Chairman
DIN : 03341307
Place : Mumbai
Date : August 13, 2026

Rajat Kumar Gupta
Digitally signed by Rajat Kumar Gupta
Date: 2026.08.13 19:38:37 +05'30'

**Rajat Kumar Gupta**
Chief Financial Officer
Place : Gurugram
Date : August 13, 2026

KAPIL SHARMA
Digitally signed by KAPIL SHARMA
Date: 2026.08.13 19:48:52 +05'30'

**Kapil Sharma**
Company Secretary
Membership No. A37154
Place : Gurugram
Date : August 13, 2026

**Azure Power India Private Limited**
**Consolidated Statement of Cash Flows for the year ended March 31, 2026**
(All amounts in INR lakhs, unless otherwise stated)

| | Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|---|
| A | **Cash flows from operating activities** | | |
| | Profit before tax | 273 | 7,431 |
| | **Adjustments for :** | | |
| | Depreciation and amortisation expense | 42,934 | 44,437 |
| | Impairment loss | 19,971 | 2,430 |
| | Foreign exchange fluctuation (net) | 162 | 207 |
| | Reversal of share-based payment liability | - | (168) |
| | Interest income on investments | (270) | (270) |
| | MTM gain on mutual fund | (168) | - |
| | Gain on sale of mutual fund | (652) | - |
| | Loss on sale of property, plant and equipment (net) | - | 845 |
| | Impairment expense on doubtful loans and interest accrued for loans and interest receivable | | - |
| | Provision for doubtful security deposits | - | 7 |
| | Viability gap funding income | (1,219) | (1,353) |
| | Government grant income | (17) | (17) |
| | Deferred revenue | (4,954) | (3,505) |
| | Contract assets | 165 | 2,662 |
| | Loss on disposal of subsidiaries | - | 1,830 |
| | Advances written off | 45 | 1,462 |
| | Assets written off | 743 | 3,047 |
| | Provision for Bank Guarantee and others | - | 3,934 |
| | Provision for termination of PPA | 354 | - |
| | Interest income | (15,364) | (17,206) |
| | Liabilities no longer required written back | (3,966) | (2,268) |
| | Finance costs | 1,19,545 | 1,28,092 |
| | **Operating profit before working capital changes** | **1,57,582** | 1,71,597 |
| | Movements in working capital: | | |
| | Decrease in trade receivables | 23,662 | 959 |
| | Decrease/ (Increase) in other current financial assets | 6,727 | (7,752) |
| | Decrease/ (increase) in other current assets | 7,740 | (70) |
| | (Increase)/ decrease in non current financial assets | (92) | 346 |
| | Decrease in other non-current assets | 1,234 | 259 |
| | (Increase)/ decrease in inventories | (16) | 48 |
| | Increase/(decrease) in trade payables | 6,456 | (1,097) |
| | Increase in other current and non current liabilities | 2,476 | 690 |
| | Decrease in other current and non-current financial liabilities | (736) | (1,354) |
| | Decrease in provisions | (2,560) | (3,523) |
| | **Cash from operations** | **2,02,473** | 1,60,103 |
| | Income tax paid (net of refunds) | (11,408) | (7,436) |
| | **Net cash from operating activities [A]** | **1,91,065** | 1,52,667 |
| B | **Cash flows from investing activities** | | |
| | Purchases of property, plant and equipment (including capital work in progress, capital advance and capital creditors) | (15,259) | (6,662) |
| | Proceeds from disposal of property, plant and equipment | - | 92 |
| | Purchase of intangible assets | (148) | (72) |
| | Interest received | 12,457 | 12,054 |
| | Loans given to fellow subsidiary companies | (5,358) | - |
| | Receipt of loans given by fellow subsidiary companies | 4,865 | (16,850) |
| | Investment in Mutual fund | (91,816) | - |
| | Proceed from sale of Mutual fund | 70,211 | - |
| | Proceeds from disposal of subsidiaries | 25 | 25 |
| | Investment in bank deposits (having the original maturity of more than three months) | (33,787) | (15,957) |
| | **Net cash used in investing activities [B]** | **(58,810)** | (27,370) |
| C | **Cash flows from financing activities** | | |
| | Repayment of External commercial borrowings/Non-Convertible Debentures | (2,06,626) | (2,38,316) |
| | Payment of redemption premium | (15,149) | (9,816) |
| | Proceeds from non-current borrowings | 4,49,381 | 4,77,728 |
| | Repayments of non-current borrowings | (2,41,608) | (1,53,049) |
| | Payment of Anciliary cost of borrowings | (3,469) | - |
| | Payment of consent fees | (835) | - |
| | Repayment of borrowing taken from fellow subsidiaries | (14) | - |
| | Repayment of current borrowings | - | (79,474) |
| | Loan prepayment charges | (560) | (1,043) |
| | Payment of lease liabilities | (5,451) | (3,396) |
| | Finance cost paid | (1,03,670) | (1,15,441) |
| | **Net cash used in financing activities [C]** | **(1,28,001)** | (1,22,807) |
| | **Net increase in cash and cash equivalents [A + B + C]** | **4,254** | 2,490 |
| | Cash and cash equivalents at the beginning of the year | 33,851 | 33,275 |
| | Adjustment for cash and cash equivalents classified as held for sale | - | (1,914) |
| | **Cash and cash equivalents at the end of the year** | **38,105** | 33,851 |
| | **Components of cash and cash equivalents** | | |
| | **Balances with schedule banks: (refer note 8.3)** | | |
| | - In current accounts | 7,872 | 9,830 |
| | - Deposits with original maturity of less than 3 months | 30,233 | 24,021 |
| | **Total cash and cash equivalents** | **38,105** | 33,851 |

(All amounts in INR lakhs, unless otherwise stated)

**Change in liabilities arising from financing activities**

| **Particulars** | **Opening balance as at April 01, 2025** | **Cash flow (net)** | **Change in foreign exchange rate** | **Other changes*** | **Closing balance as at March 31, 2026** |
|---|---|---|---|---|---|
| Non current borrowings (Including current maturities) | 11,17,316 | (17,485) | (13,212) | 10,945 | 10,97,564 |
| Lease liabilities | 37,635 | (5,451) | - | 15,142 | 47,326 |
| **Total liabilities from financing activities** | **11,54,951** | **(22,936)** | **(13,212)** | **26,087** | **11,44,890** |

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

*Including adjustments of ancillary borrowing cost, redemption premium and consent fees interest rollover, addition of lease liabilities and interest on lease liabilities.

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

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

See accompanying notes to the consolidated financial statements 2.2 - 58

As per our report of even date

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

KRISHNA NITHYANANDA KAMATH Digitally signed by KRISHNA NITHYANANDA KAMATH Date: 2026.08.13 20:48:46 +05'30'

**K Nithyananda Kamath**
Partner
Membership No: 027972
Place : Gurugram
Date : August 13, 2026

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

SUNIL GUPTA Digitally signed by SUNIL GUPTA Date: 2026.08.13 19:50:22 +05'30'

**Sunil Kumar Gupta**
Managing Director and CEO
DIN: 07095152
Place : Gurugram
Date : August 13, 2026

Brijesh Mehra Digitally signed by Brijesh Mehra Date: 2026.08.13 19:39:42 +05'30'

**Brijesh Mehra**
Board Chairman
DIN : 03341307
Place : Mumbai
Date : August 13, 2026

Rajat Kumar Gupta Digitally signed by Rajat Kumar Gupta Date: 2026.08.13 19:40:11 +05'30'

**Rajat Kumar Gupta**
Chief Financial Officer
Place : Gurugram
Date : August 13, 2026

KAPIL SHARMA Digitally signed by KAPIL SHARMA Date: 2026.08.13 19:50:53 +05'30'

**Kapil Sharma**
Company Secretary
Membership No. A37154
Place : Gurugram
Date : August 13, 2026

**Azure Power India Private Limited**
**Consolidated Statement of Changes in Equity for the year ended March 31, 2026**
(All amounts in INR lakhs, unless otherwise stated)

**(a) Equity share capital**

**For the year ended March 31, 2026**

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

| | Number of shares | Share capital |
|---|---|---|
| At April 01, 2025 | 69,20,619 | 692 |
| Changes during the year | - | - |
| **At March 31, 2026** | **69,20,619** | **692** |

For the year ended March 31, 2025

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

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

**(b) Other equity**

**For the year ended March 31, 2026:**

| Particulars | Attributable to the equity holders of parent company | | | | | | | | Non-controlling interests | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | Deemed capital contribution by parent company / ESOP reserve | Reserves and surplus | | | Items of other comprehensive income | | | Total | | |
| | | Deficit in the statement of profit and loss | Securities premium reserve** | Other reserve | Defined benefit plans (Refer note 37) | Cash flow hedge reserve (Refer note 36) | Foreign currency translation reserve (FCTR) | | | |
| At April 01, 2025 | 3,477 | (1,60,359) | 5,11,225 | 403 | 66 | (246) | (148) | 3,54,418 | 1,912 | 3,56,330 |
| Loss for the year | - | (43,438) | - | - | - | - | - | (43,438) | 41 | (43,397) |
| Other comprehensive (loss)/income | - | - | - | - | (5) | 369 | 1 | 365 | - | 365 |
| **At March 31, 2026** | **3,477** | **(2,03,797)** | **5,11,225** | **403** | **61** | **123** | **(147)** | **3,11,345** | **1,953** | **3,13,298** |

For the year ended March 31, 2025:

| Particulars | Attributable to the equity holders of parent company | | | | | | | | Non-controlling interests | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | Deemed capital contribution by parent company / ESOP reserve | Reserves and surplus | | | Items of other comprehensive income | | | Total | | |
| | | Deficit in the statement of profit and loss | Securities premium reserve** | Other reserve | Defined benefit plans (Refer note 37) | Cash flow hedge reserve (Refer note 36) | Foreign currency translation reserve (FCTR) | | | |
| As at April 01, 2024 | 3,645 | (1,77,755) | 5,11,225 | 403 | 69 | 1,009 | (150) | 3,38,446 | 38 | 3,38,484 |
| Profit for the year | - | 17,396 | - | - | - | - | - | 17,396 | 42 | 17,438 |
| Other comprehensive (loss)/ income | - | - | - | - | (3) | (1,255) | 2 | (1,256) | - | (1,256) |
| Total | 3,645 | (1,60,359) | 5,11,225 | 403 | 66 | (246) | (148) | 3,54,586 | 80 | 3,54,666 |
| Dividend distributed | - | - | - | - | - | - | - | - | 2 | 2 |
| Transfer to consolidated statement of profit and loss (refer note 25 and 45) | - | - | - | - | - | - | - | - | 1,830 | 1,830 |
| Reversal of deemed capital contribution by parent on account of employees Stock option plan (refer note 28) | (168) | - | - | - | - | - | - | (168) | - | (168) |
| At March 31, 2025 | 3,477 | (1,60,359) | 5,11,225 | 403 | 66 | (246) | (148) | 3,54,418 | 1,912 | 3,56,330 |

**The amount is net of share issue expenses.

See accompanying notes to the consolidated financial statements 2.2 - 58

As per our report of even date

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

KRISHNA NITHYANANDA KAMATH Digitally signed by KRISHNA NITHYANANDA KAMATH Date: 2026.08.13 20:49:11 +05'30'

**K Nithyananda Kamath**
Partner
Membership No: 027972
Place : Gurugram
Date : August 13, 2026

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

SUNIL GUPTA Digitally signed by SUNIL GUPTA Date: 2026.08.13 19:51:57 +05'30'

**Sunil Kumar Gupta**
Managing Director and CEO
DIN: 07095152
Place : Gurugram
Date : August 13, 2026

Brijesh Mehra Digitally signed by Brijesh Mehra Date: 2026.08.13 19:41:32 +05'30'

**Brijesh Mehra**
Board Chairman
DIN : 03341307
Place : Mumbai
Date : August 13, 2026

Rajat Kumar Gupta Digitally signed by Rajat Kumar Gupta Date: 2026.08.13 19:41:01 +05'30'

**Rajat Kumar Gupta**
Chief Financial Officer
Place : Gurugram
Date : August 13, 2026

KAPIL SHARMA Digitally signed by KAPIL SHARMA Date: 2026.08.13 19:51:28 +05'30'

**Kapil Sharma**
Company Secretary
Membership No. A37154
Place : Gurugram
Date : August 13, 2026

**1. Corporate information**

Azure Power India Private Limited ("the Company or Holding Company") is domiciled in India. The Company was incorporated under the provisions of the Companies Act applicable in India. The Company is a subsidiary of Azure Power Global Limited ("APGL" or Parent Company"). These consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as the 'Group or Parent Group') and the Group's interest in associates. The registered office of the Group is located at DSC-304, Second Floor, DLF South Court, Saket District Centre, New Delhi – 110017.

The Group's primary business includes generation of solar energy and developing and managing infrastructure for solar power. The group pledges its plant to obtain long term loans. As per the legal view obtained by the Group, the company and it's subsidiaries are regulated under the Electricity Act, 2003. The projects of Group, which have commenced operations before March 31, 2017, are eligible for section 80-IA benefits under the Income Tax Act, 1961.

**2. Material accounting policies**

**2.1 Basis of preparation**

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

The consolidated financial statements were authorised for issue by the Company's Board of Directors on August 13, 2026.

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.

(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, 2026.

**Nature of interest in consolidated entities: Subsidiaries**

| Name | Country of Incorporation /Principal place of business | Percentage of equity interest | |
|---|---|---|---|
| | | March 31, 2026 | March 31, 2025 |
| Azure Power (Punjab) Private Limited | India | 100% | 100% |
| Azure Power (Haryana) Private Limited | India | 99.17% | 99.17% |
| Azure Solar Private Limited | India | 100% | 100% |
| Azure Power (Rajasthan) Private Limited | India | 100% | 100% |
| Azure Urja Private Limited | India | 100% | 100% |
| Azure Surya Private Limited | India | 100% | 100% |
| Azure Power (Karnataka) Private Limited | India | 100% | 100% |
| Azure Photovoltaic Private Limited | India | 100% | 100% |
| Azure Power Infrastructure Private Limited | India | 100% | 100% |
| Azure Power (Raj.) Private Limited | India | 100% | 100% |
| Azure Green Tech Private Limited | India | 100% | 100% |
| Azure Clean Energy Private Limited | India | 100% | 100% |
| Azure Sunrise Private Limited | India | 100% | 100% |
| Azure Sunshine Private Limited | India | 100% | 100% |
| Azure Power Earth Private Limited | India | 100% | 100% |
| Azure Power Eris Private Limited | India | 100% | 100% |
| Azure Power Jupiter Private Limited | India | 51.01% | 51.01% |
| Azure Power Makemake Private Limited | India | 100% | 100% |
| Azure Power Mars Private Limited | India | 100% | 100% |
| Azure Power Pluto Private Limited | India | 100% | 100% |
| Azure Power Uranus Private Limited | India | 100% | 100% |
| Azure Power Venus Private Limited | India | 100% | 100% |
| Azure Power Thirty Three Private Limited | India | 100% | 100% |
| Azure Power Thirty Four Private Limited | India | 100% | 100% |
| Azure Power Thirty Six Private Limited | India | 100% | 100% |
| Azure Power Thirty Seven Private Limited | India | 99.84% | 99.84% |
| Azure Power Thirty Nine Private Limited | India | 100% | 100% |
| Azure Power Forty Private Limited | India | 100% | 100% |
| Azure Power Forty One Private Limited | India | 100% | 100% |
| Azure Power Forty Three Private Limited | India | 100% | 100% |
| Azure Power 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% |

(INR amount in lakhs, unless otherwise stated)

| Name | Country of Incorporation /Principal place of business | Percentage of equity interest | |
|---|---|---|---|
| | | March 31, 2026 | March 31, 2025 |
| Azure Power Maple Private Limited | India | 100% | 100% |
| Azure Power Fifty Six Private Limited | India | 100% | 100% |
| Azure Power Fifty Seven Private Limited | India | 100% | 100% |
| Azure Power Fifty Eight Private Limited | India | 100% | 100% |
| Azure Power Fifty Nine Private Limited | India | 100% | 100% |
| Azure Power Sixty Private Limited | India | 100% | 100% |
| Azure Power Sixty One Private Limited | India | 100% | 100% |
| Azure Power Sixty Two Private Limited | India | 100% | 100% |
| Kotuma Wind Parks Private Limited | India | 100% | 100% |
| Two Wind Energy Private Limited | India | 100% | 100% |
| Azure Green Hydrogen Private Limited | India | 100% | 100% |
| Azure Power Sixty Three Private Limited | India | 100% | 100% |
| Azure Power US Inc. | United States of America | 100% | 100% |
| Azure Power Sixty Four Private Limited | India | 100% | 100% |
| Azure Power Sixty Five Private Limited | India | 100% | 100% |
| Azure Power Sixty Six Private Limited | India | 100% | 100% |
| Azure Energy Transition Private Limited | India | 100% | 100% |

## 2.2 Summary of material accounting policies

### a) Use of Estimates

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

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

### b) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when it is:

- expected to be settled in normal operating cycle;
- held primarily for the purpose of trading;

- due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

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

### c) Property, plant and equipment

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

**Derecognition**

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

### d) Capital work in progress ("CWIP")

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

### e) Depreciation

Based on legal opinion obtained, management is of the view that application of CERC and/or SERC rates for the purpose of accounting of depreciation expense is not mandatory. Hence, Group is depreciating the assets based on technical assessment made by technical expert and management estimate.

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

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.

(INR amount in lakhs, unless otherwise stated)

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

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

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

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

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

### f) Intangible assets

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

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

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

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

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

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

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

**g) Leases**

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

**Group as a Lessee**

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

**i) Right of use assets**

The Group recognizes right-of-use assets at the commencement date of the lease

(i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

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

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

**ii) Lease liabilities**

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

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

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

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

**(iv)** The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the right of use asset if the recognition criteria for a provision are met. Refer to note 43 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

## h) Borrowing costs

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

## i) Financial instruments

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

**Financial assets**

**Initial recognition and measurement**

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

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in three categories:
- ➢ Debt instruments at amortised cost
- ➢ Debt instruments at fair value through other comprehensive income (FVTOCI)
- ➢ Debt instruments, derivatives and equity instruments at fair value through Profit and Loss (FVTPL)

**Debt instruments at amortised cost**

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:
- a) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

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

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

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

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

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

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

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

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

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

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

**Derecognition**

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

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

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

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

**Impairment of financial assets**

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

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

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

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

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

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

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

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

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

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

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

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

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

**Financial liabilities**

**Initial recognition and measurement**

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

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

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

**Subsequent measurement**

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

**Financial liabilities at fair value through profit or loss**

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

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

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

**Loans and borrowings**

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

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

**Derecognition**

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

**Reclassification of financial assets**

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

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

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

**Offsetting of financial instruments**

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

**Derivative financial instruments and hedge accounting**

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

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

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

For the purpose of hedge accounting hedges are classified as:

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

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

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

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

***Undesignated contracts***

Changes in fair value of undesignated derivative contracts are reported directly in Consolidated statement of profit and loss along with the corresponding transaction gains and losses on the items being economically hedged. Realised gains (losses) and changes in the fair value of these foreign exchange derivative contracts are recorded in foreign exchange gains (losses), net in the Consolidated statement of profit and loss. These derivatives are not held for speculative or trading purposes.

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

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

**Fair value hedge: hedging of foreign exchange exposure**

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

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

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

### j) Financial guarantees

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

### k) Revenue recognition

**Revenue from contracts with customers**

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

Where Power Purchase Agreement or “PPA” include scheduled price changes, revenue is recognized at lower of the amount billed or by applying the average rate to the energy output estimated over the term of the PPA. The determination of the lesser amount is undertaken annually based on the cumulative amount that would have been recognized had each method been consistently applied from the beginning of the contract term. The Group estimates the total kilowatt hour units expected to be generated over the entire term of the PPA. The Group then uses the total estimated revenue and the total estimated kilo-watt hours to compute the average rate used to record revenue on the actual energy output supplied. The Group compares the actual energy output supplied to the estimate of the energy expected to be generated over the remaining term of PPA on a periodic basis, but at least annually. Based on this evaluation, the Group reassess the energy output estimated over the remaining term of the PPA and adjust the revenue recognized and deferred to date. The difference between actual billing and revenue recognized is recorded as deferred revenue. The difference between actual billing and revenue recognized is recorded as deferred revenue.

**Sale of power**

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

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

Revenue from the recovery of Safe-guard duties and Goods and Service Tax under the change in law provision are recognized over the PPA period based on terms agreed with customers or unless agreed otherwise once collectability is reasonably assured.

The revenue of Safeguard duties and Goods and Service Tax for the year is recognized by the Group in proportion to the actual sale of solar energy kilowatts during the period to the total estimated sale of solar energy kilowatts during the tenure of the applicable power purchase agreement.

**Income from carbon credit emission**

Revenue from the sale of carbon credit emission is recognized at the time of transfer of credits to customers.

**Contract assets**

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

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

**Trade receivables**

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

**Interest income**

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

**Dividends**

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

**Application of interpretation for Service Concession Arrangements (SCA)**

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

## l) Government grants

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

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

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

The Group considers Viability Gap Funding (VGF) as government grant and records the proceeds received from VGF on fulfilment of the underlying conditions as deferred revenue. Such deferred VGF revenue is recognized in the Consolidated statement of profit and loss in proportion to the actual sale of solar energy kilowatts during the period to the total estimated sale of solar energy kilowatts during the tenure of the applicable power purchase agreement pursuant to the revenue recognition policy.

### m) Foreign currency transactions

**Functional and Presentation Currency**

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

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

**Conversion**

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

**Exchange differences**

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

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

### n) Retirement and other employee benefits

**Short-term obligations**

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

**Other long-term employee benefit obligations**

**Defined contribution plan**

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

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

**Defined benefit plans**

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

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

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

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

**o) Income taxes**

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

**Current income tax**

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

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

**Deferred tax**

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

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

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

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

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

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

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

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

**Minimum Alternate Tax**

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

### p) Segment reporting

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

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

### q) Share-based payments

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

**Equity-settled transactions**

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

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.
No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through Consolidated statement of profit and loss.

