UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

(Mark One)

☐ **Registration statement pursuant to section 12(b) or 12(g) of the Securities Exchange Act of 1934**

or

☐ **Transition report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from _____ to _____

or

☒ **Annual report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended March 31, 2018

or

☐ **Shell company report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of event requiring this shell company report

Commission file number 001-37909

Azure Power Global Limited

(Exact name of Registrant as specified in its charter)

Mauritius
(Jurisdiction of Incorporation or Organization)
3rd Floor, Asset 301-304 and 307, Worldmark 3,
Aerocity, New Delhi – 110037, India
Telephone: (91-11) 49409800
(Address and Telephone Number of Principal Executive Offices)

Inderpreet Singh Wadhwa
Chief Executive Officer
3rd Floor, Asset 301-304 and 307, World Mark 3,
Aerocity, New Delhi – 110037, India
Telephone: (91-11) 49409800
(Name, Telephone, E-mail and/or Facsimile Number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Equity Shares, par value US$0.000625 per share	**New York Stock Exchange**
(Title of Class)	**(Name of Exchange On Which Registered)**

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

As of March 31, 2018, 25,996,932 equity shares, par value US$0.000625 per share, were issued and outstanding.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

If this annual report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Emerging Growth Company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☒ International Financial Reporting Standards as issued by the International Accounting Standards Board ☐ Other ☐

If "Other" has been checked in the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes ☐ No ☒

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court: Yes ☐ No ☐

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CONVENTIONS USED IN THIS ANNUAL REPORT

Except where the context requires otherwise and for purposes of this annual report only:

- "We," "us," the "Company," the "group," "Azure" or "our" refers to Azure Power Global Limited, together with its subsidiaries (including Azure Power India Private Limited, or AZI, its predecessor and current subsidiary).
- "Our holding company" refers to Azure Power Global Limited on a standalone basis.
- "U.S. GAAP" refers to the Generally Accepted Accounting Principles in the United States.
- "US$" or "U.S. dollars" refers to the legal currency of the United States.
- "INR," "rupees," or "Indian rupees" refers to the legal currency of India.

In this annual report, references to "U.S." or the "United States" are to the United States of America, its territories and its possessions. References to "India" are to the Republic of India. References to "Mauritius" are to the Republic of Mauritius.

Unless otherwise indicated, the consolidated financial statements and related notes included in this annual report have been presented in Indian rupees and prepared in accordance with U.S. GAAP. References to a particular "fiscal" year are to our fiscal year ended March 31 of that year, which is typical in our industry and in the jurisdictions in which we operate.

This annual report contains translations of certain Indian rupee amounts into U.S. dollars at specified rates solely for the convenience of the reader. Unless otherwise stated, the translation of Indian rupees into U.S. dollars has been made at INR 65.11 to US$1.00, which is the noon buying rate in New York City for cable transfer in non-U.S. currencies as certified for customs purposes by the Federal Reserve Bank of New York on March 30, 2018, which is the date of our last reported financial statements. We make no representation that the Indian rupee or U.S. dollar amounts referred to in this annual report could have been converted into U.S. dollars or Indian rupees, as the case may be, at any particular rate or at all.

As used in this annual report, all references to watts (e.g., megawatts, gigawatts, kilowatt hour, terawatt hour, MW, GW, kWh, etc.) refer to measurements of power generated.

The information in this annual report gives effect to a 16-for-1 stock split of our equity shares that was effective on October 6, 2016.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This annual report contains forward looking statements about our current expectations and views of future events. All statements, other than statements of historical facts, contained in this annual report, including statements about our strategy, future operations, future financial position, future revenues, projected costs, prospects, plans and future megawatt goals of management, are forward looking statements. These statements relate to events that involve known and unknown risks, uncertainties and other factors, including those listed under "Item 3. Key Information — D. Risk Factors," which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. In some cases, these forward looking statements can be identified by words or phrases such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "potential," "continue," "is/are likely to" or other similar expressions.

These forward looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. In addition, these forward looking statements reflect our current views about future events and are not a guarantee of future performance. Actual outcomes may differ materially from the information contained in the forward looking statements because of a number of factors, including, without limitation, the risk factors set forth in "Item 3. Key Information — D. Risk Factors" and the following:

- the pace of government sponsored auctions;
- changes in auction rules;
- the government's willingness to enforce Renewable Purchase Obligations, or RPOs;
- permitting, development and construction of our project pipeline according to schedule;
- solar radiation in the regions in which we operate;
- developments in, or changes to, laws, regulations, governmental policies, incentives and taxation affecting our operations;
- adverse changes or developments in the industry in which we operate;
- our ability to maintain and enhance our market position;
- our ability to successfully implement any of our business strategies, including acquiring other companies;
- our ability to enter into power purchasing agreements, or PPAs, on acceptable terms, the occurrence of any event that may expose us to certain risks under our PPAs and the willingness and ability of counterparties to our PPAs to fulfill their obligations;
- our ability to borrow additional funds and access capital markets, as well as our substantial indebtedness and the possibility that we may incur additional indebtedness going forward;
- our ability to establish and operate new solar projects;
- our ability to compete against traditional and renewable energy companies;
- the loss of one or more members of our senior management or key employees;
- political and economic conditions in India;
- material changes in the costs of solar panels and other equipment required for our operations;
- fluctuations in inflation, interest rates and exchange rates;
- other risks and uncertainties, including those listed under the caption "Item 3. Key Information — D. Risk Factors."

The forward looking statements made in this annual report relate only to events or information as of the date on which the statements are made in this annual report. Except as required by law, we undertake no obligation to update or revise publicly any forward looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this annual report and the documents that we reference in this annual report and have filed as exhibits with the SEC, of which this annual report is a part, completely and with the understanding that our actual future results or performance may be materially different from what we expect.

This annual report also contains statistical data and estimates, including those relating to the solar industry and our competition from market research, analyst reports and other publicly available sources. These publications include forward looking statements being made by the authors of such reports. These forward looking statements are subject to a number of risks, uncertainties and assumptions. Actual results could differ materially and adversely from those anticipated or implied in the forward looking statements.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable

ITEM 3. KEY INFORMATION

A. Selected Financial Data

The following selected consolidated statement of operations data for the fiscal years ended March 31, 2016, 2017 and 2018 and the selected consolidated balance sheet data as of March 31, 2017 and 2018, have been derived from our audited consolidated financial statements included elsewhere in this annual report. The selected consolidated statement of operations data for the fiscal years ended March 31, 2015 and selected consolidated balance sheet data as of March 31, 2015 and 2016 has been derived from our audited consolidated financial statements not included in this annual report. Our consolidated financial statements are prepared and presented in accordance with U.S. GAAP. Our historical results do not necessarily indicate our results expected for any future period.

The following information should be read in conjunction with, and is qualified in its entirety by reference to, "Item 5. Operating and Financial Review and Prospects" and the audited consolidated financial statements and the notes thereto included elsewhere in this annual report.

	Fiscal Year Ended March 31,				
Consolidated Statement of Operations data:	**2015 (1) (INR)**	**2016 (1) (INR)**	**2017 (INR)**	**2018 (INR)**	**2018 (2) (US$)**
			(In thousands)		
Operating revenues:					
Sale of power	1,124,138	2,626,148	4,182,985	7,700,600	118,271
Operating costs and expenses:					
Cost of operations (exclusive of depreciation and amortization shown separately below)	79,816	190,648	375,787	691,947	10,627
General and administrative	425,952	672,841	797,161	1,187,379	18,237
Depreciation and amortization	322,430	687,781	1,046,565	1,882,451	28,912
Total operating costs and expenses:	828,198	1,551,270	2,219,513	3,761,777	57,776
Operating income	295,940	1,074,878	1,963,472	3,938,823	60,495
Other expense:					
Interest expense, net	831,790	2,058,836	2,371,836	5,168,218	79,377
Loss (gain) on foreign currency exchange, net	299,628	343,137	(109,128)	45,716	702
Total other expenses	1,131,418	2,401,973	2,262,708	5,213,934	80,079
Loss before income tax	(835,478)	(1,327,095)	(299,236)	(1,275,111)	(19,584)
Income tax expense	(253,112)	(327,745)	(892,333)	252,882	3,884
Net loss	(1,088,590)	(1,654,840)	(1,191,569)	(1,022,229)	(15,700)
Less: Net loss attributable to non-controlling interest	(5,595)	(4,651)	(18,924)	(201,547)	(3,094)
Net loss attributable to APGL	(1,082,995)	(1,650,189)	(1,172,645)	(820,682)	(12,606)
Accretion to Mezzanine CCPS	(755,207)	(1,347,923)	(235,853)	—	—
Accretion to redeemable non-controlling interest	—	(29,825)	(44,073)	(6,397)	(98)
Net loss attributable to APGL equity shareholders	(1,838,202)	(3,027,937)	(1,452,571)	(827,079)	(12,704)
Net loss per share attributable to APGL equity stockholders					
Basic and diluted	(1,046)	(1,722)	(111)	(32)	(0.49)
Shares used in computing basic and diluted per share amounts:					
Weighted average shares	1,758,080	1,758,080	13,040,618	25,974,111	—

The following table sets forth a summary of our consolidated statement of financial position as of March 31, 2015, 2016, 2017, and 2018:

Balance Sheet data:	As of March 31,				
	2015 (1)	2016 (1)	2017	2018	2018 (2)
	(INR)	(INR)	(INR)	(INR)	(US$)
			(in thousands)		
Cash, cash equivalents, and current investments available for sale	2,044,290	3,090,386	8,757,467	9,730,099	149,441
Property, plant and equipment, net	15,145,674	24,381,429	40,942,608	56,580,700	869,002
Total assets	19,923,708	30,890,840	57,493,965	73,984,120	1,136,294
Compulsorily convertible debentures and Series E & Series G compulsorily convertible preferred shares (3)	2,461,200	3,600,700	—	—	—
Project level and other debt (4)	15,271,653	20,487,951	35,157,808	53,943,823	828,503
Mezzanine CCPS shares (5)	4,689,942	9,733,272	—	—	—
Total APGL shareholders' (deficit)/equity	(4,447,154)	(7,437,447)	13,222,130	12,117,537	186,109
Total shareholders' (deficit)/equity and liabilities	19,923,708	30,890,840	57,493,965	73,984,120	1,136,294

Notes:

(1) Includes consolidated financial data of AZI prior to July 2015, since, the Company was incorporated in 2015, and AZI is considered as the predecessor of the Company.

(2) Translation of balances in the consolidated balance sheets and the consolidated statements of operations, comprehensive loss, shareholders' (deficit)/equity and cash flows from INR into US$, as of and for the fiscal year ended March 31, 2018 are solely for the convenience of the readers and were calculated at the rate of US$1.00 = INR 65.11, the noon buying rate in New York City for cable transfers in non U.S. currencies, as certified for customs purposes by the Federal Reserve Bank of New York on March 30, 2018. No representation is made that the INR amounts could have been, or could be, converted, realized or settled into US$ at that rate on March 31, 2018, or at any other rate.

(3) The Series E and Series G compulsorily convertible preferred shares were classified as a current liability in the consolidated balance sheet and were converted into equity shares pursuant to our IPO in October 2016.

(4) This balance represents the short term and long-term portion of project level secured term loans and other secured bank loans. It is net of ancillary cost of borrowing of INR 826,070 (US$ 12,687) as on March 31, 2018 and INR 909,131 as on March 31, 2017.

(5) Compulsorily Convertible Preferred Shares ("CCPS") include the Mezzanine CCPS and are classified as temporary equity in the consolidated balance sheet. Mezzanine CCPS were converted into equity shares pursuant to our IPO in October 2016.

Note: There may be differences due to rounding

EXCHANGE RATE INFORMATION

The consolidated financial statements and other financial data included in this annual report are presented in Indian rupees. Azure Power Global Limited's functional currency is the U.S. dollar and reporting currency is the Indian rupee. Azure Power Energy Limited incorporated in Mauritius, a subsidiary of Azure Power Global Limited's functional currency is U.S. dollar. Further, AZI and Azure Power Rooftop Private Limited and their respective subsidiaries have their local country currencies as the functional currency. The translation from the applicable foreign currencies of AZI's subsidiaries and Azure Power Energy Limited into Indian rupees is performed for balance sheet accounts using the exchange rate in effect as of the balance sheet date except for shareholders' equity, preferred shares and certain debt, which are translated at the historical rates in effect at the dates of the underlying transactions. Revenue, expense and cash flow items are translated using average exchange rates for the respective period.

U.S. dollar balances have been translated from Indian rupee amounts solely for the convenience of the readers. The following table sets forth, for each of the periods indicated, the low, average, high and period-end noon buying rates in The City of New York for cable transfers, in Indian rupees per U.S. dollar, as certified for customs purposes by the Federal Reserve Bank of New York. These rates are provided solely for your convenience and are not necessarily the exchange rates that we used in preparation of our consolidated financial statements or elsewhere in this annual report or will use in the preparation of our periodic reports or any other information to be provided to you. We make no representation that any Indian rupee or U.S. dollar amounts referred to in this annual report could have been or could be converted into U.S. dollars or Indian rupees, as the case may be, at any particular rate or at all.

The following table sets forth information concerning exchange rates between INR and the US$ for the periods indicated:

	INR per US$ Noon Buying Rate			
Period	Period End	Average (1)	Low	High
2012	54.86	53.41	48.65	57.13
2013	61.92	58.91	52.99	68.80
2014	63.04	61.21	58.30	63.67
2015	66.15	64.15	61.41	67.10
2016	67.92	67.16	66.05	68.86
2017	63.83	65.07	63.64	68.39
December	63.83	64.24	63.83	64.57
2018 (through June 8)	67.56	65.40	63.38	68.38
January	63.58	63.65	63.38	64.01
February	65.20	64.43	63.93	65.20
March	65.11	65.05	64.83	65.24
April	66.50	65.67	64.92	66.92
May	67.40	67.51	66.52	68.38
June (through June 8)	67.56	67.13	66.87	67.56

(1) Averages for a period other than one month are calculated by using the average of the noon buying rate at the end of each month during the period. Monthly averages are calculated by using the average of the daily noon buying rates during the relevant month.

Source: Federal Reserve Statistical Release

B. Capitalization and Indebtedness

Not applicable

C. Reasons for the Offer and Use of Proceeds

Not applicable

D. Risk Factors

If any of the following risks actually occur, our business, financial condition, results of operations and cash flows could be materially and adversely affected. In that event, the trading price of our equity shares could decline, and you may lose part or all of your investment. This annual report also contains forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the risks described below and elsewhere in this annual report.

Risks Related to Us and Our Industry

We have never been profitable for any of our previous fiscal years, and believe we may continue to incur net losses for the foreseeable future.

We have incurred losses since our inception, including a net loss of US$ 15.7 million for fiscal year 2018. We believe that we may continue to incur net losses as we expect to make continued significant investment in our solar projects. As of March 31, 2018, we operated 35 utility scale projects and several commercial rooftop projects with a combined rated capacity of 911 MW. As of March 31, 2018, we were also constructing 10 projects with a combined rated capacity of 416 MW and had an additional 544 MW of projects committed, bringing our total portfolio capacity to 1,871 MW.

A significant number of power projects are presently committed and under construction, and we can only monetize them, if at all, after each project is completed, which is subject to several factors, including receiving regulatory approvals, obtaining project funding, entering into transmission arrangements with the central or state transmission utilities, and acquiring land for projects. In addition, even after a project is operational, the monetization process may be quite long term with contracts running up to 25 years. Moreover, we may not succeed in addressing certain risks, including our ability to successfully develop or supervise the commissioning, operations and maintenance of our projects or maintain adequate control of our costs and expenses. Also, we may find that our growth plans are costlier than we anticipate and that they do not ultimately result in commensurate increases in revenue, which would further increase our losses. Additionally, we have not, and likely will not in the foreseeable future, generate sufficient cash flow required for our growth plans. We expect we may continue to experience losses, some of which could be significant. Results of operations will depend upon numerous factors, some of which are beyond our control, including the availability of preferential feed-in tariffs for solar power and other subsidies, global liquidity and competition.

The reduction, modification or elimination of central and state government subsidies and economic incentives in India may reduce the economic benefits of our existing solar projects and our opportunities to develop or acquire suitable new solar projects.

The development and profitability of renewable energy projects in the locations in which we operate are dependent on policy and regulatory frameworks that support such developments. The cost of generating electricity from solar energy in India currently exceeds, and very likely will continue to exceed for the foreseeable future, the cost of generating electricity from conventional energy sources such as domestic coal. These subsidies and incentives have been primarily in the form of preferential tariffs, project cost subsidies, tax incentives, tax holidays, and other incentives to end users, distributors, system integrators and manufacturers of solar energy products. For instance, the Indian Ministry of New and Renewable Energy, or the MNRE, introduced the generation based incentive scheme to support small grid solar projects, pursuant to which the MNRE will pay incentives to the state utilities when they directly purchase solar power from project developers. Also, MNRE introduced providing customs and excise duty exemptions to all rooftops Solar PV Power Projects for a minimum capacity of 100 kw. Further, India's Income Tax Act, 1961 as amended, provides for certain tax benefits, including 100% tax deductions of the profits derived from generation of power for any 10 consecutive years, out of the first 15 years, beginning from the year in which project is completed. However, the exemption was only available to the projects completed on or before March 31, 2017. In addition, certain state policies also provide subsidies and economic incentives. For instance, the state policy in Punjab provides certain tax exemptions, including in relation to supply of capital goods used for setting up projects.

The availability and size of such subsidies and incentives depend, to a large extent, on political and policy developments relating to environmental concerns in India and are typically available only for a specified time. Generally, the amount of government subsidy for solar projects has been decreasing as the cost of producing energy has approached grid parity. Changes in central and state policies could lead to a significant reduction in or a discontinuation of the support for renewable energies. Reductions in government subsidies and economic incentives that apply to future solar projects could diminish the availability of our opportunities to continue to

develop or acquire suitable newly developed solar projects. Such reductions may also apply retroactively to existing solar projects, which could significantly reduce the economic benefits we receive from our existing solar projects. Moreover, some of the solar program subsidies and incentives expire or decline over time, are limited in total funding, require renewal from regulatory authorities or require us to meet certain investment or performance criteria. In addition, although various SERCs have specified RPOs for their distribution companies, the implementation of RPO schemes has not been uniform across Indian states. Although states are beginning to enforce RPOs under the guidance from the central government, RPOs have historically been breached without consequences.

Additionally, we may not continue to qualify for such subsidies and incentives. We may choose to implement other solar power projects, such as rooftop projects, that are outside the scope of such subsidies and incentives.

Further, increased emphasis on reducing greenhouse gas emissions and the possibility of trading carbon dioxide emission quotas has led to extra duties being levied on sources of energy, primarily fossil fuels, which cause carbon dioxide pollution. The imposition of these duties has indirectly supported the expansion of power generated from renewable energy and, in turn, solar projects in general. If such direct and indirect government support for renewable energy were terminated or reduced, it would make producing electricity from solar projects less competitive and reduce demand for new solar projects.

A significant reduction in the scope or discontinuation of government incentive programs in our markets could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

Our long term growth depends in part on the Indian government's ability to meet its announced targeted capacity.

The Indian government has increased its 2022 target for solar capacity from 20 GW to 100 GW, under the Jawaharlal Nehru National Solar Mission, or NSM. However, new capacity additions have historically been lower than the Indian government's announced targeted capacity. For example, actual capacity additions represented 70% of the targeted capacity of 78.7GW in the Eleventh Five-Year Plan and 47% of the targeted solar capacity of 16.6GW in the Twelfth Five-Year Plan. This shortfall in capacity additions was due to issues in timely commissioning of conventional power plants, which included delays in land acquisition, obtaining regulatory permits and difficulties in securing reliable and cost efficient fuel supplies. Under the prior Five Year Plans before the Eleventh Five-Year Plan, solar capacity targets were not included. As such, there is a short track record of meeting solar capacity targets. As for reaching target capacity for other renewable energy sources, in certain Five Year Plans those targets were met while others have fallen short. Any failure to meet the Indian government's targeted solar capacity may result in a slowdown in our growth opportunities and adversely affect our ability to achieve our long term business objectives, targets and goals.

Our operations are subject to extensive governmental, health, safety and environmental regulations, which require us to obtain and comply with the terms of various approvals, licenses and permits. Any failure to obtain, renew or comply with the terms of such approvals, licenses and permits in a timely manner or at all may have a material adverse effect on our results of operations, cash flows and financial condition.

The power generation business in India is subject to a broad range of environmental, health, safety and other laws and regulations. These laws and regulations require us to obtain and maintain a number of approvals, licenses, registrations and permits for developing and operating power projects. Additionally, we may need to apply for more approvals in the future, including renewal of approvals that may expire from time to time. For example, we require various approvals during construction of our solar projects and prior to the commissioning certificate is issued, including capacity allocation and capacity transfer approvals, approvals from the local pollution control boards, evacuation and grid connectivity approvals and approval from the chief electrical

inspector for installation and energization of electrical installations at the solar project sites. In addition, we are required to comply with state-specific requirements. Certain approvals may not be obtained in a timely manner. Certain approvals may also be granted on a provisional basis or for a limited duration and require renewal. If the conditions specified therein are not satisfied at a later date, we may not be able to evacuate power from these projects.

In addition, we could be affected by the adoption or implementation of new safety, health and environmental laws and regulations, new interpretations of existing laws, increased governmental enforcement of environmental laws or other similar developments in the future. For instance, we currently fall under an exemption granted to solar photovoltaic projects that exempts us from complying with the Environment Impact Assessment Notification, 2006, issued under the Environment (Protection) Act, 1986. The Ministry of Environment, Forest and Climate Change by a circular dated March 5, 2016, created a category of "white industries" including solar power generation. Following which state pollution control boards relaxed the procedural requirements of obtaining consent to establish and consent to operate as required under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981, and the Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008. Further, certain state policies in relation to solar projects exempt us from obtaining such consents or have reduced or simplified procedural requirements for obtaining such consents. However, there can be no assurance that we will not be subject to any such consent requirements in the future, and that we will be able to obtain and maintain such consents or clearances in a timely manner, or at all, or that we will not become subject to any regulatory action on account of not having obtained or renewed such clearances in any past periods. Furthermore, our government approvals and licenses are subject to numerous conditions, some of which are onerous and require us to make substantial expenditure. We may incur substantial costs, including clean up or remediation costs, fines and civil or criminal sanctions, and third-party property damage or personal injury claims, as a result of any violations of or liabilities under environmental or health and safety laws or noncompliance with permits and approvals, which, as a result, may have an adverse effect on our business and financial condition.

We cannot assure you that we will be able to apply for or renew any approvals, licenses, registrations or permits in a timely manner, or at all, and that the relevant authorities will issue any of such approvals, licenses, registrations or permits in the time frames anticipated by us. Further, we cannot assure you that the approvals, licenses, registrations and permits issued to us would not be subject to suspension or revocation for non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to apply for, renew and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, or any onerous conditions made applicable to us in terms of such approvals, licenses, registrations or permits may impede the successful commissioning and operations of our power projects, which may adversely affect our business, results of operations and cash flows.

The generation of electricity from solar sources depends heavily on suitable meteorological conditions. If solar conditions are unfavorable, our electricity generation, and therefore revenue from our solar projects, may be substantially below our expectations.

The electricity produced and revenues generated by our solar projects are highly dependent on suitable solar conditions and associated weather conditions, which are beyond our control. Furthermore, components of our systems, such as solar panels and inverters, could be damaged by severe weather, such as hailstorms, tornadoes or lightning strikes. We generally will be obligated to bear the expense of repairing the damaged solar energy systems that we own, and replacement and spare parts for key components may be difficult or costly to acquire or may be unavailable. Unfavorable weather and atmospheric conditions could impair the effectiveness of our assets or reduce their output beneath their rated capacity or require shutdown of key equipment, impeding operation of our solar assets and our ability to achieve certain performance guarantees pursuant to our PPAs, forecasted revenues and cash flows. Sustained unfavorable weather could also unexpectedly delay the installation of solar energy systems, which could result in a delay in us acquiring new projects or increase the cost of such projects. We guarantee the performance of our solar power plants and could suffer monetary consequences if our plants do not produce to our contracted levels.

We base our investment decisions with respect to each solar project on the findings of related solar studies conducted on-site prior to construction. However, actual climatic conditions at a project site may not conform to the findings of these studies and therefore, our facilities may not meet anticipated production levels or the rated capacity of our generation assets, which could adversely affect our business, financial condition, results of operations and cash flows.

Our limited operating history, especially with large-scale solar projects, may not serve as an adequate basis to judge our future prospects, results of operations and cash flows.

We began our business in 2008 and have a limited operating history. We established our first utility scale solar plant in India in 2009. As of March 31, 2018, we operated 35 utility scale projects and several commercial rooftop projects with a combined rated capacity of 911 MW. As of March 31, 2018, we were also constructing 10 projects with a combined rated capacity of 416 MW and had an additional 544 MW of projects committed, bringing our total portfolio capacity to 1,871 MW. Accordingly, our relatively limited operating history may not be an adequate basis for evaluating our business prospects and financial performance and makes it difficult to predict the future results of our operations. Period-to-period comparisons of our operating results and our results of operations for any period should not be relied upon as an indication of our performance for any future period. In particular, our results of operations, financial condition, cash flows and future success depend, to a significant extent, on our ability to continue to identify suitable sites, acquire land for solar projects, obtain required regulatory approvals, arrange financing from various sources, construct solar projects in a cost-effective and timely manner, expand our project pipeline and manage and operate solar projects that we develop. If we cannot do so, we may not be able to expand our business at a profit or at all, maintain our competitive position, satisfy our contractual obligations, or sustain growth and profitability.

Our operating results may fluctuate from quarter to quarter, which could make our future performance difficult to predict and could cause our operating results for a particular period to fall below expectations, which may result in a severe decline in the price of our equity shares.

Our quarterly operating results are difficult to predict and may fluctuate significantly in the future. We have experienced seasonal and quarterly fluctuations in the past, especially in the winter months and we may experience the same in the future. However, given that we are an early-stage company operating in a rapidly growing industry, those fluctuations may be masked by our recent growth rates and thus may not be readily apparent from our historical operating results. As such, our past quarterly operating results may not be good indicators of future performance.

In addition to the other risks described in this “Risk Factors” section, the following factors could cause our operating results to fluctuate:

- the expiration or initiation of any central or state subsidies or incentives;
- our ability to complete installations in a timely manner due to market conditions or due to unavailable financing;
- our ability to continue to expand our operations, and the amount and timing of expenditures related to such expansions;
- announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures or capital-raising activities or commitments;
- changes in auction rules;
- changes in feed-in tariff rates for solar power, viability gap funding, or VGF, our pricing policies or terms or those of our competitors;
- actual or anticipated developments in our competitors’ businesses or the competitive landscape; and
- an occurrence of low global horizontal irradiation that affects our generation of solar power.

For these or other reasons, the results of any prior quarterly or annual periods should not be relied upon as indications of our future performance. In addition, with respect to the above factors our actual revenue, key operating and financial metrics and other operating results in future quarters may fall short of the expectations of investors and financial analysts, which could have a severe adverse effect on the trading price of our equity shares.

Counterparties to our PPAs may not fulfill their obligations which could result in a material adverse impact on our business, financial condition, results of operations and cash flows.

We generate electricity income primarily pursuant to PPAs entered into with central and state government-run utilities. Some of the customers may become subject to insolvency or liquidation proceedings during the term of the relevant contracts, and the credit support received from such customers may not be sufficient to cover our losses in the event of a failure to perform. There may also be delays associated with collection of receivables from government owned or controlled entities on account of the financial condition of these entities that deteriorated significantly in the past. Where we are selling power to non-governmental entities, we take into account the credit ratings assigned by rating agencies and our ability in the past to collect when assessing the counterparties' creditworthiness. Governmental entities to which we sell power generally do not have credit ratings, so there are no credit ratings to consider. For illustrative purposes, Moody's Investor Services Inc. and Standard and Poor's Financial Services LLC have rated the Government of India Baa2 and BBB-, respectively. As a result, many of the state governments in India, if rated, would likely rate lower than the Government of India. Although the central and state governments in India have taken steps to improve the liquidity, financial condition and viability of state electricity distribution utility companies, there can be no assurance that the utility companies that are currently our customers will have the resources to pay on time or at all.

In addition, our PPA customers may, for any reason, become unable or unwilling to fulfill their related contractual obligations, refuse to accept delivery of power delivered thereunder or otherwise terminate such agreements prior to the expiration thereof. If such events occur, our assets, liabilities, business, financial condition, results of operations and cash flows could be materially and adversely affected. For instance, Gujarat Urja Vikas Nigam Limited had filed a petition with the Gujarat Electricity Regulatory Commission, seeking recalculation on the basis of actual cash flow required for development of solar projects and consequent revision of the tariff payable by it, in relation to certain solar power projects including our 10 MW Gujarat 1 project. While the Gujarat Electricity Regulatory Commission and the Appellate Tribunal for Electricity dismissed the claims made by Gujarat Urja Vikas Nigam Limited, an appeal is pending with the Supreme Court of India.

Furthermore, to the extent any of our customers are, or are controlled by, governmental entities, bringing actions against them to enforce their contractual obligations is often difficult. Also, our facilities may be subject to legislative or other political action that may impair their contractual performance. ***Our PPAs may expose us to certain risks that may affect our future results of operations and cash flows.***

Our profitability is largely a function of our ability to manage our costs during the terms of our PPAs and operate our power projects at optimal levels. If we are unable to manage our costs effectively or operate our power projects at optimal levels, our business and results of operations may be adversely affected. In the event we default in fulfilling our obligations under the PPAs, such as supplying the minimum amount of power specified in some of the PPAs or failing to obtain regulatory approvals, licenses and clearances with respect to our solar projects, we may be liable for penalties and in certain specified events, customers may also terminate such PPAs. Further, any failure to supply power from the scheduled commercial operation date my result in levy of liquidated damages and encashment of bank guarantees provided by us under the terms of certain PPAs. For instance, in connection with an extension of the date of commissioning of our 50 MW project in Karnataka, the customer has reduced its payable tariff under the PPA, pursuant to which we had initiated proceedings before the Karnataka Regulatory Commission ("KERC") appealing such reduction of the tariff. The KERC while retaining the tariff of the PPA reduced the time extension granted by the DISCOM for achieving the commercial operation

date. Against the order of the KERC, we filed an appeal before the Appellate Tribunal for Electricity. During the pendency of such appeal, a default notice was issued by the customer, pursuant to which we were requested to pay certain liquidated damages, however, the matter is currently pending before the APEL. Further, we had faced delays in commissioning our 10 MW project in Punjab due to delay by the customer and had filed a petition before the Punjab State Electricity Regulatory Commission seeking an extension of the commercial operation date at the same tariff rate as per the PPA. However, we cannot provide assurances that such proceedings will ultimately be decided in our favor. The termination of any of our projects by our customers would adversely affect our reputation, business, results of operations and cash flows.

Under a long-term PPA, we typically sell power generated from a power plant to state distribution companies at pre-determined tariffs. Our PPAs are generally not subject to downward revisions unless we elect to utilize accelerated rate of depreciation or if there is a delay in commissioning our projects, although we have entered into contracts that provide for downward adjustments in the past and may do so in the future. Accordingly, if there is an industry-wide increase in tariffs or if we are seeking an extension of the term of the PPA, we will not be able to renegotiate the terms of the PPA to take advantage of the increased tariffs. In addition, in the event of increased operational costs, we will not have the ability to reflect a corresponding increase in our tariffs. Further, any delay in commissioning projects or supplying electricity during the term of the PPA may result in reduction in tariffs, based on the terms of the PPA. Therefore, the prices at which we supply power may have little or no relationship with the costs incurred in generating power, which may lead to fluctuations in our margins. The above factors all limit our business flexibility, expose us to an increased risk of unforeseen business and industry changes and could have an adverse effect on our business, results of operations and cash flows.

The term of some of our PPAs are also less than the life of the power projects they are tied to. We will need to enter into other offtake agreements, or seek renewals or extensions of the existing PPAs, for the balance of the life of those power projects. Moreover, there are often other restrictions on our ability to, among other things, sell power to third parties and undertake expansion initiatives with other consumers. Failure to enter into or renew offtake arrangements in a timely manner and on terms that are acceptable to us could adversely affect our business, results of operations and cash flows. There could also be negative accounting consequences if we are unable to extend or replace expiring PPAs, including writing down the carrying value of assets at such power project sites.

Additionally, under the PPAs, our remedies in case of delays in payment by our customers may also be limited. For example, certain PPAs only permit us to terminate the PPA on account of non-payment of dues upon 90 days of our inability to recover such dues. Such risks limit our business flexibility, expose us to an increased risk of unforeseen business and industry changes and could have an adverse effect on our business, results of operations and cash flows.

In addition, most of the government agencies we enter into PPAs with under the NSM or the relevant state policies require us to agree to their standard form contracts and we cannot negotiate for commercial terms or other terms of funding that are more favorable to us.

Our substantial indebtedness could adversely affect our business, financial condition, results of operations and cash flows.

As of March 31, 2018, we had US$ 52.8 million in current liabilities, excluding the current portion of long-term debt and short-term debt, and US$ 828.5 million in outstanding long-term borrowings, including the current portion of long-term debt and short-term debt. Generally, these borrowings relate to the financing for our projects and are secured by project assets.

Our debt could have significant consequences on our operations, including:

- reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate purposes as a result of our debt service obligations;
- limiting our ability to obtain additional financing;
- limiting our flexibility in planning for, or reacting to, changes in our business, the industry in which we operate and the general economy;
- potentially increasing the cost of any additional financing; and
- limiting the ability of our project operating subsidiaries to pay dividends to us for working capital or return on our investment.

In addition, our borrowings under certain project-specific financing arrangement have floating rates of interest. Therefore, an increase or decrease in interest rates will increase or decrease our interest expense associated with such borrowing. A significant increase in interest expense could have an adverse effect on our business, financial condition, results of operations and cash flows impacting our ability to meet our payment obligations under our debt.

Any of these factors and other consequences that may result from our substantial indebtedness could have an adverse effect on our business, financial condition, results of operations and cash flows impacting our ability to meet our payment obligations under our debt. Our ability to meet our payment obligations under our outstanding debt depends on our ability to generate significant cash flow in the future. This, to some extent, is subject to general economic, financial, competitive, legislative and regulatory factors as well as other factors that are beyond our control.

Our growth prospects and future profitability depend to a significant extent on global liquidity and the availability of additional funding options with acceptable terms.

We require a significant amount of cash to fund the installation and construction of our projects and other aspects of our operations, and expect to incur additional borrowings in the future, as our business and operations grow. We may also require additional cash due to changing business conditions or other future developments, including any investments or acquisitions we may decide to pursue in order to remain competitive.

Historically, we have used loans, equity contributions, and government subsidies to fund our project development. We expect to expand our business with proceeds from third-party financing options, including any bank loans, equity partners, financial leases and securitization. However, we cannot guarantee that we will be successful in locating additional suitable sources of financing in the time periods required or at all, or on terms or at costs that we find attractive or acceptable, which may render it impossible for us to fully execute our growth plan. In addition, rising interest rates could adversely impact our ability to secure financing on favorable terms.

Installing and constructing solar projects requires significant upfront capital expenditure and there may be a significant delay before we can recoup our investments through the long-term recurring revenue of our solar projects. Our ability to obtain external financing is subject to a number of uncertainties, including:

- our future financial condition, results of operations and cash flows;
- the general condition of global equity and debt capital markets;
- our credit ratings and past credit history;
- decline of the Indian rupee compared to U.S. dollar;
- regulatory and government support in the form of tax incentives, preferential tariffs, project cost subsidies and other incentives;

- the continued confidence of banks and other financial institutions in our company and the solar power industry;
- economic, political and other conditions in the jurisdictions where we operate; and
- our ability to comply with any financial covenants under our debt financing.

Any additional equity financing may be dilutive to our shareholders and any debt financing may contain restrictive covenants that limit our flexibility going forward. Furthermore, our credit ratings may be downgraded, which would adversely affect our ability to refinance debt and increase our cost of borrowing. Failure to manage discretionary spending and raise additional capital or debt financing as required may adversely impact our ability to achieve our intended business objectives.

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

We expect to continue to finance a significant portion of our project development and construction costs with project financing. The agreements with respect to our existing project-level indebtedness contain financial and other covenants that require us to maintain certain financial ratios or impose certain restrictions on disposition of our assets or the conduct of our business. In addition, we typically pledge our solar project assets or account or trade receivables, and in certain cases, shares of the special purpose vehicles, to raise debt financing, and we are restricted from creating additional security over our assets. Such account or trade receivables will include all income generated from the sale of electricity in the solar projects.

Our financing agreements also include certain restrictive covenants whereby we may be required to obtain approval from our lenders to, among other things, incur additional debt, undertake guarantee obligations, enter into any scheme of merger, amalgamation, compromise, demerger or reconstruction, change our capital structure and controlling interest, dispose of or sell assets, transfer shares held by major shareholders to third parties, invest by way of share capital, lend and advance funds, make payments, declare dividends in the event of any default in repayment of debts or failure to maintain financial ratios, place deposits and change our management structure. Most of our lenders also impose significant restrictions in relation to our solar projects, under the terms of the relevant project loans taken by our respective subsidiaries. For example, we are required to obtain lenders' consent to make any changes to, or terminate, project documents, waive any material claims or defaults under the project documents, make any changes to financing plans relating to our projects, and replace suppliers or other material project participants. There can be no assurance that such consent will be granted in a timely manner, or at all. In the event that such lender consents are granted, they may impose certain additional conditions on us, which may limit our operational flexibility or subject us to increased scrutiny by the relevant lenders. The time required to secure consents may hinder us from taking advantage of a dynamic market environment. These agreements also grant certain lenders the right to appoint nominee directors on the Board of Directors of AZI or its subsidiaries and require us to maintain certain ratings or other levels of credit worthiness. If we breach any financial or other covenants contained in any of our financing arrangements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs.

Our failure to comply with financial or restrictive covenants or periodic reporting requirements or to obtain our lenders' consent to take restricted actions in a timely manner or at all may result in the declaration of an event of default by one or more of our lenders, which may accelerate repayment of the relevant loans or trigger cross defaults under other financing agreements. We cannot assure you that, in the event of any such acceleration, we will have sufficient resources to repay these borrowings. Failure to meet our obligations under the debt financing agreements could have an adverse effect on our cash flows, business and results of operations. Furthermore, a breach of those financial and other covenants or a failure to meet certain financial ratios under these financing agreements will also restrict our ability to pay dividends.

The delay between making significant upfront investments in our solar projects and receiving revenue could materially and adversely affect our liquidity, business, results of operations and cash flows.

There are generally several months between our initial bid in renewable energy auctions to build solar projects and the date on which we begin to recognize revenue from the sale of electricity generated by such solar projects. Our initial investments include, without limitation, legal, accounting and other third-party fees, costs associated with project analysis and feasibility study, payments for land rights, payments for interconnection and grid connectivity arrangements, government permits, engineering and procurement of solar panels, balance of system costs or other payments, which may be non-refundable. As such, projects may not be fully monetized for 25 years given the average length of our PPAs, but we bear the costs of our initial investment upfront. Furthermore, we have historically relied on our own equity contribution and bank loans to pay for costs and expenses incurred during project development. Solar projects typically generate revenue only after becoming commercially operational and starting to sell electricity to the power grid through offtakers. There may be long delays from the initial bid to projects becoming shovel-ready, due to the timing of auctions, permitting and grid connectivity process. Between our initial investment in the development of permits for solar projects and their connection to the transmission grid, there may be adverse developments, such as unfavorable environmental or geological conditions, labor strikes, panel shortages or monsoon weather. Furthermore, we may not be able to obtain all of the permits as anticipated, permits that were obtained may expire or become ineffective and we may not be able to obtain project level debt financing as anticipated. In addition, the timing gap between our upfront investments and actual generation of revenue, or any added delay in between due to unforeseen events, could put strains on our liquidity and resources, and materially and adversely affect our profitability, results of operations and cash flows.

Solar project development is challenging and our growth strategy may ultimately not be successful, which can have a material adverse effect on our business, financial condition, results of operations and cash flows.

The development and construction of solar projects involve numerous risks and uncertainties and require extensive research, planning and due diligence. As a result, we may be required to incur significant capital expenditures for land and interconnection rights, regulatory approvals, preliminary engineering, permits, and legal and other expenses before we can determine whether a solar project is economically, technologically or otherwise feasible.

We intend to expand our business significantly with a number of new projects in both new and existing jurisdictions in the future. As we grow, we expect to encounter additional challenges to our internal processes, external construction management, capital commitment process, project funding infrastructure and financing capabilities. Our existing operations, personnel, systems and internal control may not be adequate to support our growth and expansion and may require us to make additional unanticipated investments in our infrastructure. To manage the future growth of our operations, we will be required to improve our administrative, operational and financial systems, procedures and controls, and maintain, expand, train and manage our growing employee base. We will need to hire and train project development personnel to expand and manage our project development efforts. If we are unable to manage our growth effectively, we may not be able to take advantage of market opportunities, execute our business strategies successfully or respond to competitive pressures. As a result, our business, prospects, financial condition, results of operations and cash flows could be materially and adversely affected.

Success in executing our growth strategy is contingent upon, among others:

- accurately prioritizing geographic markets for entry, including estimates on addressable market demand;
- managing local operational, capital investment or components sourcing in compliance with regulatory requirements;
- negotiating favorable payment terms with suppliers;

- collecting economic incentives as expected; and
- signing PPAs or other arrangements that are commercially acceptable, including adequate financing.

We may not be able to find suitable sites for the development of solar projects.

Solar projects require solar and geological conditions that are not available in all areas. Further, large, utility scale solar projects must be interconnected to the power grid in order to deliver electricity, which requires us to find suitable sites with capacity on the power grid available. We may encounter difficulties registering certain leasehold interest in such sites. Even when we have identified a desirable site for a solar project, our ability to obtain site control with respect to the site is subject to our ability to finance the transaction and growing competition from other solar power producers that may have better access to local government support or financial or other resources. If we are unable to find or obtain site control for suitable sites on commercially acceptable terms, our ability to develop new solar projects on a timely basis or at all might be harmed, which could have a material adverse effect on our business, financial condition and results of operations. Moreover, our land leases for projects are typically for 30 to 35 years, but our PPAs are generally for a term of 25 years. If we are not able to sell the power produced by our systems after the initial PPA has expired, our liquidity and financial condition may be harmed.

We face uncertainties in our ability to acquire the rights to develop and generate power from new solar projects due to highly competitive PPA auctions and possible changes in the auction process.

We acquire the rights to develop and generate power from new solar projects through a competitive bidding process, in which we compete for project awards based on, among other things, pricing, technical and engineering expertise, financial conditions, including specified minimum net worth criteria, availability of land, financing capabilities and track record. The bidding and selection process is also affected by a number of factors, including factors which may be beyond our control, such as market conditions or government incentive programs. If we misjudge our competitiveness when submitting our bids or if we fail to lower our costs to submit competitive bids, we may not acquire the rights on new solar projects. Furthermore, we have expected prices for system components to decline as part of our bidding process, and if that does not occur, our project economics may be harmed and we may need greater subsidies to remain economically viable.

In addition, rules of the auction process may change. Each state in India has its own regulatory framework and several states have their own renewable energy policy. The rules governing the various regional power markets may change from time to time, in some cases, in a way that is contrary to our interests and adverse to our financial returns. For example, most national auctions currently use the reverse auction structure, in which several winners take part in the same project. There can be no assurance that the central and state governments will continue to allow us to utilize such bidding structures and any shift away from the current structures, such as to a Dutch auction, could increase the competition and adversely affect our business, results of operations and cash flows.

We face significant competition from traditional and renewable energy companies.

We face significant competition in the markets in which we operate. Our primary competitors are local and international developers and operators of solar projects and other renewable energy sources. We also compete with utilities generating power from conventional fossil fuels. Recent deregulation of the Indian power sector and increased private sector investment have intensified the competition we face. The Electricity Act, 2003, or the Electricity Act, removed certain licensing requirements for power generation companies, provided for open access to transmission and distribution networks and also facilitated additional capacity generation through captive power projects. These reforms provide opportunities for increased private sector participation in power generation. Specifically, the open access reform enables private power generators to sell power directly to distribution companies and, ultimately, to the end consumers, enhancing the financial viability of private

investment in power generation. Competitive bidding for power procurement further increases competition among power generators and recently there have been bids that were less than INR 3.00 per kilowatt hour. Furthermore, Union Minister for Power, Coal and Renewable Energy indicated that India is likely to experience surplus power by 2019. This could lead to greater pricing pressures for energy producers in the future. We cannot assure you that we will be able to compete effectively, and our failure to do so could result in an adverse effect on our business, results of operations and cash flows.

Furthermore, our competitors may have greater operational, financial, technical, management or other resources than we do and may be able to achieve better economies of scale and lower cost of capital, allowing them to bid in the same auction at more competitive rates. Our competitors may also have a more effective or established localized business presence or a greater willingness or ability to operate with little or no operating margins for sustained periods of time. Our market position depends on our financing, development and operation capabilities, reputation and track record. Any increase in competition during the bidding process or reduction in our competitive capabilities could have a significant adverse impact on our market share and on the margins we generate from our solar projects.

Our competitors may also enter into strategic alliances or form affiliates with other competitors to our detriment. As our competitors grow in scale, they may establish in-house engineering, procurement and construction, or EPC, and operations and maintenance, or O&M, capabilities, which may offset a current advantage we may have over them. Moreover, suppliers or contractors may merge with our competitors which may limit our choices of suppliers or contractors and hence the flexibility of our overall project execution capabilities. For example, some of our competitors may have their own internal solar panel manufacturing capabilities. As the solar energy industry grows and evolves, we will also face new competitors who are not currently in the market. There can be no assurance that our current or potential competitors will not win bids for solar projects or offer services comparable or superior to those that we offer at the same or lower prices or adapt to market demand more quickly than we do. Increased competition may result in price reductions, reduced profit margins and loss of market share.

In addition, we face competition from developers of other renewable energy facilities, including wind, biomass, nuclear and hydropower. If these non-solar renewable sources become more financially viable, our business, financial condition and results of operations could be adversely affected. Competition from such producers may increase if the technology used to generate electricity from these other renewable energy sources becomes more sophisticated, or if the Indian government elects to further strengthen its support of such renewable energy sources relative to solar energy. As we also compete with utilities generating power from conventional fossil fuels, a reduction in the price of coal or diesel would make the development of solar energy less economically attractive and we would be at a competitive disadvantage.

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, results of operations and cash flows.

Distributing power to a purchaser is our responsibility. We generally rely on transmission lines and other transmission and distribution facilities that are owned and operated by the respective state governments or public entities. Where we do not have access to available transmission and distribution networks, we may engage contractors to build transmission lines and other related infrastructure. In such a case, we will be exposed to additional costs and risks associated with developing transmission lines and other related infrastructure, such as the ability to obtain right of way from land owners for the construction of our transmission lines, which may delay and increase the costs of our projects. We may not be able to secure access to the available transmission and distribution networks at reasonable prices, in a timely manner or at all.

Further, some of our projects may have limited access to transmission and distribution networks. India’s physical infrastructure, including its electricity grid, is less developed than that of many developed countries. As

a result of grid constraints, such as grid congestion and restrictions on transmission capacity of the grid, the transmission and dispatch of the full output of our projects may be curtailed, particularly because we are required to distribute power to customers across long distances from our project sites. We may have to stop producing electricity during the period when electricity cannot be transmitted. Such events could reduce the net power generation of our projects. If construction of renewable energy projects outpaces transmission capacity of electricity grids, we may be dependent on the construction and upgrade of grid infrastructure by the Indian government or public entities. We cannot assure you that the relevant government or public entities will do so in a timely manner, or at all. The curtailment of our power projects' output levels will reduce our electricity output and limit operational efficiencies, which in turn could have an adverse effect on our business, results of operations and cash flows.

There are a limited number of purchasers of utility scale quantities of electricity which exposes us and our utility scale projects to risk.

In fiscal year 2017 and 2018, we derived 82.6% and 74.8%, respectively, of our revenue from our top five customers. Since the transmission and distribution of electricity are either monopolized or highly concentrated in most jurisdictions, there are a limited number of possible purchasers for utility scale quantities of electricity in a given geographic location, including transmission grid operators and central and state run utilities. For instance, for projects established pursuant to the NSM, solar project developers are required to enter into PPAs with specified implementation agencies. As a result, there is a concentrated pool of potential buyers for electricity generated by our plants and projects, which may restrict our ability to negotiate favorable terms under new PPAs and could impact our ability to find new customers for the electricity generated by our generation facilities should this become necessary.

Furthermore, if the financial condition of these utilities and/or power purchasers deteriorate or the NSM or other solar policy to which they are currently subject and that compel them to source renewable energy supplies change, demand for electricity produced by our plants could be negatively impacted.

Land title in India can be uncertain and we may not be able to identify or correct defects or irregularities in title to the land which we own, lease or intend to acquire in connection with the development or acquisition of our power projects. Additionally, certain land on which our power projects are located may be subject to onerous conditions which may adversely affect its use.

There is no central title registry for real property in India and the documentation of land records in India has not been fully computerized. Property records in India are generally maintained at the state and district level and in local languages, and are updated manually through physical records. Therefore, property records may not be available online for inspection or updated in a timely manner, may be illegible, untraceable, incomplete or inaccurate in certain respects, or may have been kept in poor condition, which may impede title investigations or our ability to rely on such property records. In addition, there may be a discrepancy between the duration of the principal lease under different orders issued by state governments in respect of a particular parcel of revenue land. Furthermore, title to land in India is often fragmented, and in many cases, land may have multiple owners. Title may also suffer from irregularities, such as non-execution or non-registration of conveyance deeds and inadequate stamping and may be subjected to encumbrances that we are unaware of. Any defects in, or irregularities of, title may result in a loss of development or operating rights over the land, which may prejudice the success of our power projects and require us to write off substantial expenditures in respect of our power projects.

Further, improperly executed, unregistered or insufficiently stamped conveyance instruments in a property's chain of title, unregistered encumbrances in favor of third parties, rights of adverse possessors, ownership claims of family members of prior owners or third parties, or other defects that a purchaser may not be aware of can affect title to a property. As a result, potential disputes or claims over title to the land on which our power projects are or will be constructed may arise. However, an adverse decision from a court or the absence of an

agreement with such third parties may result in additional costs and delays in the construction and operating phases of any solar projects situated on such land. Also, such disputes, whether resolved in our favor or not, may divert management's attention, harm our reputation or otherwise disrupt our business.

In addition, some properties used for our solar projects are subject to other third-party rights such as right of passage and right to place cables and other equipment on the properties, which may result in certain interferences with our use of the properties. Our rights to the properties used for our solar projects may be challenged by property owners and other third parties for various other reasons as well. For example, we do not always have the exclusive right to use a given site. Any such challenge, if successful, could impair the development or operations of our solar projects on such properties.

Additionally, the power projects that we may develop or acquire in the future may be located on land that may be subject to onerous conditions under the lease agreements through which we acquire rights to use such land and rights of way. Furthermore, the government may exercise its rights of eminent domain, or compulsory acquisition in respect of land on which our projects are or will be located. Any of this may adversely affect our business, results of operations and cash flows in the future.

A certain portion of the land on which our solar projects are or will be located, are not owned by us. In the event we are unable to purchase the land, or enter into or renew lease agreements, our business, results of operations, cash flows and financial condition could be adversely affected.

Some of our solar projects are located, or will be located, on revenue land that is owned by the state governments or on land acquired or to be acquired from private parties. The timeline for transfer of title in the land is dependent on the type of land on which the power projects are, or will be, located, and the policies of the relevant state government in which such land is located. In the case of land acquired from private parties, which is agricultural land, the transfer of such land from agriculturalists to non-agriculturalists such as us and the use of such land for non-agricultural purposes may require an order from the relevant state land or revenue authority allowing such transfer or use. For revenue land, we obtain a lease from the relevant government authority.

We cannot assure you that the outstanding approvals would be received, or that lease or sub-lease deeds would be executed in a timely manner, such that the operation of our solar projects will continue unaffected. In certain cases, any delay in the construction or commissioning of a solar project may result in termination of the lease. Further, the terms of lease and sub-lease agreements may also not be co-terminus with the lifetime of the power projects, taken together with the period of time required for construction and commissioning of the project. Accordingly, we will have to obtain extensions of the terms of such leases and sub-leases for the remainder of the terms of the corresponding PPAs. In the event that the relevant state authorities do not wish to renew the lease or sub-lease agreements, we may be forced to remove our equipment at the end of the lease and our business, results of operations, cash flows and financial condition could be adversely affected.

If sufficient demand for solar projects does not develop or takes longer to develop than we anticipate, our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected.

The solar power market is at a relatively early stage of development in many of the markets that we have entered or intend to enter. This is especially true in the rooftop and micro-grid solar markets. The solar energy industry continues to experience improved efficiency and higher electricity output. However, trends in the solar energy industry are based only on limited data and may not be reliable. Many factors may affect the demand for solar projects in India, including:

- fluctuations in economic and market conditions that affect the viability of conventional and non-solar renewable energy sources;
- the cost and reliability of solar projects compared to conventional and other renewable energy sources;

- the availability of grid capacity to dispatch power generated from solar projects;
- public perceptions of the direct and indirect benefits of adopting renewable energy technology; and
- regulations and policies governing the electric utility industry that may present technical, regulatory and economic barriers to the purchase and use of solar energy.

If market demand for solar projects fails to develop sufficiently, our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected.

If we are unsuccessful in our efforts to establish and/or maintain our compliance with the local content requirements in certain states, our financial results could be adversely affected.

In some cases, we are required by the central government in national auctions to procure solar panels solely from Indian manufacturers. Certain states or others may, in the future, require us to procure a defined portion of our solar system components from their designated geographical locales. Such requirements are commonly referred to as "local content requirements." In order to satisfy these local content requirements, we may need to undertake localization initiatives in such geographical locale. Some of our competitors with more significant capital resources may implement or expedite their own localization efforts in these geographical locale, and those efforts may result in competitive advantages for them. We may be faced with shortages or quality issues if projects we bid on impose local content requirements. Our costs may also be higher as a result of these requirements. Our failure to successfully implement appropriate localization initiatives, or otherwise acquire and maintain the capability to satisfy applicable local content requirements, could result in our losing business to our competitors and/or our breaching the terms of agreements, potentially resulting in damages, including monetary penalties. Depending on the value to us of lost business or the amounts of any contractual penalties, these consequences could have a material adverse effect on our results of operations and cash flows.

We may incur unexpected expenses if the suppliers of components in our solar projects default in their warranty obligations.

We enter into contracts with our suppliers to supply components in our solar projects. If our suppliers do not perform their obligations, we may have to enter into new contracts with other suppliers at a higher cost or may suffer schedule disruptions. In addition, our suppliers may have difficulty fulfilling our orders and incur delivery delays, or charge us higher prices, higher up-front payments and deposits, which would result in higher than expected prices or less favorable payment terms to develop our projects. Delays in the delivery of ordered components in our solar projects could delay the completion of our under-construction projects. In addition, our relationship with our suppliers may worsen or lead to disagreements or litigation which could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, the solar panels, inverters, modules and other system components utilized in our solar projects are generally covered by manufacturers' warranties, which are typically for 5 to 25 years. In the event any such components fail to operate as required, we may be able to make a claim against the applicable warranty to cover all or a portion of the expense or losses associated with the faulty component. However, the warranties may not be sufficient to cover all of our expense and losses. In addition, these suppliers could cease operations and no longer honor the warranties, which would leave us to cover the expense and losses associated with the faulty component. Our business, financial condition, results of operations and cash flows could be materially and adversely affected if we cannot recover the expense and losses associated with the faulty component from these warranty providers.

Our construction activities may be subject to cost overruns or delays.

Construction of our solar projects may be adversely affected by circumstances outside of our control, including inclement weather, adverse geological and environmental conditions, a failure to receive regulatory

approvals on schedule or third-party delays in providing supplies and other materials. Changes in project plans or designs, or defective or late execution may increase our costs from our initial estimates and cause delays. Increases in the prices of our materials may increase procurement costs. Labor shortages, work stoppages or labor disputes could significantly delay a project, increase our costs or cause us to breach our performance guarantees under our PPAs, particularly because strikes are not considered a force majeure event under many of our PPAs. Moreover, local political changes and delays, for instance, caused by state and local elections, as well as demonstrations or protests by local communities and special interest groups could result in, or contribute to, project time and cost overruns for us.

In addition, we sometimes utilize and rely on third-party sub-contractors to construct and install portions of our solar projects. If our sub-contractors do not satisfy their obligations or do not perform work that meets our quality standards or if there is a shortage of third-party sub-contractors or if there are labor strikes that interfere with the ability of our employees or contractors to complete their work on time or within budget, we could experience significant delays or cost overruns.

We may not be able to recover any of these losses in connection with construction cost overruns or delays. Certain PPAs require that we connect to the transmission grid by a certain date. If the solar project is significantly delayed, such PPAs may be terminated or require us to pay liquidated damages computed based on number of days of delay in commissioning of the projects or reduction in the PPA tariff. In addition, if we are unable to meet our performance guarantees, most of our PPAs require us to pay liquidated damages to the offtaker in proportion to the amount of power not supplied, and also grant the offtaker a right to draw on bank guarantees posted by us, including up to 100% of certain bank guarantees. Also, certain PPAs provide that we are liable for government fines and penalties if we fail to deliver electricity required by the offtakers to meet their RPO requirements. Furthermore, in the case of projects with VGF, which is paid out typically over two to five years, if the project fails to generate power for a long period of time, the government agency can suspend the VGF and demand repayment of previously paid sums.

Any of the contingencies discussed above could lead us to fail to generate our expected return from our solar projects and result in unanticipated and significant revenue and earnings losses.

Operation of power generation facilities involves significant risks and hazards that could have a material adverse effect on our business, financial condition, results of operations and cash flows. We may not have adequate insurance to cover these risks and hazards.

Power generation involves hazardous activities, including delivering electricity to transmission and distribution systems. In addition to natural risks such as earthquake, flood, lightning, hurricane and wind, other hazards, such as fire, structural collapse and machinery failure are inherent risks in our operations. These and other hazards can cause significant personal injury or loss of life, severe damage to and destruction of property, plant and equipment and contamination of, or damage to, the environment and suspension of operations. The occurrence of any one of these events may result in our being named as a defendant in lawsuits asserting claims for substantial damages, including for environmental cleanup costs, personal injury and property damage and fines and/or penalties. We maintain an amount of insurance protection that we consider adequate but we cannot provide any assurance that our insurance will be sufficient or effective under all circumstances and against all hazards or liabilities to which we may be subject. Furthermore, our insurance coverage is subject to deductibles, caps, exclusions and other limitations. A loss for which we are not fully insured could have a material adverse effect on our business, financial condition, results of operations or cash flows. Further, due to rising insurance costs and changes in the insurance markets, we cannot provide any assurance that our insurance coverage will continue to be available at all or at rates or on terms similar to those presently available. Any losses not covered by insurance could have a material adverse effect on our business, financial condition, results of operations and cash flows.

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

Our facilities may require periodic upgrading and improvement. Any unexpected operational or mechanical failure, including failure associated with breakdowns and forced outages, and any decreased operational or management performance, could reduce our facilities' generating capacity below expected levels and reduce our revenues as a result of generating and selling less power. Degradation of the performance of our solar facilities above levels provided for in the related PPAs may also reduce our revenues. Unanticipated capital expenditures associated with maintaining, upgrading or repairing our facilities may also reduce profitability, especially because our costs are fixed in the PPAs and we may not pass through any unexpected costs in relation to the projects to our customers. Furthermore, we are not able to mitigate such project risks by shifting some or all of the risk to a third-party EPC or O&M contractor since we provide these services in-house.

Changes in technology may require us to make additional capital expenditures to upgrade our facilities. The development and implementation of such technology entails technical and business risks and significant costs of employee implementation.

The loss of one or more members of our senior management or key employees may adversely affect our ability to implement our strategy.

Our future success depends on the continued services and performances of the members of our management in our business for project implementations, management and running of our daily operations and the planning and execution of our business strategy. We depend on our experienced management team, and the loss of one or more key executives could have a negative impact on our business. We also depend on our ability to retain and motivate key employees and attract qualified new employees. Neither our executive officers nor our key employees are bound by employment agreements for any specific term, and we may be unable to replace key members of our management team and key employees in the event we lose their services. There is intense competition for experienced management personnel with technical and industry expertise in the renewable energy business and if we lose the services of any of these individuals and are unable to find suitable replacements in a timely manner, our ability to realize our strategic objectives could be impaired. Integrating new employees into our management team could prove disruptive to our operations, require substantial resources and management attention and ultimately prove unsuccessful. An inability to attract and retain sufficient managerial personnel who have critical industry experience and relationships could limit or delay our strategic efforts, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

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

As the functional currency of our Indian subsidiaries is the Indian rupee, our operating expenses are denominated primarily in Indian rupees. However, some of our capital expenditures, and particularly those for equipment imported from international suppliers, such as solar panels, are denominated in foreign currencies. To the extent that we are unable to match revenue received in our functional currency with costs paid in foreign currencies, exchange rate fluctuations in any such currency could have an adverse effect on our profitability. Substantially all of our cash flows are generated in Indian rupees and, therefore, significant changes in the value of the Indian rupee relative to the other foreign currencies could have a material adverse effect on our financial condition and our ability to meet interest and principal payments on debts. In addition to currency translation risks, we incur currency transaction risks whenever we or one of our projects enter into a purchase or sales transaction using a currency other than the Indian rupee. We expect our future capital expenditures in connection with our proposed expansion plans to include significant expenditures in foreign currencies for imported equipment and machinery.

A significant fluctuation in the Indian rupee and U.S. dollar and other foreign currency exchange rates could therefore have a significant impact on our other results of operations. The exchange rate between the Indian

rupee and these currencies, primarily the U.S. dollar, has fluctuated in the past and any appreciation or depreciation of the Indian rupee against these currencies can impact our profitability and results of operations. Our results of operations have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. For example, the Indian rupee has depreciated against the U.S. dollar in four of the last five years, which may impact our results of operations in future periods. Such depreciation impacts the value of your investment. Furthermore, we have borrowings denominated in U.S. dollars and, as such, an annual decline in the rupee against the U.S. dollar effectively adds to the functional interest rate of our borrowings. Any amounts we spend in order to hedge the risks to our business due to fluctuations in currencies may not adequately hedge against any losses we incur due to such fluctuations.

The accounting treatment for many aspects of our solar projects is complex and any changes to the accounting interpretations or accounting rules governing our solar projects could have a material adverse effect on our U.S. GAAP reported results of operations and financial condition.

The accounting treatment for many aspects of our solar projects is complex, and our future results could be adversely affected by changes in the accounting treatment applicable to our solar projects. In particular, any changes to the accounting rules regarding the following matters may require us to change the manner in which we operate and finance our solar projects:

- foreign loans accounting;
- derivative contracts;
- asset retirement obligations;
- share based compensation;
- revenue recognition and related timing;
- accounting for convertible debt and equity instruments;
- income taxes;
- foreign holding company tax treatment;
- regulated operations; and
- government grants.

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

We are subject to the U.S. Foreign Corrupt Practices Act, or the FCPA, which prohibits, in relevant part, U.S. nationals, companies that have securities registered in the U.S. and any officer, director, employee, or agent of such issuer or any shareholder thereof acting on behalf of such issuer from bribing foreign officials for the purpose of obtaining or keeping business or otherwise obtaining favorable treatment and imposes obligations to keep accurate books and records and maintain appropriate internal controls. We have been and will continue to be subject to anti-corruption, anti-bribery and anti-facilitation payment legislation in other jurisdictions, which in certain circumstances go beyond the scope of the FCPA rules and regulations, including in India.

The current and future jurisdictions in which we operate our business may have experienced governmental corruption to some degree, and, in certain circumstances, strict compliance with anti-bribery and anti-facilitation payment laws may conflict with local customs and practices, which is likely to negatively impact our results of operations. We have developed and implemented formal controls and procedures to ensure that we are in compliance with the FCPA as well as anti-corruption, anti-bribery and anti- facilitation payment laws. However,

compliance with these new controls and procedures could make it more difficult for us to obtain timely permits or otherwise complete our projects on schedule in jurisdictions where strict compliance with anti-corruption and anti-bribery laws may conflict with local customs and practices.

Any historic or future violations of these laws, regulations and procedures by our employees, independent contractors, subcontractors and agents could be costly and time-consuming to investigate and expose us to administrative, civil or criminal penalties or fines (including under U.S. and Indian laws and regulations as well as foreign laws). If we were to be investigated for, charged with, or convicted of, violating these laws and regulations, our reputation could be harmed and it could cause some of our investors to sell their interests in our company to be consistent with their internal investment policies or to avoid reputational damage, and some investors might forego the purchase of our equity shares, all of which may negatively impact the trading prices of our equity shares. In addition, any administrative, civil or criminal penalties or fines could have a material adverse effect on our business results of operations and cash flows.

We may become involved in costly and time-consuming litigation and other regulatory proceedings, which require significant attention from our management.

We may, in the ordinary course of our business, become involved in litigation, administrative or arbitral proceedings . For example, we are, and may become subject to additional demands from Indian governmental or tax authorities, including, but not limited to, on account of differing interpretations of central and state tax statutes in India, which are extensive and subject to change from time to time. Changes in regulations or tax policies, or adoption of differing interpretations of existing provisions, and enforcement thereof by governmental, taxation or judicial authorities in India may become the subject of legal proceedings involving us from time to time.

Additionally, claims may be brought against or by us from time to time regarding, for example, defective or incomplete work, defective products, personal injuries or deaths, damage to or destruction of property, breach of warranty, late completion of work, delayed payments, intellectual property rights or regulatory compliance, and may subject us to litigation, arbitration and other legal proceedings, which may be expensive, lengthy, disruptive to normal business operations and require significant attention from our management.

If we were found to be liable on any of the claims against us, we would incur a charge against earnings to the extent a reserve had not been established for coverage. If amounts ultimately realized from the claims by us were materially lower than the balances included in our financial statements, we would incur a charge against earnings to the extent profit had already been accrued. Charges and write-downs associated with such legal proceedings could have a material adverse effect on our financial condition, results of operations and cash flow. Moreover, legal proceedings, particularly those resulting in judgments or findings against us, may harm our reputation and competitiveness in the market.

Employee shortages and rising employee costs may harm our business and increase our operation costs.

As of March 31, 2018, we employed 539 persons to perform a variety of functions in our daily operations. The low cost workforce in India provides us with a cost advantage. However, we have observed an overall tightening of the employee market and an emerging trend of shortage of skilled labor. Failure to obtain stable and dedicated employee support may cause disruption to our business that harms our operations. Furthermore, employee costs have increased in India in recent years and may continue to increase in the near future. To remain competitive, we may need to increase the salaries of our employees to attract and retain them. Our employee payroll and related costs amounted to US$ 7.8 million, and US$ 10.8 million in fiscal years 2017 and 2018, respectively. Any future increase in employee costs may harm our operating results, cash flows and financial condition.

The United Kingdom's process on withdrawal from the European Union may have a negative effect on global economic conditions, financial markets and our business.

In June 2016, a majority of voters in the United Kingdom elected to withdraw from the European Union in a national referendum. On March 29, 2017, the British Prime Minister delivered a notice to the European Council pursuant to Article 50 of the Treaty of the European Union to initiate the formal process of withdrawal from the European Union. The Article 50 notice dated March 29, 2017, started a two-year period for the United Kingdom to negotiate the terms of its exit from the European Union, although this period can be extended with the unanimous agreement of the European Council. The United Kingdom and the European Union are currently engaged in negotiations to structure their post-Brexit relationship, but significant uncertainty remains about the future relationship between the United Kingdom and the European Union. These developments have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Lack of clarity about future laws and regulations as the United Kingdom determines which European Union laws to replace or replicate upon withdrawal could depress economic activity and restrict our access to capital in the United Kingdom. If the United Kingdom and the European Union are unable to negotiate acceptable withdrawal terms, barrier-free access between the United Kingdom and other European Union member states could be diminished or eliminated. This may impact our ability to freely move staff and equipment, and it may impact the cost associated with cross-border business, for example, by the re-introduction of import duties. Any of these factors could depress economic activity and restrict our access to capital, which could have a material adverse effect on our business, financial condition and results of operations and reduce the price of our equity shares.

The global economy may be adversely affected by economic developments in some markets.

The global financial and securities markets, and also the global economy, are influenced by economic and market conditions in some markets worldwide. The global economy may be influenced by shocks from some markets, including those relating to a potential trade war between China and the United States. Although economic conditions vary from country to country, investors' reactions to events occurring in one country sometimes demonstrate a"contagion"effect in which an entire region or class of investment is disfavoured by international investors. Consequently, there can be no assurance that the global and India's financial system and securities markets will not continue to be adversely affected by events in developed countries' economies or events in other emerging markets, which could in turn, adversely affect the global and India's economy and, indirectly, our business, financial condition and results of operations, and the market value of our equity shares.

Risks Related to Operations in India

Substantially all of our business and operations are located in India and we are subject to regulatory, economic, social and political uncertainties in India.

Substantially all of our business and employees are located in India, and we intend to continue to develop and expand our business in India. Consequently, our financial performance and the market price of our equity shares will be affected by changes in exchange rates and controls, interest rates, changes in government policies, including taxation policies, social and civil unrest and other political, social and economic developments in or affecting India.

An election or a new administration could result in uncertainty in the solar market, which could harm our operations. For example, we saw a slowdown in the solar market in fiscal year 2014 as a result of it leading up to an election year with uncertainty about the level of government support for solar initiatives going forward.

The Indian government has exercised and continues to exercise significant influence over many aspects of the Indian economy. Since 1991, successive Indian governments have generally pursued policies of economic liberalization and financial sector reforms, including by significantly relaxing restrictions on the private sector.

Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant and we cannot assure you that such liberalization policies will continue. The rate of economic liberalization could change, and specific laws and policies affecting solar power producers, foreign investments, currency exchange rates and other matters affecting investments in India could change as well, including exposure to possible expropriation, nationalization or other governmental actions.

The Reserve Bank of India and the Ministry of Finance of the Government of India withdrew the legal tender status of INR 500 and INR 1,000 currency notes pursuant to notification dated November 8, 2016 (Demonetization). This has impacted the general banking operations in the country. The Company may not be able to predict the short and long-term effects on our business, results of operations and financial conditions of such demonetization in Indian economy.

Further, protests against privatizations and government corruption scandals, which have occurred in the past, could slow the pace of liberalization and deregulation. A significant change in India's policy of economic liberalization and deregulation or any social or political uncertainties could significantly harm business and economic conditions in India generally and our business and prospects.

The extent and reliability of Indian infrastructure could significantly harm our results of operations, cash flows and financial conditions.

India's physical infrastructure is less developed than that of many developed nations. Any congestion or disruption with respect to communication systems or any public facility, including transportation infrastructure, could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of people, goods and supplies, and add costs to doing business in India. These disruptions could interrupt our business operations and significantly harm our results of operations, cash flows and financial condition. For the risk of congestion or disruption with respect to India's electricity grid and transmission lines, see "Risks Related to Us and Our Industry — 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, results of operations and cash flows."

A decline in India's foreign exchange reserves may adversely affect liquidity and interest rates in the Indian economy.

According to the weekly statistical supplement of the RBI Bulletin, India's foreign exchange reserves totalled US$424 billion as of April 20, 2018. A sharp decline in these reserves could result in reduced liquidity and higher interest rates in the Indian economy. Reduced liquidity or an increase in interest rates in the economy following a decline in foreign exchange reserves could have a material adverse effect on our financial performance and ability to obtain financing to fund our growth on favourable terms or at all.

A slowdown in economic growth in India could cause our business to suffer.

Since inception, all of our revenue has been derived directly from sales by AZI and its various other subsidiaries in India. In addition, the CIA World Factbook estimates that consumer inflation in India was approximately 3.8% in 2017. The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be significantly harmed by political instability or regional conflicts, a general rise in interest rates, inflation and economic slowdown elsewhere in the world or otherwise. The Indian economy also remains largely driven by the performance of the agriculture sector which depends on the quality of monsoon, which is difficult to predict. Although the Indian economy has continued to grow in the past few years, any future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the demand for power and, as a result, on our financial condition, results of operations and cash flows.

India's trade relationships with other countries and its trade deficit may significantly harm Indian economic conditions. If trade deficits increase or are no longer manageable because of an unexpected rise in global crude oil prices or otherwise, the Indian economy, and therefore our business, our financial performance and the price of our equity shares could be significantly harmed.

India also faces major challenges in sustaining its growth, which include the need for substantial infrastructure development and improving access to healthcare and education. If India's economic growth cannot be sustained or otherwise slows down significantly, our business and prospects could be significantly harmed.

Stringent labor laws may harm our ability to have flexible human resource policies and labor union problems could negatively affect our processing capacity, construction schedules, cash flows and overall profitability.

India has stringent labor legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal, imposes financial obligations on employers upon employee layoffs and regulates contract labor. These laws may restrict our ability to have human resource policies that would allow us to react swiftly to the needs of our business, discharge employees or downsize. We may also experience labor unrest in the future, which may delay our construction schedules or disrupt our operations. If such delays or disruptions occur or continue for a prolonged period of time, our processing capacity and overall profitability could be negatively affected. We also depend on third party contract labor. It is possible under Indian law that we may be held responsible for wage payments to these laborers if their contractors default on payment. We may be held liable for any non-payment by contractors and any such order or direction from a court or any other regulatory authority may harm our business, results of our operations and cash flows.

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

India regulates ownership of Indian companies by non-residents, although some restrictions on foreign investment have been relaxed in recent years. Under current Indian regulations, transfers of shares between non-residents and residents are permitted (subject to certain exceptions) if they comply with, among other things, the guidelines specified by the Reserve Bank of India in relation to pricing and valuation of such shares and certain reporting requirements for such transactions specified by the Reserve Bank of India. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions specified by the Reserve Bank of India, the prior approval of the Reserve Bank of India will be required before any such transfer may be consummated. We may not be able to obtain any required approval from the Reserve Bank of India or any other Indian regulatory authority on any particular terms or at all.

For example, under its consolidated foreign direct investment policy, the Indian government has set out additional requirements for foreign investments in India, including requirements with respect to downstream investments by Indian companies owned or controlled by non-resident entities and the transfer of ownership or control, from resident Indian persons or entities to non-residents, of Indian companies in sectors with limits on foreign investment. As substantially all of AZI's equity shares are directly held by Azure Power Global Limited, it would be considered an entity owned and controlled by non-residents under applicable Indian laws. Accordingly, any downstream investment by Azure Power Global Limited into another Indian company will have to be in compliance with conditions applicable to such Indian entity, in accordance with the consolidated foreign direct investment policy. There are guidelines in relation to pricing and valuation of shares and restrictions on sources of funding for such investments. While these guidelines currently do not materially limit our planned investments in our Indian subsidiaries, to the extent they become more restrictive, they may restrict our ability to make further equity investments in India, including through Azure Power Global Limited.

Further, India's Foreign Exchange Management Act, 1999, as amended, and the rules and regulations promulgated thereunder prohibit us from borrowing from our Indian subsidiaries. We are permitted to lend to our

Indian subsidiaries subject to compliance with India's policy on external commercial borrowings as notified by the Reserve Bank of India from time to time, which specifies certain conditions, including in relation to eligible lenders and borrowers, permitted end use and limits on the all-in-cost.

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

Our Indian subsidiaries are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on raising foreign debt may have an adverse impact on our business growth, financial condition, results of operations and cash flows.

The new tax reforms could adversely affect our business.

There are two major reforms in Indian tax laws, namely the introduction of Goods and Services Tax (the "GST") and provisions relating to General Anti-Avoidance Rules ("GAAR").

The government has implemented the GST regime in India with effect from July 1, 2017, unifying and replacing various indirect taxes applicable earlier. The GST will lead to minor increase in the cost of operations of the onshore subsidiaries since various services received by the onshore subsidiaries will now be taxed at the rate of 18% under GST as compared to the earlier service tax which was charged at the rate of 15%.

The provisions of GAAR came into effect on April 1, 2017. The GAAR provisions can be invoked once an arrangement is regarded as an "impermissible avoidance arrangements", which is any arrangement, or a part of it, the main purpose of which is to obtain a tax benefit and which satisfies at least one of the following tests: (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which is not ordinarily employed for bona fide purposes. The onus to prove that the transaction is not an "impermissible avoidance agreement" is on the assessee, i.e. an arrangement shall be presumed, unless it is proved to the contrary by the assessee. If GAAR provisions are invoked, then the tax authorities have wide powers, including denial of tax benefit or a benefit under a tax treaty the consequences and effects of which are not determinable at present. Such effects could materially and adversely affect our business, prospects, cash flows, financial condition and results of operations.

Investors may not be able to enforce a judgment of a foreign court against our Indian subsidiaries, certain of our directors, or our key management, except by way of a suit in India on such judgment.

All of our operating subsidiaries are incorporated under the laws of India. In addition, certain of our directors and substantially all of our key management personnel reside in India, and all or a substantial portion of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon such persons outside India, or to enforce judgments obtained against such parties outside India. In India, recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Civil Procedure Code, 1908 (the "Civil Code") on a statutory basis. Section 13 of the Civil Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India.

Under the Civil Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on record.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of such section, in any country or territory outside India, which the Indian Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards. Further, the execution of the foreign decree under Section 44A of the Civil Code is also subject to the exceptions under Section 13 of the Civil Code.

The United Kingdom, Singapore and Hong Kong (among others) have been declared by the Indian Government to be reciprocating territories for the purposes of Section 44A. However, the United States has not been declared by the Indian Government to be a reciprocating territory for the purposes of Section 44A of the Civil Code. Accordingly, a judgment of a court in a country which is not a reciprocating territory may be enforced in India only by a fresh proceeding suit instituted in a court of India and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed in India to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court would, if an action were brought in India. Further, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with Indian public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to the execution of such judgment and such amount may be subject to income tax in accordance with applicable laws. In addition, any judgment awarding damages in a foreign currency would be converted into Indian Rupees on the date of the judgment and not the date of payment. We cannot predict whether a suit instituted in an Indian court will be disposed of in a timely manner or be subject to considerable delay.

Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, financial condition, results of operations, cash flows and prospects.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, financial condition, results of operations, cash flows and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

- A comprehensive national goods and services tax (“GST”), regime that combines taxes and levies by the central and state governments into a unified rate structure has come into effect since July 1, 2017 and the GST rules were amended multiple times since the effective date. Any further amendment to the GST rules may result in addition to project costs and operation costs of the power plants.
- The Government of India has also amended its rules which determine the ‘tax residency’ of a company in India with effect from April 1, 2017. Previously, a foreign company could be a tax resident of India only if its control and management was situated wholly in India. Under the amended rules, a company will be treated as tax resident of India if (i) it is an Indian company; or (ii) its place of effective management (“POEM”) is in India. POEM is defined in the Income Tax Act, 1961, to mean a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are, in substance, made. The Government of India has also issued the final guidelines for determining the POEM of a company on January 24, 2017. The applicability of the amended rules and the treatment of our subsidiaries under such rules is uncertain.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. For instance, media reports indicate that certain domestic solar panel manufacturers have approached the Directorate General of Anti-Dumping, requesting imposition of anti-dumping duties on imports of solar panels from certain countries, including China and Taiwan, claiming that imported solar panels were sold at lower prices than solar panels sold by domestic manufacturers, resulting in damage to the domestic market. The Government of India, Department of Revenue has the power to notify imposition of anti-dumping duty, in exercise of its powers under the Customs Act, 1962, read with the Customs Tariff Rules, 2002. In the event anti-dumping duty is levied, or other trade restrictions are imposed, on imports of solar panels from such countries, our costs of purchase of solar panels may substantially increase, which could harm our operating results, cash flows and financial condition.

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

India has experienced natural calamities such as earthquakes, tsunamis, floods and drought in the past few years. In June 2013, the state of Uttarakhand in northern India experienced widespread floods and landslides. Similarly, in December 2016, cyclonic storm resulted in heavy rains over the state of Tamil Nadu in southern India and adjoining areas, as a result of which, many parts of Tamil Nadu and Andhra Pradesh witnessed massive damage. The extent and severity of these natural disasters determines their impact on the Indian economy. If climatic conditions or natural disasters occur in areas where our solar projects and project teams are located, project development, connectivity to the power grid and the provision of O&M services may be adversely affected. In particular, materials may not be delivered as scheduled and labor may not be available. Substantially all of our operations and employees are located in India and there can be no assurance that we will not be adversely affected by natural disasters in the future.

In recent years, certain regions of the world, including India, have experienced outbreaks of swine flu caused by the H1N1 virus. Any future outbreak of swine flu or other health epidemics, such as the outbreak of the Ebola virus, may restrict the level of business activity in affected areas which could adversely affect our business.

Terrorist acts and other acts of violence involving India or other neighboring countries could significantly harm our operations directly, or may result in a more general loss of customer confidence and reduced investment in these countries that causes significant harm to our business, results of operations, cash flows and financial condition.

Terrorist attacks and other acts of violence or war involving India or other neighboring countries may significantly harm the Indian markets and the worldwide financial markets. The occurrence of any of these events may result in a loss of business confidence, which could potentially lead to economic recession and generally cause significant harm to our business, results of operations, cash flows and financial condition. In addition, any deterioration in international relations may result in investor concern regarding regional stability, which could decrease the price of our equity shares.

South Asia has also experienced instances of civil unrest and hostilities among neighboring countries from time to time. There have also been incidents in and near India such as terrorist attacks in Mumbai, Delhi and on the Indian Parliament, troop mobilizations along the Pakistan and Chinese borders and an aggravated geopolitical situation in the region. Such military activity or terrorist attacks in the future could significantly harm the Indian economy by disrupting communications and making travel more difficult. Resulting political tensions could create a greater perception that investments in Indian companies involve a high degree of risk. Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that were protracted or involved the

threat or use of nuclear weapons, we might not be able to continue our operations. Our insurance policies for a certain part of our business do not cover terrorist attacks or business interruptions from terrorist attacks or for other reasons.

Risks Related to Investments in Mauritian Companies

As our shareholder, you may have greater difficulties in protecting your interests than as a shareholder of a United States corporation.