For share-based payment transactions among group entities, in its separate or individual financial statements, the entity receiving the goods or services measures the goods or services received as either an equity-settled or a cash-settled share-based payment transaction by assessing:

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

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

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

**Cash-settled transactions**

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

### r) Earnings per share

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

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

### s) Provisions

**General**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Consolidated statement of profit and loss net of any reimbursement.

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

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

**Decommissioning liability**

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

**t) Impairment of non-financial assets**

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

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

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

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

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

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

### u) Contingent assets / liabilities

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

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

### v) Fair value measurement

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

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

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

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

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

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

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

**w) Cash and cash equivalents**

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

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

**x) Inventory**

Carbon emission rights (CERs) received on registered projects are recorded as inventory. Inventories are valued at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the 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.

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

| | Freehold land | Plant and Equipment* | Furniture and fixtures | Vehicles | Computers | Office equipment | Leasehold improvements | Road | Building | Total | Capital work-in-progress |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross block at cost** | | | | | | | | | | | |
| At April 01, 2024 | 42,458 | 14,23,679 | 105 | 1,043 | 1,399 | 1,241 | 4,661 | 1,842 | 64,718 | 15,41,146 | 20,018 |
| Additions | 15 | 11,808 | - | | 92 | 6 | 4 | - | 880 | 12,805 | 7,994 |
| Disposals/ Adjustments | (232) | (5,334) | - | (130) | (65) | (2) | - | (36) | (179) | (5,978) | (14,065) |
| At March 31, 2025 | 42,241 | 14,30,153 | 105 | 913 | 1,426 | 1,245 | 4,665 | 1,806 | 65,419 | 15,47,973 | 13,947 |
| Additions | 273 | 5,128 | 1 | 18 | 144 | 8 | - | 27 | 881 | **6,480** | 11,803 |
| Disposals/ Adjustments | (189) | (1,454) | - | (39) | (1) | - | - | - | (15) | **(1,698)** | (6,237) |
| **At March 31, 2026** | **42,325** | **14,33,827** | **106** | **892** | **1,569** | **1,253** | **4,665** | **1,833** | **66,285** | **15,52,755** | **19,513** |
| | | | | | | | | | | | |
| **Accumulated Depreciation** | | | | | | | | | | | |
| At April 01, 2024 | - | 2,73,416 | 96 | 708 | 1,017 | 741 | 1,974 | 1,239 | 13,262 | 2,92,453 | 7,608 |
| Charge for the year | - | 39,424 | 2 | 50 | 182 | 215 | 305 | 533 | 1,701 | 42,412 | - |
| Disposals/ Adjustments | - | (1,892) | - | (65) | (54) | (2) | - | (28) | (36) | (2,077) | - |
| At March 31, 2025 | - | 3,10,948 | 98 | 693 | 1,145 | 954 | 2,279 | 1,744 | 14,927 | 3,32,788 | 7,608 |
| Charge for the year | - | 38,223 | 2 | 18 | 176 | 199 | 276 | 70 | 1,757 | **40,721** | - |
| Disposals/ Adjustments | - | (549) | - | (39) | (1) | (2) | - | - | (4) | **(595)** | - |
| Impairment loss | | 2,282 | - | - | - | - | - | - | - | **2,282** | |
| **At March 31, 2026** | **-** | **3,50,904** | **100** | **672** | **1,320** | **1,151** | **2,555** | **1,814** | **16,680** | **3,75,196** | **7,608** |
| | | | | | | | | | | | |
| **Net block** | | | | | | | | | | | |
| **At March 31, 2026** | **42,325** | **10,82,923** | **6** | **220** | **249** | **102** | **2,110** | **19** | **49,605** | **11,77,559** | **11,905** |
| At March 31, 2025 | 42,241 | 11,19,205 | 7 | 220 | 281 | 291 | 2,386 | 62 | 50,492 | 12,15,185 | 6,339 |

**Notes:**

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

(ii) During the year, Company has commenced construction of solar power generation facility of 400 MW and also actively involved in development of other projects. Capital work in progress pertaining to this project INR 1,246 Lakhs is included above. (Refer note 31)

*During the current year ended March 31, 2026, the Group has conducted physical verification of its property, plant and equipment. Based on the outcome of the physical verification, certain discrepancies were identified which were reviewed and appropriately adjusted in the books of accounts. Accordingly, the Group has written down plant and machinery (net) amounting to INR 339 lakhs (March 31, 2025 INR 1,239 lakhs).

*This space has been intentionally left blank.*

(All amounts in INR lakhs, unless otherwise stated)

**4. Intangible assets**

| | Software | Total |
|---|---|---|
| **Gross block at cost** | | |
| At April 01, 2024 | 1,845 | 1,845 |
| Additions | 72 | 72 |
| Disposals/ adjustments | - | - |
| At March 31, 2025 | 1,917 | 1,917 |
| Additions | 148 | 148 |
| Disposals/ adjustments | - | - |
| **At March 31, 2026** | **2,065** | **2,065** |
| | | |
| **Accumulated Amortization** | | |
| At April 01, 2024 | 1,807 | 1,807 |
| Charge for the year | 62 | 62 |
| Disposals/ adjustments | - | - |
| At March 31, 2025 | 1,869 | 1,869 |
| Charge for the year | 82 | 82 |
| Disposals/ adjustments | - | - |
| **At March 31, 2026** | **1,951** | **1,951** |
| | | |
| **Net block** | | |
| **At March 31, 2026** | **114** | **114** |
| At March 31, 2025 | 48 | 48 |

*This space has been intentionally left blank.*

| Particulars | | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| **5. Non-current financial assets** | | | |
| (Carried at amortized cost, unless stated otherwise) | | | |
| **5.1. Investments** | | | |
| (at fair value through profit and loss) | | | |
| **Investment in equity shares (unquoted)** | | | |
| 5,61,920 shares (March 31, 2025: 5,61,920) equity shares of INR 10/- each fully paid up in Premier Energies International Private Limited (earlier known as Azure Power Fifty- Five Private Limited)* | | 1,366 | 1,366 |
| **Investment in compulsorily convertible debentures (unquoted)** | | | |
| 13,00,000 compulsorily convertible debentures (March 31, 2025: 13,00,000) of INR 245/- each fully paid up in Premier Energies International Private Limited (earlier known as Azure Power Fifty- Five Private Limited)* | | 3,185 | 3,185 |
| **Total** | | **4,551** | 4,551 |
| Aggregate value of unquoted investments | | **4,551** | 4,551 |

* During the year ended March 31, 2022, the Group had entered into a non-binding obligation with M/s Premier Energies Limited ("Premier"), a solar module manufacturing company, relating to execution of tender received from SECI. The Group had invested INR 937 lakhs in equity shares of the Premier Energies International Private Limited ("entity") for its 26% of the equity shares of an entity, where Premier had invested in 74% of equity shares. During the year ended March 31, 2023, the Group had further invested INR 428 lakhs in equity shares (without dividend rights) and INR 3,185 lakhs in compulsorily convertible debentures of entity and the Group also entered into related module supply agreements and share and debentures subscription agreements with Premier. The Group is entitled for coupon of 8.5% p.a. on investment made under the agreement towards Compulsory Convertible Debentures (refer note 5.4 and 20).

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **5.2 Trade receivables** | | |
| *(Unsecured, considered good)* | | |
| Trade receivables (refer note 30) | 32,111 | 34,453 |
| **Total** | **32,111** | 34,453 |
| **Break-up for trade receivables** | | |
| **From others** | | |
| Undisputed trade receivables, considered good | 32,111 | 34,453 |
| Undisputed trade receivables, credit impaired | 38 | 145 |
| **Total** | **32,149** | 34,598 |
| **Impairment allowance for doubtful trade receivable (refer note 40)** | | |
| Undisputed trade receivables, credit impaired | (38) | (145) |
| **Total** | **32,111** | 34,453 |

**Trade receivables ageing schedule**

| **As at March 31, 2026** | **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 | 32,111 | - | - | - | - | - | - | **32,111** |
| Undisputed Trade Receivables – credit impaired | 38 | - | - | - | - | - | - | **38** |
| | **32,149** | **-** | **-** | **-** | **-** | **-** | **-** | **32,149** |

| As at March 31, 2025 | Unbilled receivables* | Non current but not due** | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | | Less than 6 Months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade receivables, considered good | 34,289 | 164 | - | - | - | - | - | 34,453 |
| Undisputed Trade Receivables – credit impaired | 144 | 1 | - | - | - | - | - | 145 |
| | 34,433 | 165 | - | - | - | - | - | 34,598 |

* Unbilled receivables represents receivables where the goods and/or services have been provided to the customer for which the Group has unconditional right to consideration. However, the Group is yet to raise invoices to the customer.
** Non-Current but not due represent receivables which are not due as per credit terms agreed with the customer.
Trade receivables includes Safeguard duty (SGD)/Basic Custom Duty (BCD)/ Goods and Services Tax (GST) receivables as at March 31, 2026 amounting to INR 32,148 lakhs (March 31, 2025 INR 34,433 lakhs). The Group has recognised receivable in accordance with Central Electricity Regulatory Commission (CERC) orders passed in favor of the Group providing for payment of monthly annuity ranging from INR 6 lakhs to INR 165 lakhs for a period of 13 to 15 years in different companies of the Group considering discount rate ranging from 9% to 10.41%.

| | | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| **5.3 Loans** | | | |
| *(Unsecured, considered good)* | | | |
| **To related parties:** | | | |
| Loans to fellow subsidiaries, considered good (refer note 27)* | | 8,693 | 25,113 |
| Loans to fellow subsidiaries, credit impaired (refer note 27)* | | 17,725 | 916 |
| | (A) | 26,418 | 26,029 |
| Less: Impairment allowances of loans (refer note 27 and 40) | (B) | (17,725) | (916) |
| | (A-B) | 8,693 | 25,113 |
| **Total** | | **8,693** | **25,113** |

* Loan given to fellow subsidiaries carries interest rate ranging from 8.95%- 10.83% p.a., which is receivable on or before October 14, 2034

*This space has been intentionally left blank.*

| Particulars | | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| **5.4 Other financial assets** | | | |
| **Carried at amortised cost** | | | |
| Term deposits* | | 98,737 | 92,560 |
| Interest accrued on term deposits | | 1,665 | 2,538 |
| Interest accrued on loans to fellow subsidiaries, considered good (refer note 27) | | 1,845 | 1,484 |
| Interest accrued and due on loans to fellow subsidiaries, credit impaired (refer note 27) | | 1,048 | 74 |
| | (A) | 2,893 | 1,558 |
| Less: Impairment allowances of interest accrued (refer note 27 and 40) | (B) | (1,048) | (74) |
| | (A-B) | 1,845 | 1,484 |
| Interest accrued on investments (refer note 5.1) | | 202 | 202 |
| Performance guarantee deposit | | 460 | 408 |
| Security deposits | | 407 | 367 |
| **Carried at fair value through other comprehensive income** | | | |
| Derivative assets (refer note 36) | | 2,620 | 16,104 |
| **Total** | | **1,05,936** | 1,13,663 |

* The Group has INR 33,744 lakhs (March 2025: INR 38,606 lakhs) as term deposits that represents an amount towards Debt-Service Reserve account for its outstanding loan.
* The Group has INR 124 lakhs (March 2025: INR 295 lakhs) as term deposits lying with banks that represents an amount towards Inverter Reserve account.
* The Group has INR 26,880 lakhs (March 2025: INR 28,540 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 1,500 lakhs (March 2025: INR Nil) as deposits for lien for Major maintenance reserve.
* The Group has INR 36,438 lakhs (March 2025: INR 23,724 lakhs) as deposits for lien to third parties.

| Particulars | | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| **6. Other non-current assets** | | | |
| (Unsecured, considered good) | | | |
| Capital advances | | 6,141 | 954 |
| Prepaid asset | | 37 | 37 |
| Prepaid performance guarantee deduction | | 2,073 | 2,207 |
| Contract assets (refer note 30) | | 2,561 | 3,607 |
| **Total** | | **10,812** | 6,805 |
| **7. Income tax assets (net)** | | | |
| Advance income-tax (Net of provision for tax INR 11,937 lakhs (March 31, 2025: INR 8,178 lakhs)) | | 16,993 | 8,479 |
| **Total** | | **16,993** | 8,479 |
| **7A. Inventories** | | | |
| (Carried at lower of cost or net realisable value) | | | |
| Carbon credit inventories | | 99 | 83 |
| **Total** | | **99** | 83 |
| **8. Current financial assets** | | | |
| (Carried at amortized cost, unless stated otherwise) | | | |
| **8.1. Current investments** | | | |
| (Carried at fair value through profit and loss ("FVTPL")) | | | |
| Investment in Mutual Fund (Unquoted)* | | 22,425 | - |
| **Investment in equity shares of others (Unquoted) (refer note 45)** | | | |
| Nil (March 31, 2025: 6,99,499) equity shares of INR 10/- each fully paid up in Azure Power Saturn Private Limited | | - | 2,043 |
| Nil (March 31, 2025: 1,20,402) equity shares of INR 10/- each fully paid up in Azure Power Thirty Eight Private Limited | | - | 1,945 |
| Total | **(A)** | - | 3,988 |
| **Less:-** | | | |
| Provision for diminution in value of investments | | - | 3,963 |
| | **(B)** | - | 3,963 |
| **Total** | **(A-B)** | **22,425** | 25 |
| ***Liquid mutual funds (measured at FVTPL) (Unquoted)** | | | |
| 1. Axis Liquid Fund - Number of units 117,543.16 (March 31, 2025: Nil) | | 3,602 | - |
| 2. Axis Overnight Fund - Number of units 16,913.56 (March 31, 2025: Nil) | | 241 | - |
| 3. HDFC Liquid Fund - Number of units 69,145.05 (March 31, 2025: Nil) | | 3,741 | - |
| 4. Kotak Liquid Fund - Number of units 63,338.09 (March 31, 2025: Nil) | | 3,525 | - |
| 5. Aditya Birla Liquid Fund - Number of units 499,707.05 (March 31, 2025: Nil) | | 2,224 | - |
| 6. Nippon India Liquid Fund - Number of units 45,193.16 (March 31, 2025: Nil) | | 3,048 | - |
| 7. Bandhan Liquid Fund - Number of units 121,091.95 (March 31, 2025: Nil) | | 4,029 | - |
| 8. HSBC Liquid Fund - Number of units 73,414.60 (March 31, 2025: Nil) | | 2,015 | - |
| | | **22,425** | - |
| **Aggregate value of unquoted investments** | | **22,425** | 3,988 |
| **Aggregate amount of diminution in value of investments** | | - | 3,963 |

*This space has been intentionally left blank.*

| Particulars | | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| **8.2 Trade receivables** | | | |
| (Unsecured) | | | |
| Trade receivables - fellow subsidiaries (refer note 27 and 30) | | 11 | 11 |
| Trade receivables - others* (refer note 30) | | 33,278 | 51,737 |
| **Total** | | **33,289** | 51,748 |
| **Break up for trade receivables:** | | | |
| Undisputed trade receivables – considered good | | 31,397 | 48,448 |
| Undisputed trade receivable – credit impaired | | 499 | 742 |
| Disputed trade receivables - considered good | | 1,892 | 3,300 |
| Disputed trade receivables – credit impaired | | 1,953 | 1,730 |
| **Total** | **(A)** | **35,741** | 54,220 |
| **Impairment allowance for doubtful trade receivables (refer note 40)** | | | |
| Undisputed trade receivable – credit impaired | | (499) | (742) |
| Disputed trade receivables – credit impaired | | (1,953) | (1,730) |
| **Total** | **(B)** | **(2,452)** | **(2,472)** |
| **Total** | **(A+B)** | **33,289** | **51,748** |

**Trade receivables ageing schedule**

| **As at March 31, 2026** | **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 | 19,934 | 9,629 | 1,532 | 291 | - | - | 11 | **31,397** |
| Undisputed Trade receivables – credit impaired | 25 | 11 | 23 | 174 | 79 | 17 | 170 | **499** |
| Disputed Trade Receivables – considered good | - | - | - | 19 | 54 | 156 | 1,663 | **1,892** |
| Disputed Trade receivables – credit impaired | - | - | - | 22 | 62 | 180 | 1,689 | **1,953** |
| | **19,959** | **9,640** | **1,555** | **506** | **195** | **353** | **3,533** | **35,741** |

| As at March 31, 2025 | Unbilled receivables** | Current but not due*** | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | | Less than 6 Months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables – considered good | 21,895 | 9,687 | 1,942 | 1,214 | 2,226 | 3,888 | 7,596 | 48,448 |
| Undisputed Trade receivables – credit impaired | 97 | 42 | 112 | 76 | 59 | 2 | 354 | 742 |
| Disputed Trade Receivables – considered good | 188 | 355 | 615 | - | 502 | 60 | 1,580 | 3,300 |
| Disputed Trade receivables – credit impaired | - | - | 10 | - | - | 300 | 1,420 | 1,730 |
| | 22,180 | 10,084 | 2,679 | 1,290 | 2,787 | 4,250 | 10,950 | 54,220 |

*Trade receivables are non-interest bearing and are generally on terms of 30 to 75 days except receivables agreed under Electricity (Late Payment Surcharge (“LPS”) and Related Matters) Rules, 2022.

**Unbilled receivables represents receivables where the goods and/or services have been provided to the customer for which the Group has unconditional right to consideration. However, the Group is yet to raise invoices to the customer.

*** Current but not due represent receivables which are not due as per credit terms agreed with the customer.

(i) Trade receivables includes Safeguard duty (SGD)//Basic Custom Duty (BCD)/Goods and Services Tax (GST) receivables as at March 31, 2026 amounting to INR 1,862 lakhs (March 31, 2025 INR 1,694 lakhs).

| | | | |
|---|---|---|---|
| **8.3 Cash and cash equivalents** | | | |
| Balances with banks: | | | |
| - In current accounts | | 7,872 | 9,830 |
| - Deposits with original maturity of less than 3 months | | 30,233 | 24,021 |
| **Total** | | **38,105** | 33,851 |
| **8.4 Other bank balances** | | | |
| - Deposits with original maturity of more than 3 months, but with remaining maturity of less than 12 months | | 73,120 | 45,510 |
| **Total** | | **73,120** | 45,510 |
| **8.5 Loans** | | | |
| (Unsecured) | | | |
| Loans to fellow subsidiaries, considered good (refer note 27)* | | 75 | - |
| Loans to fellow subsidiaries, credit impaired (refer note 27)* | | 30 | - |
| | (A) | 105 | - |
| Less: Impairment allowances of loans (refer note 27 and 40) | (B) | (30) | - |
| | (A-B) | 75 | - |
| **Total** | | **75** | - |

* Loan given to fellow subsidiaries carries interest rate 10.10% p.a., which is receivable due on or before March 31, 2027

*This space has been intentionally left blank.*

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| **8.6 Other current financial assets** | | | |
| Security deposits | | - | 1 |
| Interest accrued on term deposits | | 845 | 1,028 |
| Interest accrued and not due on loans to fellow subsidiaries (refer note 27) | | 32 | - |
| Interest accrued and not due on loans to fellow subsidiaries; credit impaired (refer note 27) | | 5 | - |
| | | 37 | - |
| Less: Impairment allowances of interest accrued (refer note 27 and 40) | | 5 | - |
| | | 32 | - |
| Contractually reimbursable from related parties, considered good (refer note 27) | | 167 | 148 |
| Contractually reimbursable from related parties, credit impaired (refer note 27) | | 109 | 109 |
| | (A) | 276 | 257 |
| Less: Impairment allowances of contractually reimbursable (refer note 27 and 40) | (B) | (109) | (109) |
| | (A-B) | 167 | 148 |
| Insurance claim receivable (refer note 54) | | 2,976 | 1,067 |
| Late payment surcharge receivable | | - | 8,550 |
| Other receivables | | - | 20 |
| **Carried at fair value through other comprehensive income** | | | |
| Derivative assets (refer note 36) | | - | 18 |
| **Total** | | **4,020** | **10,832** |
| | | | |
| **9. Other current assets** | | | |
| *(Unsecured, considered good)* | | | |
| Contract assets (refer note 30) | | 164 | 383 |
| Balance with statutory authorities | | 5,353 | 5,131 |
| Advance to employees | | 16 | 3 |
| Prepaid asset | | 966 | 990 |
| Prepaid performance bank guarantee | | 134 | 133 |
| Advance to vendors | | | |
| Unsecured, considered good | | 1,877 | 9,995 |
| Unsecured, considered doubtful | | - | 437 |
| Provision for doubtful advances | | - | (437) |
| | | 1,877 | 9,995 |
| Money paid under protest | | 1,795 | 1,628 |
| Deferred financing cost | | 340 | 88 |
| Other advances | | 91 | 92 |
| **Total** | | **10,736** | 18,443 |

*This space has been intentionally left blank.*

(All amounts in INR lakhs, unless otherwise stated)

**10. Equity Share Capital**

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Authorized share capital:** | | |
| **Equity share capital** | | |
| 4,33,33,333 (March 31, 2025: 4,33,33,333) equity shares of INR 10/- each | 4,333 | 4,333 |
| 8,66,66,667 (March 31, 2025: 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, 2025: 69,20,619) equity shares of INR 10/- each | 692 | 692 |
| | **692** | 692 |

| A. Reconciliation of No. of Equity Shares | No. of shares | Amount |
|---|---|---|
| At April 01, 2024 | 69,20,619 | 692 |
| Changes during the year | - | - |
| At March 31, 2025 | 69,20,619 | 692 |
| Changes during the year | - | - |
| **At March 31, 2026** | **69,20,619** | **692** |

**B. Terms/ rights attached to shares**

The Holding 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 Holding Company, the holders of equity shares will be entitled to receive remaining assets. The distribution will be in proportion to the number of equity shares held by the shareholders.

**C. Shares held by parent company**

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

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Azure Power Global Limited, the parent company** | | |
| 68,18,032 (March 31, 2025: 68,18,032) equity shares of INR 10/-each fully paid up | 682 | 682 |

**D. Details of shareholders holdings more than 5% shares**

| Name of the shareholder | Number of shares held | Percentage of Holding | Number of shares held | Percentage of Holding |
|---|---|---|---|---|
| | As at March 31, 2026 | | As at March 31, 2025 | |
| **Equity shares of INR 10 each fully paid** | | | | |
| Azure Power Global Limited | 68,18,032 | 98.52% | 68,18,032 | 98.52% |
| Inderpreet S Wadhwa (refer note 35(b)(i)) | 97,497 | 1.41% | 97,497 | 1.41% |

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

**E. Details of shares held by Promoters**

**For the year ended March 31, 2026**

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

For the year ended March 31, 2025

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

**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.

*This space has been intentionally left blank.*

(All amounts in INR lakhs, unless otherwise stated)

**11. Other equity**

**For the year ended March 31, 2026:**

| **Particulars** | **Attributable to the equity holders of parent company** | | | | | | | | **(Non-controlling interests)** | **Total** |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Deemed capital contribution by parent company / ESOP reserve (Note 11.1)** | **Reserves and surplus** | | | **Items of other comprehensive income** | | | **Total** | | |
| | | **Deficit in the statement of profit and loss (Note 11.2)** | **Securities premium reserve** (Note 11.3)** | **Other reserve (Note 11.4)** | **Defined benefit plans (Note 11.5 and 37)** | **Cash flow hedge reserve (Note 11.6 and 36)** | **Foreign currency translation reserve (FCTR) (Note 11.7)** | | | |
| **At April 01, 2025** | 3,477 | (1,60,359) | 5,11,225 | 403 | 66 | (246) | (148) | 3,54,418 | 1,912 | 3,56,330 |
| Loss for the year | - | (43,438) | - | - | - | - | - | (43,438) | 41 | (43,397) |
| Other comprehensive (loss)/ income (net of tax) | - | - | - | - | (5) | 369 | 1 | 365 | - | 365 |
| **At March 31, 2026** | **3,477** | **(2,03,797)** | **5,11,225** | **403** | **61** | **123** | **(147)** | **3,11,345** | **1,953** | **3,13,298** |

For the year ended March 31, 2025:

| Particulars | Attributable to the equity holders of parent company | | | | | | | | (Non-controlling interests) | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | Deemed capital contribution by holding company / ESOP reserve (Note 11.1) | Reserves and surplus | | | Items of other comprehensive income | | | Total | | |
| | | Deficit in the statement of profit and loss (Note 11.2) | Securities premium reserve** (Note 11.3) | Other reserve (Note 11.4) | Defined benefit plans (Note 11.5 and 37) | Cash flow hedge reserve (Note 11.6 and 36) | Foreign currency translation reserve (FCTR) (Note 11.7) | | | |
| As at April 01, 2024 | 3,645 | (1,77,755) | 5,11,225 | 403 | 69 | 1,009 | (150) | 3,38,446 | 38 | 3,38,484 |
| Profit for the year | - | 17,396 | - | - | - | - | - | 17,396 | 42 | 17,438 |
| Other comprehensive (loss)/ income (net of tax) | - | - | - | - | (3) | (1,255) | 2 | (1,256) | - | (1,256) |
| Total | 3,645 | (1,60,359) | 5,11,225 | 403 | 66 | (246) | (148) | 3,54,586 | 80 | 3,54,666 |
| Dividend distributed | - | - | - | - | - | - | - | - | 2 | 2 |
| Transfer to consolidated statement of profit and loss (refer note 25 and 45) | - | - | - | - | - | - | - | - | 1,830 | 1,830 |
| Reversal of deemed capital contribution by parent on account of employees Stock option plan (refer note 28) | (168) | - | - | - | - | - | - | (168) | - | (168) |
| At March 31, 2025 | 3,477 | (1,60,359) | 5,11,225 | 403 | 66 | (246) | (148) | 3,54,418 | 1,912 | 3,56,330 |

**The amount is net of share issue expenses.

**Nature and purpose of reserves**

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

**11.2 Deficit in the statement of profit and loss**
Deficit in the consolidated statement of profit and loss are the results of the Group earned till date net of appropriations.

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

**11.4 Other reserve**
The Group recognizes profit or loss on purchase, sale, issue or cancellation of the Group’s own equity instruments to other reserve.

**11.5 Defined benefit plans**
Defined 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 consolidated statement of profit or loss when the hedged item affects profit or loss (e.g. interest payments).

**11.7 Foreign currency translation reserve**
Exchange differences arising on translation of the foreign operations are recognized in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **12. Non-current financial liabilities** | | |
| (Carried at amortised cost, unless otherwise stated) | | |
| **12.1 Non-current borrowings** | | |
| **Secured (refer note 15.1)** | | |
| Term loan from banks | 1,76,759 | 65,346 |
| Foreign currency loan from banks | - | 85,379 |
| **Secured (refer note 15.1)** | | |
| Term loan from financial institutions | 8,34,172 | 6,18,549 |
| Foreign currency loan from financial institutions | - | 57,190 |
| **Secured loans from related parties** | | |
| External commercial borrowings (refer note 15.1 and 27) | - | 1,17,302 |
| Non-convertible debentures (refer note 15.1 and 27) | - | 74,266 |
| **Unsecured loans from related parties** | | |
| Loans from fellow subsidiary (refer note 27)* | 7 | 21 |
| **Total** | **10,10,938** | 10,18,053 |

*Loans taken from fellow subsidiary carry interest rate of 10.03% p.a. Refer note 40 for terms of payment.

*This space has been intentionally left blank.*

(All amounts in INR lakhs, unless otherwise stated)

| Nature of loan | Lender | Purpose | Type of Interest | Repayment Terms | March 31, 2026[1] | March 31, 2025[1] |
|---|---|---|---|---|---|---|
| Term loan in INR from financial institution | Indian Renewable Energy Development Agency (IREDA)* | Borrowing for financing of the 30 MW solar power project. | Floating Rate | The loan is repayable in 168 monthly instalments commencing from April 2022 and ending in March 2036. | 10,650 | 11,788 |
| Term loan in INR from financial institution | NIIF Infrastructure Finance Ltd.* | Borrowing for financing of the 100 MW solar power project. | Floating Rate | The loan is repayable in 63 quarterly instalments commencing December 2021 and ending on June 2037. | 26,158 | 27,879 |
| Term loan in INR from financial institution | NIIF Infrastructure Finance Ltd.*** | Borrowing for financing of its 35 MW solar project with NTPC Vidyut Vyapar Nigam Limited. | Floating Rate | The loan is repayable in 47 quarterly instalments commencing September 2021. | 10,976 | 12,371 |
| Term loan in INR from financial institution | Kotak Infrastructure Debt Fund Limited*** | Borrowing for financing of its 35 MW solar project with NTPC Vidyut Vyapar Nigam Limited. | Floating Rate | The loan is repayable in 47 quarterly instalments commencing September 2021. | 4,095 | 4,692 |
| Term loan in INR from financial institution | Indian Renewable Energy Development Agency (IREDA)*** | Borrowing for financing of its 90 MW solar project. | Floating Rate | The loan is repayable in 234 monthly instalments commencing from October 2022. | 28,634 | 30,295 |
| Term loan in INR from financial institution | Kotak Infrastructure Debt Fund Limited* | For financing of a 10 MW solar power project with Bangalore Electricity Supply Company Limited. | Floating Rate | The loan is repayable in 49 quarterly instalments commencing March 2024. | 3,445 | 3,766 |
| Term loan in INR from financial institution | India Infradebt Limited* | The purpose of loan is for refinancing 200 MW solar power project. | Floating Rate | The loan is repayable in 63 quarterly instalments, commencing from September 2025 and ending in March 2041. | 45,401 | - |
| Term loan in INR from financial institution | Tata Cleantech Capital Limited* | The purpose of loan is for financing 200 MW solar power project. | Floating Rate | The loan is repayable in 70 quarterly instalments commencing December 2021 and ending March 31, 2039. | - | 28,200 |
| Term loan in INR from bank | Axis Bank* | The purpose of loan is for financing 200 MW solar power project. | Floating Rate | The loan is repayable in 70 quarterly instalments commencing December 2022 and ending on March 31, 2039 | - | 19,843 |
| Term loan in INR from financial institution | Aseem Infrastructure Finance Limited* | Borrowing for financing of the 100 MW solar power project. | Floating Rate | The loan is repayable in 63 quarterly instalments commencing December 2021 and ending on June 2037. | 13,848 | 14,760 |
| Term loan in INR from Bank | Société Générale S.A****** | It would be used by the company for meeting the cash flow requirement in the holding company and in the SPV's towards the general corporate expenses, capital expenditure, cash flow requirement and working capital expenses along with any additional commitments of the sponsors towards project SPV's | Floating Rate | The loan is repayable in 3 annual instalments, commencing from September 2026 and ending in September 2028. | 29,461 | - |
| Term loan in INR from bank | HSBC | It would be used by the company for meeting the cash flow requirement in the holding company and in the SPV's towards the general corporate expenses, capital expenditure, cash flow requirement and working capital expenses along with any additional commitments of the sponsors towards project SPV's | Floating Rate | The loan is repayable in November 2025 | - | 34,795 |
| Term loan in INR from financial institution | Kotak Infrastructure Debt Fund Limited*** | Borrowing for re-financing of 5 MW solar power project with NTPC Vidyut Vyapar Nigam Limited.. | Floating Rate | The loan is repayable in 42 quarterly instalments commencing from September 2021. | 2,049 | 2,544 |
| Term loan in INR from financial institution | NIIF Infrastructure Finance Ltd.*** | Borrowing for re-financing of the 50 MW PV solar power project with NTPC Limited. | Floating Rate | The loan is repayable in 64 quarterly instalments commencing December 2021. | 16,908 | 17,867 |
| Foreign currency loan from bank | HSBC***** | For providing funds to project SPVs as shareholder loans or through other instrument for capital expenditure or for payment of capital expenditure in respect of each project. | Floating Rate | The loan is repayable in 6 half yearly instalments commencing May 2025 and ending in November 2027. | 26,406 | 26,363 |
| Term loan in INR from bank | Axis and DBS Bank*** | Borrowing for refinancing of its 300 MW solar project with Solar Energy Corporation of India | Floating Rate | The loan is repayable in 29 quarterly instalments, commencing from March 2026 and ending in January 2033. | 1,06,488 | - |
| Foreign currency loan from financial institution | 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 | The loan is repayable in 17 quarterly instalments commencing April 2022 and ending in June 2026. | - | 1,23,128 |
| Term loan in INR from financial institution | IREDA, India Infradebt Limited and NIIF Infrastructure Finance Limited | Borrowing for financing of its 600 MW solar power project with Solar Energy Corporation of India. | Floating Rate | The loan is repayable in 243 monthly instalments commencing from July 2022. | 1,93,167 | 2,05,886 |
| Term loan in INR from bank | HSBC**** | For refinancing of its 300 MW solar project with Solar Energy Corporation of India | Floating Rate | The loan is repayable in 20 quarterly instalments commencing September 2024 and ending in July 2029. | 46,951 | 48,059 |
| Term loan in INR from financial institution | IDF**** | For refinancing of its 300 MW solar project with Solar Energy Corporation of India | Floating Rate | The loan is repayable in 20 quarterly instalments commencing September 2024 and ending in July 2029. | 62,383 | 63,833 |
| Term loan in INR from financial institution | RECL^^ | Borrowing for refinancing of the 10 MW solar power project. | Floating Rate | The loan is repayable in 86 monthly instalments, commencing from February 2026 and ending in March 2033. | 1,887 | - |
| Term loan in INR from financial institution | RECL^^ | Borrowing for refinancing of the 10 MW solar power project. | Floating Rate | The loan is repayable in 122 monthly instalments, commencing from February 2026 and ending in March 2036. | 3,036 | - |
| Term loan in INR from financial institution | RECL^^ | Borrowing for refinancing of the 40 MW solar power project. | Floating Rate | The loan is repayable in 146 monthly instalments, commencing from February 2026 and ending in March 2038. | 19,978 | - |

(All amounts in INR lakhs, unless otherwise stated)

| Nature of loan | Lender | Purpose | Type of Interest | Repayment Terms | March 31, 2026[(1)] | March 31, 2025[(1)] |
|---|---|---|---|---|---|---|
| Term loan in INR from financial institution | RECL^^ | Borrowing for refinancing of the 50 MW solar power project. | Floating Rate | The loan is repayable in 134 monthly instalments, commencing from February 2026 and ending in March 2037. | 25,521 | - |
| Term loan in INR from financial institution | RECL^^ | Borrowing for refinancing of the 40 MW solar power project. | Floating Rate | The loan is repayable in 146 monthly instalments, commencing from February 2026 and ending in March 2038. | 21,716 | - |
| Term loan in INR from financial institution | RECL^^ | Borrowing for refinancing of the 50 MW solar power project. | Floating Rate | The loan is repayable in 146 monthly instalments, commencing from February 2026 and ending in March 2038. | 25,866 | - |
| Term loan in INR from financial institution | RECL^^ | Borrowing for refinancing of the 10 MW solar power project. | Floating Rate | The loan is repayable in 146 monthly instalments, commencing from February 2026 and ending in March 2038. | 4,067 | - |
| Term loan in INR from financial institution | RECL^ | Borrowing for refinancing of the 150 MW solar power project. | Floating Rate | The loan is repayable in 146 monthly instalments, commencing from February 2026 and ending in March 2038. | 55,296 | - |
| Term loan in INR from financial institution | RECL^ | Borrowing for refinancing of the 34 MW solar power project. | Floating Rate | The loan is repayable in 122 monthly instalments, commencing from February 2026 and ending in March 2036. | 13,771 | - |
| Term loan in INR from financial institution | RECL^ | Borrowing for refinancing of the 40 MW solar power project. | Floating Rate | The loan is repayable in 134 monthly instalments, commencing from February 2026 and ending in March 2037. | 14,895 | - |
| Term loan in INR from financial institution | RECL^ | Borrowing for refinancing of the 40 MW solar power project. | Floating Rate | The loan is repayable in 134 monthly instalments, commencing from February 2026 and ending in March 2037. | 14,892 | - |
| Term loan in INR from financial institution | RECL^ | Borrowing for refinancing of the 5 MW solar power project. | Floating Rate | The loan is repayable in 134 monthly instalments, commencing from February 2026 and ending in March 2037. | 2,007 | - |
| Term loan in INR from financial institution | RECL^ | Borrowing for refinancing of the 20 MW solar power project. | Floating Rate | The loan is repayable in 134 monthly instalments, commencing from February 2026 and ending in March 2037. | 7,377 | - |
| Term loan in INR from financial institution | RECL^ | Borrowing for refinancing of the 100 MW solar power project. | Floating Rate | The loan is repayable in 158 monthly instalments, commencing from February 2026 and ending in March 2039. | 44,634 | - |
| Term loan in INR from financial institution | RECL^ | Borrowing for refinancing of the 130 MW solar power project. | Floating Rate | The loan is repayable in 192 monthly instalments commencing September 2024 and ending in August 2040. | 51,936 | 54,794 |
| Term loan in INR from financial institution | RECL^ | Borrowing for refinancing of the 40 MW solar power project. | Floating Rate | The loan is repayable in 174 monthly instalments commencing September 2024 and ending in February 2039. | 14,923 | 16,136 |
| Term loan in INR from financial institution | RECL^ | Borrowing for refinancing of the 100 MW solar power project. | Floating Rate | The loan is repayable in 186 monthly instalments commencing September 2024 and ending in February 2040. | 32,824 | 34,514 |
| Term loan in INR from financial institution | RECL^ | Borrowing for refinancing of the 50 MW solar power project. | Floating Rate | The loan is repayable in 174 monthly instalments commencing September 2024 and ending in February 2039. | 19,153 | 20,681 |
| Term loan in INR from financial institution | RECL^ | Borrowing for refinancing of the 28 MW solar power project. | Floating Rate | The loan is repayable in 147 monthly instalments commencing September 2024 and ending in November 2036. | 12,878 | 14,065 |
| Term loan in INR from financial institution | RECL^ | Borrowing for refinancing of the 7 MW solar power project. | Floating Rate | The loan is repayable in 162 monthly instalments commencing September 2024 and ending in February 2038. | 2,429 | 2,614 |
| Term loan in INR from financial institution | RECL^ | Borrowing for refinancing of the 260 MW solar power project. | Floating Rate | The loan is repayable in 186 monthly instalments commencing September 2024 and ending in February 2040. | 81,451 | 85,477 |

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

* Borrowing is secured by first charge on respective company's movable and immovable properties and hypothecation on all the movable fixed assets both present and future.
** Borrowing is collateralized by the shares of project SPVs and hypothecation/charge over receivables of the respective project.
*** Borrowing is collateralized by movable and immovable properties of underlying solar power project assets and pledge of 51% of equity shares of the respective company held by Azure Power India 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 respective company held by Azure Power India Private Limited.
***** Borrowing is secured through pari-passu charge over current assets and moveable fixed assets, excluding any assets charged to the project specific bridge loan lender or term loan lender or other such facilities, and cash margin charged to the working capital lenders.
****** The borrowing is secured by an exclusive charge ensuring a minimum security cover of 1.5 times, including charge over distribution accounts of two projects, exclusive charge over the Collection Account including cash surplus from subsidiaries and projects, charge over the Debt Service Reserve Amount, and a non-disposal undertaking over NDU securities.
^ The borrowing is secured by a pledge of 51% of the equity share capital of the project SPV held by Azure Power India Private Limited, a corporate guarantee provided by Azure Power India Private Limited, cross-collateralisation with 13 other SPVs, and a charge over the movable and immovable assets of the project SPV.
^^ The borrowing is secured by a pledge of 51% of the equity share capital of the project SPV held by Azure Power India Private Limited, a corporate guarantee provided by Azure Power India Private Limited, cross-collateralisation with 6 other SPVs, and a charge over the movable and immovable assets of the project SPV.

Term loan in INR from bank - Interest rate ranging from 7.47% - 8.10% p.a.
Foreign currency loan from bank - Interest rate is 10.45% p.a.
Term loan in INR from financial institution - Interest rate ranging from 7.75% - 10.78% p.a.

During the year, certain subsidiaries of the Group refinanced their outstanding External Commercial Borrowings (ECBs) and Non-Convertible Debentures (NCDs) through loans obtained from REC Limited.

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **12.2 Other financial liabilities** | | |
| Interest accrued but not due to fellow subsidiaries (refer note 27) | 1 | 2 |
| **Total** | **1** | 2 |
| | | |
| **13. Provisions** | | |
| | | |
| **13.1 Non-current** | | |
| Provision for gratuity (refer note 37) | 682 | 426 |
| Provision for decommissioning liabilities* (refer note 43) | 9,604 | 8,771 |
| **Total** | **10,286** | 9,197 |

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

| **Movement in provision for decommissioning liabilities is as follows :** | | |
|---|---|---|
| Opening balance | 8,771 | 8,000 |
| Addition during the year | - | 60 |
| Adjusted due to change in estimate | (44) | (90) |
| Accretion during the year | 877 | 801 |
| **Closing balance** | **9,604** | 8,771 |

| **13.2 Current** | | |
|---|---|---|
| Provision for compensated absences | 575 | 398 |
| Provision for gratuity (refer note 37) | 246 | 165 |
| Provision for bank guarantee* (refer note 48 and 50) | 15,604 | 18,310 |
| **Total** | **16,425** | 18,873 |

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

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Opening balance | 18,310 | 17,876 |
| Created during the year (refer note 25) | - | 3,934 |
| Reversal during the year (refer note 20) | (718) | - |
| Payment during the year | (1,988) | (3,500) |
| **Closing balance** | **15,604** | 18,310 |

| **14. Other non-current liabilities** | | |
|---|---|---|
| Deferred viability gap funding income | 15,008 | 16,212 |
| Deferred government grant | 430 | 447 |
| Contract liabilities | | |
| Deferred revenue for Safeguard Duty (SGD)/ Basic Custom Duty (BCD)/ Goods and Services tax (GST) (refer note 30) | 33,059 | 36,295 |
| Deferred revenue on account of revenue straightlining (refer note 30) | 8,706 | 8,993 |
| **Total** | **57,203** | 61,947 |

**15. Current financial liabilities**
(Carried at amortised cost, unless stated otherwise)

| **15.1 Current borrowings** | | |
|---|---|---|
| Current maturities of long-term borrowings (refer note 12.1) | | |
| Secured loans | | |
| Term loan from financial institutions | 54,081 | 33,613 |
| Foreign currency loan from financial institution | - | 1,483 |
| Term loan from Bank | 6,139 | 2,552 |
| Foreign currency loan from banks | 26,406 | 5,439 |
| Unsecured loans from Bank | - | 34,795 |
| **From related parties:** | | |
| Secured loans from related parties (refer note 12.1 and 27) | - | 21,381 |
| **Total** | **86,626** | 99,263 |

| **15.2 Trade payables** | | |
|---|---|---|
| - Total outstanding dues of micro enterprises and small enterprises | 1,669 | 1,826 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 19,529 | 14,995 |
| **Total** | **21,198** | **16,821** |

**Trade payables Ageing Schedule**

| **As at March 31, 2026** | **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 | - | 657 | 606 | 124 | 126 | 156 | 1,669 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 16,885 | 2,025 | 186 | 433 | - | - | 19,529 |
| **Total** | **16,885** | **2,682** | **792** | **557** | **126** | **156** | **21,198** |

| As at March 31, 2025 | Unbilled dues* | Not due trade payable** | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|---|
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Total outstanding dues of micro enterprises and small enterprises | - | 603 | 147 | 781 | 63 | 232 | 1,826 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 5,492 | 4,838 | 929 | 3,320 | 232 | 184 | 14,995 |
| Total | 5,492 | 5,441 | 1,076 | 4,101 | 295 | 416 | 16,821 |

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.