We are incorporated under the laws of Mauritius. The laws generally applicable to United States corporations and their shareholders may provide shareholders of United States corporations with rights and protection for which there may be no corresponding or similar provisions under the Companies Act 2001 of Mauritius, as amended, or the Mauritius Companies Act. As such, being shareholder of our equity shares, you may or may not be accorded the same level of shareholder rights and protection that a shareholder of a United States corporation may be accorded under the laws generally applicable to United States corporations and their shareholders. Taken together with the provisions of our constitution, which we adopted with effect upon completion of our public offering in October 2016, or Constitution, some of these differences may result in you having greater difficulties in protecting your interests as our shareholder than you would have as a shareholder of a United States corporation. This affects, among other things, the circumstances under which transactions involving an interested director are voidable, whether an interested director can be held accountable for any benefit realized in a transaction with us, what rights you may have as a shareholder to enforce specified provisions of the Mauritius Companies Act or our Constitution, and the circumstances under which we may indemnify our directors and officers.

We may become subject to unanticipated tax liabilities that may have a material adverse effect on our results of operations.

We are a Mauritius Category 1 Global Business Company, or GBC1, and are tax resident in Mauritius. The Income Tax Act 1995 of Mauritius imposes a tax in Mauritius on the chargeable income of our company at the rate of 15%. However, under the Income Tax (Foreign Tax Credit) Regulations 1996 of Mauritius, subject to the Income Tax Act 1995 and the regulations under the Income Tax (Foreign Tax Credit) Regulations 1996, credit is allowed for foreign tax on the foreign source income of a resident of Mauritius against Mauritius tax computed by reference to the same income, and where credit is allowed against Mauritius tax chargeable in respect of any income, the amount of Mauritius tax so chargeable shall be reduced by the amount of the credit. Under the Income Tax (Foreign Tax Credit) Regulations 1996, "foreign source income" means income which is not derived from Mauritius and includes in the case of a corporation holding a GBC1 license, under the Financial Services Act 2007 of Mauritius, income derived in the course of a global business. Subject to the provisions of the Income Tax (Foreign Tax Credit) Regulations 1996, no credit is allowed in respect of foreign tax unless written evidence is presented to the Mauritius Revenue Authority showing the amount of foreign tax which has been charged and for this purpose, "written evidence" includes a receipt of the relevant authorities of the foreign country for the foreign tax or any other evidence that the foreign tax has been deducted or paid to the relevant authorities of that country. However, pursuant to Regulation 8 of the Income Tax (Foreign Tax Credit) Regulations 1996, if written evidence is not presented to the Mauritius Revenue Authority showing the amount of foreign tax charged on our company's foreign source income, the amount of foreign tax shall nevertheless be conclusively presumed to be equal to 80% of the Mauritius tax chargeable with respect to that income and in such circumstance, the effective tax rate in Mauritius on our company's chargeable income would be 3%.

Following amendments to the Financial Services Act 2007 of Mauritius pursuant to the Finance (Miscellaneous Provisions) Act 2010 in December 2010, Mauritius companies holding a GBC1 issued by the Financial Services Commission in Mauritius are permitted to conduct business both in and outside Mauritius (instead of outside Mauritius only). The operations of a GBC1 company in Mauritius will be subject to tax on chargeable income at the rate of 15% in Mauritius.

We hold tax residence certificates issued by the Mauritius Revenue Authority. We believe that a significant portion of the income derived from our operations will not be subject to tax in countries in which we conduct activities or in which our customers are located, other than Mauritius and India. However, this belief is based on the anticipated nature and conduct of our business, which may change. It is also based on our understanding of our position under the tax laws of the countries in which we have assets or conduct activities. This position is subject to review and possible challenge by taxing authorities and to possible changes in law that may have retroactive effect. Our results of operations and cash flows could be materially and adversely affected if we become subject to a significant amount of unanticipated tax liabilities.

Anti-takeover provisions in our constitutional documents and under Mauritius law could make an acquisition of us, which may be beneficial to our shareholders, more difficult and may prevent attempts by our shareholders to replace or remove our current management and limit the market price of our equity shares.

Provisions in our Constitution may have the effect of delaying or preventing a change in control or changes in our management. Our Constitution includes the following provisions which may be regarded as defensive measures:

- a staggered Board of Directors;
- the ability to issue additional equity shares (including "blank check" preferred stock);
- granting directors, the absolute discretion to decline to register a transfer of any shares;
- requiring that amendments to our Constitution be approved by a special resolution of the shareholders of our company; and
- limiting the liability of, and providing indemnification to, our directors and officers.

These provisions may restrict or prevent any attempts by our shareholders to replace or remove our current management by making it more difficult for shareholders to replace members of our Board of Directors, which is responsible for appointing the members of our management team. The provisions could also deprive our shareholders of the opportunity to sell their shares at a premium over the prevailing market price by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transactions.

Risks Related to Our Equity Shares

An Active or Liquid Trading Market for Our Equity Shares May Not Be Maintained.

An active, liquid trading market for our equity shares may not be maintained in the long term and we cannot be certain that any trading market for our equity shares will be sustained or that the present price will correspond to the future price at which our equity shares will trade. Loss of liquidity could increase the price volatility of our equity shares.

Any additional issuance of equity shares or other equity-related securities would dilute the positions of existing investors in the equity shares and could adversely affect the market price of our equity shares. We cannot assure you that our equity shares will not decline below their prevailing market price. You may be unable to sell your equity shares at a price that is attractive to you.

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

The trading price of our equity shares has been volatile since our initial public offering, and is likely to continue to be volatile. Factors that could cause fluctuations in the market price of our equity shares include — trading volume, prices of other securities, market trends, growth of other comparable companies, changes in operating performance, sale of additional shares in the market by us or by other investors, coverage by security

analysts, changes in financial estimates, failure to meet analyst or market expectations, press releases by us or our competitors, market speculations, changes in tax and other incentives, regulatory and policy changes, litigations, business acquisitions, changes in accounting standards and economic conditions.

Further, in recent years the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. In addition, the stock prices of many renewable energy companies have experienced wide fluctuations that have often been unrelated to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political and market conditions such as recessions, government shutdowns, interest rate changes, or international currency fluctuations, may cause the market price of our equity shares to decline.

Sales of a substantial number of our equity shares in the public market, including by our existing stockholders, could cause our stock price to fall.

Sales of a substantial number of our equity shares in the public market, or the perception that the sales might occur, could depress the market price of our equity shares and could impair our ability to raise capital through the sale of additional equity securities. We are unable to predict the effect that these sales and others may have on the prevailing market price of our equity shares.

In addition, certain of our stockholders can require us to register shares of our capital stock owned by them for public sale in the United States. We have also filed a registration statement to register our equity shares reserved for future issuance under our equity compensation plans. Subject to the satisfaction of applicable exercise periods and applicable volume and restrictions that apply to affiliates, our equity shares issued upon exercise of outstanding options will become available for immediate resale in the public market upon issuance.

Future sales of our equity shares may make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. These sales also could cause the market price of our equity shares to decline and make it more difficult for you to sell our equity shares.

You may have difficulty enforcing judgments against us, our directors and management.

We are incorporated under the laws of Mauritius. Further, we conduct substantially all of our operations in India through our key operating subsidiary in India. The majority of our directors and officers reside outside the United States, and a majority of our assets and some or all of the assets of such persons are located outside the United States. As a result, it may be difficult or impossible to effect service of process within the United States upon us or those persons, or to recover against us or them on judgments of United States courts, including judgments predicated upon the civil liability provisions of the United States federal securities laws. An award of punitive damages under a United States court judgment based upon United States federal securities laws is likely to be construed by Mauritian and Indian courts to be penal in nature and therefore unenforceable in both Mauritius and India. Further, no claim may be brought in Mauritius or India against us or our directors and officers in the first instance for violation of United States federal securities laws because these laws have no extraterritorial application under Mauritian or Indian law and do not have force of law in Mauritius or India. However, a Mauritian or Indian court may impose civil liability, including the possibility of monetary damages, on us or our directors and officers if the facts alleged in a complaint constitute or give rise to a cause of action under Mauritian or Indian law. Moreover, it is unlikely that a court in Mauritius or India would award damages on the same basis as a foreign court if an action were brought in Mauritius or India or that a Mauritian or Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with Mauritius or Indian practice or public policy.

The courts of Mauritius or India would not automatically enforce judgments of United States courts obtained in actions against us or our directors and officers, predicated upon the civil liability provisions of the

United States federal securities laws, or entertain actions brought in Mauritius or India against us or such persons predicated solely upon United States federal securities laws. Further, there is no treaty in effect between the United States and Mauritius providing for the enforcement of judgments of United States courts in civil and commercial matters and the United States has not been declared by the Indian government to be a reciprocating territory for the purposes of enforcement of foreign judgments, and there are grounds upon which Mauritian or Indian courts may decline to enforce the judgments of United States courts. Some remedies available under the laws of United States jurisdictions, including remedies available under the United States federal securities laws, may not be allowed in Mauritian or Indian courts if contrary to public policy in Mauritius or India. Because judgments of United States courts are not automatically enforceable in Mauritius or India, it may be difficult for you to recover against us or our directors and officers based upon such judgments. In India, prior approval of the Reserve Bank of India is required in order to repatriate any amount recovered pursuant to such judgments.

We do not expect to pay any cash dividends on our equity shares.

We have not paid dividends on any of our equity shares to date and we currently intend to retain our future earnings, if any, to fund the development and growth of our business. As a result, capital appreciation, if any, of our equity shares are likely to be your sole source of gain for the foreseeable future. Consequently, you will likely only experience a gain from your investment in our equity shares if the price of our equity shares increases.

In addition, our ability and decisions whether to pay dividends in the future will depend on our earnings, financial condition and capital requirements. Dividends to U.S. holders may be negatively affected by foreign currency fluctuations. We may not generate sufficient income to cover our operating expenses and pay dividends to our shareholders, or at all. Our ability to pay dividends also could be restricted under financing arrangements that we may enter into in the future and we may be required to obtain the approval of lenders in the event we are in default of our repayment obligations. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements, financing arrangements, results of operations and financial condition. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time.

Our holding company will have to rely principally on dividends and other distributions on equity paid by our operating subsidiaries and limitations on their ability to pay dividends to us could adversely impact your ability to receive dividends on our equity shares.

Since we cannot borrow from our Indian subsidiaries, dividends and other distributions on equity paid by our operating subsidiaries will be our principal source for cash in order for us to fund our operations including corporate expenses. Accordingly, we may need to issue additional equity or borrow funds, either of which may be unavailable on attractive terms, if at all.

If our operating subsidiaries incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to our holding company. As our key operating subsidiary is established in India, it is also subject to certain limitations with respect to dividend payments. As of the date of this annual report, AZI has not paid any cash dividends on its equity shares and does not intend to pay dividends to its equity shareholders, including Azure Power Global Limited, in the foreseeable future. Moreover, as we do not own 100% of AZI, any dividend payment made by AZI to us will also involve a payment to the other shareholders of AZI.

As a foreign private issuer, we are permitted to, and we will, follow certain home country corporate governance practices in lieu of certain requirements applicable to U.S. issuers. This may afford less protection to holders of our equity shares.

As a foreign private issuer listed on the New York Stock Exchange, or NYSE, we are permitted to follow certain home country corporate governance practices in lieu of certain NYSE requirements. A foreign private

issuer must disclose in its annual reports filed with the SEC, each NYSE requirement with which it does not comply followed by a description of its applicable home country practice. As a company incorporated in Mauritius and which is listed on the NYSE, we may follow our home country practice with respect to the composition of our Board of Directors and executive sessions. Unlike the requirements of the NYSE, the corporate governance practice and requirements in Mauritius do not require us as a GBC1 to have the majority of our Board of Directors be independent or to hold regular executive sessions where only independent directors shall be present. Such Mauritian home country practices may afford less protection to holders of our equity shares than would be available to the shareholders of a U.S. corporation.

If we cease to qualify as a foreign private issuer, we would be required to comply fully with the reporting requirements of the Exchange Act applicable to U.S. domestic issuers, and we would incur significant additional legal, accounting and other expenses that we would not incur as a foreign private issuer.

As a foreign private issuer, we are exempt from a number of rules and regulations under the Securities Exchange Act of 1934, or the Exchange Act, applicable to U.S. domestic issuers, including the furnishing and content of proxy statements, compliance with the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act applicable to executive officers, directors and principal shareholders. We are required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. domestic issuers, and we are not required to disclose in our periodic reports all of the information that U.S. domestic issuers are required to disclose. If we do not qualify as a foreign private issuer, we will be required to comply fully with the reporting requirements of the Exchange Act applicable to U.S. domestic issuers, and we will incur significant additional legal, accounting and other expenses that we would not incur as a foreign private issuer.

For as long as we are an "emerging growth company," we will not be required to comply with certain reporting requirements that apply to other public companies.

We are an "emerging growth company," as defined in the JOBS Act, enacted on April 5, 2012. For as long as we continue to be an emerging growth company, we may choose to take advantage of certain exemptions from reporting requirements applicable to other public companies that are not emerging growth companies. These include: (1) not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, (2) not being required to comply with any new requirements adopted by the Public Company Accounting Oversight Board, or the PCAOB, requiring mandatory audit firm rotation or a supplement to the auditor's report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer, (3) not being required to comply with any new audit rules adopted by the PCAOB after April 5, 2012 unless the SEC determines otherwise, and (4) not being required to provide certain disclosure regarding executive compensation required of larger public companies. We could be an emerging growth company for up to five years from the end of fiscal year 2017, although, if the market value of our equity shares that is held by non-affiliates exceeds US$ 700 million as of any September 30 before the end of that five-year period, we would cease to be an emerging growth company as of the following April 1. The Company early adopted certain new accounting pronouncements that are applicable for public companies and irrevocably elected to follow the public company accounting requirements. This will result in adoption of Financial Accounting Standards Board ("FASB")'s Accounting Standard Updates ("ASU"), as it would be applicable for other public companies. We cannot predict if investors will find our equity shares less attractive if we choose to rely on these exemptions. If some investors find our equity shares less attractive as a result of any choices to reduce future disclosure, there may be a less active trading market for our equity shares and our share price may be more volatile. Further, as a result of these scaled regulatory requirements, our disclosure may be more limited than that of other public companies and you may not have the same protections afforded to shareholders of such companies.

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

Pursuant to recent amendments to the Indian Income Tax Act, 1961, as amended, income arising directly or indirectly through the sale of a capital asset, including any share or interest in a company or entity registered or incorporated outside of India, will be liable to tax in India, if such share or interest derives, directly or indirectly, its value substantially from assets (whether tangible or intangible) located in India and whether or not the seller of such share or interest has a residence, place of business, business connection, or any other presence in India. The share or interest of the company or entity registered or incorporated outside of India is deemed to derive its value substantially from the assets located in India if the value of such Indian assets exceeds INR 100 million and represents at least 50% of the value of all the assets owned by the company or entity registered or incorporated outside of India. Substantially all of our assets are located in India.

However, if the transferor of share or interest in a company or entity registered or incorporated outside of India (along with its associated enterprises), neither holds the right of management or control in the company or entity registered or incorporated outside of India nor holds voting power or share capital or interest exceeding 5% of the total voting power or total share capital or interest in the company or entity registered or incorporated outside of India, at any time during the twelve months preceding the date of transfer, such small shareholders are exempt from the indirect transfer provisions mentioned above. The amendments also do not deal with the interplay between the amendments to the Indian Income Tax Act, 1961, as amended, and the existing Double Taxation Avoidance Agreements that India has entered into with countries such as the United States in case of an indirect transfer. Accordingly, the implications of the recent amendments are presently unclear. If it is determined that these amendments apply to a holder of our equity shares, such holder could be liable to pay taxes in India on such income.

If securities or industry analysts do not publish or cease publishing research or reports about us, our business or our market, or if they change their recommendations regarding our equity shares adversely, our stock price and trading volume could decline.

The trading market for our equity shares is influenced by the research and reports that industry or securities analysts publish about us, our business, our market or our competitors. If any of the analysts who cover us or may cover us in the future change their recommendation regarding our stock adversely, or provide more favorable relative recommendations about our competitors, our stock price would likely decline. If any analyst who covers us or may cover us in the future were to cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

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

Any issuance of equity securities after our initial offering could dilute the interests of our shareholders and could substantially decrease the trading price of our equity shares. We may issue equity or equity-linked securities in the future for a number of reasons, including to finance our operations and business strategy (including in connection with acquisitions and other transactions), to adjust our ratio of debt to equity, to satisfy our obligations upon the exercise of then-outstanding options or other equity-linked securities, if any, or for other reasons. Issuance of such additional securities may significantly dilute the equity interests of investors, since initial offering who will not have pre-emptive rights with respect to such an issuance, subordinate the rights of holders of equity shares if preferred shares are issued with rights senior to those afforded to our equity shares, or harm prevailing market prices for our equity shares.

We may not be able to successfully complete acquisitions or enhance post-acquisition performances.

In addition to our organic growth, we intend to continue to accelerate our business growth through strategic acquisitions when suitable opportunities arise. However, our ability to consummate acquisitions is subject to various risks and uncertainties, including:

- failure to identify suitable acquisition targets and reach agreement on commercially reasonable terms;
- failure to obtain sufficient financing on acceptable terms to fund the proposed acquisitions;
- failure to obtain regulatory approvals and third-party consents necessary to consummate the proposed acquisitions; and
- other companies, many of which may have greater financial, marketing and sales resources, may compete with us for the right to acquire such product candidates, products or businesses.

Even if we are able to consummate acquisitions, our ability to grow our business through such acquisitions remains subject to further risks and uncertainties which could materially and adversely affect our business, financial condition and results of operations, including that:

- we are unable to integrate the acquired businesses with our existing business and operations;
- the acquired businesses do not provide us with the resources we had anticipated;
- the acquired businesses are subject to unforeseen or hidden liabilities;
- we are unable to effectively manage our enlarged business operations or manage the acquired businesses that may operate in new markets or geographic regions; and
- the acquired businesses do not generate the revenue and profitability we had anticipated.

Furthermore, the process of pursuing and consummating acquisitions and integrating and managing acquired businesses, whether or not successful, could divert our resources and management attention from our existing business and disrupt our operations.

We may be classified as a passive foreign investment company, which could result in adverse U.S. federal income tax consequences to certain U.S. investors of our equity shares.

A non-U.S. corporation will be a passive foreign investment company, or PFIC, for any taxable year if either (1) at least 75% of its gross income for such year is passive income or (2) at least 50% of the value of its assets (based on an average of the quarterly values of the assets) during such year is attributable to assets that produce passive income or are held for the production of passive income. We do not expect to be a PFIC for U.S. federal income tax purposes for our current taxable year or future taxable years. However, our PFIC status is a factual determination made after the close of each taxable year that will depend, in part, on the composition of our income and assets, and thus, there can be no assurance that we will not be treated as a PFIC in our current taxable year or future taxable years. See “Item 10. Additional Information — E. Taxation — U.S. Federal Income Taxation — Passive Foreign Investment Company.”

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

Our legal and commercial name is Azure Power Global Limited. We are a public company limited by shares incorporated in Mauritius on January 30, 2015. Our registered office is located at c/o AAA Global Services Ltd., 1st Floor, The Exchange 18 Cybercity, Ebene, Mauritius. Our principal executive offices are located at: 3rd Floor, Asset 301-304 and 307, WorldMark 3, Aerocity, New Delhi—110037, India, and our telephone number at this location is (91-11) 49409800. Our principal website address is www.azurepower.com. Our agent for service of process in the United States is CT Corporation System, located at 111 Eighth Avenue, 13th Floor, New York, NY 10011.

Founded by Inderpreet Wadhwa in 2008, we developed India's first utility scale solar project in 2009. As of March 31, 2018, we operated 35 utility scale projects and several commercial rooftop projects with a combined rated capacity of 911 MW which represents a compound annual growth rate, or CAGR, of 94%, since March 2012. As of such date we were also constructing 10 projects with a combined rated capacity of 743 MW and had an additional 544 MW committed, bringing our total portfolio capacity to 1,871 MW. Megawatts committed represents the aggregate megawatt rated capacity of solar power plants pursuant to customer power purchase agreements, or PPAs, signed or allotted but not yet commissioned and operational as of the reporting date.

B. Business Overview

Our mission is to be the lowest-cost power producer in the world. We sell solar power in India on long-term fixed price contracts to our customers, at prices which in many cases are at or below prevailing alternatives for these customers. We are also developing micro-grid applications for the highly fragmented and underserved electricity market in India. Since 2011, we have achieved an 85% reduction in total solar project cost, which includes a significant decrease in balance of systems costs due in part to our value engineering, design and procurement efforts.

Indian solar capacity installed reached approximately 22 GW at the end of March 2018 with a target to achieve 100 GW of installed solar capacity by 2022. Solar power is a cleaner, faster-to-build and cost-effective alternative energy solution to coal and diesel-based power, the economic and climate costs of which continue to increase every year.

We developed India's first utility scale solar project in 2009. As of March 31, 2018, we operated 35 utility scale projects and several commercial rooftop projects with a combined rated capacity of 911 MW which represents a compound annual growth rate, or CAGR, of 94%, since March 2012. As of such date we were also constructing ten projects with a combined rated capacity of 416 MW and had an additional 544 MW committed, bringing our total portfolio capacity to 1,871 MW. Megawatts committed represents the aggregate megawatt rated capacity of solar power plants pursuant to customer power purchase agreements, or PPAs, signed or allotted but not yet commissioned and operational as of the reporting date.

Our ability to achieve these goals will depend on, among other things, our ability to acquire the required land for the new capacity (on lease or direct purchase,) raising adequate project financing and working capital, the growth of the Indian power market in line with current government targets, our ability to maintain our market share of India's installed capacity as competition increases, the need to further strengthen our operations team to execute the increased capacity, and the need to further strengthen our systems and processes to manage the ensuing growth opportunities, as well as the other risks and challenges discussed under the caption "Item. 3 Key Information — D. Risk Factors."

Utility scale solar projects are typically awarded through government auctions. We believe the strong demand for our solar power is a result of the following:

- **Low levelized cost of energy** . Our in-house engineering, procurement and construction, or EPC, expertise, purely solar focus, advanced in-house operations and maintenance, or O&M, capability and efficient financial strategy allow us to offer low-cost solar power solutions.
- **Strong value proposition for our customers** . We manage the entire development and operation process, providing customers with long term fixed price PPAs in addition to high levels of availability and service. This helps us win repeat business.
- **Our integrated profile supports growth** . Our integrated profile affords us greater control over project development, construction and operation, which provides us with greater insight and certainty on our construction costs and timeline.

- **Strong community partnerships** . Our ability to build long term community relationships allows us to improve our time of completion, further reducing project development risk.
- **We take a leading role in policy initiatives** . We provided input to the government to help it design an auction process supporting multiple winners at differentiated price points and implementing a transparent bidding process open to all participants. For example, we suggested that the government include compulsorily convertible debentures in the calculation of a bidder's net worth for the purposes of tender qualification, which was ultimately adopted by the government.

We generate revenue from a mix of leading government utilities and commercial entities. Because we have our own EPC and O&M capabilities, we retain the profit margins associated with those services that other project developers may need to pay to third-party providers.

Market Opportunity

India's economic growth is intrinsically linked to the increasing consumption of energy and natural resources. Energy demand has outpaced capacity additions in recent years, which has resulted in persistent peak power deficits in the country. In addition, the Indian government has made it a priority to provide electricity to the estimated 240 million people who are without this service.

Solar is an attractive option to help address this energy gap driven by regional fundamentals and regulatory support by the Indian government. The Indian government increased its 2022 target for solar capacity from 20 GW to 100 GW, ratified Paris climate change agreement and committed to 40% renewables by 2030 up from 15%. From April 2017-February 2018, 86% of total renewable installations were solar and solar has clearly outpaced all other renewables sources. The Central Government, in collaboration with the state governments, is planning to facilitate the development of 50 solar power parks of 500 MW and above to boost the solar capacity in high solar irradiation states and 30 GW of new projects are to be auctioned by 2019. As per MNRE, India installed approximately 22 GW of solar through March 2018. The state governments will identify land for the proposed solar parks, provide permits and related infrastructure such as grid interconnect systems while a government sponsored entity will commit to buy power produced from these parks. In December 2017 Government announced US$ 3.7 bn in financial assistance to DISCOMs to boost rooftop solar in India and launched 'Shaubhagya' allocating US$ 2.56 bn to provide 24x7 power to every house in the country

The following trends have made solar a large, rapidly growing market opportunity:

- **Peak power deficits and rising power prices** . Despite adding 121 GW of power in the past five years, India continues to be plagued by a persistent demand/supply mismatch with a six-year average energy deficit of approximately 5% according to the Ministry of Power. As the country has outstripped its domestic supply of conventional fuels, India has also suffered from upward pressure in power prices.
- **Strong regulatory support** . In order to reduce dependence on energy imports and curtail the current trade deficit and resulting impact on the rupee, the Indian government has taken a number of steps to incentivize the use of renewable sources of energy. These include establishing state-level renewable power purchase obligations, 10-year tax holiday, accelerated depreciation for projects commissioned on or before March 31, 2017, exemptions from other taxes and import tariffs, as well as providing viability gap funding, or VGF, to solar project developers to make solar tariffs competitive in the country. To provide further impetus to solar growth, the Indian government launched the NSM, in 2010.
- **Solar positioned to win among alternatives** . India ranks among the highest irradiation receiving countries in the world with more than 300 days of sunshine per year in much of the country. Solar power generation is viable across most of India, unlike wind and hydro resources which are concentrated in specific regions. In addition, as solar plants can be built near the point of consumption, power produced generally does not incur expensive transmission charges or require large infrastructure

or transmission investments. Further, unlike nuclear and hydropower, solar power has fewer legal liabilities and environmental constraints. The estimated potential for solar power in India is 749 GW.

- **Solar energy reached parity with conventional fossil fuels** . State utilities have seen power costs rise as domestic coal shortages have caused thermal generators to increasingly rely on more expensive imported coal. Solar power tariff in India reached parity in 2017, breaching other conventional fuel tariffs and continues to see reduction in cost of solar panels and balance of system costs. Solar power is now competitive with wind, new thermal capacity fuelled by imported coal and grid power tariffs for commercial users.
- **Transparent solar auction process** . Indian solar auctions are conducted in a transparent manner that ensures bids meet minimum technical and financial criteria. Bidders must meet requirements on project development and execution history in India or the regional market, including bidder experience in the development of similar utility scale power projects. Auctions are not winner-take-all; instead, they are constructed to ensure multiple high-quality developers are allotted portions of the total capacity block.

These factors have increased the solar installation to approximately 22 GW as of March 2018. Approximately 30 GW of additional tenders have been announced under various solar policies. In addition, MNRE enhanced the capacity of solar parks and ultra-mega solar parks from 20 GW to 40 GW.

Our Approach

We sell energy to government utilities and independent industrial and commercial customers at predictable fixed prices. Since our energy generation does not rely on fossil fuels, our electricity prices are insulated from the volatility of commodity pricing. We also guarantee the electricity production of our solar power plants to our customers.

The typical project plan timeline for our projects is approximately thirteen months. The major stages of project sourcing, development and operation are bidding, land acquisition, financing, material delivery and installation, as well as monitoring and maintenance. Once a bid is won, a letter of intent is issued and all of our departments initiate their activities. After that, the PPA is signed, which reflects the commercial operation date before which a plant should be commissioned. Generally, once the letter of intent is received, we obtain the relevant land permits depending on whether the land is government-owned or private. We generally finance our projects with a 75:25 debt-to-equity ratio. Once land is obtained, our EPC team works very closely to construct and deliver the plant in the most efficient manner. Once commissioned, our O&M team monitors performance of all the projects near real time.

We utilize our integrated project development, EPC, financing and O&M services without involving multiple third-party services. This approach has allowed us to generate efficiencies of scale that further drive down system costs. A low cost structure allows us to bid for auctions strategically, which supports our high auction win rate and helps preserve our market leading position, which further reduces costs.

As the first developer and operator of utility scale solar assets in India, we believe that we are a well-established brand that has grown alongside the burgeoning Indian solar market since 2009. We have proven to be a reliable developer that successfully and expediently executes on our development pipeline and wins repeat business. Our reputation and track record give us an advantage in the auction evaluation process, improving our win rate. As a result, we believe we have become one of the largest pure solar operators in the space, which

affords us greater negotiating power with original equipment manufacturers and project finance lenders. This in turn improves our cost and capital structure, which benefits our bid win rate.

We lower the levelized cost of energy through our three-pronged approach as follows:

- **Value engineering** . Our in-house EPC allows us to enhance our system design expertise with each successive project, be flexible with our choice of technology and source from top-tier suppliers that optimizes both the system cost and power yield of the total solar block.
- **Operational performance monitoring** . We operate a National Operating Control Center, or NOCC, that allows us to monitor project performance in real-time and allows us to respond rapidly to potential generation anomalies. Feedback from our operating projects also serves to further enhance our project designs, resulting in enhancements for current and new plants.
- **Financial strategy** . We are able to offset project equity requirements through economic benefits generated by our EPC and O&M businesses. Coupled with our asset financing strategy, we are able to optimize the overall cost of capital leading to enhanced economics for our customers and shareholders.

Our Competitive Strengths

We believe we differentiate ourselves from the competition in a number of key ways.

- **Market leadership** We have a first mover advantage from the construction of India's first private utility scale solar photovoltaic power plant in 2009 as well as the implementation of the first megawatt scale rooftop smart city initiative in 2013. Additionally, our strong track record in policy and project development across utility scale and commercial rooftop projects has helped us gain a leading market share in India.
- **Scale and brand-name recognition** . We have proven to be a reliable developer with successful and expedient execution of our development pipeline, which has helped us win repeat business. Our reputation and track record provide us an advantage in the auction evaluation process, thereby improving our win rate. As a result, we believe we have become one of the largest solar developers and operators in India.
- **In-house EPC and O&M expertise enable cost efficiencies** . Our in-house EPC capabilities enhance our ability to be flexible with our choice of technology, which allows us to choose high quality equipment while optimizing the combination of total solar project cost and yield. Our in-house O&M capabilities maximize project yield and performance through proprietary system monitoring and adjustments. We have demonstrated an 84% decrease in total solar project cost since inception in part through continual innovation in our EPC and O&M capabilities.
- **Superior technical and execution capabilities** . We have developed proprietary systems that significantly reduce the time it takes to design, finance, commission, operate and maintain projects. Our lean and efficient execution expertise facilitates completion of our plants ahead of contracted

completion dates, enables us to easily scale our operations without significant increases to headcount, and allows us to construct several projects in parallel without compromising on efficiency.

- **Long term, stable cash generation** . We typically enter into 25-year, fixed price PPAs with government agencies and independent commercial businesses. As a result of generally reliable solar irradiation in India, our energy production under these PPAs has historically had little volatility, which, coupled with our low operating expenses, makes for predictable cash flows from these agreements.
- **Long term community support** . We hire from local communities and generally lease land that has few alternative uses, providing local communities with a stream of discretionary cash flow without displacing alternative businesses. As a result, we are able to build long term community relationships, which allows us to improve our time of completion, further reducing project development risk.
- **Strong management** . Our senior leadership team and Board of Directors include widely recognized experts in solar energy, energy finance and public policy, with track records of building successful businesses. Our Board of Directors also includes Robert Kelly, Arno Harris, Barney Rush, Cyril Cabanes and R.P. Singh, who are well-respected global authorities in energy finance and public policy.

Our Business Strategy

Key elements of our business strategy include the following.

- **Rapidly grow our project portfolio to achieve scale benefits.** We intend to rapidly grow our project portfolio, which will enable us to achieve further economies of scale. We plan to significantly expand our presence in commercial and micro-grid applications. In order to continue this growth, we plan to reinvest our operating cash flow into new project development and construction.
- **Maintain position as a top Indian solar company.** We are the longest tenured solar power producer in India and we believe we have the largest portfolio of operating projects under the NSM and one of the largest portfolios of operating projects in India. We have developed critical operational expertise and regional knowledge that improves project performance and expedites project execution, all of which should help us preserve our market leading position.
- **Continue to drive project cost reductions.** We will continue to reduce costs by leveraging our in-house EPC and O&M capabilities and by improving our negotiating power with technology providers and project lenders. We expect to further reduce our cost of financing to reduce the cost of energy for our customers and achieve grid parity with local alternatives in the utility market in the next few years.
- **Leverage track record and management relationships to shape policy.** We have petitioned governments at the local, state and central levels for substantial changes to solar policy that are essential to the advancement of the solar industry. We plan to leverage our track record, together with our management's long-running relationships with policy-makers, to influence policy at all governmental levels.
- **Expand into new locations.** As of March 31, 2018, we had a presence in 23 of 36 states and union territories in India. Given the strength of the solar resource through India and our distribution model, we intend to operate in every state that has structural power needs. We participate in both national and state level renewable energy auctions. We intend to continue to expand our presence into other states in India and other emerging markets with underserved electricity markets.

Seasonality

The energy output performance of our plants is dependent in part on the amount of sunlight. As a result, our revenue in the past has been impacted by shorter daylight hours in winters. Typically, our revenue is the lowest in the third quarter and highest in the first quarter of any given fiscal year, which for us ends on March 31. Please refer to — "Item 5. Operating and Financial Review and Prospects — Power Purchase Agreements" for summary of our projects.

Competition

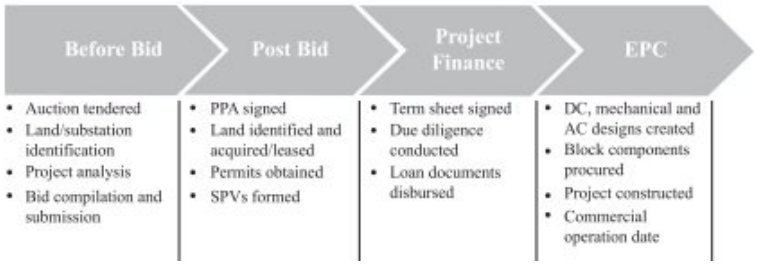
We believe our primary competitors are other solar developers such as Renew Power, Tata Power Solar Systems Limited, Adani Power Limited and ACME Cleantech Solutions Private Limited. Competition to acquire new projects occurs at the development stage as we bid for long term PPAs in central and state solar power auctions. We compete with other solar developers based on a number of factors, including the sourcing of solar projects, reputation and track record, relationship with government authorities, access to capital and control over quality, access to project land, efficiency and reliability in project development. Based on these factors, we believe that we compete favourably with our competitors in the regions we service.

We also compete with utilities generating power from conventional fossil fuels. Utilities generating conventional energy face rising costs as the constraints on domestic fuel supply continue and these energy sources do not benefit from various governmental incentives available to renewable energy producers. As we reduce our levelized cost and achieve parity with conventional energy suppliers, we expect to compete favourably with these suppliers on the basis of cost and reliability.

However, we cannot guarantee that some of our competitors do not or will not have advantages over us in terms of larger size, internal access to solar panels and greater operational, financial, technical, management, lower cost of capital or other resources.

Project Development

Typical Project Plan Timeline is Approximately One Year



We participate in central- and state-level renewable energy auctions to build our utility scale portfolio. Our track record and size ensure we are able to participate in all auctions. Our in-house EPC and O&M capabilities and our pan-India presence provide us with greater visibility into competitive metrics, which allows us to bid strategically to maintain a high win rate while preserving good project economics.

The major stages of project sourcing, development and operation:

- Bidding. We have a well-organized process to effectively track all the policies and bid updates in the market. Once a tender is tracked, relevant information sourced from the request for proposal document is discussed with the finance and technical teams and approved by the relevant committees before a strategic decision is made to participate in the bid. We also have an in-house project development information database which help us predict and bid the most effective tariff in the market. Once the bid is won, a letter of intent is issued and all the departments initiate their activities. Afterwards, the PPA is signed, which reflects the commercial operation date before which a plant should be commissioned.
- Land acquisition. Generally, once the letter of intent is received, we obtain the relevant land permits depending on whether the land is government-owned or private. When the land is privately owned, we identify the appropriate parcels of land and due diligence is conducted by a local legal counsel. We also undertake certain compliance measures, including technical diligence, soil testing, local advertisement, stakeholder consultation and land registration after which acquisition is complete. When the land is government-owned, we identify the suitable parcels of land from the responsible agency and obtain approval from the relevant authority.

- Financing. The projects are generally financed with 75:25 debt-to-equity ratio. To enable rapid operation of our projects, we use short term credit facilities that are refinanced with long term project finance facilities. We invest equity from internal accruals and new financings to help growth and lower financing costs.
- Material Delivery and Installation. Our procurement and construction teams work very closely to construct and deliver the plant in the most efficient manner. A detailed project plan is made and the progress tracker on the delivery and construction is reviewed very closely. Accordingly, we have consistently commissioned our projects before the commercial operation date.
- Monitoring and Maintenance. Our operations team monitors performance of all the projects near real time from the NOCC, which allow us to respond rapidly to potential generation anomalies. They also perform scheduled preventive maintenance tasks on daily, weekly, monthly, and annual intervals to ensure our plants run smoothly and at high efficiency.

Suppliers and Service Providers

We purchase major components such as solar panels and inverters directly from multiple manufacturers. There are several suppliers in the market and we select our suppliers based on expected cost, reliability, warranty coverage, ease of installation and other ancillary costs. As of the date of this annual report, our primary solar panel suppliers were First Solar FE Holdings PTE Ltd., Waaree Energies Pvt. Ltd., Hanwha Q CELLS Co. Ltd and Canadian Solar Inc., and our primary inverter suppliers were SMA Solar Technology AG, Schneider Electric India Pvt. Ltd., ABB India Limited, and Bonfiglioli Renewable Power Conversion India Pvt Ltd. We also engage the engineering services of Lahmeyer Group, Black & Veatch and Fichtner Consulting Engineers. We typically enter into master contractual arrangements with our major suppliers that define the general terms and conditions of our purchases, including warranties, product specifications, indemnities, delivery and other customary terms. We normally purchase solar panels and the balance of system components on an as-needed basis from our suppliers at then-prevailing prices pursuant to purchase orders issued under our master contractual arrangements. We generally do not have any supplier arrangements that contain long-term pricing or volume commitments, although at times in the past we have made limited purchase commitments to ensure sufficient supply of components. The prices of components for our solar power plants have declined over time as the manufacturers have lowered their cost of production, although the pace of this decline has been slowing recently.

We source lender technical due diligence and supplier third party certification from Lahmeyer International (India) Private Limited.

Government Regulations

The Electricity Act, 2003

The Electricity Act, 2003, or Electricity Act, regulates and governs the generation, transmission, distribution, trading and use of electricity in India. Under the Electricity Act, the transmission, distribution and trade of electricity are regulated activities that require licenses from the relevant electricity regulatory commission (Central Electricity Regulatory Commission), State Electricity Regulatory Commissions, or SERCs, or the joint commission (constituted by an agreement entered into by two or more state governments or the central government in relation to one or more state governments, as the case may be).

In terms of the Electricity Act, any generating company may establish, operate and maintain generating stations without obtaining a license if it complies with prescribed technical standards relating to grid connectivity. The generating company is required to establish, operate and maintain generating stations, tie-lines, sub-stations and dedicated transmission lines.

Further, the generating company may supply electricity to any licensee or even directly to consumers, subject to availing open access to the transmission and distribution systems and payment of transmission charges, including wheeling charges and open access charges, as may be determined by the relevant electricity regulatory commission. In terms of the Electricity Act, open access means the non-discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or system, by any licensee or consumer or a person engaged in generation in accordance with the regulations specified by the relevant electricity regulatory commission.

The relevant electricity regulatory commission is empowered to, among other things, determine or adopt the tariff for supply of electricity from the generating company to a distribution licensee (such as the distribution utility companies), for transmission of electricity, wheeling of electricity and retail sale of electricity. However, the relevant electricity regulatory commission may, in case of shortage of supply of electricity, fix the minimum and maximum tariffs for sale or purchase of electricity under agreements between a generating company and a licensee or between licensees, for a period not exceeding one year, to ensure reasonable prices of electricity. While determining the tariff, commissions are required to be guided by, among others, the promotion of co-generation and generation of electricity from renewable sources of energy.

Under the Electricity Act, certain offences including the theft of electricity, electric lines and materials, interference with meters or works of a licensee, the negligent waste of electricity and non-compliance of orders or directions attract monetary penalties ranging from INR 0.01 million to INR 0.1 million and imprisonment for periods ranging from three months to three years. Additionally, non-compliance with orders of the Regional Load Dispatch Centre and State Load Dispatch Centre may result in penalties of up to INR 15 million.

Further, the Electricity Rules, 2005, or the Electricity Rules, also prescribe a regulatory framework for developing captive generating plants. Pursuant to the Electricity Rules, a power plant shall qualify as a captive power plant only if not less than 26% of the ownership is held by captive users and not less than 51% of the aggregate electricity generated in such plant, determined on an annual basis, is consumed for captive use. Further, in case of association of persons, the captive users are required to hold not less than 26% of the ownership of the plant in aggregate and consume not less than 51% of the electricity generated, determined on an annual basis, in proportion to their share ownership in the power plant within a variation not exceeding 10%.

In case of a generating station owned by a company formed as a special purpose vehicle, the electricity required to be consumed by captive users is to be determined with reference to such unit or units identified for captive use and not with reference to the generating station as a whole and equity shares to be held by the captive users must not be less than 26% of the proportionate equity interest of the company related to the generating unit or units identified as the captive generating plant.

The Electricity (Amendment) Bill, 2014 was introduced in the lower house of the Indian Parliament to amend certain provisions of the Electricity Act. Among others, the amendment empowers the Indian government to establish and review a national renewable energy policy, tariff policy and electricity policy. Further, the Indian government may, in consultation with the state governments, notify policies and adopt measures for promotion of renewable energy generation including through tax rebates, generation linked incentive, creation of national renewable energy fund, development of renewable industry and for effective implementation and enforcement of such measures.

The generating company is also required to ensure compliance with certain other regulations, including the Central Electricity Authority (Safety Requirements for Construction, Operation and Maintenance of Electrical Plants and Electric Lines) Regulations, 2011.

The National Electricity Policy, 2005

The Indian government approved the National Electricity Policy on February 12, 2005, in accordance with the provisions of the Electricity Act. The National Electricity Policy, 2005 has material effects on our business

since it provides the policy framework to the central and state Electricity Regulatory Commission in developing the power sector, supplying electricity and protecting interests of consumers and other stakeholders, while keeping in view the availability of energy resources, technology available to exploit such resources, economics of generation using different resources and energy security issues. The National Electricity Policy emphasizes the need to promote generation of electricity based on non-conventional sources of energy.

The National Electricity Policy provides that the SERCs should specify appropriate tariffs in order to promote renewable energy, until renewable energy power producers relying on non-conventional technologies can compete with conventional sources of energy. The SERCs are required to ensure progressive increase in the share of generation of electricity from renewable energy sources and provide suitable measures for connectivity with grid and sale of electricity to any person. Further, the SERCs are required to specify, for the purchase of electricity from renewable energy sources, a percentage of the total consumption of electricity in the area of a distribution licensee. Furthermore, the National Electricity Policy provides that such purchase of electricity by distribution companies should be through a competitive bidding process. The National Electricity Policy permits the SERCs to determine appropriate differential prices for the purchase of electricity from renewable energy power producers, in order to promote renewable sources of energy.

The National Tariff Policy, 2016

The Indian Government notified the revised National Tariff Policy effective from January 28, 2016. Among others, the National Tariff Policy seeks to ensure availability of electricity to consumers at reasonable and competitive rates, financial viability of the sector and attract investments and promote generation of electricity from renewable sources.

The National Tariff Policy mandates that state electricity regulatory commissions must reserve a minimum percentage for purchase of solar energy equivalent to 8% of total consumption of energy by March 2022. In order to further encourage renewable sources of energy, the National Tariff Policy mandates that no inter-state transmission charges and losses shall be levied till such period as may be notified on transmission of the electricity generated from solar power plants through the inter-state transmission system for sale. In addition, the Ministry of Power, Government of India, as an incentive to solar power developers and end consumers, waived inter-state transmission charges and losses for a period of 25 years from the date of commissioning a solar power project so long as the project is commissioned before December 2019 and so long as the power is sold to a distribution company.

Central Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2017

The Central Electricity Regulatory Commission has announced the Central Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2017, or Tariff Regulations, which prescribes the criteria that may be taken into consideration by the SERCs while determining the tariff for the sale of electricity generated from renewable energy sources which include, among others, return on equity, interest on loan capital and depreciation. Accordingly, such tariff cannot be determined independently by renewable energy power producers such as our company. Pursuant to the National Tariff Policy, the Central Electricity Regulatory Commission is required to determine the rate of return on equity which may be adopted by the SERCs to determine the generic tariff, keeping in view the overall risk and prevalent cost of capital, which factors are also to be taken into consideration by SERCs while determining the tariff rate. The Tariff Regulations prescribe that the normative return on equity shall be 14% per annum to be grossed up by prevailing minimum alternate tax as on April 1 of the previous year for the entire useful life of the project.

The Tariff Regulations also provide the mechanism for sharing of carbon credits from approved clean development mechanism projects between renewable energy power producers and the concerned beneficiaries.

Under the Tariff Regulations, the project developer is entitled to retain 100% of the gross proceeds on account of clean development mechanism project benefit in the first year after the date of commercial operation of the generating station. Subsequently, in the second year, the share of the beneficiaries is increased to 10% and then progressively increased by 10% every year until it reaches 50% after which the clean development mechanism project proceeds are to be shared equally between the generating company and the beneficiaries.

Jawaharlal Nehru National Solar Mission

The NSM was approved by the Indian government on November 19, 2009 and launched on January 11, 2010. The NSM has set a target of 100 GW of solar power in India by 2022 and seeks to implement and achieve the target in three phases (Phase I from 2012 to 2013, Phase II from 2013 to 2017 and Phase III from 2017 to 2022). NSM aims at creating conditions for rapid scale up of capacity and technological innovation to drive down costs towards grid parity.

Renewable Purchase Obligations

The Electricity Act promotes the development of renewable sources of energy by requiring the SERCs to ensure grid connectivity and the sale of electricity generated from renewable sources. In addition, it requires the SERCs to specify, for the purchase of electricity from renewable sources, a percentage of the total consumption of electricity within the area of a distribution licensee, which are known as RPOs. Pursuant to this mandate, most of the SERCs have specified solar and non-solar RPOs in their respective states. In terms of the RPO regulations, RPOs are required to be met by obligated entities (that is, distribution licensees, captive power plants and open access consumers) by purchasing renewable energy, either by entering into PPAs with renewable energy power producers or by purchasing renewable energy certificates. The RPO regulations require the obligated entities to purchase power from renewable energy power producers such as our company. In the event of default by an obligated entity in any fiscal year, the SERCs may direct the obligated entity to deposit an amount determined by the relevant SERC, into a fund to be utilized for, among others, the purchase of renewable energy certificates. Additionally, pursuant to the Electricity Act, a defaulting obligated entity may also be liable to pay penalty as determined by the SERCs.

In May 2015, the Supreme Court of India upheld a regulation that made it compulsory for captive power plants and open access consumers to purchase electricity to fulfill their RPOs. This landmark judgment is expected to boost the demand for renewable energy by captive players and also improve the marketability of renewable energy certificates in India.

Safety and Environmental Laws

We are governed by certain safety and environmental legislations, including the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, and the Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2016.

Under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981, failure to comply with the orders and restrictions passed by the State Pollution Control Boards may result in imprisonment of a minimum term of one and a half years. Additionally, certain acts including the destruction of property of the State Pollution Control Boards, failure to intimate the emission of pollutants or failure to furnish information to the State Pollution Control Boards may attract monetary penalties of up to INR 0.01 million and imprisonment of up to three months.

The failure to comply with the Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2016 may attract monetary penalties as levied by the State Pollution Control Board and a liability for any damage to the environment or third parties.

Labor Laws

We are required to comply with certain labor and industrial laws, which includes the Factories Act, 1948, the Industrial Disputes Act, 1947, the Employees State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972, the Contract Labour (Regulation and Abolition) Act, 1970 and the Payment of Wages Act, 1936.

Each of these legislations carry a penalty provision for non-compliance, which prescribe monetary penalties ranging from INR 0.001 million to INR 0.005 million and imprisonment for periods ranging from one month to three years.

State Regulations

Various states in India have from time to time, announced administrative policies and regulations in relation to solar power projects and related matters. These state-specific policies and regulations have material effects on our business because PPAs between project developers and state offtakers are entered into in accordance with the relevant state policies and regulations. Accordingly, these PPAs are standard form contracts and the project developers have no flexibility in negotiating the terms of the PPAs. The majority of our solar power plant generation occurs in Rajasthan, Punjab, Andhra Pradesh and Karnataka.

For instance, for our projects in the states of Rajasthan, Punjab and Karnataka, our projects are subject to certain state policies as discussed below.

Rajasthan

The Rajasthan Renewable Energy Corporation Limited is the agency responsible for promoting and developing renewable energy in the state of Rajasthan. The government of Rajasthan has formulated the Rajasthan Solar Energy Policy, 2014, or Rajasthan Policy, which has come into effect on October 8, 2014 and will remain in force until superseded or modified by another policy. The Rajasthan Policy aims to create an enabling environment for installation of 25,000 MW of solar power. Generation of electricity from solar power plants under the Rajasthan Policy will be treated as an eligible industry under the scheme administered by the Industries Department, Government of Rajasthan and incentives available to industrial units under the Rajasthan Investment Promotion Scheme will be available to solar power projects. In accordance with the Rajasthan Policy, a solar power project with a capacity of 500 MW or more, established by a single developer at a single location with single or multiple metering requirements but having a common pooling sub-station will be considered as a mega solar power project. Mega solar power projects are entitled to an expedited project approval process.

Punjab

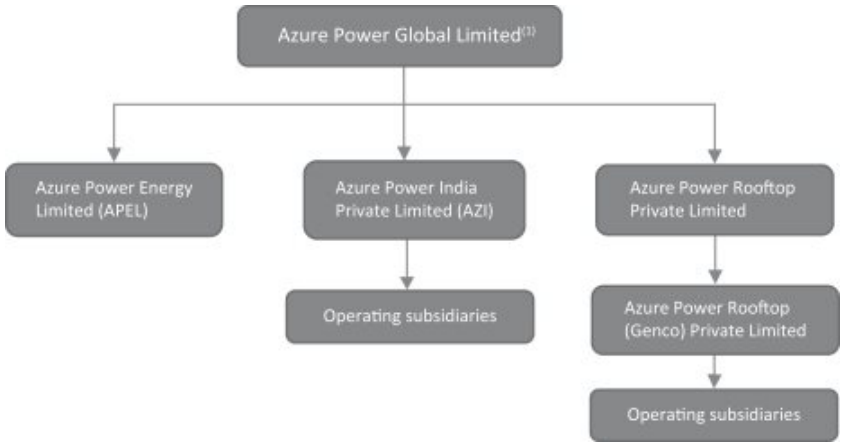
The Punjab Energy Development Agency is the agency responsible for promotion and development of renewable energy development projects and energy conservation schemes in the state of Punjab. The government of Punjab has formulated the New and Renewable Sources of Energy Policy-2012, or Punjab Policy, on December 26, 2012. The Punjab Policy aims to harness 1,000 MW of solar power generation capacity by 2022. All solar power projects developed under the Punjab Policy are treated as an industry in terms of industrial policy of Punjab and all the industrial incentives available to new industrial units will be applicable to solar power plants subject to the approval of Department of Industries and Commerce, Government of Punjab. Additionally, solar power projects are exempt from obtaining any consent in accordance with the pollution control laws from the Punjab Pollution Control Board. The Punjab State Power Corporation Limited reserves the right of first refusal on the power generated from renewable energy certificate based solar power projects and in case of refusal, the developer is permitted to sell the power under open access.

Karnataka

The Karnataka Renewable Energy Development Limited is the agency responsible for promoting and developing renewable energy in the state of Karnataka. The government of Karnataka has formulated the Karnataka Solar Policy 2014-2021, or Karnataka Policy, which will remain in effect until 2021 or until modified by another policy. The Karnataka Policy aims to harness a minimum of 6,000 MW by 2021 in multiple phases. Generation of solar power under the Karnataka Policy is attractive to project developers because the policy provides incentives such as tax concessions under the Karnataka Industrial Policy and central excise duty and customs duty exemptions. Solar projects are further exempt from obtaining consent from the Karnataka Pollution Control Board as required under the pollution control laws.

C. Organizational Structure

The following diagram illustrates our corporate structure as of the date of this annual report.



Notes:

(1) Azure Power Global Limited has an option to purchase 3.7% of equity shares held by the founders, in Azure Power India Private Limited.

The following table sets out our significant subsidiaries on the basis of operating capacity during the fiscal year ended March 31, 2018:

Name	Country of Incorporation	Percentage of Ownership
Azure Power India Private Limited (Andhra Pradesh 2)	India	96.3%
Azure Power Pluto Private Limited (Punjab 4.1, 4.2 and 4.3)	India	51.6%
Azure Power Thirty Seven Private Limited (Telangana 1)	India	95.2%

D. Property, Plants and Equipment

Our principal executive offices are located at 3rd Floor, Asset 301-304 and 307, WorldMark 3, Aerocity, New Delhi — 110037, India, which occupies approximately 45,990 square feet of space. Our power projects are located primarily on land leased from the state governments and third parties and freehold land purchased by us from private individuals and entities. Further, we source the land required for construction of plants under the land lease arrangement or procure at the required locations of the plant. Our land lease arrangements range typically from 25 to 35 years, but our PPAs are generally for a term of 25 years. We believe that our facilities are in good condition and generally suitable and adequate for our needs in the foreseeable future. However, we will continue to seek additional space as needed to satisfy our growth.

ITEM 4A. UNRESOLVED STAFF COMMENTS

None

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion of our business, financial condition and results of operations should be read in conjunction with "Item 3. Key Information — A. Selected Consolidated Financial Data" and our consolidated financial statements and the related notes included elsewhere in this annual report. This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in "Item 3. Key Information — D. Risk Factors" and elsewhere in this annual report. Actual results could differ materially from those contained in any forward-looking statements.

Overview

Our mission is to be the lowest-cost power producer in the world. We sell solar power in India on long term fixed price contracts to our customers, at prices which in many cases are at or below prevailing alternatives for our customers. We are also developing micro-grid applications for the highly fragmented and underserved electricity market in India.

We generate revenue from a mix of leading government entities such as NTPC Vidyut Vyapar Nigam Limited, a subsidiary of NTPC Limited, Delhi Metro Rail Corporation, Indian Railways and the Solar Energy Corporation of India as well as commercial entities such as Torrent Power Limited, DLF Limited, and Oberoi Hotels. We typically enter into 25 year power purchase agreements, or PPAs with these customers who pay a fixed rate for electricity generated by our solar power plants. Our financial strategy is to build our solar assets with the most efficient cost of capital available to us. Because we have our own engineering, procurement and construction, or EPC, as well as operations and maintenance, or O&M, capabilities, we retain the profit margins associated with those services that other project developers normally pay to third party providers. Through value engineering, operational performance monitoring and efficient financial strategy, we are able to deliver cost-effective energy to our customers.

We recognize revenue from solar energy sold to our customers on a per kilowatt hour basis based on the energy actually supplied by our solar power plant. The procurement of solar power by the utilities in the market is primarily driven by the renewable energy purchase obligation imposed on them by the Indian government. Most Indian state and central government electricity regulators establish the rate that utilities pay to buy power in their respective jurisdictions, which we call the benchmark tariff. As a result, the price a customer pays to buy solar energy from us varies depending on the jurisdiction in which the customer is located. The price at which we sell solar energy also depends on our bidding strategy, as most auctions award bids starting from the lowest bidder until the total capacity is awarded. For our commercial PPAs, we sell solar energy at mutually negotiated rates that are lower than the commercial electricity rates charged by the utilities in the markets we serve, which is consistent with our strategy to price our energy lower than the commercial rates. As a result, the price that a commercial customer pays to buy solar energy from us depends on the state in which such customer is located and the prevailing local commercial tariff.

We recognize revenue on a monthly basis from the solar energy kilowatt hours sold to our customers post the installation of the system and approval of the energy grid interconnect connections. The energy output performance of our plants is dependent in part on the amount of sunlight. As a result, our revenue in the past has been impacted by shorter daylight hours in winters. Typically, our revenue from operational solar power plants is lowest in the third quarter and highest in the first quarter of any given fiscal year which ends on March 31.

A significant portion of the cost of our solar power plants consists of solar photovoltaic panels, inverters and other plant equipment. Other less significant costs of our solar power plants include land or leasehold land costs, financing costs and installation costs. Our cost of operations primarily consists of expenses pertaining to operations and maintenance of our solar power plants. These expenses include payroll and related costs for plant maintenance staff, plant maintenance, insurance and, if applicable, lease costs.

Under U.S. GAAP, we depreciate the capital cost of solar power plants over the estimated useful life of 25 years.

We typically fund our projects through a mix of project finance and sponsor equity. We generally raise long term debt financing of approximately 75% of project costs. The remaining 25% of project costs required is met through a mix of cash flow generated from our business and equity proceeds. Our project financing agreements typically restrict the ability of our project subsidiaries to distribute funds to us unless specific financial thresholds are met on specified dates. Some of our project finance borrowings are denominated in U.S. dollars and therefore foreign currency exchange rate fluctuations can adversely impact our profitability. Some of our borrowings have variable interest rates and changes in such rates may lead to an adverse effect on our overall cost of capital.

From time to time, we have raised funds through issuance of compulsorily convertible debentures and Series A through I compulsorily convertible preferred shares. We classified our previously outstanding compulsorily convertible debentures and Series E and Series G compulsorily convertible preferred shares as a liability on our consolidated balance sheet. Series A to D, Series F, Series H and Series I compulsorily convertible preferred shares were classified as temporary equity on the consolidated balance sheet till March 31, 2017. Concurrent to the closing of our initial public offering in October 2016, the compulsorily convertible debentures and compulsorily convertible preferred shares were converted into equity shares.

Power Purchase Agreement

The material terms of the PPAs we have entered into and bids we have won as of March 31, 2018 are summarized in the following table.

Project Names	Commercial Operation Date [1]	Operational Capacity (MW) [7]	Tariff (INR/ kWh)	Offtaker	Duration of PPA in Years
Punjab 1	Q4 2009	2	17.91	NTPC Vidyut Vyapar Nigam	25
Punjab 2.1	Q3 2014	15	7.67	Punjab State Power Corporation Limited	25
Punjab 2.2	Q4 2014	15	7.97	Punjab State Power Corporation Limited	25
Punjab 2.3	Q4 2014	4	8.28	Punjab State Power Corporation Limited	25
Punjab 3.1	Q1 2016	24	7.19	Punjab State Power Corporation Limited	25
Punjab 3.2	Q1 2016	4	7.33	Punjab State Power Corporation Limited	25
Punjab 4.1 [4]	Q4 2016	50	5.62	Punjab State Power Corporation Limited	25
Punjab 4.2 [4]	Q4 2016	50	5.63	Punjab State Power Corporation Limited	25
Punjab 4.3 [4]	Q4 2016	50	5.64	Punjab State Power Corporation Limited	25
Gujarat 1.1	Q2 2011	5	15.00 [2]	Gujarat Urja Vikas Nigam Limited	25
Gujarat 1.2	Q4 2011	5	15.00 [2]	Gujarat Urja Vikas Nigam Limited	25
Rajasthan 1	Q4 2011	5	11.94	NTPC Vidyut Vyapar Nigam Limited	25
Rajasthan 2.1	Q1 2013	20	8.21	NTPC Vidyut Vyapar Nigam Limited	25
Rajasthan 2.2	Q1 2013	15	8.21	NTPC Vidyut Vyapar Nigam Limited	25
Rajasthan 3.1	Q2 2015	20	5.45 [3]	Solar Energy Corporation of India	25
Rajasthan 3.2	Q2 2015	40	5.45 [3]	Solar Energy Corporation of India	25
Rajasthan 3.3	Q2 2015	40	5.45 [3]	Solar Energy Corporation of India	25
Rajasthan 4	Q4 2015	5	5.45 [3]	Solar Energy Corporation of India	25
Chhattisgarh 1.1	Q2 2015	10	6.44	Chhattisgarh State Power Distribution Company Limited	25
Chhattisgarh 1.2	Q2 2015	10	6.45	Chhattisgarh State Power Distribution Company Limited	25

Operational

Project Names	Commercial Operation Date [1]	Capacity (MW) [7]	Tariff (INR/ kWh)	Offtaker	Duration of PPA in Years
Chhattisgarh 1.3	Q3 2015	10	6.46	Chhattisgarh State Power Distribution Company Limited	25
Delhi 1.1	Q4 2015	1	5.43 [3]	Solar Energy Corporation of India	25
Andhra Pradesh 1	Q1 2016	50	5.89 [2]	Southern Power Distribution Company of Andhra Pradesh Limited	25
Uttar Pradesh 1	Q1 2015	10	8.99	Uttar Pradesh Power Corporation Limited	12
Bihar	Q3 2016	10	8.39	North Bihar Power Distribution Company Limited and South Bihar Power Distribution Company Limited	25
Karnataka 1	Q1 2015	10	7.47	Bangalore Electricity Supply Company Limited	25
Karnataka 2	Q1 2016	10	6.66	Bangalore Electricity Supply Company Limited	25
Karnataka 3.1	Q1 2017	50	6.51	Chamundeshwari Electricity Supply Corporation Limited	25
Karnataka 3.2	Q1 2017	40	6.51	Hubli Electricity Supply Company Limited	25
Karnataka 3.3	Q1 2017	40	6.51	Gulbarga Electricity Supply Company Limited	25
Maharashtra 1.1	Q1 2017	2	5.50 [3]	Ordinance Factory Bhandara	25
Maharashtra 1.2	Q1 2017	5	5.31	Ordinance Factory Ambajhari	25
Andhra Pradesh 2	Q2 2017	100	5.12	NTPC Vidyut Vyapar Nigam	25
Uttar Pradesh 2	Q3 2017	50	4.78	NTPC Vidyut Vyapar Nigam	25
Telangana 1	Q1 2018	100	4.67	NTPC Vidyut Vyapar Nigam	25
Total Capacity		**877**			

Project Names	Commercial Operation Date [1]	Capacity (MW) [7]	Tariff (INR/ kWh)	Offtaker	Duration of PPA in Years
Under Construction					
Delhi 1.2	Q2 2018	1	5.43 [3]	Solar Energy Corporation of India	25
Andhra Pradesh 3	Q4 2017	50	4.43 [3]	Solar Energy Corporation of India	25
Uttar Pradesh 3	Q4 2017	40	4.43 [3]	Solar Energy Corporation of India	25
Gujarat 2	Q1 2019	260	2.67	Gujarat Urja Vikas Nigam Limited	25
Total Capacity		351			

Project Names	Commercial Operation Date [1]	Capacity (MW) [7]	Tariff (INR/ kWh)	Offtaker	Duration of PPA in Years
Committed					
Maharashtra 2	Q2 2019	150	3.18 [8]	Maharashtra State Power Generation Company Limited	25
Karnataka 4	Q1 2019	100	2.93	BESCOM, HESCOM	25
Rajasthan 5	Q2 2019	200	2.48	NTPC Vidyut Vyapar Nigam Limited	25
Total Capacity		450			

Commercial and Industrial (8)

Project Names	Commercial Operation Date (1)	Capacity (MW) (7)	Offtaker	Duration of PPA in Years
		Commissioned		
Total operational capacity	2013-Q1 2018	33.978	Various	25 (9)
Total Capacity		33.978		
		Under Construction		
Delhi Rooftop 4	Q2 2018	21.64 (6)	Delhi Metro Rail Corporation	25
Other rooftop projects	Q2 2018—Q3 2018	43.632	Various	25
Total Capacity		65.272		
		Committed		
Indian Railways Rooftop 2	Q3 2018	20	Railway Energy Management Company Limited	25
SECI Rooftop 1	Q4 2018	29	Solar Energy Corporation of India	25
Indian Railways Rooftop 3	Q1 2019	30	Railway Energy Management Company Limited	25
Other Rooftop Projects	Q2 2018—Q1 2019	15	Various	25
Total Capacity		94		
Total Capacity (all projects)		**1,871**		

Notes:

(1) Refers to the applicable quarter of the calendar year. There can be no assurance that our projects under construction and our committed projects will be completed on time or at all.
(2) Current tariff, subject to change—see paragraph below—"tariff structure".
(3) Projects are supported by VGF in addition to the tariff—see paragraph below—"VGF for projects".
(4) Hanwha Energy Corporation Singapore Pte. Ltd. holds a non-controlling interest.
(5) Projects are supported by subsidy in addition to the tariff.
(6) The levellized tariff for the Commercial and Industrial projects is between INR 5.80 to INR 10.62.
(7) Capacity as defined by the PPA contract.
(8) Letter of award is yet to be received for 50 MW.
(9) Includes one project for 1 MW with a PPA for 15 years.

Our PPAs typically require certain conditions are met including, among others, that we have obtained all necessary consents and permits, financing arrangements have been made and an agreement has been entered into to provide for the transmission of power. Furthermore, the PPAs contain customary termination provisions and negative and affirmative covenants, including the provision of performance bank guarantees and minimum guarantees of power to be sold and restrictions on changing the controlling shareholder of the project subsidiaries.

Tariff structure

The tariff for Gujarat 1.1 and Gujarat 1.2 is INR 15.0 per kilowatt hour for the first 12 years and INR 5.0 per kilowatt hour for remainder of the contract term. The tariff for Andhra Pradesh 1 is INR 5.89 per kilowatt hour for one 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.

VGF for projects

The VGF for Rajasthan 3.1 project is INR 23.0 million per MW, for Rajasthan 3.2 it is INR 22.0 million per MW, for Rajasthan 3.3 it is INR 13.0 million per MW and Rajasthan 4 it is INR 12.9 million per MW. The VGF for Andhra Pradesh 3 project is INR 7.5 million per MW. The VGF for Maharashtra 1 project is INR 0.9 million per MW. The VGF for Uttar Pradesh 3 is INR 10.0 million per MW. The VGF for Delhi 1 is INR 4.6 million per MW.

Key Operating and Financial Metrics

We regularly review a number of specific metrics, including the following key operating and financial metrics, to evaluate our business performance, identify trends affecting our business and make strategic decisions.

Key metrics	Unit of Measurement	Fiscal Year 2017	Fiscal Year 2018
Electricity generation (1)	kWh in millions	617.5	1,235.8
Plant load factor	%	18.4	18.2
Revenue (2)	INR in millions	4,183.0	7,700.6
Revenue	US$ in millions	64.2	118.3
Cost per MW operating	INR in millions	49.3	51.0
MW operating	MW	651.0	911.0
MW committed	MW	418.0	960.0
MW operating and committed	MW	1,069.0	1,871.0

(1) Electricity generation represents the actual amount of power generated by our solar power plants over the reporting period and is the product of plant load factor during the reporting period and the average megawatts operating.

(2) Revenue consists of revenue from the sale of power.

Factors that most significantly directly or indirectly affect our overall growth and results of operations, or that cause our historical financial information not to be indicative of future operating results or financial condition, include, but are not limited to, the Indian government's targets for solar capacity addition and the more gradual decline in solar module prices. The Indian government increased its target for solar capacity from 20 GW by 2022 to 100 GW by 2022. While this trend may lead to us winning more megawatts per year than in prior years, it will also require us to raise additional funding sources if we are to grow in line with these trends.

As for the cost of our system components, we witnessed a steep decline of solar module prices of approximately 84% from 2011 to 2018. Although the pace of this decline has been slowing recently, we expect a general trend of declining solar module prices to continue through fiscal year 2019.

Operating Metrics

Megawatts Operating and Megawatts Committed

We measure the rated capacity of our plants in megawatts. Rated capacity is the expected maximum output that a solar power plant can produce without exceeding its design limits. We believe that tracking the growth in aggregate megawatt rated capacity is a measure of the growth rate of our business.

Megawatts Operating represents the aggregate cumulative megawatt rated capacity of solar power plants that are commissioned and operational as of the reporting date.

Megawatts Committed represents the aggregate megawatt rated capacity of solar power plants pursuant to customer PPAs signed or allotted but not commissioned and operational as of the reporting date.

The following table represents the megawatts operating and megawatts committed as of the end of the respective periods presented:

	As of March 31,	
	2017	2018
Megawatts Operating	651.0	911.0
Megawatts Committed	418.0	960.0
Megawatts Operating and Committed	1,069.0	1,871.0

We are targeting having 1,300 MW to 1,400 MW operating by March 31, 2019. Our ability to achieve these goals will depend on, among other things, our ability to acquire the required land for the new capacity (on lease or direct purchase), raising adequate project financing and working capital, the growth of the Indian power market in line with current government targets, our ability to maintain our market share of India's installed capacity as competition increases, the need to further strengthen our operations team to execute the increased capacity, and the need to further strengthen our systems and processes to manage the ensuing growth opportunities, as well as the other risks and challenges discussed under the caption "Item 3. Key Information—D. Risk Factors."

Plant Load Factor

The plant load factor is the ratio of the actual output of all our solar power plants over the reporting period to their potential output if it were possible for them to operate indefinitely at full rated capacity. The plant load factor is not the same as the availability factor. Our solar power plants have high availability, that is, when the sun is shining our plants are almost always able to produce electricity. The variability in our plant load factor is a result of seasonality, cloud covers, the daily rotation of the earth, equipment efficiency losses, breakdown of our transmission system and grid availability.

We track plant load factor as a measure of the performance of our power plants. It indicates effective utilization of resources and also validates our value engineering and operation research. Higher plant load factor at a plant indicates increased electricity generation. Monitoring plant load factor on real time allows us to respond rapidly to potential generation anomalies. Generally, under the terms of our PPAs, we guarantee a plant load factor of 12%. Plant load factor was 18.2% for fiscal year 2018 compared with 18.4% for fiscal year 2017, primarily due to lesser insolation during the year.

	Fiscal Year Ended March 31,	
	2017	2018
Plant Load Factor (%)	18.4	18.2

Electricity Generation

Electricity generation represents the actual amount of power generated by our solar power plants over the reporting period and is the product of reporting period plant load factor and the average megawatts operating. This is a measure of the periodic performance of our solar power plants.

	Fiscal Year Ended March 31,	
	2017	2018
Electricity Generation (kilowatt hours in millions)	617.5	1,235.8

Financial Metrics

Adjusted EBITDA

Adjusted EBITDA is a non-GAAP financial measure. We present Adjusted EBITDA as a supplemental measure of our performance. This measurement is not recognized in accordance with U.S. GAAP and should not be viewed as an alternative to U.S. GAAP measures of performance. The presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

We define Adjusted EBITDA as net loss (income) plus (a) income tax expense, (b) interest expense, net, (c) depreciation and amortization and (d) loss (income) on foreign currency exchange. We believe Adjusted EBITDA is useful to investors in assessing our ongoing financial performance and provides improved comparability between periods through the exclusion of certain items that management believes are not indicative of our operational profitability and that may obscure underlying business results and trends. However, this measure should not be considered in isolation or viewed as a substitute for net income or other measures of performance determined in accordance with U.S. GAAP. Moreover, Adjusted EBITDA as used herein is not necessarily comparable to other similarly titled measures of other companies due to potential inconsistencies in the methods of calculation.

Our management believes this measure is useful to compare general operating performance from period to period and to make certain related management decisions. Adjusted EBITDA is also used by securities analysts, lenders and others in their evaluation of different companies because it excludes certain items that can vary widely across different industries or among companies within the same industry. For example, interest expense can be highly dependent on a company's capital structure, debt levels and credit ratings. Therefore, the impact of interest expense on earnings can vary significantly among companies. In addition, the tax positions of companies can vary because of their differing abilities to take advantage of tax benefits and because of the tax policies of the various jurisdictions in which they operate. As a result, effective tax rates and tax expense can vary considerably among companies.

Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under U.S. GAAP. Some of these limitations include:

- it does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments or foreign exchange gain/loss;
- it does not reflect changes in, or cash requirements for, working capital;
- it does not reflect significant interest expense or the cash requirements necessary to service interest or principal payments on our outstanding debt;
- it does not reflect payments made or future requirements for income taxes; and
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced or paid in the future and Adjusted EBITDA does not reflect cash requirements for such replacements or payments.

Investors are encouraged to evaluate each adjustment and the reasons we consider it appropriate for supplemental analysis.

The following table presents a reconciliation of net loss to Adjusted EBITDA:

	Fiscal Year Ended March 31,		
	2017	2018	
	INR	INR	US$
	(In thousands)		
Net loss	(1,191,569)	(1,022,229)	(15,700)
Income tax expense / (benefit)	892,333	(252,882)	(3,884)
Interest expense, net	2,371,836	5,168,218	79,377
Depreciation and amortization	1,046,565	1,882,451	28,912
Loss/(gain) on foreign currency exchange	(109,128)	45,716	702
Adjusted EBITDA	**3,010,037**	**5,821,274**	**89,407**

Project Cost per Megawatt Operating

Project cost per megawatt operating consists of solar photovoltaic panels, inverters, balance of plant equipment, freehold land or leasehold land, capitalizable financing costs, and installation costs incurred for operating one megawatt of new solar power plant capacity during the reporting period. It is an indicator of our strong engineering, procurement and construction capabilities, market cost of material and our ability to procure such material at competitive prices. A reduction in project cost per megawatt helps reduce the cost of power and thereby improves our ability to win new projects. The project cost per megawatt operating for the fiscal years ended March 31, 2017 and 2018 was INR 49.3 million and INR 51.0 million (US$ 0.78 million), respectively. The project cost per megawatt in fiscal year 2018 was marginally higher due to the use of higher-cost domestic modules as required by PPA's and the use of purchased land compared to the use of lower-cost open source modules and use of leased land in fiscal year 2017.

Nominal Contracted Payments

Our PPAs create long-term recurring customer payments. Nominal contracted payments equal the sum of the estimated payments that the customer is likely to make, subject to discounts or rebates, over the remaining term of the PPAs. When calculating nominal contracted payments, we include those PPAs for projects that are operating or committed. To calculate the nominal contracted payments, we multiply the contract price per kilowatt hour as per the respective PPA by the estimated annual energy output for the remaining life of the PPA period. In estimating the nominal contracted payments, we multiply the PPA contract price per kilowatt hour by the estimated annual energy output for all solar projects committed and operating as of the reporting date. The estimated annual energy output of our solar projects is calculated using power generation simulation software and validated by independent engineering firms. The main assumption used in the calculation is the project location, which enables the software to derive the estimated annual energy output from certain metrological data, including the temperature, wind speed and solar radiation based on the project location. Our power generation simulation software calculates the estimated annual energy output by using the following formula:

$E = A * r * H * PR$

E = Energy (kWh)

A = Total solar panel Area (m^2)

r = Solar panel efficiency (%)

H = Annual global radiation at collector plane

PR = Performance ratio, coefficient for losses (range between 0.50 and 0.95)

Performance ratio is a quantity which represents the ratio of the effectively produced (used) energy to the energy which would be produced by a "perfect" system continuously operating at standard test condition under

the same radiation, taking into account losses such as array losses (shadings, incident angle modifier, photovoltaic conversion, module quality, mismatch and wiring) and system losses (inverter efficiency, transformer efficiency and transmission losses).

The calculation of the estimated annual energy output also takes into account the total rated capacity of all the solar panels to be installed for the remaining life of the PPA, net of the annual estimated decrease in rated capacity based on technology installed. The decrease in rated capacity includes various losses caused by soiling, temperature changes, inverter and transformer inefficiency, incidence angle, wire, shading and mismatch losses. The technology used for each project is assessed based on geographical conditions of the project, cost economics and the availability of such technology for construction. We assume an annual decrease in rated capacity ranging from 0.5% to 0.7% depending on the technology used, which is based on the specifications given by the manufacturer of the solar panels.

To calculate nominal contracted payments for committed projects, we assume a 50% probability of achieving the generation numbers projected by the power generation software, which is net of the annual estimated decrease in rated capacity based on the technology installed. For operating projects, instead of the formula described above, we use the actual full year energy generated net of the annual estimated decrease in rated capacity based on the technology installed. We have used this method of calculation since the inception of all projects, including scheduled price changes where applicable.

If we were to receive government grants under any PPA, such grants would be included as nominal contracted payments in the period when received. We account for VGF as an income-type government grant. The proceeds received from VGF grants upon fulfilment of certain conditions are initially recorded as deferred revenue. This deferred VGF revenue is recognized as sale of power in proportion to (x) the actual sale of solar energy kilowatts during the period to (y) the total estimated sale of solar energy kilowatts during the tenure of the applicable PPA (as described in Note 2(r) to our consolidated financial statements) pursuant to our revenue recognition policy.

Nominal contracted payments is a forward-looking number and we use judgment in developing the assumptions used to calculate it. Those assumptions may not prove to be accurate over time. Underperformance of the solar power plants, payment defaults by our customers or other factors described under the heading “Item 3. Key Information—D. Risk Factors” could cause our actual results to differ materially from our calculation of nominal contracted payments.

The following table sets forth, with respect to our PPAs, the aggregate nominal contracted payments and total estimated energy output as of the reporting dates. These nominal contracted payments have not been discounted to arrive at the present value.

	As of March 31,		
	2017	2018	
	INR	INR	US$
Nominal contracted payments (in thousands)	255,474,775	358,816,034	5,510,921

	As of March 31,	
	2017	2018
Total estimated energy output (kilowatt hours in millions)	44,677	82,884

Nominal contracted payments increased from March 31, 2017 to March 31, 2018 as a result of entering into additional PPAs. Over time, we have seen a trend towards a decline in the Central Electricity Regulatory Commission benchmark tariff for solar power procurement. For fiscal year 2011, the Central Electricity Regulatory Commission benchmark tariff for solar power procurement was INR 17.91 per kilowatt hour. It was reduced to INR 10.39 per kilowatt hour for fiscal year 2013, which was further reduced to INR 7.72 per kilowatt hour for fiscal year 2015 and proposed INR 3.53 per kilowatt hour for fiscal year 2019. The overall trend of solar power tariffs is that the tariffs are declining in line with solar module prices.

Portfolio Run-Rate

Portfolio run-rate equals our annualized payments from customers extrapolated based on the operating and committed capacity as of the reporting date. In estimating the portfolio run-rate, we multiply the PPA contract price per kilowatt hour by the estimated annual energy output for all operating and committed solar projects as of the reporting date. The estimated annual energy output of our solar projects is calculated using power generation simulation software and validated by independent engineering firms. The main assumption used in the calculation is the project location, which enables the software to derive the estimated annual energy output from certain metrological data, including the temperature, wind speed and solar radiation based on the project location. Our power generation simulation software calculates the estimated annual energy output by using the formula described above.

The calculation of the estimated annual energy output also takes into account the total rated capacity of all the solar panels to be installed for the remaining life of the PPA, net of the annual estimated decrease in rated capacity based on technology installed. The decrease in rated capacity includes various losses caused by soiling, temperature changes, inverter and transformer inefficiency, incidence angle, wire, shading and mismatch losses.

To calculate portfolio run-rate for committed projects, we assume a 50% probability of achieving the generation numbers projected by the power generation software, which is net of the annual estimated decrease in rated capacity based on the technology installed. For operating projects, instead of the formula described above, we use the actual full year energy generated net of the annual estimated decrease in rated capacity based on the technology installed. We have used this method of calculation since the inception of all projects, including scheduled price changes where applicable.

Portfolio run-rate is a forward-looking number, and we use judgment in developing the assumptions used to calculate it. Those assumptions may not prove to be accurate over time. Underperformance of the solar power plants or other factors described under the heading “Item 3. Key Information—D. Risk Factors” could cause our actual results to differ materially from our calculation of portfolio run-rate.

The following table sets forth, with respect to our PPAs, the aggregate portfolio run-rate and estimated annual energy output as of the reporting dates. The portfolio run-rate has not been discounted to arrive at the present value.

	As of March 31,		
	2017	2018	
	INR	INR	US$
Portfolio Revenue run-rate (in thousands)	11,005,761	15,764,719	242,124

	As of March 31,	
	2017	2018
Estimated annual energy output (kilowatt hours in millions)	1,921	3,557

Portfolio run-rate increased from March 31, 2017 to March 31, 2018 as a result of the increase in operational and committed capacity during the period.

Components of Results of Operations

Operating Revenue

Operating revenue consists of solar energy sold to customers under long term PPAs, which generally have a term of 25 years. We have one customer for each solar power plant. Our customers are power distribution companies and, to a lesser extent, commercial and industrial enterprises.

We recognize revenue on a monthly basis based on the solar energy kilowatts actually supplied to our customers multiplied by the rate per kilowatt hour agreed to in the respective PPA. The solar energy kilowatts hours supplied during a month are validated by the customer prior to our billing and recognition of revenue.

Where PPAs include scheduled price changes, revenue is recognized by applying the average rate to the energy output estimated over the term of the PPA. We estimate the total kilowatt hour units expected to be generated annually during the tenure of PPA using budgeted plant load factors, rated capacity of the project and annual estimated decrease in rated capability of solar panels. The contractual rates are applied to this annual estimate to determine the total estimated revenue over the term of the PPA. We then use the total estimated revenue and the total estimated kilowatt hours to compute the average rate used to record revenue on the actual energy output supplied. We compare 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, we reassess the energy output estimated over the remaining term of the PPA and adjust the revenue recognized and deferred to date. Through March 31, 2018, the adjustments have not been significant. The difference between the actual billing and revenue recognized is recorded as deferred revenue.

We recognize revenue when persuasive evidence of an arrangement exists, the fee is fixed or determinable, the electricity is delivered and collectability is reasonably assured. Revenue from sale of power is recorded net of discounts which, to date, have not been significant.

Cost of Operations (Exclusive of Depreciation and Amortization)

Our cost of operations primarily consists of expenses pertaining to operations and maintenance of our solar power plants. These expenses include payroll and related costs for maintenance staff, plant maintenance, insurance, and, if applicable, lease costs.

General and Administrative Expenses

Our general and administrative expenses include payroll and related costs for corporate, finance and other support staff, including bonus and share based compensation expense, professional fees and other corporate expenses. We anticipate that we will incur additional general and administrative costs, including headcount and expansion related costs, to support the growth in our business as well as additional costs of being a public reporting company.