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **15.3 Other current financial liabilities** | | |
| **Carried at amortised cost** | | |
| Interest accrued but not due on borrowings | 1,642 | 1,822 |
| Interest accrued but not due to fellow subsidiaries (refer note 27) | - | 1,844 |
| Contractually reimbursable expenses to parent company (refer note 27) | 370 | 334 |
| Payable to fellow subsidiaries (refer note 27) | 43 | 905 |
| Payable to employees | 1,246 | 1,155 |
| Payable to capital creditors | 6,150 | 4,692 |
| Payable to others (refer note 28) | 1,981 | 1,981 |
| **Carried at fair value through other comprehensive income** | | |
| Derivative liabilities (refer note 36) | 288 | 1,060 |
| **Total** | **11,720** | 13,793 |

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **16. Other current liabilities** | | |
| Statutory dues | 1,494 | 1,043 |
| Deferred viability gap funding income | 1,127 | 1,140 |
| Advance from customers | 10 | 187 |
| Deferred government grant | 17 | 17 |
| Other payables | 2 | 2 |
| Money received under protest | 3,060 | 1,693 |
| Contract liabilities | | |
| Deferred revenue for Safeguard Duty (SGD)/ Basic Custom Duty (BCD)/ Goods and Services tax (GST) (refer note 30) | 1,845 | 1,930 |
| Deferred revenue on account of revenue straightlining (refer note 30) | 538 | 472 |
| **Total** | **8,093** | **6,484** |

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **16A. Current tax liabilities (net)** | | |
| Provision for income tax (net of advance tax of INR 1,163 Lakhs (March 31, 2025: INR 2,310 Lakhs)) | 30 | 1,972 |
| **Total** | **30** | 1,972 |

*This space has been intentionally left blank.*

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **17. Income taxes** | | |
| Deferred tax asset | 12,783 | 28,399 |
| **Total** | **12,783** | **28,399** |
| Deferred tax liability | 34,887 | 7,613 |
| **Total** | **34,887** | **7,613** |

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

| | As at April 01, 2024 | Movement during the year | As at March 31, 2025 | Movement during the year | As at March 31, 2026 |
|---|---|---|---|---|---|
| **Recognised in profit and loss** | | | | | |
| **Deferred tax assets:** | | | | | |
| Unabsorbed depreciation and brought forward losses | 1,76,630 | 3,999 | 1,80,629 | (14,945) | 1,65,684 |
| Minimum alternate tax | 16,419 | (7,008) | 9,411 | (2,525) | 6,886 |
| Deferred Revenue | 6,230 | - | 6,230 | 158 | 6,388 |
| Provision for decommissioning liabilities | 2,056 | 278 | 2,334 | 226 | 2,560 |
| Allowance for doubtful trade receivable | 1,595 | (945) | 650 | (22) | 628 |
| Provision for employee benefits | 358 | 4 | 362 | 142 | 504 |
| Allowance under Section 94B of Income Tax Act, 1961 | - | 49,858 | 49,858 | (12,664) | 37,194 |
| Performance bank guarantee | 159 | 25 | 184 | 22 | 206 |
| Others | 224 | (110) | 114 | (12) | 102 |
| **Total deferred tax assets (A)** | **2,03,671** | **46,101** | **2,49,772** | **(29,620)** | **2,20,152** |
| **Deferred tax liability:** | | | | | |
| Difference between tax base and book base of property, plant and equipment | 1,94,176 | 31,030 | 2,25,206 | 13,472 | 2,38,678 |
| Contract assets | 847 | (68) | 779 | (44) | 735 |
| Leases | 2,500 | (549) | 1,951 | (468) | 1,483 |
| Deferred financing cost | - | 682 | 682 | 510 | 1,192 |
| Unrealised gain on Mutual fund | - | - | - | 57 | 57 |
| Others | - | 429 | 429 | (429) | - |
| **Total deferred tax liability (B)** | **1,97,523** | **31,524** | **2,29,047** | **13,098** | **2,42,145** |
| **Deferred tax asset/ (liability) (net) (C=A-B)** | **6,148** | **14,577** | **20,725** | **(42,718)** | **(21,993)** |
| **Recognised in Other Comprehensive Income** | | | | | |
| Cash flow hedge reserve | (305) | 414 | 109 | (174) | (65) |
| Defined benefit plan | (49) | 1 | (48) | 2 | (46) |
| **Deferred tax asset/ (liability) (net) (D)** | **(354)** | **415** | **61** | **(172)** | **(111)** |
| **Deferred tax asset/ (liability) (net) (C+D)** | **5,794** | **14,992** | **20,786** | **(42,890)** | **(22,104)** |

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

| | | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|---|
| **Accounting profit before income tax** | | **273** | **7,431** |
| Applicable statutory income tax rate of parent company | | 34.94% | 34.94% |
| **Tax at applicable tax rate** | **(A)** | **95** | **2,596** |
| **Adjustments:** | | | |
| Carry forward losses as reversing in the tax holiday | | - | (3) |
| Carry forward losses & unabsorbed depreciation not considered for deferred tax purposes | | 16,013 | - |
| Carry forward disallowance as per section 94B of Income Tax Act, 1961 | | 13,885 | (43,824) |
| Permanent difference in property, plant and equipment not considered for deferred tax purpose | | 1,618 | (63) |
| Permanent differences disallowed under income tax Act | | 8,227 | 9,963 |
| Minimum alternate tax written off | | 1,642 | 6,663 |
| Impact of revision in earlier year Income Tax Returns on deferred tax | | 137 | 3,946 |
| Permanent difference on account of deemed dividend from subsidiaries | | 9,637 | 6,091 |
| Impact due to change in tax rate | | (366) | 10,367 |
| Impact of Tax holiday due to change in tax rate | | (4,405) | (911) |
| Difference in tax rate of subsidiaries | | (1,391) | (2,940) |
| Income tax adjustment pertaining to earlier years | | (1,475) | (1,814) |
| Others | | 53 | (78) |
| **Total** | **(B)** | **43,575** | **(12,603)** |
| **Total tax expense/(benefit)** | **(A+B)** | **43,670** | **(10,007)** |
| **Component of tax expenses:** | | | |
| Current tax expense | | 2,427 | 6,384 |
| Income tax adjustment pertaining to earlier years | | (1,475) | (1,814) |
| Deferred tax charge/(credit) | | 42,718 | (14,577) |
| **Total tax expense/(benefit)** | | **43,670** | **(10,007)** |

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| **18. Revenue from operations** | | |
| **Revenue from contract with customers** | | |
| Sale of power* (refer note 30) | 1,97,620 | 2,03,453 |
| Carbon credit emission income* (refer note 30) | 566 | 239 |
| **Other operating revenue** | | |
| Viability gap funding income | 1,219 | 1,353 |
| **Total** | **1,99,405** | **2,05,045** |

*Revenue is recognised at point in time.

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| **19. Finance income** | | |
| **Interest income on financial assets measured at amortised cost** | | |
| - Term deposits | 9,749 | 11,207 |
| - Loan to related parties (refer note 27) | 2,644 | 2,057 |
| - Safeguard duty receivables | 2,861 | 3,475 |
| - Trade receivables | 47 | 235 |
| Interest on refund of income tax | 63 | 232 |
| **Total** | **15,364** | 17,206 |
| **20. Other income** | | |
| Sale of scrap | 126 | 118 |
| Provision/ liabilities no longer required written back | 3,966 | 2,268 |
| Reversal of share based compensation expense (net) (refer note 28) | - | 168 |
| Insurance claim* | 5,651 | 1,890 |
| Late payment surcharge** | 686 | 9,237 |
| Exchange difference (net) | 2 | 41 |
| Government grants related to assets | 17 | 17 |
| Interest income on investments (refer note 5.1) | 270 | 270 |
| Mark to market ("MTM") gain on mutual fund | 168 | - |
| Gain on sale of mutual fund | 652 | - |
| Miscellaneous income | 183 | 207 |
| **Total** | **11,721** | 14,216 |

*Includes claim for business interruption of INR 3,621 lakhs (March 31, 2025; INR 1,167 lakhs) on account of equipment failure which also lead to temporary shut down of the plants. (Refer note 54)
** In previous year INR 8,550 lakhs receivable from CESCOM towards Late Payment Surcharge and same has been received during the year.

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| **21. Employee benefits expense** | | |
| Salaries, wages and bonus | 9,915 | 9,142 |
| Contribution to provident and other funds (refer note 37) | 466 | 440 |
| Gratuity expense (refer note 37) | 448 | 153 |
| Staff welfare expenses | 554 | 932 |
| **Total** | **11,383** | 10,667 |
| **22. Finance costs** | | |
| **Interest expenses on financial liabilities measured at amortized cost** | | |
| - Term loans | 85,280 | 74,731 |
| - Loans from related parties (refer note 27) | 23,189 | 41,635 |
| - Lease liabilities (refer note 34) | 4,295 | 3,554 |
| - Buyer's credit | - | 1,626 |
| Prepayment charges on repayment of term loans | 560 | 1,043 |
| Exchange differences regarded as an adjustment to borrowing costs | 1,668 | 794 |
| Interest on delayed payment of statutory dues | 223 | 572 |
| Other finance costs | 4,064 | 3,845 |
| Other borrowing costs | 266 | 292 |
| **Total** | **1,19,545** | 1,28,092 |

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| **23. Depreciation and amortisation expense** | | |
| Depreciation of property, plant and equipment (refer note 3) | 40,721 | 42,412 |
| Depreciation of right of use assets (refer note 34) | 2,131 | 1,963 |
| Amortisation of intangible assets (refer note 4) | 82 | 62 |
| **Total** | **42,934** | 44,437 |
| **24. Impairment expense (net of reversals)** | | |
| - on property, plant and equipment (refer note 3) | 2,282 | - |
| - on intercompany loans and interest accrued (refer note 5.3, 5.4, 8.5, 8.6,27 and 52) | 17,818 | 4,485 |
| - net reversal of ECL on trade receivables (refer note 5.2, 8.2, 40 and 52) | (129) | (2,812) |
| - on doubtful advance | - | 207 |
| - on assets classified as held for sale (refer note 45) | - | 550 |
| **Total** | **19,971** | **2,430** |
| **25. Other expenses** | | |
| Power and fuel | 31 | 29 |
| Guest house expenses | 139 | 142 |
| Rent (refer note 34) | 172 | 749 |
| Rates and taxes | 3,573 | 3,897 |
| Fencing work | - | 446 |
| Solar park maintenance | 2,077 | 1,936 |
| Insurance | 2,411 | 1,980 |
| Repair and maintenance | | |
| -Plant and machinery | 7,137 | 4,857 |
| -Other | 2,062 | 1,687 |
| Development and testing expense | 4 | 37 |
| Travelling and conveyance | 773 | 953 |
| Communication costs | 147 | 150 |
| Legal and professional fees | 5,499 | 8,747 |
| Corporate social responsibilities | 653 | 571 |
| Operation and maintenance fees | 97 | 210 |
| Provision for Bank Guarantee and others (refer note 13.2 and 48) | - | 3,934 |
| Recruitment expenses | 167 | 109 |
| Security charges | 3,680 | 3,610 |
| Bank charges | 64 | 195 |
| Software maintenance charges | 682 | 364 |
| Advances written off | 45 | 1,462 |
| Assets written off (refer note 3) | 743 | 3,047 |
| Foreign exchange fluctuation (net) | 249 | 248 |
| Loss on disposal of property, plant and equipment | - | 845 |
| Land development charges | 130 | 130 |
| Loss on disposal of subsidiaries (refer note 45) | - | 1,830 |
| Provision for doubtful security deposits | - | 7 |
| Provision for termination of PPA (refer note 33) | 354 | - |
| Penalty | 219 | - |
| Reversal of Interest Income on GST/Safeguard Duty Receivables | 200 | - |
| Miscellaneous expenses | 1,076 | 1,238 |
| **Total** | **32,384** | 43,410 |

*This space has been intentionally left blank.*

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

| Particulars | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
|---|---|---|

## 26. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the (loss)/profit for the year attributable to equity shareholders of the Holding Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the (loss)/profit attributable to equity shareholders of the Holding Company (after adjusting for interest on the convertible debentures and convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

| | | |
|---|---|---|
| (Loss)/ profit after tax for calculation of basic EPS | (43,438) | 17,396 |
| (Loss)/ profit after tax for calculation of diluted EPS | (43,438) | 17,396 |
| Weighted average number of equity shares in calculating basic EPS | 69,20,619 | 69,20,619 |
| Weighted average number of shares in calculating diluted EPS | 69,20,619 | 69,20,619 |
| Basic Earning per share (In INR) | **(627.66)** | 251.36 |
| Diluted Earning per share (In INR) | **(627.66)** | 251.36 |

*This space has been intentionally left blank.*

(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**

| | |
|---|---|
| **Parent Company:** | Azure Power Global Limited |
| **Key Managerial Personnel ("KMP"):** | Mr. Brijesh Mehra (Nominee Director w.e.f. May 08, 2024)<br>Mr. Philippe Pierre Wind (Nominee Director w.e.f. October 31, 2023)<br>Mr. Jean Francois Joseph Boisvenu (Director w.e.f. April 24, 2023)<br>Mr. Richard Payette (Director w.e.f. July 01, 2023)<br>Mr. Sunil Kumar Gupta (Managing Director and Chief Executive Officer (CEO) w.e.f. August 08, 2023)<br>Mr. Sugata Sircar (Director and Group Chief Financial Officer (CFO) w.e.f. October 01, 2022 till September 30, 2025)<br>Mr. Julian Suresh Paul Gratiaen (Nominee Director w.e.f. August 13, 2024)<br>Ms. Pratibha Bajaj (Nominee Director w.e.f October 30, 2024)<br>Mr. Jaime Garcia Nieto (Nominee Director w.e.f. December 01, 2023 till April 18, 2025)<br>Mr. Pawan Kumar Agrawal (Chief Financial Officer w.e.f March 15, 2019 till December 31, 2023)<br>Mr. Rajat Kumar Gupta (Chief Financial Officer (CFO) w.e.f. September 01, 2025)<br>Mr. Ambuj Agrawal (Nominee Director w.e.f. July 20, 2026) |

**Names of related parties with whom transactions have taken place during the year:**

| | |
|---|---|
| **Fellow Subsidiary Company:** | Azure Power Energy Limited<br>Azure Power Solar Energy Private Limited<br>Azure Power Rooftop Private Limited<br>Azure Power Rooftop (Genco) Private Limited<br>Azure Power Rooftop One Private Limited<br>Azure Power Rooftop Two Private Limited<br>Azure Power Rooftop Three Private Limited<br>Azure Power Rooftop Four Private Limited<br>Azure Power Rooftop Five Private Limited<br>Azure Power Rooftop Eight Private Limited<br>Azure Power Rooftop Six Private Limited<br>Azure Power Rooftop Seven Private Limited |

*This space has been intentionally left blank.*

**27. Related party disclosures:**

**1. Following transactions were carried out with related parties in the ordinary course of business:**

| Nature of transaction | Key management personnel | | Parent company | | Fellow Subsidiary Company | |
|---|---|---|---|---|---|---|
| | **For the year ended March 31, 2026** | For the year ended March 31, 2025 | **For the year ended March 31, 2026** | For the year ended March 31, 2025 | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
| **a) Settlement of liabilities on behalf of the Group** | | | | | | |
| Azure Power Rooftop Private Limited | - | - | - | - | 0 | 1 |
| Azure Power Rooftop three Private Limited | - | - | - | - | 0 | - |
| | | | | | | |
| **b). Settlement of liabilities by the Group on behalf of** | | | | | | |
| Azure Power Global Limited | - | - | 1 | 1 | - | - |
| Azure Power Energy Limited | - | - | - | - | 0 | - |
| Azure Power Solar Energy Private Limited | - | - | - | - | 0 | - |
| Azure Power Rooftop Private Limited | - | - | - | - | 0 | 64 |
| Azure Power Rooftop (Genco.) Private Limited | - | - | - | - | 0 | - |
| Azure Power Rooftop One Private Limited | - | - | - | - | 0 | 3 |
| Azure Power Rooftop Two Private Limited | - | - | - | - | 0 | 1 |
| Azure Power Rooftop Three Private Limited | - | - | - | - | 0 | 1 |
| Azure Power Rooftop Four Private Limited | - | - | - | - | 0 | 4 |
| Azure Power Rooftop Five Private Limited | - | - | - | - | 118 | 5 |
| Azure Power Rooftop Six Private Limited | - | - | - | - | 1 | 2 |
| Azure Power Rooftop Seven Private Limited | - | - | - | - | 1 | 2 |
| Azure Power Rooftop Eight Private Limited | - | - | - | - | 16 | 2 |
| | | | | | | |
| **c) Interest expense on borrowings** | | | | | | |
| Azure Power Energy Limited(1) | - | - | - | - | 23,187 | 21,802 |
| Azure Power Solar Energy Private Limited | - | - | - | - | - | 19,831 |
| Azure Power Rooftop Private Limited | - | - | - | - | 2 | 2 |
| | | | | | | |
| **d) Interest income** | | | | | | |
| Azure Power Rooftop Private Limited | - | - | - | - | 427 | 892 |
| Azure Power Rooftop (Genco) Private Limited | - | - | - | - | 819 | 386 |
| Azure Power Rooftop One Private Limited | - | - | - | - | 1,277 | 679 |
| Azure Power Rooftop Three Private Limited | - | - | - | - | 20 | 15 |
| Azure Power Rooftop Four Private Limited | - | - | - | - | 30 | 28 |
| Azure Power Rooftop Five Private Limited | - | - | - | - | 56 | 44 |
| Azure Power Rooftop Eight Private Limited | - | - | - | - | 15 | 13 |
| | | | | | | |
| **e) Key managerial personnel remuneration** | | | | | | |
| Mr. Sunil Gupta | | | | | | |
| - Short term employee benefits | 771 | 675 | - | - | - | - |
| Mr. Sugata Sircar | | | | | | |
| - Short term employee benefits | 317 | 392 | - | - | - | - |
| Mr. Rajat Kumar Gupta | | | | | | |
| - Short term employee benefits | 193 | - | - | - | - | - |
| Mr. Pawan Kumar Agrawal | | | | | | |
| - Short term employee benefits | - | 180 | - | - | - | - |
| | | | | | | |
| **f) Loan given#** | | | | | | |
| Azure Power Rooftop (Genco) Private Limited | - | - | - | - | 5,240 | 4,600 |
| Azure Power Rooftop One Private Limited | - | - | - | - | - | 11,765 |
| Azure Power Rooftop Four Private Limited | - | - | - | - | - | 130 |
| Azure Power Rooftop Five Private Limited | - | - | - | - | 118 | 30 |
| Azure Power Rooftop Eight Private Limited | - | - | - | - | - | 80 |
| Azure Power Rooftop Three Private Limited | - | - | - | - | - | 145 |
| Azure Power Rooftop Private Limited | - | - | - | - | - | 100 |
| | | | | | | |
| **g) Receipt of loan given** | | | | | | |
| Azure Power Rooftop Private Limited | - | - | - | - | 4,575 | - |
| Azure Power Rooftop One Private Limited | - | - | - | - | 185 | - |
| Azure Power Rooftop Three Private Limited | - | - | - | - | 83 | - |
| Azure Power Rooftop Four Private Limited | - | - | - | - | 22 | - |
| | | | | | | |
| **h) Repayment of borrowings** | | | | | | |
| Azure Power Energy Limited(2) | - | - | - | - | 2,21,775 | 27,971 |
| Azure Power Solar Energy Private Limited | - | - | - | - | - | 2,13,495 |
| | | | | | | |
| **i) Payment of redemption premium** | | | | | | |
| Azure Power Solar Energy Private Limited | - | - | - | - | - | 9,816 |
| | | | | | | |
| **j) Payment of consent fees** | | | | | | |
| Azure Power Energy Limited | - | - | - | - | 835 | 1,340 |
| | | | | | | |
| **k) Impairment expense (net of reversal) of intercompany loans and interest accrued** | | | | | | |
| Azure Power Rooftop Private Limited | - | - | - | - | 1,283 | 3,387 |
| Azure Power Rooftop One Private Limited | - | - | - | - | 5,481 | - |
| Azure Power Rooftop Four Private Limited | - | - | - | - | (13) | 341 |
| Azure Power Rooftop Five Private Limited | - | - | - | - | 168 | 509 |
| Azure Power Rooftop Eight Private Limited | - | - | - | - | 14 | 248 |
| Azure Power Rooftop (Genco) Private Limited | - | - | - | - | 10,885 | - |
| | | | | | | |
| **l) Corporate guarantees released** | | | | | | |
| Azure Power Rooftop (Genco) Private Limited | - | - | - | - | - | 4,682 |
| Azure Power Rooftop One Private Limited | - | - | - | - | - | 11,463 |
| Azure Power Rooftop Three Private Limited | - | - | - | - | 2,666 | - |

(1) Including amortisation of redemption premium and consent fees during the current year.

(2) Including payment of redemption premium of INR 15,149 lakhs during the current year.

(INR amount in lakhs, unless otherwise stated)

**2. Balances outstanding at the end of the year**

| Particulars | Key Management Personnel | | Holding company | | Fellow Subsidiary Company | |
|---|---|---|---|---|---|---|
| | **As at March 31, 2026** | As at March 31, 2025 | **As at March 31, 2026** | As at March 31, 2025 | **As at March 31, 2026** | As at March 31, 2025 |
| **a).Trade receivable** | | | | | | |
| Azure Power Rooftop Three Private Limited | - | - | - | - | 11 | 11 |
| | | | | | | |
| **b).Contractually reimbursable from related parties (net of provision)** | | | | | | |
| Azure Power Rooftop Private Limited | - | - | - | - | 70 | 72 |
| Azure Power Rooftop (Genco.) Private Limited | - | - | - | - | 1 | - |
| Azure Power Rooftop One Private Limited | - | - | - | - | 44 | 44 |
| Azure Power Rooftop Two Private Limited | - | - | - | - | 2 | 2 |
| Azure Power Rooftop Four Private Limited | - | - | - | - | 1 | - |
| Azure Power Rooftop Five Private Limited | - | - | - | - | 0 | - |
| Azure Power Rooftop Eight Private Limited | - | - | - | - | 16 | - |
| Azure Power Solar Energy Private Limited | - | - | - | - | 6 | 6 |
| Azure Power Energy Limited | - | - | - | - | 20 | 19 |
| Azure Power Rooftop Three Private Limited | - | - | - | - | 1 | 1 |
| Azure Power Rooftop Six Private Limited | - | - | - | - | 3 | 2 |
| Azure Power Rooftop Seven Private Limited | - | - | - | - | 3 | 2 |
| | | | | | | |
| **c). Impairment allowances for Contractually reimbursable** | | | | | | |
| Azure Power Rooftop Four Private Limited | - | - | - | - | 10 | 10 |
| Azure Power Rooftop Five Private Limited | - | - | - | - | 11 | 11 |
| Azure Power Rooftop Eight Private Limited | - | - | - | - | 88 | 88 |
| | | | | | | |
| **d). Payable** | | | | | | |
| Azure Power Global Limited | - | - | 370 | 334 | - | - |
| Azure Power Solar Energy Private Limited | - | - | - | - | 2 | 2 |
| Azure Power Rooftop Private Limited | - | - | - | - | 29 | 29 |
| Azure Power Rooftop Four Private Limited | - | - | - | - | 11 | 11 |
| Azure Power Rooftop One Private Limited | - | - | - | - | 0 | - |
| Azure Power Rooftop Two Private Limited | - | - | - | - | 0 | - |
| Azure Power Rooftop Three Private Limited | - | - | - | - | 0 | - |
| Azure Power Energy Limited | - | - | - | - | 1 | 863 |
| | | | | | | |
| **e). Borrowing** | | | | | | |
| Azure Power Energy Limited* | - | - | - | - | - | 2,14,483 |
| Azure Power Rooftop Private Limited# | - | - | - | - | 7 | 21 |
| | | | | | | |
| **f). Interest payable on borrowings** | | | | | | |
| Azure Power Energy Limited | - | - | - | - | - | 1,844 |
| Azure Power Rooftop Private Limited | - | - | - | - | 1 | 2 |
| | | | | | | |
| **g). Loans to fellow subsidiaries# (net of provision)** | | | | | | |
| Azure Power Rooftop Private Limited | - | - | - | - | - | 5,825 |
| Azure Power Rooftop (Genco) Private Limited | - | - | - | - | 1,500 | 6,272 |
| Azure Power Rooftop One Private Limited | - | - | - | - | 7,123 | 12,788 |
| Azure Power Rooftop Three Private Limited | - | - | - | - | 145 | 228 |
| | | | | | | |
| **h). Impairment allowances for loans** | | | | | | |
| Azure Power Rooftop Four Private Limited | - | - | - | - | 284 | 306 |
| Azure Power Rooftop Five Private Limited | - | - | - | - | 577 | 459 |
| Azure Power Rooftop Eight Private Limited | - | - | - | - | 151 | 151 |
| Azure Power Rooftop Private Limited | - | - | - | - | 1,251 | - |
| Azure Power Rooftop (Genco) Private Limited | - | - | - | - | 10,011 | - |
| Azure Power Rooftop One Private Limited | - | - | - | - | 5,481 | - |
| | | | | | | |
| **i). Interest accrued on loans and advances (net of provision)** | | | | | | |
| Azure Power Rooftop Private Limited | - | - | - | - | - | 512 |
| Azure Power Rooftop (Genco) Private Limited | - | - | - | - | 187 | 347 |
| Azure Power Rooftop One Private Limited | - | - | - | - | 1,671 | 611 |
| Azure Power Rooftop Three Private Limited | - | - | - | - | 19 | 14 |
| | | | | | | |
| **j). Impairment allowances for interest accrued** | | | | | | |
| Azure Power Rooftop Four Private Limited | - | - | - | - | 35 | 26 |
| Azure Power Rooftop Five Private Limited | - | - | - | - | 90 | 39 |
| Azure Power Rooftop Eight Private Limited | - | - | - | - | 22 | 9 |
| Azure Power Rooftop Private Limited | - | - | - | - | 32 | - |
| Azure Power Rooftop (Genco) Private Limited | - | - | - | - | 874 | - |
| | | | | | | |
| **k) Outstanding Corporate guarantees** | | | | | | |
| Azure Power Rooftop Three Private Limited | - | - | - | - | - | 2,666 |

* Excluding unamortised balance of anciliary cost of borrowings.
# Includes adjustment pertaining to interest rollover adjustment during the previous year.
Figure "0" represents amount below rounding off norms adopted by the Company

**Terms and conditions of transactions with related parties**

- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.
- Loans from/ to related parties carry an interest rate of 8.95% - 10.83% p.a. and are repayable/receivable in accordance with the terms of the respective agreement.
- On April 26, 2022, the Group through its Board of Directors ("BOD") has accepted the resignations of Mr. Ranjit Gupta (erstwhile CEO) and Mr. Murali Subramanian (erstwhile COO) of the Group. Both of the KMP's were relinquished from their roles with the Group with immediate effect.

## 28. Share-based payment

### (i) Employee Stock Option Plans (ESOPs)

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

**Description of terms and conditions of grant**

**Method of valuation of grants**

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

The details of activity have been summarized below:

| **Particulars** | **As at March 31, 2026** | | As at March 31, 2025 | |
|---|---|---|---|---|
| | **No. of options** | **Weighted average exercise price (INR)** | No. of options | Weighted average exercise price (INR) |
| Outstanding at the beginning of the year | **1,42,048** | **1,054** | 3,04,202 | 1,158 |
| Granted during the year | - | - | - | - |
| Forfeited during the year | (27,128) | 1,096 | (1,62,154) | 1,250 |
| **Outstanding at the end of the year** | **1,14,920** | **1,044** | 1,42,048 | 1,054 |
| Exercisable at the end of the year | 1,14,920 | 1,044 | 1,42,048 | 1,054 |

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

The Group recognizes ESOP cost in the consolidated statement of profit and loss, except the cost of services which is initially capitalized by the Group as part of the cost of property, plant and equipment and corresponding increase in equity as a contribution from parent company.

| | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
|---|---|---|
| Amount recognised/ (reversal) for equity-settled share-based payment transactions | - | (168) |
| **Total decrease in equity arising from equity-settled share-based payment transactions** | **-** | (168) |

### (ii) Stock Appreciation Rights (SARs)

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

On April 26, 2022, the Group through its Board of Directors ("BOD") had accepted the resignations of Mr. Ranjit Gupta (erstwhile CEO) and Mr. Murali Subramanian (erstwhile COO) of the Group. Both of the KMP's were relinquished from their roles with the Company/ Group with immediate effect. Accordingly necessary adjustments were made in financial year 2022-23. (refer note 15.3)

**The details of activity have been summarized below:**

| | **As at March 31, 2026** | | As at March 31, 2025 | |
|---|---|---|---|---|
| | **No. of options** | **Weighted average exercise price (INR)** | No. of options | Weighted average exercise price (INR) |
| **Outstanding at the beginning of the year** | **6,80,000** | **878** | 6,80,000 | 878 |
| Granted during the year | - | - | - | - |
| Exercised during the year | - | - | - | - |
| **Outstanding at the end of the year** | **6,80,000** | **878** | 6,80,000 | 878 |
| Vested at the end of the year | 6,80,000 | 878 | 6,80,000 | 878 |
| Exercisable at the end of the year | 6,80,000 | 878 | 6,80,000 | 878 |

The carrying value of the liability recognised for SARs as at March 31, 2026 is INR 1,981 lakhs (March 31, 2025: INR 1,981 lakhs).

*This space has been intentionally left blank.*

(All amounts in INR lakhs, unless otherwise stated)

**29. Segment information**

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

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

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| **Sale of Power:** | | |
| Solar Energy Corporation of India | 91,553 | 95,271 |
| National Thermal Power Corporation Limited | 26,840 | 27,069 |

**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, 2026 and March 31, 2025.

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Non current assets** | | |
| Contract assets* | 2,561 | 3,607 |
| Trade receivables | 32,111 | 34,453 |
| **Current assets** | | |
| Trade receivables | 33,289 | 51,748 |
| Contract assets* | 164 | 383 |
| **Non current liabilities** | | |
| Deferred revenue ** | 41,765 | 45,288 |
| **Current liabilities** | | |
| Deferred revenue ** | 2,383 | 2,402 |

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

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Revenue as per Contracted price | 1,98,600 | 2,03,884 |
| Adjustments for: | | |
| Rebate/Discount | (2,475) | (2,419) |
| Amortisation of contract assets | (948) | (1,004) |
| Amortisation of contract liabilities | 3,009 | 3,231 |
| **Revenue from contract with customers** | **1,98,186** | **2,03,692** |

***Movement of Contract Assets**

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| **Opening Balance** | 3,990 | 6,652 |
| Addition during the year | - | - |
| Revenue recognised/ (reversed) during the year | (948) | (1,004) |
| Adjustment due to revenue straightlining | (317) | (1,658) |
| **Closing Balance** | **2,725** | 3,990 |

**** Movement of Contract liabilities**

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| **Opening Balance** | 47,690 | 49,594 |
| Addition during the year | - | 200 |
| Deletion during the year | (1,587) | - |
| Revenue recognised during the year | (3,009) | (3,231) |
| Interest expense | 1,054 | 1,127 |
| **Closing Balance** | **44,148** | **47,690** |

| | - | - |

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(All amounts in INR lakhs, unless otherwise stated)

### 31. Capitalization of expenditure (net)

During the year, the Group has capitalized the following expenses to the cost of Capital Work in progress. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the respective companies under the Group:- (refer note 3)

| **Particulars** | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
|---|---|---|
| Salaries, wages and bonus | 123 | 173 |
| Finance cost | - | 754 |
| Depreciation on right of use assets | 36 | 13 |
| Project development expenses | 1,108 | 71 |
| Legal and professional expenses | 18 | - |
| Bank Charges | 76 | 17 |
| Travelling expenses | - | 2 |
| Insurance expenses | - | (1) |
| Interest on lease liability | 119 | 45 |
| Lease rent | - | 24 |
| Other expenses | - | - |
| Interest income | (226) | (24) |
| **Total** | **1,254** | 1,074 |

### 32. Corporate Guarantees

The Group has issued corporate guarantees to banks on behalf of and in respect of loan facilities availed by its Group Companies. In accordance with the policy of the Group (refer note 2.2 (j)). The Group has classified such guarantees as Contingent Liabilities. Refer below for details:-(refer note 27).

| **Company Name** | **As at March 31, 2026** | As at March 31, 2025 |
|---|---|---|
| Azure Power Rooftop Three Private Limited | - | 2,666 |

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**33. Capital and other commitments**

**Capital commitment**

(i) The Group has capital commitments of INR 69,596 lakhs (net of advances) (March 31, 2025: INR 11,881 lakhs (net of advances)) for purchases of assets for the construction of solar power plants.

**Other Commitments**

(i) The Group has extended comfort letters to provide continued financial and operational support to certain subsidiaries to ensure that these subsidiaries are able to meet their debts, commitments and liabilities as they fall due and they continue as going concerns.

(ii) The Holding company and its subsidiaries have entered in to Power Purchase Agreement (PPA) with following parties:

| Name of Authority | Agreement date | Rate | Period* |
|---|---|---|---|
| NTPC Vidyut Vyapar Nigam Limited | October 15, 2010 | 17.91 kw/h | 25 Years |
| Solar Energy Corporation of India Limited | March 28, 2014 | 5.45 kw/h | 25 Years |
| Solar Energy Corporation of India Limited | March 28, 2014 | 5.45 kw/h | 25 Years |
| Bangalore Electricity Supply Company Limited | January 18, 2014 | 7.47 kw/h | 25 Years |
| Gujarat Urja Vikas Nigam Limited*** | April 30, 2010 | 15 kw/h | 12 Years |
| Gujarat Urja Vikas Nigam Limited*** | April 30, 2010 | 5 kw/h | 13 Years |
| NTPC Vidyut Vyapar Nigam Limited | October 15, 2011 | 11.94 kw/h | 25 Years |
| NTPC Vidyut Vyapar Nigam Limited | January 25, 2011 | 8.21 kw/h | 25 Years |
| North & South Bihar Power Distribution Company Limited | January 17, 2015 | 8.39 kw/h | 25 Years |
| Solar Energy Corporation of India Limited | February 5, 2015 | 5.45 kw/h | 25 Years |
| Punjab State Power Corporation Ltd. | March 31, 2015 | 7.33 kw/h | 25 Years |
| Punjab State Power Corporation Ltd. | March 31, 2015 | 7.19 kw/h | 25 Years |
| Southern Power Distribution Company of Andhra Pradesh Limited** | December 5, 2014 | 7.46 kw/h | 25 Years |
| Gulbarga Electricity Supply Corporation Limited ,Kalaburgi | January 23, 2015 | 6.96 kw/h | 25 Years |
| Hubli Electricity Supply Company Limited | January 9, 2015 | 6.93 kw/h | 25 Years |
| Chamundeshwari Electricity Supply Corporation Limited | January 2, 2015 | 6.89 kw/h | 25 Years |
| Punjab State Power Corporation Ltd. | February 3, 2017 | 5.62 kw/h | 25 years |
| Punjab State Power Corporation Ltd. | February 3, 2017 | 5.63 kw/h | 25 years |
| Punjab State Power Corporation Ltd. | February 3, 2017 | 5.64 kw/h | 25 years |
| Solar Energy Corporation of India Limited | March 28, 2014 | 5.45 kw/h | 25 Years |
| Uttar Pradesh Power Corporation Ltd., Lucknow | December 27, 2013 | 8.99 kw/h | 12 Years |
| Punjab State Power Corporation Ltd. | December 27, 2013 | 7.67 kw/h | 25 Years |
| Punjab State Power Corporation Ltd. | December 27, 2013 | 7.97 kw/h | 25 Years |
| Punjab State Power Corporation Ltd. | December 27, 2013 | 8.28 kw/h | 25 Years |
| Solar Energy Corporation of India Limited(1) | October 14, 2015 | 5.43 kw/h | 25 Years |
| Bangalore Electricity Supply Company Limited | September 27, 2014 | 6.51 kw/h | 25 Years |
| Chhattisgarh State Power Distribution Company Limited | August 1, 2014 | 6.44 kw/h | 25 Years |
| NTPC Limited | April 19, 2016 | 5.12 kw/h | 25 Years |
| Chhattisgarh State Power Distribution Company Limited | September 1, 2014 | 6.45 kw/h | 25 Years |
| Chhattisgarh State Power Distribution Company Limited | September 15, 2014 | 6.46 kw/h | 25 Years |
| NTPC Limited | April 29, 2016 | 4.78 kw/h | 25 Years |
| Ordnance Factory, Bhandra | May 3, 2016 | 5.50 kw/h | 25 Years |
| Ordnance Factory, Ambajhari | May 3, 2016 | 5.31 kw/h | 25 Years |
| Solar Energy Corporation of India Limited | October 21, 2016 | 4.43 kw/h | 25 Years |
| Solar Energy Corporation of India Limited | September 26, 2016 | 4.43 kw/h | 25 Years |
| NTPC Limited | August 10, 2016 | 4.67 kw/h | 25 Years |
| Gujarat Urja Vikas Nigam Limited | October 24, 2017 | 2.67 kw/h | 25 Years |
| Solar Energy Corporation of India Limited | April 27, 2018 | 2.48 kw/h | 25 Years |
| Bangalore Electricity Supply Company Limited | April 20, 2018 | 2.93/kwh | 25 Years |
| Hubli Electricity Supply Company Limited | April 20, 2018 | 2.93/kwh | 25 Years |
| Maharashtra State Electricity Distribution Company Limited | July 30, 2018 | 2.72/kwh | 25 Years |
| Assam Power Distribution Company Limited | June 25, 2018 | 3.17-3.70/kwh | 25 Years |
| Solar Energy Corporation of India Limited | October 31, 2018 | 2.53/kwh | 25 Years |
| Solar Energy Corporation of India Limited | September 17, 2019 | 2.58/kwh | 25 Years |
| Solar Energy Corporation of India Limited | November 27, 2019 | 2.54/kwh | 25 Years |
| Solar Energy Corporation of India Limited- Manufacturing linked 4 GW project# | November 11, 2021 | 2.54/kwh | 25 Years |
| Solar Energy Corporation of India Limited- Manufacturing linked 4 GW project# | November 17, 2021 | 2.54/kwh | 25 Years |
| Solar Energy Corporation of India Limited- Manufacturing linked 4 GW project# | December 16, 2021 | 2.42/kwh | 25 Years |
| Solar Energy Corporation of India Limited | July 15, 2022 | 2.35/kwh | 25 Years |
| Solar Energy Corporation of India Limited | August 31, 2022 | 2.70/kwh | 25 Years |

*The period starts from date of commissioning of the project.

** The tariff for the project is INR 5.89 per kWh for first year, increasing by 3% each year from the second year to the tenth year and thereafter with the same tariff as that in year ten for the remainder of the 25-year term. The tariff is INR 7.69 per kWh as at March 31, 2026 after considering the escalations.

*** The tariff for the project is INR 15 per kWh for first 12 years, decreasing from the 13th year to the 25th year to INR 5 per kWh.

Also refer note 48, 49 and 50.

#During FY 25-26, one of the Company has executed PPA of 400 MW (Out of 4GW manufacturing linked project) with SECI where supply of power will commence from November 04, 2027. The details of executed PPA is as under:

| Name of Authority | Agreement date | Rate | Period |
|---|---|---|---|
| Solar Energy Corporation of India Limited | February 3, 2026 | 2.54/kwh | 25 Years |
| Solar Energy Corporation of India Limited | January 2, 2026 | 2.54/kwh | 25 Years |

Currently these projects are under construction.

(1)The Group has initiated the surrender/discontinuance of the project due to its commercial non-viability, primarily arising from property tax disputes and associated operational challenges. Based on management's best estimates, the surrender of the project is currently expected to be completed by October 2026, subject to the requisite approvals and completion of related processes. Accordingly, the Company has recognized provisions for closure-related obligations on best judgement. (Refer note 25)

## 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 building space to be used as corporate office. The period of these lease range from 1.5 to 5 years.

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

**i) Right-of-use assets:**

| **Particulars** | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
|---|---|---|
| Opening balance | 45,148 | 47,176 |
| Additions during the year | 12,453 | 78 |
| Deletion during the year | - | (49) |
| Adjustment due to change in estimate | (37) | (81) |
| Depreciation for the year* | (2,167) | (1,976) |
| **Closing balance** | **55,397** | 45,148 |

*Including capitalization of INR 36 lakhs during the year ( March 31, 2025: INR 13 lakhs).

**ii) Lease liabilities**

Set out below are the carrying amounts of lease liabilities and the movement during the year:

| **Particulars** | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
|---|---|---|
| Opening balance | 37,635 | 37,414 |
| Additions during the year | 10,728 | 18 |
| Accretion of interest# | 4,414 | 3,599 |
| Payments | (5,451) | (3,396) |
| **Closing balance** | **47,326** | 37,635 |

# Including capitalization of INR 119 lakhs during the year (March 31, 2025: INR 45 lakhs)

| **Particulars** | **As at March 31, 2026** | As at **March 31, 2025** |
|---|---|---|
| Current | 4,017 | 3,244 |
| Non-current | 43,309 | 34,391 |
| **Total** | **47,326** | 37,635 |

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

| **Particulars** | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
|---|---|---|
| Interest on lease liabilities | 4,295 | 3,554 |
| Depreciation of right-of-use assets | 2,131 | 1,963 |
| Expenses relating to short-term leases | 172 | 749 |
| **Total** | **6,598** | 6,266 |

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

| **Particulars** | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
|---|---|---|
| Total cash outflow for leases | **5,451** | 3,396 |

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 29,161 lakhs (March 31, 2025: INR 23,863 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, 2026** | March 31, 2025 |
|---|---|---|
| Viability Gap Funding (VGF) | 11,853 | 14,469 |

**b. Pending litigations:**

(i) The Group had two outstanding disputes with its erstwhile Chief Executive Officer, Mr. Inderpreet Singh Wadhwa (IW). In respect of the first matter, the Group had received an unfavorable Award from the Mumbai Centre for International Arbitration in relation to Mr. Wadhwa's transition from the Group, and subsequently made payments as required in the Award, without prejudice to its rights.
In respect of second matter, the Group received a favourable Award from Singapore International Arbitration Centre (SIAC) in relation to the purchase price of shares, held by Mr. Inderpreet Singh Wadhwa (IW) and Mr. H. S. Wadhwa (HSW) (erstwhile Chief Operating Officer), in Azure Power India Private Limited. Subsequently, IW and HSW filed an appeal challenging the SIAC award on May 05, 2022, before the Singapore High Court. However, vide order dated June 29, 2022, the appeal filed by IW and HSW was dismissed. Consequently, the Award in the Group favour has been upheld. The Group have subsequently filed a petition before the High Court of Delhi seeking enforcement of the Award. On November 04, 2022, the court have passed restraining order against IW and HSW from alienating or creating any third-party rights over the shares of the Azure Power India Private Limited as held by them. This matter is currently pending before the Honourable High Court.

(ii) A contingent liability amounting to INR 4,725 lakhs may arise on account of dispute raised by one of the vendor and matter is under litigation.