Depreciation and Amortization

Depreciation and amortization expense is recognized using the straight-line method over the estimated useful life of our solar power plants and other assets. Leasehold improvements related to solar power plants are amortized over the shorter of the lease term or the underlying period of the PPA for that particular solar power plant. Leasehold improvements related to office facilities are amortized over the shorter of the lease period or the estimated useful life. Freehold land is not depreciated. Construction in progress is not depreciated until such projects are commissioned.

Interest Expense, Net

Interest expense, net consists of interest incurred on term loans for projects under our fixed and variable rate financing arrangements including interest expense on the solar green bonds (the “Solar Green Bonds”) issued in 2017, cost of hedging the foreign currency risk on the Solar Green Bond transactions, and interest expense on Non-Convertible Debentures. Interest cost also includes the cost of swaps and option contracts entered to mitigate the foreign exchange risk for Solar Green Bond transactions. The Company has designated the swaps and option contracts as a cash flow hedge and are tested for effectiveness on a quarterly basis. During the previous years we had interest on compulsorily convertible debentures during the period prior to initial public offering and also included the deemed interest expense which was payable in the form of a guaranteed return on the compulsorily convertible debentures and the Series E and Series G compulsorily convertible preferred shares which were classified as a liability and were converted to shares simultaneous to our initial public offering. Interest expense also includes bank fees and other borrowing costs, which are typically amortized over the life of

the loan using the effective interest rate method. Interest expense is presented net of capitalized financing costs and interest income earned from bank deposits. Interest incurred in connection with a project that has been commissioned is expensed while interest incurred prior to commissioning is capitalized.

Gain/Loss on Foreign Currency Exchange

We are exposed to movements in currency exchange rates, particularly to changes in exchange rates between U.S. dollars and Indian rupees. While our functional currency is the U.S. dollar, the functional currency of AZI is Indian rupees and a portion of AZI's borrowings from financial institutions are denominated in U.S. dollars. Foreign exchange gain/loss includes the unrealized and realized loss from foreign currency fluctuations on our non-functional currency denominated borrowings.

We also enter into foreign currency option contracts to mitigate and manage the risk of changes in foreign exchange rates on our borrowings denominated in currencies other than our functional currency. These hedges do not qualify as cash flow hedges under Accounting Standards Codification, or ASC, Topic 815, "Derivatives and Hedging." Changes in the fair value of these option contracts are recognized in the consolidated statements of operations and are included in loss on foreign currency exchange.

Income Tax Expense

Our income tax expense consists of current and deferred income tax as per applicable jurisdictions in Mauritius, India and the United States. Income tax for our current and prior periods is measured at the amount expected to be recovered from or paid to taxation authorities based on our taxable income or loss for that period.

Deferred income taxes and changes in related valuation allowance, if any, reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Internal Control over Financial Reporting

As a company with less than US$1.07 billion in revenue for our last fiscal year, we qualify as an emerging growth company pursuant to the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002 in the assessment of the emerging growth company's internal control over financial reporting. The JOBS Act also provides that an emerging growth company does not need to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards. We may adopt new or revised accounting standards on the relevant dates on which adoption of such standard is required.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with U.S. GAAP. We have identified certain accounting policies that we believe are the most critical to the presentation of our consolidated financial information over a period of time. These accounting policies may require our management to take decisions on subjective and/or complex matters relating to reported amounts of assets, liabilities, revenue, costs, expenses and related disclosures. These would further lead us to estimate the effect of matters that may inherently be uncertain.

The judgment on such estimates and underlying assumptions is based on our experience, historical trends, understanding of the business, industry and various other factors that we believe are reasonable under the circumstances. These form the basis of our judgment on matters that may not be apparent from other available sources of information. In many instances changes in the accounting estimates are likely to occur from

period-to-period. Actual results may differ from the estimates. The future financial statement presentation, financial condition, results of operations and cash flows may be affected to the extent that the actual results differ materially from our estimates.

Our significant accounting policies are summarized in Note 2—Summary of Significant Accounting Policies to our consolidated financial statements included in this annual report. Our various critical accounting policies and estimates are discussed in the following paragraphs.

Income Taxes

Income tax expense consists of (i) current income tax expense arising from income from operations (ii) deferred income tax expense/(benefit) arising from temporary differences and (iii) income tax expense/(benefits) as a result of certain intercompany transactions.

We use the asset and liability method in accounting for income taxes. Under this method, deferred income tax assets and liabilities are determined based on the difference between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

The tax rates on reversal of temporary differences might be different from the tax rates used for creation of the respective deferred tax assets/liabilities.

As of March 31, 2017, and 2018, we had net deferred tax assets of INR 196.8 million and INR 1,052.4 million (US$ 16.2 million), respectively, and net deferred tax liabilities of INR 1,078.3 million and INR 892.1 million (US$ 13.7 million), respectively.

We apply a two-step approach to recognize and measure uncertainty in income taxes in accordance with the Financial Accounting Standards Board, or FASB, Interpretation No. 48 ("FIN 48"), *Accounting for Uncertainty in Income Taxes* —an interpretation of ASC Topic 740. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount, which is more than 50% likely of being realized upon ultimate settlement. We re-evaluate these uncertain tax positions on an annual basis. This evaluation is based on factors including changes in facts or circumstances, changes in tax law and effectively settled issues under tax-audit. Such a change in recognition or measurement could result in the recognition of a tax benefit or an additional charge to the tax provision in the relevant period. As of March 31, 2017, and 2018, we did not have any material uncertain tax positions.

We establish valuation allowances against our deferred tax assets when it is more likely than not that all or a portion of a deferred tax asset will not be realized. The valuation allowance as on March 31, 2017 and 2018 were at INR 12.8 million and INR 715.3 million (US$ 11.0 million), respectively.

A portion of our Indian operations qualifies for tax holiday related to their operating income attributable to undertakings, as defined, in operating solar power plants 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 undertaking first generates power (referred to as the Tax Holiday period), however, the exemption is available only to the projects completed on or before March 31, 2017. We assess the election of the Tax Holiday period on an annual basis for each of our undertakings. We believe these undertakings will generate higher taxable profits due to lower interest cost as debt balances are paid down in the later years of operations and therefore we plan to defer the Tax Holiday election to later years in order to maximize the benefits. As of March 31, 2018, we are claiming tax holiday benefits for three of our subsidiaries. Deferred tax assets are recognized to the extent probable of realization outside the anticipated Tax Holiday period. For example, if we

choose years six through 15 as the tax holiday period, we recognize deferred tax assets only to the extent that they will be realized either in years one through five or from year 16 onwards. As a result, all temporary differences do not result in creation of a deferred tax asset or liability.

AZI and a subsidiary provide EPC services to other group subsidiaries and as a result incur income taxes on profits from the services provided. The services provided to the group subsidiaries are in the nature of capitalizable costs and are therefore capitalized as part of property, plant and equipment in the standalone financial statements of such subsidiaries. However, these capitalized costs are eliminated for the purposes of the consolidated financial statements. The costs capitalized in the standalone financial statements are however eligible for income tax deductions in the tax records of the respective group subsidiaries. The Company started recording Deferred Tax Asset on the intra-entity transfer of assets pursuant to ASU 2016-16, from April 1, 2017. We assess that the probability of realizing the benefit on an annual basis and its recognition is limited to the extent probable of realization outside of the anticipated Tax Holiday period. Our estimate is that such benefit is limited to approximately 30% to 55% of the tax expense incurred by AZI and the subsidiary. As a result, while all the profits on inter-company transactions are eliminated during consolidation, it does not result in a complete reversal of tax expense on such inter-company transactions. Accordingly, while we have never been profitable, we report income tax expense / benefit that may fluctuate from period to period.

Contracts designated as cashflow hedge

We have issued U.S. dollar denominated 5.5% Solar Green Bonds in August, 2017, listed on the Singapore Exchange Limited (“SGX”). The proceeds were used for repayment of project level debt of certain projects in India and for growth capital in certain projects under construction, in the form of intercompany Non-Convertible Debentures (NCD) and External Commercial Borrowings (ECB’s) denominated in INR. The exchange rate risk on the proceeds invested from the Solar Green Bonds are hedged through cross currency swap for payment of coupons and through call spread option contracts for repayment of principal (collectively “Option contracts”). We have designated these option contracts as a cashflow hedge. These options contracts mitigate the exchange rate risk associated with the forecasted transaction for semi-annual repayment of coupon and for repayment of the principal balance at the end of five years.

The cashflow from the underlying agreement match the terms of a hedge such as—notional amount, maturity of the option contracts, mitigation of exchange rate risk, and there are no significant changes in the counter party risk, hence they are designated as a cashflow hedge in accordance with ASC Topic 815— *Derivatives and Hedging.* Fair value of the hedge at the time of inception of the contract was nil and the cost of hedge is recorded as an expense over the period of the contract on a straight-line basis. Changes in fair value of the option contracts designated as cash flow hedges are recorded in Accumulated Other Comprehensive Income/(Loss), net of tax, until the hedge transactions occur. We evaluate hedge effectiveness of cash flow hedges at the time a contract is entered into as well as on a quarterly basis. The ineffective portion of cash flow hedge is recorded in Other Comprehensive Income and charged as an expense over the period of the contract. The cost of the effective portion of cash flow hedges is expensed over the period of the contract. We test the effectiveness of the hedge relationship on a quarterly basis and the hedge was effective as on March 31, 2018.

In August 2017, the FASB issued ASU No. 2017-12, *Targeted Improvements to Accounting for Hedging Activities* , to simplify the application of current hedge accounting guidance, which permits recording the cost of hedge over the period of the contract based on the effective interest rate method. The ASU is effective for interim and annual periods beginning after December 15, 2018, with early adoption permitted. The Company early adopted the ASU and determined the cost of hedge at the time of inception of the contract was INR 4,931,240 (US$ 77,123) and recorded an expense of INR 571,225 (US$ 8,925) during the fiscal year ended March 31, 2018. The Company did not reclassify any balance apart from the cost of hedge from Accumulated Other Comprehensive Income/(Loss) to interest expense during the fiscal year ended March 31, 2018.

We used the derivatives option pricing model based on the principles of the Black-Scholes model to determine the fair value of the foreign exchange derivative contracts. The inputs considered in this model include

the theoretical value of a call option, the underlying spot exchange rate as of the balance sheet date, the contracted price of the respective option contract, the term of the option contract, the implied volatility of the underlying foreign exchange rates and the risk-free interest rate as of the balance sheet date. The techniques and models incorporate various inputs including the credit worthiness of counterparties, foreign exchange spot and forward rates, interest rate yield curves, forward rate yield curves of the underlying. The Company classifies the fair value of these foreign exchange derivative contracts in Level 2 because the inputs used in the valuation model are observable in active markets over the term of the respective contracts. Fair value of the hypothetical derivative is computed based on the above inputs from Bloomberg or other reputed banks.

	March 31, 2018		
	Notional Amount (US$)	Current Liabilities (INR)	Other Liabilities (INR)
Foreign currency option contracts	499,602	—	331,314

A. Results of Operations

Azure Power Global Limited's functional currency is the U.S. dollar and reporting currency is the Indian rupee. Solely for the convenience of the reader, we have translated the financial information for the fiscal year ended March 31, 2018. The rate used for this translation is INR 65.11 to US$1.00, which is the noon buying rate in New York City for cable transfer in non-U.S. dollar currencies as certified for customs purposes by the Federal Reserve Bank of New York as of March 30, 2018, which is the date of our last reported financial statements. No representation is made that the Indian rupee amounts could have been, or could be, converted, realized or settled into U.S. dollars at that rate.

Consolidated Statement of Operations data:	Fiscal Year Ended March 31, 2016 (INR)	2017 (INR)	2018 (INR)	2018 (US$)
	(in thousands)			
Operating revenues:				
Sale of power	2,626,148	4,182,985	7,700,600	118,271
Operating costs and expenses:				
Cost of operations (exclusive of depreciation and amortization shown separately below)	190,648	375,787	691,947	10,627
General and administrative	672,841	797,161	1,187,379	18,237
Depreciation and amortization	687,781	1,046,565	1,882,451	28,912
Total operating costs and expenses:	1,551,270	2,219,513	3,761,777	57,776
Operating income	1,074,878	1,963,472	3,938,823	60,495
Other expense:				
Interest expense, net	2,058,836	2,371,836	5,168,218	79,377
Loss (gain) on foreign currency exchange, net	343,137	(109,128)	45,716	702
Total other expenses	2,401,973	2,262,708	5,213,934	80,079
Loss before income tax	(1,327,095)	(299,236)	(1,275,111)	(19,584)
Income tax benefit / (expense)	(327,745)	(892,333)	252,882	3,884
Net loss	(1,654,840)	(1,191,569)	(1,022,229)	(15,700)
Less: Net loss attributable to non-controlling interest	(4,651)	(18,924)	(201,547)	(3,094)
Net loss attributable to APGL	**(1,650,189)**	**(1,172,645)**	**(820,682)**	**(12,606)**
Accretion to Mezzanine CCPS	(1,347,923)	(235,853)	—	—
Accretion to redeemable non-controlling interest	(29,825)	(44,073)	(6,397)	(98)
Net loss attributable to APGL equity shareholders	**(3,027,937)**	**(1,452,571)**	**(827,079)**	**(12,704)**
Net loss per share attributable to APGL equity stockholders				
Basic and diluted	(1,722)	(111)	(32)	(0.49)
Shares used in computing basic and diluted per share amounts:				
Weighted average shares	1,758,080	13,040,618	25,974,111	—

Fiscal Year Ended March 31, 2018 Compared to Fiscal Year Ended March 31, 2017

Operating Revenue

Operating revenues during the fiscal year ended March 31, 2018 increased by INR 3,517.6 million, or 84%, to INR 7,700.6 million (US$ 118.3 million) compared to fiscal year ended March 31, 2017. The principal reasons for the increase in revenue during the fiscal year ended March 31, 2018 was the incremental revenue from projects that commenced operations at various dates during fiscal year 2017. These include Karnataka 3.1, 3.2

and 3.3 solar power projects, which commenced operations during the fourth quarter of fiscal year 2017 and contributed incremental operating revenue of INR 510.7 million, INR 413.0 million, and INR 404.6 million, respectively, in fiscal year 2018. Punjab 4.1, 4.2 and 4.3 projects, which commenced operations in the third quarter of fiscal year 2017 and contributed incremental operating revenue of INR 1,040.0 million, in fiscal year 2018. In addition, incremental revenue from projects that commenced operations in fiscal year 2018 include, Andhra Pradesh 2 which contributed an incremental operating revenue of INR 633.0 million, Uttar Pradesh 2 project, which commenced operations in two phases during first and second quarters of fiscal year 2018 and contributed incremental operating revenue of INR 166.1 million, Telangana 1 project, which commenced its operations in the fourth quarter of fiscal year 2018, contributed an operating revenue of INR 139.2 million and the balance increase in revenue is on account of the commencement of operations of certain rooftop projects.

Cost of Operations (Exclusive of Depreciation and Amortization)

Cost of operations during the fiscal year ended March 31, 2018 increased by INR 316.2 million, or 84%, to INR 691.9 million (US$ 10.6 million), compared to the fiscal year ended March 31, 2017, and remained consistent at 9.0% of revenue recognized during the respective periods in both the years. The increase was primarily due to increase in plant maintenance cost related to newly operational projects by INR 162.7 million, an increase in leasehold rent of INR 44.7 million primarily resulting from increased leased land in connection with our new projects, and an increase in security charges of INR 40.3 million on account of new projects commissioned during the fiscal year ended March 31, 2018.

General and Administrative Expenses

General and administrative expenses during the fiscal year ended March 31, 2018 increased by INR 390.2 million, or 49%, to INR 1,187.4 million (US$ 18.2 million) compared to the fiscal year ended March 31, 2017. This was primarily due to an increase in payroll expenses by INR 120.9 million, professional expenses by INR 97.6 million including one-time expenses of INR 23.8 million, and we recorded an onetime charge of INR 83.7 million due to a delay by the government in bundling of thermal power with solar power production at one of our recently commissioned project and our project contract period was extended by the duration of the delay by the government.

Depreciation and Amortization

Depreciation and amortization expenses during the fiscal year ended March 31, 2018 increased by INR 835.9 million, or 80%, to INR 1,882.5 million (US$ 28.9 million) compared to the fiscal year ended March 31, 2017. The principal reason for the increase in depreciation was the full year effect of projects that commenced operations on various dates during fiscal year 2017. These projects include Karnataka 3.1, 3.2 and 3.3 solar power projects, which commenced operation in the fourth quarter of fiscal year 2017 and resulted in additional depreciation of INR 108.2 million, INR 89.9 million and INR 80.6 million, respectively, Punjab 4.1, 4.2 and 4.3 solar power projects, which commenced operation in the third quarter of fiscal year 2017 and resulted in additional depreciation of INR 258.9 million during the fiscal year ended March 31, 2018.

In addition, we recorded depreciation and amortization expenses for projects that commenced operations during fiscal year end 2018. The projects include Andhra Pradesh 2 solar power project, which commenced operation in the first quarter of fiscal year 2018 and resulted in additional depreciation of INR 208.1 million, Uttar Pradesh 2 project commenced operations in two phases during first and second quarters of fiscal year 2018 and resulted in additional depreciation of INR 61.6 million and Telangana 1 solar power project, which commenced operation in the fourth quarter of fiscal year 2018 and resulted in additional depreciation of INR 38.5 million.

Interest Expense, Net

Net interest expense during the fiscal year ended March 31, 2018 increased by INR 2,796.4 million, or 118%, to INR 5,168.2 million (US$ 79.4 million) compared to the fiscal year ended March 31, 2017.

Interest expense during the fiscal year ended March 31, 2018 increased by INR 3,080.2 million, or 111%, to INR 5,844.2 million (US$ 89.8 million). Interest expense increased primarily as a result of interest expense of INR 1,241.7 million on borrowings for the Karnataka 3.1, 3.2 and 3.3, Punjab 4.1, 4.2 and 4.3, Andhra Pradesh 2, Uttar Pradesh 2 and Telangana 1 projects. The interest expense also includes one-time non-cash write offs of unamortised deferred financing cost of INR 747.5 million on account of the Solar Green Bonds and in addition, a one-time prepayment fees of INR 676.0 million for debt refinancing related to the Solar Green Bond.

Interest income during the fiscal year ended March 31, 2018 increased by INR 283.8 million or 72%, to INR 676.0 million (US$ 10.4 million) compared to the fiscal year ended March 31, 2017 primarily as a result of an increase in income on term deposits placed during the period of INR 188.6 million and increase in gain on sale of short term investments by INR 95.2 million.

Loss (Gain) on Foreign Currency Exchange

The foreign exchange loss during the fiscal year ended March 31, 2018 increased by INR 154.8 million to a loss of INR 45.7 million (US$ 0.7 million) compared to the fiscal year ended March 31, 2017. The closing exchange rate of Indian rupees depreciated against the U.S. dollar from INR 64.84 to US$ 1.00 as of March 31, 2017 to INR 65.04 to US$ 1.00 as of March 31, 2018. This fluctuations in the Indian rupee resulted in a realized foreign exchange gains on foreign currency loans of INR 74.1 million but was partly offset by a realized loss on derivative instruments of INR 32.3 million. The unrealized foreign exchange loss on foreign currency denominated debt was INR 12.3 million and the unrealized loss on derivative instruments was INR 45.6 million.

Income Tax Expense

Income tax expense decreased during the fiscal year ended March 31, 2018 by INR 1,145.2 million to a benefit of INR 252.9 million (US$ 3.9 million), compared to fiscal year ended March 31, 2017.

For the fiscal year ended March 31, 2018, the statutory income tax rate as per the Income Tax Act, 1961 is 34.61%. The current income tax expense for the fiscal year ended March 31, 2018 was INR 16.3 million, which declined from INR 509.0 million for the fiscal year ended March 31, 2017. The effective income tax rate during the year ended March 31, 2018 was a benefit of 19.8%. The decrease in the effective income tax in the fiscal year ended March 31, 2018 is primarily due to accelerated depreciation per Indian Income Tax Act, in one of the plant commissioned during the current period in AZI.

During the fiscal year ended March 31, 2018, we recorded an Indian deferred tax benefit of INR 269.2 million, whereas for the fiscal year ended March 31, 2017, we recorded an Indian deferred tax expense of INR 383.2 million. This change was primarily attributable to the adoption of ASU 2016-16, from April 1, 2017, which impacted certain Intra-entity transfer of assets and resulted in recognition of deferred tax asset on the income taxes paid on the intra entity transfer of assets to the extent these are expected to be realized by the subsidiary outside of any tax holiday period, as described below.

We pay taxes on taxable profits at the individual entity level, in accordance with the tax rates in the relevant jurisdictions. While at the consolidated level, we have never been profitable, AZI and certain Indian and non-Indian subsidiaries at the individual entity level have generated taxable profits. These taxable profits result from services provided by these entities to other subsidiaries and are taxed at the applicable tax rates in the jurisdiction of the entity providing the services. These inter-company transactions and profits are eliminated during consolidation, while the related income tax expense is not eliminated. The Company started recording deferred tax asset on the intra-entity transfer of assets pursuant to ASU 2016-16, from April 1, 2017. This decrease was primarily attributable to adoption of a new accounting standard on “Intra-entity transfer of assets”,

resulting in recognition of deferred tax asset on the income taxes paid on the intra entity transfer of assets to the extent these are expected to be realized by the subsidiary outside of the tax holiday period. Furthermore, a portion of our Indian operations qualifies for a tax holiday related to their operating income attributable to undertakings, as defined, in operating solar power plants under section 80-IA of the Indian Income Tax Act, 1961. This holiday is available for a period of ten consecutive years out of 15 years beginning from the year in which the undertaking first generates power (referred to as the tax holiday period); however, the exemption is available only to the projects completed on or before March 31, 2017. We anticipate that we will claim the aforesaid deduction in the last ten years out of 15 years beginning with the year in which we generate power and when we have taxable income. Accordingly, our 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 our assets and liabilities do not have any tax consequences as they are expected to reverse within the tax holiday period.

Our tax expenses are further described in Note 11—Income Taxes to our consolidated financial statements included in this annual report.

Fiscal Year Ended March 31, 2017 Compared to Year Ended March 31, 2016

Operating Revenue

Operating revenues during the fiscal year ended March 31, 2017 increased by INR 1,556.8 million, or 59%, to INR 4,183.0 million compared to fiscal year ended March 31, 2016. The principal reasons for the increase in revenue during the fiscal year ended March 31, 2017 was the incremental revenue from projects that commenced operations at various dates during fiscal year 2016. These include Andhra Pradesh 1, Punjab 3 and Karnataka 2 solar power projects, which commenced operations during the fourth quarter of fiscal year 2016 and contributed incremental operating revenue of INR 480.3 million, INR 250.7 million and INR 112.1 million, respectively. Rajasthan 4 project, which commenced operations in the third quarter of fiscal year 2016 and contributed incremental operating revenue of INR 35.8 million, the Rajasthan 3 and Chhattisgarh 1 solar power projects, which commenced operations in the first quarter of fiscal year 2016 and contributed incremental operating revenue of INR 189.6 million and 95.2 million, respectively. In addition, incremental revenue from projects that commenced operations in fiscal year 2017 include, Punjab Rooftop 2 project which commenced operations in the first quarter of fiscal year 2017 and contributed incremental operating revenue of INR 68.8 million, Bihar 1 project which commenced operations in the second quarter of fiscal year 2017 and contributed incremental operating revenue of INR 68.5 million and the Punjab 4 project which commenced operations in the third quarter of fiscal year 2017 and contributed incremental operating revenue of INR 262.4 million.

Cost of Operations (Exclusive of Depreciation and Amortization)

Cost of operations during the fiscal year ended March 31, 2017 increased by INR 185.1 million, or 97%, to INR 375.8 million compared to the fiscal year ended March 31, 2016. The increase was primarily due to increase in plant maintenance cost related to newly operational projects by INR 141.9 million and an increase in leasehold rent of INR 36.8 million primarily resulting from increased leased land in connection with our projects during the fiscal year ended March 31, 2017.

General and Administrative Expenses

General and administrative expenses during the fiscal year ended March 31, 2017 increased by INR 124.3 million, or 18%, to INR 797.2 million compared to the fiscal year ended March 31, 2016. This was primarily due to increased travel and business development expenses for new solar power projects of INR 23.6 million, payroll cost of INR 52.7 million, resulting from new hiring and an increase of INR 48.0 million primarily resulting from office rent and related infrastructure costs as the scale of our business has expanded.

Depreciation and Amortization

Depreciation and amortization expenses during the fiscal year ended March 31, 2017 increased by INR 358.8 million, or 52%, to INR 1,046.6 million compared to the fiscal year ended March 31, 2016. The principal reason for the increase in depreciation was the full year effect of projects that commenced operations on various dates during fiscal year 2016. These projects include Punjab 3, Karnataka 2 and Andhra Pradesh 1 solar power projects, which commenced operation in the fourth quarter of fiscal year 2016 and resulted in additional depreciation of INR 48.3 million, INR 23.7 million and INR 117.5 million, respectively, Rajasthan 4 solar power project, which commenced operation in the third quarter of fiscal year 2016 and resulted in additional depreciation of INR 7.7 million, Chhattisgarh 1 solar power project, which commenced operation in phases in the first and second quarters of fiscal year 2016 and resulted in additional depreciation of INR 18.0 million and Rajasthan 3 solar power project, which commenced operation in the first quarter of fiscal year 2016 and resulted in additional depreciation of INR 19.7 million.

In addition, we recorded depreciation and amortization expenses for projects that commenced operations during fiscal year end 2017. The projects include Punjab rooftop 2 solar power project, which commenced operation in the first quarter of fiscal year 2017 and resulted in additional depreciation of INR 20.6 million, Bihar 1 solar power project, which commenced operation in the second quarter of fiscal year 2017 and resulted in additional depreciation of INR 16.7 million and Punjab 4 solar power project, which commenced operation in the third quarter of fiscal year 2017 and resulted in additional depreciation of INR 67.0 million.

Interest Expense, Net

Net interest expense during the fiscal year ended March 31, 2017 increased by INR 313.0 million, or 15%, to INR 2,371.8 million compared to the fiscal year ended March 31, 2016.

Interest expense during the fiscal year ended March 31, 2017 increased by INR 438.2 million, or 19%, to INR 2,764.0 million. Interest expense increased primarily as a result of interest expenses of INR 891.7 million on borrowings for the Punjab 3, Andhra Pradesh 1, Karnataka 2, Punjab rooftop 2, Bihar 1 and Punjab 4 solar power projects operating during the fiscal year ended March 31, 2017. This was offset by a reduction in interest expense on compulsorily convertible instruments of INR 507.6 million which converted to shares simultaneous to our initial public offering.

Interest income during the fiscal year ended March 31, 2017 increased by INR 125.2 million or 47%, to INR 392.2 million compared to the fiscal year ended March 31, 2016 primarily as a result of an increase in income on term deposits placed during the period of INR 98.3 million and increase in gain on sale of short term investments by INR 26.7 million.

Loss (Gain) on Foreign Currency Exchange

Foreign exchange loss during the fiscal year ended March 31, 2017 improved by INR 452.3 million to a gain of INR 109.1 million compared to the fiscal year ended March 31, 2016. The closing exchange rate of Indian rupees appreciated against the U.S. dollar from INR 66.25 to US$1.00 as of March 31, 2016 to INR 64.85 to US$1.00 as of March 31, 2017. This appreciation of the Indian rupee resulted in an improvement in unrealized and realized foreign exchange gains of INR 465.2 million and INR 25.8 million, on our foreign currency denominated debt and a decrease in unrealized and realized foreign exchange gain of INR 50.8 million and INR 49.5 million, on our derivative instruments, for the fiscal years ended March 31, 2016 and 2017, respectively. There was an additional gain on foreign currency exchange of INR 61.5 million during the fiscal year ended March 31, 2017 on account of a reinstatement of amount payable to vendors.

Income Tax Expense

Income tax expense increased during the fiscal year ended March 31, 2017 by INR 564.6 million to INR 892.3 million, compared to the fiscal year ended March 31, 2016.

For the fiscal year ended March 31, 2017, the statutory income tax rate as per the Income Tax Act, 1961 is 34.61%. The current income tax liability for the fiscal year ended March 31, 2017 was INR 509.0 million from INR 28.7 million for the fiscal year ended March 31, 2016. The increase in the effective income tax in the fiscal year ended March 31, 2017 was a result of higher taxable profits generated by AZI in the current period. We pay taxes on taxable profits at the individual entity level, in accordance with the tax rates in the relevant jurisdictions. While at the consolidated level, we have never been profitable, AZI and certain Indian and non-Indian subsidiaries at the individual entity level have generated taxable profits. These taxable profits result from services provided by these entities to other subsidiaries and are taxed at the applicable tax rates in the jurisdiction of the entity providing the services. These inter-company transactions and profits are eliminated during consolidation, while the related income tax expense is not eliminated. Furthermore, a portion of our Indian operations qualifies for a tax holiday related to their operating income attributable to undertakings, as defined, in operating solar power plants under section 80-IA of the Indian Income Tax Act, 1961. This holiday is available for a period of ten consecutive years out of 15 years beginning from the year in which the undertaking first generates power (referred to as the tax holiday period), however, the exemption is available only to the projects completed on or before March 31, 2017. We anticipate that we will claim the aforesaid deduction in the last ten years out of 15 years beginning with the year in which we generate power and when we have taxable income. Accordingly, our 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 our assets and liabilities do not have any tax consequences as they are expected to reverse within the tax holiday period.

The increase in our income tax expense was largely attributable to taxable profits generated by AZI. During the fiscal year ended March 31, 2017, we recorded an Indian deferred tax expense of INR 383.2 million, whereas for the fiscal year ended March 31, 2016, we recorded an Indian deferred tax expense of INR 299.1 million. The primary reason for the change in the level of domestic deferred tax asset was due to higher temporary differences reversing in the tax holiday period.

B. Liquidity and Capital Resources

Our holding company does not generate cash from operations in order to fund its expenses. Restrictions on the ability of our subsidiaries to pay us cash dividends as a result of certain regulatory and contractual restrictions may make it impracticable to use such dividends as a means of funding the expenses of Azure Power Global Limited. For a further discussion on our ability to issue and receive dividends, see “Item 8. Financial Information — A. Consolidated Statements and Other Financial Information”

Our principal liquidity requirements are to finance current operations, service our debt and support our growth in India. We will continue to use capital in the future to finance the construction of solar power plants. Historically, our operations largely relied on project-level long term borrowings, proceeds from issuance of compulsorily convertible preferred shares and compulsorily convertible debentures, and internally generated cash flows to meet capital expenditure requirements. As a normal part of our business and depending on market conditions, we will from time to time consider opportunities to repay, redeem, repurchase or refinance our indebtedness. Changes in our operating plans, lower than anticipated electricity sales, increased expenses or other events may cause us to seek additional debt or financing in future periods. There can be no guarantee that financing will be available on acceptable terms or at all. Debt financing, if available, could impose additional cash payment obligations, additional covenants and operating restrictions. Future financings could result in the dilution of our existing shareholding. In addition, any of the items discussed in detail under “Risk Factors” elsewhere in this annual report may also significantly impact our liquidity.

Liquidity Position

As of March 31, 2018, our liquid assets totalled INR 9,730.1 million (US$ 149.4 million), which was comprised of cash and current investments available for sale securities. As of March 31, 2018, we carried cash and short-term investments of INR 9,443.6 million (US$ 145.0 million) held by our foreign subsidiaries, which are not readily available to Azure Power Global Limited.

We also have commitments from financial institutions that we can draw upon in the future upon the achievement of specific funding criteria. As of March 31, 2018, we have such undrawn commitments amounting to INR 3,398.6 million (US$ 52.2 million) under project-level financing arrangements, all which have a floating interest rate:

We have a term loan from PTC India Financial Services Limited for the Uttar Pradesh 2 project for an aggregate principal amount of INR 2,300.0 million (US$ 35.3 million), of which INR 233.0 million (US$ 3.6 million) was undrawn as of March 31, 2018. This loan bears interest at 11.25% and is secured by movable and immovable assets of the project. The term of this loan is 18 years. Cash distribution from the projects can be made after meeting the project expenses and debt service requirements.

We have a term loan from Indian Renewable Energy Development Agency Ltd for the Uttar Pradesh 3 project for an aggregate principal amount of INR 1,808.0 million (US$ 27.8 million), of which INR 370.7 million (US$ 5.7 million) was undrawn as of March 31, 2018. This loan bears interest at 10.79% and is secured by movable and immovable assets of the project. The term of this loan is 16.5 years. Cash distribution from the projects can be made after meeting the project expenses and debt service requirements.

We have a term loan from PTC India Financial Services Limited for the Andhra Pradesh 3 project for an aggregate principal amount of INR 2,287.2 million (US$ 35.1 million), of which INR 228.6 million (US$ 3.5 million) was undrawn as of March 31, 2018. This loan bears interest at 11.50% and is secured by movable and immovable assets of the project. The term of this loan is 18 years. Cash distribution from the projects can be made after meeting the project expenses and debt service requirements.

We have a term loan from IndusInd Bank for the Delhi Rooftop 4 project for an aggregate principal amount of INR 558.0 million (US$ 8.6 million), of which INR 144.7 million (US$ 2.2 million) was undrawn as of March 31, 2018. This loan bears interest at 10.30 % and is secured by movable and immovable assets of the project. The term of this loan is 15 years. Cash distribution from the projects can be made after meeting the project expenses and debt service requirements.

We have a U.S. dollar term loan from Overseas Private Investment Corporation for rooftop projects for an aggregate principal amount of INR 1,302.2 million (US$ 20.0 million), of which INR 1,251.6 million (US$ 19.2 million) was undrawn as of March 31, 2018. This loan bears interest at 4.42% and is secured by movable and immovable assets of the project. The term of this loan is 15 years. Cash distribution from the projects can be made after meeting the project expenses and debt service requirements.

We have a term loan from State Bank of India for the Indian Railways Rooftop project for an aggregate principal amount of INR 1,178.0 million (US$ 18.1 million), which was undrawn as of March 31, 2018. This loan bears interest at 8.5% and is secured by movable and immovable assets of the project. The term of this loan is 14 years. Cash distribution from the projects can be made after meeting the project expenses and debt service requirements.

In 2017, we issued an inaugural US$ 500 million Solar Green Bond, maturing in 2022, which has been certified by Climate Bonds Initiative as a green bond and is the first solar green bond to be offered by a company with only solar power assets out of India. The Solar Green Bonds were offered to eligible yield investors who had a specific mandate or portfolio for buying green bonds, and in each case who were qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”), or non-U.S. persons in accordance with Regulation S under the Securities Act. The Company can issue further Bonds to meet the debt funding requirements for the projects.

Generally, under the terms of the loan agreements entered into by our project subsidiaries, the project subsidiaries are restricted from paying dividends to AZI if they default in payment of their principal, interest and other amounts due to the lenders under their respective loan agreements. Certain of AZI’s project subsidiaries also may not pay dividends to AZI out of restricted cash.

We are subject to business and operational risks that could adversely affect our cash flows. A material decrease in our cash flows would likely produce a corresponding adverse effect on our borrowing capacity.

Sources of Liquidity

Our ability to meet our debt service obligations and other capital requirements will depend on our future operating performance which, in turn, will be subject to general economic, financial, business, competitive, legislative, regulatory and other conditions, many of which are beyond our control. Our financing arrangements as of March 31, 2018 consist of project financing arrangements and other borrowings.

Project-level Financing Arrangements

Our borrowings include project-specific financing arrangements collateralized by the underlying solar power plants. At March 31, 2018, these borrowings had annual interest rates ranging from 3.73% to 5.50% for foreign currency loans and from 8.30% to 12.50% for Indian rupee term loans and 13.00% for short term loans. The table below summarizes certain terms of our project-level financing arrangements as of March 31, 2018:

Name of Project	Outstanding Principal Amount		Type of Interest	Currency	Maturity Date (1)
	INR	US$			
	(In thousands)				
Punjab 1	174,000	2,672	Fixed	INR	2022
Punjab 2	1,698,993	26,094	Fixed	INR	2022
Gujarat 1	946,484	14,537	Fixed	INR	2022
Gujarat rooftop	106,655	1,638	Floating	INR	2028
Rajasthan 1	732,694	11,253	Fixed	US$	2028
Rajasthan 2	3,117,855	47,886	Fixed	US$	2031
Uttar Pradesh 1	453,050	6,958	Fixed	INR	2022
Karnataka 1	498,033	7,649	Fixed	INR	2022
Rajasthan 3.1	867,000	13,316	Fixed	INR	2022
Rajasthan 3.2	1,699,530	26,102	Fixed	INR	2022
Rajasthan 3.3	1,774,718	27,257	Fixed	INR	2022
Rajasthan 4	236,000	3,625	Fixed	INR	2022
Punjab 3.1 and 3.2	1,488,516	22,862	Floating	INR	2034
Chhattisgarh 1.1,1.2 & 1.3	1,442,501	22,155	Floating	INR	2029
Bihar 1	438,767	6,739	Fixed	INR	2022
Karnataka 2	502,227	7,714	Floating	INR	2032
Andhra Pradesh 1	2,508,312	38,524	Fixed	INR	2022
Punjab Rooftop 2	384,000	5,898	Fixed	INR	2022
Karnataka 3.1	6,614,691	101,593	Fixed	INR	2022
Karnataka 3.2	1,330,262	20,431	Fixed	INR	2022
Karnataka 3.3	1,363,990	20,949	Fixed	INR	2022
Punjab 4	5,810,000	89,234	Fixed	INR	2022
Delhi Rooftop 4	413,300	6,348	Floating	INR	2031
Maharashtra 1.1 & 1.2	360,750	5,541	Floating	INR	2033
Uttar Pradesh 2	2,067,000	31,746	Floating	INR	2034
Telangana 1	4,610,000	70,803	Fixed	INR	2022
Andhra Pradesh 2	5,730,000	88,005	Floating	INR	2036
Uttar Pradesh 3	1,437,300	22,075	Floating	INR	2033
Andhra Pradesh 3	2,058,400	31,614	Floating	INR	2034
Oberoi Rooftop	47,868	735	Floating	INR	2030
Total	**50,912,896(2)**	**781,952**			

(1) This represents the last repayment period. These loans are repayable on a quarterly or semi-annual basis. For repayment by period of the above-mentioned loans, refer to contractual obligation and commercial commitments.
(2) Includes ancillary cost of borrowing of INR 826.1 million (US$ 12.7 million) presented in the financials on net basis. Further, non-project level debt of INR 3,856.9 (US$ 59.2 million) are excluded from the above table.

Our outstanding project-level borrowings have been secured by certain movable and immovable properties, including property, plant and equipment, as well as a pledge of the shares of the project-level SPVs.

The financing agreements governing our project-level borrowings contain financial and other restrictive covenants that limit our project subsidiaries' ability to make distributions to us unless certain specific conditions are met, including the satisfaction of certain financial ratios.

Uses of Liquidity

Our principal requirements for liquidity and capital resources can be categorized into investment for developing solar power plants and debt service obligations. Generally, once operational, our solar power generation assets do not require significant capital expenditures to maintain their operating performance and the working capital is sufficient to meet the operations. For principal and interest payments on our debt outstanding as of March 31, 2018, refer to Contractual Obligations and Commercial Commitments included elsewhere in this annual report.

Capital Expenditures

As of March 31, 2018, we operated 35 utility scale projects and several commercial rooftop projects with a combined rated capacity of 911 MW. As of such date, we were also constructing 10 projects with a combined rated capacity of 416 MW and had an additional 544 MW of projects committed.

Our capital expenditure requirements consist of:

(i) Expansion capital expenditures for new projects; and

(ii) Working capital spent for building a pipeline for coming year(s).

Expansion capital expenditures also include interest expense associated with borrowings used to fund expansion during the construction phase of the projects.

Our capital expenditure amounted to INR 17,500.0 million (US$ 268.8 million) for the fiscal year ended March 31, 2018, primarily for the Andhra Pradesh 2, Uttar Pradesh 2, Telangana 1, Uttar Pradesh 3, Andhra Pradesh 3, Delhi Rooftop 4, Odisha Rooftop 1, Indian Railways Rooftop 1, SECI Rooftop 1, Delhi Rooftop 5, and Decathlon projects.

Cash Flow Discussion

We use traditional measures of cash flow, including net cash provided by operating activities, net cash used in investing activities and net cash provided by financing activities, as well as cash available for distribution to evaluate our periodic cash flow results.

Cash and cash equivalents include cash on hand, demand deposits with banks, term deposits and all other highly liquid investments purchased with an original maturity of three months or less at the date of acquisition and that are readily convertible to cash. It does not include restricted cash which consists of cash balances

restricted as to withdrawal or usage and relate to cash used to collateralize bank letters of credit supporting the purchase of equipment for solar power plants, bank guarantees issued in relation to the construction of the solar power plants within the timelines stipulated in PPAs and for certain debt service reserves required under our loan agreements.

Fiscal Year Ended March 31, 2018 Compared to Fiscal Year Ended March 31, 2017

The following table reflects the changes in cash flows for the comparative periods:

	For fiscal year ended March 31,			
	2017	2018		Change
	INR	INR	US$	INR
	(In thousands)			
Cash flow data				
Net cash provided by (used in) operating activities	(27,190)	1,839,125	28,246	1,866,315
Net cash used in investing activities	(21,944,262)	(15,772,167)	(242,239)	6,172,095
Net cash provided by financing activities	24,331,507	16,816,081	258,272	(7,515,426)

Operating Activities

During the fiscal year ended March 31, 2018, we generated INR 1,839.1 million (US$ 28.2 million) of cash from operating activities. This cash generated from operating activities primarily resulted from a net loss during the fiscal year ended March 31, 2018 of INR 1,022.2 million reduced by non-cash items including amortization of deferred finance costs of INR 747.5 million, onetime prepayment charges on loans of INR 676.0 million, cashflow hedge of INR 575.2 million and depreciation and amortization of INR 1,882.5 million, offset by deferred income taxes of INR 655.2 million, a net foreign exchange gain of INR 102.5 million, in addition to changes in working capital including, a INR 83.4 million decrease in other liabilities, an INR 179.3 million increase in deferred revenue, an INR 1,031.2 million increase in interest payable, an INR 141.4 million increase on account of other assets, an INR 124.3 million increase in accounts payable, offset by an INR 1,168.9 million increase in accounts receivable, and an INR 641.6 million increase in prepaid expenses and other current assets primarily resulting from options premiums paid in connection with our options contracts, prepaid income taxes and debt financing cost and interest receivable on term deposits.

During the fiscal year ended March 31, 2017, we utilized INR 27.2 million of cash in operating activities. This cash outflow primarily resulted from a net loss during the fiscal year ended March 31, 2017 of INR 1,191.6 million reduced by non-cash items including deferred income taxes of INR 383.3 million, change in fair value of compulsorily convertible debentures, Series E and Series G compulsorily convertible preferred shares of INR 164.2 million, amortization of deferred finance costs of INR 114.1 million, and depreciation and amortization of INR 1,046.6 million, offset by realized and unrealized foreign exchange gain, net of INR 109.1 million resulting from appreciation of the rupee, in addition to changes in operating assets and liabilities including an INR 333.9 million increase in other liabilities, an INR 193.3 million increase in deferred revenue, an INR 63.2 million increase in interest payable, an INR 18.9 million increase in accounts payable, offset by an INR 581.9 million increase in accounts receivable, an INR 344.6 million increase in other assets primarily in connection with prepaid taxes, land use rights and interest receivable, and an INR 122.9 million increase in prepaid expenses and other current assets primarily resulting from options premiums paid in connection with our hedging activities, prepaid income taxes and debt financing cost and interest receivable on term deposits.

Investing Activities

During the fiscal year ended March 31, 2018, we utilized INR 15,772.2 million (US$ 242.2 million) in our investing activities. This cash outflow was primarily due to INR 19,629.4 million incurred to purchase property,

plant and equipment primarily related to the construction of our Andhra Pradesh 2, Uttar Pradesh 2, Telangana 1, Uttar Pradesh 3, Andhra Pradesh 3, Delhi Rooftop 4, Odisha Rooftop 1, Indian Railways Rooftop 1, SECI Rooftop 1, Delhi Rooftop 5, and Decathlon projects, offset by a net sale of INR 2,014.7 million of available-for-sale non-current investments.

During the fiscal year ended March 31, 2017, we utilized INR 21,944.3 million in our investing activities. This cash outflow was primarily due to INR 15,421.5 million incurred to purchase property, plant and equipment primarily related to the construction of our Punjab 4.1, 4.2 and 4.3 solar power projects, Karnataka 3.1, 3.2 and 3.3 solar power projects, Bihar 1 solar power project and Punjab rooftop 2 solar power project in addition to a net purchase of INR 3,192.7 million of available-for-sale non-current investments and a net addition of INR 3,318.9 million to restricted cash, in the form of term deposit.

Financing Activities

During the fiscal year ended March 31, 2018, we generated INR 16,816.1 million (US$ 258.3 million) from financing activities. This cash inflow was primarily due to issuance of Solar Green Bonds for INR 31,260.1 million, issuance of Non-Convertible Debentures for INR 1,864.6 and new loan proceeds of INR 10,683.2 million for our Maharashtra 1.1 and 1.2 Uttar Pradesh 2, Uttar Pradesh 3, Andhra Pradesh 3 and certain rooftop solar power plants, offset by repayment of term loan using the Solar Green Bond proceeds for INR 26,396.8 million in Punjab 1, Punjab 2, Gujarat 1, Uttar Pradesh 1, Karnataka 1, Rajasthan 3, Rajasthan 4, Bihar 1, Andhra Pradesh 1, Karnataka 3, Punjab 4, and Telangana 1 solar power projects.

During the fiscal year ended March 31, 2017, we generated INR 24,331.5 million from financing activities. This cash inflow was primarily due to new loan proceeds of INR 20,993.7 million in the form of term loans from banks for our Punjab 4, Karnataka 3, Andhra Pradesh 2, Uttar Pradesh 2, Telangana 1, Bihar1 and Punjab rooftop 2 solar power plants, INR 1,338.0 million from the contribution by non-controlling interest holders and INR 9,315.6 million proceeds from Series I compulsorily convertible preferred shares, initial public offering and concurrent private placement. These inflows were offset in part by INR 6,373.2 million in repayment of loans, and INR 942.8 million incurred for the public issue.

Year Ended March 31, 2017 Compared to Year Ended March 31, 2016

The following table reflects the changes in cash flows for the comparative periods:

	For the Year Ended March 31,		
	2016	2017	Change
	INR	INR	INR
		(In thousands)	
Cash flow data			
Net cash provided by (used in) operating activities	733,868	(27,190)	(761,058)
Net cash used in investing activities	(9,159,046)	(21,944,262)	(12,785,216)
Net cash provided by financing activities	9,465,659	24,331,507	14,865,848

Operating Activities

During the fiscal year ended March 31, 2017, we utilized INR 27.2 million of cash in operating activities. This cash outflow primarily resulted from a net loss during the fiscal year ended March 31, 2017 of INR 1,191.6 million reduced by non-cash items including deferred income taxes of INR 383.3 million, change in fair value of compulsorily convertible debentures, Series E and Series G compulsorily convertible preferred shares of INR 164.2 million, amortization of deferred finance costs of INR 114.1 million, and depreciation and amortization of INR 1,046.6 million, offset by realized and unrealized foreign exchange gain, net of INR 109.1 million resulting from appreciation of the rupee, in addition to changes in operating assets and

liabilities including a INR 333.9 million increase in other liabilities, a INR 193.3 million increase in deferred revenue, a INR 63.2 million increase in interest payable, a INR 18.9 million increase in accounts payable, offset by a INR 581.9 million increase in accounts receivable, a INR 344.6 million increase in other assets primarily in connection with prepaid taxes, land use rights and interest receivable, and a INR 122.9 million increase in prepaid expenses and other current assets primarily resulting from options premiums paid in connection with our hedging activities, prepaid income taxes and debt financing cost and interest receivable on term deposits.

During the fiscal year ended March 31, 2016, we generated INR 733.9 million of cash in operating activities. This cash inflow primarily resulted from a net loss during the fiscal year ended March 31, 2016 of INR 1,654.8 million reduced by non-cash items including deferred income taxes of INR 299.1 million, change in fair value of compulsorily convertible debentures, Series E and Series G compulsorily convertible preferred shares of INR 671.8 million, depreciation and amortization of INR 687.8 million and realized and unrealized foreign exchange loss, net of INR 343.1 million resulting from depreciation of the rupee, in addition to changes in operating assets and liabilities including a INR 126.8 million increase in accounts payable, a INR 952.6 million increase in deferred revenue and a INR 70.2 million increase in interest payable offset by a INR 353.2 million increase in accounts receivable, a INR 325.4 million increase in other assets primarily in connection with advances paid to suppliers and contractors and a INR 119.2 million increase in prepaid expenses and other current assets primarily resulting from options premiums paid in connection with our hedging activities, prepaid income taxes and debt financing cost and interest receivable on term deposits.

Investing Activities

During the fiscal year ended March 31, 2017, we utilized INR 21,944.3 million in our investing activities. This cash outflow was primarily due to INR 15,421.5 million incurred to purchase property, plant and equipment primarily related to the construction of our Punjab 4.1, 4.2 and 4.3 solar power projects, Karnataka 3.1, 3.2 and 3.3 solar power projects, Bihar 1 solar power project and Punjab rooftop 2 solar power project in addition to a net purchase of INR 3,192.7 million of available-for-sale non-current investments and a net addition of INR 3,318.9 million to restricted cash, in the form of term deposit.

During the fiscal year ended March 31, 2016, we utilized INR 9,159.0 million in our investing activities. This cash outflow was primarily due to INR 9,097.0 million incurred to purchase property, plant and equipment primarily related to the construction of our Rajasthan 3.1, 3.2 and 3.3 solar power projects, Chhattisgarh 1.1 and 1.2 solar power projects, Punjab 3.1 and 3.2 solar power projects, Karnataka 1 solar power projects and Andhra Pradesh 1 solar power projects offset by a net sale of INR 50.7 million of available-for-sale non-current investments. In addition, we raised cash amounting to INR 316.9 million from the sale of redeemable non-controlling interests.

Financing Activities

During the fiscal year ended March 31, 2017, we generated INR 24,331.5 million from financing activities. This cash inflow was primarily due to new loan proceeds of INR 20,993.9 million in the form of term loans from banks for our Punjab 4, Karnataka 3, Andhra Pradesh 2, Uttar Pradesh 2, Telangana 1, Bihar1 and Punjab rooftop 2 solar power plants, INR 1,338.0 million from the contribution by non-controlling interest holders and INR 9,315.6 million proceeds from Series I compulsorily convertible preferred shares, initial public offering and concurrent private placement. These inflows were offset in part by INR 6,373.2 million in repayment of loans, and INR 942.8 million incurred for the public issue.

During the fiscal year ended March 31, 2016, we generated INR 9,465.7 million from financing activities. This cash inflow was primarily due to new loan proceeds of INR 8,727.9 million in the form of term loans from banks for our Rajasthan 3, Chhattisgarh 1, Punjab 3, Andhra Pradesh 1 and Rajasthan 4 solar power plants and INR 4,237.4 million proceeds from Series G and Series H compulsorily convertible preferred shares. These inflows were offset in part by INR 3,490.8 million in repayment of loans.

C. Research and Development, Patents and Licenses, etc.,

Our intellectual property is an essential element of our business, and our success depends, at least in part, on our ability to protect our core technology and intellectual property. To accomplish this, we rely on a combination of patent, trade secret, trademark and other intellectual property laws, confidentiality agreements and license agreements to establish and protect our intellectual property rights. As of March 31, 2018, we had six patent applications, three filed and three in process. The patent applications include our real time and pre-paid solar power module, which enables automated services such as solar energy generation and provisioning, maintenance and billing and our manual solar tracking system, which allows us to remotely control our solar panels to follow the movement of the sun and a network operation and control centre that allows us to monitor project performance in real time. Other three patent applications include a thin film photovoltaic mounting assembly, system for generating electricity by reutilizing water used for cooling photovoltaic cells and a system for cleaning and cooling an array of solar panels.

D. Trend Information

Other than as disclosed elsewhere in this annual report, we are not aware of any trends, uncertainties, demands, commitments or events since March 31, 2018 that are reasonably likely to have a material adverse effect on our net revenues, income, profitability, liquidity or capital resources, or that caused the disclosed financial information to be not necessarily indicative of future operating results or financial conditions.

E. Off-Balance Sheet Arrangements

The terms of our PPAs provide for the annual delivery of a minimum amount of electricity at fixed prices. Under the terms of the PPAs, we have issued irrevocable performance bank guarantees totaling INR 2,102,491 (US$ 32,291) as of March 31, 2018. We have also given guarantees as a part of the bidding process for setting up of solar power plants amounting to 1,533,692 (US$ 23,555) as of March 31, 2018. We are not party to any other off-balance sheet arrangements.

F. Tabular Disclosure of Contractual Obligations

We have contractual obligations and other commercial commitments that represent prospective cash requirements. The following table summarizes our outstanding contractual obligations and commercial commitments as of March 31, 2018.

	Payment due by Period				
	Under 1 year	1-3 Years	3-5 Years	Over 5 years	Total
	(INR in thousands)				
Contractual cash obligations					
Long-term debt (principal) (1)	901,200	1,994,998	35,058,347	15,983,350	**53,937,895**
Long-term debt (interest) (2)	3,883,756	7536,526	6,454,731	9,175,021	**27,050,034**
Operating lease obligations	170,059	280,779	178,341	3,461,243	**4,090,422**
Purchase obligations (3)	3,045,859	—	—	—	**3,045,859**
Asset retirement obligations	—	—	—	356,649	**356,649**
Total contractual obligations (INR)	**8,000,874**	**9,812,303**	**41,691,419**	**28,976,263**	**88,480,859**
Total contractual obligations (US$)	**122,882**	**150,703**	**640,323**	**445,036**	**1,358,944**

(1) The long-term debt includes project secured term loans, other secured bank loans. The long-term debt (principal) obligations for foreign currency denominated project borrowings have been converted to Indian rupees using the closing exchange rate as of March 28, 2018 as per Reserve Bank of India.

(2) Interest on long-term debt is calculated based on the outstanding balance of the debt at the prevailing interest rate for the corresponding periods.

(3) Consists of asset purchase commitment for construction of solar power plants.

G. Safe Harbor

This information contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995, including statements regarding our future financial and operating guidance, operational and financial results such as estimates of nominal contracted payments remaining and portfolio run rate, and the assumptions related to the calculation of the foregoing metrics. Forward-looking statements are generally identifiable by use of forward-looking terminology such as “may”, “will”, “should”, “potential”, “intend”, “expect”, “seek”, “anticipate”, “estimate”, “believe”, “could”, “plan”, “project”, “predict”, “continue”, “future”, “forecast”, “target”, “guideline” or other similar words or expressions. Our ability to predict results or the actual effect of plans or strategies is inherently uncertain, particularly given the economic environment. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in the forward-looking statements and you should not unduly rely on these statements. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results in future periods to differ materially from those forward-looking statements.

The risks and uncertainties that could cause our results to differ materially from those expressed or implied by such forward-looking statements include, but not limited to:

- the availability of additional financing on acceptable terms; changes in the commercial and retail prices of traditional utility generated electricity;
- changes in tariffs at which long term PPAs are entered into;
- changes in policies and regulations including net metering and interconnection limits or caps;
- the availability of rebates, tax credits and other incentives;
- the availability of solar panels and other raw materials;
- our limited operating history, particularly as a new public company;
- our ability to attract and retain our relationships with third parties, including our solar partners;
- our ability to meet the covenants in our debt facilities;
- meteorological conditions; and
- such other risks identified in the registration statements and reports that we have filed with the U.S. Securities and Exchange Commission, or SEC, from time to time.

All forward-looking statements in this press release are based on information available to us as of the date hereof, and we assume no obligation to update these forward-looking statements.

Recent Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, ‘‘Revenue from Contracts with Customers (Topic 606).’’ This guidance supersedes current guidance on revenue recognition in Topic 605, ‘‘Revenue Recognition.” In addition, there are disclosure requirements related to the nature, amount, timing, and uncertainty of revenue recognition. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity is required to follow five steps which comprises of (a) identifying the contract(s) with a customer; (b) identifying the performance obligations in the contract; (c) determining the transaction price; (d) allocating the transaction price to the performance obligations in the contract and (e) recognizing revenue when (or as) the entity satisfies a performance obligation.

The new revenue standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017 (April 1, 2018 for the Company). The Company has the option of adopting the new revenue standard using either one of two methods: (i) retrospectively to each prior reporting period presented with the option to elect certain practical expedients as defined within ASU No. 2014-09; or (ii) retrospectively with the cumulative effect of initially applying ASU No. 2014-09 recognized at the date of initial application and providing certain additional disclosures as defined per ASU No. 2014-09. The Company plans to adopt this ASU using the modified retrospective method with a cumulative adjustment to retained earnings as of April 1, 2018. The Company has completed its assessment of the accounting for this standard and continues to assess the expanded disclosure requirements that will apply after the standard's adoption. Adoption of the standard will not have a material effect on our results of operations, cash flows or financial condition.

In February 2016, the FASB issued ASU 2016-02 ("ASU 2016-02"), Leases. ASU 2016-02 specifies the accounting for leases. For leases that were formerly classified as operating, ASU 2016-02 requires a lessee to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, in its balance sheet. The standard also requires a lessee to recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term, on a generally straight-line basis with certain practical expedients per ASU 2018-01. The ASU 2016-02 is effective for public companies for annual reporting periods beginning after December 15, 2018 (April 1, 2019 for the Company), including interim periods within those fiscal years using the modified retrospective method, with a cumulative adjustment to retained earnings as of April 1, 2019. The Company shall adopt the ASU starting April 1, 2019 and is currently evaluating this guidance and the impact it may have on the Company's consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13 ("ASU 2016-13"), Measurement of credit losses on financial instruments. The ASU 2016-13 replaces the current incurred loss impairment methodology with a current expected credit losses model. The amendment applies to entities which hold financial assets and net investment in leases that are not accounted for at fair value through net income as well as loans, debt securities, trade receivables, net investments in leases, off-balance sheet credit exposures, reinsurance receivables and any other financial assets not excluded from the scope that have the contractual right to receive cash. This ASU 2016-13 is effective for annual reporting periods, and interim periods within those years, beginning after December 15, 2019 (April 1, 2020 for the Company), with early adoption permitted. Adoption of this ASU 2016-13 is applied using a modified retrospective approach, with certain aspects requiring a prospective approach. The Company is currently evaluating this guidance and the impact it may have on the Company's consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows—Classification of Certain Cash Receipts and Cash Payments, which clarifies the presentation and classification of certain cash receipts and cash payments in the statement of cash flows. The amendments are an improvement to U.S. GAAP because they provide guidance for each of the eight issues, thereby reducing the current and potential future diversity in practice. This guidance is effective for financial statements issued for fiscal years beginning after December 15, 2017 (April 1, 2018 for the Company), and interim periods within those fiscal years and should be applied using a retrospective transition method to each period presented. The Company does not expect this standard to have a material impact on its consolidated financial statements.

In November 2016, the FASB issued ASU No. 2016-18, Statement of cash flows—Restricted cash. The amendments apply to all entities that have restricted cash or restricted cash equivalents and are required to present a statement of cash flows under Topic 230. The amendments in this update require that a statement of cash flows should explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The amendments are effective for fiscal years beginning after December 31, 2017 (April 1, 2018 for the Company) and interim periods within those annual periods. The Company does not expect the adoption of this ASU to have any effect on its financial position or results of operations.

In January 2017, the FASB issued ASU No. 2017-01 Business Combinations—Clarifying the Definition of a Business, which clarifies the definition of a business and assists entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. Under this guidance, when substantially all the fair value of gross assets acquired is concentrated in a single asset (or group of similar assets), the assets acquired would not represent a business. In addition, to be considered a business, an acquisition would have to include at a minimum an input and a substantive process that together significantly contribute to the ability to create an output. The amended guidance also narrows the definition of outputs by more closely aligning it with how outputs are described in FASB guidance for revenue recognition. This guidance is effective for interim and annual periods beginning after December 15, 2017 (April 1, 2018 for the Company). The Company does not expect the adoption of this ASU to have any effect on its financial position or results of operations.

In May 2017, the FASB issued ASU 2017-09, Compensation—Stock Compensation, Scope of Modification Accounting, which requires entities to apply modification accounting guidance when there are changes in the terms or conditions of a share-based payment award unless all of the following conditions are met: (i) the fair value of the modified award is the same as the fair value of the original award immediately before modification, (ii) the vesting conditions of the modified award are the same as the original award immediately before modification, and (iii) the classification of the modified award is the same as the original award immediately before modification. This guidance is effective for interim and annual periods beginning after December 15, 2017 (April 1, 2018 for the Company), with early adoption permitted. The Company does not expect the adoption of this ASU to have any effect on its financial position or results of operations.

During March 2018, the FASB issued ASU No. 2018-05 Income Taxes—Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118, which clarifies that certain assessment of the income tax effects of The Tax Cuts and Jobs Act (“TCJA”), will be incomplete by the time the financial statements are issued and the entity must not adjust the current or deferred taxes for those tax effects of the act until a reasonable estimate can be determined. Further, the entity shall remeasure the deferred tax asset and liability and disclose the effects of the TCJA in the earliest reporting period reasonably possible. The Company does not have any significant operations in U.S. and TCJA does not have any significant impact on the consolidated financials.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force) and the United States Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company’s present or future financial statements.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following discussion sets forth information regarding our directors and senior management as of the date of this annual report. Our Board of Directors is authorized to appoint officers as it deems appropriate. Provided below is a brief description of our directors’ and officers’ business experience.

Mr. Sanjeev Aggarwal was nominated as a director by Helion Venture Partners, Mr. Barney S. Rush was nominated as a director by IFC GIF Investment Company and Mr Cyril Cabanes was nominated by Caisse de dépôt et placement du Québec (CDPQ). Additionally, Mr. Rajendra Prasad Singh joined our Board from October 20, 2017.

None of our officers and directors are related, except Mr. Harkanwal S. Wadhwa and Mr. Inderpreet S. Wadhwa. Mr. Harkanwal S. Wadhwa is the father of Mr. Inderpreet S. Wadhwa.

Mr. Eric Ng Yim On and Mr. Muhammad Khalid Peyrye are executives of AAA Global Services Ltd., which provides incorporation, corporate secretarial and governance services to us.

Name	Age	Position
Directors:		
Inderpreet Singh Wadhwa	45	Chairman of the Board of Directors and Chief Executive Officer
Harkanwal Singh Wadhwa	73	Director and Chief Operating Officer
Robert Kelly	60	Director
Sanjeev Aggarwal	58	Director
Barney S. Rush	66	Director
Arno Harris	48	Director
Cyril Sebastien Dominique Cabanes	43	Director
Rajendra Prasad Singh	69	Director
Eric Ng Yim On	50	Director
Muhammad Khalid Peyrye	39	Director
Senior Management:		
Preet Sandhu	49	Executive Vice President—Infra
Sushil Bhagat	55	Chief Financial Officer
Surendra Kumar Gupta	65	Executive Vice President—O&M
Mohor Sen	68	Chief Administration Officer

Directors

Inderpreet Singh Wadhwa , one of our founders, has been our chief executive officer and a member of our Board of Directors since January 2015, has been the chief executive officer and director of AZI since November 2008 and was elected as the Chairman of the Board of Directors in June 2017. He has over 20 years of experience in technology and infrastructure businesses. Prior to founding AZI, Mr. Wadhwa previously served as a vice president of Loyalty Lab and a senior director of Oracle Corporation. Mr. Wadhwa received his Bachelor's degree in Electronics Engineering in 1994 from Guru Nanak Dev University (Punjab). He also graduated from Haas School of Business at University of California Berkeley in 2002.

We believe Mr. Wadhwa is qualified to serve as the Chairman of our Board of Directors because of his extensive experience in infrastructure projects and prior board service as a director of AZI.

Harkanwal Singh Wadhwa , Chief Operating Officer of the Company, has been a member of our Board of Directors since August 2015 and has been a director of AZI since November 2008. He heads the utilities business unit of the organization and focuses on project development and the internal operations of the company. Prior to joining AZI, Mr. Wadhwa served as chief managing director of National Insurance Limited, India's largest public insurance organization. He has over 40 years of experience in the financial services industry in India. He served on the boards of General Insurance Corporation of India, India International Insurance Private Limited and Loss Prevention Association of India Limited and has extensive experience with the regulatory framework in India. Mr. Wadhwa received his Bachelors of Arts degree from Punjab University in 1963.

We believe Mr. Wadhwa is qualified to serve as a member of our Board of Directors because of his excellent operations and management skills.

Robert Kelly, has been a member of our Board of Directors since September 2015 and has been a director of AZI since December 2014. From October 2011 to August 2014, he served as the chief financial officer of SolarCity Corporation in San Mateo, California. From August 2009 to October 2011, he served as chief financial officer of Calera Corporation, a clean technology company. Prior to that, he served as an independent consultant

providing financial advice to retail energy providers and power developers and also served in various senior leadership roles at Westinghouse Credit Corporation, Lloyds Bank and The Bank of Nova Scotia. Mr. Kelly served as chief financial officer and executive vice president of Calpine Corporation, an independent power producer, from March 2002 to November 2005, as president of Calpine Finance Company from March 2001 to November 2005 and held various financial management roles with Calpine from 1991 to 2001. Mr. Kelly is also a former member of the Board of Directors of Solar Mosaic Inc., a U.S. residential solar lending platform, and Solix Algrediants, Inc. a specialty algae products company for the nutrition and personal care markets, and is an Operating Partner of Ember Infrastructure Partners, a private equity firm investing in energy infrastructure assets and businesses with a focus on low carbon. He holds a Bachelor's degree in Commerce from Memorial University of Newfoundland and an MBA from Dalhousie University, Canada.

We believe Mr. Kelly is qualified to serve as a member of our Board of Directors because of his extensive business experience, relationships with financial institutions and solar companies and prior board service.

Sanjeev Aggarwal has been a member of our Board of Directors since September 2015 and has been a director of AZI since November 2008. Mr. Aggarwal is a co-founder of Helion Venture Partners and has served on the boards of Amba Research, MakeMyTrip Limited and UnitedLex Corporation. Prior to Helion Venture Partners, Mr. Aggarwal was the founder and chief executive officer of Daksh. Earlier, he worked for 15 years with leading technology companies serving the domestic Indian market. Mr. Aggarwal led the strategic initiatives at Motorola India and has worked with Digital Equipment Corporation in delivering technology solutions. He has also served as the chief executive officer of 3COM India.

We believe Mr. Aggarwal is qualified to serve as a member of our Board of Directors because of his extensive business experience in the financial industry, relationships with investment firms and prior board service as a director of AZI.

Barney S. Rush has been a member of our Board of Directors since January 2016. He has served on the board of ISO—New England, the electric grid and wholesale market operator for six U.S. states, since October 2013. Since November 2015, he has also been the Senior Representative of Fieldstone Africa, an investment bank raising capital for power projects in Africa. From July 2010 to December 2013, he served as an Operating Partner at Denham Capital Management, L.P., and from July 2003 to November 2009, he served as the CEO of H2Gen Innovations, Inc., a venture capital backed start-up which developed and manufactured skid-mounted hydrogen generators. In addition, Mr. Rush was Group CEO of Mirant Europe and Chairman of the Supervisory Board of Bewag, the electric utility serving Berlin, Germany, from August 1999 to May 2002. Mr. Rush holds a Bachelor's degree in Social Studies from Harvard College and a Master's degree in Public Affairs from Woodrow Wilson School of Princeton University.

We believe Mr. Rush is qualified to serve as a member of our Board of Directors because of his extensive business experience in clean-tech and alternative energy industries.

Arno Harris has been a member of our Board of Directors since May 2016. He currently serves as chairman emeritus of the Solar Energy Industry Association and as a board member of Advanced Energy Economy Institute. He founded Recurrent Energy, LLC, in 2006 and held the position of CEO until March 30, 2015, growing it into one of North America's largest solar project developers before selling the company to Canadian Solar Inc. Prior to his work at Recurrent Energy, LLC, he was CEO of Prevalent Power, Inc. and El Solutions, Inc. (now Suntech Energy Solutions) in addition to founding RedEnvelope, WineShopper.com, and Novo Media Group. Mr. Harris holds a Bachelor's degree in English Literature from the University of California, Berkeley.

We believe Mr. Harris is qualified to serve as a member of our Board of Directors because of his extensive experience with clean-tech and his widespread background in marketing, sales, and consulting.

Cyril Cabanes, has been a member of our board of directors since December 2016. He is currently the Vice-President, Head of Infrastructure Transactions, Asia-Pacific at Caisse de dépôt et placement du Québec (CDPQ).

He has over 19 years of experience across all facets of infrastructure transactions including acquisitions, financing and fundraising. This includes his term at Marubeni Corp., where he led the Asian IPP investment team in Singapore. Previously, Cyril was Director and Portfolio Manager at Deutsche Bank, where he was responsible for acquisitions, capital raising and product development for Asia-Pacific. Prior to that, Cyril spent 10 years in investment banking and financial markets with RBS, BNP Paribas and UBS. Cyril holds a Masters from ESCP-Europe and an MBA from Drexel University

We believe Mr. Cabanes is qualified to serve as a member of our board of directors because of his extensive experience with the infrastructure sector.

Rajendra Prasad Singh was appointed to our Board of Directors in October 2017. Dr. R.P. Singh was the former Chairman and Managing Director of Power Grid Corporation, a Government of India Enterprise and India's largest electric transmission utility. He is known for his contributions in the Indian Power Sector particularly the establishment of the national power transmission grid and modern load dispatch centers. He was responsible for restoration and normalization during various natural calamity emergencies in India. He is the recipient of many national and international awards including from the World Bank, Electric Power Research Institute (EPRI, USA), and the SCOPE Excellence Award. Dr. Singh is also a member of the board of directors of other reputed companies in India. He is a respected author and has published two books. He holds a Post-Graduation degree in Mechanical Engineering from Banaras Hindu University (BHU). In recognition of his contributions, he was conferred with the Degree of Doctor of Science (Honoris Causa) by BHU in 2007.

We believe Mr. Singh is qualified to serve as a member of our Board of Directors because of his extensive experience with the Indian power sector.

Eric Ng Yim On was appointed to our Board of Directors in January 2015 and is one of our resident directors in Mauritius. Mr. Ng has been the chief executive officer of AAA Global Services Ltd. since 2006. Prior to founding AAA Global Services Ltd., Mr. Ng worked for several years with a leading public company listed on the Stock Exchange of Mauritius and served on the board of the holding company as well as its subsidiary companies. Mr. Ng completed his secondary education at the Royal College Curepipe in Mauritius and holds various professional qualifications and memberships, including being a member of the Institute of Chartered Accountants of England and Wales, a member of the International Fiscal Association (Mauritius Branch) and a member of the Mauritius Institute of Professional Accountants.

We believe Mr. Ng is qualified to serve as a member of our Board of Directors because of his extensive experience with public companies and because he is a resident of Mauritius, and two of the members of our Board of Directors are required to be residents of Mauritius under the terms of our Constitution.

Muhammad Khalid Peyrye was appointed to our Board of Directors in January 2015 and is one of our resident directors in Mauritius. Mr. Peyrye is an executive of AAA Global Services Ltd., having joined the organization in 2007. Prior to joining AAA Global Services Ltd., Mr. Peyrye worked for several years with a leading financial services company and accountancy firm. Mr. Peyrye received his Bachelor's degree in Law and Management from the University of Mauritius and is a member of the Institute of Chartered Secretaries and Administrators of the United Kingdom. He has been involved extensively on company formations, company administration, corporate secretarial services, cross-border investment activities and corporate organizational transactions such as mergers and acquisitions and winding-up of companies. In addition to serving as director on the board of several companies in Mauritius,

Mr. Peyrye has, in his career, been involved as money laundering reporting officer and compliance officer of various companies involved in the financial services sector.

We believe Mr. Peyrye is qualified to serve as a member of our Board of Directors because of his extensive experience with companies having public accountability and because he is a resident of Mauritius, and two of the members of our Board of Directors are required to be residents of Mauritius under the terms of our Constitution.

Executive Officers

Preet Sandhu is an Executive Vice President and heads the Infra business unit of the Company, which covers engineering, procurement, supply chain management, R&D, quality and safety, health and environment. He has over 20 years of experience in civil construction and project development in regulated sectors in India with expertise in transportation, energy and land development. Mr. Sandhu manages engineering and construction for projects.

Sushil Bhagat is the Chief Financial Officer of the Company. He has over 30 years of experience of working with corporate and investment banking, capital raising and mergers & acquisitions. Prior to joining the Company, Sushil served as the Chief Financial Officer for Hindustan Powerprojects Limited where he supervised 1,200 MWs of thermal and 400+MWs of solar power assets. Prior to that, he worked in various finance related leadership roles at Coastal Projects, Wachovia, Axis Bank and State Bank of India. Mr Bhagat is a Certified Associate of the Indian Institute of Bankers. He received an MBA from Faculty of Management Studies of Delhi University and is a Bachelor of Science from Delhi University.

Surendra Kumar Gupta is an Executive Vice President and heads the operations and Maintenance business of the Company. He has over 38 years of international and domestic experience covering strategic business planning, managing business operations and corporate finance. Prior to joining the Company, Mr. Gupta served as the group chief financial officer for Al-Suwaidi Holding Company Limited, a company involved in providing engineering, procurement, construction and maintenance services to Saudi Arabia's predominant oil and gas industry, from 2007 to 2010. Mr. Gupta received his Bachelor's degree in Commerce in 1972 from Delhi University. He is a chartered accountant and has been a member of the Institute of Chartered Accountants of India since January 1977.

Mohor Sen is the Chief Administration Officer and heads the Shared Services division of the Company, which covers human resources, marketing and communication, IT and corporate operations of the Company. Mr. Sen has over 40 years of experience working and consulting for corporations in areas including project management, human resources, organizational development and strategic communications. Prior to joining the Company, Mr. Sen provided consulting services to AZI from January 2013 to January 2014. Prior to that, from 2008 to 2013, he provided consulting services to other companies in India, including Reinforced Earth Company and Geopetro International Holding Inc. Mr. Sen received his Bachelor's degree in Technology from the Indian Institute of Technology Delhi and a Masters of Science from the University of Manchester in the United Kingdom.

B. Compensation

Directors and Officers Compensation

For the fiscal year 2018, the aggregate compensation (including directors' fees, but excluding grants of stock option to our directors and executive officers included in the list under the heading—"Item 6A and senior management" was INR 170.4 million (US$ 2.6 million). Our agreements with each of the members of senior management are listed under the heading "Employment Agreement". Apart from the cash compensation, directors and officers were issued employee stock options, refer "Item 6—Directors, Senior Management and Employees—B. Compensation—Outstanding Options for Directors and Senior Management."

Employee Benefit Plans

We maintain employee benefit plans in the form of certain statutory and incentive plans covering substantially all of our employees. For fiscal year 2018, the aggregate amount set aside or accrued by us to provide for pension or retirement benefits for executive officers was INR 8.6 million (US$ 0.1 million).

Provident Fund

In accordance with Indian law, all of our employees in India are entitled to receive benefits under the Employees' Provident Fund Scheme, 1952, as amended, a retirement benefit scheme under which an equal amount as required under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, of the base salary of an employee is contributed both by employer and employee in a fund with government/trust with company.

Gratuity

In accordance with Indian law, we pay gratuity to our eligible employees in India. Under our gratuity plan, an employee is entitled to receive a gratuity payment on his superannuation or on his retirement or on the termination of his or her employment if the employee has rendered continuous service to our Company for not less than five years, or if the termination of employment is due to death or disability due to accident or disease. The amount of gratuity payable to an eligible employee is equal to 15 days' salary based on the last drawn salary for every completed year of employment (or any portion of a year exceeding six months), and currently the aggregate amount of gratuity shall not exceed INR 2,000,000.

Leave Encashment Policy

Under AZI's leave encashment policy, an employee is entitled to receive a payment in exchange for any accrued leave of absence exceeding 45 days that is outstanding as of April 1 of each fiscal year. Such payment shall be made to the employee by April 30 of that year. In the event of resignation, termination of employment or retirement, an employee is entitled to a payment for the accrued leave of absence up to a maximum of 45 days if the employee has spent at least 240 working days at AZI. The amount of payment to be made for each day of such accrued leave of absence shall be calculated by dividing the last drawn monthly base salary by 30 days.

Employment Agreements

Most of our executive officers have entered into an employment agreement with AZI. Aside from the employee benefit plans, our employment agreements do not provide for any special termination benefits, nor do we have any other arrangements with our directors for special termination benefits.

Each executive officer has acknowledged that ownership of any intellectual property created by him for the company shall vest in the company. Additionally, Mr. Inderpreet Singh Wadhwa and Mr. Preet Sandhu have also agreed to transfer and assign to the Company all rights, title and interest in and to all the trademarks, trade names, brand names, patents, designs, domain names and other intellectual property rights created by them for the Company.

In addition, each executive officer has agreed to be bound by the non-competition and non-solicit restrictions set forth in his employment agreement. Specifically, each executive officer has agreed, while employed by us and for a period of one year after termination of his employment, not to:

- directly or indirectly, enter into the employment of, tender consulting or other services to, acquire any interest in, or otherwise participate in any business that competes, directly or indirectly, with any of the companies or entities in the same lines of business that the company is engaged in at the time the employment is terminated; nor
- solicit, encourage, or induce or attempt to solicit, encourage, or induce any employee or customer, or prospective employees and customers with whom the company has had discussions or negotiations within the last six months of the termination of his employment not to establish a relationship with the company.

The employment agreement for Mr. Surendra Kumar Gupta specifies that he is not to be associated with any competitor of the Company whatsoever for a period of at least 12 months after termination of his employment and that he will not solicit or entice any of the Company's customers or any other employee working in the company during or at any time after the termination of their employment.

Equity-Based Compensation

The Company has during Fiscal Year 2017 adopted the amended Equity Incentive Plan "2016 Equity Incentive Plan (as amended in 2017)" with due approval of the shareholders of the Company obtained at the Annual General Meeting held on September 25, 2017. The Company has increased the pool size of the existing Stock Option pool by one million shares which takes the total pool size to 2,023,744 shares.

Our 2016 Equity Incentive Plan (as amended in 2017) is a comprehensive incentive compensation plan under which we can grant equity-based and other incentive awards to our officers, employees and directors.

The objective of the plan is (i) to provide means to enable us to attract and retain high quality human resources in our employment; (ii) to make the compensations and rewards competitive in the market; and (iii) to achieve sustained growth and create shareholder value by aligning the interests of the employees with our long term interests.

Pursuant to the U.S. securities laws and regulations, we have filed Form S-8 for registration of equity shares issuable upon exercise of ESOP grants under our 2016 Equity Incentive Plan (as amended in 2017) with the SEC.

As of March 31, 2018, we had 2,023,744 equity shares issuable pursuant to the exercise of any outstanding options granted under the ESOP plans, 2016 Equity Incentive Plan and 2016 Equity Incentive Plan (as amended in 2017).

The following paragraphs further describe the principal terms of the 2016 Equity Incentive Plan (as amended in 2017)

Administration

We have appointed Computershare Trust Company, N.A. as plan administrator for the administration of options, including the ESOPs.

Number of Shares Authorized for Grant

Under the terms of the 2016 Equity Incentive Plan (as amended in 2017), which may be amended from time to time, the sum of all grants made under the equity incentive plan shall not exceed 10% of our total issued and subscribed equity capital.

Eligibility

Our compensation committee may grant options to all eligible employees on the basis of the following criteria: position, role and performance of the employee, tenure in organization and such other factors as the compensation committee may decide from time to time.

Vesting Schedule

The grants made to any individual shall be vested in the following manner:

- 25% on the expiry of 12 months from the date of grant;

- 25% on the expiry of 24 months from the date of grant;
- 25% on the expiry of 36 months from the date of grant; and
- 25% on the expiry of 48 months from the date of grant.

Option Exercise

There shall be no lock-in period after the options have vested and the options must be exercised by the employees before the end of the tenure of the plan.

Amendment or Termination

Our Board of Directors may in its absolute discretion amend, alter or terminate the 2016 Equity Incentive Plan (as amended in 2017) from time to time, provided that no amendment, alteration or termination in any grant would impair or prejudice the rights of the employee without the consent of the employee, and provided further that the Board of Directors may not, without the approval of the shareholders, amend the 2016 Equity Incentive Plan (as amended in 2017) (1) to increase the aggregate number of shares which may be issued pursuant to the provisions of the equity incentive plan on exercise, surrender of options or upon grants; (2) to change the option exercise price; or (3) to extend the maximum period during which the grants may be made under the plan.

Outstanding Options for Directors and Senior Management

Outstanding options under our ESOP plans as of March 31, 2018 are as follows:

Name	Equity Shares Underlying Outstanding Options	Exercise Price per share (US$ per share)	Date of expiration
Inderpreet Singh Wadhwa	46,166	0.01	July, 20, 2025
	78,344	14.42	July, 20, 2025
	141,511	13.25	July, 20, 2025
Harkanwal Singh Wadhwa	3,680	0.01	July, 20, 2025
	40,000	4.73	July, 20, 2025
	16,917	15.71	July, 20, 2025
	33,885	13.25	July, 20, 2025
Robert D. Kelly	53,650	9.35	July, 20, 2025
Arno Harris	180,292	13.71	July, 20, 2025
Preet Sandhu	52,976	0.01	July, 20, 2025
	10,368	1.76	July, 20, 2025
	39,200	2.71	July, 20, 2025
	14,355	15.71	July, 20, 2025
	28,715	13.25	July, 20, 2025
Sushil Bhagat	25,134	15.41	July, 20, 2025
Surendra Kumar Gupta	9,024	0.01	July, 20, 2025
	9,600	2.71	July, 20, 2025
	19,200	4.73	July, 20, 2025
	12,681	15.71	July, 20, 2025
	18,959	13.25	July, 20, 2025
Mohor Sen	960	0.01	July, 20, 2025
	9,283	15.71	July, 20, 2025
	16,063	13.25	July, 20, 2025
Other employees	197,274	7.15	July, 20, 2025
Total	**1,058,237**		

Indemnification Agreements

We have obtained Directors' and Officers' liability Insurance to indemnify the Directors and executive officers against certain liabilities and expenses arising from their being a director or officers.