(iii) Based on term of sanctions, the holding company is having obligation to meet the debt shortfall to one of the lenders of subsidiary.

**36. Derivative instruments and hedging activities**

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

Th risk management objective of the hedge arrangement is to reduce the variability in payment of foreign currency equivalent cash flows arising from repayment of principal and interest components. During the year, the Group have tested the effectiveness of the hedge relationship and the hedge was effective.

The following table presents outstanding notional amount and consolidated balance sheet location information related foreign exchange derivate contracts as of March 31, 2026 and March 31, 2025.

| **Particulars** | **As at March 31, 2026** | As at March 31, 2025 |
|---|---|---|
| Notional Amount (USD) | 2,80,12,500 | 18,30,56,500 |
| Non-current – Other financial assets (INR) | 2,620 | 16,104 |
| Current – Other financial assets (INR) | - | 18 |
| Current – Other financial liabilities (INR) | 288 | 1,060 |

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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 466 lakhs (March 31, 2025: INR 440 lakhs) for provident fund and other fund contribution in the Consolidated Statement of Profit and Loss. The contribution payable to the plan by the Group is at the rate specified in the rules to the scheme.

**(b) Defined benefit plan- Gratuity**

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

The following tables summaries the components of net benefit expense recognized in the consolidated statement of profit and loss and the unfunded status and amounts recognized in the Consolidated Balance Sheet.

**Consolidated Statement of profit and loss:**

**Amounts recognised in Consolidated Statement of profit and loss for the year ended March 31, 2026**

| Particular | Gratuity | |
|---|---|---|
| | **For the year ended March 31, 2026*** | For the year ended March 31, 2025 |
| Current service cost | 100 | 109 |
| Interest cost on benefit liability | 37 | 44 |
| Past Service Cost | 319 | - |
| **Total Expense** | **456** | 153 |

* Includes INR 8 lakhs (March 31, 2025; Nil) capitalised during the year.

**Amount recognized in Other Comprehensive Income for the year ended March 31, 2026**

| Particular | Gratuity | |
|---|---|---|
| | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
| Effect of change in financial assumptions | 5 | (13) |
| Effect of change in demographic assumptions | (8) | 10 |
| Experience (loss)/ gains | (4) | (1) |
| **Actuarial loss recognized in the year** | (7) | (4) |

**Consolidated Balance Sheet:**

| Particular | Gratuity | |
|---|---|---|
| | **As at March 31, 2026** | As at March 31, 2025 |
| Present value of defined benefit obligation | 928 | 591 |

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

| Particular | Gratuity | |
|---|---|---|
| | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
| Present value of obligation as at the beginning of the year | 591 | 586 |
| Current service cost | 100 | 109 |
| Interest cost | 37 | 44 |
| Past Service Cost | 319 | - |
| Re-measurement of Actuarial loss | 7 | 4 |
| Benefits paid | (124) | (152) |
| Acquisitions/Business Combinations/Divestitures | (2) | - |
| **Present Value of Obligation as at the end of the year** | 928 | 591 |
| **Current Liability** | **246** | 165 |
| **Non-Current Liability** | **682** | 426 |

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

| **Particulars** | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
|---|---|---|
| Discount rate (per annum) | 6.65% | 6.45% |
| Employee turnover rate (per annum) | 27.00% | 28.00% |
| Withdrawal rate (per annum) | 27.00% | 28.00% |
| 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.

*This space has been intentionally left blank.*

**Risk exposure**

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

a) Discount rate- Increase/ reduction in discount rate in subsequent valuations can decrease/increase the liability.

b) Salary escalation rate- Actual salary increases/decrease will increase/decrease the defined benefit liability. Increase/decrease in salary increase rate assumption in future valuations which in turn also increase/decrease the liability.

c) Withdrawal rate- Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact defined benefit liability.

**A quantitative sensitivity analysis for significant assumption as at March 31, 2026 is as shown below:**

| **Sensitivity analysis** | **March 31, 2026** | **March 31, 2026** | March 31, 2025 | March 31, 2025 |
|---|---|---|---|---|
| **Assumption** | **Discount rate** | | Discount rate | |
| | 1 % increase | 1 % decrease | 1 % increase | 1 % decrease |
| Defined benefit obligation increased/(decreased) by | (8) | 8 | (18) | 19 |

| **Sensitivity analysis** | **March 31, 2026** | **March 31, 2026** | March 31, 2025 | March 31, 2025 |
|---|---|---|---|---|
| **Assumption** | **Salary Escalation Rate** | | Salary Escalation Rate | |
| | 1 % increase | 1 % decrease | 1 % increase | 1 % decrease |
| Defined benefit obligation increased/(decreased) by | 9 | (9) | 21 | (20) |

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

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

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

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 4.63 years (March 31, 2025: 4.38 years).

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

| **Particular** | **March 31, 2026** | March 31, 2025 |
|---|---|---|
| Within the next 12 months (next annual reporting period) | 250 | 170 |
| Between 2 and 5 years | 527 | 344 |
| Between 5 and 10 years | 282 | 169 |

(c) The Government has consolidated 29 existing Labour legislations into a unified framework comprising 4 Labour Codes viz., Code on Wages, 2019, Code on Social Security, 2020, Industrial Relation Code, 2020 and Occupational Safety, Health and Working Condition Code, 2020 (collectively referred to as the new Labour Codes). These codes have been made effective November 21, 2025, however, the supporting rules are yet to be notified.

Pursuant to the enactment of the New Labour Codes and based on ICAI guidance and actuarial valuation, the Company has recognised a one-time adjustment during the year ended March 31, 2026. Accordingly, an expense of INR 487 lakhs has been recognised as an employee benefit expense in the financial statement for the year ended March 31, 2026 towards additional gratuity and leave encashment provision. Any future impact on notification of the rules, if any, will be recognised in the respective periods as and when applicable.

*This space has been intentionally left blank.*

(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, 2026** | As at March 31, 2025 | **As at March 31, 2026** | As at March 31, 2025 |
| **Financial assets carried at amortized cost** | | | | |
| Security deposits | 407 | 367 | 407 | 367 |
| Trade receivables (Non- current) | 32,111 | 34,453 | 32,111 | 34,453 |
| Performance guarantee deposit | 460 | 408 | 460 | 408 |
| Loans to fellow subsidiaries (including interest accrued) | 10,538 | 26,597 | 10,538 | 26,597 |
| Term deposits (including interest accrued) | 1,00,402 | 95,098 | 1,00,402 | 95,098 |
| | **1,43,918** | 1,56,923 | **1,43,918** | 1,56,923 |
| **Financial assets measured at fair value** | | | | |
| Derivative instruments at fair value through other comprehensive income(1) | 2,620 | 16,122 | 2,620 | 16,122 |
| Investment in mutual fund at fair value through profit or loss (FVTPL)(2) | 22,425 | - | 22,425 | - |
| Investment in equity shares of others (at fair value through profit and loss)(4) | 1,366 | 1,366 | 1,366 | 1,366 |
| Investment in compulsorily convertible debentures (at fair value through profit and loss) (including interest accrued)(4) | 3,387 | 3,387 | 3,387 | 3,387 |
| **Total** | **29,798** | **20,875** | **29,798** | **20,875** |
| **Financial liabilities carried at fair value** | | | | |
| Derivative instruments at fair value through other comprehensive income(1) | 288 | 1,060 | 288 | 1,060 |
| **Total** | **288** | 1,060 | **288** | 1,060 |
| **Financial liabilities carried at amortized cost** | | | | |
| Term loans from banks - In Indian currency (Including current maturities and interest accrued)(3) | 1,82,919 | 1,02,719 | 1,82,919 | 1,02,719 |
| Term loans from financial institution - In Indian currency (Including current maturities and interest accrued)(3) | 8,89,644 | 6,52,918 | 8,89,644 | 6,52,918 |
| Term loans from financial institutions - In foreign currency (Including current maturities and interest accrued)(3) | - | 60,383 | - | 60,383 |
| Foreign currency loan from bank (Including current maturities and interest accrued)(3) | 26,636 | 90,148 | 26,636 | 90,148 |
| External commercial borrowings (Including current maturities and interest accrued)(4) | - | 1,33,493 | - | 1,32,162 |
| Non-convertible debenture (Including current maturities and interest accrued)(4) | - | 81,300 | - | 83,891 |
| Non-current loans from fellow subsidiaries (including interest accrued)(4) | 8 | 23 | 8 | 23 |
| **Total** | **10,99,207** | 11,20,984 | **10,99,207** | 11,22,244 |

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

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

*This space has been intentionally left blank.*

**The following methods and assumptions were used to estimate the fair values:**

**Measured at fair value:**

(1) The Group enters into derivative financial instrument with various counterparties, principally financial institutions/banks 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.

(2) The fair values investment in mutual funds is based on quoted Net Asset Value (NAV) declared by the mutual fund as at the reporting date.

**At amortized cost:**

(3) 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).

(4) 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, 2026 was assessed to be insignificant.

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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, 2026:**

| | | 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 | 407 | - | - | 407 |
| Trade receivables | 32,111 | - | - | 32,111 |
| Performance guarantee deposit | 460 | - | - | 460 |
| Loans to fellow subsidiaries (including interest accrued) | 10,538 | - | - | 10,538 |
| Term deposits (including interest accrued) | 1,00,402 | - | 1,00,402 | - |
| **Financial assets measured at fair value:** | | | | |
| Derivative instruments at fair value through other comprehensive income | 2,620 | - | 2,620 | - |
| Investment in mutual fund at fair value through profit or loss (FVTP | 22,425 | 22,425 | - | - |
| Investment in equity shares of others(at fair value through profit and loss) | 1,366 | - | - | 1,366 |
| Investment in compulsorily convertible debentures (at fair value through profit and loss) (including interest accrued) | 3,387 | - | - | 3,387 |
| **Financial liabilities carried at fair value** | | | | |
| Derivative instruments at fair value through other comprehensive income | 288 | - | 288 | - |
| **Financial liabilities carried at amortised cost** | | | | |
| Term Loans from Banks - In Indian Currency (Including current maturities and interest accrued) | 1,82,919 | - | - | 1,82,919 |
| Term Loans from Banks - In Indian Currency (Including current maturities and interest accrued) | - | - | - | - |
| Term Loans from financial institution - In Indian Currency (Including current maturities) | 8,89,644 | - | - | 8,89,644 |
| Foreign currency loan from bank (Including current maturities and ii | 26,636 | - | - | 26,636 |
| Non-current loans from fellow subsidiaries (including interest accrued) | 8 | - | - | 8 |

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

*This space has been intentionally left blank.*

(All amounts in INR lakhs, unless otherwise stated)

Quantitative disclosures fair value measurement hierarchy for financial instruments as at March 31, 2025:

| | | Fair value measurement using | | |
|---|---|---|---|---|
| | Carrying value | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial assets carried at amortised cost: | | | | |
| Security deposits | 367 | - | - | 367 |
| Trade receivables | 34,453 | - | - | 34,453 |
| Performance guarantee deposit | 408 | - | - | 408 |
| Loans to fellow subsidiaries (including interest accrued) | 26,597 | - | - | 26,597 |
| Term deposits (including interest accrued) | 95,098 | - | 95,098 | - |
| Financial assets measured at fair value: | | | | |
| Derivative instruments at fair value through other comprehensive income | 16,122 | - | 16,122 | - |
| Investment in equity shares of others(at fair value through profit and loss) | 1,366 | - | - | 1,366 |
| Investment in compulsorily convertible debentures (at fair value through profit and loss) | 3,387 | - | - | 3,387 |
| Financial liabilities carried at fair value | | | | |
| Derivative instruments at fair value through other comprehensive income | 1,060 | - | 1,060 | - |
| Financial liabilities carried at amortised cost | | | | |
| Term Loans from Banks - In Indian Currency (Including current maturities and interest accrued) | 1,02,719 | - | - | 1,02,719 |
| Term Loans from financial institution - In Indian Currency (Including current maturities) | 6,52,918 | - | - | 6,52,918 |
| Term Loans from financial institutions - In Foreign Currency (Including current maturities and interest accrued) | 60,383 | - | - | 60,383 |
| Foreign currency loan from bank (Including current maturities) | 90,148 | | - | 90,148 |
| External commercial borrowings | 1,33,493 | - | - | 1,32,162 |
| Non-Convertible Debenture | 81,300 | - | - | 83,891 |
| Non-current loans from fellow subsidiaries (including interest accrued) | 23 | - | - | 23 |

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

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

*This space has been intentionally left blank.*

(All amounts in INR lakhs, unless otherwise stated)

**40. Financial risk management objectives and policies**

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

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

**Market risk**
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Key financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2026 and  March 31, 2025:

**Interest rate risk**
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Financial instruments comprise of  non-convertible debentures, external commercial borrowings, loans to/from related parties, term deposits and lease liabilities are fixed interest bearing and 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, 2026** | **Floating rate financial instruments** | **Fixed rate financial instruments** | **Non-interest bearing** | **Total** |
|---|---|---|---|---|
| Financial assets | - | 2,19,092 | 1,03,233 | **3,22,325** |
| Financial liabilities | 10,99,199 | 47,334 | 31,276 | **11,77,809** |

| As at March 31, 2025 | Floating rate financial instruments | Fixed rate financial instruments | Non-interest bearing | Total |
|---|---|---|---|---|
| Financial assets | - | 2,27,360 | 92,386 | 3,19,746 |
| Financial liabilities | 9,06,168 | 2,48,783 | 30,616 | 11,85,567 |

**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, 2026** | | March 31, 2025 |
|---|---|---|---|---|---|---|
| **Effect on profit before tax** | INR | +/(-)50 | (-)/+ | 5,496 | (-)/+ | 4,531 |

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.

**Fair value sensitivity analysis for fixed-rate instruments**
The Company’s fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

*This space has been intentionally left blank.*

(All amounts in INR lakhs, unless otherwise stated)

**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.

The following table analyses foreign currency risk from financial instruments relating to USD, EURO and GBP as of March 31, 2026 and March 31, 2025:

| | **As at March 31, 2026** | As at March 31, 2025 |
|---|---|---|
| **USD** | | |
| Trade payable | 1,205 | 551 |
| **EURO** | | |
| Trade payable** | 16 | 15 |

**Foreign currency sensitivity**

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

| | **Change in rate** | | **March 31, 2026** | | March 31, 2025 |
|---|---|---|---|---|---|
| Effect on profit before tax | +/(-)5% | (-)/+ | 60 | (-)/+ | 28 |

As the Group has entered into foreign exchange derivatives contract to mitigate the foreign exchange fluctuation risk, these derivatives act as economic hedges and will offset the impact of any fluctuations in foreign exchange rates.

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

**Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from their operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

**Trade receivables**

Customer credit risk is managed on the basis of Group’s established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The Group evaluates the concentration of risk with respect to trade receivable as high. However since the trade receivables mainly comprise of state utilities/government entities, the Group does not foresee any credit risk attached to receivables from such state utilities/government entities. The Group does not hold collateral as security.

| **Movement in expected credit loss on trade receivables during the year :** | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
|---|---|---|
| Opening balance | 2,617 | 5,577 |
| **Changes in allowance for expected credit loss:** | | |
| Created during the year (refer note 24) | (129) | (2,812) |
| Trade receivable written off during the year | - | (93) |
| Provision against receivables classified as held for sale derecognised during the year | - | (55) |
| **Closing balance** | **2,488** | 2,617 |

**Financial instruments and cash deposits**

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

**Movement in impairment allowances for doubtful loans during the year :**

| **Particulars** | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
|---|---|---|
| Opening balance | 916 | - |
| Created during the year (refer note 24) | 16,839 | 916 |
| **Closing balance** | **17,755** | **916** |

*This space has been intentionally left blank.*

(All amounts in INR lakhs, unless otherwise stated)

**Movement in impairment allowances for doubtful contractually reimbursable expenses during the year :**

| **Particulars** | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
|---|---|---|
| Opening balance | 109 | - |
| Created during the year (refer note 24) | - | 109 |
| **Closing balance** | **109** | 109 |

**Movement in impairment allowances for doubtful interest receivable during the year :**

| **Particulars** | **For the year ended March 31, 2026** | For the year ended March 31, 2025 |
|---|---|---|
| Opening balance | 74 | - |
| Provision created during the year (refer note 24) | 979 | 74 |
| **Closing balance** | **1,053** | 74 |

**Liquidity risk**

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

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

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

| | **Less than 1 year** | **1 to 5 years** | **> 5 years** | **Total** |
|---|---|---|---|---|
| **As at March 31, 2026** | | | | |
| Borrowings* | 1,81,363 | 6,78,103 | 6,23,343 | 14,82,809 |
| Loan from fellow subsidiaries* | - | 10 | - | 10 |
| Lease liabilities | 2,149 | 13,482 | 1,01,490 | 1,17,121 |
| Trade payables | 21,198 | - | - | 21,198 |
| Other financial liabilities** | 9,790 | - | - | 9,790 |
| Derivative liability | 288 | - | - | 288 |
| | **2,14,788** | **6,91,595** | **7,24,833** | **16,31,216** |

| | Less than 1 year | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|
| As at March 31, 2025 | | | | |
| Non-current borrowings* | 1,97,121 | 8,16,706 | 6,27,571 | 16,41,398 |
| Lease liabilities | 2,112 | 13,599 | 1,04,864 | 1,20,575 |
| Trade payables | 16,821 | - | - | 16,821 |
| Other financial liabilities** | 9,067 | - | - | 9,067 |
| Derivative liability | 1,060 | - | - | 1,060 |
| | 2,26,181 | 8,30,305 | 7,32,435 | 17,88,921 |

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

**41. Capital management**

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

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

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2026 and March 31, 2025.

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(INR amount in lakhs, unless otherwise stated)

## 42. Group information

**Information about subsidiaries**

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

| Name | Country of Incorporation /Principal place of business | % equity interest* | |
|---|---|---|---|
| | | **March 31, 2026** | March 31, 2025 |
| **Subsidiaries** | | | |
| Azure Power (Punjab) Private Limited | India | 100% | 100% |
| Azure Power (Haryana) Private Limited | India | 99.17% | 99.17% |
| Azure Solar Private Limited | India | 100% | 100% |
| Azure Power (Rajasthan) Private Limited | India | 100% | 100% |
| Azure Urja Private Limited | India | 100% | 100% |
| Azure Surya Private Limited | India | 100% | 100% |
| Azure Power (Karnataka) Private Limited | India | 100% | 100% |
| Azure Photovoltaic Private Limited | India | 100% | 100% |
| Azure Power Infrastructure Private Limited | India | 100% | 100% |
| Azure Power (Raj.) Private Limited | India | 100% | 100% |
| Azure Green Tech Private Limited | India | 100% | 100% |
| Azure Clean Energy Private Limited | India | 100% | 100% |
| Azure Sunrise Private Limited | India | 100% | 100% |
| Azure Sunshine Private Limited | India | 100% | 100% |
| Azure Power Earth Private Limited | India | 100% | 100% |
| Azure Power Eris Private Limited | India | 100% | 100% |
| Azure Power Jupiter Private Limited | India | 51.01% | 51.01% |
| Azure Power Makemake Private Limited | India | 100% | 100% |
| Azure Power Mars Private Limited | India | 100% | 100% |
| Azure Power Pluto Private Limited | India | 100% | 100% |
| Azure Power Uranus Private Limited | India | 100% | 100% |
| Azure Power Venus Private Limited | India | 100% | 100% |
| Azure Power Thirty Three Private Limited | India | 100% | 100% |
| Azure Power Thirty Four Private Limited | India | 100% | 100% |
| Azure Power Thirty Six Private Limited | India | 100% | 100% |
| Azure Power Thirty Seven Private Limited | India | 99.84% | 99.84% |
| Azure Power Thirty Nine Private Limited | India | 100% | 100% |
| Azure Power Forty Private Limited | India | 100% | 100% |
| Azure Power Forty One Private Limited | India | 100% | 100% |
| Azure Power Forty Three Private Limited | India | 100% | 100% |
| Azure Power Maple Private Limited | India | 100% | 100% |
| Azure Power Fifty One Private Limited | India | 100% | 100% |
| Azure Power Fifty Two Private Limited | India | 100% | 100% |
| Azure Power Fifty Three Private Limited | India | 100% | 100% |
| Azure Power Fifty Four Private Limited | India | 100% | 100% |
| Azure Power Fifty Six Private Limited | India | 100% | 100% |
| Azure Power Fifty Seven Private Limited | India | 100% | 100% |
| Azure Power Fifty Eight Private Limited | India | 100% | 100% |
| Azure Power Fifty Nine Private Limited | India | 100% | 100% |
| Azure Power Sixty Private Limited | India | 100% | 100% |
| Azure Power Sixty one Private Limited | India | 100% | 100% |
| Azure Power Sixty two Private Limited | India | 100% | 100% |
| Kotuma Wind Parks Private Limited | India | 100% | 100% |
| Two Wind Energy Private Limited | India | 100% | 100% |
| Azure Green Hydrogen Private Limited | India | 100% | 100% |
| Azure Power Sixty Three Private Limited | India | 100% | 100% |
| Azure Energy Transition Private Limited | India | 100% | 100% |
| Azure Power Sixty Four Private Limited | India | 100% | 100% |
| Azure Power Sixty Five Private Limited | India | 100% | 100% |
| Azure Power Sixty Six Private Limited | India | 100% | 100% |
| Azure Power US Inc. | United States of America | 100% | 100% |

**The Parent company**

The Parent Company of Azure Power India Private Limited is Azure Power Global Limited which is based in Mauritius.

* Includes shareholding held by nominee shareholders.

*This space has been intentionally left blank.*

**43. Significant accounting judgements, estimates and assumptions**

The preparation of the Group's financial statements requires 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/Assumptions**

In the process of applying the Group's accounting policies, the following judgements and assumptions have been made, which have the most significant effect on the amounts recognized in the consolidated financial statements:

**(i) Revenue from Viability Gap Funding (VGF)**

The Group records the proceeds received from Viability Gap Funding (VGF) on fulfilment of the underlying conditions as deferred revenue. Such deferred VGF revenue is recognized as other operating revenue in proportion to the actual sale of solar energy kilowatts during the period to the total estimated sale of solar energy kilowatts during the tenure of the applicable power purchase agreement pursuant to the revenue recognition policy.