C. Board Practices

Board of Directors

We are managed and controlled by our Board of Directors. Our Board of Directors consists of ten directors. Our Board of Directors has a majority of independent directors. As a foreign private issuer, we are permitted to follow home country corporate governance practices. Certain corporate practice in Mauritius, which is our home country, may differ significantly from the NYSE corporate governance listing standards. Unlike the requirements of the NYSE, the corporate governance practice and requirements in Mauritius do not require us as a GBC1 to have the majority of our Board of Directors be independent; do not require us as a GBC1 to establish a nominations committee; and do not require us to hold regular executive sessions where only independent directors shall be present. In June 2017, the board of the Company established a nominating and corporate governance committee, which will review the corporate governance practices of the Company.

Terms of Directors and Executive Officers

In accordance with our Constitution, one-third of our directors (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall be up for re-election by rotation at each annual meeting of our company. The Chairman of the Board and/or the managing director during the tenure shall not be subject to retirement by rotation or be taken into account in determining the number of directors to retire in each year. The directors up for re-election in each year shall be those who have been in office longest since their last re-election or appointment and as between persons who became or were last re-elected directors on the same day, those up for re-election shall (unless they otherwise agree among themselves) be determined by lot. Any director may be removed by either an ordinary resolution of our shareholders or by the majority vote of the Board of Directors in the following circumstances: for cause, which refers to willful misconduct, fraud, conviction of a felony, gross negligence or breach of a written policy of the company; or if the director becomes mentally unsound or bankrupt or becomes disqualified from being a director under Mauritius law.

Under Mauritius law, the office of a director of our company is required to become vacant at the conclusion of the annual meeting of our company commencing next after the director attains the age of 70 years. However, a person of or over the age of 70 years may, by ordinary resolution of which no shorter notice is given than that required to be given for the holding of a meeting of shareholders, be appointed or re-appointed or authorized to continue to hold office as a director until the next annual meeting at which such director's class is up for re-election.

A vacancy on the Board of Directors must be filled by a majority vote of our Board of Directors or by ordinary resolution of the shareholders.

Executive officers are selected by and serve at the discretion of the Board of Directors.

Duties of Directors

Under Mauritius law, our directors have a duty to our company to exercise their powers honestly in good faith in the best interests of our company. Our directors also have a duty to our Company to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Where a director of a public company also holds office as an executive, the director is required under Mauritius law to exercise that degree of care, diligence and skill which a reasonably prudent and competent executive in that position would exercise. In fulfilling their duty of care to our company, our directors must ensure compliance with the Mauritius Companies Act and our Constitution, as amended from time to time. A shareholder has the right to seek damages against our directors if a duty owed by our directors to him as a shareholder is breached.

The functions and powers of our Board of Directors include, among others:

- Convening shareholders' annual meetings and reporting its work to shareholders at such meetings;
- Authorizing dividends and distributions;
- Appointing officers and determining the term of office of officers;
- Exercising the borrowing powers of our company and mortgaging the property of our company, provided that shareholders' approval shall be required if any transaction is a major transaction for our company under section 130 of the Mauritius Companies Act, which includes, among others, acquisitions and dispositions worth more than 75% of the value of our company's assets; and
- approving the issuance and transfer of shares of our company, including the recording of such shares in our share register.

Subject to the Mauritius Companies Act, our Board of Directors may delegate to a committee of directors, a director or employee of the company, or any other person, any one or more of its powers.

Additional Restrictions

A. For so long as International Finance Corporation and IFC GIF Investment Company I together hold at least 5% (five percent) of the share capital of the Company, the decisions on the following matters shall not be taken and/or implemented by the Company unless approved by way of a special resolution of shareholders:

a. amendment to the articles of association or memorandum of association of Azure Power India Private Limited and its subsidiaries, provided that any amendment to the articles of association or memorandum of association of the Company's subsidiaries (other than Azure Power India Private Limited) shall not require approval of the shareholders of the Company if such amendment is carried out pursuant to a project finance, working capital limits, non-fund based facilities, mezzanine financing (if the amount raised is less than 20% of the paid-up share capital of the Company) or any other financing arrangements (if the amount raised is less than 20% of the paid-up share capital of the Company) raised for the Company's subsidiaries (other than Azure Power India Private Limited) that have been approved by the Board or Board delegated committee of the Company;

b. disposal or sale, in a single transaction or a series of related transactions, of more than 50% of the Company's assets (on a consolidated basis), or entry into a single transaction or a series of related transactions where the Company will incur obligations or liabilities (on a consolidated basis) the value of which is more than 50% of the Company's assets (on a consolidated basis) before such transaction or series of related transactions;

c. any change in the business of the Company or its subsidiaries, such business being understood to mean and include the activities that Azure Power India Private Limited is authorized to carry out under the Main Objects clause of the memorandum of association of Azure Power India Private Limited in effect on 22 July 2015; and

d. any amendment to the ESOP plan approved by the Board, except as would not be a "material revision" as such term is defined in Section 303A.08 of the New York Stock Exchange Listed Company Manual.

B. For so long as International Finance Corporation and/or IFC GIF Investment Company I hold any equity shares of the Company, the Company shall not, in a single transaction, issue equity shares or share equivalents that are more than 10% (ten percent) of the share capital of the Company, unless approved by the shareholders of the Company by way of an ordinary resolution.

Committees

Our Board of Directors has established the following committees: audit committee, nominating and corporate governance committee, and compensation committee. Each committee's members and functions are described below.

Audit Committee

The audit committee consists of Mr. Robert Kelly, Mr. Sanjeev Aggarwal and Mr. Arno Harris. Each of these individuals satisfies the independence requirements set forth in the New York Stock Exchange's Listed Company Manual. They also satisfy the independence requirements of Rule 10A-3 under the Securities Exchange Act of 1934, or the Exchange Act. Our Board of Directors also has determined that Mr. Kelly qualifies as an audit committee financial expert within the meaning of the SEC rules and has been appointed as the Chair of the Committee. Our audit committee oversees our accounting and financial reporting processes and the audits of the financial statements of our company. Our audit committee is responsible for, among other things:

- Selecting our independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by our independent auditors;
- Reviewing with the independent auditors any audit problems or difficulties and management's response;
- Regularly reviewing the independence of our independent auditors;
- Reviewing and approving all related party transactions on an ongoing basis;
- Discussing the annual audited financial statements with management and our independent auditors;
- Reviewing the adequacy and effectiveness of our accounting and internal control policies and procedures and any steps taken to monitor and control major financial risk exposures;
- Monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance;
- Meeting separately and periodically with management and our internal and independent auditors;
- Reporting regularly to our full Board of Directors; and
- Such other matters that are specifically delegated to our audit committee by our Board of Directors from time to time.

Compensation Committee

The compensation committee consisted of Mr. Sanjeev Aggarwal Mr. Barney Rush and Mr. Arno Harris, and Mr. Barney Rush is the Chairman of the Committee. Mr. Sanjeev Aggarwal, resigned from the Compensation Committee during May 2018. Each of these individuals satisfies the independence requirements set forth in the New York Stock Exchange Listed Company Manual. Our compensation committee assists our Board of Directors in reviewing and approving the compensation structure of our directors and executive officers, including all forms of compensation to be provided to our directors and executive officers. Members of the compensation committee are not prohibited from direct involvement in determining their own compensation.

Our chief executive officer may not be present at any committee meeting during which his compensation is deliberated. The compensation committee is responsible for, among other things:

- Reviewing and approving the compensation package for our executive officers;
- Reviewing the compensation of our executive officers and directors and making recommendations to the board with respect to the compensation;
- Reviewing and approving corporate goals and objectives relevant to the compensation of our chief executive officer, other executive officers and directors evaluating the performance of our chief executive officer, other executive officers and directors in light of those goals and objectives, and

setting the compensation level of our chief executive officer, other executive officers and directors based on such evaluation; and

- Reviewing periodically and making recommendations to the board regarding any long term incentive compensation or equity plans, programs or similar arrangements, annual bonuses, employee pension and welfare benefit plans.

Nominating and Corporate Governance Committee

We established a Nominating and Corporate Governance Committee in June 2017. The Nominating and Corporate Governance Committee consists of Mr. Barney Rush, Mr. Sanjeev Aggarwal, Mr. Cyril Cabanes, and Mr. Rajendra Prasad Singh. Mr. Robert Kelly resigned from the committee and Mr. R.P. Singh was appointed to the committee with effect from January 29, 2018. Each of these individuals satisfies the "independence" requirements of the New York Stock Exchange. Mr. Rush is the Chairman of the Nominating and Corporate Governance Committee. The purpose of the Nominating and Corporate Governance Committee is to assist the Board by fulfilling the following responsibilities:

- Reviewing and making recommendations to the Board of Directors with respect to corporate governance guidelines and issues;
- Nominating the chairs and members of the Board committees, in conjunction with the Chairman of the Board; and
- Conducting annual reviews of the Board's independence, qualifications and experiences in light of the availability of potential Board members; and oversee the evaluation of the Board of Directors.

Code of Business Conduct and Ethics

Our Code of Business Conduct and Ethics provides that our directors, officers and employees are expected to avoid any action, position or interest that conflicts with the interests of our company or gives the appearance of a conflict. Directors, officers and employees have an obligation under our Code of Business Conduct and Ethics to advance our company's interests when the opportunity to do so arises.

D. Employees

As of March 31, 2018, we had 539 full time employees. We consider our relations with our employees to be amicable. The following table sets forth the number of our employees for each of the major functions as of March 31, 2018:

	Number of Employees
Infrastructure	170
Utilities	77
Finance and Operations	256
Shared services	36
Total	539

E. Share Ownership

The following table sets forth information with respect to the beneficial ownership of our equity shares as of March 31, 2018 by each of our directors and all our directors and executive officers as a group and by each person known to us to own beneficially more than 5% of the equity shares. As used in this table, beneficial ownership means the sole or shared power to vote or direct the voting or to dispose of or direct the sale of any

security. A person is deemed to be the beneficial owner of securities that can be acquired within 60 days upon the exercise of any option, warrant or right as on March 31, 2018. Equity Shares subject to options, warrants or rights that are currently exercisable or exercisable within 60 days are deemed outstanding for computing the ownership percentage of the person holding the options, warrants or rights, but are not deemed outstanding for computing the ownership percentage of any other person. The amounts and percentages as of March 31, 2018 are based on 25,996,932 equity shares outstanding as of this date:

Name	Number shares beneficially owned	(%)
Directors and Officers:		
Inderpreet Singh Wadhwa (1)	1,694,118	6.52%
Harkanwal Singh Wadhwa	43,680	0.17%
Preet Sandhu	102,544	0.39%
Sushil Bhagat	—	—
Surendra Kumar Gupta	37,824	0.15%
Mohor Sen	960	0.00%
Robert Kelly	40,238	0.15%
Sanjeev Aggarwal (2)	—	—
Barney S. Rush (3)	—	—
Arno Harris (4)	90,146	0.35%
Cyril Cabanes	—	—
Rajendra Prasad Singh	—	—
Eric Ng Yim On (5)	—	—
Muhammad Khalid Peyrye (6)	—	—
All Directors and Officers as a Group	2,123,625	8.17%
5% or Greater Shareholders:		
IW Green LLC (7)	1,647,952	6.34%
Helion Venture Partners II, LLC (8)	3,426,172	13.18%
Foundation Capital VI, LP (9)	3,059,019	11.77%
IFC GIF Investment Company I (10)	5,189,452	19.96%
International Finance Corporation (11)	2,665,251	10.25%
CDPQ Infrastructures Asia Pte Ltd. (12)	5,443,567	20.94%

(1) Includes the equity shares held by IW Green LLC. Mr. Inderpreet Wadhwa is the beneficial owner of all equity interests of IW Green LLC.

(2) Does not include any equity shares of Mr. Aggarwal, a managing director of Helion Venture Partners, who may be deemed to beneficially own through interests held by funds managed by Helion Venture Partners. Mr. Aggarwal's business address is Helion Advisors Private Limited, Tower B, 10th Floor, Vatika Towers, Sector 54, Gurgaon, 122 002, India.

(3) Mr. Rush's business address is 6917 Maple Avenue, Chevy Chase, Maryland 20815.

(4) Mr. Harris' business address is 135 Main Street, Suite 1320, San Francisco, California 94105.

(5) Mr. Ng's business address is c/o AAA Global Services Ltd., 1st Floor, The Exchange 18 Cybercity, Ebene, Mauritius.

(6) Mr. Peyrye's business address is c/o AAA Global Services Ltd., 1st Floor, The Exchange 18 Cybercity, Ebene, Mauritius.

(7) The sole member of IW Green LLC is Mr. Inderpreet S. Wadhwa. IW Green LLC was known as IW Green Inc. prior to its conversion to IW Green LLC in October 2015.

(8) Helion Investment Management, LLC holds the voting power in Helion Venture Partners II, LLC. SA Holdings Global Ltd and Gupta Goyal Trust are the beneficial owners of Helion Investment Management, LLC. Mr. Sanjeev Aggarwal is the beneficial owner of SA Holdings Global Ltd and Mr. Ashish Gupta and Ms. Nita Goyal are the beneficial owners of Gupta Goyal Trust. Each of the beneficial owners disclaims beneficial ownership in the shares held by the aforementioned entities except to the extent of his or her

pecuniary interest therein. The principal address of Helion Venture Partners II, LLC is Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius.

(9) Foundation Capital Management Co. VI, LLC is the general partner of Foundation Capital VI, L.P. and Foundation Capital VI Principals Fund, LLC. The managing members of Foundation Capital Management Co. VI, LLC are Mr. Paul Koontz, Mr. Michael Schuh, Mr. Paul Holland, Mr. William Elmore, Mr. Steve Vassallo, Mr. Charles Moldow and Mr. Warren Weiss. Each of the managing members of Foundation Capital Management Co. VI, LLC disclaims beneficial ownership in the shares held by the aforementioned entities except to the extent of his or her pecuniary interest therein. The address of Foundation Capital Management Co. VI, LLC is 550 High Street, 3rd Floor, Palo Alto, CA 94301.

(10) IFC Global Infrastructure Fund, LP is the beneficial owner of all equity interests of IFC GIF Investment Company I, while IFC Global Infrastructure (GP) LLC and IFC Global Infrastructure (Alternate GP) LLP control the management and operations of with IFC Global Infrastructure Fund, LP. The principal address of IFC GIF Investment Company I is c/o Cim Fund Services Ltd., 33 Edith Cavell Street, Port Louis, Mauritius.

(11) International Finance Corporation is an international organization established by Articles of Agreements among its member countries. Its principal address is 2121, Pennsylvania Avenue, NW, Washington, District of Columbia 20433, United States.

(12) CDPQ Infrastructures Asia Pte Ltd., a company organized and existing under the laws of Singapore, is a wholly-owned subsidiary of the Caisse de dépôt et placement du Québec, a body constituted by the Act Respecting the Caisse De Dépôt Et Placement Du Québec. The principal address of the Caisse de dépôt et placement du Québec is 1000, Place Jean-Paul-Riopelle, Montréal, Québec, H2Z 2B3.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

Please refer to “Item 6. Directors, Senior Management and Employees—E. Share Ownership”

B. Related Party Transactions

We believe that the terms of our related party transactions are comparable to the terms we could obtain from independent third parties. Our related party transactions are subject to the review and approval of the audit committee of our Board of Directors. Our audit committee will consider whether the transaction is to be conducted on an arms-length basis and whether the services can be procured from an independent third party. The charter of our audit committee as adopted by our Board of Directors provides that we may not enter into any related-party transaction unless and until it has been approved by the audit committee.

Lease Agreement

On November 28, 2011, AZI entered into a lease agreement, which became effective from December 1, 2011, for our registered office building and a lease arrangement for a guest house, which became effective February 1, 2016 with family members of Mr. Inderpreet Singh Wadhwa. Each transaction was conducted in the normal course of operations, transacted at the market rate and was approved by a majority of the Board of Directors independently. During the year, AZI terminated the lease agreement for our registered office and the security deposit was returned back to AZI. For the fiscal years ended March 31, 2015, 2016 and 2017, the Company incurred rent expense on office facilities and guest house facilities totaling INR 15.0 million, INR 19.4 million and INR 15.4 million (US$ 0.2 million), respectively, where the lessors are relatives of the Company’s chief executive officer and another director of AZI. As of March 31, 2017, and 2018, the Company had security deposits with these lessors totaling INR 8.6 million and INR 2.2 million (US$ 0.1 million) respectively.

Private Placements

In September 2016, we entered into a subscription agreement, which was subsequently amended, with IFC GIF Investment Company I for the sale of 55,535 shares of Series I compulsorily convertible preferred shares for US$25 million. The closing of this transaction occurred before our initial public offering. Pursuant to the initial public offering, all the compulsorily convertible preferred shares and compulsorily convertible debentures were converted into equity shares.

Shareholders Agreements

On July 22, 2015, we, AZI and our founders, Mr. Inderpreet Wadhwa and Mr. Harkanwal Wadhwa, entered into an amended shareholders agreement, or the AZI Shareholder Agreement, (which supersedes earlier shareholder agreements). Pursuant to the AZI Shareholders Agreement, we have the right to nominate four directors to AZI's board, our founders together have the right to nominate two directors who shall be shareholders or consultants of AZI or Azure Power Global Limited, and shareholders holding more than 50% of the share capital of AZI on a fully diluted basis shall have the right to nominate one director who shall be an independent director. The AZI Shareholders Agreement provides that it is the intention of all parties to the agreement to eventually make AZI our wholly-owned subsidiary. Pursuant to the AZI Shareholders Agreement we have a right to require AZI to purchase all AZI equity securities held by our founders, we have a call option pursuant to which we have the right to require our founders to sell all or part of their AZI equity securities to us or our nominee purchaser and our founders have a put option (not an obligation) pursuant to which they have the right to require us or our nominee purchaser to purchase all or part of their AZI equity securities, in each case at the minimum price permissible under applicable law for such purchases of AZI equity securities. In addition, the AZI Shareholders Agreement prohibits transfers of AZI equity securities by our founders without our consent.

In addition, on July 22, 2015, we had entered into a separate shareholders agreement, or the APGL Shareholders Agreement, among us, IFC, Helion Venture Partners II, LLC, Helion Venture Partners India II, LLC, FC VI India Venture (Mauritius) Ltd., DEG, PROPARCO, IFC GIF Investment Company I, or GIF, and IW Green Inc. (which has since been converted to IW Green LLC) and our founders, Mr. Inderpreet Wadhwa and Mr. Harkanwal Wadhwa. The APGL Shareholders Agreement provides for certain preferential rights, including director nomination rights, rights of first offer, drag-along rights, rights of first refusal, co-sale rights, call options, information rights and consent rights on certain corporate matters. The APGL Shareholders Agreement was terminated upon the completion of our initial offering except for the following provisions: (A) a provision requiring, as long as IFC and GIF collectively own an aggregate of 5% of our equity share capital, shareholder approval by special resolution for (i) amendments to AZI and its subsidiaries' articles of association or memorandum of association, except as such amendments may be required for certain financing matters, (ii) material sales or disposals of our assets or our incurrence of material liabilities, (iii) changes to our business or the business of our subsidiaries and (iv) amendments to our share option plan; (B) a provision requiring, as long as IFC and/or GIF hold any of our equity shares, shareholder approval by ordinary resolution to be obtained for equity issuances of more than 10% of our share capital; and (C) provisions requiring our continued compliance with certain standard policies of IFC and PROPARCO on, among other things, environmental, social and anti-corruption issues, as long as IFC or PROPARCO, respectively, hold any of our equity securities.

Personal Guarantees

Mr. Inderpreet Singh Wadhwa and Mr. Harkanwal Singh Wadhwa have personally guaranteed a working capital facility provided by the Central Bank of India, for INR 1,980.0 million, in favor of the lender. However, as the limits are fully cash collateralized, there is no liability against these guarantees and we are in the process off releasing these guarantees.

In addition, Mr. Inderpreet Singh Wadhwa and Mr. Harkanwal Singh Wadhwa had earlier provided personal guarantees in favor of the Central Bank of India for the repayment of loans of three of our project subsidiaries for payment of any interest and other monies payable to the lender. These loans have been fully paid and there are no outstanding loan balances. Thus, in respect of these SPVs, there are no personal guarantees in force.

Mr. Inderpreet Singh Wadhwa and Mr. Harkanwal Singh Wadhwa did not receive any separate remuneration from the company for providing the guarantees.

C. Interest of Experts and Counsel

Not applicable

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

See "Item 18. Financial Statements" for a list of the financial statements filed as part of this annual report.

Legal Proceedings

We are currently involved in and may from time to time, become involved in legal, arbitration or governmental proceedings or be subject to claims arising in the ordinary course of our business. We are not presently party to any legal proceedings that, in the opinion of our management, would reasonably be expected to have a material adverse effect on our business, financial condition, operating results or cash flows if determined adversely to us. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Dividend Policy and Dividend Distribution

We have never declared or paid dividends, nor do we have any present plan to pay any cash dividends on our equity shares in the foreseeable future. We currently intend to retain our available funds and any future earnings to operate and expand our business.

B. Significant Changes

Except as disclosed elsewhere in this annual report, we have not experienced any significant changes since the date of the annual financial statement included in this annual report.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

The following table sets forth, for the periods indicated since our equity shares began trading on the New York Stock Exchange on October 12, 2016 through June 1, 2018, the high and low sale prices for our equity shares, as reported on the New York Stock Exchange under the symbol "AZRE."

	High	Low
	(US$)	
Annual (fiscal years ended March 31)		
2017 (from October 12, 2016)	19.99	12.73
2018	22.00	12.53
2019 (through June 12, 2018)	15.56	13.33
Calendar Quarters		
Fourth Quarter 2016 (from October 12, 2016)	18.72	12.73
First Quarter 2017	19.99	14.29
Second Quarter 2017	22.00	15.01
Third Quarter 2017	17.75	14.20
Fourth Quarter 2017	16.00	12.53
First Quarter 2018	18.10	13.07
Second Quarter 2018 (through June 12, 2018)	15.56	13.33
Monthly		
December 2017	14.32	12.53
January 2018	18.10	14.26
February 2018	17.18	15.80
March 2018	16.50	13.07
April 2018	15.56	13.33
May 2018	15.50	14.22
June 2018 (through June 12, 2018)	15.25	15.12

B. Plan of Distribution

Not Applicable

C. Markets

Our equity shares are listed on the New York Stock Exchange under the symbol "AZRE".

D. Selling Shareholders

Not applicable

E. Dilution

Not applicable

F. Expenses of the Issue

Not applicable

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable

B. Memorandum and Articles of Association

We incorporate by reference into this annual report on Form 20-F the description of our Amended and Restated Constitution contained in our Form F-1 registration statement on Form F-1 (Registration No. 333-208584), as amended, initially filed with the SEC on December 16, 2015.

C. Material Contracts

We have not entered into any material contracts other than those in the ordinary course of business and other than those described in "Item 4. Information on the Company" or elsewhere in this annual report.

D. Exchange Controls

Foreign Direct Investment

Foreign investments in Indian are primarily governed by the Foreign Exchange Management Act, 1999, as amended ("FEMA"), the rules, regulations and notifications made thereunder, including the Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000, as amended, and the consolidated foreign direct investment policy (effective as of June 7, 2016) (the "FDI Policy") issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.

Pursuant to the FDI Policy, investments can be made by non-residents in Indian companies to the extent of the percentage of the total capital of the Indian company specified in the FDI Policy. The FDI Policy currently allows 100% foreign direct investment in Indian companies engaged in the solar power sector. The FDI Policy also prescribes certain pricing and reporting requirements in respect of issue and transfer of shares of an Indian company to a non-resident person and vice-versa and regulates downstream investments by Indian companies that are not owned or controlled by Indian resident persons. The Government of India amended the method of calculating foreign investment in an Indian company pursuant to Press Note No. 2 (2009 Series) dated February 13, 2009 and Press Note No. 4 (2009 Series) dated February 25, 2009.

A person residing outside India (other than a citizen of Pakistan or Bangladesh) or any entity incorporated outside India (other than an entity incorporated in Pakistan or Bangladesh and an Overseas Corporate Body as defined in FEMA) has general permission to purchase shares, convertible debentures or preference shares of an Indian company, subject to certain terms and conditions.

Currently, subject to certain exceptions, FDI and investment by Non-Resident Indians, or NRIs (as such term is defined in FEMA), in Indian companies do not require the prior approval of the FIPB or the RBI. The Government of India has indicated that in all cases where FDI is allowed on an automatic basis without FIPB approval, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment.

E. Taxation

Mauritius Taxation

We are a company holding a Mauritius Category 1 Global Business Company, or GBC1, issued by the Financial Services Commission and is a tax resident in Mauritius. The Income Tax Act 1995 of Mauritius imposes a tax in Mauritius on our chargeable income at the rate of 15%. However, under the Income Tax (Foreign Tax Credit) Regulations 1996 of Mauritius, subject to the Income Tax Act 1995 and the regulations under the Income Tax (Foreign Tax Credit) Regulations 1996, credit is allowed for foreign tax on the foreign source income of a resident of Mauritius against Mauritius tax computed by reference to the same income, and where credit is allowed against Mauritius tax chargeable in respect of any income, the amount of Mauritius tax so chargeable shall be reduced by the amount of the credit.

Under the Income Tax (Foreign Tax Credit) Regulations 1996, "foreign source income" means income which is not derived from Mauritius and includes in the case of a corporation holding a GBC1 under the Financial Services Act 2007 of Mauritius, income derived in the course of a global business. Subject to the provisions of the Income Tax (Foreign Tax Credit) Regulations 1996, no credit is allowed in respect of foreign tax unless written evidence is presented to the Mauritius Revenue Authority showing the amount of foreign tax which has been charged and for this purpose, "written evidence" includes a receipt of the relevant authorities of the foreign country for the foreign tax or any other evidence that the foreign tax has been deducted or paid to the relevant authorities of that country. However, pursuant to regulation 8 of the Income Tax (Foreign Tax Credit) Regulations 1996, if written evidence is not presented to the Mauritius Revenue Authority showing the amount of foreign tax charged on our company's foreign source income, the amount of foreign tax shall nevertheless be conclusively presumed to be equal to 80% of the Mauritius tax chargeable with respect to that income and in such circumstance, the effective tax rate in Mauritius on our chargeable income would be 3%.

Following amendments to the Financial Services Act 2007 of Mauritius pursuant to the Finance (Miscellaneous Provisions) Act 2010 in December 2010, Mauritius companies holding a GBC1 issued by the Financial Services Commission in Mauritius are permitted to conduct business both in and outside Mauritius (instead of outside Mauritius only). The operations of a GBC1 company in Mauritius will be subject to tax on chargeable income at the rate of 15% in Mauritius.

We hold tax residence certificates issued by the Mauritius Revenue Authority. These certificates are required for the avoidance of double taxation under the Agreements for the Avoidance of Double Taxation signed between Mauritius and other jurisdictions, including India.

Mauritius has no capital gains tax and has no withholding tax on the payment of dividends.

Prospective investors are urged to consult their own tax advisers in order to fully understand the tax consequences of an investment in the equity shares.

US Federal Income Taxation

The following discussion is a summary of U.S. federal income tax considerations generally applicable to U.S. Holders (as defined below) of the ownership and disposition of our equity shares. This summary applies only to U.S. Holders that hold the equity share as capital assets (generally, property held for investment) and that have the U.S. dollar as their functional currency. This summary is based on U.S. tax laws in effect as of the date of this annual report, on U.S. Treasury regulations in effect or, in some cases, proposed as of the date of this annual report, and judicial and administrative interpretations thereof available on or before such date. All of the foregoing authorities are subject to change, which could apply retroactively and could affect the tax consequences described below. Moreover, this summary does not address the U.S. federal estate, gift, Medicare, and alternative minimum tax considerations, or any state, local, and non-U.S. tax considerations, relating to the ownership and disposition of our equity shares. The following summary does not address all aspects of U.S. federal income taxation that may be important to particular investors in light of their individual circumstances or to persons in special tax situations such as:

- Banks and other financial institutions;
- Insurance companies;
- Pension plans;
- Cooperatives;
- Regulated investment companies;
- Real estate investment trusts;
- Broker-dealers;

- Traders that elect to use a mark-to-market method of accounting;
- Certain former U.S. citizens or long term residents;
- Tax-exempt entities (including private foundations);
- Persons liable for alternative minimum tax;
- Persons holding equity share as part of a straddle, hedging, conversion or integrated transaction;
- Persons that actually or constructively own 10% or more of the total combined voting power of all classes of our voting stock;
- Persons who acquired equity share pursuant to the exercise of any employee share option or otherwise as compensation; or
- Entities taxable as partnerships for U.S. federal income tax purposes, or persons holding equity share through such entities.

INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF THE U.S. FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE, LOCAL, NON-U.S. AND OTHER TAX CONSEQUENCES TO THEM OF THE OWNERSHIP AND DISPOSITION OF OUR EQUITY SHARES.

For purposes of this summary, a "U.S. Holder" is a beneficial owner of our equity shares that is, for U.S. federal income tax purposes:

- An individual who is a citizen or resident of the United States;
- A corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in the United States or under the laws of the United States, any state thereof or the District of Columbia;
- An estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- A trust that (1) is subject to the primary supervision of a court within the U.S. and the control of one or more United States persons for all substantial decisions or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

The tax treatment of a partner in any entity taxable as a partnership for U.S. federal income tax purposes that holds our equity share will depend on the status of such partner and the activities of such partnership. If you are a partner in such partnership, you should consult your tax advisors.

Dividends and Other Distributions

Subject to the passive foreign investment company, or PFIC, rules discussed below, the gross amount (in U.S. dollars) of any distribution we make to you on our equity shares (including the amount of any taxes withheld therefrom) will generally be includible in your gross income as dividend income on the date of receipt, but only to the extent that such distribution is paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Amounts not treated as dividend income for U.S. federal income tax purposes will constitute a return of capital and will first be applied against and reduce your tax basis in your equity share, but not below zero. Distributions in excess of our current and accumulated earnings and profits and your tax basis in your equity share will be treated as capital gain realized on the sale or other disposition of the equity share. However, we do not intend to calculate our earnings and profits under U.S. federal income tax principles. Therefore, you should expect that any distribution we make to you will be reported as a dividend even if such distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above. Any dividends we pay will not be eligible for the dividends-received deduction allowed to corporations for dividends received from other U.S. corporations.

Under current law, certain non-corporate U.S. Holders, including individual U.S. Holders, dividends will be taxed at the lower capital gains rate applicable to "qualified dividend income," provided that (1) our equity shares are readily tradable on an established securities market in the United States including the NYSE, (2) we are neither a PFIC nor treated as such with respect to you for the taxable year in which the dividend is paid and the preceding taxable year and (3) certain holding period requirements are met. You should consult your tax advisors regarding the availability of the lower tax rate applicable to qualified dividend income for any dividends we pay on our equity shares, as well as the effect of any change in applicable law after the date of this annual report.

Dividends will generally be treated as income from foreign sources for United States foreign tax credit purposes. A U.S. Holder may be eligible, subject to complex limitations, to claim a foreign tax credit with respect to any foreign withholding taxes imposed on dividends received on our equity share. The rules relating to the determination of the foreign tax credit are complex, and you should consult your tax advisors regarding the availability of a foreign tax credit in your particular circumstances.

Dispositions

Subject to the PFIC rules discussed below, you will generally recognize taxable capital gain or loss on any sale, exchange or other taxable disposition of an equity share equal to the difference between the amount realized (in U.S. dollars) for the equity share and your adjusted tax basis (in U.S. dollars) in the equity share. If you are a non-corporate U.S. Holder, including an individual U.S. Holder, that has held the equity share for more than one year, you may be eligible for reduced tax rates. The deductibility of capital losses is subject to limitations. Any capital gain or loss will generally be treated as U.S.-source gain or loss for U.S. foreign tax credit purposes. U.S. Holders are urged to consult their tax advisors regarding the tax consequences if a foreign tax is imposed on a disposition of our equity shares, including the availability of the foreign tax credit under their particular circumstances.

Passive Foreign Investment Company

A non-U.S. corporation will be classified as a PFIC for U.S. federal income tax purposes for any taxable year if either:

- At least 75% of its gross income for such year is passive income; or
- At least 50% of the value of its assets (based on an average of the quarterly values of the assets) during such year produce passive income or are held for the production of passive income.

For this purpose, we will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, at least 25% (by value) of the stock.

Although we are engaged in an active business and we do not generate substantial passive income relative to the revenue from our active business, the PFIC rules are complex. The determination of whether we will be or become a PFIC will depend, in part, on the composition of our income and assets. Fluctuations in the market price of our equity shares may cause us to become a PFIC for the current or subsequent taxable years because the value of assets for the purpose of the asset test may be determined by reference to the market price of our equity shares. The composition of our income and assets may also be affected by how, and how quickly, we use our liquid assets and the cash raised during our initial public offering. Although, based on our current income and assets, we presently do not expect to be classified as a PFIC for the current taxable year and do not anticipate becoming a PFIC in future taxable years, there can be no assurance in this regard.

If we are determined to be a PFIC for any taxable year (or portion thereof) that is included in the holding period of a U.S. Holder of our equity shares and such U.S. Holder did not make a mark-to-market election as described below, such holder generally will be subject to special rules with respect to:

- Any gain recognized by the U.S. Holder on the sale or other disposition of our equity shares; and

- Any "excess distribution" made to the U.S. Holder (generally, any distributions to such U.S. Holder during a taxable year of the U.S. Holder that are greater than 125% of the average annual distributions received by such U.S. Holder in respect of our equity shares during the three preceding taxable years of such U.S. Holder or, if shorter, such U.S. Holder's holding period for the equity shares).

Under these rules,

- The U.S. Holder's gain or excess distribution will be allocated ratably over the U.S. Holder's holding period for the equity share;
- The amount allocated to the U.S. Holder's taxable year in which the U.S. Holder recognized the gain or received the excess distribution, or to the period in the U.S. Holder's holding period before the first day of our first taxable year in which we qualified as a PFIC, will be taxed as ordinary income;
- The amount allocated to other taxable years (or portions thereof) of the U.S. Holder and included in its holding period will be taxed at the highest tax rate in effect for that year and applicable to the U.S. Holder; and
- Additional tax equal to the interest charge generally applicable to underpayments of tax will be imposed in respect of the tax attributable to each such other taxable year of the U.S. Holder.

If we are treated as a PFIC with respect to you for any taxable year, if any of our subsidiaries are also PFICs or if we make direct or indirect equity investments in other entities that are PFICs, you will be deemed to own shares in such lower-tier PFICs that are directly or indirectly owned by us in that proportion that the value of the equity share you own bears to the value of all of our equity shares, and you may be subject to the rules described in the preceding two paragraphs for the shares of such lower-tier PFICs that you would be deemed to own. You should consult your tax advisors regarding how the PFIC rules apply to any of our subsidiaries or direct or indirect equity investments.

If a U.S. Holder, at the close of its taxable year, owns stock in a PFIC that are treated as "marketable stock" for United States federal income tax purposes, the U.S. Holder may make a mark-to-market election with respect to such stock for such taxable year. If the U.S. Holder makes a valid mark-to-market election for the first taxable year of the U.S. Holder in which the U.S. Holder holds (or is deemed to hold) our equity shares and for which we are determined to be a PFIC, such holder generally will not be subject to the PFIC rules described above with respect to its equity shares. Instead, in general, the U.S. Holder will include as ordinary income each year the excess, if any, of the fair market value of its equity shares at the end of its taxable year over the adjusted tax basis in its equity shares. The U.S. Holder also will be allowed to take an ordinary loss in respect of the excess, if any, of the adjusted tax basis of its equity shares over the fair market value of its equity shares at the end of its taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). The U.S. Holder's adjusted tax basis in its equity shares will be adjusted to reflect any such income or loss amounts, and any further gain recognized on a sale or other taxable disposition of the equity shares will be treated as ordinary income.

The mark-to-market election is available only for stocks that are regularly traded on a national securities exchange that is registered with the SEC, including the NYSE, or on a foreign exchange or market that the Internal Revenue Service determines has rules sufficient to ensure that the market price represents a legitimate and sound fair market value. Although our equity shares are listed on the NYSE, we cannot guarantee that they will continue to be listed and traded on the NYSE. In addition, the mark-to-market election may not be available with respect to any lower-tier PFICs unless shares of such lower-tier PFICs are themselves "marketable stock." U.S. Holders should consult their own tax advisors regarding the availability and tax consequences of a mark-to-market election in respect to our equity share under their particular circumstances.

Alternatively, a U.S. person that owns stock of a PFIC generally may make a "qualified electing fund" election regarding such corporation to elect out of the PFIC rules described above regarding excess distributions

and recognized gains. We currently do not intend to prepare or provide the information that would enable you to make a qualified electing fund election.

A U.S. Holder that owns, or is deemed to own, equity shares in a PFIC during any taxable year of the U.S. Holder may have to file Internal Revenue Service Form 8621 with such U.S. Holder's U.S. federal income tax return.

You should consult your tax advisors regarding how the PFIC rules apply to your investment in our equity shares and the elections and reporting requirements discussed above.

Information Reporting and Backup Withholding

Dividend payments with respect to equity shares and proceeds from the sale, exchange or other disposition of equity shares will generally be subject to information reporting to the US Internal Revenue Service and possible US backup withholding at a current rate of 28%. Backup withholding will not apply, however, to a US Holder that furnishes a correct taxpayer identification number and makes any other required certification on US Internal Revenue Service Form W-9 or that is otherwise exempt from backup withholding. US Holders that are exempt from backup withholding should still complete US Internal Revenue Service Form W-9 to avoid possible erroneous backup withholding. You should consult your tax advisors regarding the application of the US information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against your US federal income tax liability, and you may obtain a refund of any excess amounts withheld under the backup withholding rules by filing an appropriate claim for refund with the US Internal Revenue Service and furnishing any required information in a timely manner.

Information Reporting with Respect to Foreign Financial Assets

A U.S. Holder that owns "specified foreign financial assets," including securities issued by a non-U.S. corporation, with an aggregate value in excess of US$50,000 at the end of the year (or a higher dollar amount prescribed by the Internal Revenue Service) may be required to file an information report with respect to such assets with such U.S. Holder's U.S. federal income tax return, subject to certain exceptions. These rules also impose penalties if a U.S. Holder is required to submit such information to the Internal Revenue Service and fails to do so. U.S. Holders are urged to consult their tax advisors regarding the application of this legislation to their ownership of the equity shares.

Transfer Reporting Requirements

A U.S. Holder (including a U.S. tax-exempt entity) that transfers cash in exchange for equity of a newly created non-U.S. corporation may be required to file a Form 926 or a similar form with the Internal Revenue Service if (i) such person owned, directly or by attribution, immediately after the transfer at least 10% by vote or value of the corporation or (ii) if the transferred cash, when aggregated with all transfers made by such person (or any related person) within the preceding 12 month period, exceeds US$100,000. U.S. Holders should consult their tax advisors regarding the applicability of this requirement to their acquisition of equity shares.

Indian Taxation

The discussion contained herein is based on the applicable tax laws of India as in effect on the date hereof and is subject to possible changes in Indian law that may come into effect after such date. Prospective investors should consult their own tax advisers as to the consequences of purchasing the equity shares, including, without limitation, the consequences of the receipt of dividend and the sale, transfer or disposition of the equity shares.

Dividend payments to Azure Power Global Limited by our subsidiary, AZI, are subject to dividend distribution tax in India payable by AZI at a rate of 17.304% on the total amount distributed as a dividend as grossed up by the amount of such dividend distribution tax. Any dividend income in respect of our equity shares will not be subject to any withholding or deduction in respect of Indian income tax laws so long as our holding company is deemed to be tax resident in Mauritius.

Pursuant to amendments to the Indian Income Tax Act, 1961, as amended, income arising directly or indirectly through the transfer of a capital asset, including any share or interest in a company or entity registered or incorporated outside India, will be liable to tax in India, if such share or interest derives, directly or indirectly, its value substantially from assets (whether tangible or intangible) located in India and whether or not the seller of such share or interest has a residence, place of business, business connection, or any other presence in India. The share or interest of the company or entity registered or incorporated outside of India, shall be deemed to derive its value substantially from the assets located in India, if the value of such Indian assets exceeds INR 100 million, and represents at least 50% of the value of all the assets owned by the company or entity registered or incorporated outside of India. Substantially all of our assets are located in India. However, if the transferor of share or interest in a company or entity registered or incorporated outside of India (along with its associated enterprises), neither holds the right of management or control in the company or entity registered or incorporated outside of India nor holds voting power or share capital or interest exceeding 5% of the total voting power or total share capital or interest in the company or entity registered or incorporated outside of India, at any time during the twelve months preceding the date of transfer, such small shareholders are exempt from the indirect transfer provisions mentioned above.

The amendments also do not deal with the interplay between the Indian Income Tax Act, 1961, as amended, and the double taxation avoidance agreements that India has entered into with countries such as the United States, in case of an indirect transfer. Accordingly, the implications of these amendments are presently unclear. If it is determined that these amendments apply to a holder of our equity shares, such holder could be liable to pay tax in India on such income.

F. Dividends and Paying Agents

Not applicable

G. Statements by Experts

Not applicable

H. Documents on Display

All information filed with the SEC can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. You can request copies of these documents upon payment of a duplicating fee, by writing to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference rooms. The SEC maintains a website at *www.sec.gov* that contains reports, proxy and information statements and other information regarding registrants that make electronic filings through its Electronic Data Gathering, Analysis, and Retrieval, or EDGAR, system. All our Exchange Act reports and other SEC filings will be available through the EDGAR system.

I. Subsidiary Information

Not applicable

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to several market risks in our normal business activities. Market risk is the potential loss that may result from market changes associated with our business or with an existing or forecasted financial or commodity transaction. The types of market risks we are exposed to are interest rate risk and foreign currency risk.

Interest Rate Risk

As of March 31, 2018, our long-term debt was at both fixed and variable interest rates. Exposure to interest rate fluctuations will depend on the amount of debt that bears interest at variable rates, the time at which the interest rate is adjusted and the quantum of fluctuation in the interest rate.

Our results of operations are subject to interest rate fluctuations on our variable rate borrowings. The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative financial instruments at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole period.

A hypothetical increase or decrease in our variable interest rates by 1% would not have had a significant increase or decrease in interest cost for the Company, for the fiscal year ended March 31, 2018.

We intend to use hedging strategies to mitigate our exposure to interest rate fluctuations, we may not hedge all of our interest rate risk and, to the extent we enter into interest rate hedges, our hedges may not necessarily have the same duration as the associated indebtedness. Our exposure to interest rate fluctuations will depend on the amount of indebtedness that bears interest at variable rates, the time at which the interest rate is adjusted, the amount of the adjustment, our ability to prepay or refinance variable rate indebtedness when fixed rate debt matures and needs to be refinanced and hedging strategies we may use to reduce the impact of any increases in rates.

Foreign Currency Risk

The functional currency of Indian subsidiaries is Indian rupees, where we have long term debts denominated in U.S. dollars and Indian rupees. The U.S. dollar denominated loans and the proceeds of the debts denominated in other than the reporting currency, i.e., proceeds from the Solar Green Bonds. We have hedged against the exchange rate risk on the Solar Green Bonds. These fluctuations in the exchange rates between U.S. dollars and Indian rupees may result in higher fair value adjustments on our outstanding foreign currency loans.

We also have three international subsidiaries, with functional currency is U.S. dollar and consequently, we are exposed to foreign exchange risk on routine transactions entered locally by these subsidiaries. The exchange rate between Indian rupees and U.S. dollars has fluctuated significantly in recent years and may continue to fluctuate in the future. Depreciation of the Indian rupee against the U.S. dollar may result in translation loss in the Consolidated financial statements.

We have hedged against the exchange rate risk on our Solar Green Bonds so as to minimize the effect of any adverse movement in the exchange rates. Further, we have partially hedged against debts denominated in U.S. dollars in Indian subsidiaries, in order to minimize the adverse impact of a large currency movement. These hedges are for a period of up to 4.5 years. We have taken foreign currency loans for our Rajasthan 1, Rajasthan 2 and Oberoi Rooftop projects.

Cash flow hedges with notional amounts of US$ nil million and US$ 499.6 million were outstanding as at March 31, 2017 and 2018, respectively, with maturity periods from 2 months to 4.6 years. The fair value of these cash flow hedges as of March 31, 2017 and 2018 was US$ nil million and US$ 5.1 million liability, respectively and is included in accumulated other comprehensive loss on our consolidated balance sheets. The changes in the fair value of these option contracts are recognized in the Consolidated Statements of Operations and are included in interest expense.

We continue to monitor our risks and will consider hedging significant foreign currency exposures on an ongoing basis.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Material modifications to the rights of the security holders

There have been no material modifications to the rights of securities holders or the use of proceeds

Use of proceeds

On October 17, 2016, we completed our initial public offering and a concurrent private placement of our equity shares pursuant to a Registration Statement on Form F-1, as amended (File No. 333-208584), which became effective on October 11, 2016. Barclays Capital Inc., Credit Suisse Securities (USA) LLC, and Roth Capital Partners, LLC acted as managing underwriters for the issue. An aggregate of 2,242,424 shares were sold by us in the offering along with 1,166,667 shares sold by the selling shareholders at a price of US$18.00 per share. We offered 4,166,667 shares to CDPQ Infrastructures Asia Pte Ltd., a wholly owned subsidiary of Caisse de dépôt et placement du Québec on a concurrent private placement at the same price. The initial offering by the Company and the private placement resulted in aggregate gross proceeds before expense of US$115.4 million and incurred an underwriters commission and other expenses of US$14.4 million. We have used US$100.0 million of the net proceeds to purchase equity shares of our subsidiary AZI as outlined in the registration statement and prospectus.

ITEM 15. CONTROLS AND PROCEDURES

A. Disclosure Controls and Procedures

As required by Rules 13a-15 and 15d-15 under the Exchange Act, management, including our group Chief Executive Officer and our group Chief Financial and Operating officer, has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this annual report. Disclosure controls and procedures refer to controls and other procedures designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the SEC. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in our reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our 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 Chief Executive Officer and our group Chief Financial and Operating Officer have concluded that, as of March 31, 2018, our disclosure controls and procedures were effective.

B. Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Internal control over financial reporting includes maintaining records that, in reasonable detail, accurately and fairly reflect our transactions; providing reasonable assurance that transactions are recorded as necessary for preparation of our financial statements; providing reasonable assurance that receipts and expenditures of company assets are made in accordance with management authorization; and providing reasonable assurance that unauthorized acquisition, use or disposition of company assets that could have a material effect on our financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management used the Committee of Sponsoring Organizations of the Treadway Commission Internal Control—Integrated Framework (2013), or the COSO framework, to evaluate the effectiveness of internal control over financial reporting. Management believes that the COSO framework is a suitable framework for its evaluation of financial reporting because it is free from bias, permits reasonably consistent qualitative and quantitative measurements of our internal control over financial reporting, is sufficiently complete so that those relevant factors that would alter a conclusion about the effectiveness of our internal control over financial reporting are not omitted and is relevant to an evaluation of internal control over financial reporting. Management has assessed the effectiveness of our internal control over financial reporting as of March 31, 2018 and has concluded that such internal control over financial reporting is effective.

C. Attestation Report of the Registered Public Accounting Firm

This annual report does not include an attestation report of our Company's Registered Public Accounting firm, as the Company being an emerging growth company under JOBS Act is exempted from such attestation requirement.

D. Changes in Internal Control over Financial Reporting

During the period covered by this annual report, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our Board of Directors has determined that Mr. Kelly is an "audit committee financial expert" as defined in Item 16A(b) of Form 20-F by the Securities and Exchange Commission's rules and "independent" as that term is defined in the New York Stock Exchange listing standards.

ITEM 16B. CODE OF ETHICS

On May 2, 2016, we adopted a Code of Conduct for all employees and a Code of Ethics that applies to our principal executive officer, our principal financial and accounting officer and our other senior officers. Copies of our Code of Business Conduct and Ethics are available on the "Investor Relations" page of our corporate website www.azurepower.com or at http://investors.azurepower.com/~/media/Files/A/Azure-Power-IR/governance-documents/code-of-business-conduct-and-ethics-2-may-2016.pdf .

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Ernst and Young has served as our independent registered public accountant for each of the years ended March 31, 2018 and March 31, 2017 for which audited statements appear in this annual report.

The following table shows the aggregate fees for professional services and other services rendered by Ernst and Young and the various member firms of Ernst and Young to us, including some of our subsidiaries, in fiscal years 2018 and 2017.

Particulars	2017 (INR)	2018 (INR)	2018 (US$)
Audit fees (audit and review of financial statements and offerings)	41,800,000	58,540,000	899,094
All other fees (tax advisory services)	1,498,000	1,400,000	21,502
Total	**43,298,000**	**59,940,000**	**920,596**

The policy of our audit committee is to pre-approve all audit and non-audit services provided by Ernst and Young, including audit services, audit-related services and tax services. We have a written policy on the engagement of an external auditor.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Not applicable

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable

ITEM 16G. CORPORATE GOVERNANCE

We are a "foreign private issuer" (as such term is defined in Rule 3b-4 under the Exchange Act) and our equity shares are listed on the New York Stock Exchange. Under Section 303A of the New York Stock Exchange Listed Company Manual, New York Stock Exchange listed companies that are foreign private issuers are permitted to follow home country practice in lieu of the corporate governance provisions specified by the New York Stock Exchange, with limited exceptions. As required by the New York Stock Exchange Listed Company Manual, we note the following significant differences between our corporate governance practices and the corporate governance practices required to be followed by U.S. domestic companies under the New York Stock Exchange Listed Company Manual:

- Under the New York Stock Exchange Listed Company Manual, the board of directors of U.S. domestic listed companies are required to have a majority of independent directors. We are not subject to this requirement under the Mauritius law and have decided to follow home country practice on this matter. However, our board of directors currently has a majority of independent directors.
- The New York Stock Exchange Listed Company Manual also requires U.S. domestic listed companies to regularly hold executive sessions for non-management directors, or an executive session that only includes independent directors at least once a year. We are not subject to this requirement under the Mauritius law and have decided to follow our home country practice on this matter

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable

PART III

ITEM 17. FINANCIAL STATEMENTS

See "Item 18. Financial Statements" for a list of the financial statements filed as part of this annual report.

ITEM 18. FINANCIAL STATEMENTS

The following financial statements are filed as part of this annual report, together with the report of the independent registered public accounting firms:

- Report of Independent Registered Public Accounting Firm.
- Consolidated Balance Sheets as of March 31, 2017 and 2018.
- Consolidated Statements of Operations for the years ended March 31, 2016, 2017 and 2018.
- Consolidated Statements of Comprehensive loss for the years ended March 31, 2016, 2017 and 2018.
- Consolidated Statements of Preferred Shares and Shareholders deficit for the years ended March 31, 2016, 2017 and 2018.
- Consolidated Statements of Cash Flows for the years ended March 31, 2016 2017 and 2018
- Notes to Consolidated Financial Statements.

ITEM 19. EXHIBITS

Exhibit Number	Description
1.1†	The Constitution of Azure Power Global Limited, as currently in effect (incorporated by reference to Exhibit 3.2 of our Registration Statement on Form F-1 (File No. 333-208584) filed with the Securities and Exchange Commission on March 31, 2016)
2.1†	Form of Equity Share Certificate of Azure Power Global Limited (incorporated by reference to Exhibit 4.1 of our Registration Statement on Form F-1 (file No. 333-208584) filed with the Securities and Exchange Commission on December 16, 2015)
4.1#†	2016 Equity Incentive Plan (as amended in 2017) (incorporated by reference to Exhibit 10.2 of our Registration Statement on Form F-1 (file No. 333-208584) filed with the Securities and Exchange Commission on June 30, 2016)
4.2†	Shareholders Agreement, dated July 22, 2015, by and among the shareholders named therein and Azure Power Global Limited (incorporated by reference to Exhibit 10.3 of our Registration Statement on Form F-1 (file No. 333-208584) filed with the Securities and Exchange Commission on December 16, 2015)
4.3†	Shareholders Agreement, dated July 22, 2015, by and among Azure Power Global Limited, AZI, Inderpreet Singh Wadhwa and Harkanwal Singh Wadhwa (incorporated by reference to Exhibit 10.3 of our Registration Statement on Form F-1 (file No. 333-208584) filed with the Securities and Exchange Commission on March 1, 2016)
4.4†	Amendment to the Shareholders Agreement, dated March 30, 2016, by and among the shareholders named therein and Azure Power Global Limited (incorporated by reference to Exhibit 10.5 of our Registration Statement on Form F-1 (file No. 333-208584) filed with the Securities and Exchange Commission on April 19, 2016)

Exhibit Number	Description
4.5†	Second Amendment to the Shareholders Agreement, dated September 5, 2016, by and among the shareholders named therein and Azure Power Global Limited (incorporated by reference to Exhibit 10.6 of our Registration Statement on Form F-1 (file No. 333-208584) filed with the Securities and Exchange Commission on September 22, 2016)
4.6†	Sponsor Lock-in Agreement, dated July 22, 2015, by and among the shareholders named therein and IW Green Inc. and Inderpreet Singh Wadhwa (incorporated by reference to Exhibit 10.6 of our Registration Statement on Form F-1 (file No. 333-208584) filed with the Securities and Exchange Commission on April 19, 2016)
4.7†	Amendment to the Sponsor Lock-in Agreement, dated April 16, 2016, by and among the shareholders named therein and IW Green Inc. and Inderpreet Singh Wadhwa (incorporated by reference to Exhibit 10.7 of our Registration Statement on Form F-1 (file No. 333-208584) filed with the Securities and Exchange Commission on April 19, 2016)
4.8†	Second Amendment to the Sponsor Lock-in Agreement, dated September 5, 2016, by and among the shareholders named therein and IW Green Inc. and Inderpreet Singh Wadhwa (incorporated by reference to Exhibit 10.9 of our Registration Statement on Form F-1 (file No. 333-208584) filed with the Securities and Exchange Commission on September 22, 2016)
4.9†	Form of Registration Rights Agreement by and among the shareholders named therein and Azure Power Global Limited (incorporated by reference to Exhibit 10.8 of our Registration Statement on Form F-1 (file No. 333-208584) filed with the Securities and Exchange Commission on June 30, 2016)
4.10#†	Employment Agreement, dated November 7, 2008, by and between AZI and Inderpreet Singh Wadhwa (incorporated by reference to Exhibit 10.5 of our Registration Statement on Form F-1 (file No. 333-208584) filed with the Securities and Exchange Commission on December 16, 2015)
4.11#†	Employment Agreement, dated May 5, 2011, by and between AZI and Surendra Kumar Gupta (incorporated by reference to Exhibit 10.6 of our Registration Statement on Form F-1 (file No. 333-208584) filed with the Securities and Exchange Commission on December 16, 2015)
4.12#†	Employment Agreement, dated November 1, 2009, by and between AZI and Preet Sandhu (incorporated by reference to Exhibit 10.8 of our Registration Statement on Form F-1 (file No. 333-208584) filed with the Securities and Exchange Commission on December 16, 2015)
4.13#†	Employment Agreement, dated August 31, 2011, by and between AZI and Glen Minyard (incorporated by reference to Exhibit 10.9 of our Registration Statement on Form F-1 (file No. 333-208584) filed with the Securities and Exchange Commission on December 16, 2015)
4.14#†	Employment Agreement, dated February 1, 2014, by and between AZI and Mohor Sen (incorporated by reference to Exhibit 10.10 of our Registration Statement on Form F-1 (file No. 333-208584) filed with the Securities and Exchange Commission on December 16, 2015)
4.15†	Indenture of Lease, dated October 15, 2013, by and between AZI and Sunbir Singh Wadhwa and Kulwinder Wadhwa (incorporated by reference to Exhibit 10.11 of our Registration Statement on Form F-1 (file No. 333-208584) filed with the Securities and Exchange Commission on December 16, 2015)
4.16†	Form of Indemnification Agreement by and between Azure Power Global Limited and each of the Officers and Directors of Azure Power Global Limited (incorporated by reference to Exhibit 10.16 of our Registration Statement on Form F-1 (file No. 333-208584) filed with the Securities and Exchange Commission on June 15, 2016)

Exhibit Number	Description
4.17†	Subscription Agreement, dated June 24, 2015, by and among AZI, Inderpreet Singh Wadhwa, Harkanwal Singh Wadhwa and International Finance Corporation (incorporated by reference to Exhibit 10.14 of our Registration Statement on Form F-1 (file No. 333-208584) filed with the Securities and Exchange Commission on December 16, 2015)
4.18†	Subscription Agreement, dated June 24, 2015, by and among Azure Power Global Limited, Inderpreet Singh Wadhwa, Harkanwal Singh Wadhwa, IW Green Inc. (which has since been converted to IW Green LLC) and IFC GIF Investment Company I (incorporated by reference to Exhibit 10.13 of our Registration Statement on Form F-1 (file No. 333-208584) filed with the Securities and Exchange Commission on December 16, 2015)
4.19†	CCPS Subscription Agreement, dated July 22, 2015, by and among Azure Power Global Limited, Sponsors and Société de Promotion et de Participation pour la Coopération Économique S.A. (incorporated by reference to Exhibit 10.15 of our Registration Statement on Form F-1 (file No. 333-208584) filed with the Securities and Exchange Commission on December 16, 2015)
4.20†	Letter Agreement, dated July 27, 2015, by and among Azure Power Global Limited, International Finance Corporation, AZI, IW Green Inc. (which has since been converted to IW Green LLC), Inderpreet Singh Wadhwa and Harkanwal Singh Wadhwa (incorporated by reference to Exhibit 10.16 of our Registration Statement on Form F-1 (file No. 333-208584) filed with the Securities and Exchange Commission on December 16, 2015)
4.21†	Third Amendment to the Shareholders Agreement, dated September 28, 2016, by and among the shareholders named therein and Azure Power Global Limited (incorporated by reference to Exhibit 10.23 of our Registration Statement on Form F-1 (file No. 333-208584) filed with the Securities and Exchange Commission on October 3, 2016)
4.22†	CCPS Subscription Agreement, dated September 19, 2016, by and among Azure Power Global Limited, the Sponsors named therein and IFC GIF Investment Company I (incorporated by reference to Exhibit 10.24 of our Registration Statement on Form F-1 (file No. 333-208584) filed with the Securities and Exchange Commission on October 3, 2016)
4.23†	Amendment to CCPS Subscription Agreement, dated September 28, 2016, by and among Azure Power Global Limited, the Sponsors named therein and IFC GIF Investment Company I (incorporated by reference to Exhibit 10.25 of our Registration Statement on Form F-1 (file No. 333-208584) filed with the Securities and Exchange Commission on October 3, 2016)
4.24†	Share Purchase Agreement, dated September 30, 2016, by and between Azure Power Global Limited and CDPQ Infrastructures Asia Pte Ltd. (incorporated by reference to Exhibit 10.26 of our Registration Statement on Form F-1 (file No. 333-208584) filed with the Securities and Exchange Commission on October 3, 2016)
4.25†	Amended and Restated Shareholders Agreement, dated March 28, 2017, by and among Azure Power Global Limited, AZI, Inderpreet Singh Wadhwa and Harkanwal Singh Wadhwa. (incorporated by reference to Exhibit 4.26 of our annual report on Form 20-F (file No. 001-37909) filed with the Securities and Exchange Commission on June 19, 2017)
4.26*	Indenture among Azure Power Energy Ltd, Azure Power Global Limited and Citicorp International Limited dated August 3, 2017
4.27†#	2016 Equity Incentive Plan (as amended in 2017) (incorporated by reference to Exhibit 4.3 of our Registration Statement on Form S-8 (file No. 333-222331) filed with the Securities and Exchange Commission on December 28, 2017)

Exhibit Number	Description
8.1*	List of Subsidiaries of Azure Power Global Limited
11.1†	Code of Business Conduct and Ethics of the Registrant (incorporated by reference to Exhibit 11.1 of our annual report on Form 20-F (file No. 001-37909) filed with the Securities and Exchange Commission on June 19, 2017)
12.1*	CEO Certification Pursuant to Section 302 of the Sarbanes Oxley Act of 2002
12.2*	CFO Certification Pursuant to Section 302 of the Sarbanes Oxley Act of 2002
13.1**	CEO Certification Pursuant to Section 906 of the Sarbanes Oxley Act of 2002
13.2**	CFO Certification Pursuant to Section 906 of the Sarbanes Oxley Act of 2002
15.1*	Consent of Independent Registered Public Accounting Firm
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

Indicates management contract or compensatory plan.
† Previously filed
* Filed with this annual report on Form 20-F
** Furnished with this annual report on Form 20-F

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on this Form 20-F on its behalf.

Azure Power Global Limited

By: /s/ Inderpreet Singh Wadhwa
Name: Inderpreet Singh Wadhwa
Title: Chairman of the Board of Directors and Chief Executive Officer

Date: June 15, 2018

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Report of Independent Registered Public Accounting Firm

To the shareholders and the board of directors of Azure Power Global Limited

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Azure Power Global Limited (the "Company") as of March 31, 2018 and 2017, the related statements of operations, comprehensive loss, shareholders' equity and cash flows for each of the three years in the period ended March 31, 2018, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended March 31, 2018, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young Associates LLP

We have served as auditor of the Company or its predecessor since 2009

Gurugram, India

June 15, 2018

AZURE POWER GLOBAL LIMITED
Consolidated Balance Sheets
(INR and US$ amounts in thousands, except share and par value data)

	As of March 31,		
	2017 (INR)	2018 (INR)	2018 (USD) (Note 2d)
Assets			
Current assets:			
Cash and cash equivalents	5,460,670	8,346,526	128,191
Investments in available for sale securities	3,296,797	1,383,573	21,250
Restricted cash	3,629,037	2,406,569	36,962
Accounts receivable, net	1,138,605	2,223,455	34,149
Prepaid expenses and other current assets*	495,937	1,114,482	17,117
Total current assets	**14,021,046**	**15,474,605**	**237,669**
Restricted cash	1,383,414	329,926	5,067
Property, plant and equipment, net	40,942,608	56,580,700	869,002
Software, net	15,272	39,802	611
Deferred income taxes	196,773	1,052,393	16,163
Other assets#	928,221	499,653	7,674
Investments in held to maturity securities	6,631	7,041	108
Total assets	**57,493,965**	**73,984,120**	**1,136,294**
Liabilities and shareholders' equity			
Current liabilities:			
Short-term debt	2,460,240	835,000	12,824
Accounts payable	3,618,251	1,521,854	23,374
Current portion of long-term debt	1,554,806	873,883	13,422
Income taxes payable	232,420	5,878	90
Interest payable	189,309	1,220,463	18,745
Deferred revenue	79,937	79,192	1,216
Other liabilities	484,477	611,598	9,393
Total current liabilities	**8,619,440**	**5,147,868**	**79,064**
Non-current liabilities:			
Long-term debt	31,142,762	52,234,940	802,257
Deferred revenue	1,383,691	1,563,732	24,017
Deferred income taxes	1,078,255	892,138	13,702
Asset retirement obligations	242,980	356,649	5,478
Other liabilities	109,151	513,344	7,883
Total liabilities	**42,576,279**	**60,708,671**	**932,401**
Redeemable non-controlling interest	390,827	—	—
Shareholders' equity			
Equity shares, US$ 0.000625 par value; 25,915,956 and 25,996,932 shares issued and outstanding as of March 31, 2017 and 2018 respectively	1,073	1,076	17
Additional paid-in capital	18,904,151	19,004,604	291,885
Accumulated deficit	(5,723,420)	(6,593,471)	(101,267)
Accumulated other comprehensive income	40,326	(294,672)	(4,526)
Total APGL shareholders' equity	**13,222,130**	**12,117,537**	**186,109**
Non-controlling interest	1,304,729	1,157,912	17,784
Total shareholders' equity	**14,526,859**	**13,275,449**	**203,893**
Total liabilities and shareholders' equity	**57,493,965**	**73,984,120**	**1,136,294**

* Includes Security deposit of INR 6,407 (US$ 99) to related parties as of March 31, 2017, also see Note 18.
Includes Security deposit of INR 2,160 and INR 2,160 (US$ 33) to related parties as of 31 March, 2017 and March 31, 2018, respectively, also see Note 18.

See accompanying notes.

AZURE POWER GLOBAL LIMITED
Consolidated Statements of Operations
(INR and US$ amounts in thousands, except share and per share data)

	March 31,			
	2016 (INR)	2017 (INR)	2018 (INR)	2018 (US$) (Note 2d)
Operating revenues:				
Sale of power	2,626,148	4,182,985	7,700,600	118,271
Operating costs and expenses:				
Cost of operations (exclusive of depreciation and amortization shown separately below)	190,648	375,787	691,947	10,627
General and administrative	672,841	797,161	1,187,379	18,237
Depreciation and amortization	687,781	1,046,565	1,882,451	28,912
Total operating cost and expenses	**1,551,270**	**2,219,513**	**3,761,777**	**57,776**
Operating income	1,074,878	1,963,472	3,938,823	60,495
Other expense:				
Interest expense, net	2,058,836	2,371,836	5,168,218	79,377
(Gain)/Loss on foreign currency exchange, net	343,137	(109,128)	45,716	702
Total other expenses	2,401,973	2,262,708	5,213,934	80,079
Loss before income tax	(1,327,095)	(299,236)	(1,275,111)	(19,584)
Income tax (expense)/ benefit	(327,745)	(892,333)	252,882	3,884
Net loss	**(1,654,840)**	**(1,191,569)**	**(1,022,229)**	**(15,700)**
Less: Net loss attributable to non-controlling interest	(4,651)	(18,924)	(201,547)	(3,094)
Net loss attributable to APGL	**(1,650,189)**	**(1,172,645)**	**(820,682)**	**(12,606)**
Accretion to Mezzanine CCPS	(1,347,923)	(235,853)	—	—
Accretion to redeemable non-controlling interest	(29,825)	(44,073)	(6,397)	(98)
Net loss attributable to APGL equity shareholders	**(3,027,937)**	**(1,452,571)**	**(827,079)**	**(12,704)**
Net loss per share attributable to APGL equity stockholders				
Basic and diluted	(1,722)	(111)	(32)	(0.49)
Shares used in computing basic and diluted per share amounts				
Equity shares	1,758,080	13,040,618	25,974,111	

See accompanying notes.

AZURE POWER GLOBAL LIMITED
Consolidated Statements of Comprehensive Loss
(INR and US$ amounts in thousands)

	March 31,			
	2016 (INR)	2017 (INR)	2018 (INR)	2018 (US$) (Note 2d)
Net loss attributable to APGL equity shareholders	(3,027,937)	(1,452,571)	(827,079)	(12,704)
Add: non-controlling interest	(4,651)	(18,924)	(201,547)	(3,094)
Other comprehensive loss/(gain), net of tax				
Foreign currency translation	(5,615)	10,228	546,198	8,389
Cash flow hedge (Net of tax for March 31, 2017 and 2018, INR Nil and INR 36,579)	—	—	(210,316)	(3,230)
Unrealized gain on available for sale securities (Net of tax for March 31, 2017 and 2018, INR 10,028 and INR 11,940)	—	(21,746)	(884)	(14)
Total other comprehensive loss	**(5,615)**	**(11,518)**	**334,997**	**5,145**
Less: Total other comprehensive loss attributable to non-controlling interest	—	—	—	—
Total comprehensive loss	**(3,038,203)**	**(1,483,013)**	**(693,629)**	**(10,653)**

See accompanying notes.

AZURE POWER GLOBAL LIMITED

Consolidated Statements of Preferred Shares and Shareholders' Equity/(Deficit)

(INR and US$ amounts in thousands)

	Preferred shares	Equity shares	Additional paid in capital	Accumulated other comprehensive income	Accumulated deficit	Total APGL shareholders' deficit	Non-controlling interests	Total shareholders' deficit
Balance as of March 31, 2015	**4,689,942**	**68**	**(1,642,112)**	**23,192**	**(2,828,302)**	**(4,447,154)**	**4,575**	**(4,442,579)**
Issuance of Series H CCPS	3,695,407	—	—	—	—	—	—	—
Accretion of CCPS	1,347,923	—	(1,347,923)	—	—	(1,347,923)	—	(1,347,923)
Net loss	—	—	—	—	(1,650,189)	(1,650,189)	(4,651)	(1,654,840)
Other comprehensive loss	—	—	—	5,615	—	5,615	—	5,615
Adjustment to share capital and reserves of predecessor on transfer of net assets via a common control transaction	—	—	(20,205)	—	—	(20,205)	—	(20,205)
Accretion of redeemable non-controlling interest	—	—	—	—	(29,825)	(29,825)	—	(29,825)
Share based compensation	—	—	51,732	—	—	51,732	—	51,732
Proceeds from issuance of equity shares	—	—	342	—	160	502	(254)	248
Balance as of March 31, 2016	**9,733,272**	**68**	**(2,958,166)**	**28,807**	**(4,508,156)**	**(7,437,447)**	**(330)**	**(7,437,777)**

	Preferred shares	Equity shares	Additional paid in capital	Accumulated other comprehensive income	Accumulated deficit	Total APGL shareholders' deficit	Non-controlling interests	Total shareholders' deficit
Balance as of March 31, 2016	**9,733,272**	**68**	**(2,958,166)**	**28,807**	**(4,508,156)**	**(7,437,447)**	**(330)**	**(7,437,777)**
Issuance of Series I CCPS	1,658,166	—	—	—	—	—	—	—
Accretion of CCPS	235,852	—	(235,852)	—	—	(235,852)	—	(235,852)
Net loss	—	—	—	—	(1,172,645)	(1,172,645)	(18,924)	(1,191,569)
Other comprehensive loss	—	—	—	11,519	—	11,519	—	11,519
Conversion of CCD and CCPS	(11,627,290)	738	15,357,492	—	—	15,358,230	—	15,358,230
Sale of stake in subsidiary	—	—	12,527	—	1,454	13,981	1,323,983	1,337,964
Accretion of redeemable non-controlling interest	—	—	—	—	(44,073)	(44,073)	—	(44,073)
Share based compensation	—	—	13,774	—	—	13,774	—	13,774
Proceeds from issuance of equity shares	—	267	6,714,376	—	—	6,714,643	—	6,714,643
Balance as of March 31, 2017	**—**	**1,073**	**18,904,151**	**40,326**	**(5,723,420)**	**13,222,130**	**1,304,729**	**14,526,859**

	Preferred Shares	Equity shares	Additional paid in capital	Accumulated Other comprehensive Income	Accumulated deficit	Total APGL shareholders' Deficit	Non-controlling interests	Total shareholders' Deficit
Balance as of March 31, 2017	**—**	**1,073**	**18,904,151**	**40,326**	**(5,723,420)**	**13,222,130**	**1,304,729**	**14,526,859**
Proceeds from issuance of equity shares	—	3	20,220	—	—	**20,223**	—	**20,223**
Sale of stake in subsidiary	—	—	—	—	(234)	**(234)**	64,844	**64,610**
Accretion on non controlling interest	—	—	—	—	(6,397)	**(6,397)**	—	**(6,397)**
Transition impact of ASU 2016-16, taxes on inter Company transactions (ref, note 11)	—	—	—	—	20,086	**20,086**	—	**20,086**
Net loss	—	—	—	—	(820,682)	**(820,682)**	(201,547)	**(1,022,229)**
Investment in subsidiary	—	—	55,173	—	(62,824)	**(7,651)**	(10,113)	**(17,765)**
Other comprehensive loss	—	—	—	(334,998)	—	**(334,998)**	—	**(334,998)**
Share based compensation	—	—	25,060	—	—	**25,060**	—	**25,060**
Balance as of March 31, 2018	**—**	**1,076**	**19,004,604**	**(294,672)**	**(6,593,471)**	**12,117,537**	**1,157,912**	**13,275,449**
Balance as of March 31, 2018 (US$) (Note 2(d))	**—**	**17**	**291,885**	**(4,526)**	**(101,267)**	**186,109**	**17,784**	**203,893**

See accompanying notes.

AZURE POWER GLOBAL LIMITED
Consolidated Statements of Cash Flows
(INR and US$ amounts in thousands)

	Year ended March 31,			
	2016 (INR)	2017 (INR)	2018 (INR)	2018 US$
Cash flow from operating activities				
Net loss	(1,654,840)	(1,191,569)	(1,022,229)	(15,700)
Adjustments to reconcile net loss to net cash provided from/(used in) operating activities:				
Income taxes including deferred taxes	299,078	383,250	(655,229)	(10,063)
Depreciation and amortization	687,781	1,046,565	1,882,451	28,912
Change in fair value of CCD's and Series E and G CCPS	671,826	164,200	—	—
Amortization of hedging cost	—	—	575,225	8,835
Loss on disposal of property plant and equipment	6,183	4,340	8,955	138
Share based compensation	51,732	13,774	25,060	385
Amortization of debt financing costs	52,762	114,085	747,520	11,481
Realized gain on investments	(45,375)	(72,179)	(167,520)	(2,573)
Deferred rent	19,914	59,500	56,787	872
Allowance for doubtful accounts	34,478	—	84,081	1,291
Debt prepayment charges	—	—	676,043	10,383
Foreign exchange (gain)/loss, net	343,137	(109,128)	45,716	702
Changes in operating assets and liabilities				
Accounts receivable	(353,277)	(581,850)	(1,168,931)	(17,953)
Prepaid expenses and other current assets	(119,213)	(122,871)	(641,559)	(9,853)
Other assets	(325,400)	(344,562)	141,421	2,172
Accounts payable	126,754	18,902	124,265	1,909
Interest payable	70,243	63,187	1,031,154	15,837
Deferred revenue	952,641	193,285	179,296	2,754
Other liabilities	(84,556)	333,881	(83,382)	(1,281)
Net cash flows provided from/ (used) in operating activities	**733,868**	**(27,190)**	**1,839,125**	**28,246**
Cash flow used in investing activities				
Purchase of property plant and equipment	(9,096,996)	(15,421,498)	(19,629,436)	(301,481)
Purchase of software	(7,020)	(11,151)	(36,214)	(556)
Purchase of available for sale securities	(5,025,639)	(12,937,425)	(10,484,300)	(161,024)
Purchase of held to maturity securities	(6,859)	—	—	—
Sale of available for sale securities	5,071,014	9,744,735	12,499,038	191,968
Investment in subsidiary	(20,148)	—	(397,211)	(6,101)
Proceeds from sale of non-controlling interest in subsidiary	316,929	—	—	—
Net increase in restricted cash	(390,327)	(3,318,923)	2,275,956	34,956
Net cash flows used in investing activities	**(9,159,046)**	**(21,944,262)**	**(15,772,167)**	**(242,239)**
Cash from financing activities				
Proceeds from issuance of Green Bonds	—	—	31,260,069	480,112
Proceeds from term and other loan	8,727,875	20,993,944	10,683,246	164,080
Proceeds from issuance of NCDs	—	—	1,864,584	28,637
Repayments of term and other loan	(3,490,810)	(6,373,210)	(26,396,790)	(405,418)
Debt prepayment charges	—	—	(676,043)	(10,383)
Proceeds from issuance of Series H CCPS	3,695,407	—	—	—
Proceeds from issuance of equity shares	248	—	16,405	252
Proceeds from issuance of equity shares in IPO	—	7,657,467	—	—
IPO cost incurred	(9,007)	(942,824)	—	—
Proceeds from issuance of equity shares of subsidiary	—	1,337,964	64,610	992
Proceeds from Series I	—	1,658,166	—	—
Proceeds from issuance of Series G CCPS	541,946	—	—	—
Net cash flows from financing activities	**9,465,659**	**24,331,507**	**16,816,081**	**258,272**
Effect of exchange rate changes on cash and cash equivalents	5,615	10,229	2,816	43
Net increase in cash and cash equivalents	1,046,096	2,370,284	2,885,856	44,323
Cash and cash equivalents at the beginning of the year	2,044,290	3,090,386	5,460,670	83,868
Cash and cash equivalents at the end of the year	**3,090,386**	**5,460,670**	**8,346,526**	**128,191**
Supplemental disclosure of cash flow information				
Cash paid during the year for interest	1,613,495	2,632,667	3,090,257	47,462
Cash paid during the year for income taxes	100,857	546,578	538,796	8,275
Non-cash conversion of CCPS and CCD's	—	15,358,230	—	—

AZURE POWER GLOBAL LIMITED
Notes to Consolidated Financial Statements
(INR and US$ amounts in thousands except share and per share data)

1. Organization

Azure Power Global Limited ("APGL" or "Azure") organized under the laws of Mauritius was incorporated on January 30, 2015. APGL's subsidiaries are organized under the laws of India (except for two U.S. subsidiaries and one subsidiary in Mauritius) and are engaged in the development, construction, ownership, operation, maintenance and management of solar power plants and generation of solar energy based on long-term contracts (power purchase agreements or "PPA") with Indian government energy distribution companies as well as other non-governmental energy distribution companies and commercial customers. APGL and its subsidiaries are hereinafter referred to as the "Company".

2. Summary of significant accounting policies

(a) Basis of presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") and are presented in Indian rupees ("INR"), unless otherwise stated. The consolidated financial statements include the accounts of APGL and companies which are directly or indirectly controlled by APGL. All intercompany accounts and transactions have been eliminated upon consolidation. Certain balances relating to prior years have been reclassified to conform to the current year presentation.

All share and per share amounts presented in the consolidated financial statements have been adjusted to reflect the 16-for-1 stock split of the Company's equity shares that was effective on October 6, 2016.

(b) Use of estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs, expenses and comprehensive loss that are reported and disclosed in the consolidated financial statements and accompanying notes. These estimates are based on management's best knowledge of current events, historical experience, actions the Company may undertake in the future and on various other assumptions that are believed to be prudent and reasonable under the circumstances. Significant estimates and assumptions are used for, but not limited to impairment and useful lives of property, plant and equipment, determination of asset retirement obligations, valuation of derivative instruments, valuation of sharebased compensation, income taxes including related valuation allowance, energy kilowatts expected to be generated over the entire term of certain PPAs and other contingencies and commitments. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates, and such differences may be material to the consolidated financial statements.

(c) Foreign currency translation and transactions

The functional currency of APGL is the United States Dollar ("US$") and reporting currency is Indian rupees ("INR"). The Company's subsidiaries with operations in India use INR as the functional currency and the subsidiaries in the United States and Mauritius use US$ as functional currencies. The financial statements of APGL and its subsidiaries, other than subsidiaries with a functional currency of INR, are translated into INR using the exchange rate as of the balance sheet date for assets and liabilities, historical exchange rates for equity transactions and average exchange rate for the year for income and expense items. Translation gains and losses are recorded in accumulated other comprehensive income or loss as a component of shareholders' equity.

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In the financial statements of the Company's subsidiaries, transactions in currencies other than the functional currency are measured and recorded in the functional currency using the exchange rate in effect at the date of the transaction. At the balance sheet date, monetary assets and liabilities that are denominated in currencies other than the functional currency are translated into the functional currency using the exchange rate at the balance sheet date. All gains and losses arising from foreign currency transactions are recorded in the determination of net income or loss/ (gain) during the year in which they occur.

Revenue, expense and cash flow items are translated using the average exchange rates for the respective period. The resulting gains and losses from such translation are excluded from the determination of earnings and are recognized instead in accumulated other comprehensive loss, which is a separate component of shareholders' equity.

Realized and unrealized foreign currency transaction gains and losses, arising from exchange rate fluctuations on balances denominated in currencies other than the functional currency of an entity, such as those resulting from the Company's borrowings in other than functional currency is included in '(Gain)/loss on foreign currency exchange, net' in the consolidated statements of operations.

(d) Convenience translation

Translation of balances in the consolidated balance sheets and the consolidated statements of operations, comprehensive loss, shareholders' equity/(deficit) and cash flows from INR into US$, as of and for the year ended March 31, 2018 are solely for the convenience of the readers and were calculated at the rate of US$1.00 = INR 65.11, the noon buying rate in New York City for cable transfers in non U.S. currencies, as certified for customs purposes by the Federal Reserve Bank of New York on March 30, 2018. No representation is made that the INR amounts could have been, or could be, converted, realized or settled into US$ at that rate on March 31, 2018, or at any other rate.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits with banks, term deposits and all other highly liquid investments purchased with an original maturity of three months or less at the date of acquisition and that are readily convertible to cash. The Company has classified term deposits totaling INR 846,394 and INR 6,714,665 (US$ 103,128) at March 31, 2017 and 2018, respectively, as cash and cash equivalents, because the Company has the ability to redeem these deposits at any time subject to an immaterial interest rate forfeiture. All term deposits are readily convertible into known amount of cash with no more than one day's notice.

(f) Restricted cash

Restricted cash consists of cash balances restricted as to withdrawal or usage and relates to cash used to collateralize bank letters of credit supporting the purchase of equipment for solar power plants, bank guarantees issued in relation to the construction of the solar power plants within the timelines stipulated in PPAs and for certain debt service reserves required under the Company's loan agreements. Restricted cash is classified into current and non-current portions based on the term of the deposit and the expiration date of the underlying restriction.

(g) Investments

The Company determines the appropriate classification of investment securities at the time of purchase and re-evaluates such designation at each balance sheet date. The investment securities held by the Company during

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the periods presented in the accompanying consolidated financial statements are classified as available-for-sale (short-term investments), consisting of liquid mutual funds units and held-to-maturity investments (long-term investments), consisting of Notes of Bank of Mauritius.

The Company accounts for its investments in accordance with Financial Accounting Standards Board ("FASB") ASC Topic 320, Accounting for Certain Investments in Debt and Equity Securities. These investments are considered as available-for-sale and held-to-maturity. Investments classified as available for sale are recorded at fair value, with the unrealized gains or losses, net of tax, reported as a component of accumulated other comprehensive income or loss in the consolidated statement of shareholders' equity. Realized gains and proceeds from the sale of available-for-sale securities during the year ended March 31, 2017 were INR 72,179 and INR 9,744,735 and during the year ended March 31, 2018 were INR 167,520 (US$ 2,573) and INR 12,499,038 (US$ 191,968), respectively.

Securities that the Company has positive intent and ability to hold until maturity are classified as held-to-maturity securities and stated at amortized cost. As of March 31, 2017, and March 31, 2018, amortized cost of held-to-maturity investments was INR 6,631 and INR 7,041 (US$ 108), respectively. The maturity date of the investment is February 3, 2020.