**(ii) Classification of leases**

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

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease. (refer note 34)

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

**B. Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**(i) Share-based payments**

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 28.

**(ii) Taxes**

Projects of Group qualify for deduction from taxable income because its profits are attributable to undertakings engaged in development of solar power projects under section 80-IA of the Indian Income Tax Act, 1961. This holiday is available for a period of ten consecutive years out of fifteen years beginning from the year in which the Group generates power ("Tax Holiday Period"), however, the exemption is only available to the projects completed on or before March 31, 2017. The Group anticipates that it will claim the aforesaid deduction in the last ten years out of fifteen years beginning with the year in which the Group generates power and when it has taxable income. Accordingly, its current operations are taxable at the normally applicable tax rates. Due to the Tax Holiday Period, a substantial portion of the temporary differences between the book and tax basis of the Group's assets and liabilities do not have any tax consequences as they are expected to reverse within the Tax Holiday Period (refer note 17).

**(iii) Estimation of Defined Benefit Obligation**

The cost of the defined benefit obligation and the present value of the defined benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds, and extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates for the respective countries. Further details about the assumptions used, including a sensitivity analysis, are given in note 37.

**(iv) Provision for decommissioning**

The Group has recognized provisions for the future decommissioning of solar power plants set-up on leased land/ solar park at the end of the lease term. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the leased land and the expected timing of those costs. The carrying amount of the provision as at March 31, 2026 is INR 9604 lakhs (March 31, 2025: INR 8,771 lakhs). The Group estimates that the costs would be settled upon the expiration of the lease and calculates the provision using the discounted cash flow method based on the following assumptions:

► Estimated range of cost per megawatt– INR 5.6 lakhs to 6.4 lakhs (March 31, 2025 - INR 5.2 lakhs to 6.0 lakhs)
► Discount rate – 10.0% p.a. (March 31, 2025:10.0% p.a.)
► Inflation rate – 8.0% p.a. (March 31, 2025: 8.0 % p.a.)

*This space has been intentionally left blank.*

**(v) Fair value measurement of financial instruments**

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

Assumptions include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments (refer note 38 and 39).

**(vi) Depreciation on property, plant and equipment**

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

Based on legal opinion obtained, management is of the view that application of CERC and/or SERC rates for the purpose of accounting of depreciation expense is not mandatory. Hence, Group is depreciating the assets based on life as determined by the management. (refer note 3 and 23)

**(vii) Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount. Recoverable amount is arrived at fair value less costs of disposal and its value in use. The fair value less costs of disposal is determined based on available data from binding arm's length sales transactions for similar assets, or observable market prices. The value in use is determined using a discounted cash flow model, with cash flows derived from the business plan/budget covering the remaining useful life of the project. The discount rate applied reflects current market assessments of the time value of money and the risks specific to the asset. The recoverable amount is sensitive to the discount rate used in the discounted cash flow model, expected future cash inflows, and the growth rate used for extrapolation.

**(viii) Revenue estimate**

Where power purchase agreements (PPAs) include scheduled price changes, revenue is recognized at lower of the amount billed or by applying the average rate to the energy output estimated over the term of the PPA. The determination of the lesser amount is undertaken annually based on the cumulative amount that would have been recognized had each method been consistently applied from the beginning of the contract term. The Group estimates the total kilowatt hour units expected to be generated over the entire term of the PPA. The contractual rates are applied to this annual estimate to determine the total estimated revenue over the term of the PPA. The Group then uses the total estimated revenue and the total estimated kilo-watt hours to compute the average rate used to record revenue on the actual energy output supplied. The Group compares the actual energy supplied to the estimate of the energy expected to be generated over the remaining term of the PPA on a periodic basis, but at least annually. Based on this evaluation, the Group reassesses the energy output estimated over the remaining term of the PPA and adjusts the revenue recognized and deferred to date. The difference between actual billing and revenue recognized is recorded as deferred revenue (refer note 30).

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

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, legal interpretations of various other acts/laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies (refer note 17).

**(x) Provision for expected credit losses (ECL) of trade receivables and contract assets**

The Group follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. As per the requirements of Ind AS 109, on subsequent measurement, the management while making ECL assessment considered the past experience with the Government of honouring its commitments and the strong capacity and ability of the Government to meet its contractual cash flow obligations (refer note 40).

**(xi) Recognition and measurement of provision and contingencies**

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

*This space has been intentionally left blank.*

(INR amount in lakhs, unless otherwise stated)

**44. Additional information as required under Schedule III of the Companies Act, 2013, of enterprises consolidated in the financial statement:**

**For the year ended March 31, 2026**

| 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 | 3,87,334 | 123.36% | (73,261) | 168.82% | 280 | 76.76% | (72,981) | 169.60% |
| | | | | | | | | |
| **Indian Subsidiaries** | | | | | | | | |
| Azure Power (Punjab) Private Limited | 1,221 | 0.39% | (162) | 0.37% | (1) | (0.21%) | (163) | 0.38% |
| Azure Power (Haryana) Private Limited | 2,220 | 0.71% | (755) | 1.74% | (0) | (0.04%) | (755) | 1.75% |
| Azure Solar Private Limited | 7,323 | 2.33% | 1,908 | (4.40%) | (1) | (0.26%) | 1,907 | (4.43%) |
| Azure Power (Rajasthan) Private Limited | 432 | 0.14% | 349 | (0.81%) | (0) | (0.03%) | 349 | (0.81%) |
| Azure Urja Private Limited | 9,471 | 3.02% | (539) | 1.24% | (3) | (0.90%) | (542) | 1.26% |
| Azure Surya Private Limited | 6,674 | 2.13% | 334 | (0.77%) | (3) | (0.82%) | 331 | (0.77%) |
| Azure Power (Karnataka) Private Limited | 3,722 | 1.19% | 214 | (0.49%) | 0 | 0.02% | 214 | (0.50%) |
| Azure Photovoltaic Pvt Ltd | 11,983 | 3.82% | 406 | (0.93%) | 1 | 0.18% | 406 | (0.94%) |
| Azure Power Infrastructure Pvt Ltd | 15,033 | 4.79% | 1,115 | (2.57%) | (3) | (0.78%) | 1,112 | (2.59%) |
| Azure Power (Raj.) Pvt Ltd | 15,995 | 5.09% | 624 | (1.44%) | 0 | 0.02% | 624 | (1.45%) |
| Azure Green Tech Private Limited | 12,473 | 3.97% | 796 | (1.83%) | (0) | (0.04%) | 796 | (1.85%) |
| Azure Clean Energy Pvt Ltd | 12,435 | 3.96% | 1,274 | (2.94%) | 0 | 0.12% | 1,275 | (2.96%) |
| Azure Sun Rise Pvt Ltd | 6,868 | 2.19% | (1,532) | 3.53% | (0) | (0.03%) | (1,533) | 3.56% |
| Azure Sunshine Pvt Ltd | 5,999 | 1.91% | 9 | (0.02%) | 0 | 0.05% | 9 | (0.02%) |
| Azure Power Earth Private Limited | 9,352 | 2.98% | (754) | 1.74% | 1 | 0.38% | (753) | 1.75% |
| Azure Power Eris Private Limited | 3,485 | 1.11% | 749 | (1.73%) | (0) | (0.07%) | 749 | (1.74%) |
| Azure Power Jupiter Private Limited | 3,836 | 1.22% | 99 | (0.23%) | 6 | 1.53% | 105 | (0.24%) |
| Azure Power Makemake Private Limited | 11,860 | 3.78% | 1,014 | (2.34%) | (0) | (0.07%) | 1,014 | (2.36%) |
| Azure Power Mars Private Limited | 1,469 | 0.47% | 6 | (0.01%) | (0) | (0.03%) | 6 | (0.01%) |
| Azure Power Pluto Private Limited | 33,956 | 10.81% | 3,178 | (7.32%) | 0 | 0.04% | 3,177 | (7.38%) |
| Azure Power Uranus Private Limited | 191 | 0.06% | (183) | 0.42% | (0) | (0.07%) | (183) | 0.43% |
| Azure Power Venus Private Limited | 132 | 0.04% | (1,352) | 3.11% | (0) | (0.06%) | (1,352) | 3.14% |

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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 Three Private Limited | 3,089 | 0.98% | (7,545) | 17.39% | (1) | (0.36%) | (7,544) | 17.53% |
| Azure Power Thirty Four Private Limited | 15,108 | 4.81% | 1,420 | (3.27%) | 0 | 0.08% | 1,423 | (3.31%) |
| Azure Power Thirty Six Private Limited | 4,435 | 1.41% | (1,275) | 2.94% | 0 | 0.00% | (1,275) | 2.96% |
| Azure Power Thirty Seven Private Limited | 24,680 | 7.86% | (1,087) | 2.50% | 1 | 0.14% | (1,081) | 2.51% |
| Azure Power Thirty Nine Private Limited | 538 | 0.17% | (2) | 0.00% | - | 0.00% | (2) | 0.00% |
| Azure Power Forty Private Limited | 13,806 | 4.40% | 141 | (0.33%) | 1 | 0.37% | 143 | (0.33%) |
| Azure Power Forty One Private Limited | 20,714 | 6.60% | 3,479 | (8.02%) | (1,448) | (396.77%) | 2,034 | (4.73%) |
| Azure Power Forty Three Private Limited | 42,884 | 13.66% | 1,731 | (3.99%) | 1 | 0.17% | 1,735 | (4.03%) |
| Azure Power Fifty One Private Limited | (316) | (0.10%) | 191 | (0.44%) | - | 0.00% | 191 | (0.44%) |
| Azure Power Fifty Two Private Limited | (10,037) | (3.20%) | 382 | (0.88%) | (0) | (0.06%) | 381 | (0.89%) |
| Azure Power Fifty Three Private Limited | (1,112) | (0.35%) | (2) | 0.00% | - | 0.00% | (2) | 0.00% |
| Azure Power Fifty Four Private Limited | (1,053) | (0.34%) | (2) | 0.00% | - | 0.00% | (2) | 0.01% |
| Azure Power Green Private Limited | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% |
| Azure Power Maple Private Limited | (19,203) | (6.12%) | (20,156) | 46.45% | 184 | 50.39% | (19,973) | 46.42% |
| Azure Power Fifty Six Private Limited | (238) | (0.08%) | (7) | 0.02% | - | 0.00% | (7) | 0.02% |
| Azure Power Fifty Seven Private Limited | (258) | (0.08%) | (2) | 0.00% | - | 0.00% | (2) | 0.00% |
| Azure Power Fifty Eight Private Limited | (724) | (0.23%) | (353) | 0.81% | - | 0.00% | (353) | 0.82% |
| Azure Power Fifty Nine Private Limited | (1,077) | (0.34%) | (2) | 0.01% | - | 0.00% | (2) | 0.01% |
| Azure Power Sixty Private Limited | (1,048) | (0.33%) | (2) | 0.01% | - | 0.00% | (2) | 0.01% |
| Azure Power Sixty one Private Limited | (16) | (0.01%) | (4) | 0.01% | - | 0.00% | (4) | 0.01% |
| Azure Power Sixty two Private Limited | (840) | (0.27%) | (2) | 0.00% | - | 0.00% | (2) | 0.00% |
| Kotuma Wind Parks Private Limited | (2,631) | (0.84%) | (90) | 0.21% | - | 0.00% | (90) | 0.21% |
| Two Wind Energy Private Limited | (6,226) | (1.98%) | (144) | 0.33% | - | 0.00% | (144) | 0.33% |
| Azure Green Hydrogen Private Limited | (19) | (0.01%) | (5) | 0.01% | - | 0.00% | (5) | 0.01% |
| Azure Power Sixty Three Pvt Ltd | (317) | (0.10%) | (104) | 0.24% | - | 0.00% | (104) | 0.24% |

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(INR amount in lakhs, unless otherwise stated)

| Name of the entity in the Group | Net Assets i.e. total assets minus total liabilities | | Share in Profit/(loss) | | Share in Other Comprehensive income/(loss) | | Share in Total Comprehensive income/(loss) | |
|---|---|---|---|---|---|---|---|---|
| | Amount | As a % of consolidated net assets | Amount | As a % of consolidated profit or loss | Amount | As a % of consolidated other comprehensive income/(loss) | Amount | As a % of consolidated total comprehensive income/(loss) |
| Azure Power Sixty Four Pvt Ltd | (17) | (0.01%) | (4) | 0.01% | - | 0.00% | (4) | 0.01% |
| Azure Power Sixty Six Private Limited | (7) | (0.00%) | (2) | 0.00% | - | 0.00% | (2) | 0.00% |
| Azure Energy Transition Private Limited | (290) | (0.09%) | (24) | 0.06% | - | 0.00% | (24) | 0.06% |
| Azure Power Sixty Five Private Limited | (17) | (0.01%) | (4) | 0.01% | - | 0.00% | (4) | 0.01% |
| **Subsidiaries incorporated outside India** | | | | | | | | |
| Azure Power US Inc. | 4,130 | 1.32% | 1 | (0.00%) | - | 0.00% | 1 | (0.00%) |
| | **6,47,402** | **206.19%** | **(89,935)** | **207.24%** | **(987)** | **-270.34%** | **(90,909)** | **211.26%** |
| | | | | | | | | |
| Adjustments arising out of consolidation | (3,35,365) | (106.81%) | 46,497 | (107.14%) | 1,352 | 370.34% | 47,836 | (111.16%) |
| **Consolidated Net Assets/ Profit after tax** | **3,12,037** | **99.38%** | **(43,438)** | **100.09%** | **365** | **100.00%** | **(43,073)** | **100.10%** |
| | | | | | | | | |
| **Non controlling interest in all subsidiaries** | **1,953** | **0.62%** | **41** | **-0.09%** | **-** | **0.00%** | 41 | -0.10% |
| | | | | | | | | |
| **Total** | **3,13,990** | **100.00%** | **(43,397)** | **100.00%** | **365** | **100.00%** | **(43,032)** | **100.00%** |

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(INR amount in lakhs, unless otherwise stated)

For the year ended March 31, 2025

| Name of the entity in the Group | Net Assets i.e. total assets minus total liabilities | | Share in Profit/(loss) | | Share in Other Comprehensive income/(loss) | | Share in Total Comprehensive income/(loss) | |
|---|---|---|---|---|---|---|---|---|
| | Amount | As a % of consolidated net assets | Amount | As a % of consolidated profit or loss | Amount | As a % of consolidated other comprehensive income/(loss) | Amount | As a % of consolidated total comprehensive income/(loss) |
| **Parent** | | | | | | | | |
| Azure Power India Private Limited | 4,60,325 | 128.93% | (16,252) | (93.20%) | 13 | (1.03%) | (16,239) | (100.35%) |
| | | | | | | | | |
| **Indian Subsidiaries** | | | | | | | | |
| Azure Power (Punjab) Private Limited | 1,384 | 0.39% | 316 | 1.81% | (0) | 0.01% | 316 | 1.95% |
| Azure Power (Haryana) Private Limited | 2,975 | 0.83% | 912 | 5.23% | (0) | 0.00% | 912 | 5.63% |
| Azure Solar Private Limited | 5,415 | 1.52% | 441 | 2.53% | (0) | 0.03% | 441 | 2.73% |
| Azure Power (Rajasthan) Private Limited | 83 | 0.02% | 2 | 0.01% | (0) | 0.00% | 2 | 0.01% |
| Azure Urja Private Limited | 10,014 | 2.80% | 2,483 | 14.24% | (0) | 0.03% | 2,483 | 15.34% |
| Azure Surya Private Limited | 6,344 | 1.78% | 963 | 5.52% | (0) | 0.01% | 963 | 5.95% |
| Azure Power (Karnataka) Private Limited | 3,509 | 0.98% | 770 | 4.41% | (1) | 0.05% | 769 | 4.75% |
| Azure Photovoltaic Pvt Ltd | 11,576 | 3.24% | 2,995 | 17.17% | (0) | 0.03% | 2,994 | 18.50% |
| Azure Power Infrastructure Pvt Ltd | 13,922 | 3.90% | (914) | (5.24%) | (0) | 0.00% | (914) | (5.65%) |
| Azure Power (Raj.) Pvt Ltd | 15,371 | 4.31% | 3,001 | 17.21% | 0 | (0.01%) | 3,001 | 18.54% |
| Azure Green Tech Private Limited | 11,677 | 3.27% | 2,700 | 15.49% | 1 | (0.11%) | 2,702 | 16.70% |
| Azure Clean Energy Pvt Ltd | 11,159 | 3.13% | 2,468 | 14.15% | (0) | 0.02% | 2,468 | 15.25% |
| Azure Sun Rise Pvt Ltd | 8,401 | 2.35% | 11,464 | 65.74% | 0 | (0.03%) | 11,464 | 70.85% |
| Azure Sunshine Pvt Ltd | 5,990 | 1.68% | 1,621 | 9.30% | 0 | (0.00%) | 1,621 | 10.02% |
| Azure Power Earth Private Limited | 10,104 | 2.83% | 1,619 | 9.29% | (1) | 0.06% | 1,618 | 10.00% |
| Azure Power Eris Private Limited | 2,736 | 0.77% | (51) | (0.29%) | (0) | 0.04% | (52) | (0.32%) |
| Azure Power Jupiter Private Limited | 3,729 | 1.04% | (0) | (0.00%) | (1) | 0.11% | (1) | (0.01%) |
| Azure Power Makemake Private Limited | 10,846 | 3.04% | 1,126 | 6.46% | (0) | 0.02% | 1,126 | 6.96% |
| Azure Power Mars Private Limited | 1,463 | 0.41% | 259 | 1.48% | (1) | 0.12% | 257 | 1.59% |
| Azure Power Mercury Private Limited | - | 0.00% | 91 | 0.52% | - | 0.00% | 91 | 0.56% |
| Azure Power Pluto Private Limited | 30,777 | 8.62% | 5,195 | 29.79% | (2) | 0.16% | 5,192 | 32.09% |
| Azure Power Uranus Private Limited | 375 | 0.11% | 102 | 0.59% | 2 | (0.14%) | 104 | 0.64% |
| Azure Power Venus Private Limited | 1,483 | 0.42% | 924 | 5.30% | (2) | 0.13% | 922 | 5.70% |
| Azure Power Saturn Private Limited | - | 0.00% | (147) | (0.84%) | - | 0.00% | (147) | (0.91%) |
| Azure Power Thirty Three Private Limited | 10,634 | 2.98% | 3,004 | 17.23% | 1 | (0.08%) | 3,007 | 18.58% |

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

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(INR amount in lakhs, unless otherwise stated)

| Name of the entity in the Group | Net Assets i.e. total assets minus total liabilities | | Share in Profit/(loss) | | Share in Other Comprehensive income/(loss) | | Share in Total Comprehensive income/(loss) | |
|---|---|---|---|---|---|---|---|---|
| | Amount | As a % of consolidated net assets | Amount | As a % of consolidated profit or loss | Amount | As a % of consolidated other comprehensive income/(loss) | Amount | As a % of consolidated total comprehensive income/(loss) |
| Azure Power Sixty Six Private Limited | (5) | (0.00%) | (3) | (0.02%) | - | 0.00% | (3) | (0.02%) |
| Azure Energy Transition Private Limited | (265) | (0.07%) | (28) | (0.16%) | - | 0.00% | (28) | (0.17%) |
| Azure Power Sixty Five Private Limited | (12) | (0.00%) | (5) | (0.03%) | - | 0.00% | (5) | (0.03%) |
| **Subsidiaries incorporated outside India** | | | | | | | | |
| Azure Power US Inc. | 4,127 | 1.16% | (106) | (0.61%) | - | 0.00% | (106) | (0.66%) |
| | 7,36,995 | 206.43% | 43,736 | 250.81% | (1,248) | 99.40% | 42,501 | 262.64% |
| | | | | | | | | |
| Adjustments arising out of consolidation | (3,81,885) | (106.96%) | (26,340) | (151.05%) | (8) | 0.60% | (26,361) | (162.90%) |
| Consolidated Net Assets/ Profit after tax | 3,55,110 | 99.46% | 17,396 | 99.76% | (1,256) | 100.00% | 16,140 | 99.74% |
| | | | | | | | | |
| Non controlling interest in all subsidiaries | 1,912 | 0.54% | 42 | 0.24% | - | 0.00% | 42 | 0.26% |
| | | | | | | | | |
| Total | 3,57,022 | 100.00% | 17,438 | 100.00% | (1,256) | 100.00% | 16,182 | 100.00% |

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**45. Impairment of assets and assets held for sale**

**(i)** During the year ended March 31, 2021, the Group along with its fellow subsidiary Azure Power Rooftop Private Limited (APRPL) entered into a contract with Radiance Renewables Private Limited ("Radiance") to sell certain subsidiaries (the "Rooftop Subsidiaries") with an operating capacity of 153 MW, for INR 53,500 lakhs, subject to certain purchase price adjustments (the "Rooftop Sale Agreement"). Whereby, Radiance will acquire 100% of the equity ownership of the Rooftop Subsidiaries owned by the Group. The Group had transferred 100% shareholding in relation to 17.3 MW operating capacity in earlier years.

There was a restriction on transfer of 33.2 MW operating capacity that are part of the Restricted Group as defined in the Green Bond Indenture. The Group had transferred 48.6% equity ownership of these entities in financial year 2021-22 and remaining 51.4% ownership was to be transferred post refinancing of the Green Bonds which were due in December 2024. There was also a restriction on transfer of equity ownership relating to the 16 MW project with Delhi Jal Board (DJB), wherein 49% of the equity ownership was transferred to Radiance in financial year 2021-22 and the balance 51% was to be transferred on or after September 30, 2024.