Realized gains and losses and a decline in value judged to be other than temporary on these investments are included in the consolidated statements of operations. The cost of securities sold or disposed is determined on First In First Out ("FIFO") method.

(h) Accounts receivable

The Company's accounts receivables are generated by selling energy to customers and are reported net of any allowance for uncollectible accounts. The allowance for doubtful accounts is based on various factors, including the length of time receivables are past due, significant one-time events, the financial health of customers and historical experience. The allowance for doubtful accounts at March 31, 2017 and 2018 was INR 44,478 and INR 128,559 (US$ 1,974). Accounts receivable serve as collateral for borrowings under the working capital facility, described in Note 5.

(j) Property, plant and equipment

Property, plant and equipment represents the costs of completed and operational solar power plants, as well as the cost of furniture and fixtures, vehicles, office and computer equipment, leasehold improvements, freehold land and construction in progress. Construction in progress represents the accumulated cost of solar power plants that have not been placed into service at the date of the balance sheet. Construction in progress includes the cost of solar modules for which the Company has taken legal title, civil engineering, electrical and other related costs incurred during the construction of a solar power plant. Construction in progress is reclassified to property, plant and equipment when the project begins its commercial operations.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. Depreciation is calculated using the straight-line method over the assets' estimated useful lives as follows:

Plant and machinery (solar power plants)	25 years
Furniture and fixtures	5 years
Vehicles	5 years
Office equipment	5 years
Computers	3 years

Leasehold improvements to office facilities are depreciated over the shorter of the lease period or the estimated useful life of the improvement. Lease hold improvements on the solar power plant sites are depreciated over the shorter of the lease term or the remaining period of the PPAs undertaken with the respective customer. Freehold land is not depreciated. Construction in progress is not depreciated until it is ready to be put to use.

Improvements to property, plant and equipment deemed to extend the useful economic life of an asset are capitalized. Maintenance and repairs that do not improve efficiency or extend the estimated economic life of an asset are expensed as incurred.

Capitalized interest

Interest incurred on funds borrowed to finance construction of solar power plants is capitalized until the plant is ready for its intended use.

The amount of interest capitalized during the years ended March 31, 2016, 2017 and 2018 was INR 219,166, INR 256,802 and INR 383,884 (US$ 5,896), respectively.

(k) Accounting for impairment of long-lived assets

The Company periodically evaluates whether events have occurred that would require revision of the remaining useful life of property, plant and equipment and improvements, or render their carrying value not recoverable. If such circumstances arise, the Company uses an estimate of the undiscounted value of expected future operating cash flows to determine whether the long-lived assets are impaired. If the aggregate undiscounted cash flows are less than the carrying amount of the assets, the resulting impairment charge to be recorded is calculated based on the excess of the carrying value of the assets over the fair value of such assets, with the fair value determined based on an estimate of discounted future cash flows, appraisals or other valuation techniques. There were no impairment charges related to long-lived assets recognized during the years ended March 31, 2017 and 2018.

(l) Leases and land use rights

Certain of the Company's leases relate to leasehold land on which the solar power plants are constructed and for office facilities. Leases are reviewed for capital or operating classification at their inception under the guidance of ASC Topic 840 *Leases* . The expense for leases classified as operating leases is recorded as rent expense on a straight-line basis, over the lease term, beginning with the date the Company has access to the property.

Land use rights represent lease prepayments to the lessor. Land use rights are carried at cost less accumulated amortization. Amortization is provided to write-off the cost of these prepayments on a straight-line basis over the period of the lease or the PPA, whichever is shorter.

The Company did not have any capital leases during any of the periods presented in the accompanying consolidated financial statements.

(m) Asset retirement obligations (ARO)

Upon the expiration of a PPA or, if later, the expiration of the lease agreement for solar power plants located on leasehold land, the Company is required to remove the solar power plant and restore the land. The Company

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records the fair value of the liability for the legal obligation to retire the asset in the period in which the obligation is incurred, which is generally when the asset is constructed. When a new liability is recognized, the Company capitalizes it by increasing the carrying amount of the related long-lived asset, which resulting ARO asset is depreciated over the remaining useful life of the solar power plant. The liability is accreted and expensed to its present expected future value each period based on a credit adjusted risk free interest rate. Upon settlement of the obligation, the Company eliminates the liability and, based on the actual cost to retire, may incur a gain or loss.

The Company's asset retirement obligations were INR 242,980 and INR 356,649 (US$ 5,478) as of March 31, 2017 and 2018, respectively. The accretion expense incurred during the years ended March 31, 2016, 2017 and 2018 was INR 6,109, INR 9,329 and INR 18,369 (US$ 282), respectively. There was no settlement of prior liabilities or revisions to the Company's estimated cash flows as of March 31, 2018.

	2017 (INR)	2018 (INR)	2018 (US$)
Beginning balance	94,301	242,980	3,732
Addition during the year	139,350	95,300	1,464
Liabilities settled during the year	—	—	—
Accretion expense during the year	9,329	18,369	282
Ending balance	242,980	356,649	5,478

(n) Software

The Company capitalizes certain internal software development cost under the provision of ASC Topic 350-40 *Internal-Use Software* . As of March 31, 2018, the amount capitalized as software includes the cost of software licenses, as well as related implementation costs, which primarily relate to third party consulting fees. Such license and implementation costs are capitalized and amortized over their estimated useful lives of three years using the straight-line method. On an ongoing basis, the Company assesses the recoverability of its capitalized software intangible assets. Capitalized software costs determined to be unrecoverable are expensed in the period in which the determination is made. As of March 31, 2018, all capitalized software was considered fully recoverable.

(o) Debt financing costs

Financing costs incurred in connection with obtaining construction and term financing loans are deferred and amortized over the term of the respective loan using the effective interest rate method. Amortization of debt financing costs is capitalized during construction and recorded as interest expense in the consolidated statements of operations, following commencement of commercial operations of the respective solar power plants.

Amortization of debt financing costs for the year ended March 31, 2016, March 31, 2017 and 2018 was INR 52,762, INR 114,085 and INR 747,520 (US$ 11,481), respectively. The amortization of debt financing cost for March 31, 2018 included INR 614,468 (US$ 437) of carrying value written off for the debt refinanced during the year ended March 31, 2018.

The unamortized debt financing costs as on March 31, 2017 and 2018 was INR 909,131 and INR 827,539 (US$ 12,709). See Note 10.

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(p) Income taxes

Income taxes are recorded under the asset and liability method, as prescribed under ASC Topic 740 Income Taxes, whereby deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The Company establishes valuation allowances against its deferred tax assets when it is more likely than not that all or a portion of a deferred tax asset will not be realized.

The computation of tax liabilities involves dealing with uncertainties in the application of complex tax regulations. The Company applies a two-step approach to recognize and measure uncertainty in income taxes in accordance with FASB Interpretation No. 48 ("FIN 48"), *Accounting for Uncertainty in Income Taxes* — an interpretation of ASC Topic 740. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement through March 31, 2018, the Company does not have any unrecognized tax benefits nor has it recognized any interest or penalties.

In October 2016, the FASB issued ASU No. 2016-16, Intra-Entity Transfers of Assets Other Than Inventory, to require the recognition of the income tax effects from an intra-entity transfer of an asset other than inventory. The ASU is effective for interim and annual periods beginning after December 15, 2017, with early adoption permitted. The Company early adopted the ASU beginning April 1, 2017 resulting in the recognition of deferred tax assets for the income taxes paid on the intra entity transfer of assets to the extent these are expected to be realized by the subsidiary, outside of any tax holiday period. Refer note 11 for the impact of early adoption of this ASU.

(q) Employee benefits

Defined contribution plan

Eligible employees of the Company in India receive benefits from the Provident Fund, administered by the Government of India, which is a defined contribution plan. Both the employees and the Company make monthly contributions to the Provident Fund equal to a specified percentage of the eligible employees' salary.

The Company has no further funding obligation under the Provident Fund, beyond the contributions elected or required to be made thereunder. Contributions to the Provident Fund by the Company are charged to expense in the period in which services are rendered by the covered employees and amounted to INR 10,350, INR 15,734 and INR 26,201(US$ 402) for the years ended March 31, 2016, 2017 and 2018, respectively.

Defined benefit plan

Employees in India are entitled to benefits under the Gratuity Act, a defined benefit post-employment plan covering eligible employees of the Company. This plan provides for a lump-sum payment to eligible employees at retirement, death, and incapacitation or on termination of employment, of an amount based on the respective employee's salary and tenure of employment. As of March 31, 2018, this plan is unfunded.

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Current service costs for defined benefit plans are accrued in the period to which they relate. In accordance with ASC Topic 715, *Compensation Retirement Benefit* , the liability in respect of defined benefit plans is calculated annually by the Company using the projected unit credit method and amounted to INR 11,077 and INR 23,145 (US$ 355) as of March 31, 2017 and 2018, respectively. Prior service cost, if any, resulting from an amendment to a plan is recognized and amortized over the remaining period of service of the covered employees. Interest costs for the period ended March 31, 2017 and 2018 were not significant.

Compensated absences

The Company recognizes its liabilities for compensated absences in accordance with ASC Topic 710, *Compensation-General* . The Company accrues the liability for its employee rights to compensated absence in the year in which it is earned.

(r) Revenue recognition

Revenue from sale of power is recognized 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 multiplied by the rate per kilo-watt hour agreed to in the respective PPAs. The solar energy kilowatts supplied by the Company are validated by the customer prior to billing.

Where 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 Company 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 Company 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 Company 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 Company reassesses the energy output estimated over the remaining term of the PPA and adjusts the revenue recognized and deferred to date. Through March 31, 2017, the adjustments have not been significant. The difference between actual billing and revenue recognized is recorded as deferred revenue.

For the years ended March 31, 2016, 2017 and 2018, the amount of revenue recognized under the PPA’s with scheduled price changes is INR 168,552, INR 161,760 and INR 156,220 (US$ 2,400), respectively.

Revenue from sale of power is recorded net of discounts. Through March 31, 2018, discounts have not been significant.

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

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(s) Cost of operations (exclusive of depreciation and amortization)

The Company's cost of operations consists of expenses pertaining to operations and maintenance of its solar power plants. These expenses include payroll and related costs for maintenance staff, plant maintenance, insurance, and lease costs.

Depreciation expense is not included in cost of operations but is included within "Depreciation and amortization expense", shown separately in the consolidated statements of operations.

(t) General and administrative expenses

General and administrative expenses include payroll and related costs for corporate, finance and other support staff, including bonus and share based compensation expense, professional fees and other corporate expenses.

(u) Share based compensation

The Company follows guidance under ASC Topic 718, *Compensation — Stock Compensation* , which requires compensation costs related to share-based transactions, including employee share options, to be recognized in the financial statements based on their fair value. The Company recognizes compensation expense for equity share options net of estimated forfeitures. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Share-based compensation is included in general and administrative expenses and recognized in the consolidated statements of operations based on awards ultimately expected to vest.

The Company has elected to use the Black-Scholes-Merton valuation model to determine the fair value of share-based awards on the date of grant for employee share options with a fixed exercise price and fixed service-based vesting.

The Company has elected to use the Lattice valuation model to determine the fair value of share-based awards on the date of grant for employee share options with a market condition.

Refer to note 19 for details on the Share based compensation.

(v) Contingencies

Liabilities for loss contingencies arising from claims, tax assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. Legal costs incurred with respect to these items are expensed as incurred.

(w) Fair value of financial instruments

ASC Topic 820, *Fair Value Measurements and Disclosures* , defines fair value as the price at which an asset could be exchanged or a liability transferred in an orderly transaction between knowledgeable, willing parties in the principal or most advantageous market for the asset or liability. Where available, fair value is based on observable market prices or derived from such prices. Where observable prices or inputs are not available, valuation models are applied. These valuation techniques involve some level of management estimation and judgment, the degree of which is dependent on the price transparency for the instruments or market and the instruments' complexity.

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(x) Derivatives and Hedging

In the normal course of business, the Company uses derivative instruments for the purpose of mitigating the exposure from foreign currency fluctuation risks associated with forecasted transactions denominated in certain foreign currencies and to minimize earnings and 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.

Derivative instruments are recorded on the consolidated balance sheets at fair value. In 2017, FASB issued ASU 2017-12, Targeted improvements to accounting for Hedging activities, to simplify the application of current hedge accounting guidance. The ASU is effective for interim and annual periods beginning after December 15, 2018, with early adoption permitted. The Company early adopted the guidance and designated certain derivative contracts entered during the period as cash flow hedges. The early adoption had no impact on prior periods. The Company classifies the derivative contracts as cash flow hedge and undesignated contracts.

Contracts designated as Cash Flow Hedge

Cash flow hedge accounting is followed for derivative instruments to mitigate the exchange rate risk on foreign currency denominated debt instruments. Changes in fair value of derivative contracts designated as cash flow hedges are recorded in accumulated other comprehensive income/(loss), net of tax, until the hedge transactions occurs. 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 in Other Comprehensive Income and charged as expense over the period of the contract. The cost of effective portion of cash flow hedges is expensed over the period of the contract.

Undesignated contracts

Changes in fair value of undesignated derivative contracts are reported directly in earnings along with the corresponding transaction gains and losses on the items being economically hedged. The Company enters into foreign exchange currency contracts to mitigate and manage the risk of changes in foreign exchange rates. These foreign exchange derivative contracts were entered into to hedge the fluctuations in foreign exchange rates for recognized balance sheet items such as the Company's U.S. dollar denominated borrowings. The Company has not designated the derivative contracts as hedges for accounting purposes. Realized 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 statements of operations. These derivatives are not held for speculative or trading purposes.

(y) Segment information

Operating segments are defined as components of a company about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision making group, in deciding how to allocate resources and in assessing performance. The Company's chief executive officer is the chief operating decision maker. Based on the financial information presented to and reviewed by the chief operating decision maker in deciding how to allocate the resources and in assessing the performance of the Company, the Company has determined that it has a single operating and reporting segment: Sale of power. The Company's principal operations, revenue and decision-making functions are located in India.

(z) Non-controlling interest

The non-controlling interest recorded in the consolidated financial statements relates to (i) a 3.03% ownership interest in a subsidiary, a 10MW Gujarat power plant, not held by the Company, (ii) a 48.37%

ownership interest in a subsidiary, a 150MW Punjab power plant, not held by the Company, (iii) a 49.00% ownership interest in a subsidiary, a 50MW Uttar Pradesh power plant, not held by the Company and (iv) a 0.01% ownership interest in Azure Power India Private Limited ("AZI") not held by the Company.

As of March 31, 2018, the Company recorded a non-controlling interest amounting to INR 1,157,912 (US$ 17,784) including INR 201,547 (US$ 3,095) of net loss for the year ended March 31, 2018. As of March 31, 2017, the Company recorded a non-controlling interest amounting to INR 1,304,729 including INR 18,924 of net loss for the year. As of March 31, 2016, the Company recorded a non-controlling interest amounting to INR 330, including a loss of INR 4,651 for the year.

(aa) Redeemable non-controlling interest

At March 31, 2017, the Company did not own 29% of the 50MW Andhra Pradesh power plant and recorded this non-controlling interest as redeemable equity under ASC 480-10-S99-3A and classified it as "mezzanine" equity in the Company's consolidated balance sheet. During the year ended March 31, 2018, the Company bought the equity interest held by the investor in the subsidiary for consideration of INR 397,312 (US$ 6,102). The Company has adjusted the carrying amount of the redeemable non-controlling interest to the redemption value on the date of transaction and upon completion of the transaction, the Company owns 100% of the power plant.

bb) Recent accounting pronouncements

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)." This guidance supersedes current guidance on revenue recognition in Topic 605, ''Revenue Recognition." In addition, there are disclosure requirements related to the nature, amount, timing, and uncertainty of revenue recognition. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity is required to follow five steps which comprises of (a) identifying the contract(s) with a customer; (b) identifying the performance obligations in the contract; (c) determining the transaction price; (d) allocating the transaction price to the performance obligations in the contract and (e) recognizing revenue when (or as) the entity satisfies a performance obligation.

The new revenue standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017 (April 1, 2018 for the Company). The Company has the option of adopting the new revenue standard using either one of two methods: (i) retrospectively to each prior reporting period presented with the option to elect certain practical expedients as defined within ASU No. 2014-09; or (ii) retrospectively with the cumulative effect of initially applying ASU No. 2014-09 recognized at the date of initial application and providing certain additional disclosures as defined per ASU No. 2014-09. The Company plans to adopt this ASU using the modified retrospective method with a cumulative adjustment to retained earnings as of April 1, 2018. The Company has completed its assessment of the accounting for this standard and continues to assess the expanded disclosure requirements that will apply after the standard's adoption. Adoption of the standard will not have a material effect on our results of operations, cash flows or financial condition.

In February 2016, the FASB issued ASU 2016-02 ("ASU 2016-02"), *Leases.* ASU 2016-02 specifies the accounting for leases. For leases that were formerly classified as operating, ASU 2016-02 requires a lessee to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, in its balance sheet. The standard also requires a lessee to recognize a single lease cost, calculated so that the cost

of the lease is allocated over the lease term, on a generally straight-line basis with certain practical expedients per ASU 2018-01. The ASU 2016-02 is effective for public companies for annual reporting periods beginning after December 15, 2018 (April 1, 2019 for the Company), including interim periods within those fiscal years using the modified retrospective method, with a cumulative adjustment to retained earnings as of April 1, 2019. The Company shall adopt the ASU starting April 1, 2019 and is currently evaluating this guidance and the impact it may have on the Company's consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13 ("ASU 2016-13"), *Measurement of credit losses on financial instruments* . The ASU 2016-13 replaces the current incurred loss impairment methodology with a current expected credit losses model. The amendment applies to entities which hold financial assets and net investment in leases that are not accounted for at fair value through net income as well as loans, debt securities, trade receivables, net investments in leases, off-balance sheet credit exposures, reinsurance receivables and any other financial assets not excluded from the scope that have the contractual right to receive cash. This ASU 2016-13 is effective for annual reporting periods, and interim periods within those years, beginning after December 15, 2019 (April 1, 2020 for the Company), with early adoption permitted. Adoption of this ASU 2016-13 is applied using a modified retrospective approach, with certain aspects requiring a prospective approach. The Company is currently evaluating this guidance and the impact it may have on the Company's consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows — Classification of Certain Cash Receipts and Cash Payments* , which clarifies the presentation and classification of certain cash receipts and cash payments in the statement of cash flows. The amendments are an improvement to U.S. GAAP because they provide guidance for each of the eight issues, thereby reducing the current and potential future diversity in practice. This guidance is effective for financial statements issued for fiscal years beginning after December 15, 2017 (April 1, 2018 for the Company), and interim periods within those fiscal years and should be applied using a retrospective transition method to each period presented. The Company does not expect this standard to have a material impact on its consolidated financial statements.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of cash flows* — Restricted cash. The amendments apply to all entities that have restricted cash or restricted cash equivalents and are required to present a statement of cash flows under Topic 230. The amendments in this update require that a statement of cash flows should explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The amendments are effective for fiscal years beginning after December 31, 2017 (April 1, 2018 for the Company) and interim periods within those annual periods. The Company does not expect the adoption of this ASU to have any effect on its financial position or results of operations.

In January 2017, the FASB issued ASU No. 2017-01, *Business Combinations — Clarifying the Definition of a Business* , which clarifies the definition of a business and assists entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. Under this guidance, when substantially all the fair value of gross assets acquired is concentrated in a single asset (or group of similar assets), the assets acquired would not represent a business. In addition, to be considered a business, an acquisition would have to include at a minimum an input and a substantive process that together significantly contribute to the ability to create an output. The amended guidance also narrows the definition of outputs by more closely aligning it with how outputs are described in FASB guidance for revenue recognition. This guidance is effective for interim and annual periods beginning after December 15, 2017 (April 1, 2018 for the Company). The Company does not expect the adoption of this ASU to have any effect on its financial position or results of operations.

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In May 2017, the FASB issued ASU 2017-09, *Compensation — Stock Compensation* , Scope of Modification Accounting, which requires entities to apply modification accounting guidance when there are changes in the terms or conditions of a share-based payment award unless all of the following conditions are met: (i) the fair value of the modified award is the same as the fair value of the original award immediately before modification, (ii) the vesting conditions of the modified award are the same as the original award immediately before modification, and (iii) the classification of the modified award is the same as the original award immediately before modification. This guidance is effective for interim and annual periods beginning after December 15, 2017 (April 1, 2018 for the Company), with early adoption permitted. The Company does not expect the adoption of this ASU to have any effect on its financial position or results of operations.

During March 2018, the FASB issued ASU No. 2018-05, *Income Taxes — Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118* , which clarifies that certain assessment of the income tax effects of The Tax Cuts and Jobs Act ("TCJA"), will be incomplete by the time the financial statements are issued and the entity must not adjust the current or deferred taxes for those tax effects of the act until a reasonable estimate can be determined. Further, the entity shall remeasure the deferred tax asset and liability and disclose the effects of the TCJA in the earliest reporting period reasonably possible. The Company does not have any significant operations in U.S. and TCJA does not have any significant impact on the consolidated financials.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force) and the United States Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future financial statements.

3. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	As of March 31,		
	2017 (INR)	2018 (INR)	2018 (US$)
Bank demand deposits	4,614,158	1,631,861	25,063
Term deposits	846,394	6,714,665	103,128
Cash on hand	118	—	—
Total	**5,460,670**	**8,346,526**	**128,191**

4. Restricted cash

Restricted cash consists of the following:

	As of March 31,		
	2017 (INR)	2018 (INR)	2018 (US$)
Restricted cash consists of the following:			
Bank demand deposits	3,629,037	2,406,569	36,962
Term deposits-Restricted Cash	1,383,414	329,926	5,067
	5,012,451	2,736,495	42,029
Restricted cash — current	3,629,037	2,406,569	36,962
Restricted cash — non-current balance	1,383,414	329,926	5,067

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The decrease in the restricted cash balance from March 31, 2017 to March 31, 2018 is on account of repayment of loans requiring margin money maintained with lenders using the proceeds from the Solar Green Bond.

5. Accounts receivable

Accounts receivable, net consists of the following:

	As of March 31,		
	2017 (INR)	2018 (INR)	2018 (US$)
Accounts receivable	1,183,083	2,352,014	36,124
Less: Allowance for doubtful accounts	(44,478)	(128,559)	(1,974)
Total	**1,138,605**	**2,223,455**	**34,149**

Activity for the allowance for doubtful accounts receivable is as follows:

	As of March 31,		
	2017 (INR)	2018 (INR)	2018 (US$)
Balance at the beginning of the year	44,478	44,478	683
Provision for doubtful accounts	—	84,081	1,291
Balance at the end of the year	**44,478**	**128,559**	**1,974**

6. Prepaid expenses and other current assets

Prepaid expenses and other current assets consist of the following:

	As of March 31,		
	2017 (INR)	2018 (INR)	2018 (US$)
Prepaid income taxes	156,728	—	—
Derivative instruments	63,818	48,837	750
Interest receivable on term deposits	63,352	251,273	3,859
Other	212,039	814,372	12,508
Total	**495,937**	**1,114,482**	**17,117**

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7. Property, plant and equipment, net

Property, plant and equipment, net consist of the following:

	Estimated Useful Life (in years)	March 31, 2017 (INR)	As of March 31, 2018 (INR)	As of March 31, 2018 (US$)
Plant and machinery (solar power plants)	25	35,664,766	47,978,808	736,888
Furniture and fixtures	5	6,043	8,648	133
Vehicles	5	13,177	46,815	719
Office equipment	5	15,926	18,789	289
Computers	3	29,827	51,238	787
Leasehold improvements — solar power plant	25	2,434,449	3,192,794	49,037
Leasehold improvements — office	1-3	19,010	109,940	1,689
		38,183,198	51,407,031	789,541
Less: Accumulated depreciation		2,484,595	4,346,546	66,757
		35,698,603	47,060,485	722,784
Freehold land		1,421,912	2,176,920	33,434
Construction in progress		3,822,093	7,343,295	112,783
Total		40,942,608	56,580,700	869,002

Depreciation expense on property, plant and equipment was INR 679,698, INR 1,036,029 and INR 1,861,951 (US$ 28,597) for the years ended March 31, 2016, 2017 and 2018, respectively.

The Company has received government grants for the construction of rooftop projects amounting to INR 16,900, INR Nil and INR 50,378 (US$ 774) for the years ended March 31, 2016, 2017 and 2018, respectively. The proceeds from these grants have been recorded as a reduction to the carrying value of the related rooftop projects.

8. Software, net

	Estimated Useful Life (in years)	March 31, 2017 (INR)	March 31, 2018 (INR)	March 31, 2018 (US$)
Software licenses and related implementation costs	3 Years	38,839	75,053	1,152
Less: Accumulated amortization		23,567	35,251	541
Total		15,272	39,802	611

Aggregate amortization expense for software was INR 8,083, INR 10,536 and INR 11,684 (US$ 179) for the years ended March 31, 2016, 2017 and 2018, respectively.

Estimated amortization expense for the years ending March 31, 2019, 2020, and 2021 is INR 16,642, INR 14,633 and INR 8,527, respectively.

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9. Other assets

Other assets consist of the following:

		As of March 31,	
	2017 (INR)	2018 (INR)	2018 (US$)
Prepaid income taxes	501,230	171,304	2,631
Derivative instruments (Note 21)	61,120	—	—
Security deposit to related party (Note 18)	2,160	2,160	33
Security deposit to others	120,855	156,308	2,401
Land use rights	114,178	113,209	1,739
Prepaid expenses	32,806	—	—
Other	95,872	56,672	870
Total	928,221	499,653	7,674

10. Long term debt

Long term debt consists of the following:

		As of March 31,	
	2017 (INR)	2018 (INR)	2018 (US$)
Secured term loans, net of financing costs:			
Foreign currency loans	5,385,949	35,524,189	545,603
Indian rupee loans	27,311,619	17,573,746	269,909
	32,697,568	**53,097,937**	**815,511**
Other Secured bank loan:			
Vehicle loan	—	10,886	167
Total Debt	**32,697,568**	**53,108,823**	**815,678**
Less current portion	1,554,806	873,883	13,422
Long-term debt	31,142,762	52,234,940	802,257

Term loans

5.5% Senior Notes

During August 2017, Azure Power Energy Limited (one of the subsidiaries of APGL) issued 5.5% US$ denominated Senior Notes ("5.5% Senior Notes" or "Green Bonds") and raised INR 31,260,118 (US$ 490,669) net of a discount on issue of INR 8,601 (US$ 135) at 0.03% and issuance expense of INR 585,832 (US$ 9,195). The discount on issuance of the Green Bonds and the issuance expenses have been recorded as finance cost, using the effective interest rate method and the unamortized balance of such amounts is netted with the carrying value of the Green Bonds. The Green Bonds are listed on the Singapore Exchange Securities Trading Limited (SGX-ST). In accordance with the terms of the issue, the proceeds were used for repayment of project level loans. The interest on the 5.5% Senior Notes are payable on a semi-annual basis and the principal amount is payable in November 2022. As of March 31, 2018, the unamortized balance of issuance expenses including the discount on issuance of Green Bonds was INR 540,687 (US$ 8,304) and the net carrying value of the Green Bonds as on March 31, 2018 was INR 31,981,466 (US$ 491,191). The Company has guaranteed the principal

and interest repayments to the investors and the guarantee shall become ineffective on meeting certain financial covenants. The Green Bonds are secured by a pledge of Azure Power Energy Limited's shares.

Non-Convertible Debentures

During September 2017, the Company issued Non-Convertible Debentures in one of our subsidiary and borrowed INR 1,864,584 (US$ 28,530), net of issuance expense of INR 35,416 (US$ 542). The debentures carry an interest rate of 12.30% per annum. The debentures are repayable in 11 equalized semi-annual instalments beginning September 2022 until September 2027 and interest payments are payable semi-annually commencing March 2018. The issuance expenses are amortized over the term of the contract using the effective interest rate method. As of March 31, 2018, the unamortized balance of issuance expenses was INR 33,902 (US $ 521) and the net carrying value of the non-convertible debentures was INR 1,866,098 (US$ 28,661),

Project level secured term loans

Foreign currency loans

From October 2011 through March 2012, the Company borrowed INR 782,793 (US$ 15,777) for the financing of a 5 MW solar power project, which carries a fixed interest rate of 4.40%. The loan is repayable in 66 quarterly installments commencing July 15, 2012. The borrowing is collateralized by the underlying solar power project assets with a net carrying value of INR 588,244 (US$ 9,035) as of March 31, 2018.

From October 2012 through September 2013, the Company borrowed INR 3,503,984 (US$63,709) for the financing of a 35 MW solar power project, which carries a fixed interest rate of 4.07%. The loan is repayable in 36 semi-annual installments which commenced on August 20, 2013. The borrowing is collateralized by underlying solar power project assets with a net carrying value of INR 2,766,115 (US$ 42,484) as of March 31, 2018.

During the year ended March 31, 2015, the Company entered into an unsecured credit facility commitment for financing future rooftop solar power projects. The total amount of the facility is INR 1,326,658 (US$20,000). The interest rate for the facility is fixed at lender's base rate plus 2.25% per annum at the time of first disbursement. The loan is repayable in 54 quarterly installments which commenced from October 15, 2017. During the period ended March 31, 2017, an amount of INR 49,077 (US$ 757) at an interest rate of 4.42% has been borrowed under this facility and the Company has incurred deferred financing cost of INR 17,640 (US$ 272) in relation to this facility. The borrowing is collateralized by the underlying solar power project assets with a net carrying value of INR 56,370 (US$ 866) as of March 31, 2018.

The Company is required to maintain principal and interest, both as defined in the respective agreements, as a reserve with banks specified by the respective lenders. Such amounts, totaling INR 436,239 and INR 268,464 (US$ 4,123) at March 31, 2017 and March 31, 2018, are classified as restricted cash non-current on the consolidated balance sheets.

The foreign currency loans are subject to certain financial and non-financial covenants. Financial covenants include cash flow to debt service, indebtedness to net worth ratio, debt equity ratio and maintenance of debt service balances. As of March 31, 2018, the Company is in compliance with all such covenants.

Indian rupee loans

The Indian rupee loans are subject to certain financial and non-financial covenants. Financial covenants include cash flow to debt service ratio, indebtedness to net worth ratio, debt equity ratio, debt service coverage

ratio, receivable to sales ratio and maintenance of debt service balances. As of March 31, 2018, the Company is in compliance with all such covenants.

In December 2013, the Company borrowed INR 143,740 (US$2,195) for the financing of a 2.5 MW solar power project, which carries an interest rate of 12.16% per annum to be periodically revised by the lender. The interest rate as of March 31, 2018 was 12.15% per annum and the weighted average interest rate for the year ended March 31, 2018 was 12.15% per annum. The loan is repayable in 29 semi-annual installments which commenced on January 15, 2014. The borrowing is collateralized by the underlying solar power project assets with a net carrying value of INR 135,245 (US$ 2,077) as of March 31, 2018.

From May 2015 through June 2015, the Company borrowed INR 1,601,000 (US$ 24,188) for financing of a 30 MW solar power project, which carries a floating rate of interest at a base rate plus 1.5% per annum. The floating interest rate as of March 31, 2018 was 11.75% per annum and the weighted average interest rate for the year ended March 31, 2018 was 11.75% per annum. The loan is repayable in 58 quarterly instalments commencing December 2015. The borrowing is collateralized by the underlying solar power project assets with a net carrying value of INR 1,621,245 (US$ 24,900) as of March 31, 2018.

In September 2015, the Company borrowed INR 1,233,000 (US$18,824) for financing of a 28 MW solar power project, which has been refinanced by new loan amounting to INR 1,600,000 (US$ 23,905) during August, 2016 and unamortized carrying value of ancillary cost of borrowing was expensed. The floating interest rate as of March 31, 2018 was 11.00% per annum and the weighted average interest rate for the year ended March 31, 2018 was 10.90% per annum. The loan is repayable in 72 quarterly installments commencing October 1, 2016. The borrowing is collateralized by the underlying solar power project assets with a net carrying value of INR 1,373,521 (US$ 21,095) as of March 31, 2018.

From November 2016 through September 2017, the Company borrowed INR 413,300 (US$ 6,237) for financing of a 14 MW solar power project. The floating interest rate as of March 31, 2018 was 11.20% per annum and the weighted average interest rate for the year ended March 31, 2018 was 10.77% per annum. The loan is repayable in 55 quarterly installments commencing June 30, 2018. The borrowing is collateralized by the underlying solar power project assets with a net carrying value of INR 511,202 (US$ 7,851) as of March 31, 2018.

Since August 2017, the Company borrowed INR 1,437,300 (US$ 22,400) for financing of a 40 MW solar power project from consortium of lenders. The floating interest rate as of March 31, 2018 was 10.55% —11.55% per annum and the weighted average interest rate for the year ended March 31, 2018 was 10.55% per annum. The loan is repayable in 60 quarterly installments commencing September 2018. The borrowing is collateralized by the underlying solar power project assets with a net carrying value of INR 1,856,714 (US$ 28,517) as of March 31, 2018.

Since November 2016, the Company borrowed INR 375,000 (US$ 5,632) for financing of a 7 MW solar power project. The floating interest rate as of March 31, 2018 was 11.25% per annum and the weighted average interest rate for the year ended March 31, 2018 was 11.63% per annum. The loan is repayable in 63 quarterly installments commencing December, 2017. The borrowing is collateralized by the underlying solar power project assets with a net carrying value of INR 403,003 (US$ 6,190) as of March 31, 2018.

From March 2017 through July 2017, the Company borrowed INR 2,067,000 (US$ 31,909) for financing of a 50 MW solar power project. The floating interest rate as of March 31, 2018 was 11.25% per annum and the weighted average interest rate for the year ended March 31, 2018 was 11.68% per annum. The loan is repayable

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in 63 quarterly installments commencing September 2018. The borrowing is collateralized by the underlying solar power project assets with a net carrying value of INR 2,695,407 (US$ 41,398) as of March 31, 2018.

Since September 2017, the Company borrowed INR 2,058,400 (US$ 31,614) for financing of a 50 MW solar power project. The floating interest rate as of March 31, 2018 was 11.50% per annum and the weighted average interest rate for the year ended March 31, 2018 was 11.50% per annum. The loan is repayable in 65 quarterly installments commencing October, 2018. The borrowing is collateralized by the underlying under construction solar power project assets with a net carrying value of INR 2,106,328 (US$ 32,350) as of March 31, 2018.

Since May 2016, the Company borrowed INR 538,100 (US$ 8,036) for financing of a 10 MW solar power project. The floating interest rate as of March 31, 2018 was 10.35% — 11.35% per annum and the weighted average interest rate for the year ended March 31, 2018 was 11.25% per annum. The loan is repayable in 60 quarterly installments commencing June 2017. The borrowing is collateralized by the underlying solar power project assets with a net carrying value of INR 575,521 (US$ 8,839) as of March 31, 2018.

From March 2017 through May 2017, the Company borrowed INR 3,800,000 (US$ 57,689) for financing 100 MW solar power project and was refinanced with a new loan during September 2017 for INR 5,730,000 (US$ 89,586). The floating interest rate as of March 31, 2018 was 10.35% — 12.00% per annum and the weighted average interest rate for the year ended March 31, 2018 was 10.86% per annum. The loan is repayable in 73 quarterly installments commencing June 2018. The borrowing is collateralized by the underlying solar power project assets with a net carrying value of INR 5,351,388 (US$ 82,190) as of March 31, 2018.

As of March 31, 2018, the Company has unused commitments for long-term financing arrangements amounting to INR 3,398,601 (US$ 52,198) for solar power projects.

Short term

In February 2017, the Company entered into a revolving credit facility in the amount of INR 2,500,000 (US$ 39,167) expiring in November, 2018. Borrowings under this facility are repayable within 12 months of disbursement. The facility bears an interest of floating rate of 12.75%, the company is required to provide a margin of 25% of the outstanding loan balance.

Generally, under the terms of the loan agreements entered into by the Company's project subsidiaries, the project subsidiaries are restricted from paying dividends to APGL if they default in payment of their principal, interest and other amounts due to the lenders under their respective loan agreements. Certain of APGL's project subsidiaries also may not pay dividends to APGL out of restricted cash.

As of March 31, 2018, the aggregate maturities of long term debt are as follows:

	Annual maturities	
March 31,	**INR**	**US$**
2019	901,200	13,841
2020	980,938	15,066
2021	1,014,060	15,575
2022	1,063,430	16,333
2023	33,994,917	522,115
Thereafter	15,983,350	245,482
Total	53,937,895	828,412

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11. Income Taxes

The individual entities within the Company file individual tax returns as per the regulations existing in their respective jurisdictions.

The fiscal year under the Indian Income Tax Act ends on March 31. A portion of the Company's Indian operations 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 Company generates power ("Tax Holiday Period"), however, the exemption is only available to the projects completed on or before March 31, 2017. The Company anticipates that it will claim the aforesaid deduction in the last ten years out of fifteen years beginning with the year in which the Company generates power and when it has taxable income. Accordingly, its current operations are taxable at the normally applicable tax rates.

The Company had adopted the provisions of ASC Topic 740 as they relate to uncertain income tax positions. Tax exposures can involve complex issues and may require extended periods to resolve. The Company does not have any uncertain tax positions requiring any adjustments under ASC Topic 740, *Uncertain Tax Positions* . The Company reassesses its tax positions in light of changing facts and circumstances, such as the closing of a tax audit, refinement of an estimate, or changes in tax codes. To the extent that the final tax outcome of these matters differs from the amounts recorded, such differences will impact the provision for income taxes in the period in which such determination is made.

In October 2016, the FASB issued ASU No. 2016-16 , *Intra-Entity Transfers of Assets Other Than Inventory* , to require the recognition of the income tax effects from an intra-entity transfer of an asset other than inventory. The ASU is effective for interim and annual periods beginning after December 15, 2017, with early adoption permitted under modified retrospective basis. The Company early adopted the ASU fiscal year beginning April 1, 2017 and early adoption resulted in recognition of deferred tax asset on the income taxes paid on the intra entity transfer of assets to the extent these are expected to be realized by the subsidiary outside of the tax holiday period. Prior to adoption, the Company used to recognize prepaid taxes on such intra entity transfer of assets. Early adoption of the ASU has resulted in a net credit of INR 20,086 (US$ 308), in the retained earnings, as of April 01, 2017.

The provision (benefit) for income taxes consists of the following:

	Current	Deferred	Total
Year ended March 31, 2016 (INR)	28,667	299,078	327,745
Year ended March 31, 2017 (INR)	509,083	383,250	892,333
Year ended March 31, 2018 (INR)	16,316	(269,198)	(252,882)
Year ended March 31, 2018 (US$)	251	(4,134)	(3,884)

Income/(loss) before income taxes is as follows:

	March 31,			
	2016 (INR)	2017 (INR)	2018 (INR)	2018 (US$)
Domestic operations	(56,881)	(28,504)	61,995	952
Foreign operations	(1,270,214)	(270,732)	(1,337,106)	(20,536)
Total	**(1,327,095)**	**(299,236)**	**(1,275,111)**	**(19,584)**

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Net Deferred income taxes in the consolidated balance sheet as follows:

	March 31,		
	2017 (INR)	2018 (INR)	2018 (US$)
Deferred tax assets	209,618	1,767,733	27,150
Less: Valuation allowance	(12,845)	(715,340)	(10,987)
Net deferred tax assets	**196,773**	**1,052,393**	**16,163**
Deferred tax liability	**1,078,255**	**892,138**	**13,702**

At March 31, 2018, the Company performed an analysis of the deferred tax asset valuation allowance. Based on the analysis, the Company has concluded that a valuation allowance offsetting the deferred tax assets is required as of March 31, 2018, on the basis that it is more likely than not that APGL itself will not be able to utilize the entirety of its net operating losses as it has no business operations of its own.

Change in valuation allowance on deferred tax assets as of March 31, 2017 and March 31, 2018 is as follows:

	March 31,		
	2017 (INR)	2018 (INR)	2018 (US$)
Opening valuation allowance	8,569	12,845	197
Valuation allowance on adoption of ASU 2016-16	—	1,154,053	17,725
Movement during the Year	4,274	(451,558)	(6,935)
Closing valuation allowance	**12,845**	**715,340**	**10,987**

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The significant components of the net deferred income tax assets and liabilities exclusive of amounts that would not have any tax consequences because they will reverse within the Tax Holiday Period, are as follows:

	As of March 31,		
	2017 (INR)	2018 (INR)	2018 (US$)
Deferred tax assets:			
Net operating loss	12,845	550,923	8,461
Tax on Inter — Company margin	—	500,474	7,687
Deferred revenue	192,267	216,225	3,321
Asset retirement obligation	6,707	79,325	1,218
Depreciation and amortization	—	957,272	14,702
Minimum alternate tax credit	165,345	456,152	7,006
Allowance for doubtful accounts	415	15,541	239
Other deductible temporary difference	44,975	59,410	912
Gross deferred tax assets	**422,554**	**2,835,322**	**43,547**
Valuation allowance	(12,845)	(715,340)	(10,987)
Total net deferred tax assets	**409,709**	**2,119,982**	**32,560**
Deferred tax liabilities:			
Depreciation and amortization	(1,261,828)	(1,911,206)	(29,353)
Other comprehensive income	(10,028)	(48,518)	(745)
Other deductible temporary difference	(19,335)	—	—
Total gross deferred tax liabilities	**(1,291,191)**	**(1,959,724)**	**(30,099)**
Net deferred tax (liability) asset	**(881,482)**	**160,258**	**2,461**

The effective income tax rate differs from the amount computed by applying the statutory income tax rate to loss before income taxes as follows:

	For the Year ended March 31,						
	2016		2017		2018		
	Tax	%	Tax	%	Tax	%	US$
Statutory income tax benefit	(459,308)	(34.61)%	(103,494)	(34.60)%	(445,523)	(34.94)%	(6,843)
Temporary differences reversing in the Tax Holiday Period	428,034	32.25%	223,897	74.87%	333,565	26.12%	5,123
Taxes on intercompany transaction reversing in the Tax Holiday Period	256,143	19.30%	741,474	247.96%	—	0.00%	—
Impact of changes in tax rate	—	—	—	—	112,547	8.83%	1,729
Permanent timing differences	—	—	—	—	116,739	9.16%	1,793
Valuation allowance created / (reversed) during the year	8,532	0.64%	4,274	1.42%	(451,558)	(35.41)%	(6,935)
Other difference	94,344	7.11%	26,180	8.55%	81,348	6.38%	1,249
Total	**327,745**	**24.70%**	**892,333**	**298.20%**	**(252,882)**	**(19.8)%**	**(3,884)**

As of March 31, 2016, 2017, and 2018, deferred income taxes have not been provided for the Company's share of undistributed net earnings of foreign operations due to management's intent to reinvest such amounts

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indefinitely. Those earnings totalled INR 1,217,312 INR 1,315,335 and INR 1,572,635 (US$ 24,154) for the years ended March 31, 2016, 2017 and 2018, respectively.

12. Interest expense, net

Interest expense, net consists of the following:

	Year ended March 31,			
	2016 (INR)	2017 (INR)	2018 (INR)	2018 (US)
Interest expense:				
CCDs	408,172	90,360	—	—
Series E and G CCPS	263,654	73,840	—	—
Term loans	1,547,382	2,439,052	5,104,245	78,394
Bank charges and other	106,568	160,740	739,939	11,365
	2,325,776	2,763,992	5,844,184	89,759
Interest income:				
Term and fixed deposits	221,532	319,823	508,446	7,809
Gain on sale of investments	45,375	72,074	167,258	2,569
Investments held-to-maturity	33	259	262	4
	266,940	392,156	675,966	10,382
Total	2,058,836	2,371,836	5,168,218	79,377

13. (Gain)/ loss on foreign currency exchange

(Gain)/ loss on foreign currency exchange consists of the following:

	Year ended March 31,			
	2016 (INR)	2017 (INR)	2018 (INR)	2018 (US$)
Unrealized loss/ (gain) on foreign currency loans	338,297	(126,943)	12,280	189
Realized gain on foreign currency loans	(80,542)	(106,299)	(74,080)	(1,138)
Unrealized loss/ (gain) on derivative instruments	11,069	61,862	45,623	701
Realized loss/ (gain) on derivative instruments	74,313	123,792	32,275	496
Other loss (gain) on foreign currency exchange	—	(61,540)	29,619	454
	343,137	(109,128)	45,716	702

14. Equity and preferred shares

Equity shares

Equity shares have a par value of US$0.000625 per share at APGL. There is no limit on the number of equity shares authorized. As of March 31, 2017, and 2018, there were 25,915,956 and 25,996,932 equity shares issued and outstanding.

15. Earnings per share

The Company calculates earnings per share in accordance with FASB ASC Topic 260 Earnings per Share and FASB ASC Topic 260-10-45 Determining Whether Instruments Granted in Share-Based Payment

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Transactions Are Participating Securities. Basic and diluted earnings losses per equity share give effect to the change in the number of equity shares of the Company. The calculation of basic earnings per equity share is determined by dividing net loss attributable to APGL equity shareholders by the weighted average number of equity shares outstanding during the respective periods. The potentially dilutive shares, consisting of employee share options, compulsorily convertible debentures, and compulsorily convertible preferred shares have been included in the computation of diluted net earnings per share and the weighted average shares outstanding, except where the result would be anti-dilutive.

The Mezzanine CCPS shareholders were entitled to participate, along with the equity shareholders, in the earnings of the Company. Under ASC Topic 260 *Earnings per Share* , such participative rights would require the two-class method of reporting EPS. As the preferred shares do not participate in losses, the Company had excluded these shares, as including them would be antidilutive. Loss per share is presented below:

	Year ended March 31			
	2016 (INR)	2017 (INR)	2018 (INR)	2018 (US$)
Net loss attributable to APGL equity shareholders	(1,650,189)	(1,172,645)	(820,682)	(12,606)
Add: Accretion on Mezzanine CCPS	(1,347,923)	(235,853)	—	—
Add: Accretion on redeemable non-controlling interest	(29,825)	(44,073)	(6,397)	(98)
Total (A)	(3,027,937)	(1,452,571)	(827,079)	(12,704)
Shares outstanding for allocation of undistributed income:				
Equity shares	1,758,080	25,915,956	25,996,932	25,996,932
Weighted average shares outstanding				
Equity shares (B)	1,758,080	13,040,618#	25,974,111	25,974,111
Net loss per share — basic and diluted				
Equity shares (C=A/B) per share	(1,722)	(111)	(32)	(0.49)

— The Company had 1,758,080 equity shares outstanding for the period from April 1, 2016 till October 12, 2016 and 25,915,956 equity shares were outstanding from October 13, 2016 till March 31, 2017.

The number of share options outstanding but not included in the computation of diluted earnings per equity share because their effect was antidilutive is 414,880, 540,280, and 1,058,527 for years ended March 31, 2016, 2017 and 2018, respectively.

16. Leases

The Company leases office facilities and land use rights under operating lease agreements. Minimum lease payments under operating leases are recognized on a straightline basis over the term of the lease. Rent expense for operating leases for the years ended March 31, 2016, 2017 and 2018 was INR 70,039, INR 172,528 and INR 206,497 (US$ 3,171), respectively.

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Future minimum lease payments under non-cancellable operating leases as of March 31, 2018 are:

Year ended March 31,	Amount (INR)	US$
Fiscal 2019	170,059	2,612
Fiscal 2020	172,374	2,647
Fiscal 2021	108,405	1,665
Fiscal 2022	87,524	1,344
Fiscal 2023	90,817	1,395
Thereafter	3,461,243	53,160
Total	**4,090,422**	**62,823**

17. Commitments, guarantees and contingencies

Capital commitments

During the normal course of business, the Company purchases assets for the construction of solar power plants and estimates that INR 3,045,859 (US$ 46,780) of open purchase commitments are outstanding as on March 31, 2018, in relation to such purchase commitments.

Guarantees

The Company issues irrevocable performance bank guarantees in relation to its obligation to construct solar power plants as required by the PPA. Such outstanding guarantees are INR 2,102,491 (US$ 32,291) as at March 31, 2018. Generally, the guarantees expire on the commissioning of the constructed solar power plant.

The Company has obtained guarantees from financial institutions as a part of the bidding process for establishing solar projects amounting to INR 1,533,692 (US$ 23,555) as at March 31, 2018. The Company has given term deposits as collateral for those guarantees which are classified as restricted cash on the consolidated balance sheet.

The terms of the PPAs provide for the annual delivery of a minimum amount of electricity at fixed prices.

Contingencies

As at March 31, 2018, the Company has received demand for extension charges totalling INR 415,000 (US$ 6,373), for projects completed beyond the contractually agreed dates. The Company has filed an appeal against such demands and has received a stay order from the appellant authorities. The management believes the reason for delay were not attributable to the Company, based on advice from its legal advisors and the facts underlying the Company's position, and therefore the management, believes that the Company will ultimately not be found liable for these assessments and has not accrued any amount with respect to these matters in its consolidated financial statements.

18. Related Party Disclosures

For the years ended the year ended March 31, 2016, 2017 and 2018, the Company incurred rent expense on office facilities and guest house facilities totaling INR 14,970, INR 19,362 and INR 15,402 (US$ 237), respectively, where the lessors are related to the chief executive officer and another director of APGL. As of

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March 31, 2017, and 2018, the Company had security deposits with these lessors totaling INR 8,567 and INR 2,160 (US$ 33). During the year, the Company vacated the said office premises and has obtained the refund of the security deposit amounting to INR 6,407 (US$ 98), respectively.

Mr. Inderpreet Singh Wadhwa and Mr. Harkanwal Singh Wadhwa have personally guaranteed a working capital facility provided by the Central Bank of India, for INR 1,980.0 million, in favor of the lender. However, as the limits are fully cash collateralized there is no liability against these guarantees and we are in the process of releasing these guarantees.

In addition, Mr. Inderpreet Singh Wadhwa and Mr. Harkanwal Singh Wadhwa had earlier provided personal guarantees in favor of the Central Bank of India for the repayment of loans of three of our project subsidiaries for payment of any interest and other monies payable to the lender. These loans have been fully paid and there are no outstanding loan balances. Thus, in respect of these SPVs, there are no personal guarantees in force.

19. Share based compensation

As of March 31, 2018, the Company had 2,023,744 stock options in the employee stock option pool, duly approved by the Board of Directors under the 2015 Stock Option Plan (the “2015 Plan”) and 2016 Equity Incentive Plan and as amended in 2017 (the “2016 Plan” and collectively “ESOP Plans”). The Company had filed Form S-8 for registering the increase in the employee stock option pool from 1,023,744 to 2,023,744 stock options during December 2017.

Under the ESOP Plans, the Compensation Committee on behalf of Board of Directors (the “Directors”) may from time to time make grants to one or more employees, determined by it to be eligible for participation under the plans.

The Compensation Committee determines which employees are eligible to receive the equity awards, the number of equity awards to be granted, the exercise price, the vesting period and the exercise period. The vesting period will be decided by the Compensation Committee as and when any grant takes place. All options granted under these plans shall vest over a period of 4 years from the date of grant with 25% vesting at the end of year one, 25% vesting at the end of year two, 25% vesting at the end of year three and 25% vesting at the end of year four unless specified otherwise. Any unvested shares forfeited by the Company shall be transferred back to the employee stock pool and shall be available for new grants.

Options are deemed to have been issued under these plans only to the extent actually issued and delivered pursuant to a grant. To the extent that a grant lapses or the rights of its grantee terminate, any equity shares subject to such grant are again available for new grants.

The option grant is at such price as may be determined by the Compensation Committee and is specified in the option grant. The grant is in writing and specifies the number of options granted the price payable for exercising the options, the date/s on which some or all of the options shall be eligible for vesting, fulfillment of the performance and other conditions, if any, subject to which vesting shall take place and other terms and conditions thereto. The option grant is not transferable and can be exercised only by the employees of the Company.

Options granted under the plan are exercisable into equity shares of the Company, have a contractual life equal to the shorter of ten years and July 20, 2025, and vest equitably over four years, unless specified otherwise in the applicable award agreement. The Company recognizes compensation cost, reduced by the estimated

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forfeiture rate, over the vesting period of the option. A summary of share option activity during the period from March 31, 2017 till March 31, 2018 is set out below:

	Number of shares	Weighted average exercise price in INR *
Outstanding as of March 31, 2017#	640,590	427
Granted	549,554	913
Exercised	(80,976)	201
Forfeited and added back to ESOP pool	(50,675)	559
Expired	(256)	149
Options outstanding as of March 31, 2018	1,058,237	690
Vested and exercisable as of March 31, 2018	376,779	287

Available for grant as of March 31, 2018 is 884,275 options.

* Not in thousands
\# Post considering the subsequent events mentioned in Form 20F of March 31, 2017.

The Black-Scholes-Merton option pricing model includes assumptions regarding dividend yields, expected volatility, expected option term, and risk-free interest rates. The Company estimates expected volatility based on the historical volatility of comparable publicly traded companies for a period that is equal to the expected term of the options because it does not have sufficient history of its own volatility. The risk-free interest rate is based on the treasury bonds issued by the Indian Government in effect at the time of grant for a period commensurate with the estimated expected life. The expected term of options granted is derived using the "simplified" method as allowed under the provisions of ASC Topic 718 due to insufficient historical exercise history data to provide a reasonable basis upon which to estimate expected term.

The fair value of each share option granted to employees is estimated on the date of grant using the Black- Scholes option-pricing model with the following weighted average assumptions:

	Year ended March 31,	
	2017	2018
Dividend yield	0.00%	0.00%
Expected term (in years)	4.5 - 7.2	4.2 - 6.1
Expected volatility	31.0% - 41.7%	26.1% - 37.0%
Risk free interest rate	2.15% - 7.61%	1.63% - 2.60%

As of March 31, 2017, and 2018, the aggregate intrinsic value of all outstanding options was INR 140,864 and INR 118,800 (US$ 1,825), respectively.

The share-based compensation expense related to share options is recorded as a component of general and administrative expenses in the Company's consolidated statements of operations and totaled, INR 51,732, INR 13,774 and INR 25,060 (US$ 385) for the years ended March 31, 2016, 2017 and 2018, respectively.

Unrecognized compensation cost for unvested options as of March 31, 2018 is INR 137,591 (US$ 2,113), which is expected to be expensed over a weighted average period of 2.2 years.

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The intrinsic value of options exercised during the year ended March 31, 2017, and March 31, 2018 was INR nil and INR 28,666 (US$ 440).

The intrinsic value per option at the date of grant during the years ended March 31, 2017 and 2018 is as follows:

Date of grant	No. of options granted	Deemed fair value of equity shares (INR)	Intrinsic value per option at the time of grant (INR)	Valuation used
May 4, 2016	180,292	293	(1)	Retrospective
August 18, 2016	22,528	337	336	Retrospective
March 8, 2017	15,000	1,133	—	Market price
June 10, 2017	53,236	1,009	—	Market price
June 21, 2017	46,925	1,033	—	Market price
August 29, 2017	78,344	923	—	Market price
October 20, 2017	5,082	1,005	—	Market price
October 25, 2017	25,134	1,004	—	Market price
November 6, 2017	20,594	1,003	—	Market price
December 5, 2017	3,689	857	—	Market price
March 31, 2018	316,550	862	—	Market price

(1) Fair value of the shares exceeds the exercise price.

20. Fair Value Measurements

FASB ASC Topic 820 *Fair Value Measurements and Disclosures* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly, hypothetical transaction between market participants at the measurement date. ASC Topic 820 establishes a three-tier value hierarchy of fair value measurement based upon the whether the inputs to that measurement are observable or unobservable. Observable inputs reflect data obtained from independent sources while unobservable inputs reflect the Company's market assumptions. ASC Topic 820 prioritizes the inputs used in the valuation methodologies in measuring fair value as follows:

Level 1 — Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 — Includes other inputs that are directly or indirectly observable in the marketplace. Observable inputs, other than Level 1 quoted prices for similar instruments in active markets; quoted prices for similar or identical instruments in markets that are not active; and valuations using models in which all significant inputs are observable in active markets.

Level 3 — Unobservable inputs which are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

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In accordance with ASC Topic 820, assets and liabilities are to be measured based on the following valuation techniques:

Market approach — Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

Income approach — converting the future amounts based on the market expectations to its present value using the discounting methodology.

Cost approach — Replacement cost method.

The valuation techniques used by the Company to measure and report the fair value of certain financial assets and liabilities on a recurring basis are as follows;

Foreign exchange derivative contracts

The Company enters into foreign exchange derivative contracts to hedge fluctuations in foreign exchange rates for recognized balance sheet items such as foreign exchange term loans. The Company mitigates the credit risk of these foreign exchange derivative contracts by transacting with highly rated counterparties in India which are major banks. The Company used the super derivatives option pricing model based on the principles of the Black-Scholes model to determine the fair value of the foreign exchange derivative contracts. The inputs considered in this model include the theoretical value of a call option, the underlying spot exchange rate as of the balance sheet date, the contracted price of the respective option contract, the term of the option contract, the implied volatility of the underlying foreign exchange rates and the risk-free interest rate as of the balance sheet date. The techniques and models incorporate various inputs including the credit worthiness of counterparties, foreign exchange spot and forward rates, interest rate yield curves, forward rate yield curves of the underlying. The Company classifies the fair value of these foreign exchange derivative contracts in Level 2 because the inputs used in the valuation model are observable in active markets over the term of the respective contracts.

		Fair Value measurement at reporting date using		
Description	As of March 31, 2017 (INR)	Quoted Prices in Active Markets for Identical Assets (Level 1) (INR)	Significant Other Observable Inputs (Level 2) (INR)	Significant Unobservable Inputs (Level 3) (INR)
Assets				
Current assets				
Available for sale securities	3,296,797	3,296,797	—	—
Foreign exchange derivative contracts	63,818	—	63,818	—
Noncurrent assets				
Foreign exchange derivative contracts	61,120	—	61,120	—
Total assets	3,421,735	3,296,797	124,938	—

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Description	As of March 31, 2018 (INR)	Fair Value measurement at reporting date using: Quoted Prices in Active Markets for Identical Assets (Level 1) (INR)	Significant Other Observable Inputs (Level 2) (INR)	Significant Unobservable Inputs (Level 3) (INR)
Assets				
Current assets				
Available for sale securities	1,383,573	1,383,573	—	—
Foreign exchange derivative contracts	48,837	—	48,837	—
Total assets	1,432,410	1,383,573	48,837	—
US$	**22,000**	**21,250**	**750**	**—**

Description	As of March 31, 2018 (INR)	Fair Value measurement at reporting date using: Quoted Prices in Active Markets for Identical Assets (Level 1) (INR)	Significant Other Observable Inputs (Level 2) (INR)	Significant Unobservable Inputs (Level 3) (INR)
Other Liabilities				
Fair valuation of swaps and options	331,314	—	331,314	—
Total Liabilities	331,314	—	331,314	—
US$	**5,089**	**—**	**5,089**	**—**

The carrying amount of cash and cash equivalents, including restricted cash, accounts receivable, accounts payables, and other current financial assets and liabilities approximate their fair value largely due to the short-term maturities of these instruments. There have been no transfers between categories during current year.

The carrying value and fair value of the Company's fixed rate project financing term loans is as follows:

	As of March 31, 2017		
	Carrying Value (INR)	Fair Value (INR)	US$
Fixed rate project financing loans:			
Foreign currency loans	5,497,166	5,560,038	85,737

	As of March 31, 2018		
	Carrying Value (INR)	Fair Value (INR)	US$
Fixed rate project financing loans:			
Foreign currency loans	35,804,793	36,938,371	567,323

The Company uses the yield method to estimate the fair value of fixed rate loans using interest rate change as an input. The carrying amount of the Companies variable rate project financing terms loans approximate, there fair values due to variable interest rates.

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The carrying value and fair value of the Company's investment in Bank of Mauritius notes, classified as held-to-maturity is as follows:

	As of March 31, 2017		
	Carrying Value (INR)	Fair Value (INR)	US$
Non-current investments:			
Fixed rate Bank of Mauritius notes	6,631	6,865	106

	As of March 31, 2018		
	Carrying Value (INR)	Fair Value (INR)	US$
Non-current investments:			
Fixed rate Bank of Mauritius notes	7,041	7,088	109

The Company uses the yield method to estimate the fair value of fixed rate Bank of Mauritius notes by using interest rate as an input. The carrying amount of the Company's investment in fixed rate Bank of Mauritius notes approximate, their fair values relative to variable interest rates.

21. Derivative instruments and hedging activities

Option Contracts Undesignated as hedge

The following table presents outstanding notional amount and balance sheet location information related to foreign exchange derivative contracts as of March 31, 2017 and 2018:

	March 31, 2017			March 31, 2018		
	Notional Amount (US$)	Prepaid Expenses and Other Current Asset (INR)	Other Assets (INR)	Notional Amount (US$)	Prepaid Expenses and Other Current Asset (INR)	Other Assets (INR)
Foreign currency option contracts	12,111	63,818	61,120	5,852	48,837	—

The foreign exchange derivative contracts mature generally over a period of 1 to 11 months.

(Gains)/Losses on foreign exchange derivative contracts for the year ended March 31, 2016, 2017 and 2018 aggregated INR 85,282, INR 185,654 and INR 77,897 (US$ 1,196), respectively.

Contracts designated as Cashflow hedge

The Company hedged the foreign currency exposure risk related to certain intercompany loans denominated in foreign currency through call spread option with full swap for coupon payments. The foreign currency forward contracts and options were not entered for trading or speculative purposes.

The Company documented each hedging relationship and assessed its initial effectiveness on inception date and the subsequent effectiveness was tested on a quarterly basis using dollar offset method. The gain or loss on the hedge contracts was recorded in accumulated other comprehensive income to the extent the hedge contracts were effective. The gain or loss on the hedge contracts shall be reclassified to interest expense when the coupon payments and principal repayments are made on the related investments. The hedge contracts were effective as of March 31, 2018.

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The Company early adopted the ASU No 2017-12 and determined the cost of hedge at the time of inception of the contract was INR 4,931,240 (US$ 77,123) and recorded an expense of INR 575,225 (US$ 8,925) during the year ended March 31, 2018.

The following table presents outstanding notional amount and balance sheet location information related to foreign exchange derivative contracts as of March 31, 2017 and 2018:

	March 31, 2018			
	Notional Amount (US$)	Current Liabilities (INR)	Other Liabilities (INR)	Other Liabilities (US$)
Foreign currency option contracts	499,602	—	331,314	5,089

During the year the company recorded the fair value of currency option liability of INR 331,314 (US$ of 5,089) in the Other comprehensive income and recorded an expense of INR 575,225 (US$ 8,925) related to the amortisation of the cost of the hedge.

The foreign exchange derivative contracts mature generally over a period of 4.6 years.

22. Concentrations of credit risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and cash equivalents, restricted cash, accounts receivables and derivative instruments. The Company mitigates the risk of credit losses from financing instruments, other than trade receivables, by selecting counter parties that are well known Indian or international banks.

The following customers account for more than 10% of the Company's accounts receivable and sale of power as of and for the year ended March 31, 2017 and 2018:

	March 31, 2017		March 31, 2018	
Customer Name	% of Accounts Receivable	% of Sale of Power	% of Accounts Receivable	% of Sale of Power
Punjab State Power Corporation Limited	39.3%	24.1%	17.1%	27.1%
NTPC Vidyut Vyapar Nigam Limited	5.6%	15.6%	15.4%	21.2%
Solar Energy Corporation of India	21.9%	23.4%	11.4%	13.0%
Gulbarga Electricity Supply Company	—	—	16.3%	5.5%
Chamundeshwari Electricity Supply Company	—	—	12.0%	6.8%

23. Subsequent events

The Company commenced commercial operations of its 40 MW located in Uttar Pradesh and 50 MW solar power plant located in Andhra Pradesh, during the month of April 2018 and May 2018, respectively.

During June 2018, the Company incurred additional borrowings under a project level term loan amounting to INR 228,800 (US$ 3,514) and a bridge loan for a project amounting to INR 4,690,000 (US$ 72,032).

The Company evaluated all other events or transactions that occurred after March 31, 2018. Based on this evaluation, the Company is not aware of any event or transactions that would require recognition or disclosure in the financial statements.

Exhibit 4.26

AZURE POWER ENERGY LTD

as Company

AZURE POWER GLOBAL LIMITED

as Parent

CITICORP INTERNATIONAL LIMITED

as Trustee, Notes Collateral Agent and Common Collateral Agent

INDENTURE

Dated as of August 3, 2017

5.50% SENIOR NOTES DUE 2022

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INDENTURE dated as of August 3, 2017 among Azure Power Energy Ltd, a public company with limited liability incorporated under the laws of Mauritius (the " *Company* "), Azure Power Global Limited, a public company with limited liability incorporated under the laws of Mauritius (the " *Parent* ") and Citicorp International Limited, as trustee (the " *Trustee* "), notes collateral agent (the " *Notes Collateral Agent* ") and common collateral agent (the " *Common Collateral Agent* " and together with the Notes Collateral Agent, the " *Collateral Agents* ").

The Company, the Parent and the Trustee agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders (as defined herein) of the Initial Notes and any Additional Notes (as defined herein) issued under this Indenture (collectively, the " *Notes* ").

ARTICLE 1
DEFINITIONS AND INCORPORATION
BY REFERENCE

Section 1.01 *Definitions.*

" *144A Definitive Note* " means the Definitive Note issued in exchange for beneficial interests in the 144A Global Note.

" *144A Global Note* " means a Global Note substantially in the form of Exhibit A bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee that will be issued in a denomination equal to the outstanding principal amount of the Notes sold in reliance on Rule 144A.

" *Acquired EBITDA* " means Combined EBITDA; provided, however, that for the purposes of this definition of Acquired EBITDA, Combined EBITDA, and each relevant definition referred to therein, shall be with respect to the relevant Person that becomes a Restricted Subsidiary and not to the Restricted Group.

" *Acquired Indebtedness* " means Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary or Indebtedness of a Restricted Subsidiary assumed in connection with an Asset Acquisition by such Restricted Subsidiary whether or not Incurred in connection with, or in contemplation of, the Person merging with or into a Restricted Subsidiary or becoming a Restricted Subsidiary.

" *Additional Notes* " means additional Notes (other than the Initial Notes) issued under this Indenture in accordance with Sections 2.02 and 4.09, as part of the same series as the Initial Notes; *provided that* any Additional Notes that are not fungible with the Notes for U.S. federal income tax purposes shall have a separate CUSIP number than any previously issued Notes, unless the Notes and the Additional Notes are issued with no more than a *de minimus* amount of original issue discount for U.S. federal income tax purposes, but shall otherwise be treated as a single class with all other Notes issued under this Indenture.

" *Adjusted Treasury Rate* " means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield in maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

" *Affiliate* " of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms "controlling," "controlled by" and "under common control with" have correlative meanings.

" *Agent" or "Agents"* means any Registrar, Transfer Agent, Paying Agent and/or additional paying agent.

" *Authorized Officer* " means, with respect to the Company, the Parent or a Guarantor, as applicable, any one person, officer, a director, who, in each case, is authorized to represent the Company, the Parent or a Guarantor, as the case may be, as designated in the Authorization Certificate furnished to the Trustee.

" *Applicable Premium* " means, with respect to a Note at any redemption date, the greater of (1) 1.00% of the principal amount of such Note and (2) the excess of (a) the present value at such redemption date of the redemption price of such Note at August 3, 2020 (such redemption price being set forth in the table appearing above under the caption "Optional Redemption"), plus all required remaining scheduled interest payments due on such Note through August 3, 2020 (but excluding accrued and unpaid interest, if any, to (but not including) the redemption date), computed using a discount rate equal to the Adjusted Treasury Rate plus 50 basis points, over (b) the principal amount of such Note on such redemption date.

" *Asset Acquisition* " means (i) an Investment by any Restricted Subsidiary in any other Person pursuant to which such Person will become a Restricted Subsidiary or will be merged into or consolidated with any Restricted Subsidiary or (ii) an acquisition by any Restricted Subsidiary of the property and assets of any Person (other than a Restricted Subsidiary) that constitute substantially all of a division or line of business of such Person.

" *Asset Sale* " means the sale, lease, conveyance or other disposition of any assets or rights (including by way of merger, consolidation or Sale and Leaseback Transaction and including any sale or issuance of the Capital Stock of any Restricted Subsidiary) in one transaction or a series of related transactions by the Company or any other Restricted Subsidiary to any Person; *provided that* "Asset Sale" shall not include:

(1) the sale, lease, transfer or other disposition of inventory, products, services, accounts receivable or other current assets in the ordinary course of business;

(2) Restricted Payments permitted to be made under Section 4.07 or any Permitted Investment;

(3) sales, transfers or other dispositions of assets with a Fair Market Value not in excess of US$1.0 million (or the Dollar Equivalent thereof);

(4) any sale or other disposition of damaged, worn-out or obsolete or permanently retired assets (including the abandonment or other disposition of property that is no longer economically practicable to maintain or useful in the conduct of the business of the Restricted Group);

(5) any sale, transfer or other disposition deemed to occur in connection with creating or granting any Permitted Lien;

(6) a transaction covered by Section 4.16 or Section 5.01;

(7) any sale, transfer or other disposition of any assets by the Company or any other Restricted Subsidiary, including the sale or issuance by the Company or any other Restricted Subsidiary of any Capital Stock of any Restricted Subsidiary, to the Company or any other Restricted Subsidiary;

(8) any sale, transfer or other disposition of any national, state or foreign production tax credit, tax grant, renewable energy credit, carbon emission reductions, certified emission reductions or similar credits based on the generation of electricity from renewable resources or investment in renewable generation and related equipment and related costs, or the sale or issuance of Capital Stock entitling the holder thereof to benefit from any such items;

(9) any sale, transfer or other disposition of licenses and sublicenses of software or intellectual property in the ordinary course of business;

(10) any surrender or waiver of contract rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;

(11) the sale or other disposition of cash or Temporary Cash Equivalents;

(12) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(13) transfers resulting from any casualty or condemnation of property;

(14) dispositions of investments in joint ventures to the extent required by or made pursuant to buy/sell arrangements between the joint parties;

(15) the unwinding of any Hedging Obligation;

(16) the sale, transfer or other disposition of Capital Stock of a Restricted Subsidiary to an offtaker or an Affiliate of an offtaker of a project owned and operated by a Restricted Subsidiary; and

(17) the sale, transfer or other disposition of contract rights, development rights or resource data obtained in connection with the initial development of a project prior to the commencement of commercial operations of such project.

" *Attributable Indebtedness* " means, in respect of a Sale and Leaseback Transaction, the present value, discounted at the interest rate implicit in the Sale and Leaseback Transaction, of the total obligations of the lessee for rental payments during the remaining term of the lease in the Sale and Leaseback Transaction.

" *Applicable Procedures* " means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depositary, Euroclear and Clearstream that apply to such transfer or exchange.

"Average Life" means, at any date of determination with respect to any Indebtedness, the quotient obtained by dividing (1) the sum of the products of (a) the number of years from such date of determination to the dates of each successive scheduled principal payment of such Indebtedness and (b) the amount of such principal payment by (2) the sum of all such principal payments.

" *Bankruptcy Law* " means the United States Bankruptcy Code of 1978 or any similar U.S. federal or state law for the relief of debtors.

" *Board of Directors* " means:

(1) with respect to a corporation, the board of directors of the corporation;

(2) with respect to a partnership, the board of directors of the general partner of the partnership;

(3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and

(4) with respect to any other Person, the board or committee of such Person serving a similar function,

including, in each case, any committee thereof duly authorized to act on its behalf.

" *Board Resolution* " means any resolution of the Board of Directors taking an action which it is authorized to take and (i) adopted at a meeting duly called and held at which a quorum of members (if so required) was present and acting throughout or (ii) adopted by written resolution of a majority of the members of the Board of Directors.

" *Business Day* " means any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in The City of New York, London, Mauritius, Singapore or India (or in any other place in which payments on the Notes are to be made) are authorized by law or governmental regulation to close.

" *Capitalized Lease Obligations* " means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with GAAP, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

" *Capital Stock* " means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

" *Change of Control* " means the occurrence of any of the following events:

(1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of either (a) for so long as the Parent Guarantee is outstanding, the Parent and the Restricted Group, taken as a whole, or (b) the Restricted Group, taken as a whole, in each case to any "person" (within the meaning of Section 13(d) of the Exchange Act), other than one or more Permitted Holders, (for the avoidance of doubt, any sale, transfer, conveyance or other disposition of all or substantially all of the Restricted Group required by applicable law, rule, regulation or order will constitute a Change of Control under this definition);

(2) if either of the Parent or the Company consolidates with, or merges with or into, any Person (other than one or more Permitted Holders), or any Person (other than one or more Permitted Holders) consolidates with, or merges with or into, the Parent or the Company, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Parent or the Company, respectively, or such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the Voting Stock of the Parent or the Company, respectively, outstanding immediately prior to such transaction is converted into or exchanged for (or continues as) Voting Stock (other than Disqualified Stock) of the surviving or transferee Person constituting a majority of the outstanding shares of Voting Stock of such surviving or transferee Person (immediately after giving effect to such issuance);

(3) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than the Permitted Holders, is or becomes the "beneficial owner" (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Parent; or

(4) the adoption of a plan relating to the liquidation or dissolution of the Parent or the Company (other than a liquidation or dissolution of the Parent or the Company, respectively, undertaken in compliance with Section 5.01.

" *Change of Control Triggering Event* " means the occurrence of both a Change of Control and a Rating Decline.

" *Clearstream* " means Clearstream Banking, S.A.

" *Collateral Documents* " means the security agreements, pledge agreements, agency agreements and other instruments and documents executed and delivered pursuant to this Indenture or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time and

pursuant to which Collateral is pledged, charged, assigned or granted to or on behalf of the Collateral Agent for the ratable benefit of the Holders and the Trustee, including the Pari Passu Collateral Document and the Notes Collateral Document.

" *Combined EBITDA* " means, for any period, Combined Net Income for such period plus, to the extent such amount was deducted in calculating such Combined Net Income:

(1) Combined Interest Expense;

(2) income taxes (other than income taxes attributable to extraordinary gains (or losses) or sales of assets outside the ordinary course of business);

(3) depreciation expense, amortization expense and all other non-cash items (including impairment charges and write-offs) reducing Combined Net Income (other than non-cash items in a period which reflect cash expenses paid or to be paid in another period), less all non-cash items increasing Combined Net Income (other than the accrual of revenues in the ordinary course of business);

(4) any gains or losses arising from the acquisition of any securities or extinguishment, repurchase, cancellation or assignment of Indebtedness; and

(5) any unrealized gains or losses in respect of Hedging Obligations or other derivative instruments or forward contracts or any ineffectiveness recognized in earnings related to a qualifying hedge transaction or the fair value of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;

all as determined on a combined basis in conformity with GAAP.

" *Combined Indebtedness* " means, as of any date of determination, the aggregate amount of Indebtedness of the Restricted Group on such date on a combined basis, to the extent appearing as a liability upon a balance sheet (excluding the footnotes thereto) of the Restricted Group prepared in accordance with GAAP, (excluding Subordinated Shareholder Debt) *plus* (b) an amount equal to the greater of the liquidation preference or the maximum fixed redemption or repurchase price of all Disqualified Stock of the Company and all preferred stock of Restricted Subsidiaries, in each case, determined on a combined basis in accordance with GAAP.

" *Combined Interest Expense* " means, with respect to the Restricted Group for any period, the amount that would be included in gross interest expense on a combined income statement prepared in accordance with GAAP for such period of the Restricted Group, plus, to the extent not included in such gross interest expense, and to the extent accrued or payable during such period by the Restricted Group, without duplication, (1) interest expense attributable to Capitalized Lease Obligations, (2) amortization of debt issuance costs and original issue discount expense and non-cash interest payments in respect of any Indebtedness, (3) the interest portion of any deferred payment obligation, (4) all commissions, discounts and other fees and charges with respect to letters of credit or similar instruments issued for financing purposes or in respect of any Indebtedness, (5) the net costs associated with Hedging Obligations with respect to Indebtedness (including the amortization of fees), (6) interest accruing on Indebtedness of any other Person that is Guaranteed by, or secured by a Lien on any asset of, the Restricted Group and (7) any capitalized interest.

" *Combined Leverage Ratio* " means, with respect to the Restricted Group as of any date of determination, the ratio of:

(1) Combined Indebtedness on such date to;

(2) Combined EBITDA for the then most recently concluded period of two semi-annual fiscal periods for which financial statements are available (the " *Reference Period* "); *provided, however, that* in making the foregoing calculation:

(a) acquisitions of any Person, business or group of assets that constitutes an operating unit or division of a business that have been made by the Restricted Group, including through mergers, consolidations, amalgamations or otherwise, or by any acquired Person, and including any related financing transactions and including increases in ownership of or designations of Restricted Subsidiaries (including Persons who become Restricted Subsidiaries as a result of such increase), during the Reference Period or subsequent to such Reference Period and on or prior to the date on which the event for which the calculation of the Combined Leverage Ratio is made (the " *Calculation Date* ") (including transactions giving rise to the need to calculate such Combined Leverage Ratio) will be given pro forma effect as if they had occurred on the first day of the Reference Period;

(b) the Combined EBITDA attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses (and ownership interests therein) disposed of on or prior to the Calculation Date (including transactions giving rise to the need to calculate such Combined Leverage Ratio), will be excluded;

(c) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such Reference Period; and

(d) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such Reference Period.

For purposes of this definition, whenever pro forma effect is to be given to a transaction referred to in clause (a), (b), (c) or (d), including, the amount of Combined EBITDA associated therewith, the pro forma calculation shall be based on the Reference Period immediately preceding the calculation date. In determining the amount of Indebtedness outstanding on any date of determination, pro forma effect will be given to any incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge of Indebtedness, Disqualified Stock or Preferred Stock of any Restricted Subsidiary on such date.

" *Combined Net Income* " means, for any period, the aggregate of the net income of the Restricted Group for such period, on a combined basis, determined in accordance with GAAP; *provided that:*

(1) the net income (or loss) of any Person other than a Restricted Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or similar distributions paid in cash to the Restricted Group;

(2) the cumulative effect of a change in accounting principles will be excluded;

(3) any translation gains or losses due solely to fluctuations in currency values and related tax effects will be excluded; and

(4) noncash (a) equity-based compensation expense and (b) unrealized gain or loss in respect of Hedging Obligations will be excluded.

" *Combined Net Worth* " means, as of any date, the sum of:

(1) the total equity of the Restricted Group as of such date; plus

(2) the respective amounts reported on the Restricted Group's combined balance sheet as of such date with respect to any series of preferred stock (other than Disqualified Stock) that by its terms is not entitled to the payment of dividends unless such dividends may be declared and paid only out of net earnings in respect of the year of such declaration and payment.

" *Commodity Hedging Agreement* " means any spot, forward, commodity swap, commodity cap, commodity floor or option commodity price protection agreements or other similar agreement or arrangement.

"Common Collateral Agent" has the meaning set forth in the preamble of this Indenture and any successor thereto under the Collateral Documents.

" *Common Stock* " means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock or ordinary shares, whether or not outstanding on the Original Issue Date, and include all series and classes of such common stock or ordinary shares.

"Company" has the meaning set forth in the preamble of this Indenture and its successors and assigns, until released in accordance with the provisions of this Indenture, and shall thereafter refer to the successor.

" *Comparable Treasury Issue* " means the U.S. Treasury security having a maturity comparable to August 3, 2020 that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities with a maturity comparable to August 3, 2020.

" *Comparable Treasury Price* " means, with respect to any redemption date: (i) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third Business Day preceding such redemption date, as set forth in the Federal Reserve Statistical Release H.15 (519) (or, if such Statistical Release is no longer published, any publically available source of similar market data);" or (ii) if such release (or any successor release) is not published or does not contain such prices on such Business Day, (a) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations or (b) if fewer than three such Reference Treasury Dealer Quotations are available, the average of all such quotations.

" *Corporate Trust Office* " means the principal office of the Trustee at which at any time its corporate trust business shall be administered, which office at the date hereof is located at 39/F, Champion Tower, 3 Garden Road, Central, Hong Kong , or such other address as the Trustee may designate from time to time by notice to the Holders and the Company, or the principal corporate trust office of any successor Trustee (or such other address as such successor Trustee may designate from time to time by notice to the Holders and the Company).

" *Credit Facilities* " means, one or more debt or commercial paper facilities, in each case, with banks or other institutional lenders or other lenders (including any direct or indirect shareholder of the Restricted Subsidiary Incurring Indebtedness under such Credit Facility) providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of credit, in each case, as amended, restated, modified, renewed, refunded, replaced (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time; *provided that* any Credit Facility with a direct or indirect shareholder of the Restricted Subsidiary Incurring Indebtedness under such Credit Facility will, by its terms or by the terms of any agreement or instrument under which such Indebtedness is issued, not provide for any cash payment of interest (or premium, if any).

" *Currency Hedging Agreement* " means any currency swap agreement, currency cap agreement, currency floor agreement, currency futures agreement, currency option agreement or any other similar agreement or arrangement.

" *Custodian* " means a custodian of the Global Notes for DTC under a custody agreement or any similar successor agreement, which will initially be Cede & Co..

" *Default* " means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

" *Definitive Note* " means a certificated Note registered in the name of the Holder thereof and issued in accordance with Section 2.06, substantially in the form of Exhibit A except that such Note shall not bear the Global Note Legend and shall not have the "Schedule of Exchanges of Interests in the Global Note" attached thereto.

" *Depositary* " means, with respect to the Notes issuable or issued in whole or in part in global form, the Person specified in Section 2.03 as the Depositary with respect to the Notes, and any and all successors thereto appointed as depositary hereunder and having become such pursuant to the applicable provision of this Indenture.

"Designated Restricted Subsidiary" means, any Restricted Subsidiary (other than a Restricted Subsidiary that has Incurred (i) Rupee Debt or (ii) Indebtedness pursuant to clause (b)(15) of the definition of Permitted Indebtedness, in each case that is outstanding) that has entered into an agreement with each of the trustees under the INR bond trust deeds or INR security trustee agreements relating to all outstanding Rupee Debt of the other Restricted Subsidiaries, providing a Guarantee for the obligations of the other Restricted Subsidiaries (other than the Company) under their Rupee Debt and each of other Restricted Subsidiaries (other than the Company) providing a Guarantee for the obligations of such Restricted Subsidiary.

" *Disqualified Stock* " means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

(1) matures or is mandatorily redeemable for cash or in exchange for Indebtedness pursuant to a sinking fund obligation or otherwise;

(2) is convertible or exchangeable at the option of the holder thereof for Indebtedness or Disqualified Stock; or

(3) is or may become (in accordance with its terms) upon the occurrence of certain events or otherwise redeemable or re-purchasable for cash or in exchange for Indebtedness at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the earlier of (a) the Stated Maturity of the Notes or (b) the date on which there are no Notes outstanding; *provided, however, that* (i) only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock and (ii) any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Parent or the Company, as applicable, to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (howsoever defined or referred to) shall not constitute Disqualified Stock if any such redemption or repurchase obligation is not prohibited by Section 4.07.

" *Dollar Equivalent* " means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the noon buying rate for U.S. dollars in New York City for cable transfers as certified for customs purposes by the Federal Reserve Bank of New York on the date of determination.

" *Equity Interests* " means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

" *Equity Offering* " means a public or private sale either (1) of Equity Interests of the Parent by the Parent (other than Disqualified Stock and other than to a Subsidiary of the Parent) or (2) of Equity Interests of a direct or indirect parent entity of the Parent (other than to the Parent or a Subsidiary of the Parent) to the extent that the net proceeds therefrom are contributed to the common equity capital of the Parent; *provided that* following the release of the Parent Guarantee, any such public or private sale of Equity Interests will only be deemed to be an "Equity Offering" to the extent the net proceeds therefrom are contributed to the common equity capital of a Restricted Subsidiary.

" *Escrowed Proceeds* " means the proceeds from the offering of any debt securities incurred in accordance with Section 4.09 paid into an escrow account with an independent escrow agent on the date of the applicable offering pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow account upon satisfaction of certain conditions or the occurrence of certain events, and shall include any interest earned on the amounts held in escrow.

" *Escrow Account Bank* " means Citibank, N.A., Hong Kong Branch.

" *Escrow Funds* " means all moneys from time to time deposited in the Escrow Account by the Company together with any interest accrued thereon from time to time.

" *Exchange Act* " means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

" *Fair Market Value* " means the value that would be paid by a willing buyer to an unaffiliated willing seller, determined in good faith by senior management of the Company or if the relevant value exceeds US$5.0 million (or the Dollar Equivalent thereof), the Board of Directors of the Parent or of the Company (unless otherwise provided in this Indenture), in each case whose determination shall be conclusive.

" *Fitch* " means Fitch Inc. and its successors.

"Force Majeure Event" means any event (including but not limited to an act of God, fire, epidemic, explosion, floods, earthquakes, typhoons; riot, civil commotion or unrest, insurrection, terrorism, war, strikes or lockouts; nationalization, expropriation or other governmental actions; any law, order or regulation of a governmental, supranational or regulatory body; regulation of the banking or securities industry including changes in market rules, currency restrictions, devaluations or fluctuations; market conditions affecting the execution or settlement of transactions or the value of assets; and breakdown, failure or malfunction of any telecommunications, computer services or systems, or other causes) beyond the control of any party which restricts or prohibits the performance of the obligations of such party contemplated by this Indenture.

" *GAAP* " means (a) with respect to the Parent, the generally accepted accounting principles adopted in the United States of America published by the Financial Accounting Standards Board or any successor Board or agency as in effect from time to time and (b) with respect to the Restricted Group, the Indian Accounting Standards as in effect from time to time ("Ind-AS"), in each case as modified by commonly used carve-out principles as in effect on the date of such report or financial statement (or otherwise on the basis of such GAAP as then in effect). All ratios and computations contained or referred to in this Indenture will be computed in conformity with GAAP applied in a consistent basis.

" *Global Note Legend* " means the legend set forth in Section 2.06(f)(2), which is required to be placed on all Global Notes issued under this Indenture.

" *Global Notes* " means, individually and collectively, each of the 144A Global Notes and the Unrestricted Global Notes deposited with or on behalf of and registered in the name of the Depository or its nominee, substantially in the form of Exhibit A and that bears the Global Note Legend and that has the "Schedule of Exchanges of Interests in the Global Note" attached thereto, issued in accordance with Sections 2.01, 2.06(b)(3), 2.06(b)(4), 2.06(d)(2) or 2.06(f).

" *Government Securities* " means direct obligations of, or obligations Guaranteed by, the United States of America, and the payment for which the United States of America pledges its full faith and credit.

" *Government Subsidies* " means obligations in respect any Viability Gap Funding ("Viability Gap Funding") by the government of India or any state or any agency of any such government in connection with any project of the Restricted Group, including any second lien on assets of such project to secure such obligations.

" *Guarantee* " means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise).

" *Guarantor* " means each of:

(1) the Parent until the Parent Guarantee has been released in accordance with the provisions of this Indenture; and

(2) any Restricted Subsidiary that executes a Guarantee in accordance with the provisions of this Indenture, and their respective successors and assigns, in each case, until the Guarantee of such Person has been released in accordance with the provisions of this Indenture.

" *Hedging Obligations* " means, with respect to any specified Person, the obligations of such Person pursuant to Commodity Hedging Agreements, Currency Hedging Agreement or Interest Rate Hedging Agreements.

" *Holder* " means the Person in whose name a Note is registered in the Note register.

" *Incur* " means, with respect to any Indebtedness or Disqualified Stock, to incur, create, issue, assume, Guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness or Disqualified Stock; *provided that* (1) any Indebtedness and Disqualified Stock of a Person existing at the time such Person becomes a Restricted Subsidiary will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and (2) the accretion of original issue discount, the accrual of interest, the accrual of dividends, the payment of interest in the form of additional Indebtedness and the payment of dividends on Disqualified Stock in the form of additional shares of Disqualified Stock (to the extent provided for when the Indebtedness or Disqualified Stock on which such interest or dividend is paid was originally issued) will not be considered an Incurrence of Indebtedness. The terms "Incurrence," "Incurred" and "Incurring" have meanings correlative with the foregoing.

" *Indebtedness* " means, with respect to any Person at any date of determination (without duplication):

(1) all indebtedness of such Person for borrowed money;

(2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments;

(4) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, except Trade Payables;

(5) all Capitalized Lease Obligations and Attributable Indebtedness;

(6) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided that* the amount of such Indebtedness will be the lesser of (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness;

(7) all Indebtedness of other Persons Guaranteed by such Person to the extent such Indebtedness is Guaranteed by such Person; and

(8) to the extent not otherwise included in this definition, Hedging Obligations.

The amount of Indebtedness of any Person at any date will be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation; *provided that:*

(1) the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP;

(2) money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to prefund the payment of the interest on such Indebtedness will not be deemed to be "Indebtedness" so long as such money is held to secure the payment of such interest;

(3) that the amount of Indebtedness with respect to any Hedging Obligation at any time will be equal to the net amount, if any, payable if the Commodity Hedging Agreement, Currency Hedging Agreement or Interest Rate Hedging Agreement giving rise to such Hedging Obligation terminated at that time; and

(4) without duplication for clause (3) above, the amount of any Indebtedness for which there is a related Currency Hedging Agreement or Interest Rate Hedging Agreement at any time shall be calculated after giving effect to such Currency Hedging Agreement or Interest Rate Hedging Agreement.

" *Indirect Participant* " means a Person who holds a beneficial interest in a Global Note through a Participant.

" *Initial Notes* " means the US$500,000,000 aggregate principal amount of Notes issued under this Indenture on the date hereof.

" *INR* " means Indian Rupees.

" *Interest Payment Date* " means May 3 and November 3 of each year, commencing May 3, 2018.

" *Indirect Participant* " means a Person who holds a beneficial interest in a Global Note through a Participant.

" *Interest Rate Hedging Agreement* " means any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement, option or future contract or other similar agreement or arrangement.

" *Investment Grade* " means a rating of "AAA," "AA," "A" or "BBB," as modified by a "+" or "-" indication, or an equivalent rating representing one of the four highest rating categories, by Fitch or any of its successors or assigns, or a rating of "Aaa," "Aa," "A" or "Baa," as modified by a "1," "2" or "3" indication, or an equivalent rating representing one of the four highest rating categories, by Moody's or any of its successors or assigns, or the equivalent ratings of any internationally recognized rating agency or agencies, as the case may be, which will have been designated by the Parent or the Company as having been substituted for Fitch or Moody's or both, as the case may be.

" *Investments* " means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees or other obligations), advances (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), capital contributions, purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. If the Company or any other Restricted Subsidiary sells or otherwise disposes of any Equity Interests of any Restricted Subsidiary such that, after giving effect to any such sale or disposition, such Person is no longer a Subsidiary of the Company or such Restricted Subsidiary, the Company or such Restricted Subsidiary will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Company's or such Restricted Subsidiary's Investments in such Subsidiary that were not sold or disposed of in an amount determined as provided in Section 4.07(d). The acquisition by the Company or any other Restricted Subsidiary of the Company of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an amount determined as provided in Section 4.07(d). The amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value.

" *Lien* " means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

" *Minimum Rupee Debt Amount* " means, with respect to any Restricted Subsidiary that issued Original Rupee Debt, 50% of the aggregate principal amount of such Restricted Subsidiary's Original Rupee Debt outstanding on the SMR Measurement Date; *provided, that* such amount will be reduced proportionately to reflect any redemption, repurchase, defeasance, acquisition or other reduction in the principal amount of Notes outstanding (including, for the avoidance of doubt, any Special Mandatory Redemption) since the Original Issue Date.

" *Moody's* " means Moody's Investors Service, Inc.

" *Net Cash Proceeds* " means with respect to any Asset Sale, the proceeds of such Asset Sale in the form of cash or cash equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of:

(1) brokerage commissions and other fees and expenses (including fees and expenses of counsel and investment bankers) related to such Asset Sale;

(2) provisions for all taxes (whether or not such taxes will actually be paid or are payable) as a result of such Asset Sale without regard to the consolidated results of operations of the Parent or any of its Subsidiaries, taken as a whole;

(3) payments made to repay Indebtedness or any other obligation outstanding at the time of such Asset Sale that either (x) is secured by a Lien on the property or assets sold or (y) is required to be paid as a result of such sale; and

(4) appropriate amounts to be provided by the Parent or any Restricted Subsidiary as a reserve against any liabilities associated with such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as determined in conformity with GAAP and reflected in an Officer's Certificate delivered to the Trustee.

"Note" has the meaning set forth in the preamble of this Indenture.

"Note Guarantee" means each guarantee from a Guarantor.

"Notes Collateral Agent" has the meaning set forth in the preamble of this Indenture and any successor thereto under the Collateral Documents.

"Note Holders Representative" means the representative of the Holders of the Notes as appointed by the Company pursuant to the Mauritius Companies Act 2001 and the Note Holders Representative Appointment Letter or any successor Person thereto and shall initially be Dushyant Ramdhur, attorney at law, of Appleby (JV) Ltd & Cie, 9th Floor, Medine Mews, La Chaussée Street, Port Louis, Republic of Mauritius.

"Note Holders Representative Appointment Letter" means the appointment letter appointing a note holders representative in Mauritius, substantially in the form of Exhibit H.

" *Obligations* " means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

" *Offering Memorandum* " means the offering memorandum dated July 27, 2017, in connection with the offering of the Notes.

" *Officer* " means one of the directors or executive officers of the Parent or, in the case of the Company or any other Restricted Subsidiary, one of the directors or officers of the Company or such other Restricted Subsidiary, as the case may be.

"Officer's Certificate" means a certificate signed by an Officer.

"Original Issue Date" means the date on which the Notes are originally issued under this Indenture.

"Opinion of Counsel" means a written opinion from external legal counsel selected by the Parent or the Company, provided that such counsel will be acceptable to the Trustee in its sole discretion.

"Parent" has the meaning set forth in the preamble of this Indenture and its successors and assigns until released in accordance with the provisions of this Indenture and thereafter shall refer to the successor.

" *Pari Passu Collateral* " means a first-priority fixed charge by the Parent as chargor over the Capital Stock of the Company.

"Participant" means, with respect to the Depositary, Euroclear or Clearstream, a Person who has an account with the Depositary, Euroclear or Clearstream, respectively (and, with respect to DTC, shall include Euroclear and Clearstream).

" *Permitted Business* " means any business, service or activity engaged in by the Restricted Group on the Original Issue Date and any other businesses, services or activities that are related, complementary, incidental, ancillary or similar to any of the foregoing or any expansions, extensions or developments thereof, including the ownership, acquisition, development, financing, operation and maintenance of power generation or power transmission or distribution facilities.

" *Permitted Holders* " means any or all of the following:

(1) (a) Inderpreet Singh Wadhwa, (b) International Finance Corporation and (c) Caisse de dépôt et placement du Québec;

(2) any spouse, former spouse or immediate family member of any of the natural persons named in clause (1) above;

(3) any trust or estate planning or investment vehicle established for the benefit of any of the natural persons referred to in clause (1) or (2) above;;

(4) any Affiliate of any of the Persons referred to in clauses (1), (2) or (3) above; and

(5) any group of which one or more Persons referred to in clauses (1), (2), (3) or (4) above is a member so long as such Person or Persons collectively are the beneficial owners (without giving effect to the existence of such group) of at least a majority of the Voting Stock collectively owned by the members of such group.

" *Permitted Investments* " means:

(1) any Investment in the Company or another Restricted Subsidiary;

(2) any Investment in Temporary Cash Equivalents;

(3) any Investment by the Company or any other Restricted Subsidiary in a Person, if as a result of such Investment:

(a) such Person becomes a Restricted Subsidiary; or

(b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or another Restricted Subsidiary;

(4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with Section 4.10;

(5) any acquisition of assets or Capital Stock solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Company or the Parent or contributed by the Parent to the common equity capital of a Restricted Subsidiary;

(6) any Investments received in compromise or resolution of (A) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Restricted Group, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (B) litigation, arbitration or other disputes with Persons who are not Affiliates;

(7) Investments represented by Hedging Obligations;

(8) loans or advances to employees made in the ordinary course of business of the Parent or any Restricted Subsidiary in an aggregate principal amount not to exceed US$1.0 million (or the Dollar Equivalent thereof) at any one time outstanding;

(9) repurchases of the Notes;

(10) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under Section 4.12;

(11) (x) receivables, trade credits or other current assets owing to any Restricted Subsidiary, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms, including such concessionary trade terms as the Parent or such Restricted Subsidiary considers reasonable under the circumstances and (y) advances or extensions of credit for purchases and acquisitions of assets, supplies, material or equipment from suppliers or vendors in the ordinary course of business;

(12) Investments existing at the Original Issue Date and described in the Offering Memorandum and any Investment that amends, extends, renews, replaces or refinances such Investment; *provided* , *however* , that such new Investment is on terms and conditions no less favorable to the applicable Restricted Subsidiary than the Investment being amended, extended, renewed, replaced or refinanced;

(13) Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (13) that are at the time outstanding, not to exceed US$10.0 million (or the Dollar Equivalent thereof);

(14) Investments of a Person engaged primarily in a Permitted Business held by such Person at the time it becomes a Restricted Subsidiary or is merged, consolidated or amalgamated with or into a Restricted Subsidiary so long as such Investments were not made in contemplation thereof; and

(15) any Investment in the form of Indebtedness or Preferred Stock made by a Restricted Subsidiary to the Parent or any Subsidiary of the Parent (other than a Restricted Subsidiary) in a principal amount not to exceed the Fair Market Value of the net equity value of such Restricted Subsidiary calculated by any Independent Auditor as of the time of the designation of such Person as a Restricted Subsidiary in accordance with Section 4.24; provided, however, that to the extent such Person has any outstanding Acquired Indebtedness at the time of such designation and such outstanding Acquired Indebtedness is being Incurred under clause (2)(i) of Section 4.09 then such Investment shall only be deemed to have been made pursuant to this clause (15) to the extent that (i) any such outstanding Acquired Indebtedness has been refinanced or refunded, replaced, exchanged, renewed, repaid, redeemed, defeased or discharged by cash or by the incurrence of Ratio Debt in accordance with Section 4.09(a) and (ii) such Person has entered into an agreement with each of the trustees under the INR bond trust deeds or INR security trustee agreements relating to all other outstanding Rupee Debt of the other Restricted Subsidiaries and such Restricted Subsidiary, providing a Guarantee for the obligations of the other Restricted Subsidiaries (other than the Company) under their Rupee Debt and each of other Restricted Subsidiaries (other than the Company) providing a Guarantee for the obligations of such Restricted Subsidiary.

" *Permitted Liens* " means:

(1) Liens in favor of the Collateral Agents created pursuant to this Indenture and the Collateral Documents with respect to the Notes (including any Additional Notes) and the Note Guarantees therefore, including Liens granted in respect of the Escrow Account;

(2) Liens in favor of a Restricted Subsidiary (including in favor of any trustee or agent on behalf thereof);

(3) Liens on property of a Person existing at the time such Person becomes a Restricted Subsidiary; *provided that* such Liens were in existence prior to the contemplation of such Person becoming a Restricted Subsidiary and do not extend to any assets other than those of such Person;

(4) Liens on property (including Capital Stock) existing at the time of acquisition of the property by any Restricted Subsidiary; *provided that* such Liens were in existence prior to such acquisition, and not incurred in contemplation of, such acquisition;

(5) Liens to secure the performance of statutory obligations, surety or appeal bonds, performance bonds or other obligations of a like nature incurred in the ordinary course of business;

(6) Liens existing on the Original Issue Date;

(7) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; *provided that* any reserve or other appropriate provision as is required in conformity with GAAP has been made therefor;

(8) Liens imposed by law, such as suppliers', carriers', warehousemen's, landlord's and mechanics' Liens, in each case, incurred in the ordinary course of business;

(9) survey exceptions, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(10) Liens created for the benefit of (or to secure) the Notes or any Note Guarantee;

(11) Liens securing Indebtedness which is Incurred to refinance secured Indebtedness which is permitted to be Incurred under clause (b)(4) of Section 4.09; *provided that* such Liens do not extend to or cover any property or assets of the Company or such other Restricted Subsidiary other than the property or assets securing the Indebtedness being refinanced;

(12) (x) Liens on property or assets securing Indebtedness used or to be used to defease or satisfy and discharge the Notes; *provided that* (a) the Incurrence of such Indebtedness was not prohibited by this Indenture and (b) such defeasance or satisfaction and discharge is not prohibited by this Indenture and (y) Liens on cash and Temporary Cash Equivalents arising in connection with the defeasance, discharge or redemption of Indebtedness;

(13) Liens on Pari Passu Collateral securing Permitted Pari Passu Secured Indebtedness that complies with each of the requirements set forth in Section 4.25;

(14) Liens securing Indebtedness permitted to be Incurred under Section 4.09(b)(11); *provided that* such Indebtedness is not owed to any direct or indirect shareholder of the Restricted Subsidiary Incurring such Indebtedness;

(15) Liens securing Hedging Obligations permitted to be Incurred under Section 4.09(b)(5);

(16) Liens securing Indebtedness permitted to be Incurred under Section 4.09(b)(14);

(17) Liens incurred or pledges or deposits made in the ordinary course of business (x) to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or governmental or other authority in connection with the operations of the Restricted Subsidiaries or (y) in connection with workers' compensation, unemployment insurance and other types of social security and employee health and disability benefits;

(18) Liens securing Indebtedness permitted to be Incurred under Section 4.09(b)(15) so long as such Liens are secured only by the property, plant or equipment and related assets (including Capital Stock) originally acquired, designed, constructed, installed or improved in connection therewith, accretions and additions thereon and the proceeds thereof; and

(19) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities incurred in accordance with Section 4.09 or on cash set aside at the time of the incurrence of such Indebtedness or on Temporary Cash Equivalents purchased with such cash, in either case to the extent such cash or Temporary Cash Equivalents prefund the payment of interest, premium or penalties on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose;

provided that , the only Liens permitted on Notes Collateral are (1), (7), (8) and (10) and the only Liens permitted on Pari Passu Collateral are (1), (7), (8), (10), (13) and (15). Liens permitted under clause (15) to secure Currency Hedging Agreements related to the Notes or Permitted Pari Passu Secured Indebtedness may have super priority status as described under Section 4.26.

" *Person* " means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

" *Preferred Stock* " as applied to the Capital Stock of any Person means Capital Stock of any class or classes that by its term is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

" *Private Placement Legend* " means the legend set forth in Section 2.06(f)(1) to be placed on all Notes issued under this Indenture except where otherwise permitted by the provisions of this Indenture.

" *Project Projection Report* " means, with respect to any Person or asset, a project projection report prepared by an internationally recognized accounting firm on substantially the same basis as the project projection reports contained in Appendix A of the Offering Memorandum; *provided that* (a) such Person or asset has executed a long-term power purchase agreement and (b) the project named or described in such project projection report has become fully operational.

" *QIB* " means a "qualified institutional buyer" as defined in Rule 144A.

" *Rating Agencies* " means (1) Fitch and (2) Moody's; provided that if Fitch or Moody's shall not make a rating of the Notes publicly available, one or more nationally recognized statistical rating organizations (as defined in Section 3(a)(62) under the Exchange Act), as the case may be, selected by the Company or the Parent, which will be substituted for Fitch or Moody's or both, as the case may be.

" *Rating Category* " means (i) with respect to Fitch, any of the following categories: "BB," "B," "CCC," "CC," "C" and "D" (or equivalent successor categories); (ii) with respect to Moody's, any of the following categories: "Ba," "B," "Caa," "Ca," "C" and "D" (or equivalent successor categories); and (iii) the equivalent of any such category of Fitch or Moody's used by another Rating Agency. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Rating

Categories ("+" and "—" for Fitch; "1," "2" and "3" for Moody's; or the equivalent gradations for another Rating Agency) will be taken into account (e.g., with respect to Fitch, a decline in a rating from "BB+" to "BB," as well as from "BB-" to "B+," will constitute a decrease of one gradation).

" *Rating Date* " means that date which is 60 days prior to the earlier of (x) a Change of Control and (y) a public notice of the occurrence of a Change of Control or of the intention by the Parent or any other Person or Persons to effect a Change of Control.

" *Rating Decline* " means the occurrence on or within six months after the date of a Change of Control, or of public notice of the occurrence of a Change of Control or the intention by the Parent or any other Person or Persons to effect a Change of Control, (which period will be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies) of any of the events listed below:

(1) in the event the Notes are rated by one or more Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by any such Rating Agency shall be below Investment Grade; or

(2) in the event the Notes are rated below Investment Grade by one or more Rating Agencies on the Rating Date, the rating of the Notes by any such Rating Agency shall be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories).

" *Regulation S* " means Regulation S promulgated under the Securities Act.

" *Regulation S Global Note* " means a Global Note substantially in the form of Exhibit A bearing the Global Note Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of Notes sold in reliance of Rule 903 of Regulation S.

" *Reference Treasury Dealer* " means each of any three investment banks of recognized standing that is a primary U.S. Government securities dealer in The City of New York, selected by the Company in good faith.

" *Reference Treasury Dealer Quotations* " means, with respect to each Reference Treasury Dealer and any redemption date, the average as determined an investment banking firm of recognized international standing, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing by such Reference Treasury Dealer at 5:00 p.m. New York City time on the third Business Day preceding such redemption date.

" *Required Hedging Arrangements* " means Currency Hedging Agreements pursuant to customary ISDA documentation and hedging arrangements in place thereunder that comprise (i) a coupon swap on the interest payments due under the Notes on each Interest Payment Date to fully protect the Company against any depreciation in the Indian Rupee to U.S. Dollar occurring after the date of each Incurrence of Original Rupee Debt; and (ii) a call spread option on the principal amount of the Notes that (a) will fully protect the Company against any depreciation in the Indian Rupee occurring after the date of each Incurrence of Original Rupee Debt if the Indian Rupee to U.S. Dollar spot rate is between the current spot rate in effect on the date of such Incurrence and 90, and (b) partially protect the Company (by receiving the same fixed payment) against any depreciation in the Indian Rupee occurring after the date of each Incurrence of Original Rupee Debt if the Indian Rupee to U.S. Dollar spot rate is above 90, in each case on the payment of principal due under the Notes at maturity.

" *Responsible Officer* " shall mean, when used with respect to the Trustee, any managing director, vice president, trust associate, relationship manager, transaction manager, client service manager, any trust officer or any other officer located at the Corporate Trust Office of the Trustee who customarily performs functions similar to those performed by any persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject and in each such case, who shall have direct responsibility for the day to day administration of this Indenture.

" *Restricted Group* " means the Company and the other Restricted Subsidiaries.

" *Restricted Subsidiary* " means each of the Company, Azure Power (Punjab) Private Limited, Azure Urja Private Limited, Azure Power Pluto Private Limited, Azure Renewable Energy Private Limited, Azure Surya Private Limited, Azure Power Eris Private Limited, Azure Sunshine Private Limited, Azure Green Tech Private Limited, Azure Clean Energy Private Limited, Azure Power Mars Private Limited, Azure Power (Karnataka) Private Limited, Azure Sunrise Private Limited, Azure Power (Raj.) Private Limited, Azure Photovoltaic Private Limited, Azure Power (Haryana) Private Limited, Azure Power Thirty Seven Private Limited and Azure Power Infrastructure Private Limited and any Subsidiary of the Parent acquired by the Company or another Restricted Subsidiary or designated as a Restricted Subsidiary by the Board of Directors of the Parent or of the Company in accordance with Section 4.24, in each case until sold, transferred or otherwise disposed of or no longer a Subsidiary of the Parent in accordance with this Indenture or designated an Unrestricted Subsidiary in accordance with Section 4.24.

"Rule 144" means Rule 144 promulgated under the Securities Act.

"Rule 144A" means Rule 144A promulgated under the Securities Act.

"Rule 903" means Rule 903 promulgated under the Securities Act.

"Rule 904" means Rule 904 promulgated under the Securities Act.

" *Rupee Debt* " means the Rupee ECBs and the Rupee NCDs.

" *Rupee ECB* " means Rupee denominated external commercial borrowings to be extended by the Company to other Restricted Subsidiaries as described in the Offering Memorandum under the heading "Use of Proceeds" and any future Rupee denominated external commercial borrowings to be extended by the Company to another Restricted Subsidiary.

" *Rupee NCDs* " means the Rupee denominated senior secured non-convertible debentures to be issued by the Restricted Subsidiaries, other than the Company, and subscribed for by the Company in an aggregate principal amount equal to the net proceeds of the offering of Notes and any future Rupee denominated non-convertible debentures issued by a Restricted Subsidiary and subscribed for by the Company.

" *S&P* " means Standard & Poor's Ratings Group.

" *Sale and Leaseback Transaction* " means any direct or indirect arrangement relating to property (whether real, personal or mixed), now owned or hereafter acquired whereby any Restricted Subsidiary transfers such property to another Person and any Restricted Subsidiary leases it from such Person.

" *SEC* " means the U.S. Securities and Exchange Commission.

" *Securities Act* " means the U.S. Securities Act of 1933, as amended.

" *Senior Indebtedness* " means, with respect to any Person, all obligations of such Person, whether outstanding on the Original Issue Date or thereafter created, incurred or assumed, without duplication, consisting of principal and premium, if any, accrued and unpaid interest on, and fees and other amounts relating to, all Indebtedness of such Person, including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to such Person, regardless of whether post-filing interest is allowed in such proceeding.

" *Shareholder Loans* " means any loans (including convertible debentures) between a Restricted Subsidiary and its direct or indirect shareholders (and any Subsidiaries of such shareholders) existing on the Original Issue Date; *provided that* any such loans not refinanced pursuant to Section 4.29 will be subordinated on the terms set forth under the definition of "Subordinated Shareholder Debt".

" *SMR Measurement Date* " means the date that is six months after the Original Issue Date.

" *Stated Maturity* " means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the Original Issue Date, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

" *Subordinated Shareholder Debt* " means any Indebtedness Incurred by any Restricted Subsidiary (other than the Company) owed to its direct or indirect shareholders which, by its terms or by the terms of any agreement or instrument pursuant to which such Indebtedness is issued or remains outstanding, (i) is expressly made subordinate to the prior payment in full of the Rupee Debt issued by such Restricted Subsidiary (including upon any default, bankruptcy, reorganization, liquidation, winding up or other disposition of assets of the Restricted Subsidiary), (ii) does not mature or require any amortization and is not required to be repaid, redeemed, repurchased or otherwise retired, pursuant to a sinking fund obligation, event of default or otherwise, (including any redemption, retirement or repurchase which is contingent upon events or circumstance but excluding any retirement required by virtue of acceleration of such Indebtedness upon an event of default) in whole or in part, on or prior to six months after the final Stated Maturity of the Notes, (iii) does not provide for any cash payment of interest (or premium, if any) prior to 180 days after the final Stated Maturity of the Notes, (iv) is not secured by a Lien on any assets of the Restricted Subsidiary and is not guaranteed by any Restricted Subsidiary and (v) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Rupee Debt or compliance by the Restricted Subsidiary with its obligations under the Rupee Debt; *provided* , *however* , that upon any event or circumstance that results in such Indebtedness ceasing to qualify as Subordinated Shareholder Debt, such Indebtedness shall constitute an incurrence of such Indebtedness by the Restricted Subsidiary. Notwithstanding the foregoing, the foregoing limitations shall not be violated by provisions that permit payments of principal, premium or interest on such Indebtedness if such Restricted Subsidiary would be permitted to make such payment under Section 4.07.

" *Subsidiary* " means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or Trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

" *Temporary Cash Equivalents* " means any of the following:

(1) United States dollars, Indian rupees, Euros or, in the case of any Restricted Subsidiary, local currencies held by such Restricted Subsidiaries from time to time in the ordinary course of the Permitted Business;

(2) direct obligations of the United States of America, Canada, a member of the European Union or India or, in each case, any agency of any of the foregoing or obligations fully and unconditionally Guaranteed by any of the foregoing or any agency of any of the foregoing, in each case maturing within one year;

(3) demand or time deposit accounts, certificates of deposit and money market deposits maturing within 365 days of the date of acquisition thereof issued by a bank or trust company that is organized under the laws of the United States of America, the United Kingdom, India, Hong Kong or Mauritius and which bank or trust company (x) has capital, surplus and undivided profits aggregating in excess of US$100.0 million (or the Dollar Equivalent thereof) and (y)(A) has outstanding debt which is rated "A" or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Section 3(a)(62) under the Exchange Act) or (B) is organized under the laws of India and has a long term foreign issuer credit rating or senior unsecured debt rating equal to or higher than India's sovereign credit rating by at least one nationally recognized statistical rating organization (as defined in Section 3(a)(62) under the Exchange Act) or (C) is a bank owned or controlled by the government of India and organized under the laws of India;

(4) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (2) above entered into with a bank or trust company meeting the qualifications described in clause (3) above;

(5) commercial paper, maturing not more than six months after the date of acquisition thereof, issued by a corporation (other than an Affiliate of the Parent) organized and in existence under the laws of the United States of America, any state thereof or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of "P-1" (or higher) according to Moody's or "A-1" (or higher) according to S&P or Fitch;

(6) securities with maturities of six months or less from the date of acquisition thereof, issued or fully and unconditionally Guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least "A" by S&P, Moody's or Fitch;

(7) any money market fund that has at least 95.0% of its assets continuously invested in investments of the types described in clauses (1) through (6) above;

(8) demand or time deposit accounts with any scheduled commercial bank organized under the laws of India; and

(9) certificates of deposit and debt mutual funds, maturing not more than one year after the date of acquisition thereof, which invest solely in companies organized under the laws of India whose long-term debt has a national credit rating of AAA.

" *Total Assets* " means, as of any date, the total assets of the Restricted Group on a combined basis calculated in accordance with GAAP as of the last day of the most recent semi-annual period for which financial statements are available (which may be internal financial statements), calculated after giving pro forma effect to any acquisition or disposition of property, plant or equipment or the acquisition of any Person that becomes a Restricted Subsidiary subsequent to such date and after giving pro forma effect to the application of the proceeds of any Indebtedness, including the proposed Incurrence of which has given rise to the need to make such calculation of Total Assets.

" *Trade Payables* " means, with respect to any Person, any accounts payable or any other indebtedness or monetary obligation to trade creditors created, assumed or Guaranteed by such Person or any of its Restricted Subsidiaries arising in the ordinary course of business in connection with the acquisition of goods or services and payable within one year.

" *Transfer Amount* " means the amount specified in a Transfer Notice as being the amount to be transferred, with such additions or modifications requested by the Escrow Account Bank for the Escrow Account Bank to effect the requested transfer.

" *Transfer Notice* " means a notice substantially in the form contained in Exhibit G signed by the Notes Collateral Agent and delivered to the Escrow Account Bank.

" *Voting Stock* " of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

" *Unrestricted Definitive Note* " means a Definitive Note that does not bear and is not required to bear the Private Placement Legend.

" *Unrestricted Global Note* " means a Global Note, including a Regulation S Global Note, that does not bear and is not required to bear the Private Placement Legend.

"Unrestricted Subsidiary " means a Subsidiary of the Parent that is not a Restricted Subsidiary.

" *Wholly Owned Restricted Subsidiary* " means (i) the Company or (ii) any other Restricted Subsidiary, all of the outstanding Capital Stock of which (other than any director's qualifying shares, Investments by foreign nationals mandated by applicable law or Investments by an off taker or an

affiliate of an offtaker of a project owned and operated by such Restricted Subsidiary) is owned or controlled by either (x) the Parent or the Company or (y) one or more Wholly Owned Restricted Subsidiaries of the Parent or the Company.

Section 1.02 *Other Definitions*

Term	Defined in
"Affiliate Transaction"	4.11
"Asset Sale Offer"	3.09
"Authentication Order"	2.02
"Certificate of Redemption Calculation"	3.08
"Change of Control Offer"	4.16
"Change of Control Payment"	4.16
"Change of Control Payment Date"	4.16
"Collateral"	10.01
"Collateral Agents"	10.03
"Common Collateral Agent"	4.26
"Contractual Currency"	4.31
"Covenant Defeasance"	8.03
"Determination Agent"	4.14
"DTC"	2.03
"Early Parent Guarantee Release"	11.09
"Event of Default"	6.01
"Escrow Account"	4.28
"Excess Proceeds"	4.10
"Excess Proceeds Repurchase Offer"	4.10
"Existing Indebtedness"	4.09
"Guaranteed Obligations"	11.01
"Intercreditor Agreement"	4.26
"Legal Defeasance"	8.02
"Note Collateral"	10.01
"Notes Collateral Agent"	4.28
"Notes Collateral Document"	10.01
"Offer Amount"	3.09
"Offer Period"	3.09
"Original Rupee Debt"	4.18
"Paying Agent"	2.03
"Pari Passu Collateral"	10.01
"Pari Passu Collateral Documents"	10.01
"Pari Passu Secured Parties"	4.26
"Permitted Indebtedness"	4.09
"Permitted Pari Passu Secured Indebtedness"	4.25
"Permitted Refinancing Indebtedness"	4.09
"Purchase Date"	3.09
"Reference Period"	1.01
"Reinstatement Date"	4.32
"Replacement Assets"	4.10
"Relevant Taxing Jurisdiction"	2.13

"Registrar"	2.03
"Restricted Payments"	4.07
"Shortfall Amount"	3.08
"Special Mandatory Redemption"	3.08
"Special Mandatory Redemption Price"	3.08
"Subordinated Indebtedness"	4.07
"Suspension Event"	4.32
"Suspension Period"	4.32
"Surviving Person"	5.01
"Total Mandatory Redemption Threshold"	3.08
"Tax Redemption Date"	3.10
"Trustee"	8.05

Section 1.03 *Rules of Construction.*

Unless the context otherwise requires or except as otherwise expressly provided:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(3) "herein", "hereof" and other words of similar import refer to in this Indenture as a whole and not to any practical as Section, Article and other subdivision;

(4) "or" is not exclusive;

(5) words in the singular include the plural, and in the plural include the singular;

(6) "will" shall be interpreted to express a command;

(7) provisions apply to successive events and transactions;

(8) all references to Sections or Articles or Exhibits refer to Sections or Articles or Exhibits of or to this Indenture unless otherwise indicated;

(9) references to sections of or rules under the Securities Act will be deemed to include substitute, replacement of successor sections or rules adopted by the SEC from time to time; and

(10) References to agreements or instruments, or to statutes or regulations, are to such agreements or instruments, or statutes or regulations as amended from time to time (or to successor statutes and regulations).

ARTICLE 2
THE NOTES

Section 2.01 *Form and Dating.*

(a) General . The Notes and the certificate of authentication from the Trustee will be substantially in the form of Exhibit A. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Note will be dated the date of its authentication. The Notes shall be in minimum denominations of US$200,000 or integral multiples of US$1,000 in excess thereof.

The terms and provisions contained in the Notes will constitute, and are hereby expressly made, a part of this Indenture and the Company, the Parent and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

(b) Global Notes . Notes issued in global form will be substantially in the form of Exhibit A (including the Global Note Legend thereon and the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Notes issued in definitive form will be substantially in the form of Exhibit A (but without the Global Note Legend thereon and without the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Each Global Note will represent such of the outstanding Notes as will be specified therein and each shall provide that it represents the aggregate principal amount of outstanding Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby will be made by the Registrar or the Custodian, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.06.

(c) Euroclear and Clearstream Procedures Applicable. The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Clearstream Banking" and "Customer Handbook" of Clearstream will be applicable to transfers of beneficial interests in the Regulation S Global Note that are held by Participants through Euroclear or Clearstream.

Section 2.02 *Execution and Authentication.*

At least one Officer must sign the Notes for the Company by manual or facsimile signature.

If an Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note will nevertheless be valid.

A Note will not be valid until authenticated by the manual signature of the Trustee. The signature will be conclusive evidence that the Note has been authenticated under this Indenture.

The Trustee will, upon receipt of a written order of the Company signed by one Officer (an " *Authentication Order* "), authenticate Notes for original issue that may be validly issued under this Indenture, including any Additional Notes. The aggregate principal amount of Notes outstanding at any time may not exceed the aggregate principal amount of Notes authorized for issuance by the Company pursuant to one or more Authentication Orders, except as provided in Section 2.07.

With the delivery of this Indenture, the Company and the Parent is furnishing, and from time to time thereafter the Company and each Guarantor may each furnish, a certificate to the Trustee substantially in the form of Exhibits F-1 and F-2 (an "Authorization Certificate") identifying and

certifying the incumbency and specimen (or facsimile) signatures of the Authorized Officers. Until the Trustee receives a subsequent Authorization Certificate, the Trustee shall be entitled to conclusively rely on the last Authorization Certificate delivered to it for purposes of determining the Authorized Officers. Typographical and other minor errors or defects in any signature shall not affect the validity or enforceability of any Note which has been duly authenticated and delivered by the Trustee.

Section 2.03 *Registrar, Transfer Agent, Paying Agent and Note Holders Representative.*

The Company will maintain an office or agency where Notes may be presented for registration of transfer or for exchange (the " *Registrar* ") and an office or agency where Notes may be presented for payment (the " *Paying Agent* "). The Registrar will keep a register of the Notes and of their transfer and exchange. The Company may appoint one or more co-registrars and one or more additional paying agents. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent. The Company may change any Paying Agent or Registrar without prior notice to any Holder and shall so notify the Trustee in writing of the name and address of any Agent not a party to this Indenture. The Company, the Parent or any other Restricted Subsidiary may act as Paying Agent or Registrar.

The Company initially appoints The Depository Trust Company (" *DTC* ") to act as Depositary with respect to the Global Notes.

The Company initially appoints Citibank, N.A, London Branch to act as the Registrar, Transfer Agent and Paying Agent pursuant to the agent appointment letter as set forth in Exhibit E, and to act as Custodian with respect to the Global Notes.

The Company initially appoints Dushyant Ramdhur, attorney at law, of Appleby (JV) Ltd & Cie, 9 th Floor, Medine Mews, La Chaussée Street, Port Louis, Republic of Mauritius, to act as the Note Holders Representative, pursuant to the Note Holders Representative Appointment Letter as set forth in Exhibit H, and to act as such with respect to the Global Note pursuant to the Mauritius Companies Act 2001.

Section 2.04 *Paying Agent to Hold Money.*

The Company will require each Paying Agent other than the Trustee to agree in writing that the Paying Agent will hold for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium or Additional Amounts, if any, or interest on the Notes. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Company, the Parent or any other Restricted Subsidiary) will have no further liability for the money. If the Company, the Parent or any other Restricted Subsidiary acts as Paying Agent, it will segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent.

Section 2.05 *Holder Lists.*

The Trustee through the Registrar will preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders. If the Trustee is not the Registrar, the Company will furnish to the Trustee at least seven Business Days before each Interest Payment Date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders.

Section 2.06 *Transfer and Exchange.*

(a) *Transfer and Exchange of Global Notes* . A Global Note may not be transferred except as a whole by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Notes will be exchanged by the Company for Definitive Notes if:

(1) the Company delivers to the Trustee and Registrar notice from the Depositary that it is unwilling or unable to continue to act as Depositary or that it has ceased to be a clearing agency registered under the Exchange Act and, in either case, a successor Depositary is not appointed by the Company within 120 days after the date of such notice from the Depositary;

(2) the Company, at its sole discretion, notifies the Trustee and Registrar in writing that it elects to cause the issuance of the Definitive Notes; or

(3) if a beneficial owner of a Note requests such exchange in writing through DTC following a Default or an Event of Default which has occurred and is continuing.

Upon the occurrence of any of the preceding events in (1), (2) or (3) above, Definitive Notes shall be issued in such names as the Depositary shall instruct the Registrar. Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.07 and 2.10. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note or any portion thereof, pursuant to this Section 2.06 or Section 2.07 or 2.10, shall be authenticated and delivered in the form of, and shall be, a Global Note. A Global Note may not be exchanged for another Note other than as provided in this Section 2.06(a), however, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.06(b), (c) or (f).

(b) *Transfer and Exchange of Beneficial Interests in the Global Notes* . The transfer and exchange of beneficial interests in the Global Notes will be effected through the Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the 144A Global Notes will be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Notes also will require compliance with either subparagraph (1) or (2) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(1) Transfer of Beneficial Interests in the Same Global Note . Beneficial interests in any 144A Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same 144A Global Note in accordance with the transfer restrictions set forth in the Private Placement Legend. Beneficial interests in any Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.06(b)(1).

(2) All Other Transfers and Exchanges of Beneficial Interests in Global Notes. In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.06(b)(1) above, the transferor of such beneficial interest must deliver to the Registrar either:

(A) both:

(i) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(ii) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase; or

(B) both:

(i) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(ii) instructions given by the Depositary to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer or exchange referred to in (1) above;

provided that in no event shall Definitive Notes be issued upon the transfer or exchange of beneficial interests in the Regulation S Global Note prior to the receipt by the Registrar of any certificates required pursuant to Rule 903 or Rule 904 under the Securities Act or Rule 144 under the Securities Act (if available).

Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Notes or otherwise applicable under the Securities Act, the Registrar shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 2.06(g).

(3) Transfer of Beneficial Interests to Another 144A Global Note. A beneficial interest in any 144A Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another 144A Global Note if the transfer complies with the requirements of Section 2.06(b)(2) above and the Registrar receives a certificate from the transferor in the form of Exhibit B, including the certifications in item (1) thereof.

(4) Transfer and Exchange of Beneficial Interests in a 144A Global Note for Beneficial Interests in an Unrestricted Global Note. A beneficial interest in any 144A Global Note may be exchanged by any Holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 2.06(b)(2) above and the Registrar receives the following:

(A) if the holder of such beneficial interest in a 144A Global Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit C, including the certifications in item (1)(a) thereof; or

(B) if the holder of such beneficial interest in a 144A Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit B, including the certifications in item (4) thereof;

and, in each such case set forth in this Section 2.06(b)(4), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to the above at a time when an Unrestricted Global Note has not yet been issued, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to the above.

Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a 144A Global Note.

(c) *Transfer or Exchange of Beneficial Interests for Definitive Notes.*

(1) *Beneficial Interests in 144A Global Notes to 144A Definitive Notes.* If following the occurrence of an event described in Section 2.06(a), any holder of a beneficial interest in a 144A Global Note proposes to exchange such beneficial interest for a 144A Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a 144A Definitive Note, then, upon receipt by the Registrar of the following documentation:

(A) if the holder of such beneficial interest in a 144A Global Note proposes to exchange such beneficial interest for a 144A Definitive Note, a certificate from such Holder in the form of Exhibit C, including the certifications in item (2)(a) thereof;

(B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B, including the certifications in item (1) thereof;

(C) if such beneficial interest is being transferred in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate to the effect set forth in Exhibit B, including the certification in item (2) thereof;

(D) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such beneficial interest is being transferred to the (Company or any of its Subsidiaries), a certificate to the effect set forth in Exhibit B, including the certifications in item (3)(b) thereof; or

(F) if such beneficial interest is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B, including the certifications in item (3)(c) thereof, the Registrar shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(g), and the Company shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest in a 144A Global Note pursuant to this Section 2.06(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Registrar shall deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest in a 144A Global Note pursuant to this Section 2.06(c)(1) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(2) *Beneficial Interests in 144A Global Notes to Unrestricted Definitive Notes.* Following the occurrence of an event described in Section 2.06(a), a holder of a beneficial interest in a 144A Global Note may exchange such beneficial interest for an Unrestricted Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note only if the Registrar receives the following:

(A) if the holder of such beneficial interest in a 144A Global Note proposes to exchange such beneficial interest for an Unrestricted Definitive Note, a certificate from such holder in the form of Exhibit C, including the certifications in item (1)(b) thereof; or

(B) if the holder of such beneficial interest in a 144A Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such holder in the form of Exhibit B, including the certifications in item (4) thereof;

and, in such case set forth in this paragraph, if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(3) *Beneficial Interests in Unrestricted Global Notes to Unrestricted Definitive Notes.* If any holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest for a Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Note, then, upon satisfaction of the conditions set forth in Section 2.06(b)(2), the Registrar will cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(g),

and the Company will execute and the Trustee will authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(3) and will be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest requests through instructions to the Registrar from or through the Depositary and the Participant or Indirect Participant. The Trustee will deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(3) will not bear the Private Placement Legend.

(d) *Transfer and Exchange of Definitive Notes for Beneficial Interests.*

(1) *144A Definitive Notes to Beneficial Interests in 144A Global Notes.* If any Holder of a 144A Definitive Note proposes to exchange such Note for a beneficial interest in a 144A Global Note or to transfer such 144A Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in a 144A Global Note, then, upon receipt by the Registrar of the following documentation:

(A) if the Holder of such 144A Definitive Note proposes to exchange such Note for a beneficial interest in a 144A Global Note, a certificate from such Holder in the form of Exhibit C, including the certifications in item (2)(b) thereof;

(B) if such 144A Definitive Note is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B, including the certifications in item (1) thereof;

(C) if such 144A Definitive Note is being transferred in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate to the effect set forth in Exhibit B, including the certifications in item (2) thereof;

(D) if such 144A Definitive Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit B, including the certifications in item (3)(a) thereof;

(E) if such 144A Definitive Note is being transferred to the Parent or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B, including the certifications in item (3)(b) thereof; or

(F) if such 144A Definitive Note is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B, including the certifications in item (3)(c) thereof,

the Registrar will cancel the 144A Definitive Note, increase or cause to be increased the aggregate principal amount of, in the case of clause (A) above, the appropriate 144A Global Note.

(2) *144A Definitive Notes to Beneficial Interests in Unrestricted Global Notes.* A Holder of a 144A Definitive Note may exchange such Note for a beneficial interest in an

Unrestricted Global Note or transfer such 144A Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note only if the Registrar receives the following:

(A) if the Holder of such Definitive Notes proposes to exchange such Notes for a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit C, including the certifications in item (1)(c) thereof; or

(B) if the Holder of such Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B, including the certifications in item (4) thereof; and, in such case set forth above in this paragraph, if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

Upon satisfaction of the conditions of Section 2.06(d)(2), the Registrar will cancel the Definitive Notes and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Note.

(3) *Unrestricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes.* A Holder of an Unrestricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a request for such an exchange or transfer, the Registrar will cancel the applicable Unrestricted Definitive Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Notes.

If any such exchange or transfer from a Definitive Note to a beneficial interest is effected pursuant to (3) above at a time when an Unrestricted Global Note has not yet been issued, the Company will issue and, upon receipt of an Authentication Order in accordance with Section 2.02, the Trustee will authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of Definitive Notes so transferred.

(e) *Transfer and Exchange of Definitive Notes for Definitive Notes.* Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 2.06(e), the Registrar will register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder must present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing. In addition, the requesting Holder must provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.06(e).

(1) *144A Definitive Notes to 144A Definitive Notes.* Any 144A Definitive Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a 144A Definitive Note if the Registrar receives the following:

(A) if the transfer will be made pursuant to Rule 144A, then the transferor must deliver a certificate in the form of Exhibit B, including the certifications in item (1) thereof; and

(B) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B, including the certifications, certificates and (Opinion of Counsel) required by item (3) thereof, if applicable.

(2) *144A Definitive Notes to Unrestricted Definitive Notes.* Following the occurrence of an event described in Section 2.06(a), any 144A Definitive Note may be exchanged by the Holder thereof for an Unrestricted Definitive Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Note if the Registrar receives the following:

(A) if the Holder of such 144A Definitive Notes proposes to exchange such Notes for an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit C, including the certifications in item (1)(d) thereof; or

(B) if the Holder of such 144A Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B, including the certifications in item (4) thereof;

and, in such case set forth above in this paragraph if the Registrar so requests, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(3) *Unrestricted Definitive Notes to Unrestricted Definitive Notes.* A Holder of Unrestricted Definitive Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof.

(f) *Legends.* The following legends will appear on the face of all 144A Global Notes and 144A Definitive Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture.

(1) *Private Placement Legend* .

(A) Except as permitted by subparagraph (B) below, each Global Note and each 144A Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

“THIS NOTE AND THE NOTE GUARANTEE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) AND, ACCORDINGLY, THIS NOTE AND THE NOTE GUARANTEE MAY NOT BE OFFERED, SOLD, PLEDGED OR

OTHERWISE TRANSFERRED EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) (A "QIB") OR (B) IT IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (2) AGREES THAT IT WILL NOT, WITHIN THE TIME PERIOD REFERRED TO UNDER RULE 144(d) UNDER THE SECURITIES ACT AS IN EFFECT ON THE DATE OF THE TRANSFER OF THIS NOTE, RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) TO AZURE POWER GLOBAL LIMITED (THE "PARENT") OR ANY SUBSIDIARY THEREOF, (B) TO A PERSON WHOM THE HOLDER REASONABLY BELIEVES IS A QIB PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT (IF AVAILABLE), (C) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT (IF AVAILABLE), (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE OR AN INTEREST HEREIN IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS NOTE OR ANY INTEREST HEREIN, INCLUDING PARENT GUARANTEE RELATING TO THIS NOTE, WITHIN THE TIME PERIOD REFERRED TO ABOVE, THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH ON THE REVERSE HEREOF RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS CERTIFICATE TO THE TRANSFER AGENT. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION" AND "UNITED STATES" HAVE THE MEANINGS GIVEN TO THEM BY RULE 902 OF REGULATION S UNDER THE SECURITIES ACT. THE INDENTURE CONTAINS A PROVISION REQUIRING THE TRANSFER AGENT TO REFUSE TO REGISTER ANY TRANSFER OF THIS NOTE IN VIOLATION OF THE FOREGOING RESTRICTIONS."

(B) Notwithstanding the foregoing, any Global Note or Definitive Note issued pursuant to subparagraphs (b)(4), (c)(2), (c)(3), (d)(2), (d)(3), (e)(2) or (e)(3) of this Section 2.06 (and all Notes issued in exchange therefor or substitution thereof) will not bear the Private Placement Legend.

(2) *Global Note Legend* . Each Global Note will bear a legend in substantially the following form:

"THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (1) THE REGISTRAR MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.06 OF THE INDENTURE, (2) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE INDENTURE, (3) THIS GLOBAL NOTE MAY BE DELIVERED TO THE REGISTRAR FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (4) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF

THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

(g) *Cancellation and/or Adjustment of Global Notes.* At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or cancelled in whole and not in part, each such Global Note will be returned to or retained and cancelled by the Registrar in accordance with Section 2.11. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note will be reduced accordingly and an endorsement will be made on such Global Note by the Registrar or by the Depositary at the direction of the Registrar to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note will be increased accordingly and an endorsement will be made on such Global Note by the Registrar or by the Depositary at the direction of the Registrar to reflect such increase.

(h) *General Provisions Relating to Transfers and Exchanges.*

(1) To permit registrations of transfers and exchanges, the Company will execute and the Trustee will authenticate Global Notes and Definitive Notes upon receipt of an Authentication Order in accordance with Section 2.02 or at the Registrar's request.

(2) No service charge will be made to a Holder of a beneficial interest in a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.10, 3.06, 3.09, 4.10, 4.16 and 9.05).

(3) The Registrar will not be required to register the transfer of or exchange of any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(4) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes will be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

(5) Neither the Registrar nor the Company will be required:

(A) to issue, to register the transfer of or to exchange any Notes during a period beginning at the opening of business 15 days before the day of any selection of Notes for redemption under Section 3.02 and ending at the close of business on the day of selection;

(B) to register the transfer of or to exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part; or

(C) to register the transfer of or to exchange a Note between a record date and the next succeeding Interest Payment Date.

(6) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Company may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Notes and for all other purposes, and none of the Trustee, any Agent or the Company shall be affected by notice to the contrary.

(7) The Trustee will authenticate Global Notes and Definitive Notes in accordance with the provisions of Section 2.02.

(8) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.06 to effect a registration of transfer or exchange may be submitted by facsimile.

Section 2.07 *Replacement Notes.*

If any mutilated Note is surrendered to the Trustee or the Company and the Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Note, the Company will issue and the Trustee, upon receipt of an Authentication Order, will authenticate a replacement Note if the Trustee's requirements are met. If required by the Registrar or the Company, an indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Registrar and the Company to protect the Company, the Trustee and any Agent from any loss that any of them may suffer if a Note is replaced. The Company may charge for its expenses in replacing a Note.

Every replacement Note is an additional obligation of the Company and will be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder.

Section 2.08 *Outstanding Notes.*

The Notes outstanding at any time are all the Notes authenticated by the Trustee except for those cancelled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Registrar in accordance with the provisions hereof, and those described in this Section 2.08 as not outstanding. All Notes that are purchased, acquired or otherwise redeemed by the Company or the Parent will be cancelled in accordance with Section 2.11. Except as set forth in Section 2.09, a Note does not cease to be outstanding because an Affiliate of the Company or any Guarantor holds the Note; however, Notes held by an Affiliate of the Company or any Guarantor shall not be deemed to be outstanding for purposes of Section 3.07(a).

If a Note is replaced pursuant to Section 2.07, it ceases to be outstanding unless the Registrar receives proof satisfactory to it that the replaced Note is held by a protected purchaser.

If the principal amount of any Note is considered paid under Section 4.01, it ceases to be outstanding and interest on it ceases to accrue.

If the Paying Agent (other than the Company, the Parent, any other Restricted Subsidiary or an Affiliate of any thereof) holds, on a redemption date or maturity date, money sufficient to pay Notes payable on that date, then on and after that date such Notes will be deemed to be no longer outstanding and will cease to accrue interest.

Section 2.09 *Treasury Notes.*

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any Guarantor will be considered as not outstanding, except that for the purposes of determining whether the Trustee and each Agent will be protected in relying on any such direction, waiver or consent, only Notes that the Registrar has received an Officer's Certificate from the Company or an Affiliate of the Company evidencing such ownership or beneficial holding will be so disregarded.

Section 2.10 *Temporary Notes.*

Until certificates representing Notes are ready for delivery, the Company may prepare and the Trustee, upon receipt of an Authentication Order, will authenticate temporary Notes. Temporary Notes will be substantially in the form of certificated Notes but may have variations that the Company considers appropriate for temporary Notes and as may reasonably be acceptable to the Registrar. Without unreasonable delay, the Company will prepare and the Trustee will authenticate definitive Notes in exchange for temporary Notes.

Holders of temporary Notes will be entitled to all of the benefits of this Indenture.

Section 2.11 *Cancellation.*

The Company at any time may deliver Notes, and the Company and the Parent shall promptly deliver all Notes that are purchased, acquired or otherwise redeemed by the Company or the Parent, to the Paying Agent for cancellation and the Paying Agent shall cancel such Notes. The Registrar and Trustee will forward to the Paying Agent any Notes surrendered to them for registration of transfer, exchange or payment. The Paying Agent and no one else will cancel all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and will destroy cancelled Notes (subject to the record retention requirement of the Exchange Act). Certification of the destruction of all cancelled Notes will be delivered to the Company upon prior written request of the Company. The Company may not issue new Notes to replace Notes that it has paid or that have been delivered to the Paying Agent for cancellation.

Section 2.12 *Defaulted Interest.*

If the Company defaults in a payment of interest on the Notes, it will pay the defaulted interest in any lawful manner plus, to the extent lawful, interest payable on the defaulted interest, to the Persons who are Holders on a subsequent special record date, in each case at the rate provided in the Notes and in Section 4.01. The Company will notify the Paying Agent in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment. The Company will fix or cause to be fixed each such special record date and payment date; *provided that* no such special record date may be less than 10 days prior to the related payment date for such defaulted interest. At least 15 days before the special record date, the Company (or, upon the written request, the Trustee or the Registrar in the name and at the expense of the Company) will mail or cause to be mailed to Holders a notice that states the special record date, the related payment date and the amount of such interest to be paid.

Section 2.13 *Additional Amounts.*

All payments of principal of, and premium, if any, and interest on the Notes or under the Note Guarantee will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within India, Mauritius or any other jurisdiction in which the Company, a Surviving Person or any Guarantor is or was organized or resident for tax purposes or any political subdivision or taxing authority thereof or therein (each, as applicable, a " *Relevant Taxing Jurisdiction* ") or any jurisdiction through which payment is made by or on behalf of the Company, the Guarantors or a Surviving Person, or any political subdivision or taxing authority thereof or therein (together with the Relevant Taxing Jurisdictions, the " *Relevant Jurisdictions* "), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Company, the Guarantors or a Surviving Person, as the case may be, will pay such additional amounts (the " *Additional Amounts* ") as will result in receipt by the Holder of each Note of such amounts as would have been received by such Holder had no such withholding or deduction been required, except that no Additional Amounts will be payable:

(a) for or on account of:

(1) any tax, duty, assessment or governmental charge that would not have been imposed but for:

(A) the existence of any present or former connection between the Holder or beneficial owner of such Note and the Relevant Jurisdiction other than merely holding such Note or the receipt of payments thereunder or under the Note Guarantee, or the enforcement of such Notes or the Note Guarantee, including, without limitation, such Holder or beneficial owner being or having been a national, domiciliary or resident of such Relevant Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein;

(B) the presentation of such Note (in cases in which presentation is required) more than 30 days after the later of the date on which the payment of the principal of, premium, if any, and interest on, such Note became due and payable pursuant to the terms thereof or was made or duly provided for, except to the extent that the Holder thereof would have been entitled to such Additional Amounts if it had presented such Note for payment on any date within such 30-day period;

(C) the presentation of such Note (in cases in which presentation is required) for payment in the Relevant Jurisdiction, unless such Note could not have been presented for payment elsewhere; or

(D) the failure of the Holder or beneficial owner to comply with a timely request of the Company, any Guarantor or a Surviving Person, addressed to the Holder, to provide any applicable information concerning such Holder's or beneficial owner's nationality, residence, identity or connection with any Relevant Jurisdiction, if and to the extent that it is legally entitled to do so and due and timely compliance with such request is required under the statutes, regulations or official administrative guidance having a force of law of the Relevant Jurisdiction in order to reduce or eliminate any withholding or deduction as to which Additional Amounts would have otherwise been payable to such Holder.

(2) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge;

(3) any tax, duty, assessment or other governmental charge which is payable other than by deduction or withholding from payments of principal of or interest or any premium on the Note or payments under the Note Guarantee;

(4) any tax, assessment, withholding or deduction required by Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (" *FATCA* "), any current or future Treasury Regulations or rulings promulgated thereunder, any law, regulation or other official guidance enacted in any jurisdiction implementing FATCA, any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA, or any agreement with the U.S. Internal Revenue Service under FATCA; or

(5) any combination of taxes, duties, assessments or governmental charges referred to in the preceding clauses (1), (2), (3) and (4);

(b) to a Holder that is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that such payment would be required to be included in the income under the laws of a Relevant Jurisdiction, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, or a member of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner or beneficial owner been the Holder thereof.

(c) The Company, a Guarantor or a Surviving Person, as the case may be, will (i) make such withholding or deduction and (ii) remit the full amount deducted or withheld to the relevant authority in accordance with applicable law. The Company, a Guarantor or a Surviving Person, as the case may be, will make reasonable efforts to obtain original tax receipts or certified copies thereof evidencing the payment of any taxes, duties, assessment or governmental charges so deducted or withheld and paid to the Relevant Jurisdiction. The Company, a Guarantor or a Surviving Person, as the case may be, will furnish to the Trustee, within 60 days after the date of the payment of any taxes, duties, assessment or governmental charges so deducted or withheld is due pursuant to applicable law, either original tax receipts or certified copies thereof evidencing such payment or, if such receipts are not obtainable, other evidence of such payments.

(d) At least 30 days prior to each date on which any payment under or with respect to the Notes is due and payable, if the Company, a Guarantor or a Surviving Person, as the case may be, will be obligated to pay Additional Amounts with respect to such payment, the Company, a Guarantor or a Surviving Person, as the case may be, will deliver to the Trustee an Officer's Certificate stating the fact that such Additional Amounts will be payable and the amounts so payable and will set forth such other information necessary to enable the Paying Agent to pay such Additional Amounts to the Holders on such payment date.

(e) The Paying Agent and the Trustee will make payments free of withholdings or deductions on account of taxes unless required by applicable law. If such a deduction or withholding is required, the Paying Agent or the Trustee will not be obligated to pay any Additional Amount to the recipient unless such an Additional Amount is received by the Paying Agent or the Trustee.

(f) In addition, the Company, a Guarantor or a Surviving Person, as the case may be, will pay any stamp, issue, registration, documentary, value added or other similar taxes and other duties (including interest and penalties) payable in any Relevant Jurisdiction in respect of the creation, issue, offering, execution or enforcement of, or the receipt of payments under, the Notes, the Note Guarantee or any documentation with respect thereto. Whenever there is mentioned in any context the payment of principal of, and any premium or interest on, any Note or under the Note Guarantee, such mention will be deemed to include payment of Additional Amounts provided for in this Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

ARTICLE 3
REDEMPTION AND PREPAYMENT

Section 3.01 *Notices to Trustee.*

Unless the Company has delivered an Officer's Certificate to the Trustee pursuant to the third paragraph of Section 3.03, if the Company elects to redeem Notes pursuant to the optional redemption provisions of Section 3.07, it must furnish to the Trustee, at least 30 days but not more than 60 days before a redemption date, an Officer's Certificate setting forth:

(a) the clause of this Indenture pursuant to which the redemption shall occur;

(b) the redemption date;

(c) the principal amount of Notes to be redeemed; and

(d) the redemption price.

Section 3.02 *Selection of Notes to Be Redeemed or Purchased.*

If less than all of the Notes are to be redeemed or purchased in an offer to purchase at any time, the Trustee will select Notes for redemption or purchase on a pro rata basis to the extent practicable or pursuant to another method in accordance with the procedures of the Depositary, unless otherwise required by law or applicable stock exchange requirements.

No Notes of a principal amount of US$200,000 or less can be redeemed or purchased in part, and if Notes are redeemed or purchased in part, the remaining outstanding amount must be at least equal to

US$200,000 and integral multiples of US$1,000 in excess thereof. Notices of redemption will be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each Holder of Notes to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or the satisfaction and discharge of this Indenture.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of Notes called for redemption.

In the event of partial redemption or purchase by lot, the particular Notes to be redeemed or purchased will be selected, unless otherwise provided herein, not less than 30 nor more than 60 days prior to the redemption or purchase date by the Trustee from the outstanding Notes not previously called for redemption or purchase. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the Holder upon cancellation of the original Note.

The Trustee will as soon as reasonably practicable notify the Company in writing of the Notes selected for redemption or purchase and, in the integral of any Note selected for partial redemption or purchase, the principal amount thereof to be redeemed or purchased. Notes and portions of Notes selected will be in amounts of US$200,000 or integral multiples of US$1,000 in excess thereof; except that if all of the Notes of a Holder are to be redeemed or purchased, the entire outstanding amount of Notes held by such Holder, shall be redeemed or purchased. Except as provided in the preceding sentence, provisions of this Indenture that apply to Notes called for redemption or purchase also apply to portions of Notes called for redemption or purchase.

Section 3.03 *Notice of Redemption.*

Subject to the provisions of Section 3.09, at least 30 days but not more than 60 days before a redemption date, the Company will mail or cause to be mailed, by first class mail, a notice of redemption to each Holder whose Notes are to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of this Indenture pursuant to Articles 8 or 12 hereof.

The notice will identify the Notes to be redeemed and will state:

(a) the redemption date;

(b) the redemption price;

(c) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the redemption date upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion will be issued upon cancellation of the original Note; *provided that* the unredeemed portion has a minimum denomination of US$200,000;

(d) the name and address of the Paying Agent;

(e) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(f) that, unless the Company defaults in making such redemption payment, interest on Notes called for redemption ceases to accrue on and after the redemption date;

(g) the paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed; and

(h) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes.

At the Company's request, the Trustee will give the notice of redemption in the Company's name and at its expense; *provided however* , that the Company has delivered to the Trustee, at least 45 days prior to the redemption date, an Officer's Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

At least 10 days prior to mailing of any notice of redemption to the Holders under this Article 3, the Company shall provide notice of redemption to the Trustee.

Section 3.04 *Effect of Notice of Redemption.*

Except as provided in Section 3.07(c), once notice of redemption is mailed in accordance with Section 3.03, Notes called for redemption become irrevocably due and payable on the redemption date at the redemption price.

Section 3.05 *Deposit of Redemption or Purchase Price.*

No later than one Business Day prior to the redemption or purchase date, the Company will deposit with the Trustee or with the Paying Agent money sufficient to pay the redemption or purchase price of and accrued interest and Additional Amounts, if any, on all Notes to be redeemed or purchased on that date. The Trustee or the Paying Agent will as soon as reasonably practicable return to the Company any money deposited with the Trustee or the Paying Agent by the Company in excess of the amounts necessary to pay the redemption or purchase price of, and accrued interest and Additional Amounts, if any on, all Notes to be redeemed or purchased.

If the Company complies with the provisions of the preceding paragraph, on and after the redemption or purchase date, interest will cease to accrue on the Notes or the portions of Notes called for redemption or purchase. If a Note is redeemed or purchased on or after an interest record date but on or prior to the related Interest Payment Date, then any accrued and unpaid interest shall be paid to the Person in whose name such Note was registered at the close of business on such record date. If any Note called for redemption or purchase is not so paid upon surrender for redemption or purchase because of the failure of the Company to comply with the preceding paragraph, interest shall be paid on the unpaid principal, from the redemption or purchase date until such principal is paid, and to the extent lawful on any interest not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.01.

Section 3.06 *Notes Redeemed or Purchased in Part.*

Upon surrender of a Note that is redeemed or purchased in part, the Company will issue and, upon receipt of an Authentication Order, the Trustee will authenticate for the Holder at the expense of the Company a new Note equal in principal amount to the unredeemed or unpurchased portion of the Note surrendered.

Section 3.07 *Optional Redemption.*

(a) At any time prior to August 3, 2020, upon not less than 30 nor more than 60 days' prior notice the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of Notes issued under this Indenture at a redemption price of 105.500% of the principal amount thereof, plus accrued and unpaid interest, if any, to (but not including) the redemption date, with the net cash proceeds of one or more sales of the Capital Stock of the Parent in an Equity Offering; *provided that* :

(1) at least 65% of the aggregate principal amount of Notes issued on the Original Issue Date (excluding Notes held by the Parent or its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs within 90 days of the date of the closing of such Equity Offering.

(b) At any time prior to August 3, 2020, upon not less than 30 or more than 60 days' prior notice the Company may on any one or more occasions redeem all or any portion of the Notes, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest, if any, to (but not including), the redemption date, subject to the rights of Holders on the relevant Record Date to receive interest due on the relevant Interest Payment Date. Neither the Trustee nor any of the Agents shall be responsible for verifying or calculating the Applicable Premium.

(c) On or after August 3, 2020, the Company may redeem all or a part of the Notes upon not less than 30 nor more than 60 days' prior notice, the Company may redeem all or a part of the Notes at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest, if any, on the Notes redeemed to (but not including) the applicable redemption date, if redeemed during the twelve-month period beginning on August 3 of the years indicated below, subject to the rights of Holders on the relevant Record Date to receive interest on the relevant Interest Payment Date:

Year	Percentage
2020	102.750%
2021	101.375%
2022 and thereafter	100.000%

Unless the Company defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

In connection with any redemption of Notes pursuant to Section 3.07 of this Indenture, any such redemption or notice may, at the Company's discretion, be subject to one or more conditions precedent. In addition, if such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice may state that, in the Company's discretion, the redemption date may be delayed until such

time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed.

(d) Any redemption pursuant to this Section 3.07 shall be made pursuant to the provisions of Sections 3.01 through 3.06 hereof.

Section 3.08 *Special Mandatory Redemption.*

If on the SMR Measurement Date any debt of the Restricted Subsidiaries intended to be refinanced with the proceeds of the Notes remains outstanding, the Company will be required to redeem Notes (a " *Special Mandatory Redemption* "), at a redemption price of 101% of their principal amount plus accrued and unpaid interest to (but not including) the redemption date (the " *Special Mandatory Redemption Price* ") in the circumstances and on the basis set forth below:

(a) if the total aggregate principal amount of Rupee Debt issued by the Restricted Subsidiaries and subscribed for or loaned by the Company is less than or equal to 80% of the aggregate principal amount of the Notes originally issued (the " *Total Mandatory Redemption Threshold* "), the Company will be required to redeem all of the Notes then outstanding at the Special Mandatory Redemption Price; and

(b) if the total aggregate principal amount of Rupee Debt Incurred by the Restricted Subsidiaries and subscribed for or loaned by the Company is more than the Total Mandatory Redemption Threshold but less than the aggregate total principal amount of the Notes originally issued, the Company will be required to use the amounts remaining in the Escrow Account to redeem Notes on a pro rata basis at the Special Mandatory Redemption Price.

If any Notes are to be redeemed as set forth above, the Company will issue, or cause to be issued, to the Notes Collateral Agent (with a copy to the Trustee) a notice of Special Mandatory Redemption not later than two Business Days after the SMR Measurement Date and the redemption date shall be no earlier than 30 calendar days and no later than 40 calendar days following the date of such notice. In addition, no later than two Business Days after the SMR Measurement Date, the Company shall also deliver to the Notes Collateral Agent, with a copy to the Trustee, an officer's certificate setting forth (i) the calculation of the amount of Escrow Funds, including interest and proceeds from the sale of Temporary Cash Equivalents, on deposit in the Escrow Account and (ii) the calculation of the Special Mandatory Redemption Price payable on the date of the Special Mandatory Redemption (the " *Certificate of Redemption Calculations* "). If, in connection with a redemption of all the Notes, such Certificate of Redemption Calculations reveals that the amount of cash that is available in the Escrow Account is insufficient to pay the Special Mandatory Redemption Price, then the Company shall, within one Business Day after delivery of such certificate to the Notes Collateral Agent, deposit directly into the Escrow Account Bank an amount of cash that, without reinvestment, is equal to the amount of such shortfall (the " *Shortfall Amounts* "). To the extent that the proceeds realized by the Company from liquidating the Temporary Cash Equivalents are less than the market value thereof as set forth in the Certificate of Redemption Calculations and this gives rise to a shortfall, the Company shall promptly, but in any event within one Business Day deposit cash in an amount that, without reinvestment, is equal to the amount of the Shortfall Amounts.

Any notice of redemption pursuant to this Section 3.08 shall be in the form set forth in Section 3.03. The certificate from the Notes Collateral Agent permitting release of the amounts in the Escrow Account to the Paying Agent shall be substantially in the form provided in Exhibit L.

Section 3.09 *Offer to Purchase by Application of Excess Proceeds.*

In the event that, pursuant to Section 4.10, the Company is required to commence an offer to all Holders to purchase Notes (an " *Asset Sale Offer* "), it will follow the procedures specified below.

The Asset Sale Offer shall be made to all Holders and all Holders of other Indebtedness that is *pari passu* with the Notes containing provisions similar to those set forth in this Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets. The Asset Sale Offer will remain open for a period of at least 30 days following its commencement and not more than 60 days, except to the extent that a longer period is required by applicable law (the " *Offer Period* "). No later than three Business Days after the termination of the Offer Period (the " *Purchase Date* "), the Company will apply all Excess Proceeds (the *"Offer Amount"*) to the purchase of Notes and such other *pari passu* Indebtedness (on a *pro rata* basis, if applicable) or, if less than the Offer Amount has been tendered, all Notes and other Indebtedness tendered in response to the Asset Sale Offer. Payment for any Notes so purchased will be made in the same manner as interest payments are made.

If the Purchase Date is on or after an interest record date and on or before the related Interest Payment Date, any accrued and unpaid interest if any, will be paid to the Person in whose name a Note is registered at the close of business on such record date, and no additional interest will be payable to Holders who tender Notes pursuant to the Asset Sale Offer.

Upon the commencement of an Asset Sale Offer, the Company will send, by first class mail, a notice to the Trustee and each of the Holders. The notice will contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Asset Sale Offer. The notice, which will govern the terms of the Asset Sale Offer, will state:

(a) that the Asset Sale Offer is being made pursuant to this Section 3.09 and Section 4.10 and the length of time the Asset Sale Offer will remain open;

(b) the Offer Amount, the purchase price and the Purchase Date;

(c) that any Note not tendered or accepted for payment will continue to accrue interest;

(d) that, unless the Company defaults in making such payment, any Note accepted for payment pursuant to the Asset Sale Offer will cease to accrue interest after the Purchase Date;

(e) that Holders electing to have a Note purchased pursuant to an Asset Sale Offer may elect to have Notes purchased in minimum denominations of US$200,000 and integral multiples of US$1,000 thereof only;

(f) that Holders electing to have Notes purchased pursuant to any Asset Sale Offer will be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" attached to the Notes completed, or transfer by book-entry transfer, to the Company, a Depositary, if appointed by the Company, or a Paying Agent at the address specified in the notice at least three days before the Purchase Date;

(g) that Holders will be entitled to withdraw their election if the Company, the Depositary or the Paying Agent, as the case may be, receives, not later than the expiration of the Offer Period, a telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Note the Holder delivered for purchase and a statement that such Holder is withdrawing his election to have such Note purchased;

(h) that, if the aggregate principal amount of Notes and other *pari passu* Indebtedness surrendered by Holders thereof exceeds the Offer Amount, the Company will select the Notes and other *pari passu* Indebtedness to be purchased in accordance with Section 3.02 based on the principal amount of Notes and such other *pari passu* Indebtedness surrendered (with such adjustments as may be deemed appropriate by the Company so that only Notes in minimum denominations of US$200,000, and integral multiples of US$1,000 in excess thereof, will be purchased); and

(i) that Holders whose Notes were purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered (or transferred by book-entry transfer), *provided* , that the unpurchased portion has a minimum denomination of US$200,000.

On or before the Purchase Date, the Company will, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary, but subject to Section 3.02, the Offer Amount of Notes or portions thereof tendered pursuant to the Asset Sale Offer, or if less than the Offer Amount has been tendered, all Notes tendered, and will deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officer's Certificate stating that such Notes or portions thereof were accepted for payment by the Company in accordance with the terms of this Section 3.09. The Company, the Depositary or the Paying Agent, as the case may be, will promptly (but in any case not later than five days after the Purchase Date) mail or deliver to each tendering Holder an amount equal to the purchase price of the Notes tendered by such Holder and accepted by the Company for purchase, and the Company will promptly issue a new Note, and the Trustee, upon written request from the Company, will authenticate and mail or deliver (or cause to be transferred by book entry) such new Note to such Holder, in a principal amount equal to any unpurchased portion of the Note surrendered, *provided* , that the unpurchased portion has a minimum denomination of US$200,000. Any Note not so accepted shall be promptly mailed or delivered by the Company to the Holder thereof. The Company will publicly announce the results of the Asset Sale Offer on the Purchase Date.

Other than as specifically provided in this Section 3.09, any purchase pursuant to this Section 3.09 shall be made pursuant to the provisions of Sections 3.01 through 3.06.

Section 3.10 *Redemption for Taxation Reasons.*

The Notes may be redeemed, at the option of the Company or a Surviving Person, as a whole but not in part, upon giving not less than 30 days' nor more than 60 days' notice to the Holders and the Trustee (which notice will be irrevocable), at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to the date fixed by the Company or the Surviving Person, as the case may be, for redemption (the " *Tax Redemption Date* ") if, as a result of:

(a) any change in, or amendment to, the statutes, regulations or official administrative guidance having the force of law, of a Relevant Taxing Jurisdiction (or India, or any political subdivision or taxing authority thereof or therein, in the case of payments on a Rupee Debt) affecting taxation; or

(b) any change in, or amendment to, the existing official position regarding the application or interpretation of such statutes, regulations, rulings or official administrative guidance (including a holding, judgment or order by a court of competent jurisdiction),

which change or amendment or official position is announced and becomes effective (i) with respect to the Company, on or after the Original Issue Date, or (ii) with respect to a Surviving Person organized or resident for tax purposes in a jurisdiction that is not the Company's or a Guarantor's Relevant Taxing Jurisdiction as of the Original Issue Date, on or after the date such Surviving Person becomes a Surviving Person, with respect to any payment due or to become due under the Notes or the Rupee Debt, as applicable, the Company, the Guarantors, a Surviving Person, or a Restricted Subsidiary that has Incurred Rupee Debt, as the case may be, is, or on the next Interest Payment Date would be, required to pay Additional Amounts (or in the case of a Rupee Debt, the Restricted Subsidiary that is the issuer or borrower of the Rupee Debt would be required to withhold or deduct any taxes, duties, assessments or government charges of whatever nature), and such requirement cannot be avoided by the taking of reasonable measures by the Company, the Guarantors, a Surviving Person or such Restricted Subsidiary, as the case may be; *provided that* no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Company, the Guarantors, a Surviving Person, or such Restricted Subsidiary, as the case may be, would be obligated to pay such Additional Amounts (or withhold or deduct an amount with respect to any payment on a Rupee Debt) if a payment in respect of the Notes (or on a Rupee Debt) were then due; and *provided further that* where any such requirement to pay Additional Amounts (or withhold or deduct an amount with respect to any payment on a Rupee Debt) is due to taxes imposed by India or any political subdivision or taxing authority thereof or therein, the Company or the Surviving Person will be permitted to redeem the Notes in accordance with the provisions hereof only if the rate of withholding or deduction in respect of which Additional Amounts are required (or in respect of which withholding is required on a Rupee Debt) is in excess of 20% (plus applicable surcharge and cess).

Prior to the mailing of any notice of redemption of the Notes pursuant to the foregoing, the Company or a Surviving Person, as the case may be, will deliver to the Trustee at least 30 days but not more than 60 days before a redemption date:

(1) an Officer's Certificate stating that such change or amendment referred to in the prior paragraph has occurred, describing the facts related thereto and stating that such requirement cannot be avoided by the Company, the Guarantor, a Surviving Person or the applicable Restricted Subsidiary, as the case may be, taking reasonable measures; and

(2) an Opinion of Counsel or an opinion of a tax consultant of recognized standing with respect to tax matters of the Company's, Guarantor's or a Surviving Person's Relevant Taxing Jurisdiction, or tax matters of India, with respect to the Restricted Subsidiaries, stating that the requirement to pay such Additional Amounts results from such change or amendment referred to in the prior paragraph.

The Trustee is and shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above without further verification, in which event it will be conclusive and binding on the Holders and the Trustee will not be responsible for any loss occasioned by acting in reliance on such certificate and opinion.

ARTICLE 4
COVENANTS

Section 4.01 *Payment of Notes.*

The Company will pay or cause to be paid the principal of, premium, if any, and interest and Additional Amounts, if any, on, the Notes on the dates and in the manner provided in the Notes. Principal, premium, if any, and interest and Additional Amounts, if any, will be considered paid on the date due if the Paying Agent, if other than the Company, the Parent or any other Restricted Subsidiary thereof, holds as of 5:00 p.m. (London time) one Business Day prior to the due date money deposited by the Company in immediately available funds and designated for and sufficient to pay all principal, premium, if any, and interest and Additional Amounts, if any, then due.

Not later than 5:00 p.m. (London time) on the second Business Day immediately preceding each payment date, the Company shall confirm such payment, or procure confirmations by a tested telex or authenticated SWIFT message from the bank making such payment to the Paying Agent. For the avoidance of doubt, the Paying Agent shall only be obliged to remit money to Holders if it has actually received such money from the Company.

The Company will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, at the rate equal to the then applicable interest rate on the Notes to the extent lawful; it will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Additional Amounts, if any, (without regard to any applicable grace period) at the same rate to the extent lawful.

An installment of principal or interest will be considered paid on the date due if the Paying Agent, other than the Company or any Affiliate of the Company, holds on that date money designated for and sufficient to pay the installment. If the Company or any Affiliate of the Company acts as Paying Agent, an installment of principal or interest will be considered paid on the due date only if paid to the Holders.

Anything in this Section 4.01 to the contrary notwithstanding, the Company may at any time, for the purpose of obtaining a satisfaction and discharge of this Indenture or for any other reason, pay or cause to be paid to the Trustee all sums held in trust by the Company or any Paying Agent hereunder, as required by this Section 4.01 and such sums shall be held by the Trustee. If the Paying Agent shall pay all sums held in trust to the Trustee as required under this Section 4.01, the Paying Agent shall have no further liability for the money so paid over to the Trustee. The Paying Agent shall not be bound to make any payment until it has received the full amount due to be paid to it pursuant to this Section 4.01.

Anything in this Section 4.01 to the contrary notwithstanding, the agreements to hold sums as provided in this Section 4.01 are subject to the provisions of 8.06.