Pursuant to refinancing of the Green Bonds, the Group transferred ownership of 33.2 MW operating capacity forming part of Restricted Group. Out of 33.2 MW, the Group had transferred 51.4% remaining equity ownership to Radiance for 21.8 MW during the previous year. During the current year, in May 2025, the remaining 51.4% equity ownership for the balance 11.4 MW was also transferred to Radiance, completing the transfer of the entire 33.2 MW Restricted Group capacity.

For the 16 MW project with Delhi Jal Board (DJB), during the current year, in April 2025, the Group transferred the balance 51% remaining equity ownership to Radiance, completing the transfer of the entire 16 MW DJB capacity.
Accordingly, with the transfer of both the Restricted Group (33.2 MW) and DJB (16 MW) portfolios completed during the current year, no investments under the Rooftop Sale Agreement remain classified as current investment in these consolidated financial statements as at March 31, 2026.

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

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

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**46. Additional regulatory information required by Schedule III**

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

(ii) The Group has not traded or invested in crypto currency or virtual currency during the financial year.

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

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

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

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

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

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

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

(vi) None of the entities under the Group have been declared as a wilful defaulter by any bank, financial institution or any other lender, government or any government authority.

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

(viii) The Group has complied with the number of layers prescribed under clause 87 of section 2 of the Act read with Companies (Restriction on number of layers) Rules, 2017.

(ix) The Group has not entered into any scheme or arrangement, which has an accounting impact on current and previous financial year.

(x) The Group does not have any transactions with companies struck off.

**47. Whistle-blower complaints**

The Group received whistleblower complaints and initiated internal investigations headed by the Audit and Risk Committee of the Parent Company (the "ARC Investigation") and a Special Committee of Board of Directors of the Parent Company established in August 2022 (the "Special Committee Investigation"). At the direction of the Board of Directors of the Parent Company, external counsel for the committees initiated a voluntary self-disclosure on behalf of the Parent Company to the U.S. Department of Justice and the U.S. Securities and Exchange Commission (the "U.S. Government"). The Parent Company continues to cooperate with the U.S. Government's investigations. The ARC Investigation was concluded in the previous year. The Special Committee Investigation, which is substantially complete, identified evidence that individuals formerly affiliated with the Group may have had knowledge of, or were involved in, an apparent scheme with persons outside the Group to make improper payments in relation to certain projects. To date, the Special Committee has not identified related improper payments or transfers by the Group. The Special Committee's review and the information it identified have impacted the decision-making of the Group in connection with such projects. The Company is not a defendant in either action. On May 18, 2026, the U.S. Department of Justice moved to dismiss the criminal indictment with prejudice. The United States District Court has not yet ruled on that motion.

Our Group (specifically 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 from lenders) 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 U.S. Government 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, 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.

**48. Manufacturing linked tender award of 4000 MW**

Pursuant to the manufacturing linked tender award of 4,000 MW, the Group executed PPAs for a capacity of 2,333 MW with SECI, for which SECI executed a Power Sale Agreement ("PSA") with the state of Andhra Pradesh during financial year 2021-22. In respect of these 2,333 MW projects, two Public interest litigations (PILs) were filed in the High Court of Andhra Pradesh in the same financial year, challenging various aspects of the manufacturing linked tender and seeking to quash the Andhra Pradesh Regulator's approval for procurement of capacity tied up by Andhra Pradesh Discoms with SECI pursuant to the tender. The tariff adoption for the capacities by the CERC is subject to the outcome of the PILs. We are not a party to the PILs, and the PILs are currently pending adjudication. We cannot predict the outcome of these two PILs.

Based on the economics and uncertainties associated with the PILs and Special Committee of the Board of the Holding Company (the "Special Committee") review, the Group decided to terminate the PPAs in respect of these 2,333 MW projects and filed a petition at the Andhra Pradesh High Court seeking a declaration that the Group should be discharged from performance of the obligations under the Andhra Pradesh PPAs for a capacity of 2,333 MW as a result of the absence of the unconditional tariff adoption order from the regulatory commission. Considering the communication received from SECI and imminent threat of encashment of Bank Guarantees. We obtained an interim order dated October 16, 2023 from the High Court of Andhra Pradesh restraining such encashment and any coercive action against us till the next hearing date. The next hearing date will be notified by the court in due course.

On March 18, 2024, we received two letters from SECI. In its first letter, SECI stated that it had terminated the PPAs with the Group in respect of the 2,333 MW projects and reserved its rights to take action against the Group including forfeiture of the performance bank guarantees and success charges and fees in respect of the PPAs and other documentation associated with the 2,333 MW projects. In its second letter, SECI informed the Group that it was awarding the 2,333 MW projects and associated PPAs to a third-party. Further, SECI informed the Group that it had reduced Azure's capacity allocation under the manufacturing Letter of Award by 2,333 MW and its corresponding manufacturing capacity under Manufacturing Contract Agreements (MCAs) of solar cells and solar modules by 583 MW from 1,000 MW.

Accordingly, the Group has recognised provisions of INR 5,097 lakhs cumulatively till March 31, 2026 (March 31, 2025: INR 5,097 lakhs) against impairment of assets and INR 12,315 lakhs cumulatively till March 31, 2026 (March 31, 2025: INR 12,315 lakhs) towards Bank Guarantees in its standalone financial statements.

In light of the Special Committee review as well as economic and execution challenges, the Group has decided to withdraw from the 700 MW projects which is part of the 4,000 MW manufacturing linked tender awarded by SECI. The Group continues discussions with SECI to ensure an orderly withdrawal from the 700 MW projects and from the obligations of the Group under the PPA, Performance Bank Guarantees and other guarantees relating to the projects.

Accordingly, the Group has recognised provision for INR 15,523 lakhs cumulatively till March 31, 2026 (March 31, 2025: 15,523 lakhs) against impairment of assets and recognised provisions of INR 1,345 lakhs, (net of reversal of provision of INR 716 lakhs after execution of PPA with SECI for 400 MW) cumulatively till March 31, 2026 (March 31, 2025: INR 2,061 lakhs) towards Bank Guarantees in its standalone financial statements.

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

Accordingly, provisions of INR 1,945 lakhs cumulatively till March 31, 2026 (March 31, 2025: INR 1,945 lakhs) was recognized towards bank guarantees related to MCAs referred to above, including delays due to reduced capacity under the MCAs.

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**49. Power Purchase Agreement of 120 MW wind power project**

The Power Purchase Agreement executed for the Company's 120 MW wind power project contained certain provisions not in accordance with the bidding guidelines issued by the Ministry of New and Renewable Energy ("MNRE"). The tariff for the project was adopted by the Central Electricity Regulatory Commission ("CERC") in March 2024, after a delay of over 16 months, despite the Company's objections to adoption of tariff for a PPA containing such deviations. Aggrieved by the said order, the Company has filed an appeal before the Appellate Tribunal for Electricity ("APTEL") challenging CERC's tariff adoption order, which is pending adjudication as at the balance sheet date.

In connection with the project, the Company has furnished performance bank guarantees aggregating to INR 2,030 Lakhs which remain outstanding as at the year end. Based on a legal assessment of the matter, amount of INR 2,030 lakhs is considered as contingent liability.

**50. Power Purchase Agreement of 150 MW Hybrid Project**

The Group had recognized provision of INR 8,626 lakhs till March 31, 2025 towards impairment of assets against Naregal site for wind projects pursuant to expiry of Government Orders ("GOs") during Fiscal Year 2025 and uncertainty of execution of project at that site. This matter remains status quo.

In case of the 150 MW solar-wind Hybrid Project, in light of economic and execution challenges, the Group had decided to withdraw from the project and the associated ISTS Connectivity grant. The Group continues discussions with SECI to ensure an orderly withdrawal from the 150 MW Hybrid Project and from the obligations of the Group under the PPA, Performance Bank Guarantees and other guarantees relating to the Hybrid Project. In the previous year, the Company had recognized a provision of INR 1,990 lakhs towards Bank Guarantees in relation to the 150 MW Hybrid Project. During the current year, pursuant to payment made against the said Bank Guarantees, the Company has reversed provision of INR 2 lakhs.

**51. Annual General Meeting of Financial Year 2021-22 and 2022-23**

As per the provision of the Companies Act, 2013, a company is required to convene the Annual General Meeting ("AGM") for adoption of its annual audited financial statements within the six months from the end of each financial year, i.e. September 30 ("Due Date"). The Registrar of Companies ("ROC") granted three months extensions to the holding company and its subsidiaries to hold the AGMs for financial year 2021-22 and 2022-23 on or before December 31, 2022, and December 31, 2023, respectively. Considering the delay in closure of audit due to the then ongoing investigations (refer note 47), the AGM for financial year 2021-22 and 2022-23 were held in February 2024 and May 2024 & June 2024 respectively, i.e. after the extension granted by ROC.

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

**52. Impairment Assessment of Loans, Interest accrued and other receivables**

**(a) Basis of assessment**

At each reporting date, the Company assesses whether there is any indication that its loans, interest accrued and other receivables are required to be impaired.

Loans, interest receivable and other receivables classified as financial assets are assessed for expected credit loss ("ECL") in accordance with Ind AS 109 Financial Instruments. The assessment is performed with reference to the underlying cash flow generating capacity and financial position of the respective subsidiaries.

**(b) Indicators of impairment**

In assessing whether impairment indicators exist, the Group considers both external and internal sources of information, including changes in discount rates, actual performance below approved budgets or forecasts, continuing operating losses, adverse changes in market conditions, deterioration in financial position, negative net worth and other indicators of reduced recoverability.

Where such indicators are identified, the Group estimates the recoverable amount of the loans, interest accrued and other receivables or determines the expected credit loss on the related financial assets, as applicable.

**(c) Impairment testing methodology**

**Operating fellow subsidiaries**

For operating subsidiaries, value in use is determined using discounted cash flow models over the remaining project life. Key assumptions include long-term generation estimates, contracted power purchase agreement ("PPA") tariffs, operating and maintenance costs, and an appropriate discount rate reflecting the risks specific to the underlying business.

**Non-operating fellow subsidiaries**

For subsidiaries that do not have operating projects or identifiable future project cash flows, recoverability of loans, receivables and CCDs is assessed primarily based on the subsidiary's net asset value/net worth and the expected recoverability of the underlying assets.

**(d) Impairment recognised during the year ended March 31, 2026**

Based on the assessment performed with reference to the financial position of subsidiaries as at March 31, 2026, impairment expenses (net of reversals) recognised during the year of INR 17,818 lakhs (March 31, 2025: INR 4,485 lakhs). (Refer note 24 and 27)

**(e) Net reversal of ECL on trade receivables**

During the current year, the Company has recognised net reversal of ECL on trade receivable based on accounting policy INR 129 lakhs (March 31, 2025 : INR 2,812 lakhs).

**53**. **Arbitration with Vendor**

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

**54. Business Insurance claim**

During the year ended March 31, 2026, the operations of one of subsidiaries of the Group, Azure Power Forty-Three Private Limited, were adversely impacted due to failure of certain equipment. As a result, the plant's availability were affected from August 2025 to April 2026, leading to a decline in revenue during the year.

The Group had filed a claim under its Business Interruption and Material Damage Insurance Policy. Against this claim, the Group received insurance proceeds amounting to INR 3,512 lakhs in June 2026. Based on the assessment, the Group has recognized INR 3,276 lakhs as Other Income in the Statement of Profit and Loss for the year ended March 31, 2026.

During the previous year ended March 31, 2025, the operations of one of the subsidiary of the Group (Azure Power Eris Private Limited) was severely impacted by floods. Due to this the plant's availability was affected temporarily since September 2024 which resulted in decline in revenue during the prevoius year. The Group also recognised loss on property, plant and equipment due to the damage and recognised net loss of INR 174 lakhs. In May 2025 plant resumed the operation.

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**55. Going Concern**

(a) As at March 31, 2026, Azure Power Thirty Nine Private Limited (subsidiary company) has accumulated losses of INR 66 lakhs (March 31, 2025: INR 64 lakhs). Further, the subsidiary company's current liability exceeds its current assets by INR 1 lakhs (March 31, 2025: INR 1 lakhs). Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make subsidiary company meet its obligations for future.

(b) As at March 31, 2026, the current liabilities of Azure Power Thirty Three Private Limited (subsidiary company) exceeds its current assets by INR 4,725 lakhs (March 31, 2025 INR 3,041 lakhs). Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make subsidiary company meet its obligations for future.

(c) As at March 31, 2026, Azure Power Maple Private Limited (subsidiary company), has accumulated losses of INR 41,154 lakhs (March 31, 2025: INR 21,000 lakhs) and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded its current assets by INR 3,166 lakhs (March 31, 2025: INR 58,654 lakhs). Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make subsidiary company meet its obligations for future.

(d) As at March 31, 2026, Azure Power Fifty Six Private Limited (subsidiary company) has accumulated losses of INR 249 lakhs (March 31, 2025: INR 241 lakhs) and its net worth has fully eroded. Further, the subsidiary company's current liabilities exceeded its current assets by INR 229 lakhs (March 31, 2025: INR 230 lakhs) as at the balance sheet date. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make subsidiary company meet its obligations for future.

(e) As at March 31, 2026, Azure Power Fifty Seven Private Limited (subsidiary company) has accumulated losses of INR 259 lakhs (March 31, 2025: INR 257 lakhs) and its networth has fully erored. Further, The subsidiary company's current liability exceeded its current assets by INR 258 lakhs (March 31, 2025: INR 256 lakhs). Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make subsidiary company meet its obligations for future.

(f) As at March 31, 2026, Azure Power Fifty Eight Private Limited (subsidiary company) has accumulated losses of INR 725 lakhs (March 31 2025: INR 371 lakhs) and its networth has fully erored. Further, The subsidiary company's current liability exceeded its current assets by INR 995 lakhs (March 31 2025: INR 957 lakhs) as at the balance sheet date. Azure Power India Private Limited has committed to extend financial and operational support to the Company, as may be required, in order to make Company meet its obligations for future.

(g) As at March 31, 2026, Azure Power Sixty One Private Limited (subsidiary company) has accumulated losses of INR 17 lakhs (March 31, 2025: INR 13 lakhs) and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded its current assets by INR 462 lakhs (March 31, 2025: INR 460 lakhs). Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make subsidiary company meet its obligations for future.

(h) As at March 31, 2026, Two Wind Energy Private Limited (subsidiary company) has accumulated losses of INR 6,227 lakhs (March 31, 2025: INR 6,084 lakhs) and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded its current assets by INR 5,077 lakhs (March 31, 2025: INR 4,186 lakhs). Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make subsidiary company meet its obligations for future.

(i) As at March 31, 2026, Azure Green Hydrogen Private Limited (subsidiary company has accumulated losses of INR 20 lakhs (March 31, 2025: INR 16 lakhs) and its networth has fully erored. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make subsidiary company meet its obligations for future.

(j) As at March 31, 2026, Azure Power Sixty Three Private Limited (subsidiary company) has accumulated loss of INR 318 lakhs (March 31, 2025: INR 214 lakhs) and its net worth has fully eroded. The subsidiary company's current liabilities exceeded its current assets by INR 1,325 lakhs (March 31, 2025: INR Nil). Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make subsidiary company meet its obligations for future.

(k) As at March 31, 2026, Azure Energy Transition Private Limited (subsidiary company) has accumulated losses of INR 292 lakhs (March 31, 2025: INR 268 lakhs) and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded its current assets by INR 28 lakhs (March 31, 2025: INR 23 lakhs) as at the balance sheet date Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make subsidiary company meet its obligations for future.

(l) As at March 31, 2026, Azure Power Sixty Four Private Limited (subsidiary company) has accumulated losses of INR 18 lakhs (March 31, 2025: INR 14 lakhs) and its net worth has fully eroded. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make subsidiary company meet its obligations for future.

(m) As at March 31, 2026, Azure Power Sixty Five Private Limited (subsidiary company) has accumulated losses of INR 18 lakhs (March 31, 2025: INR 13 lakhs) and its net worth has fully eroded. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make subsidiary company meet its obligations for future.

(n) As at March 31, 2026, Azure Power Sixty Six Private Limited (subsidiary company) has accumulated losses of INR 8 lakhs (March 31, 2025: INR 6 lakhs) and its net worth has fully eroded. Further, the subsidiary company's current liabilities exceeded its current assets by INR 7 lakhs (March 31, 2025: INR 5 lakhs) as at the balance sheet date. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make subsidiary company meet its obligations for future.

(o) As at March 31, 2026, Azure Power Fifty Two Private Limited (subsidiary company) has accumulated losses of INR 11,534 lakhs (March 31, 2025: INR 11,916 lakhs) and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded its current assets by INR 17,366 lakhs (March 31, 2025: INR 5,853 lakhs). Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make subsidiary company meet its obligations for future.

(p) As at March 31, 2026, Azure Power Fifty One Private Limited (subsidiary company) has accumulated losses of INR 3,413 lakhs (March 31, 2025: INR 3,603 lakhs) and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded its current assets by INR 3,294 lakhs (March 31, 2025: INR 3,679 lakhs). Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make subsidiary company meet its obligations for future.

(q) As at 31 March 2026, Azure Power Fifty Three Private Limited (subsidiary company) has accumulated losses of INR 1,123 lakhs (31 March 2025 : INR 1,121 lakhs) and its net worth has fully eroded. Further, The Company's current liabilities exceeded the current assets by INR 1,112 lakhs (31 March 2025: INR 1,110 lakhs) as at the balance sheet date. Considering these factors including the termination of PPA as mentioned in its standalone financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the subsidiary company as at and for the year ended March 31, 2026. Accordingly, the financial statements of the subsidiary company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

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(r) As at 31 March 2026, Azure Power Fifty Four Private Limited (subsidiary company) has accumulated losses of INR 1,054 lakhs (31 March 2025: INR 1,052 lakhs) and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded the current assets by INR 1,053 lakhs (31 March 2025: INR 1,051 lakhs) as at the balance sheet date. Considering these factors including the termination of PPA as mentioned in its standalone financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the subsidiary company as at and for the year ended March 31, 2026. Accordingly, the financial statements of the subsidiary company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(s) As at 31 March 2026, Azure Power Fifty Nine Private Limited (subsidiary company) has accumulated losses of INR 1,078 lakhs (31 March 2025: INR 1,076 lakhs) and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded the current assets by INR 1,077 lakhs (31 March 2025: INR 1,075 lakhs) as at the balance sheet date. Considering these factors including the termination of PPA as mentioned in its standalone financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the subsidiary company as at and for the year ended March 31, 2026. Accordingly, the financial statements of the subsidiary company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(t) As at 31 March 2026, Azure Power Sixty Private Limited (subsidiary company) has accumulated losses of INR 1,049 lakhs (31 March 2025 : INR 1,047 lakhs) and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded the current assets by INR 1,048 lakhs (31 March 2025: INR 1,046 lakhs) as at the balance sheet date. Considering these factors including the termination of Power Purchase Agreement as mentioned in its standalone financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the subsidiary company as at and for the year ended March 31, 2026. Accordingly, the financial statements of the subsidiary company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(u) As at 31 March 2026, Azure Power Sixty Two Private Limited (subsidiary company) has accumulated losses of INR 841 lakhs (31 March 2025: INR 839 lakhs) and its net worth has fully eroded. Further, The subsidiary company's current liabilities exceeded the current assets by INR 840 lakhs (31 March 2025: INR 838 lakhs) as at the balance sheet date. Considering these factors including the termination of Power Purchase Agreement as mentioned in its standalone financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the subsidiary company as at and for the year ended March 31, 2026. Accordingly, the financial statements of the subsidiary company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(v) As at 31 March 2026, Kotuma Wind Parks Private Limited (subsidiary company) has accumulated losses of INR 2,636 lakhs (31 March 2025: INR 2,545 lakhs) and its net worth has fully eroded. The subsidiary company's current liabilities exceeded its current assets by INR 2,736 lakhs (31 March 2025: INR 2,638 lakhs) as at the balance sheet date. Considering these factors including the decision for withdrawal from the project as mentioned in its standalone financial statements, the absence of any order in hand or alternate business plan etc., in view of the Management, the going concern assumption is not appropriate for the preparation of financial statements of the subsidiary company as at and for the year ended March 31, 2026. Accordingly, the financial statements of the subsidiary company have been prepared on not for going concern basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements and provisions has been made for additional liabilities that may arise. Subject to this, these financial statements have been prepared on an accrual basis and under the historical cost convention. Except for effects of going concern assumption not existent, the accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

**56. Recent accounting pronouncement**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants.
2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk.
3. Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively.

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

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**57. Transfer pricing**

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, 2026 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.

**58.** Previous year's figures have been regrouped/ reclassified, to conform to the classification adopted in the current year classification.

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

KRISHNA NITHYANANDA KAMATH
Digitally signed by KRISHNA NITHYANANDA KAMATH
Date: 2026.08.13 20:50:14 +05'30'

**K Nithyananda Kamath**
Partner
Membership No: 027972
Place: Gurugram
Date : August 13, 2026

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

SUNIL GUPTA
Digitally signed by SUNIL GUPTA
Date: 2026.08.13 19:52:35 +05'30'

**Sunil Kumar Gupta**
Managing Director and CEO
DIN: 07095152
Place : Gurugram
Date : August 13, 2026

Brijesh Mehra
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Date: 2026.08.13 19:42:18 +05'30'

**Brijesh Mehra**
Board Chairman
DIN : 03341307
Place : Mumbai
Date : August 13, 2026

Rajat Kumar Gupta
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Date: 2026.08.13 19:42:45 +05'30'

**Rajat Kumar Gupta**
Chief Financial Officer
Place : Gurugram
Date : August 13, 2026

KAPIL SHARMA
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Date: 2026.08.13 19:53:07 +05'30'

**Kapil Sharma**
Company Secretary
Membership No. A37154
Place : Gurugram
Date : August 13, 2026