Section 4.02 *Maintenance of Office or Agency.*

The Company will maintain an office or agency where Notes may be surrendered for registration of transfer or exchange or for presentation for payment and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company hereby initially designates the specified office of the Paying Agent as such office of the Company. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company fails to maintain any such required office or agency or fails to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served to the Trustee.

The Company may also from time to time designate one or more other offices or agencies where the Notes may be surrendered or presented for any of such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in each place where principal of, and interest on, any Notes are payable. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, if a Global Note is exchanged for Definitive Notes, the Company will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, and make an announcement of such exchange through the SGX-ST that will include all material information with respect to the delivery of the Definitive Notes, including details of the paying agent in Singapore by way of an announcement through SGXNET.

If the Parent or the Company maintains a paying agent with respect to the Notes in a member state of the European Union, such paying agent will be located in a member state of the European Union that is not obligated to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such Directive.

Upon written notice to the Trustee, the Company may change the Paying Agent, Registrar or Transfer Agent without prior notice to the Holders. In addition, the Company, the Parent or any of its Subsidiaries may act as Paying Agent in connection with the Notes other than for the purposes of effecting a redemption under Section 3.02 or an offer to purchase the Notes described under Section 4.10 or Section 4.16.

Section 4.03 *Provision of Financial Statements and Reports.*

(a) For so long as any Notes are outstanding, the Parent will provide to the Trustee, as soon as they are available but in any event not more than ten calendar days after they are filed with SEC or, if the Parent does not file periodic reports with the SEC, the principal international recognized stock exchange on which the Parent's Common Stock is at any time listed for trading, true and correct copies of any quarterly or annual financial or other report in the English language (and an English translation of such report in any other language) filed with such exchange; provided, however, that if at any time the Parent does not file periodic reports with the SEC and the Common Stock of the Parent is not listed for trading on an internationally recognized stock exchange, the Parent will file with the Trustee, in the English language (or accompanied by an English translation thereof),

(1) within 120 days after the end of the Parent's fiscal year beginning with the first fiscal year ending after the Original Issue Date, annual reports containing the following information: (a) audited consolidated balance sheets of the Parent as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Parent for the two most recent fiscal years, including footnotes to such financial statements and the audit report of a member firm of an internationally recognized accounting firm on the financial statements; and (b) an operating and financial review of the audited financial statements; and

(2) within 90 days after the end of the first semi-annual period in each fiscal year of the Parent beginning with the semi-annual period ending after the Original Issue Date, semi-annual reports containing (a) an unaudited consolidated balance sheet as of the end of such semi-annual period and unaudited condensed statements of income and cash flow for the most recent semi-annual period ending on the unaudited consolidated balance sheet date, and the comparable prior year periods, together with footnotes reviewed by a member firm of an internationally recognized accounting firm; and (b) an operating and financial review of the unaudited financial statements.

(b) In addition, for so long as any Notes are outstanding, the Company will provide to the Trustee the following reports, in the English language:

(1) no later than the date on which the Parent provides its corresponding annual reports to the Trustee pursuant to Section 4.03(a), annual reports containing the following information: (a) audited combined balance sheets of the Restricted Group of the end as of the two most recent fiscal years and audited combined income statements and statements of cash flow of the Restricted Group for the two most recent fiscal years, including footnotes to such financial statements and the audit report of a member firm of an internationally recognized accounting firm on the financial statements; and (b) an operating and financial review of the audited financial statements; and

(2) no later than the date on which the Parent provides its corresponding semi-annual reports to the Trustee pursuant to Section 4.03(a), semi-annual reports containing (a) an unaudited combined balance sheet of the Restricted Group as of the end of such semi-annual period and unaudited combined statements of income and cash flow of the Restricted Group for the most recent semi-annual period ending on the unaudited combined balance sheet date, and the comparable prior year periods, together with footnotes reviewed by a member firm of an internationally recognized accounting firm together with the review report thereon; and (b) an operating and financial review of the unaudited financial statements.

(c) In addition, for so long as any Note remains outstanding, the Parent or the Company will provide to the Trustee (1) within 120 days after the close of each fiscal year, an Officer's Certificate stating the Combined Leverage Ratio at the end of such fiscal year and showing in reasonable detail the calculation of such ratio with a certificate from the Parent's or the Company's external auditors verifying the accuracy and correctness of the calculation and arithmetic computation; *provided* , *however* , that the Parent and the Company shall not be required to provide such auditor certification if its external auditors refuse as a general policy to provide such certification; and (2) as soon as possible and in any event within 10 Business Days after the Parent or the Company becomes aware or should reasonably became aware of the occurrence of a Default or an Event of Default, an Officer's Certificate setting forth the details of the Default or an Event of Default, and the action which the Parent or the Company proposes to take with respect thereto.

(d) All financial statements of (1) the Parent will be prepared in accordance with GAAP as in effect on the date of such report or financial statement (or otherwise on the basis of GAAP as then in effect) and on a consistent basis for the periods presented and (2) the Restricted Group will be prepared in accordance with Ind-AS (as defined in the definition of "GAAP" in Section 1.01) and on a consistent basis for the periods presented; provided, however, that the reports set forth in this covenant may, in the event of change in applicable financial reporting standards, present earlier periods on a basis that applied to such periods.

(e) Further, the Parent and the Company have agreed that, for as long as any Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, during any period in which the Parent or the Company is neither subject to Section 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, the Parent (prior to an Early Parent Guarantee Release) or the Company, as applicable, will supply to (1) any Holder or beneficial owner of a Note or (2) a prospective purchaser of a Note or a beneficial interest therein designated by such Holder or beneficial owner, the information specified in, and meeting the requirements of Rule 144A(d)(4) under the Securities Act upon the request of any Holder or beneficial owner of a Note.

(f) Delivery of any such information to the Trustee is for informational purposes only and the Trustee's receipt of them will not constitute actual or constructive notice or knowledge of any information contained therein or determinable from information contained therein, including the Company or the Parent's compliance with any of its or their covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officer's Certificates).

Section 4.04 *Compliance Certificate.*

(a) The Parent shall deliver to the Trustee, on or before a date not more than 120 days after the end of each fiscal year and within 14 days after a written request from the Trustee, an Officer's Certificate stating that a review has been conducted of the activities of the Parent and the Restricted Subsidiaries and the Parent and the Restricted Subsidiaries' performance under this Indenture, the Notes and the Collateral Documents, and that the Parent and each Restricted Subsidiary have fulfilled all of their respective obligations thereunder, or, if there has been a default in the fulfillment of any such obligation, specifying each such Default or Event of Default and the nature and status thereof.

Section 4.05 *Taxes.*

The Parent will cause each of its Restricted Subsidiaries to pay, prior to delinquency, all material taxes, assessments, and governmental levies except such as are contested in good faith and by appropriate proceedings or where the failure to effect such payment is not adverse in any material respect to the Holders.

Section 4.06 *Stay, Extension and Usury Laws.*

The Company and each of the Guarantors covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Company and each of the Guarantors (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law has been enacted.

Section 4.07 *Restricted Payments.*

(a) The Company will not and the Parent will not permit any other Restricted Subsidiary to, directly or indirectly:

(1) declare or pay any dividend or make any distribution on or with respect to any Restricted Subsidiary's Capital Stock (other than dividends or distributions payable solely in shares of the Company's or any Restricted Subsidiary's Capital Stock (other than Disqualified Stock or Preferred Stock) or in options, warrants or other rights to acquire shares of such Capital Stock) held by Persons other than the Company or any other Wholly Owned Restricted Subsidiary;

(2) purchase, call for redemption or redeem, retire or otherwise acquire for value any shares of Capital Stock (including options, warrants or other rights to acquire such shares of Capital Stock) of any Restricted Subsidiary or any direct or indirect parent of a Restricted Subsidiary, in each case held by any Persons other than the Company or any other Restricted Subsidiary and other than Capital Stock of any Restricted Subsidiary that is a Subsidiary of another Restricted Subsidiary;

(3) make any voluntary or optional principal payment, or voluntary or optional redemption, repurchase, defeasance, or other acquisition or retirement for value, of Indebtedness that is subordinated in right of payment to the Notes, the Note Guarantees or any Rupee Debt (" *Subordinated Indebtedness* "), excluding any intercompany Indebtedness between or among any Restricted Subsidiaries; or

(4) make any Investment, other than a Permitted Investment;

if (the payments or any other actions described in clauses (1) through (4) above being collectively referred to as " *Restricted Payments* "), at the time of and after giving effect to such Restricted Payment:

(A) a Default has occurred and is continuing or would occur as a result of such Restricted Payment;

(B) the Company could not Incur at least US$1.00 of Indebtedness under the proviso in clause (a) of Section 4.09; or

(C) such Restricted Payment, together with the aggregate amount of all Restricted Payments made by the Company and the other Restricted Subsidiaries after the Original Issue Date, shall exceed the sum (without duplication) of:

(i) 50% of the aggregate amount of the Combined Net Income of the Restricted Group (or, if the Combined Net Income is a loss, minus 100% of the amount of such loss) accrued on a cumulative basis during the period (taken as one accounting period) beginning on the first day of the semi-annual fiscal period in which the Original Issue Date occurs and ending on the last day of the Restricted Group's most recently ended semi-annual fiscal period for which combined financial statements of the Restricted Group are available and have been provided to the Trustee at the time of such Restricted Payment; plus

(ii) 100% of the aggregate net cash proceeds received by a Restricted Subsidiary as a capital contribution to its common equity (other than Disqualified Stock) or any Subordinated Shareholder Debt, in each case other than from the Company or another Restricted Subsidiary; plus

(iii) an amount equal to the net reduction in Investments (other than reductions in Permitted Investments) that were made after the Original Issue Date in any Person resulting from (w) payments of interest on Indebtedness, dividends or repayments of loans or advances by such Person, in each case, to any Restricted Subsidiary (except, in each case, to the extent any such payment or proceeds are included in the calculation of Combined Net Income), (x) the unconditional release of a Guarantee provided by any Restricted Subsidiary after the Original Issue Date of an obligation of another Person or (y) the net cash proceeds from the sale of any such Investment (except to the extent such proceeds are included in the calculation of Combined Net Income), not to exceed, in each case, the amount of Investments made by such Restricted Subsidiary after the Original Issue Date in any such Person; plus

(iv) the amount by which Indebtedness of any Restricted Subsidiary is reduced on the Restricted Group's combined balance sheet upon the conversion or exchange (other than by a Subsidiary of the Parent) subsequent to the Original Issue Date of any Indebtedness of such Restricted Subsidiary convertible or exchangeable into Capital Stock (other than Disqualified Stock) of the Parent (less the amount of any cash, or the Fair Market Value of any other property, distributed by the Company or such other Restricted Subsidiary upon such conversion or exchange);

(b) The foregoing provision shall not be violated by reason of:

(1) the payment of any dividend or redemption of any Capital Stock within 90 days after the related date of declaration or call for redemption if, at said date of declaration or call for redemption, such payment or redemption would comply with Section 4.07(a);

(2) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of any Restricted Subsidiary with the Net Cash Proceeds of, or in exchange for, a substantially concurrent Incurrence of Indebtedness issued in exchange for, or the net proceeds of which are used to, refinance or refund, replace, exchange, renew, repay, redeem, defease, discharge or extend, such Subordinated Indebtedness; *provided that* such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made subordinate in right of payment to the Notes, the Note Guarantee, or the Rupee Debt, as applicable, at least to the extent that the Subordinated Indebtedness to be refinanced is subordinated to the Notes, the Note Guarantee, or the Rupee Debt, as applicable;

(3) the redemption, repurchase or other acquisition of Capital Stock of any Restricted Subsidiary (or options, warrants or other rights to acquire such Capital Stock) in exchange for, or out of the net cash proceeds of a substantially concurrent capital contribution or sale (other than to a Subsidiary of the Parent) of, shares of Capital Stock (other than Disqualified Stock) of any Restricted Subsidiary (or options, warrants or other rights to acquire such Capital Stock); *provided that* the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from clause (C) of Section 4.07(a);

(4) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of any Restricted Subsidiary in exchange for, or out of the

net cash proceeds of, a substantially concurrent capital contribution or sale (other than to a Subsidiary of the Parent) of, shares of Capital Stock (other than Disqualified Stock) of any Restricted Subsidiary (or options, warrants or other rights to acquire such Capital Stock); *provided that* the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from clause (C) of Section 4.07(a);

(5) the payment of any dividends or distributions declared, paid or made by a Restricted Subsidiary to the holders of such Restricted Subsidiary's Capital Stock, a majority of which is held, directly or indirectly through Restricted Subsidiaries, by another Restricted Subsidiary, on a pro rata basis or on a basis more favourable to the other Restricted Subsidiary;

(6) dividends by any Restricted Subsidiary to fund the redemption, repurchase or other acquisition of Capital Stock of the Parent from employees, former employees, directors or former directors of the Parent or any of its Subsidiaries (or permitted transferees of such persons), or their authorized representatives upon the death, disability or termination of employment of such employees or directors, in an aggregate amount not to exceed US$1.0 million (or the Dollar Equivalent thereof) in any fiscal year;

(7) payments of cash, dividends, distributions, advances or other Restricted Payments to allow the payment of cash in lieu of the issuance of fractional shares upon (i) the exercise of options or warrants, (ii) the conversion or exchange of capital stock of any such Person or (iii) stock dividends, splits or business combinations;

(8) the declaration and payment of dividends and distributions to, or the making of loans to, the Parent or any of its Subsidiaries in amounts required for it to pay (x) customary salary, bonus and other benefits payable to officers and employees of the Parent or any Subsidiary thereof and (y) general corporate overhead expenses (including professional expenses) of the Parent or any Subsidiary thereof, in an aggregate amount not to exceed US$2.0 million (or the Dollar Equivalent thereof) in any fiscal year;

(9) Restricted Payments (including, without limitation, by way of (i) dividend or distribution on or with respect to any Restricted Subsidiary's Capital Stock, (ii) purchase, call for redemption or redeem, retire or otherwise acquire for value any shares of Capital Stock of any Restricted Subsidiary, (iii) repay any Subordinated Shareholder Debt, or (iv) make Investments in the Parent or any of its Subsidiaries) made with the proceeds of the Original Rupee Debt, less amounts applied or to be applied to (a) repay, redeem or otherwise retire existing Indebtedness (other than Shareholder Loans), including any prepayment premium or penalties thereunder, (b) make existing capital expenditure related payment obligations due towards EPC contractors for the Restricted Group, (c) pay fees and expenses related to the issuance of the Original Rupee Debt, in each case as described under the heading "Use of Proceeds" in the Offering Memorandum, and (d) any required Special Mandatory Redemption; *provided* that any such Restricted Payment made under this clause may only be made (x) after amounts have been satisfied, whether with the proceeds of the Original Rupee Debt or existing cash and cash equivalents as described under the heading "Use of Proceeds" in the Offering Memorandum, as described in (a), (b), (c) and, if required, (d) of this clause (9) and (y) if the total aggregate principal amount of Rupee Debt Incurred by the Restricted Subsidiaries and subscribed for or loaned by the Company is not less than the aggregate total principal amount of the Notes originally issued or the Company has made a Special Mandatory Redemption;

(10) Restricted Payments made with proceeds received from Viability Gap Funding; *provided* that such Restricted Payment is made within 90 days of receiving such proceeds; and

(11) the making of any other Restricted Payment in an aggregate amount, together with all other Restricted Payments made under this clause (11), not exceeding US$40.0 million (or the Dollar Equivalent thereof);

provided that , in the case of clauses (10) and (11) above, no Default shall have occurred and be continuing or would occur as a consequence of the actions or payments set forth therein.

(c) Each Restricted Payment permitted pursuant to Section 4.07(b) shall be excluded in calculating whether the conditions of clause (C) of Section 4.07(a) have been met with respect to any subsequent Restricted Payments.

(d) The amount of any Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or any other Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The value of any assets or securities that are required to be valued by this covenant will be the Fair Market Value. The Board of Directors' determination of the Fair Market Value of a Restricted Payment or any such assets or securities must be based upon an opinion or appraisal issued by an accounting, appraisal or investment banking firm of recognized international standing (or a local affiliate thereof) if the Fair Market Value exceeds US$10.0 million (or the Dollar Equivalent thereof).

Section 4.08 *Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries*.

(a) The Parent will not permit any Restricted Subsidiary (other than the Company) to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on any Capital Stock of such Restricted Subsidiary owned by the Parent (prior to an Early Parent Guarantee Release), the Company or any other Restricted Subsidiary;

(2) pay any Indebtedness or other obligation owed to the Parent (prior to an Early Parent Guarantee Release), the Company or any other Restricted Subsidiary;

(3) make loans or advances to the Parent (prior to an Early Parent Guarantee Release), the Company or any other Restricted Subsidiary; or

(4) sell, lease or transfer any of its property or assets to the Parent (prior to an Early Parent Guarantee Release), the Company or any other Restricted Subsidiary;

provided that it being understood that (i) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on Common Stock; (ii) the subordination of loans or advances made to any Restricted Subsidiary to other Indebtedness Incurred by any Restricted Subsidiary; and (iii) provisions requiring transactions to be on fair and reasonable terms or on an arm's length basis, in each case, shall not be deemed to constitute such an encumbrance or restriction.

(b) The foregoing restrictions will not apply to encumbrances or restrictions:

(1) existing in agreements as in effect on the Original Issue Date and any extensions, refinancings, renewals, supplements, amendments or replacements of any of the foregoing agreements; *provided that* the encumbrances and restrictions in any such extension, refinancing, renewal, supplement, amendment or replacement are not materially more restrictive, taken as a whole, than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced, as determined in good faith by the Board of Directors of the Parent or of the Company;

(2) in the Notes, the Note Guarantees, this Indenture, the Rupee Debt, the Collateral Documents and any agreements pursuant to which security interests or Guarantees are granted for the benefit of the holder of any Rupee Debt;

(3) existing under or by reason of applicable law, rule, regulation or order;

(4) with respect to any Person or the property or assets of such Person that is designated a Restricted Subsidiary or is acquired by any Restricted Subsidiary, existing at the time of such designation or acquisition and not incurred in contemplation thereof, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Person or the property or assets of such Person so designated or acquired, and any extensions, refinancings, renewals or replacements thereof; *provided that* the encumbrances and restrictions in any such extension, refinancing, renewal or replacement are not materially more restrictive, taken as a whole, than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced, as determined in good faith by the Board of Directors of the Parent or of the Company;

(5) if they arise, or are agreed to in the ordinary course of business, and that (x) restrict in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, (y) exist by virtue of any Lien on, or agreement to transfer, option or similar right with respect to any property or assets of the Company or any other Restricted Subsidiary not otherwise prohibited by this Indenture or that limit the right of the debtor to dispose of assets subject to a Lien not otherwise prohibited by this Indenture (z) do not relate to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of property or assets of any Restricted Subsidiary in any manner material to any Restricted Subsidiary;

(6) with respect to a Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock of, or property and assets of, such Restricted Subsidiary that is permitted by Section 4.09, 4.10 and 4.20;

(7) arising from provisions in joint venture agreements and other similar agreements entered into in the ordinary course of business if the encumbrances or restrictions (i) are customary for such types of agreements and (ii) would not, at the time agreed to, be expected to materially adversely affect the ability of the Company or any Guarantor to make required payments on the Notes or any Note Guarantee, as determined in good faith by the Board of Directors of the Parent or the Company;

(8) with respect to any Indebtedness that is permitted by Section 4.09 *provided that* the encumbrances or restrictions are (i) customary for such types of agreements and (ii) would not, at the time agreed to, be expected to materially adversely affect the ability of the Company or any Guarantor to make required payments on the Notes or any Note Guarantee, as determined in good faith by the Board of Directors of the Parent or of the Company; or

(9) encumbrances or restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business

Section 4.09 *Incurrence of Indebtedness and Issuance of Preferred Stock.*

(a) The Company will not and the Parent will not permit any other Restricted Subsidiary to, Incur any Indebtedness (including Acquired Indebtedness), and the Company will not and the Parent will not permit any other Restricted Subsidiary to issue any Preferred Stock; *provided that* the Company and any Designated Restricted Subsidiary may incur Indebtedness if, after giving effect to the Incurrence of such Indebtedness and the receipt and application of the proceeds therefrom, (x) no Default has occurred and is continuing and (y) the Combined Leverage Ratio does not exceed 5.5 to 1.0; *provided, further* , that in the case of any Designated Restricted Subsidiary, such Indebtedness to be incurred under this paragraph has a final Stated Maturity that occurs after the final Stated Maturity of the Notes and the Average Life of such Indebtedness at least equal to the remaining Average Life of the Notes.

(b) Notwithstanding the foregoing, to the extent provided below, the Company or any other Restricted Subsidiary, may Incur each and all of the following (" *Permitted Indebtedness* "):

(1) Indebtedness of the Company under the Notes (excluding Additional Notes), Indebtedness under any Note Guarantee and Indebtedness of any Restricted Subsidiary (other than a Designated Restricted Subsidiary that has incurred Indebtedness outstanding under paragraph (a) of this covenant) under any Rupee Debt;

(2) Indebtedness outstanding on the Original Issue Date (excluding Indebtedness permitted under clause (3) below) including the Shareholder Loans (the " *Existing Indebtedness* ");

(3) Indebtedness of any Restricted Subsidiary owed to the Company or any other Restricted Subsidiary; *provided that* any event which results in any such Restricted Subsidiary to which such Indebtedness is owed ceasing to be a Restricted Subsidiary or any subsequent transfer of such Indebtedness (other than to the Company or any other Restricted Subsidiary) shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (b)(3); and if any Restricted Subsidiary is the obligor on such Indebtedness, such Indebtedness must be unsecured and be expressly subordinated in right of payment to the Notes, in the case of the Company, the Note Guarantee, in the case of a Guarantor, or the Rupee Debt, in the case of another Restricted Subsidiary to the extent such Restricted Subsidiary is the obligor under Rupee Debt;

(4) Indebtedness of the Company (" *Permitted Refinancing Indebtedness* ") issued in exchange for, or the net proceeds of which are used to refinance or refund, replace, exchange, renew, repay, redeem, defease, discharge or extend (collectively, "refinance" and "refinances" and "refinanced" shall have a correlative meaning), then outstanding Indebtedness Incurred under clause (a) or clause (b)(1), (2), (4), (9) or (16) of Section 4.09 and any refinancings thereof in an amount not to exceed the amount so refinanced (plus premiums, accrued interest, fees and expenses); *provided that*

(A) Indebtedness the proceeds of which are used to refinance the Notes or Indebtedness that is *pari passu* with, or subordinated in right of payment to, the Notes will only be permitted under this clause (b)(4) if (x) in case the Notes are refinanced in part or the Indebtedness to be refinanced is *pari passu* with the Notes, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is outstanding, is expressly made *pari passu* with, or subordinate in right of payment to, the remaining Notes or (y) in case the Indebtedness to be refinanced is subordinated in right of payment to the Notes, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made subordinate in right of payment to the Notes, at least to the extent that the Indebtedness to be refinanced is subordinated to the Notes; and

(B) such new Indebtedness, determined as of the date of Incurrence of such new Indebtedness, does not mature prior to the Stated Maturity of the Indebtedness to be refinanced, and the Average Life of such new Indebtedness is at least equal to the remaining Average Life of the Indebtedness to be refinanced; *provided that* such new Indebtedness under this clause (b)(4) that refinances Existing Indebtedness will be permitted as long as (x) such new Indebtedness does not mature prior to the Stated Maturity of the Notes and the Average Life of such new Indebtedness is at least equal to the remaining Average Life of the Notes and (y) such Existing Indebtedness is refinanced from the net proceeds of an Incurrence of Rupee Debt which will not mature prior to the Stated Maturity of the Notes and will have an Average Life at least equal to the remaining Average Life of the Notes.

(5) Indebtedness Incurred by the Company pursuant to Hedging Obligations entered into for the purpose of protecting the Company from fluctuations in interest rates, currencies or commodity prices and not for speculation;

(6) Indebtedness Incurred by any Restricted Subsidiary constituting reimbursement obligations with respect to workers' compensation claims or self-insurance obligations or bid, performance, surety or appeal bonds or payment obligations in connection with insurance premiums or similar obligations, security deposits and bank overdrafts (and letters of credit in connection with or in lieu of each of the foregoing) in the ordinary course of business (in each case other than for an obligation for borrowed money);

(7) Indebtedness Incurred by any Restricted Subsidiary constituting letters of credit, trade guarantees or reimbursement obligations with respect to letters of credit or trade guarantees, in each case issued in the ordinary course of business to the extent that such letters of credit or trade guarantees are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than the 60 days following receipt by such Restricted Subsidiary of a demand for reimbursement;

(8) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price, earn-outs or similar obligations, or from guarantees or letters of credit, surety bonds or performance bonds securing any obligation of any Restricted Subsidiary, in any case,

Incurred in connection with the acquisition or disposition of any business, assets or Restricted Subsidiary (other than guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Restricted Subsidiary for the purpose of financing such acquisition); *provided that* the maximum aggregate liability of a Restricted Subsidiary in respect of all such Indebtedness Incurred in connection with a disposition shall at no time exceed the gross proceeds actually received by such Restricted Subsidiary from the disposition of such business, assets or Restricted Subsidiary;

(9) Acquired Indebtedness of any Restricted Subsidiary outstanding on the date on which such Person becomes a Restricted Subsidiary; *provided* ,

(A) if such Person becomes a Restricted Subsidiary on or before the first anniversary of the Original Issue Date, that on the date that such Person becomes a Restricted Subsidiary, the amount of such Indebtedness, after giving pro forma effect to such transaction or series of transactions, including such Incurrence and any repayment of such Indebtedness with cash on hand, does not exceed five times the amount of Acquired EBITDA of such Subsidiary as set forth in the relevant Project Projection Report :

(i) if such Subsidiary commenced commercial operations prior to the beginning of the most recently completed fiscal year of the Restricted Group, the current fiscal year; or

(ii) if such Subsidiary commenced commercial operations since the beginning of the most recently completed fiscal year of the Restricted Group, the next full fiscal year;

in each case after making such adjustments as are appropriate and consistent with the adjustments set forth in the definition of "Combined EBITDA";

(B) if such Person becomes a Restricted Subsidiary after the first anniversary of the Original Issue Date, that on the date that such Person becomes a Restricted Subsidiary, either:

(i) the Company would have been able to incur $1.00 of additional Indebtedness under clause (a) of Section 4.09 after giving pro forma effect to such transaction or series of transactions, including such Incurrence and any repayment of such Indebtedness; or

(ii) Combined Indebtedness, after giving pro forma effect to such transaction or series of transactions, including such Incurrence and any repayment of such Indebtedness with cash on hand, does not exceed five and a half times the amount of Combined EBITDA for the then most recently concluded Reference Period plus five times the amount of Acquired EBITDA of such Subsidiary as set forth in the relevant Project Projection Report for

1. if such Subsidiary commenced commercial operations prior to the beginning of the most recently completed fiscal year of the Restricted Group, the current fiscal year; or

2. if such Subsidiary commenced commercial operations since the beginning of the most recently completed fiscal year of the Restricted Group, the next full fiscal year;

in each case after making such adjustments as are appropriate and consistent with the adjustments set forth in the definition of "Combined EBITDA"; and

(C) any such Acquired Indebtedness under clause (b)(9)(A) of Section 4.09 that is not refinanced or refunded, replaced, exchanged, renewed, repaid, redeemed, defeased or discharged within three months of the date such Person becomes a Restricted Subsidiary by Rupee Debt subscribed for or loaned by the Company and financed through the issuance of Additional Notes incurred under clause (b)(16) of Section 4.09 or Indebtedness incurred under paragraph (a) of this covenant, and any such Acquired Indebtedness under clause (b)(9)(B) of Section 4.09 that is not refinanced or refunded, replaced, exchanged, renewed, repaid, redeemed, defeased or discharged within three months of the date such Person becomes a Restricted Subsidiary by cash, Rupee Debt subscribed for or loaned by the Company, Indebtedness incurred under paragraph (a) of this covenant or Indebtedness incurred under clause (b)(3) of Section 4.09 from any other Restricted Subsidiary shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by these clauses (b)(9)(A) and (b)(9)(B) of Section 4.09;

(10) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds; provided, however, that such Indebtedness is extinguished within ten Business Days of Incurrence;

(11) Indebtedness Incurred by any Restricted Subsidiary under Credit Facilities with a maturity of one year or less; *provided that* the aggregate principal amount outstanding at any time does not exceed US$30.0 million (or the Dollar Equivalent thereof);

(12) Subordinated Shareholder Debt;

(13) Indebtedness Incurred by any Restricted Subsidiary to the extent the net cash proceeds thereof are promptly and irrevocably deposited with the Trustee to defease or to satisfy and discharge the Notes as described in Article 8 and Article 12;

(14) Indebtedness Incurred by any Restricted Subsidiary in an aggregate principal amount outstanding at any time (together with refinancings thereof under this clause (14)) not to exceed US$10.0 million (or the Dollar Equivalent thereof);

(15) Indebtedness (including Acquired Indebtedness) Incurred by any Restricted Subsidiary (other than a Designated Restricted Subsidiary) for the purpose of financing all or any part of the purchase price or cost of acquisition, design, construction, installation or improvement of property, plant or equipment and related assets used in the business of the Company or any of its Restricted Subsidiaries (or the Capital Stock of a Person engaged in a Permitted Business which will upon such acquisition become a Restricted Subsidiary), in an aggregate principal amount outstanding at any time (together with refinancing thereof under this clause (15)), not to

exceed 15.0% of Total Assets (or the Dollar Equivalent thereof); *provided that* such Restricted Subsidiary has not Incurred any Rupee Debt, any Indebtedness described under paragraph (a) of this covenant, or any Indebtedness of the type described in clause (b)(3) of Section 4.09; and

(16) Indebtedness consisting of Additional Notes and Note Guarantees issued in exchange for, or the net proceeds of which are used to refinance or refund, replace, exchange, renew, repay, redeem, defease or discharge Acquired Indebtedness incurred pursuant to clause (b)(9)(A) of Section 4.09 (plus premiums, accrued interest, fees and expenses).

(c) For purposes of determining compliance with this covenant, in the event that an item of Indebtedness meets the criteria of more than one type of Permitted Indebtedness, or of Indebtedness described in Section 4.09(a) and one or more types of Permitted Indebtedness, the Parent or the Company, in its sole discretion, shall classify, and from time to time may reclassify, such item of Indebtedness.

(d) The accrual of interest, the accretion or amortization of original issue discount and the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, will not be deemed to be an incurrence of Indebtedness for purposes of this covenant; provided that, in each such case, the amount of any such accrual, accretion, amortization or payment is included in the Combined Interest Expense of the Restricted Group as accrued.

(e) Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that may be Incurred pursuant to this covenant will not be deemed to be exceeded solely as a result of fluctuations in the exchange rates of currencies. For purposes of determining compliance with any U.S. dollar-denominated restriction on the Incurrence of Indebtedness, the U.S. dollar equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred (or first committed, in the case of revolving credit debt); *provided that* if such Indebtedness is Incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced (plus premiums, accrued interest, fees and expenses). The maximum amount of Indebtedness permitted to be incurred under clause (b)(11), (14) or (15) shall not be deemed to have been exceeded in connection with refinancing of such Indebtedness pursuant to such clause so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced plus premiums, accrued interests, fees and expenses. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency than the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such refinancing.

Section 4.10 *Asset Sales.*

(a) The Company will not and the Parent will not permit any other Restricted Subsidiary to consummate any Asset Sale, unless:

(1) no Default shall have occurred and be continuing or would occur as a result of such Asset Sale;

(2) the consideration received by the Company or such other Restricted Subsidiary is at least equal to the Fair Market Value of the assets sold or disposed of; and

(3) at least 75% of the consideration received consists of cash, Temporary Cash Equivalents or Replacement Assets (as defined below) or any combination thereof.

For purposes of this provision, each of the following will be deemed to be cash:

(1) any liabilities, as shown on the most recent combined statement of financial position of the Restricted Group (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes) that are assumed by the transferee of any such assets pursuant to a customary assumption, assignment, novation or similar agreement that irrevocably and unconditionally releases the Company or such other Restricted Subsidiary from further liability; and

(2) any securities, notes or other obligations received by the Company or any other Restricted Subsidiary from such transferee that are promptly, but in any event within 30 days of closing, converted by the Company or such other Restricted Subsidiary into cash, to the extent of the cash received in that conversion.

Within 360 days after the receipt of any Net Cash Proceeds from an Asset Sale, such Net Cash Proceeds must be applied (a) to repay Senior Indebtedness (and if such Indebtedness is revolving credit Indebtedness, to permanently reduce such commitments) of a Restricted Subsidiary or (b) to make capital expenditures for a Permitted Business, (c) acquire properties and assets (other than current assets) that are used or will be used in a Permitted Business, acquire all, or substantially all of the assets of, or the Capital Stock of, a Person, or a line of business, which is a Permitted Business, or (d) any combination of the foregoing (collectively, " *Replacement Assets* "); *provided that* any such reinvestment in Replacement Assets made pursuant to a definitive binding agreement or a commitment approved by the Board of Directors of the Parent or of the Company that is executed or approved within such time will satisfy this requirement, so long as such investment is consummated within 180 days after such 360th day. Pending application in accordance with this covenant, Net Cash Proceeds may be invested or used for any purpose not otherwise prohibited under this Indenture.

Any Net Cash Proceeds from Asset Sales that are not applied or invested in accordance with the immediately preceding paragraph will constitute "Excess Proceeds". When the aggregate amount of Excess Proceeds exceeds US$5.0 million, within ten days thereof, the Company must make an offer (an " *Excess Proceeds Repurchase Offer* ") to purchase the Notes at 100% of the principal amount of the Notes and any *pari passu* Indebtedness similarly required to be repaid, redeemed or tendered for in connection with the Asset Sale, plus accrued and unpaid interest, if any, to (but not including) the date of purchase. If the aggregate principal amount of Notes and *pari passu* Indebtedness tendered into such Excess Proceeds Repurchase Offer exceeds the amount of Excess Proceeds, the Notes and such *pari passu* Indebtedness will be purchased on a pro rata basis. Any remaining proceeds after such Excess Proceeds Repurchase Offer may be used for any purpose not otherwise prohibited under this Indenture. Upon completion of each Excess Proceeds Repurchase Offer, the amount of Excess Proceeds will be reset at zero.

The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in

connection with the repurchase of the Notes as a result of an Asset Sale. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of this Indenture, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Asset Sale provisions of this Indenture by virtue of such compliance.

Section 4.11 *Transactions with Shareholders and Affiliates.*

(a) The Parent will not permit any Restricted Subsidiary to enter into any transaction or series of related transactions involving aggregate consideration in excess of US$2.0 million (or the Dollar Equivalent thereof) with (a) any holder of 10% or more of any class of Capital Stock of the Parent or (b) any Affiliate of the Parent or any Restricted Subsidiary (each an " *Affiliate Transaction* "), unless:

(1) the Affiliate Transaction is on terms that are no less favorable to such Restricted Subsidiary than those that would have been obtained in a comparable arm's-length transaction by such Restricted Subsidiary with a Person that is not such a holder or Affiliate of the Parent or such Restricted Subsidiary; and

(2) the Parent or Company delivers to the Trustee:

(A) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US$5.0 million (or the Dollar Equivalent thereof), a Board Resolution of the Parent or of the Company set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with this covenant and such Affiliate Transactions has been approved by a majority of the disinterested members of the Board of Directors of the Parent or of the Company; and

(B) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US$10.0 million (or the Dollar Equivalent thereof), an opinion issued by an accounting, appraisal or investment banking firm of internationally recognized standing (or a local affiliate thereof) stating either (i) that such Affiliate Transaction is, or series of related Affiliate Transactions are, fair to the Restricted Subsidiary from a financial point of view or (ii) that the terms of such Affiliate Transaction is, or series of related Affiliate Transactions are, not materially less favorable to such Restricted Subsidiary than those that would have been obtained in a comparable arm's length transaction by such Restricted Subsidiary with a Person that is not such a holder or Affiliate of the Parent or such Restricted Subsidiary.

(b) The foregoing limitation does not limit, and will not apply to:

(1) directors' fees, indemnification, expense reimbursement and similar arrangements (including the payment of directors and officers insurance premiums), employee salaries, bonuses, employment agreements and arrangements, compensation or employee benefit arrangements, including stock options or legal fees and fees and compensation paid to consultants and agents;

(2) transactions between or among the Parent and its Restricted Subsidiaries or between or among Restricted Subsidiaries; provided that following an Early Parent Guarantee Release, such transactions between the Parent, on the one hand, and one or more Restricted

Subsidiaries, on the other hand, will be subject to clauses (1) and (2)(A) of Section 4.11(a); provided, further for purposes of such clause (2)(A) the Parent may provide either a Board Resolution of the Parent approved by a majority of the disinterested members of the Board of Directors of the Parent or, in lieu of a Board Resolution, a certification from senior management of the Parent adopted in accordance with policies adopted by the Board of Directors of the Parent;

(3) any Restricted Payments not prohibited by Section 4.07 and Permitted Investments other than those made pursuant to clause (3) of the definition thereof as set forth in Section 1.01;

(4) transactions pursuant to agreements in effect on the Original Issue Date and described in the Offering Memorandum, or any amendment or modification or replacement thereof, so long as such amendment, modification or replacement is not more disadvantageous to the Company and the other Restricted Subsidiaries than the original agreement in effect on the Original Issue Date;

(5) transactions with a Person that is an Affiliate solely because any Restricted Subsidiary, directly or indirectly, owns Capital Stock in, or controls, such Person; *provided that* no Affiliate of any Restricted Subsidiary (other than the Company or another Restricted Subsidiary) owns Capital Stock in such Person;

(6) any payments or other transactions pursuant to tax sharing arrangements between any Restricted Subsidiary and any other Person with which such Restricted Subsidiary files a consolidated tax return or with which such Restricted Subsidiary is part of a consolidated group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation;

(7) transactions with customers, clients, contractors, purchasers or suppliers of goods (including turbines and other equipment or property) or services (including administrative, cash management, legal and regulatory, engineering, technical, financial, accounting, procurement, marketing, insurance, labor, management, operation and maintenance, power supply and other services) or insurance or lessors or lessees or providers of employees or other labor or property, in each case in the ordinary course of business and that are fair or on terms at least as favorable as arm's length as determined in good faith by the Board of Directors or senior management of the Parent or of the Company; and

(8) loans or advances to, or guarantees of obligations of, directors, promoters, officers or employees of the Parent or any Restricted Subsidiary not to exceed US$1.0 million (or the Dollar Equivalent thereof) in the aggregate at any one time outstanding.

For the avoidance of doubt, any Investments (including Permitted Investments) by the Company or any other Restricted Subsidiary which result in a Subsidiary of the Parent becoming a Restricted Subsidiary will be subject to clause (1) and (2) of Section 4.11(a).

Section 4.12 *Liens.*

The Company will not, and the Parent will not, permit any other Restricted Subsidiary to, directly or indirectly, incur, assume or permit to exist any Lien on the Collateral, other than Permitted Liens.

The Company will not, and the Parent will not, permit any other Restricted Subsidiary to incur, assume or permit to exist any Lien (other than Permitted Liens) securing Indebtedness on existing or future assets of a Restricted Subsidiary other than Collateral, unless the Notes are equally and ratably secured.

Section 4.13 *Restricted Group's Business Activities.*

The Parent will not permit any Restricted Subsidiary (other than the Company) to engage in any business other than a Permitted Business.

Section 4.14 *Company's Business Activities.*

(a) Notwithstanding anything contained in this Indenture to the contrary, the Company will not, and the Parent will not permit the Company to, engage in any business activity, except (1) any activity relating to the offering, sale or issuance of the Notes or any Additional Notes issued in compliance with this Indenture, and the Incurrence of Indebtedness represented by the Notes and the Additional Notes subject to compliance with this Indenture; (2) the Incurrence of other Indebtedness in compliance with Section 4.09 and any activity relating thereto; (3) any activity relating to using the proceeds of Indebtedness Incurred under clauses (1) and (2) of this Section 4.14(a) to subscribe for or loan the Rupee Debt Incurred by any Restricted Subsidiary, any activity relating to the Rupee Debt and any activity relating to making other Investments in Restricted Subsidiaries; (4) any activity undertaken with the purpose of fulfilling any obligations under the Indebtedness referred to in clauses (1) and (2) of this Section 4.14(a) or the other provisions of this Indenture, the Collateral Documents or any indenture, trust deed or Credit Facility related to such Indebtedness (including maintenance of interest reserve or escrow accounts required thereby) or for purposes of any consent solicitation or tender for such Indebtedness or refinancing of such Indebtedness; (5) using assets other than net proceeds of a debt issuance under clauses (1) or (2) of this Section 4.14(a) to acquire and hold Capital Stock or other Investments (including Rupee Debt) of a Restricted Subsidiary and using the net proceeds of a debt issuance under clauses (1) or (2) of this Section 4.14(a) to acquire and hold Rupee Debt; (6) holding cash and Temporary Cash Equivalents, including any cash or Temporary Cash Equivalents acquired with the net proceeds of a debt issuance to be held in an interest account or an escrow account; (7) entering into Hedging Obligations for itself, *provided that* such Hedging Obligations are not entered into for speculative purposes; and (8) any activity directly related to the establishment and/or maintenance of the Company's corporate existence.

(b) The Company shall, and the Parent shall cause the Company to, at all times remain 100% owned by the Parent.

(c) From and after an Early Parent Guarantee Release, the Company will maintain the Required Hedging Arrangements in place at all times for so long as any Notes are outstanding or, following the termination of the Required Hedging Arrangements as a result of a breach by, or insolvency of, the hedge counterparty, cause the Required Hedging Arrangements to be in place within 30 days of any such termination. Any Required Hedging Arrangements will be entered into with

counterparties that have a long term debt rating of no lower than at least two of the following: (i) BBB- by Fitch, (ii) Baa3 by Moody's or (iii) BBB- by S&P, at the time such Required Hedging Arrangements are entered into.

Upon the date that is the later to occur of (i) 30 days after the Incurrence by the Restricted Subsidiaries of all of the Original Rupee Debt described under the heading "Use of Proceeds" in the Offering Memorandum and (ii) the date of any Special Mandatory Redemption after which any Notes remain outstanding, the Parent shall deliver to the Trustee an Officer's Certificate or an opinion issued by an accounting, appraisal or investment banking firm of internationally recognized standing (or a local affiliate thereof) (the opinion from such accounting, appraisal or investment banking firm to be substantially in the form as provided in Exhibit I), or a consulting firm of internationally recognized standing (or a local affiliate thereof) so long as the principals of such firm involved in the preparation of such opinion are experienced professionals in accounting, appraisals or investment banking, or Mecklai Financial Services Private Limited (any such Person other than the Parent, a "Determination Agent"), certifying that:

(1) the Currency Hedging Agreements included in the Required Hedging Arrangements comprise (a) a coupon swap on the interest payments due under the Notes on each Interest Payment Date to fully protect the Company against any depreciation in the Indian Rupee to U.S. Dollar occurring after the date of each Incurrence of Original Rupee Debt, and (b) a call spread option on the principal amount of the Notes that will (i) fully protect the Company against any depreciation in the Indian Rupee occurring after the date of each Incurrence of Original Rupee Debt if the Indian Rupee to U.S. Dollar spot rate is between the current spot rate in effect on the date of such Incurrence and 90, and (ii) partially protect the Company (by receiving the same fixed payment) against any depreciation in the Indian Rupee occurring after the date of each Incurrence of Original Rupee Debt if the Indian Rupee to U.S. Dollar spot rate is above 90, in each case on the payment of principal due under the Notes at maturity; and

(2) that the Company has sufficient contracted cash flows to satisfy all scheduled payment obligations under the Notes and the Required Hedging Arrangements,

with such Officer's Certificate or opinion being in substantially the form as attached to this Indenture, which may include language limiting or excluding the liability of any Determination Agent in providing such opinion.

In connection with any redemption of the Notes prior to their final Stated Maturity or redemption of Rupee Debt prior to its final Stated Maturity, the Company and the Parent will furnish an Officer's Certificate to the Trustee stating the amount of any additional amounts due as a redemption premium in connection with associated redemptions of Rupee Debt and certifying that such amounts are sufficient to enable the Company to pay (i) any costs associated with terminating or unwinding any Required Hedging Arrangements, if applicable, plus (ii) any additional amounts required by the Company to satisfy its payment obligations under the Notes, including the principal, premium, if any, interest and Additional Amounts, if any, due in connection with such redemption of the Notes or Rupee Debt, respectively, or through the final Stated Maturity of the Notes, as applicable, together with calculations in reasonable detail confirming the same.

(d) For so long as any Notes are outstanding, the Parent will not commence or take any action to facilitate a winding-up, liquidation or other analogous proceeding in respect of the Company (except as permitted by Section 5.01).

Section 4.15 *Corporate Existence.*

Subject to Article 5, the Parent shall do or cause to be done all things necessary to preserve and keep in full force and effect:

(a) its corporate existence, and the corporate, partnership or other existence of each of its Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Parent or any such Subsidiary; and

(b) the rights (charter and statutory), licenses and franchises of the Parent and its Subsidiaries; *provided, however,* that the Parent shall not be required to preserve any such right, license or franchise, or the corporate, partnership or other existence of any of its Subsidiaries, if the Board of Directors of the Parent shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Parent and its Subsidiaries, taken as a whole, and that the loss thereof is not adverse in any material respect to the Holders of the Notes.

Section 4.16 *Offer to Repurchase Upon Change of Control Triggering Event*

(a) If a Change of Control Triggering Event occurs, each Holder will have the right to require the Company to repurchase all or any part (a " *Change of Control Offer* ") (equal to US$200,000 or an integral multiple of US$1,000 in excess thereof) of that Holder's Notes pursuant to a Change of Control Offer on the terms set forth herein. In the Change of Control Offer, the Company will offer a purchase price in cash equal to 101% of the aggregate principal amount of the Notes (the " *Change of Control Payment* ") repurchased plus accrued and unpaid interest, if any, on the Notes repurchased to (but not including) the date of purchase, subject to the rights of Holders on the relevant record date to receive interest due on the relevant Interest Payment Date. Within ten days following any Change of Control Triggering Event, the Company will mail a notice to each Holder, describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the Change of Control Triggering Event payment date (the " *Change of Control Payment Date* ") specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed, pursuant to the procedures required by this Indenture and described in such notice.

(1) that the Change of Control Offer is being made pursuant to this Section 4.16 and that all Notes tendered will be accepted for payment;

(2) the purchase price and the purchase date, which shall be no earlier than 30 days and no later than 60 days from the date such notice is mailed (the " *Change of Control Payment Date* ");

(3) that any Note not tendered will continue to accrue interest;

(4) that, unless the Company defaults in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer will cease to accrue interest after the Change of Control Payment Date;

(5) that Holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender the Notes, with the form entitled "Option of Holder to Elect Purchase" attached to the Notes completed, or transfer by book-entry transfer, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(6) that Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the Change of Control Payment Date, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of Notes delivered for purchase, and a statement that such Holder is withdrawing his election to have the Notes purchased; and

(7) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered, which unpurchased portion must be equal to US$200,000 in principal amount or an integral multiple of US$1,000 in excess thereof.

The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control Triggering Event.

To the extent that the provisions of any securities laws or regulations conflict with Section 3.09 or this Section 4.16, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under Section 3.09 or this Section 4.16 by virtue of such compliance.

(b) On the Change of Control Payment Date, the Company will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent or tender agent for such Change of Control Offer an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Paying Agent or tender agent for such Change of Control Offer the Notes properly accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Company.

The Paying Agent or tender agent for such Change of Control Offer will as soon as reasonably practicable at the expense of the Company, mail to each Holder of Notes that properly tendered the Notes the Change of Control Payment for such Notes, and the Trustee will as soon as reasonably practicable authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any. The Company will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

(c) The provisions described above that require the Company to make a Change of Control Offer following a Change of Control Triggering Event will be applicable whether or not any other provisions of this Indenture are applicable. Except as described above with respect to a Change of Control Triggering Event, this Indenture does not contain provisions that permit the Holders of the Notes to require that the Company repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

(d) Notwithstanding anything to the contrary in this Section 4.16, the Company will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Section 4.16 and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, or (2) notice of redemption has been given pursuant to Section 3.07 or Section 3.10, unless and until there is a default in payment of the applicable redemption price.

(e) Notwithstanding anything to the contrary in this Section 4.16, a Change of Control Offer may be made in advance of a Change of Control Triggering Event, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

(f) The Trustee shall not be required to take any steps to ascertain whether a Change of Control Triggering Event has occurred or may occur, and shall be entitled to assume that no such event has occurred until it has received written notice to the contrary from the Company. The Trustee shall not be required to take any steps to ascertain whether the condition for the exercise of the rights herein has occurred. The Trustee shall not be responsible for determining or verifying whether a Note is to be accepted for redemption and will not be responsible to the Holders for any loss arising from any failure by it to do so. The Trustee shall not be under any duty to determine, calculate or verify the redemption amount payable hereunder and will not be responsible to the Holders for any loss arising from any failure by it to do so.

Section 4.17 *Anti-Layering.*

The Company will not and will not permit any Guarantor to Incur any Indebtedness if such Indebtedness is contractually subordinated in right of payment to any other Indebtedness of the Company or such Guarantor, unless such Indebtedness is also contractually subordinated in right of payment to the Notes or the applicable Note Guarantee, on substantially identical terms. This does not apply to distinctions between categories of Indebtedness that exist by reason of any Liens or Guarantee securing or in favor of some but not all of such Indebtedness or by virtue of some Indebtedness being secured on a junior priority basis.

Section 4.18 *Limitations on Redemptions or Dispositions of and Amendments to Rupee Debt.*

(a) The Parent will not permit any Restricted Subsidiary to voluntarily prepay or redeem, in whole or in part, any Rupee Debt subscribed for or loaned by the Company on or prior to the SMR Measurement Date (the "Original Rupee Debt"), in whole or in part and the Company will not voluntarily exercise its right of redemption in connection with any Rupee Debt, in whole or in part, unless the proceeds of such prepayment or redemption are applied to redeem, repurchase, defease, acquire or otherwise reduce the principal amount of the Notes outstanding; *provided that,* after giving effect to such prepayment or redemption and application of the proceeds thereof each Restricted

Subsidiary that issued Original Rupee Debt has outstanding Original Rupee Debt in an aggregate principal amount at least equal to the Minimum Rupee Debt Amount (except in the case of any prepayment or redemption by a Restricted Subsidiary in connection with any sale or issuance of Capital Stock permitted by this Indenture such that the Restricted Subsidiary would not remain a Subsidiary of the Parent).

(b) For so long as the Notes are outstanding, the Parent will not permit any Restricted Subsidiary to amend, waive or modify the terms and conditions of any Original Rupee Debt other than: (i) to conform to an amendment, waiver or modification of this Indenture, the Notes, any Note Guarantee or the Collateral Documents, (ii) to reflect a consolidation, merger or sale of assets permitted by Section 5.01, (iii) in any manner not materially adverse to the holders of the Rupee Debt, (iv) to conform to any provision of this Indenture, (v) as required under applicable law, rule, regulation or order, and (vi) in any manner to ensure that the restrictions in any Rupee Debt applicable to the Restricted Subsidiary issuing such Rupee Debt are not inconsistent with or more restrictive than the provisions of this Indenture applicable to such Restricted Subsidiary.

(c) For so long as the Notes are outstanding, the Company will not sell or dispose or, including but not limited to, by way transfer, assignment or subparticipation, any Rupee Debt to any person.

Section 4.19 *[Reserved]*.

Section 4.20 *Sales and Issuances of Capital Stock in Restricted Subsidiaries*.

(a) The Parent will not permit any Restricted Subsidiary to issue or sell any shares of Capital Stock of another Restricted Subsidiary, except:

(1) to the Parent, the Company or any Restricted Subsidiary;

(2) the issuance or sale of Capital Stock of a Restricted Subsidiary (which remains a Restricted Subsidiary after any such issuance or sale) to the extent such Capital Stock represents director's qualifying shares or is required by applicable law, rule, regulation or order to be held by a Person other than the Parent, the Company or a Wholly Owned Restricted Subsidiary;

(3) the issuance or sale of Capital Stock of a Restricted Subsidiary (which remains a Restricted Subsidiary after any such issuance or sale); *provided that* the Parent or such Restricted Subsidiary applies the Net Cash Proceeds of such issuance or sale in accordance with Section 4.10, if and to the extent required thereby; or

(4) the issuance or sale of Capital Stock of a Restricted Subsidiary (which does not remain a Restricted Subsidiary after any such issuance or sale) if required by any applicable law, rule, regulation or order *provided that* such Restricted Subsidiary applies the net cash proceeds of such issuance or sale in accordance with Section 4.10, if and to the extent required thereby.

(b) Notwithstanding the foregoing, a Restricted Subsidiary may issue Common Stock to its shareholders on a pro rata basis or on a basis more favorable to the Parent or to any Restricted Subsidiary.

(c) The Parent will not, and will not permit any Subsidiary of the Parent (other than a Restricted Subsidiary) to, sell any shares of Capital Stock of a Restricted Subsidiary, except:

(1) to the Parent or any Subsidiary of the Parent;

(2) the issuance or sale of Capital Stock of a Restricted Subsidiary (which does not remain a Restricted Subsidiary after any such issuance or sale) if required by any applicable law, rule, regulation or order; or

(3) if such Restricted Subsidiary remains a Restricted Subsidiary after such sale or issuance.

Section 4.21 *Issuances of Guarantees by Restricted Subsidiaries.*

The Parent will not permit any Restricted Subsidiary (other than the Company), directly or indirectly, to Guarantee any Indebtedness of the Parent or the Company, unless (a) such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to this Indenture providing for an unsubordinated Guarantee of payment of the Notes by such Restricted Subsidiary and (b) such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation as a result of any payment by such Restricted Subsidiary under its Guarantee until the Notes have been paid in full.

Any Note Guarantee of a Restricted Subsidiary will be released upon legal defeasance, covenant defeasance or satisfaction and discharge of this Indenture as provided under Article 8 and Article 12, upon repayment in full of the Notes and upon the release or discharge of the Guarantee that resulted in the creation of such Note Guarantee pursuant to this covenant except a discharge or release by or as a result of payment under such Guarantee.

Section 4.22 *No Payments for Consent.*

(a) The Company will not, and the Parent will not permit any other Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Notes unless such consideration is offered to be paid and is paid to all Holders that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement.

(b) Notwithstanding the foregoing, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Notes in connection with an exchange offer, the Parent and any Restricted Subsidiary may exclude (1) in connection with an exchange offer, holders or beneficial owners of the Notes that are not "qualified institutional buyers" as defined in Rule 144A under the Securities Act, and (2) in connection with any consent, waiver or amendment, holders or beneficial owners of the Notes in any jurisdiction where the inclusion of such holders or beneficial owners could, in the reasonable judgment of the Parent or the Company, require the Parent or any Restricted Subsidiary to (A) file a registration statement, prospectus or similar document or subject the Parent or any Restricted Subsidiary to ongoing periodic reporting or similar requirements under any securities laws (including but not limited to, the United States federal securities laws and the laws of the European Union or its member states), (B) qualify as a foreign corporation or other entity as a dealer in securities in such jurisdiction if it is not otherwise

required to so qualify, (C) generally consent to service of process in any such jurisdiction or (D) subject the Parent or any Restricted Subsidiary to taxation in any such jurisdiction if it is not otherwise so subject, or the solicitation of such consent, waiver or amendment from, or the granting of such consent or waiver, or the approval of such amendment by, holders or beneficial owners in such jurisdiction would be unlawful, in each case as determined by the Parent or the Company in its sole discretion.

Section 4.23 *Additional Note Guarantees.*

The Parent may cause a Subsidiary to execute a Note Guarantee pursuant to a supplemental indenture in form and substance satisfactory to the Trustee and deliver an Opinion of Counsel to the Trustee within 10 Business Days of the date on which it was acquired or created to the effect that such supplemental indenture has been duly authorized, executed and delivered by that Subsidiary and constitutes a valid and binding agreement of that Subsidiary, enforceable in accordance with its terms (subject to customary exceptions). The form of such Note Guarantee is attached as Exhibit E.

Section 4.24 *Designation of Restricted Subsidiaries.*

(a) Neither the Board of Directors of the Parent nor the Board of Directors of the Company may not designate any Person as a Restricted Subsidiary, unless:

(1) either (a) such Person is acquired by the Company or acquired by, merged, consolidated or amalgamated with or into any of the other Restricted Subsidiaries, such Person is or becomes a Subsidiary of the Parent after such acquisition, merger, consolidation or amalgamation and any outstanding Indebtedness existing on the date it becomes a Restricted Subsidiary is permitted under Section 4.09 or (b) if on the date on which such Person becomes a Restricted Subsidiary, such Person has outstanding Indebtedness owing (x) to any Person other than the Parent or any of its Subsidiaries, such Indebtedness will, upon such Person becoming a Restricted Subsidiary, be permitted to be Incurred under clause (b)(9) or (b)(15) of Section 4.09 and (y) to the Parent or any of its Subsidiaries (other than a Restricted Subsidiary), such Indebtedness will, upon such Person becoming a Restricted Subsidiary, be permitted to be Incurred under Section 4.09(b)(12); and

(2) no Default shall have occurred and be continuing at the time of or after giving effect to such designation;

(b) A Restricted Subsidiary may not be designated as an Unrestricted Subsidiary at any time other than as set forth in clause (c) of this Section 4.24. The Company will not and the Parent will not permit any other Restricted Subsidiary to own any Subsidiary that is an Unrestricted Subsidiary at any time.

(c) Notwithstanding any provision of this Indenture, the Board of Directors of the Parent or of the Company may designate a Restricted Subsidiary that became a Restricted Subsidiary after the Original Issue Date as an Unrestricted Subsidiary solely in the event that such Restricted Subsidiary Incurred Indebtedness pursuant to clause (b)(9) of Section 4.09 that after the Parent having used its reasonable best efforts will not be able to be refinanced or refunded, replaced, exchanged, renewed, repaid, redeemed, defeased or discharged within three months of the date such Restricted Subsidiary became a Restricted Subsidiary. Any such Restricted Subsidiary that is re-designated an Unrestricted Subsidiary shall only be permitted if (1) such Subsidiary would not be owned by any other Restricted Subsidiary after such designation; and (2) any Investment by any other Restricted Subsidiary remaining in

such Subsidiary after giving effect to such designation would be permitted to be made pursuant to Section 4.07. In addition, notwithstanding any provision of this Indenture any sale or transfer of the Capital Stock of a Restricted Subsidiary designated as an Unrestricted Subsidiary pursuant to the immediately preceding sentence to another Subsidiary of the Parent will be deemed to not be (x) an Asset Sale or a transaction subject to Section 4.20 or (y) an Affiliate Transaction; *provided that* the consideration received for such sale or transfer is not less than the consideration paid for such Capital Stock in a sale or transfer by which such Restricted Subsidiary was designated a Restricted Subsidiary.

Section 4.25 *Permitted Pari Passu Secured Indebtedness*

On or after the Original Issue Date, the Parent will not create Liens on the Pari Passu Collateral other than (a) Liens *pari passu* with the Lien for the benefit of the Holders to secure Indebtedness of the Company, including any Additional Notes (such Indebtedness of the Company, " *Permitted Pari Passu Secured Indebtedness* "); *provided that* (1) the Company was permitted to Incur such Indebtedness under clause (a), (b)(5) or (b)(16) of Section 4.09 and Section 4.14 or Permitted Refinancing Indebtedness thereof under clause (b)(4) of Section 4.09, (2) the holders of such Indebtedness (or their representative), other than any Additional Notes or other Indebtedness in respect of which the relevant holders or representative is already a party to the Intercreditor Agreement (as defined below), become party to the Intercreditor Agreement; (3) the agreement in respect of such Indebtedness contains provisions with respect to releases of Pari Passu Collateral no more restrictive on the Company than the provisions of this Indenture and the Pari Passu Collateral Document; and (4) the Company delivers to the Trustee an Opinion of Counsel and an Officer's Certificate with respect to corporate and collateral matters in connection with the Pari Passu Collateral Document and (b) certain Permitted Liens. The Trustee and the Common Collateral Agent will be permitted and authorized, without the consent of or notice to any Holder, to enter into any amendments to the Pari Passu Collateral Document or this Indenture and take any other action necessary to permit the creation and registration of Liens on the Pari Passu Collateral to secure Permitted Pari Passu Secured Indebtedness in accordance with this paragraph and the terms of this Indenture (including, without limitation, the appointment of a common collateral agent under the Intercreditor Agreement referred to below to hold the Pari Passu Collateral on behalf of the Holders and the holders of Permitted Pari Passu Secured Indebtedness).

Except for certain Permitted Liens and the Permitted Pari Passu Secured Indebtedness, the Company and the other Restricted Subsidiaries will not be permitted to Incur any other Indebtedness secured by all or any portion of the Pari Passu Collateral without the consent of each Holder.

Section 4.26 *Intercreditor Agreement.*

(a) On or prior to the first Incurrence of any Permitted Pari Passu Secured Indebtedness (other than Additional Notes), the Trustee and the Common Collateral Agent will enter into an intercreditor agreement substantially in the form set out in Exhibit J, or with such changes as the Trustee and the Common Collateral Agent may agree (the "Intercreditor Agreement"), without requiring any instruction or consent from or notice to the Holders, with the Company, the Parent, the Common Collateral Agent and the holders of such Permitted Pari Passu Secured Indebtedness (or their representative). The Intercreditor Agreement will provide for, among other things, that:

(1) the parties thereto shall share equal priority and pro rata entitlement in and to the Pari Passu Collateral, but in the event of an acceleration of certain Hedging Obligations permitted to be incurred by the Company under Section 4.09(b)(5), amounts recovered in respect of the Pari Passu Collateral are required to be turned over to the Common Collateral Agent and, subject to the payment of

certain fees and expenses, paid by the Common Collateral Agent to the counterparties to such Hedging Obligations in priority to the Holders and to holders or lenders of other Permitted Pari Passu Secured Indebtedness;

(2) the conditions that are applicable to the release of or granting of any Lien on such Pari Passu Collateral; and

(3) the conditions under which the parties thereto will enforce their rights with respect to such Pari Passu Collateral and the Indebtedness secured thereby.

(b) Under the Intercreditor Agreement, the holders of any Permitted Pari Passu Secured Indebtedness (or their representative) (collectively with the Trustee, the " *Pari Passu Secured Parties* ") will appoint Citicorp International Limited (the " *Common Collateral Agent* ") (or the successor Common Collateral Agent appointed under the Pari Passu Collateral Document if such a successor has been appointed) to act as the Common Collateral Agent with respect to the Pari Passu Collateral, to exercise remedies (subject to the terms of this Indenture and any document governing Permitted Pari Passu Secured Indebtedness) in respect thereof upon the occurrence of an event of default under this Indenture and any document governing Permitted Pari Passu Secured Indebtedness, and to act as provided in the Intercreditor Agreement.

(c) In connection with the Incurrence of any subsequent Permitted Pari Passu Secured Indebtedness (other than Additional Notes or Indebtedness in respect of which the holders or their representative is already a party to the Intercreditor Agreement), the holders of such Permitted Pari Passu Secured Indebtedness (or their representative) will (a) accede to the Intercreditor Agreement and become parties to it or (b) enter into another intercreditor agreement on substantially similar terms.

(d) By accepting the Notes, each Holder shall be deemed to have consented to the execution of the Intercreditor Agreement, any supplements, amendments or modifications thereto, and any future Intercreditor Agreement required under this Indenture.

Section 4.27 *[Reserved]*.

Section 4.28 *Escrow Account.*

(a) *Deposit of Funds* .

(1) On or prior to the Original Issue Date, the Company will establish a U.S. dollar account (the " *Escrow Account* ") in the name of the Company with the Escrow Account Bank (the " *Escrow Account* ") and on the Original Issue Date will deposit the sum of US$494,615,000.00 into such account. The Company, for the benefit of the Holders, will charge to Citicorp International Limited (*the "Notes Collateral Agent* ") the Escrow Account on the Original Issue Date in order to secure the obligations of the Company under the Notes and this Indenture. Amounts in the Escrow Account will be released only (i) from time to time for the Company to subscribe for or lend the Rupee Debt issued or borrowed by a Restricted Subsidiary; it being understood that amounts in the Escrow Account may be released prior to the Company's receipt of the related Rupee Debt, (ii) in accordance with the provisions of Section 3.08 in respect of investments in Temporary Cash Equivalents, (iii) to fund a Special Mandatory Redemption or (iv) as described in Section 4.28(b)(2). The Company may invest amounts deposited in the Escrow Account in Temporary Cash Equivalents.

(b) *Release of Funds for Subscription of Rupee Debt* .

(1) Upon receipt from the Company of a transfer instruction setting forth the relevant payment and transfer details and an Officer's Certificate setting forth the subscription amount of the Rupee Debt for which it intends to subscribe, and the Dollar Equivalent amount based upon the noon buying rate for U.S. dollar in New York City for cable transfer in Indian rupee as of the most recent date prior to the date such Officer's Certificate, and the name of the issuer(s) of such Rupee Debt, the Notes Collateral Agent will instruct the Escrow Account Bank (by delivery of a Transfer Notice to the Escrow Account Bank) to release amounts from the Escrow Account to permit the Company to use the funds deposited in the Escrow Account to subscribe for such Rupee Debt. The Company shall provide the Officer's Certificate to the Notes Collateral Agent, substantially in the form provided in Exhibit K, at least three Business Days prior (or such shorter period as may be agreed by the Notes Collateral Agent) to the date on which transfer instructions are to be provided to the Escrow Account Bank.

(2) Provided that no Special Mandatory Redemption has occurred, any amounts remaining in the Escrow Account after the SMR Measurement Date will be released and refunded to the Company, subject to the deduction of any costs, fees, charges, expenses or indemnity amounts owed to the Escrow Account Bank. Upon transfer of the last remaining Escrow Funds by the Escrow Account Bank in accordance with this Indenture, the Notes Collateral Agent will, upon receipt of an Officer's Certificate substantially in the form provided in Exhibit L (addressed to the Trustee and the Notes Collateral Agent) setting forth instructions for the termination of the Escrow Account and its release from the Notes Collateral Document from the Company, (i) instruct the Escrow Account Bank to terminate the Escrow Account and (ii) provide a written declaration to the Company (in a form to be agreed between the Notes Collateral Agent and the Company) that the Notes Collateral Document is cancelled and terminated.

(c) *Release of Funds for Special Mandatory Redemption* . Upon satisfaction of the requirements set forth in Section 3.08, the Notes Collateral Agent will instruct the Escrow Account Bank to release amounts in the Escrow Account necessary for the redemption of Notes in accordance with Section 3.08. The Notes Collateral Agent shall be entitled to conclusively rely on the Officer's Certificate and shall incur no liability for acting in accordance with the instructions set forth in the Officer's Certificate.

Section 4.29 Use of Proceeds.

The Company will not use the net proceeds from the sale of the Initial Notes, and the Parent will not permit any other Restricted Subsidiary to use the proceeds from the Rupee Debt acquired with the net proceeds from the sale of the Initial Notes, for any purpose other than (1) in the approximate amounts, in the order and for the purposes specified under the caption "—Use of Proceeds" in the Offering Memorandum and (2) pending the application of all of such net proceeds in such manner, to invest the portion of such net proceeds not yet so applied in Temporary Cash Equivalents.

Section 4.30 *Government Approvals and Licenses; Compliance with Law.*

The Parent will cause each Restricted Subsidiary to (a) obtain and maintain in full force and effect all governmental approvals, authorizations, consents, permits, concessions and licenses as are necessary to engage in the Permitted Businesses; (b) preserve and maintain good and valid title to its

properties and assets (including land-use rights); and (c) comply with all laws, regulations, orders, judgments and decrees of any governmental body, except to the extent that failure so to obtain, maintain, preserve and comply would not reasonably be expected to have a material adverse effect on (1) the business or results of operations of the Restricted Group, taken as a whole, or (2) the ability of the Company and any Guarantor to perform its obligations under the Notes, the Note Guarantee or this Indenture.

Section 4.31 *Currency Indemnity.*

(a) The U.S. Dollar is the sole currency of account and payment for all sums payable by the Company and the Guarantors under the Notes and the Note Guarantees (the " *Contractual Currency* "). Any amount received or recovered in currency other than the Contractual Currency in respect of the Notes or the Note Guarantees (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding up, liquidation or dissolution of any Guarantor, any Subsidiary or otherwise) by the Holder in respect of any sum expressed to be due to it from the Company or any Guarantor will constitute a discharge of the Company or the Guarantor, as the case may be, only to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in other currency on the date of that receipt or recovery (or, if it is not possible to make that purchase on that date, on the first date on which it is possible to do so). If that purchased amount is less than the Contractual Currency amount expressed to be due to the recipient under any Note, the Company and the Guarantors will indemnify the recipient against any loss sustained by it as a result. For the purposes of this indemnity, it will be sufficient for the Holder to certify (indicating the sources of information used) that it would have suffered a loss had the actual purchase of Contractual Currency been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of Contractual Currency on such date had not been possible, on the first date on which it would have been possible).

(b) Each of the above indemnities will, to the extent permitted by law:

(1) constitute a separate and independent obligation from the other obligations of the Company or the Guarantors;

(2) give rise to a separate and independent cause of action;

(3) apply irrespective of any waiver granted by any Holder; and

(4) continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any other judgment or order.

Section 4.32 *Suspension of Certain Covenants*

(a) If on any date following the Original Issue Date, the Notes have a rating of Investment Grade from both of the Rating Agencies and no Default or Event of Default has occurred and is continuing (a " *Suspension Event* "), then, beginning on that day and continuing until such time, if any, at which the Notes cease to have a rating of Investment Grade from either of the Rating Agencies, the provisions of this Indenture summarized under the following captions will be suspended:

(1) Section 4.07;

(2) Section 4.08;

(3) Section 4.11

(4) Section 4.09;

(5) Section 4.10;

(6) Section 4.13;

(7) Section 4.20;

(8) Section 4.21;

(9) clause (4) of Section 5.01(a); and

(10) Section 4.17

(b) Such covenants will be reinstated and apply according to their terms as of and from the first day on which a Suspension Event ceases to be in effect (the " *Reinstatement Date* " and the period of time between the Suspension Event and the Reinstatement Date, the " *Suspension Period* "). Such covenants will not, however, be of any effect with regard to actions of the Company or any other Restricted Subsidiary properly taken in compliance with the provisions of this Indenture during the continuance of the Suspension Event, and following reinstatement:

(1) the calculations under Section 4.07 will be made as if such covenant had been in effect since the Original Issue Date except that no Default will be deemed to have occurred solely by reason of a Restricted Payment made while that covenant was suspended; and

(2) all Indebtedness Incurred during the Suspension Period will be classified to have been incurred pursuant to clause (b)(2) of Section 4.09.

ARTICLE 5
SUCCESSORS

Section 5.01 *Merger, Consolidation, and Sale of Assets.*

(a) Neither the Company nor, prior to an Early Parent Guarantee Release, the Parent will merge or consolidate with or into another Person; or sell substantially all of its and the Restricted Subsidiaries' assets taken as a whole, in one or more related transactions, unless:

(1) either:

(A) it is the surviving entity; or

(B) the surviving entity (the " *Surviving Person* ") is organized under the laws of Mauritius, The Netherlands, the Cayman Islands, the British Virgin Islands, Hong Kong, Singapore, Canada, the U.K., any member state of the European Union, Switzerland, the United States, any state of the United States or the District of Columbia and such Surviving Person expressly assumes the obligations under this Indenture, the Notes, the Parent Guarantee and the Collateral Documents, as the case may be;

(2) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;

(3) solely with respect to a merger, consolidation or sale of assets of the Company, the Combined Net Worth is at least the same as Combined Net Worth before such merger, consolidation or sale of assets, on a pro forma basis;

(4) solely with respect to a merger, consolidation or sale of assets of the Company, the Company could incur US$1.00 of Indebtedness under the proviso in clause (a) of Section 4.09, on a pro forma basis;

(5) the Parent or the Company, as applicable, delivers an Officer's Certificate and an Opinion of Counsel as to compliance with this Section 5.01;

(6) solely with respect to a merger, consolidation or sale of assets of the Company, each of the Guarantors confirms its Note Guarantee; and

(7) solely with respect to a merger, consolidation or sale of assets of the Company following an Early Parent Guarantee Release, such merger, consolidation or sale of assets is permitted by (or waived as required under) the documentation governing the Required Hedging Arrangements; and

(8) solely with respect to a merger, consolidation or sale of assets of the Company and to the extent applicable, the Surviving Person holds the Rupee Debt held by the Company immediately prior to such merger, consolidation or sale of assets and each of the Restricted Subsidiaries confirms (i) that the Rupee Debt documentation with respect to any outstanding Rupee Debt issued by it is in full force and effect and (ii) as soon as reasonably practicable after the vesting of title to the Rupee Debt with the Surviving Person, that the Surviving Person is the ultimate beneficial owner of the Rupee Debt issued by such Restricted Subsidiary.

Section 5.02 *Successor Corporation Substituted.*

Upon any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the properties or assets of the Company or the Parent in a transaction that is subject to, and that complies with the provisions of, this Section 5.01, the successor Person formed by such consolidation or into or with which the Company or the Parent is merged or to which such sale, assignment, transfer, lease, conveyance or other disposition is made shall succeed to, and be substituted for (so that from and after the date of such consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition, the provisions of this Indenture referring to the "Company" and the "Parent" shall refer instead to the successor Person and not to the Company or the Parent), and may exercise every right and power of the Company or the Parent, as the case may be, under this Indenture with the same effect as if such successor Person had been named as the Company or the Parent, as the case may be, herein and the Company or the Parent, as the case may be, shall be released from all obligations under this Indenture and the Notes or the Parent Guarantee.

ARTICLE 6
DEFAULTS AND REMEDIES

Section 6.01 *Events of Default.*

Each of the following is an " *Event of Default* ":

(a) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;

(b) default in the payment of interest on any Note when it becomes due and the continuance of any such failure for 30 days;

(c) default in compliance with Section 5.01, or in respect of the Company's obligations to consummate an offer to purchase upon a Change of Control Triggering Event or Asset Sale, or in respect of its obligations to consummate a Special Mandatory Redemption;

(d) defaults under this Indenture (other than a default specified in clause (a), (b) or (c) above) and continuance for 60 consecutive days after written notice is given by Holders of 25% or more in aggregate principal amount of the Notes;

(e) any event of default occurs and is continuing with respect to any Rupee Debt (other than any default in the payment of interest);

(f) with respect to any Indebtedness of the Company or any other Restricted Subsidiary having an outstanding principal amount of US$10.0 million (or the Dollar Equivalent thereof) or more, (1) an event of default causing the holder thereof to declare such Indebtedness to be due prior to its Stated Maturity and/or (2) the failure to make a principal payment when due;

(g) passage of 60 consecutive days following entry of the final judgment or order against the Company or any other Restricted Subsidiary that causes the aggregate amount for all such final judgments or orders outstanding and not paid, discharged or stayed to exceed US$10.0 million (or the Dollar Equivalent thereof) (exclusive of any amounts for which a solvent (to the Company's best knowledge) insurance company has acknowledged liability for);

(h) an involuntary case or other proceeding is commenced against the Parent, the Company or one or more Restricted Subsidiaries representing individually or in the aggregate at least 5% of the Total Assets or Combined EBITDA of the Restricted Group as of or for the most recently completed fiscal year of the Restricted Group for which financial statements are available seeking the appointment of a receiver, official liquidator, administrator, trustee or corporate insolvency resolution professional and remains, undismissed and unstayed for 90 consecutive days, or a final non-appealable judgment or order for relief is entered under any bankruptcy or other similar law;

(i) the Company, the Parent or one or more Restricted Subsidiaries representing individually or in the aggregate at least 5% of the Total Assets or Combined EBITDA of the Restricted Group as of or for the most recently completed fiscal year of the Restricted Group for which financial statements are available:

(1) commences a voluntary case, or consents to the entry of an order for relief in an involuntary case under any bankruptcy or other similar law,

(2) consents to the appointment of a receiver, liquidator, administrator or corporate insolvency professional, or

(3) effects any general assignment for the benefit of creditors;

(j) any Guarantor denies its obligations under its Note Guarantee or such Note Guarantee is determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect (other than due to a release of such Note Guarantee pursuant to the terms of this Indenture);

(k) any default by the Company or the Parent in the performance of any of its obligations under the Collateral Documents, which adversely affects the enforceability, validity, perfection or priority of the applicable Lien on the Collateral or which adversely affects the condition or value of the Collateral, taken as a whole, in any material respect; or

(l) the repudiation by the Company or the Parent of any of their obligations under the Collateral Documents or a Collateral Document ceases to be or is not in full force or effect or the failure to create a first priority lien on the Collateral or the Trustee or the applicable Collateral Agent ceases to have a first priority security interest in the Collateral (subject to any Permitted Liens and in respect of the Pari Passu Collateral, any Intercreditor Agreement).

Section 6.02 *Acceleration.*

If an Event of Default (other than an Event of Default specified in clause (h) or (i) of Section 6.01 above) occurs and is continuing under this Indenture, the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Trustee and the Company, may, and the Trustee at the written direction of such Holders (subject to it being indemnified and/or secured and/or pre-funded to its satisfaction) will, declare the principal of, premium and Additional Amounts, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium and Additional Amounts, if any, and accrued and unpaid interest will be immediately due and payable. If an Event of Default specified in clause (h) or (i) of Section 6.01 above occurs, the principal of, premium and Additional Amounts, if any, and accrued and unpaid interest on the Notes then outstanding will automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

Section 6.03 *Other Remedies.*

If an Event of Default occurs and is continuing, the Trustee may pursue, in its own name or as Trustee of an express trust, any available remedy by proceeding at law or in equity to collect the payment of principal of and interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture, including, but not limited to, directing a foreclosure on the Collateral in accordance with the terms of the Collateral Documents and take such further action on behalf of the Holders with respect to the Collateral in accordance with such Holders' instruction and the relevant Collateral Documents, subject to any Intercreditor Agreement in the case of Pari Passu Collateral. The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding.

Section 6.04 *Waiver of Past Defaults.*

The Holders of at least a majority in principal amount of the outstanding Notes by written notice to the Company and to the Trustee may on behalf of all the Holders waive all past defaults and rescind and annul a declaration of acceleration and its consequences if:

(a) all existing Events of Default, other than the nonpayment of the principal of, premium, if any, and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived; and

(b) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Upon such waiver, the Default will cease to exist, and any Event of Default arising therefrom will be deemed to have been cured, but no such waiver will extend to any subsequent or other Default or impair any right consequent thereon.

Section 6.05 *Control by Majority.*

(a) The Holders of at least a majority in aggregate principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, subject to any Intercreditor Agreement in the case of Pari Passu Collateral, provided that in all cases the Trustee is indemnified and/or secured and/or prefunded to its satisfaction in advance of any such proceedings. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture, that may involve the Trustee in personal liability and may take any other action it deems proper that is not inconsistent with any such direction received from Holders.

(b) The Trustee will not be required to expend its own funds in following such direction if it does not believe that reimbursement or satisfactory indemnification and/or security and/or pre-funding is assured to it.

Section 6.06 *Limitation on Suits.*

A Holder may not institute any proceeding, judicial or otherwise, with respect to this Indenture or the Notes, or for the appointment of a receiver or trustee, or for any other remedy under this Indenture or the Notes, unless:

(a) the Holder has previously given the Trustee written notice of a continuing Event of Default;

(b) the Holders of at least 25% in aggregate principal amount of the then outstanding Notes make a written request to the Trustee to pursue the remedy;

(c) such Holder or Holders offer the Trustee and the Collateral Agents indemnity and/or security and/or pre-funding satisfactory to the Trustee and the Collateral Agents against any fees, costs, liability or expenses to be incurred in compliance with such request;

(d) the Trustee does not comply with the request within (x) 60 days after receipt of the written request pursuant to clause (b) above or (y) 60 days after the receipt of the offer of indemnity and/or security and/or pre-funding pursuant to clause (c) above, whichever occurs later; and

(e) during such 60-day period, the Holders of a majority in aggregate principal amount of the then outstanding Notes do not give the Trustee a direction that is inconsistent with such request.

However, such limitations do not apply to the contractual right of any Holder to bring suit for the enforcement of any such contractual right to payment, on or after the due date expressed in the Notes, which right will not be impaired or affected without the consent of the Holder.

Section 6.07 *Rights of Holders to Receive Payment.*

Notwithstanding any other provision of this Indenture, the right of any Holder of a Note to receive payment of principal of, premium and Additional Amounts, if any, and interest on the Note, on or after the respective due dates expressed in the Note (including in connection with an offer to purchase), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder; *provided that* a Holder shall not have the right to institute any such suit for the enforcement of payment if and to the extent that the institution or prosecution thereof or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the Lien of this Indenture upon any property subject to such Lien.

Section 6.08 *Collection Suit by Trustee.*

If an Event of Default specified in Section 6.01(a) or (b) occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Company for the whole amount of principal of, premium and Additional Amounts if any, and interest remaining unpaid on, the Notes and interest on overdue principal and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

Section 6.09 *Trustee May File Proofs of Claim.*

The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders of the Notes allowed in any judicial proceedings relative to the Company (or any other obligor upon the Notes), its creditors or its property and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10 *Priorities.*

If the Trustee collects any money pursuant to this Article 6, it shall pay out the money in the following order:

First : to the Trustee, the Notes Collateral Agent and the Common Collateral Agent, the Agents, and their respective agents and attorneys for amounts due under Section 7.07 and Section 10.10, including payment of all compensation, expenses, costs and liabilities properly incurred, and all advances properly made, by the Trustee, the Notes Collateral Agent, the Common Collateral Agent, the Agents and their respective agents and attorneys, and the costs and expenses of collection and all amounts for which the Trustee, the Notes Collateral Agent, the Common Collateral Agent and the Agents are entitled to indemnification under the Collateral Documents and this Indenture, for which the Trustee, the Notes Collateral Agent, the Common Collateral Agent or the Agents have made a claim pursuant to the terms of this Indenture;

Second: to the Note Holders Representative and its respective agents and attorneys for amounts due under paragraphs (a) and (b) of the Note Holders Representative Appointment Letter, including payment of all compensation, expenses and liabilities incurred, and all advances made by it and the costs and expenses of collection;

Third: to Holders for amounts due and unpaid on the Notes for principal, premium and Additional Amount if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium, if any and interest, respectively; and

Fourth : to the Company or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 6.10.

Section 6.11 *Undertaking for Costs.*

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess properly incurred costs, including properly incurred attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by a Holder of a Note pursuant to Section 6.07, or a suit by Holders of more than 10% in aggregate principal amount of the then outstanding Notes.

ARTICLE 7
TRUSTEE

Section 7.01 *Duties of Trustee.*

(a) If an Event of Default has occurred and is continuing, the Trustee will exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(1) in the absence of bad faith on its part, the duties of the Trustee will be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) the Trustee may conclusively rely on the truth of the statements contained in and the correctness of any certificates or opinions furnished to the Trustee pursuant to this Indenture, and the Trustee shall not be responsible for any loss occasioned by acting in reliance on such certificates and opinions and shall not be obligated to verify any information in such certificates or opinions..

The Trustee shall not be charged with knowledge of any Default or Event of Default unless the Company has delivered written notice of such Default or Event of Default to a Responsible Officer at the Corporate Trust Office of the Trustee referencing the applicable provision of this Indenture. During the continuance of an Event of Default, the Trustee shall not be under any obligation to exercise any rights or powers conferred under this Indenture for the benefit of the Holders unless it receives the written direction of the Holders of at least 25% of the aggregate principal amount then outstanding and indemnity and/or security and/or prefunding to its satisfaction.

(c) The Trustee may not be relieved from liabilities for its own gross negligence, or its own willful misconduct, except that:

(1) this paragraph does not limit the effect of paragraph (b) of this Section 7.01;

(2) the Trustee will not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Trustee was grossly negligent in ascertaining the pertinent facts; and

(3) the Trustee will not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05.

(d) Whether or not herein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to Article 7.

(e) No provision of this Indenture will require the Trustee to expend or risk its own funds or incur any liability. The Trustee will be under no obligation to exercise any of its rights and powers under this Indenture at the request of any Holders, unless such Holders have offered to the Trustee security and/or indemnity and/or pre-funding satisfactory to it against any loss, liability or expense.

(f) The Trustee will not be liable for interest on any money received by it. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

Section 7.02 *Rights of Trustee.*

(a) The Trustee may conclusively rely upon all instructions, notices, declarations and certificates, opinions and any other documents received pursuant to this Indenture believed by it to be genuine and to have been signed or presented by the proper Person. In conclusively relying upon any of such documents, the Trustee need not investigate any fact or matter stated therein and shall not be responsible for the accuracy, authenticity and validity thereof.

(b) Before the Trustee acts or refrains from acting, it may require an Officer's Certificate or an Opinion of Counsel or both. The Trustee will not be liable for any action it takes or omits to take in reliance on such Officer's Certificate or Opinion of Counsel. The Trustee may, at the Company's expense, consult with counsel and other professional advisors and an Opinion of Counsel will be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder and in reliance thereon.

(c) The Trustee may act through its attorneys, delegates and agents and will not be responsible for the misconduct or negligence of any attorneys, delegates and agents appointed with due care hereunder. The Trustee shall not be obligated to monitor or supervise such attorneys, delegates and agents.

(d) The Trustee will not be liable for any action it takes or omits to take that it believes to be authorized or within the rights or powers conferred upon it by this Indenture.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company will be sufficient if signed by an Officer of the Company.

(f) The Trustee will be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee indemnity and/or security and/or pre-funding satisfactory to it against the losses, liabilities

and expenses that might be incurred by it in compliance with such request or direction. The Trustee will not be responsible for any loss, liability, cost, claim, actions, demand, expense or inconvenience which may result from its exercise or non-exercise of any of the rights or powers vested in it by this Indenture other than as caused by its own gross negligence or its own willful misconduct.

(g) In no event shall the Trustee, the Collateral Agents or Agents be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond their control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; or failure of any money transmission or SWIFT system, any laws, ordinances, regulations or the like which restrict or prohibit the performance of the obligations contemplated by this Indenture.

(h) The recitals contained herein and in the Notes are made by the Company and not by the Trustee, and the Trustee assumes no responsibility for the correctness and completeness thereof. The Trustee makes no representation as to the validity or sufficiency of this Indenture or the Notes.

(i) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its sole and absolute discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records, and premises of the Company, personally or by agent or attorney at the sole cost of the Company and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation.

(j) Under no circumstances shall the Trustee, the Collateral Agents or Agents be responsible or liable to the Company or any other party to this Indenture for any punitive, special, indirect or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit, business, goodwill or opportunity) whether or not foreseeable and irrespective of whether the Trustee, the Collateral Agents and Agents have known about or have been advised of the likelihood of such loss or damage and regardless of the form of legal actions.

(k) The rights, privileges, indemnity, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and the Collateral Agents and the Agents, custodian and any other Person employed to act hereunder, *provided* , however any such agent or custodian shall not be deemed to be a fiduciary;

(l) The Trustee, the Collateral Agents and Agents may request that the Company deliver an Officer's Certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture; and

(m) So long as any of the Notes remains outstanding, the Company shall provide the Agents with a sufficient number of copies of this Indenture and each of the documents sent to the Trustee or which are required to be made available by stock exchange regulations or stated in the Offering Memorandum, to be available and, subject to being provided with such copies, each of the Agents will procure that such copies shall be available at its specified office during normal office hours for examination by the Holders and that copies thereof will be furnished to the Holders upon written request at their own expense.

(n) If an Event of Default occurs and is continuing, the Trustee shall be entitled to require all Agents and the Note Holders Representative to act solely in accordance with its directions.

(o) The Trustee shall treat all information relating to the Company as confidential, but (unless consent is prohibited by law) the Company and the Guarantors consent to the transfer and disclosure by the Trustee of any information relating to the Company and the Guarantors to and between branches, subsidiaries, representative offices, agents and affiliates of the Trustee and third parties (including service providers) selected by any of them, wherever situated, for confidential use (including without limitation in connection with the provision of any service and for data processing, statistical and risk analysis purposes and for compliance with applicable law). The Trustee and any of its branch, subsidiary, representative office, agent, affiliate or third party may transfer and disclose any such information as required or requested by any law, court, regulator, legal process, applicable law, or authority including any auditor of the Company or the Guarantors and including any payor or payee as required by applicable law; *provided that* the Trustee shall give the Company prompt written notice of such request so that the Company may seek a protective order or other remedy protecting such confidential information from disclosure so long as the provision of such notice is not contrary to applicable law.

(p) The Trustee will not be responsible for the acts, omissions, misconduct default or negligence of the Note Holders Representative and shall not be obliged to monitor or supervise the Note Holders Representative for any action it takes or omits to take that the Note Holders Representative believes to be authorized or within the rights or powers conferred upon it by the Note Holders Representative Appointment Letter.

(q) If an Event of Default occurs and is continuing and the Trustee instructs the Note Holders Representative to act solely in accordance with its directions, the Trustee shall not be obliged to indemnify the Note Holders Representative or pay remuneration to the Note Holders Representative before it acts in accordance with the directions of the Trustee.

(r) Notwithstanding anything to the contrary provided for in this Indenture, the Notes and the Note Holders Representative Appointment Letter, the Note Holders Representative shall not, by any provision hereof or in the Note Holders Representative Appointment Letter, have any claim or recourse to the Trustee in connection with the Note Holders Representative's indemnification, remuneration or liabilities and acknowledges and agrees that the expenses of the Note Holders Representative shall be limited to the amounts for the time being held by the Trustee in respect of the Notes under this Indenture and after application of such sums in accordance with Section 6.10 in satisfaction of payment of relevant sums.

(s) Notwithstanding anything to the contrary in this Indenture, the Notes or in any other document the Company, Parent and the Holders of the Notes, by accepting the Notes, acknowledge and understand that the:

(1) Trustee has not conducted any due diligence or investigation with respect to the Note Holders Representative or its ability to perform its required duties and accepts no responsibility or liability for any acts, omissions or defaults of the Note Holders Representative; and

(2) The Note Holders Representative is executing the Note Holders Representative Appointment Letter as an agent of the Company and not as an agent of the Trustee and there is no trustee-beneficiary or fiduciary relationship between the Note Holders Representative and the Trustee of any nature whatsoever and no principal-agent relationship between the Note Holders Representative and the Trustee of any nature whatsoever until such time an Event of Default occurs and is continuing and the Trustee requires the Note Holders Representative to act as agent of the Trustee and to act solely in accordance with its directions.

(t) The Company and the Parent hereby irrevocably waive, in favor of the Trustee, the Agents and the Collateral Agents, any conflict of interest which may arise by virtue of the Trustee and/or the Agents and/or the Collateral Agents acting in various capacities under this Indenture, the Notes, the Note Guarantees and the Collateral Documents or for other customers of the Trustee and/or the Agents and/or the Collateral Agents. The Company and the Parent acknowledge that the Trustee, the Agents and the Collateral Agents and their respective affiliates (together, the "Agent Parties") may have interests in, or may be providing or may in the future provide, financial or other services to other parties with interests which the Company or the Parent may regard as conflicting with their respective interests under this Indenture, the Notes, the Note Guarantees and the Collateral Documents and may possess information (whether or not material to the Company or the Parent) other than as a result of acting as Trustee and/or the Agents and/or the Collateral Agents hereunder, that the Trustee and/or the Agents and/or the Collateral Agents may not be entitled to share with the Company or the Parent. The Trustee, the Agents and the Collateral Agents will not disclose confidential information obtained from the Company and the Parent (without their respective consent) to any of the Trustee's and/or the Agent's and/or the Collateral Agent's other customers nor will any of them use on the Company's or the Parent's behalf any confidential information obtained from any other customer. Without prejudice to the foregoing, the Company and the Parent agree that the Agent Parties may deal (whether for their own respective or their respective customers' accounts) in, or advise on, securities of any party and that such dealing or giving of advice, will not constitute a conflict of interest for the purposes of this Indenture, the Notes, the Note Guarantees and the Collateral Documents.

(u) The Trustee shall have no obligation or duty to monitor, supervise, determine or inquire as to the Company's or the Parent's compliance with any provision of this Indenture.

(v) The Trustee shall not be deemed to have knowledge of any event unless it has been actually notified in writing of such event. In the exercise of its duties, the Trustee shall not be responsible for the verification of the accuracy or completeness of any certification or legal opinion submitted to it pursuant to this Indenture and is entitled to rely exclusively on, and take action based on the information contained in, such certification or legal opinion.

(w) The Trustee shall not be responsible for the performance by any other person appointed by the Company in relation to the Notes and this Indenture and, unless notified in writing to the contrary, shall assume that the same is duly performed. The Trustee shall not be liable to any Holders or any other person for any action taken by the Holders or the Trustee in accordance with the instructions of the Holders.

(x) In all instances in which the Trustee is called upon to exercise its discretion, such discretion shall be absolute and unfettered.

(y) Notwithstanding anything else herein contained, the Trustee may refrain without liability from doing anything that would or might in its opinion be contrary to any law of any state or jurisdiction (including but not limited to Hong Kong, the United States of America or any jurisdiction forming a part of it and England & Wales) or any directive or regulation of any agency of any such state or jurisdiction, in each case, applicable to it, and may without liability do anything which is, in its reasonable opinion, necessary to comply with any such law, directive or regulation. The Trustee shall as soon as reasonably practicable, to the extent permitted by applicable laws, notify the Company of such action or inaction.

(z) The Trustee, the Collateral Agents and the Agents shall not be responsible for any loss or damage, or failure to comply or delay in complying with any duty or obligation, under or pursuant to this Indenture arising as a direct or indirect result of any Force Majeure Event or any event where, in the reasonable opinion of the Trustee, the Collateral Agents or the Agents (as the case may be), performance of any duty or obligation under or pursuant to this Indenture would or may be illegal or would result in the Trustee, the Collateral Agents or the Agents (as the case may be) being in breach of any law, rule, regulation, or any decree, order or judgment of any court, or practice, request, direction, notice, announcement or similar action (whether or not having the force of law) of any relevant government, government agency, regulatory authority, stock exchange or self-regulatory organization to which the Trustee, the Collateral Agents or the Agents (as the case may be) are subject.

Section 7.03 *Individual Rights of Trustee.*

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company or any Affiliate of the Company with the same rights it would have if it were not Trustee. The Trustee is permitted to engage in other transactions, including normal banking and trustee relationships, with the Company, the Parent and their respective Affiliates and to benefit from them without being obliged to account for profits, if any; *provided* , however, that if it acquires any conflicting interest that may have a prejudicial effect upon the Holders of the Notes, the Trustee must eliminate such conflict within 90 days or resign. The Trustee and the Agents may have an interest in, may be providing, or may in the future provide financial or other services to other parties. Any Agent and the Collateral Agents may do the same with like rights and duties contained in this Section 7.03. The Trustee is also subject to Section 7.10.

Section 7.04 *Trustee's Disclaimer.*

The Trustee will not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes; it shall not be accountable for the Company's use of the proceeds from the Notes or any money paid to the Company or upon the Company's direction under any provision of this Indenture; it will not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it will not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than its certificate of authentication. The Trustee shall not be deemed to be required to calculate any Adjusted Treasury Rates, Additional Amounts, make-whole amount, Combined Leverage Ratio or other leverage ratio.

Section 7.05 *Notice of Defaults.*

If a Default or an Event of Default occurs and is continuing and if the Holders of 25% or more in aggregate principal amount of the Notes notified the Trustee in writing of such occurrence, the Trustee will mail to Holders, at the expense of the Company, a notice of the Default or Event of Default within

90 days after it occurs. The Trustee shall not be deemed to have notice or knowledge of a Default or Event of Default unless and until it has received written notification of such Default or Event of Default describing the circumstances of such, and identifying the circumstances constituting such Default or Event of Default pursuant to Section 4.03(c)(2). None of the Trustee or any Agent is obligated to do anything to ascertain whether any Event of Default or Default has occurred or is continuing and will not be responsible to Holders or any other person for any loss arising from any failure by it to do so, and each of the Trustee and the Agents may assume that no such event has occurred and that the Company and the Parent are performing all of their respective obligations under the Indenture, the Notes and the Notes Guarantees unless the Trustee or the Agents, as the case may be, has received written notice of the occurrence of such event or facts establishing that a Default or an Event of Default has occurred or that the Company and the Parent are not performing all of their respective obligations under the Indenture, the Notes and the Notes Guarantees. The Trustee or the Agents are entitled to rely on any Opinion of Counsel or Officers' Certificate regarding whether a Default or an Event of Default has occurred.

Section 7.06 *Limitation on Duty of Trustee and Collateral Agents in Respect of Collateral; Indemnification.*

(a) The Trustee and Collateral Agents shall have no duty as to any Collateral in their possession or control or in the possession or control of any agent or bailee or any income thereon or as to preservation of rights against prior parties or any other rights pertaining thereto and the Trustee and Collateral Agents shall not be responsible for filing any financing or continuation statements or recording any documents or instruments in any public office at any time or times or otherwise perfecting or maintaining the perfection of any security interest in the Collateral.

(b) The Trustee and Collateral Agents shall not be responsible for the existence, title, genuineness, protection or value of any of the Collateral or for the legality, genuineness, validity, perfection, priority of enforceability of the Liens in any of the Collateral, whether impaired by operation of law or by reason of any action or omission to act on its part hereunder. The Collateral Agents may decline to foreclose on the Collateral or exercise remedies available if they do not receive indemnification and/or security and/or pre-funding to its satisfaction. The Collateral Agents' ability to foreclose on the Collateral may be subject to lack of perfection, the consent of third parties, prior Liens and practical problems associated with the realization of the Collateral Agents' Liens on the Notes Collateral and/or the Pari Passu Collateral, as the case may be. Neither the Trustee, the Collateral Agents nor any of their respective officers, directors, employees, attorneys or agents will be responsible or liable for the existence, genuineness, value, adequacy or protection of the Notes Collateral and/or the Pari Passu Collateral, for the legality, genuineness, validity, perfection, priority of enforceability of the Liens, effectiveness or sufficiency of the Notes Collateral Document or the Pari Passu Collateral Document, for the creation, perfection, priority, sufficiency or protection of any of the Liens, or for any defect or deficiency as to any such matters, or for any failure to demand, collect, foreclose or realize upon or otherwise enforce any of the Liens or the Notes Collateral Document or the Pari Passu Collateral Document, as the case may be, or any delay in doing so. The Collateral Agents will not be required to expend their own funds under any circumstances. The Trustee and Collateral Agents shall have no duty to ascertain or inquire as to the performance or observance of any of the terms of this Indenture or the Collateral Documents by the Company or any Guarantor.

Section 7.07 *Compensation and Indemnity.*

(a) The Company agrees to pay to the Trustee and each Agent from time to time compensation for their acceptance of this Indenture and services hereunder pursuant to a written fee

agreement. The Trustee's and each Agent's compensation will not be limited by any law on compensation of a trustee of an express trust. The Company will reimburse the Trustee and each Agent promptly upon request for all properly incurred disbursements, advances and expenses incurred or made by them in addition to the compensation for their services. Such expenses will include the properly incurred compensation, disbursements and expenses of the Trustee's and each Agent's respective agents and counsel and other Persons not regularly within their employ.

(b) The Company agrees to be responsible for and indemnify the Trustee and each Agent and their respective agents, employees, delegates, employees, officers and directors against any and all losses, liabilities or expenses incurred by them arising out of or in connection with the acceptance or administration of their duties under this Indenture, including the properly incurred fees, costs and expenses of enforcing this Indenture against the Company and the Parent (including this Section 7.07) and defending themselves against any claim (whether asserted by the Company, the Parent, any Holder or any other Person) or liability in connection with the exercise or performance of any of their powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable to their gross negligence fraud or willful misconduct.

(c) The obligations of the Company under this Section 7.07 and Section 7.02(j) will survive the satisfaction and discharge of this Indenture, the redemption or maturity of the Notes, and the resignation or termination of appointment of the Trustee or each Agent.

(d) To secure the Company's payment obligations in this Section 7.07, the Trustee and each Agent will have a Lien prior to the Notes on all money or property held or collected by the Trustee, except that held in trust to pay principal of, premium on, if any, and interest on particular Notes. Such Lien will survive the satisfaction and discharge of this Indenture.

(e) For purposes of this Section 7.07, "hereunder" shall be deemed to include this Indenture, the Notes, the Note Guarantees and the Collateral Documents.

(f) If a Default or an Event of Default has occurred or if the Trustee finds it expedient or necessary after attempting to consult with the Company or is requested by the Company to undertake duties which are of an exceptional nature or otherwise outside the scope of the Trustee's normal duties under this Indenture, the Company and the Parent will pay such additional remuneration as they may agree (and which may be calculated by reference to the Trustee's normal hourly rate or such other rate or fees in place from time to time) or, failing such agreement, as determined by an independent financial institution (acting as an expert and not as an arbitrator) selected by the Trustee and, prior to the occurrence of an Event of Default that is continuing, also approved by the Company. The properly incurred expenses involved in such nomination and such financial institution's properly incurred fees will be paid by the Company and the Parent. The determination of such financial institution will be conclusive and binding on the Company, the Parent, the Trustee and the Holders.

Section 7.08 *Replacement of Trustee.*

(a) A resignation or removal of the Trustee and appointment of a successor Trustee will become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.08.

(b) The Trustee may resign without giving any reason in writing at any time by giving 60 days' notice and be discharged from the trust hereby created by so notifying the Company. The Holders

of a majority in aggregate principal amount of the then outstanding Notes may remove the Trustee by so providing a 60-day notice to the Trustee and the Company in writing. The Company may remove the Trustee if:

(1) the Trustee fails to comply with Section 7.10;

(2) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(3) a custodian or public officer takes charge of the Trustee or its property; or

(4) the Trustee becomes incapable of acting.

(c) If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Company will promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in aggregate principal amount of the then outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Company.

(d) If a successor Trustee does not take office within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee may, on behalf of and at the expense of, the Company appoint a successor trustee or the retiring trustee, the Company, or the Holders of at least 10% in aggregate principal amount of the then outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(e) If the Trustee, after written request by any Holder who has been a Holder for at least six months, fails to comply with Section 7.10, such Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(f) A successor Trustee will deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon, the resignation or removal of the retiring Trustee will become effective, and the successor Trustee will have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee will mail a notice of its succession to Holders. The retiring Trustee will as soon as reasonably practicable transfer all property held by it as Trustee to the successor Trustee; *provided* all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.07. Notwithstanding replacement of the Trustee pursuant to this Section 7.08, the Company's obligations under Section 7.07 will continue for the benefit of the retiring Trustee.

Section 7.09 *Successor Trustee by Merger, etc.*

If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act will be the successor Trustee.

Section 7.10 *Eligibility; Disqualification.*

There will at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of Hong Kong, the United States of America or of any state thereof, the United Kingdom, Mauritius or India) that is authorized under such laws to exercise corporate trustee power.

Section 7.11 *Rights of Trustee in other roles; Collateral Agents.*

All rights, powers and indemnities contained in this Article 7 shall apply to the Trustee in its other roles hereunder and to the Collateral Agents, *provided* , *however* , that the Collateral Agents are an agent and not a fiduciary.

ARTICLE 8
LEGAL DEFEASANCE AND COVENANT DEFEASANCE

Section 8.01 *Option to Effect Legal Defeasance or Covenant Defeasance.*

The Company may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an Officer's Certificate, elect to have either Section 8.02 or 8.03 be applied to all outstanding Notes upon compliance with the conditions set forth below in the relevant Sections, as the case may be.

Section 8.02 *Legal Defeasance and Discharge.*

Upon the Company's exercise under Section 8.01 of the option applicable to this Section 8.02, the Company and the Guarantors (if any) will, subject to the satisfaction of the conditions set forth in Section 8.04, be deemed to have been discharged from their obligations with respect to all outstanding Notes (including the Note Guarantees if any) on the date the conditions set forth below are satisfied (hereinafter, " *Legal Defeasance* "). For this purpose, Legal Defeasance means that the Company and the Guarantors (if any) will be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes (including the Note Guarantees, if any), which will thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 and the other Sections of this Indenture referred to in clauses (a) and (b) below, and to have satisfied all their other obligations under such Notes, the Note Guarantees (if any) and this Indenture (and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following provisions which will survive until otherwise terminated or discharged hereunder:

(a) the rights of Holders to receive payments in respect of the principal of, or interest or premium, if any, on, such Notes when such payments are due from the trust referred to below;

(b) the Company's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(c) the rights, powers, trusts, duties and immunities of the Trustee, and the Company's and the Guarantors' obligations (if any) in connection therewith; and

(d) the Legal Defeasance and Covenant Defeasance provisions of this Indenture.

Subject to compliance with this Article 8, the Company may exercise its option under this Section 8.02 notwithstanding the prior exercise of its option under Section 8.03.

Section 8.03 *Covenant Defeasance.*

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, the Company and the Guarantors (if any) will, subject to the satisfaction of the conditions set forth

in Section 8.04 hereof, be released from their obligations under the covenants contained in Article 4 (other than Sections 4.01, 4.02, 4.05, 4.06, 4.15 (solely with respect to the Parent and the Company), 4.30 and 4.31), hereof and clauses (3) and (4) of Section 5.01(a) hereof with respect to the outstanding Notes on and after the date the conditions set forth in Section 8.04 hereof are satisfied (hereinafter, " *Covenant Defeasance* "), and the Notes will thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but will continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes will not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Notes and Note Guarantees (if any), the Company and the Guarantors (if any) may omit to comply with and will have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply will not constitute a Default or an Event of Default under Section 6.01, but, except as specified above, the remainder of this Indenture and such Notes and Note Guarantees (if any) will be unaffected thereby. In addition, upon the Company's exercise under Section 8.01 of the option applicable to this Section 8.03, subject to the satisfaction of the conditions set forth in Section 8.04, Sections 6.01 (c), (d) and (f) will not constitute Events of Default.

Section 8.04 *Conditions to Legal or Covenant Defeasance.*

In order to exercise either Legal Defeasance or Covenant Defeasance under either Section 8.02 or 8.03:

(a) the Company must irrevocably deposit with the Trustee (or such other entity designated or appointed (as agent) by it for such purpose), in trust, for the benefit of the Holders, cash in U.S. dollars, non-callable Government Securities, or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized investment bank, appraisal firm, or firm of independent public accountants, to pay the principal of, premium, if any, and interest on, the outstanding Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Company must specify whether the Notes are being defeased to such stated date for payment or to a particular redemption date;

(b) in the case of an election under Section 8.02, the Company must deliver to the Trustee an Opinion of Counsel confirming that:

(1) the Company has received from, or there has been published by, the U.S. Internal Revenue Service a ruling; or

(2) since the Original Issue Date, there has been a change in the applicable U.S. federal income tax law,

in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Holders of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of an election under Section 8.03, the Company must deliver to the Trustee an Opinion of Counsel confirming that the Holders of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(d) no Default or Event of Default shall have occurred and be continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit (and any similar concurrent deposit relating to other Indebtedness) and the granting of Liens securing such borrowing);

(e) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than this Indenture and any agreements or instruments governing any other Indebtedness being defeased, discharged or replaced) to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound;

(f) the Company must deliver to the Trustee an Officer's Certificate stating that the deposit was not made by the Company with the intent of preferring the Holders over the other creditors of the Company with the intent of defeating, hindering, delaying or defrauding any creditors of the Company or others; and

(g) the Company must deliver to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Section 8.05 *Deposited Money and Government Securities to be Held in Trust; Other Miscellaneous Provisions.*

Subject to Section 8.06, all money and non-callable Government Securities (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.05, the " *Trustee* ") pursuant to Section 8.04 in respect of the outstanding Notes will be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Company will pay and indemnify the Trustee against any tax, fee, cost or other charge imposed on or assessed against the cash or non-callable Government Securities deposited pursuant to Section 8.04 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Notes.

Notwithstanding anything in this Article 8 to the contrary, the Trustee will deliver or pay to the Company from time to time upon the request of the Company any money or non-callable Government Securities held by it as provided in Section 8.04 which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.04(1)), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

Section 8.06 *Repayment to Company.*

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium and Additional Amounts if any, or interest on, any Note and remaining unclaimed for two years after such principal, premium, if any, or interest has become due and payable shall be paid to the Company on its request or (if then held by the Company) will be discharged from such trust; and the Holder of such Note will thereafter be permitted to look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, will thereupon cease.

Section 8.07 *Reinstatement.*

If the Trustee or Paying Agent is unable to apply any U.S. dollars or non-callable Government Securities in accordance with Section 8.02 or 8.03, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's and any Guarantors' obligations under this Indenture and the Notes and the Note Guarantees (if any) will be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or 8.03, as the case may be; *provided, however* , that, if the Company makes any payment of principal of, premium and Additional Amounts if any, or interest on, any Note following the reinstatement of its obligations, the Company will be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE 9
AMENDMENT, SUPPLEMENT AND WAIVER

Section 9.01 *Without Consent of Holders.*

Notwithstanding Section 9.02, the Company, any Guarantor and the Trustee may amend or supplement this Indenture, the Notes, any Note Guarantee, the Collateral Documents or the Intercreditor Agreement (if any) without the consent of any Holder of Note:

(a) to cure any ambiguity, defect, omission or inconsistency;

(b) to provide for certificated Notes in addition to or in place of uncertificated Notes (provided, that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the U.S. Internal Revenue Code of 1986, as amended);

(c) to provide for the assumption of the Company's or a Guarantor's obligations to the Holders of the Notes or the Note Guarantees by a successor to the Company in the case of a merger or consolidation or sale of all or substantially all of the Company's or such Guarantor's assets, as applicable;

(d) to make any change that would provide any additional rights or benefits to the Holders or that does not adversely affect the legal rights hereunder of any Holder;

(e) to conform the text of this Indenture, the Notes or the Note Guarantees or the Collateral Documents to any provision of the "Description of the Notes" section of the Offering Memorandum to the extent that such provision in that "Description of the Notes" was intended to be a verbatim recitation of a provision of this Indenture, the Notes, the Note Guarantees, the Collateral Documents or the Intercreditor Agreement (if any);

(f) to provide for the issuance of Additional Notes in accordance with the covenants set forth in this Indenture;

(g) to effect any changes to this Indenture in a manner necessary to comply with the procedures of the relevant clearing system;

(h) to allow a Guarantor to execute a supplemental indenture and/or a Note Guarantee with respect to the Notes or to release a Guarantor from its Note Guarantee in accordance with the terms of this Indenture;

(i) to enter into additional or supplemental Collateral Documents or to release Collateral from the Lien of this Indenture or the Collateral Documents in accordance with the terms of this Indenture;

(j) to evidence and provide for the acceptance of appointment by a successor Trustee or Collateral Agents; or

(k) to enter into an Intercreditor Agreement.

In connection with the matters indicated above, the Trustee shall be entitled to rely absolutely on an Opinion of Counsel and an Officer's Certificate to the effect that the entry into such amendment, supplement or waiver is authorized or permitted by this Indenture.

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental indenture, and upon receipt by the Trustee of the documents described in Section 7.02, the Trustee and the Collateral Agents will join with the Company and the Guarantors (if any) in the execution of any amended or supplemental indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee and the Collateral Agents will not be obligated to enter into such amended or supplemental indenture that affects their own rights, duties or immunities under this Indenture or otherwise.

Section 9.02 *With Consent of Holders.*

Except as provided in this Section 9.02, this Indenture, the Notes, any Note Guarantee, the Collateral Documents or the Intercreditor Agreement (if any) may be amended or supplemented with the consent of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding (including Additional Notes, if any) voting as a single class (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing Default or Event of Default or compliance with any provision of this Indenture, the Notes, any Note Guarantees, the Collateral Documents or the Intercreditor Agreement (if any) may be waived with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding (including Additional Notes, if any) voting as a single class (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes).

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental indenture, and upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the Holders as aforesaid, and upon receipt by the Trustee of the documents described in Section 7.02, the Trustee will join with the Company and the Guarantors (if any) in the execution of such amended or supplemental indenture unless such amended or supplemental indenture directly affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its sole discretion, but will not be obligated to, enter into such amended or supplemental indenture.

It is not necessary for the consent of the Holders under this Section 9.02 to approve the particular form of any proposed amendment, supplement or waiver, but it is sufficient if such consent approves the substance thereof.

After an amendment, supplement or waiver under this Section 9.02 becomes effective, the Company will mail to the Holders affected thereby a notice briefly describing the amendment, supplement or waiver; provided that the foregoing shall not be required if such amendment, supplement or waiver, or such notice, is filed with the SEC. Any failure of the Company to mail such notice, or any defect therein, will not, however, in any way impair or affect the validity of any such amended or supplemental indenture or waiver. Subject to Sections 6.04 and 6.07, the Holders of a majority in aggregate principal amount of the Notes then outstanding voting as a single class may waive compliance in a particular instance by the Company with any provision of this Indenture or the Notes or the Note Guarantees. However, without the consent of each Holder of Notes (including Additional Notes) affected, an amendment, supplement or waiver under this Section 9.02 may not (with respect to any Notes (including Additional Notes) held by a non-consenting Holder):

(a) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(b) reduce the principal of or change the fixed maturity of any Note;

(c) change the redemption date or the redemption price of the Notes from that stated under Section 3.07 or Section 3.10;

(d) reduce the rate of or change the currency or change the time for payment of interest, including default interest, on any Note;

(e) waive a Default or an Event of Default in the payment of principal of, or interest or premium, if any, on, the Notes (except a rescission of acceleration of the Notes by the Holders of a majority in aggregate principal amount of the then outstanding Notes and a waiver of the payment default that resulted from such acceleration);

(f) reduce the amount payable upon a Change of Control Offer or an Excess Proceeds Repurchase Offer or change the time or manner a Change of Control Offer or an Excess Proceeds Repurchase Offer may be made or by which the Notes must be repurchased pursuant to a Change of Control Offer or an Excess Proceeds Repurchase Offer, in each case after the obligation to make such Change of Control Offer or Excess Proceeds Repurchase Offer has arisen;

(g) make any change in the provisions of this Indenture relating to waivers of past Defaults or the rights of Holders to bring suit for the enforcement of any contractual right to payment, on or after the due date expressed in the Notes;

(h) waive a redemption payment with respect to any Note (other than a payment required by Section 4.10 and Section 4.16);

(i) release any Guarantor from any of its obligations under its Note Guarantee or this Indenture, except as set forth under Section 11.09 and Section 5.01;

(j) release any Collateral from the Lien of this Indenture and the Collateral Documents, except as set forth under Section 10.04; or

(k) make any change in the preceding amendment and waiver provisions.

Section 9.03 *Supplemental Indenture.*

Every amendment or supplement to this Indenture or the Notes will be set forth in an amended or supplemental indenture.

Section 9.04 *Revocation and Effect of Consents.*

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder of a Note is a continuing consent by the Holder of a Note and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder of a Note or subsequent Holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the amendment, supplement or waiver becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

Section 9.05 *Notation on or Exchange of Notes.*

The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Company in exchange for all Notes may issue and the Trustee shall, upon receipt of an Authentication Order, authenticate new Notes that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Note will not affect the validity and effect of such amendment, supplement or waiver.

Section 9.06 *Trustee to Sign Amendments, etc.*

The Trustee will sign any amended or supplemental indenture authorized pursuant to this Article 9 if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee; provided that the Trustee has received an Officer's Certificate and an Opinion of Counsel pursuant to this Article 9. The Company and any Guarantor may not sign an amended or supplemental indenture until the Board of Directors of the Company and such Guarantor approves it. In executing any amended or supplemental indenture, the Trustee will be entitled to receive and (subject to Section 7.01) will be fully protected in relying upon, in addition to the documents required by Section 13.03, an Officer's Certificate and an Opinion of Counsel stating that the execution of such amended or supplemental indenture is authorized or permitted by this Indenture.

ARTICLE 10
COLLATERAL AND SECURITY

Section 10.01 *Security.*

The Parent shall, for the benefit of the Holders, charge on a first priority basis (subject to the Permitted Liens) the Capital Stock of the Company (the " *Pari Passu Collateral* " and such fixed share charge, the " *Pari Passu Collateral Document* "), and the Company shall, for the benefit of the Holders, charge on a first priority basis (subject to the Permitted Liens) funds held in the Escrow Account (the " *Notes Collateral* ") pursuant to an account charge agreement (the " *Notes Collateral Document* "). The Pari Passu Collateral and the Notes Collateral together with any additional collateral provided to secure the Notes and prior to any release thereof pursuant to the terms of this Indenture are the "Collateral". The Pari Passu Collateral Document and the Notes Collateral Document are collectively the " *Collateral Documents* ".

The due and punctual payment of the principal of and premium and Additional Amounts, if any, on the Notes when and as the same shall be due and payable, whether on an Interest Payment Date, at maturity, by acceleration, repurchase, redemption or otherwise, and interest on the overdue principal of and interest and Additional Amounts (to the extent permitted by law), if any, on the Notes and performance of all other obligations of the Company to the Holders or the Trustee under this Indenture and the Notes, according to the terms hereunder or thereunder, are secured as provided in the Collateral Documents which the Company and the Parent, the Trustee, the Note Collateral Agent and the Common Collateral Agent have entered into simultaneously with the execution of this Indenture. Each Holder, by its acceptance of a Note, consents and agrees to the terms of the Collateral Documents (including, without limitation, the provisions providing for foreclosure and release of the Collateral) as the same may be in effect or may be amended from time to time in accordance with its terms and authorizes and directs the Collateral Agents to enter into the Collateral Documents and to perform its obligations and exercise its rights thereunder in accordance therewith. The Company and the Parent will deliver to the Trustee copies of all documents delivered to the Collateral Agents pursuant to the Collateral Documents, and will do or cause to be done all such acts and things as may be necessary or proper, or as may be required by the provisions of the Collateral Documents, to assure and confirm to the Trustee and the Collateral Agents the security interest in the Collateral contemplated hereby, by the Collateral Documents or any part thereof, as from time to time constituted, so as to render the same available for the security and benefit of this Indenture and of the Notes secured hereby, according to the intent and purposes herein expressed. The Parent will take, upon request of the Trustee, any and all actions reasonably required to cause the Collateral Documents to create and maintain, as security for the obligations of the Company hereunder, a valid and enforceable perfected first priority Lien in and on all the Collateral, in favor of the Collateral Agents for the benefit of the Holders, superior to and prior to the rights of all third Persons and subject to no other Liens than Permitted Liens.

Section 10.02 *[Reserved].*

Section 10.03 *Priorities of Proceeds from Enforcement of Security.*

The first-priority liens over the Notes Collateral will be granted to the Notes Collateral Agent. The Notes Collateral Agent, subject to the Notes Collateral Document and this Indenture, will hold

such Liens and security interests in the Notes Collateral granted pursuant to the Notes Collateral Document with sole authority as directed by the written instruction of the Trustee to exercise remedies under the Notes Collateral Document. The Notes Collateral Agent has agreed to act as secured party on behalf of the Holders under the Notes Collateral Document, to follow the instructions provided to it under this Indenture and the Notes Collateral Document and to carry out certain other duties.

The first-priority liens over the Pari Passu Collateral will be granted to the Common Collateral Agent. The Common Collateral Agent will hold such Liens and security interests in the Pari Passu Collateral granted pursuant to the applicable Pari Passu Collateral Document with sole authority as directed by the written instruction of the majority of the secured creditors, as defined in the Intercreditor Agreement, to exercise remedies under the Pari Passu Collateral Document. The Common Collateral Agent has agreed to act as secured party on behalf of the Pari Passu Secured Parties under the Pari Passu Collateral Document, to follow the instructions provided to it under the Intercreditor Agreement and the Pari Passu Collateral Document and to carry out certain other duties.

The Notes Collateral Agent and/or the Common Collateral Agent (together, the "Collateral Agents") may decline to foreclose on the Notes Collateral or the Pari Passu Collateral, as the case may be, or exercise remedies available if it does not receive indemnification and/or security and/or pre-funding to its satisfaction. In addition, the Collateral Agents' ability to foreclose on the Collateral may be subject to lack of perfection, the consent of third parties, prior Liens and practical problems associated with the realization of the Collateral Agents' Liens on the Notes Collateral and/or the Pari Passu Collateral, as the case may be. None of the Collateral Agents nor the Trustee, nor any of their respective officers, directors, employees, attorneys or agents will be responsible or liable for the existence, genuineness, value, adequacy or protection of the Notes Collateral and/or the Pari Passu Collateral, for the legality, enforceability, effectiveness or sufficiency of the Notes Collateral Document or the Pari Passu Collateral Document, for the creation, perfection, priority, sufficiency or protection of any of the Liens, or for any defect or deficiency as to any such matters, or for any failure to demand, collect, foreclose or realize upon or otherwise enforce any of the Liens or the Notes Collateral Document or the Pari Passu Collateral Document, as the case may be, or any delay in doing so.

Each of this Indenture, the Notes Collateral Document and the Pari Passu Collateral Document provides that the Company and the Parent will be jointly and severally responsible for and indemnify the Collateral Agents and the Trustee for all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind imposed against each of the Collateral Agents arising out of the Notes Collateral Document and the Pari Passu Collateral Document except to the extent that any of the foregoing are finally judicially determined to have resulted from the gross negligence or willful misconduct of the relevant Collateral Agent.

(a) All payments received and all amounts held by the Notes Collateral Agent in respect of the Notes Collateral under the Notes Collateral Document will be applied as follows:

first, to the Trustee, the Notes Collateral Agent, the Agents and to the extent necessary to reimburse the Trustee, the Notes Collateral Agent and the Agents for their respective unpaid fees, costs and expenses incurred in connection with this Indenture and the Notes Collateral Document and the collection or distribution of such amounts held or realized or in connection with fees, costs and expenses incurred (including, fees and expenses of legal counsel) in enforcing its remedies under the Notes Collateral Document and preserving the Notes Collateral and all amounts for which the Trustee, the Notes Collateral Agent and the Agents are entitled to indemnification under the Notes Collateral Document and this Indenture;

second , to the Trustee for the benefit of Holders; and

third , any surplus remaining after such payments will be paid to the Company or to whomever may be lawfully entitled thereto.

(b) All payments received and all amounts held by the Common Collateral Agent in respect of the Pari Passu Collateral under the Pari Passu Collateral Document will, in accordance with the terms of the Intercreditor Agreement, be applied as follows:

first, to the Trustee, the Common Collateral Agent, the Agents and to the extent applicable, any representative of holders of any Permitted Pari Passu Secured Indebtedness, to the extent necessary to reimburse the Trustee, the Common Collateral Agent, the Agents and any such representative for any unpaid fees, costs and expenses incurred in connection with the collection or distribution of such amounts held or realized or in connection with expenses incurred in enforcing its remedies under the Pari Passu Collateral Document and preserving the Pari Passu Collateral and all amounts for which the Trustee, the Common Collateral Agent, the Agents and any such representative are entitled to indemnification under the Collateral Documents and the Intercreditor Agreement;

second, on a pro rata and pari passu basis to the counterparties under Hedging Obligations Incurred by the Company under Section 4.09(b)(5) of the definition of Permitted Indebtedness;

third, to the Trustee for the benefit of Holders and, to the extent applicable, holders of any Permitted Pari Passu Secured Indebtedness (or their representative) on a pro rata and pari passu basis; and

fourth, any surplus remaining after such payments will be paid to the Company or whomever may be lawfully entitled thereto.

Section 10.04 *Release of Collateral.*

(a) The Liens created by this Indenture and the Collateral Documents will be released upon (1) the full and final payment and performance of the Obligations of the Company under this Indenture and the Notes, (2) legal or covenant defeasance pursuant to Article 8 or discharge of this Indenture in accordance with Article 12 or (3) in the case of the release of the Lien over the Escrow Account, in accordance with Section 4.28.

(b) The Trustee shall, if so requested by the Parent, authorize the Collateral Agents to execute, deliver or acknowledge any necessary or proper instruments of termination, satisfy or release to evidence the release of any Collateral permitted to be released pursuant to this Indenture or the Collateral Documents.

(c) At any time when a Default or an Event of Default has occurred and is continuing and the maturity of the Notes has been accelerated (whether by declaration or otherwise) and the Trustee has delivered a notice of acceleration to the Collateral Agents:

(1) all rights of the Parent and the Company to receive all or claim payment of cash dividends, interest and other payments made upon or with respect to the Collateral will cease and such cash dividends, interest and other payments will be paid to the Notes Collateral Agent or the Common Collateral Agent, as applicable;

(2) all voting or other consensual rights pertaining to the Collateral will become vested solely in the Notes Collateral Agent or the Common Collateral Agent, as applicable, and the right of the Parent and the Company to exercise any such voting and consensual rights will cease; and

(3) the Notes Collateral Agent or the Common Collateral Agent, as applicable, may distribute or sell the Collateral or any part of the Collateral in accordance with the terms of the Collateral Documents, subject to the provisions of applicable law. The Notes Collateral Agent in accordance with the provisions of this Indenture will distribute all funds distributed under the Notes Collateral Documents in connection with the Notes Collateral. The Common Collateral Agent in accordance with the Intercreditor Agreement will distribute all funds distributed under the Collateral Documents in connection with the Pari Passu Collateral and received by the Common Collateral Agent for the benefit of the Permitted Pari Passu Secured Indebtedness creditors and the Holders.

(d) The release of the Collateral from the terms of this Indenture and the Collateral Documents will not be deemed to impair the security under this Indenture in contravention of the provisions hereof if and to the extent the Collateral is released pursuant to the terms of the Collateral Documents.

Section 10.05 *Certificate of the Parent.*

The Parent shall furnish to the Collateral Agents and the Trustee on or prior to any proposed releases of Collateral by the Parent an Officer's Certificate certifying and an Opinion of Counsel stating that such release shall comply with the terms of this Indenture, the Intercreditor Agreement, if any, and the relevant Collateral Documents. For the avoidance of doubt, the release of funds from the Escrow Account is not a release of Collateral notwithstanding that such released funds will not be subject to any security interest under the Notes Collateral Document upon such release from the Escrow Account.

Section 10.06 *Certificates of the Trustee.*

In the event that the Company wishes to release the Collateral in accordance with the Collateral Documents and has delivered the certificates and documents required by the Collateral Documents and Sections 10.04, 10.05 and 10.06 to the Trustee, the Trustee will based on such certification and, if applicable, the Opinion of Counsel delivered pursuant to Section 10.05, will instruct the Collateral Agents to release the Collateral.

Section 10.07 *Authorization of Actions to Be Taken by the Trustee Under the Collateral Documents.*

Subject to the provisions of Section 7.01 and 7.02, the Trustee may, in its sole discretion and without the consent of the Holders, direct, on behalf of the Holders, the Collateral Agents to, take all actions it deems necessary or appropriate in order to:

(a) enforce any of the terms of the Collateral Documents; and

(b) collect and receive any and all amounts payable in respect of the obligations of the Company hereunder.

The Trustee will have power to institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Collateral by any acts that may be unlawful or in violation of the Collateral Documents or this Indenture, and such suits and proceedings as the Trustee may deem expedient to preserve or protect its interests and the interests of the Holders in the Collateral (including power to institute and maintain suits or proceedings to restrain the enforcement of or compliance with any legislative or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid if the enforcement of, or compliance with, such enactment, rule or order would impair the security interest hereunder or be prejudicial to the interests of the Holders or of the Trustee).

Section 10.08 *Authorization of Receipt of Funds by the Trustee Under the Collateral Documents.*

The Trustee is authorized to receive any funds for the benefit of the Holders distributed under the Collateral Documents, and to make further distributions of such funds to the Holders according to the provisions of this Indenture.

Section 10.09 *Termination of Security Interest.*

(a) Upon the payment in full of all Obligations of the Company under this Indenture and the Notes, or upon Legal Defeasance, Covenant Defeasance or a satisfaction and discharge pursuant to Article 12, the Trustee will, at the request of the Company, deliver a certificate to the Collateral Agents stating that such Obligations have been paid in full, and instruct the Collateral Agents to release the Liens pursuant to this Indenture and the Collateral Documents.

(b) Upon the Notes Collateral Agent having distributed all of the amounts in the Escrow Account; or if the amounts in the Escrow Account is not credited to or received in accordance with the Notes Collateral Document and Section 3.08 and 4.28, the Notes Collateral Agent shall be discharged from all duties and liabilities and all security interest created in favor of such Escrow Account shall be terminated.

Section 10.10 *Certain Rights of Collateral Agents.*

(a) The Collateral Agents' duties under the respective Collateral Documents are solely mechanical and administrative in nature. The Collateral Agents shall have no other duties save as expressly provided for in the respective Collateral Documents and this Indenture.

(b) The Collateral Agents may act in relation to the Collateral Documents, respectively, through their Affiliates, officers, employees and agents and the Collateral Agents shall not be liable for any error of judgment made by any such person.

(c) The Collateral Agents are not obliged to do or omit to do anything if it would or might in their opinion constitute a breach of any law or duty of confidentiality.

(d) The Collateral Agents are not responsible for the adequacy, accuracy and/or completeness of any information supplied by the Parent, or the Company or any other person, as applicable, given in or in connection with the Collateral Documents.

(e) The Collateral Agents shall not be bound to enquire:

(1) whether or not any Default or Event of Default has occurred;

(2) as to the performance, default or any breach by any party of its obligations under any of the Collateral Documents; or

(3) whether any other event specified in any of the Collateral Documents has occurred.

(f) The Collateral Agents shall not be liable for any cost, loss or liability incurred by any person as a consequence of the Collateral Agents having taken or having omitted to take any action under or in connection with the respective Collateral Documents to which they are a party to, unless directly caused by the Collateral Agents' gross negligence or willful misconduct; or

(g) The Collateral Agents shall not be liable for any failure to:

(1) require the deposit with it of any deed or document certifying, representing or constituting the title of the Parent in respect of the Pari Passu Collateral;

(2) obtain any license, consent or other authority for the execution, delivery, legality, validity, enforceability or admissibility in evidence of any of the Collateral Documents;

(3) register, file or record or otherwise protect any of the Pari Passu Collateral or the Note Collateral, as the case may be, created under any of the Collateral Documents under any applicable laws in any jurisdiction or to give notice to any person of the execution of any of the Collateral Documents;

(4) take any steps to perfect its title to any of the Pari Passu Collateral or the Note Collateral, as applicable, or to render the security effective or to secure the creation of any ancillary security under the laws of any jurisdiction; or

(5) require any further assurances in relation to any of the Collateral Documents.

(h) The Collateral Agents shall be entitled to accept without enquiry, and shall not be obliged to investigate, any right and title that the Parent or the Company may have to the Pari Passu Collateral or the Notes Collateral, respectively, and shall not be liable for or bound to require the Parent or the Company, as the case may be, to remedy any defect in its right or title.

(i) The Collateral Agents may delegate by power of attorney or otherwise to any person all or any of the rights, powers and discretions vested in them by the Collateral Documents. The Collateral Agents shall not be bound to monitor or supervise, or be in any way responsible for any loss incurred by reason of any acts, omissions, misconduct or default on the part of any such delegate or sub-delegate selected with due care.

(j) The Collateral Agents are not responsible for and will make no investigation as to the title, ownership, value, sufficiency or existence of the Collateral.

(k) The Collateral Agents are not responsible for and will make no investigation as to the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations given or required in connection with the Collateral.

(l) The Collateral Agents are not responsible for the creditworthiness or solvency of the Parent or the Company.

(m) The Collateral Agents shall have no obligation or duty to monitor, supervise, determine or inquire as to the performance (financial or otherwise) of the Parent or the Company, or the Parent's or the Company's performance of, or failure to perform, the obligations, duties and covenants set forth in any of the Collateral Documents.

(n) The Collateral Agents are entitled to seek directions as to the exercise of any of their powers from the Trustee and to seek clarification of any instruction previously given and shall incur no liability for any action they take or refrains from taking in accordance with the directions of the Trustee. The Collateral Agents are entitled to refrain from acting if they receive unclear, inconsistent or conflicting instructions.

(o) Nothing in the Collateral Documents shall be construed to relieve the Collateral Agents from liability for their own fraud, gross negligence or willful misconduct.

(p) The Company and the Parent agree to jointly and severally pay to the Collateral Agents from time to time compensation for their acceptance of this Indenture and of the Collateral Documents and services under this Indenture and the Collateral Documents pursuant to a written fee agreement. The Collateral Agents' compensation will not be limited by any law on compensation of a trustee of an express trust. The Company and the Parent will jointly and severally reimburse the Collateral Agents promptly upon request for all properly incurred disbursements, advances and expenses incurred or made by them in addition to the compensation for their services. Such expenses will include the properly incurred compensation, disbursements and expenses of the Collateral Agents' agents, counsel and other Persons not regularly within their employ.

(q) The Company and the Parent agree to be jointly and severally responsible for and indemnify the Collateral Agents and their respective agents, employees, delegates, employees, officers and directors against any and all losses, liabilities or expenses incurred by them arising out of or in connection with the acceptance or administration of their duties under this Indenture and the Collateral Documents, including the properly incurred fees, costs and expenses of enforcing the Collateral Documents against the Company and the Parent and defending themselves against any claim (whether asserted by the Company, the Parent, any Holder or any other Person) or liability in connection with the exercise or performance of any of their powers or duties thereunder, except to the extent any such loss, liability or expense may be attributable to their gross negligence fraud or willful misconduct.

(r) The obligations of the Company and the Parent under Sections 10.10(p) to (s) and Section 7.02(j) will survive the satisfaction and discharge of this Indenture, the redemption or maturity of the Notes, and the resignation or termination of appointment of the Collateral Agents.

(s) To secure the Company's and the Parent's payment obligations in Sections 10.10(p) to (s), the Collateral Agents will have a Lien prior to the Notes on all money or property held or collected by the Collateral Agents, except that held in trust to pay principal of, premium on, if any, and interest on particular Notes. Such Lien will survive the satisfaction and discharge of this Indenture.

Any Notes Collateral Agent or Common Collateral Agent may at any time resign by giving written notice of its resignation but without giving any reason to the Company and the Trustee and specifying the date on which its resignation shall become effective; *provided that* such date shall be at least 60 days after the date on which such notice is given unless the Company agrees to accept shorter notice. Upon receiving such notice of resignation, if required by this Indenture, the Company shall promptly appoint a successor collateral agent by written instrument substantially in the form hereof in triplicate signed on behalf of the Company, one copy of which shall be delivered to the resigning Notes Collateral Agent and/or Common Collateral Agent, one copy to the successor collateral agent and one copy to the Trustee. Upon the effectiveness of the appointment of a successor collateral agent, the retired Notes Collateral Agent and/or Common Collateral Agent shall have no further obligations under this Indenture.

If no successor is appointed by the Company within 30 days of the resignation of the Notes Collateral Agent and/or Common Collateral Agent, (i) the retiring Notes Collateral Agent and/or Common Collateral Agent may, on behalf of and at the expenses of the Company, appoint its successor or (ii) the retiring Notes Collateral Agent and/or Common Collateral Agent or the Company may petition any court of competent jurisdiction for the appointment of a successor collateral agent.

ARTICLE 11
NOTE GUARANTEES

Section 11.01 *Guarantee.*

(a) Each Guarantor (whether originally a signatory hereto or that is added pursuant to a supplemental indenture hereafter) fully and unconditionally and jointly and severally guarantees to each Holder and to the Trustee (1) the full and punctual payment when due, whether at Stated Maturity, by acceleration, by redemption or otherwise, of all payment obligations of the Company under this Indenture (including obligations to the Trustee) and the Notes, whether for payment of principal of, interest, premium or Additional Amounts, if any, on the Notes and all other monetary obligations of the Company under this Indenture and the Notes within applicable grace periods and (2) the full and punctual performance within applicable grace periods of all other obligations of the Company whether for fees, expenses, indemnification or otherwise under this Indenture and the Notes (all the foregoing being hereinafter collectively called the " *Guaranteed Obligations* "). Each Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from such Guarantor, and that such Guarantor shall remain bound under this Article 11 notwithstanding any extension or renewal of any Guaranteed Obligation.

(b) Each Guarantor waives presentation to, demand of payment from and protest to the Company of any of the Guaranteed Obligations and also waives notice of protest for nonpayment. Each Guarantor waives notice of any default under the Notes or the Guaranteed Obligations. The obligations of each Guarantor hereunder shall not be affected by (1) the failure of any Holder or the Trustee to assert any claim or demand or to enforce any right or remedy against the Company or any other Person under this Indenture, the Notes or any other agreement or otherwise; (2) any extension or renewal of any thereof; (3) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Notes or any other agreement; (4) the failure of any Holder or the Trustee to exercise any right or remedy against any other guarantor of the Guaranteed Obligations; or (5) any change in the ownership of any Guarantor.

(c) Each Guarantor hereby waives any right to which it may be entitled to have the assets of the Company first be used and depleted as payment of the Company's or their obligations hereunder prior to any amounts being claimed from or paid by such Guarantor hereunder. Each Guarantor hereby waives any right to which it may be entitled to require that the Company be sued prior to an action being initiated against such Guarantor.

(d) Each Guarantor further agrees that its Note Guarantee herein constitutes a guarantee of payment, performance and compliance when due (and not a guarantee of collection) and waives any right to require that any resort be had by any Holder or the Trustee to any security held for payment of the Guaranteed Obligations.

(e) Except as expressly set forth in Sections 8.02 and 11.02, the obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor herein shall not be discharged or impaired or otherwise affected by the failure of any Holder or the Trustee to assert any claim or demand or to enforce any remedy under this Indenture, the Notes or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of such Guarantor or would otherwise operate as a discharge of such Guarantor as a matter of law or equity.

(f) Except as expressly set forth in Sections 8.02 and 11.09, each Guarantor agrees that its Note Guarantee shall remain in full force and effect until payment in full of all the Guaranteed Obligations. Each Guarantor further agrees that its Note Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any Guaranteed Obligation is rescinded or must otherwise be restored by any Holder or the Trustee upon the bankruptcy or reorganization of the Company or otherwise.

(g) In furtherance of the foregoing and not in limitation of any other right which any Holder or the Trustee has at law or in equity against any Guarantor by virtue hereof, upon the failure of the Company to pay the principal of or interest on any Guaranteed Obligation when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, or to perform or comply with any other Guaranteed Obligation, each Guarantor hereby promises to and shall, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the Holders or the Trustee an amount equal to the sum of (1) the unpaid principal amount of such Guaranteed Obligations, (2) accrued and unpaid interest on such Guaranteed Obligations (but only to the extent not prohibited by law) and (3) all other monetary obligations of the Company to the Holders and the Trustee.

(h) Each Guarantor further agrees that, as between it, on the one hand, and the Holders and the Trustee, on the other hand, (1) the maturity of the Guaranteed Obligations guaranteed hereby may be accelerated as provided in Article 6 for the purposes of any Note Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guaranteed Obligations guaranteed hereby, and (2) in the event of any declaration of acceleration of such Guaranteed Obligations as provided in Article 6, such Guaranteed Obligations (whether or not due and payable) shall forthwith become due and payable by such Guarantor for the purposes of this Section 11.01.

(i) Each Guarantor also agrees to pay any and all costs and expenses (including attorneys' fees and expenses) incurred by the Trustee in enforcing any rights under this Section 11.01.

Upon request of the Trustee, each Guarantor shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

Section 11.02 *Limitation on Liability.*

Any term or provision of this Indenture to the contrary notwithstanding, the maximum aggregate amount of the Guaranteed Obligations guaranteed hereunder by each Guarantor shall not exceed the maximum amount that can be hereby guaranteed by such Guarantor without rendering the Note Guarantee voidable under applicable law relating to fraudulent conveyance.

Section 11.03 *Successors and Assigns.*

This Article 11 shall be binding upon each Guarantor and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee and the Holders and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges conferred upon that party in this Indenture and in the Notes shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions of this Indenture.

Section 11.04 *No Waiver.*

Neither a failure nor a delay on the part of either the Trustee or the Holders in exercising any right, power or privilege under this Article 11 shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of the Trustee and the Holders herein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which either may have under this Article 11 at law, in equity, by statute or otherwise.

Section 11.05 *Subrogation.*

Upon making any payment with respect to any obligation of the Company under this Article, the Guarantor will be subrogated to the rights of the payee against the Company with respect to such obligation.

Section 11.06 *Modification.*

No modification, amendment or waiver of any provision of this Article 11, nor the consent to any departure by any Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Trustee, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on any Guarantor in any case shall entitle such Guarantor to any other or further notice or demand in the same, similar or other circumstances.

Section 11.07 *Execution of Supplemental Indenture for Future Guarantors.*

The Parent and the Company shall cause each Restricted Subsidiary which is required to become a Guarantor pursuant to Section 4.23 to promptly execute and deliver to the Trustee a supplemental indenture in the form attached as Exhibit D pursuant to which such Restricted Subsidiary shall become a Guarantor under this Article 11 and shall guarantee the Guaranteed Obligations. Concurrently with the execution and delivery of such supplemental indenture, the Company shall deliver to the Trustee an Opinion of Counsel and an Officer's Certificate to the effect that such supplemental indenture has been duly authorized, executed and delivered by such Restricted Subsidiary and that, subject to the application of bankruptcy, insolvency, moratorium, fraudulent conveyance or transfer and other similar laws relating to creditors' rights generally and to the principles of equity, whether considered in a proceeding at law or in equity, the Note Guarantee of such Guarantor is a legal, valid and binding obligation of such Guarantor, enforceable against such Guarantor in accordance with its terms and or to such other matters as the Trustee may reasonably request.

Section 11.08 *Non-Impairment.*

The failure to endorse a Note Guarantee on any Note shall not affect or impair the validity thereof.

Section 11.09 *Releases.*

(a) The Note Guarantees will be released and discharged upon any of the following events:

(1) repayment in full of the Notes;

(2) Legal Defeasance or Covenant Defeasance in accordance with Article 8 or satisfaction and discharge of this Indenture in accordance with Article 12;

(3) solely in the case of a Note Guarantee created pursuant to Section 4.21, the release or discharge of the Guarantee that resulted in the creation of such Note Guarantee pursuant to this Article 11 except a discharge or release by or as a result of payment under such Guarantee; and

(4) solely in the case of the Note Guarantee of the Parent, confirmation in an Officer's Certificate of the Parent delivered to the Trustee that the Company is able to incur at least US$1.00 of Indebtedness under the proviso in clause (a) of Section 4.09 (any such release of the Note Guarantee of the Parent pursuant to this clause (4), an " *Early Parent Guarantee Release* ") .

(b) No release and discharge of a Guarantor from its Note Guarantee shall be effective against the Trustee, any Agent or the Holders until the Company shall have delivered to the Trustee an Officer's Certificate stating that all conditions precedent provided for in this Indenture and the Collateral Documents (other than in the case of the release of the Note Guarantee of the Parent pursuant to clause (a)(4) above) relating to such release and discharge have been complied with and that such release and discharge is authorized and permitted under this Indenture and the Collateral Documents (other than in the case of the release of the Note Guarantee of the Parent pursuant to clause (a)(4) above). At the request and expense of the Company, the Trustee shall execute and deliver an instrument evidencing such release and discharge and do all such other acts and things necessary to release the Guarantor from its obligations hereunder.

ARTICLE 12
SATISFACTION AND DISCHARGE

Section 12.01 *Satisfaction and Discharge.*

This Indenture will be discharged and will cease to be of further effect as to all Notes issued hereunder, when:

(a) either:

(1) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust and thereafter repaid to the Company, have been delivered to the Paying Agent for cancellation; or

(2) all Notes that have not been delivered to the Paying Agent for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year and the Company or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee (or such other entity designated or appointed (as agent) by it for such purpose) as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, non-callable Government Securities, or a combination of cash in U.S. dollars and non-callable Government Securities, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Paying Agent for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption;

(b) the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Company or any Guarantor is a party or by which the Company or any Guarantor is bound (other than with respect to the borrowing of funds to be applied concurrently to make the deposit required to effect such satisfaction and discharge or any similar concurrent deposit relating to other Indebtedness, and in each case the granting of Liens to secure such borrowings);

(c) the Company or any Guarantor has paid or caused to be paid all sums payable by it under this Indenture; and

(d) the Company has delivered written irrevocable instructions to the Trustee under this Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be.

In addition, the Company must deliver an Officer's Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Notwithstanding the satisfaction and discharge of this Indenture, if money has been deposited with the Trustee pursuant to sub clause (2) of clause (a) of this Section 12.01, the provisions of Sections 12.02 and 8.06 will survive. In addition, nothing in this Section 12.01 will be deemed to discharge those provisions of Section 7.07, that, by their terms, survive the satisfaction and discharge of this Indenture.

Section 12.02 *Application of Trust Money.*

Subject to the provisions of Section 8.06, all money deposited with the Trustee pursuant to Section 12.01 shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal and premium and Additional Amounts, if any, and interest for whose payment such money has been deposited with the Trustee; but such money need not be segregated from other funds except to the extent required by law.

If the Trustee or Paying Agent is unable to apply any money or Government Securities in accordance with this Section 12.02 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's and any Guarantor's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 12.01; *provided that* if the Company has made any payment of principal of, premium, if any, or interest on, any Notes because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money or Government Securities held by the Trustee or Paying Agent.

ARTICLE 13
MISCELLANEOUS

Section 13.01 *Notices.*

Any notice or communication by the Company, any Guarantor or the Trustee to the others is duly given if in writing and delivered in person or by first class mail (registered or certified, return receipt requested), facsimile transmission or overnight air courier guaranteeing next day delivery, to the others' address:

If to the Company or any Guarantor:

Azure Power Energy Ltd
AAA Global Services Ltd
1 st Floor, The Exchange
18 Cybercity, Ebene
Mauritius (Fax: +230 454 3202
Attention: Mr. Eric Ng, Director

If to the Trustee:
Citicorp International Limited
39/F, Champion Tower
3 Garden Road
Central
Facsimile No.: +852 2323 0279
Attention: Agency & Trust

The Company, any Guarantor or the Trustee, by notice to the others, may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to Holders) will be deemed to have been duly given: at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if transmitted by facsimile; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

Any notice or communication to a Holder will be mailed by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery to its address shown on the register kept by the Registrar. Failure to mail a notice or communication to a Holder or any defect in it will not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

If the Company mails a notice or communication to Holders, it will mail a copy to the Trustee and each Agent at the same time.

Section 13.02 *[Reserved]*.

Section 13.03 *Certificate and Opinion as to Conditions Precedent.*

Upon any request or application by the Company to the Trustee to take any action under this Indenture, the Company shall furnish to the Trustee:

(a) an Officer's Certificate in form and substance reasonably satisfactory to the Trustee (which must include the statements set forth in Section 13.04) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied; and

(b) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee (which must include the statements set forth in Section 13.04) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been satisfied.

Section 13.04 *Statements Required in Certificate or Opinion.*

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture must include:

(a) a statement that the Person making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been satisfied; and

(d) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been satisfied.

Section 13.05 *Rules by Trustee and Agents.*

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

Section 13.06 *No Personal Liability of Incorporators, Promoters, Directors, Officers, Employees and Stockholders.*

No incorporator, promoter, director, officer, employee or stockholder of the Company or the Parent, as such, will have any liability for any obligations of the Company or the Guarantors under the Notes, this Indenture, any Note Guarantee, the Collateral Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under U.S. federal securities laws.

Section 13.07 *Governing Law.*

The laws of the State of New York will govern and be used to construe this Indenture, the Notes and the Note Guarantees.

Section 13.08 *Adverse Interpretation of Other Agreements.*

This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Company, the Parent or any other Restricted Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

Section 13.09 *Successors.*

All agreements of the Company in this Indenture and the Notes will bind its respective successors. All agreements of the Trustee in this Indenture will bind its successors. All agreements of each Guarantor in this Indenture will bind its successors, except as otherwise provided in Section 11.05.

Section 13.10 *Severability.*

In case any provision in this Indenture or in the Notes is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

Section 13.11 *Counterpart Originals.*

The parties may sign any number of copies of this Indenture. Each signed copy will be an original, but all of them together represent the same agreement. The exchange of signature pages of this Indenture by facsimile or PDF transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original executed Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

Section 13.12 *Table of Contents, Headings, etc.*

The Table of Contents, Cross-Reference Table and Headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and will in no way modify or restrict any of the terms or provisions hereof.

Section 13.13 *Patriot Act.*

The parties hereto acknowledge that in order to help the United States government fight the funding of terrorism and money laundering activities, Section 326 of the USA PATRIOT Act which became effective on October 1, 2003 requires all financial institutions to obtain, verify, record and update information that identifies each person establishing a relationship or opening an account with such financial institution. The parties hereto agree that they will provide to the Agents such information as they may request, from time to time, in order for the Agents to satisfy the requirements of the USA PATRIOT Act, including but not limited to the name, address, tax identification number, if any, and other information that will allow it to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

Section 13.14 *Submission to Jurisdiction; Waiver of Jury Trial.*

The Company and each Guarantor hereby submit to the non-exclusive jurisdiction of the federal and state courts in the borough of Manhattan in the city of New York in any suit or proceeding arising out of or relating to this Indenture or the transactions contemplated hereby. The Company and each Guarantor irrevocably and unconditionally waive any objection to the laying of venue of any suit or proceeding arising out of or relating to this Indenture, the Note Guarantees, the Notes and any of the transactions contemplated hereby or thereby in federal and state courts in the borough of Manhattan in the city of New York and irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such suit or proceeding in any such court has been brought in an inconvenient forum. The Company and each Guarantor irrevocably appoint COGENCY GLOBAL INC., located 10 E. 40th Street, 10th floor, New York, New York 10016 as its authorized agent in the borough of Manhattan in the city of New York upon which process may be served in any such suit or proceeding, and agrees that service of process upon such agent, and written notice of said service to the company by the person serving the same to the address provided in Section 13.01, shall be deemed in every respect effective service of process upon the company or any guarantor, as the case may be, in any such suit or proceeding. The Company and each Guarantor further agree to take any and all action as may be necessary to maintain such designation and appointment of such agent in full force and effect so long as the Notes are outstanding. Nothing herein shall affect the right of the Trustee or any Holder of the notes to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against the Company or the Guarantors in any other jurisdiction.

Each party hereto hereby waives its rights to a jury trial of any claim or cause of action based upon or arising out of this Indenture, the Notes, the Note Guarantees, or the transactions contemplated hereby or thereby. The scope of this waiver is intended to be all-encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this transaction, including, without limitation, contract claims, tort claims, breach of duty claims, and all other common law and statutory claims. This Section 13.14 has been fully discussed by each of the parties hereto and these provisions shall not be subject to any exceptions. Each party hereto hereby further warrants and represents that such party has reviewed this waiver with its legal counsel, and that such party knowingly and voluntarily

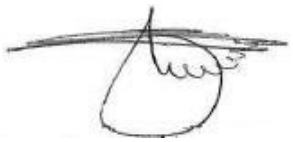
waives its jury trial rights following consultation with legal counsel. This waiver is irrevocable, meaning that it may not be modified either orally or in writing, and this waiver shall apply to any subsequent amendments, supplements or modifications to (or assignments of) this Indenture. In the event of litigation, this Indenture may be filed as a written consent to a trial (without a jury) by the court.

To the extent that either the Company or the Parent has or hereafter may acquire any sovereign or other immunity from jurisdiction of any court or from any legal process with respect to itself or its property, each of the Company and the Parent irrevocably waives such immunity in respect of its obligations hereunder or under any Note, any Note Guarantee or any Collateral Document, as applicable.

[Signatures on following page]

Dated as of August 3, 2017

AZURE POWER ENERGY LTD
as the Company



By: _____
Name: Muhammad Khalid Peyrye
Title: Director

[Signature Page to Indenture]

AZURE POWER GLOBAL LIMITED
as the Parent

By: _____
Name: Rajesh Puri
Title: Authorised Signatory

[Signature Page to Indenture]

CITICORP INTERNATIONAL LIMITED
as Trustee, Common Collateral Agent and
Notes Collateral Agent

By: _____
Name: Edward Kin Wing Chiu
Title: Vice President

[Signature Page to Indenture]

EXHIBIT A

[Face of Note]

CUSIP: _____

ISIN: _____

Common Code: _____

5.50% Senior Notes due 2022

No. __ US$ _____

Azure Power Energy Ltd promises to pay to Cede & Co or its registered assigns the principal sum of _____U.S. DOLLARS on November 3, 2022.

Interest Payment Dates: May 3 and November 3

Record Dates: April 19 and October 20

Dated: August 3, 2017

IN WITNESS WHEREOF, the Company has caused this Note to be signed manually or by facsimile by the duly authorized officer referred to below.

Dated: _____

AZURE POWER ENERGY LTD, as Company

By: _____
Name:

Certificate of Authentication

This is one of the Notes referred to in the within-mentioned Indenture.

Dated: _____

Citicorp International Limited,
As Trustee

By: _____
Name:
Title:

[Back of Note]
5.50% Senior Notes due 2022

[Insert the Global Note Legend, if applicable pursuant to the provisions of the Indenture]

[Insert the Private Placement Legend, if applicable pursuant to the provisions of the Indenture]

Capitalized terms used herein have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

(1) INTEREST . Azure Power Energy Ltd, a company with limited liability incorporated under the laws of Mauritius (the " *Company* "), promises to pay interest on the principal amount of this Note at 5.50% per annum from August 3, 2017 until maturity. The Company will pay interest semiannually in arrears on May 3 and November 3 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each, an " *Interest Payment Date* "). Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; *provided that* if there is no existing Default in the payment of interest, and if this Note is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date; *provided further* that the first Interest Payment Date shall be May 3, 2018. The Company will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, from time to time on demand at a rate that is 1% per annum in excess of the rate then in effect to the extent lawful; it will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace periods) from time to time on demand at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

(2) METHOD OF PAYMENT . The Company will pay interest on the Notes (except defaulted interest) to the Holders of record at the close of business on April 19 or October 20 immediately preceding the Interest Payment Date, even if such Notes are cancelled after such record date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Indenture with respect to defaulted interest. The Notes will be payable as to principal, premium and Additional Amounts if any, and interest at the office or agency of the Company maintained for such purpose within or without the City and State of New York, or, at the option of the Company, payment of interest may be made by check mailed to the Holders at their addresses set forth in the register of Holders or by wire transfer; *provided that* payment by wire transfer of immediately available funds will be required with respect to principal of and interest, premium on, all Global Notes and all other Notes the Holders of which will have provided wire transfer instructions to the Company or the Paying Agent and provided further that interest payable on the Notes held through DTC will be available to DTC participants on the Business Day following the payment thereof. Such payment will be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

(3) PAYING AGENT AND REGISTRAR . Citibank, N.A., London Branch will act as initial Paying Agent, Transfer Agent and Registrar. The Company may change any Paying Agent or Registrar without notice to any Holder. The Company, the Parent or any other Restricted Subsidiaries may act in any such capacity.

(4) INDENTURE AND COLLATERAL DOCUMENTS . The Company issued the Notes under an Indenture dated as of August 3, 2017 (the " *Indenture* ") among the Company, the Parent, the Trustee and the Collateral Agents. The terms of the Notes include those stated in the

Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling. The Notes are secured obligations of the Company. The Notes are secured by the Pari Passu Collateral and the Notes Collateral pursuant to the Collateral Documents referred to in the Indenture. The Indenture does not limit the aggregate principal amount of Notes that may be issued thereunder.

(5) *OPTIONAL REDEMPTION.*

(a) At any time prior to August 3, 2020, upon not less than 30 nor more than 60 days' prior notice the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of Notes issued under the Indenture at a redemption price of 105.500% of the principal amount thereof, plus accrued and unpaid interest (if any) to (but not including) the redemption date, with the net cash proceeds of one or more sales of the Capital Stock of the Parent in an Equity Offering; *provided that* :

(1) at least 65% of the aggregate principal amount of Notes issued on the Original Issue Date (excluding Notes held by the Parent or its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs within 90 days of the date of the closing of such Equity Offering.

(b) At any time prior to August 3, 2020, upon not less than 30 nor more than 60 days' prior notice the Company may on any one or more occasions redeem all or any portion of the Notes, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest, if any, to (but not including), the redemption date, subject to the rights of Holders on the relevant Record Date to receive interest due on the relevant Interest Payment Date. Neither the Trustee nor any of the Agents shall be responsible for verifying or calculating the Applicable Premium.

(c) On or after August 3, 2020, the Company may redeem all or a part of the Notes upon not less than 30 nor more than 60 days' prior notice, the Company may redeem all or a part of the Notes at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest, if any, on the Notes redeemed to (but not including) the applicable redemption date, if redeemed during the twelve-month period beginning on August 3 of the years indicated below, subject to the rights of Holders on the relevant Record Date to receive interest on the relevant Interest Payment Date:

Year	Percentage
2020	102.750%
2021	101.375%
2022 and thereafter	100.000%

Unless the Company defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

In connection with any redemption of Notes pursuant to Section 3.07 of the Indenture any such redemption or notice may, at the Company's discretion, be subject to one or more conditions precedent. In addition, if such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice may state that, in the Company's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed.

(6) *MANDATORY REDEMPTION.*

If on the SMR Measurement Date any debt of the Restricted Subsidiaries intended to be refinanced with the proceeds of the Notes remains outstanding, the Company will be required to redeem Notes (a " *Special Mandatory Redemption* "), at a redemption price of 101% of their principal amount plus accrued and unpaid interest to (but not including) the redemption date (the " *Special Mandatory Redemption Price* ") in the circumstances and on the basis set forth below:

(1) if the total aggregate principal amount of Rupee Debt Incurred by the Restricted Subsidiaries and subscribed for or loaned by the Company is less than or equal to 80% of the aggregate principal amount of the Notes originally issued (the " *Total Mandatory Redemption Threshold* "), the Company will be required to redeem all of the Notes then outstanding at the Special Mandatory Redemption Price; and

(2) if the total aggregate principal amount of Rupee Debt Incurred by the Restricted Subsidiaries and subscribed for or loaned by the Company is more than the Total Mandatory Redemption Threshold but less than the aggregate total principal amount of the Notes originally issued, the Company will be required to use the amounts remaining in the Escrow Account to redeem Notes on a pro rata basis at the Special Mandatory Redemption Price.

If any Notes are to be redeemed as set forth above, the Company will issue, or cause to be issued, to the Notes Collateral Agent (with a copy to the Trustee) a notice of Special Mandatory Redemption not later than two Business Days after the SMR Measurement Date and the redemption date shall be no earlier than 30 calendar days and no later than 40 calendar days following the date of such notice. In addition, no later than two Business Days after the SMR Measurement Date, the Company shall also deliver to the Notes Collateral Agent, with a copy to the Trustee, an officer's certificate setting forth (i) the calculation of the amount of Escrow Funds, including interest and proceeds from the sale of Temporary Cash Equivalents, on deposit in the Escrow Account and (ii) the calculation of the Special Mandatory Redemption Price payable on the date of the Special Mandatory Redemption (the " *Certificate of Redemption Calculations* "). If, in connection with a redemption of all the Notes, such Certificate of Redemption Calculations reveals that the amount of cash that is available in the Escrow Account is insufficient to pay the Special Mandatory Redemption Price, then the Company shall, within one Business Day after delivery of such certificate to the Notes Collateral Agent, deposit directly into the Escrow Account Bank an amount of cash that, without reinvestment, is equal to the amount of such shortfall (the " *Shortfall Amounts* "). To the extent that the proceeds realized by the Company from liquidating the Temporary Cash Equivalents are less than the market value thereof as set forth in the Certificate of Redemption Calculations and this gives rise to a shortfall, the Company shall promptly, but in any event within one Business Day deposit cash in an amount that, without reinvestment, is equal to the amount of the Shortfall Amounts.

Any notice of redemption pursuant to this Section 6 shall be in the form set forth in Section 3.03 of the Indenture.

(7) *REPURCHASE AT THE OPTION OF HOLDER.*

(1) If a Change of Control Triggering Event occurs, each Holder will have the right to require the Company to repurchase all or any part (equal to US$200,000 or an integral multiple of US$1,000 in excess thereof) of that Holder's Notes at a purchase price in cash equal to 101% of

the aggregate principal amount of the Notes repurchased plus accrued and unpaid interest, if any, on the Notes repurchased to (but not including) the date of purchase (subject to the rights of Holders on the relevant record date to receive interest due on the relevant Interest Payment Date) (the " *Change of Control Payment* "), except to the extent that the Company has previously or concurrently elected to redeem the Notes pursuant to Section 5 hereof. Within ten days following any Change of Control Triggering Event, the Company will mail a notice to each Holder, with a copy to the Trustee and Registrar describing the transaction or transactions that constitute the Change of Control and setting forth the procedures governing the Change of Control Offer as required by the Indenture.

(2) If the Company or any other Restricted Subsidiary consummates any Asset Sales, within ten days of each date on which the aggregate amount of Excess Proceeds exceeds $5.0 million, the Company will commence an offer to all Holders and all Holders of other Indebtedness that is *pari passu* with the Notes containing provisions similar to those set forth in the Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets (an " *Asset Sale Offer* ") pursuant to Section 3.09 of the Indenture to purchase the maximum principal amount of Notes and any *pari passu* Indebtedness that may be purchased out of the Excess Proceeds at an offer price in cash in an amount equal to 100% of the principal amount thereof plus accrued and unpaid interest thereon to (but not including) the date of purchase in accordance with the procedures set forth in the Indenture. If the aggregate principal amount of Notes and such *pari passu* Indebtedness tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the Notes and such other *pari passu* Indebtedness will be purchased on a pro rata basis. Any remaining proceeds after such Excess Proceeds Repurchase Offer may be used for any purpose not otherwise prohibited under the Indenture. Holders that are the subject of an offer to purchase will receive an Asset Sale Offer from the Company prior to any related purchase date and may elect to have such Notes purchased by completing the form entitled "Option of Holder to Elect Purchase" attached to the Notes.

(8) NOTICE OF REDEMPTION . Notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each Holder whose Notes are to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction or discharge of the Indenture. Notes in denominations larger than US$200,000 may be redeemed in part but only in integral multiples of US$1,000 in excess thereof, unless all of the Notes held by a Holder are to be redeemed.

(9) DENOMINATIONS, TRANSFER, EXCHANGE . The Notes are in registered form without coupons in minimum denominations of US$200,000 and integral multiples of US$1,000 in excess thereof. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. Holders shall furnish appropriate endorsements and transfer documents in connection with a transfer of Notes to the Trustee and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Company will not be required to exchange or register the transfer of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, the Company will not be required to exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

(10) PERSONS DEEMED OWNERS . The registered Holder of a Note may be treated as its owner for all purposes.

(11) AMENDMENT, SUPPLEMENT AND WAIVER . Subject to certain exceptions, the Indenture and the Notes may be amended, or default may be waived, with the consent of the Holders of a majority in aggregate principal amount of the outstanding Notes. Without notice to or the consent of any Holder, the Company and the Trustee may amend or supplement the Indenture or the Notes to, among other things, cure any ambiguity, defect or inconsistency, or make other changes that do not adversely affect the rights of any Holder.

(12) DEFAULTS AND REMEDIES . If an Event of Default, as defined in the Indenture, occurs and is continuing, the Holders of at least 25% in aggregate principal amount of the Notes then outstanding may by written notice to the Issuer and to the Trustee, or the Trustee at the written request of such Holders shall (subject to being indemnified and/or secured and/or prefunded to its satisfaction), declare the principal of, premium and Additional Amounts, if any, and accrued and unpaid interest on all the Notes to be immediately due and payable. If a bankruptcy or insolvency default with respect to the Company or any other Restricted Subsidiaries occurs and is continuing, the Notes automatically become immediately due and payable. Holders may not enforce any Indenture or the Notes except as provided in the Indenture. The Trustee may require security and/or indemnity satisfactory to it before it enforces the Indenture or the Notes. Subject to certain limitations, Holders of at least a majority in aggregate principal amount of the Notes then outstanding may direct the Trustee in its exercise of remedies.

(13) TRUSTEE DEALINGS WITH COMPANY . The Trustee, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company or its Affiliates, and may otherwise deal with the Company or its Affiliates, as if it were not the Trustee.

(14) NO RECOURSE AGAINST OTHERS . No incorporator, promoter, director, officer, employee or stockholder of the Company or the Parent, as such, will have any liability for any obligations of the Company or the Guarantors under the Notes, the Indenture, any Note Guarantee, the Collateral Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under U.S. federal securities laws.

(15) AUTHENTICATION . This Note will not be valid until authenticated by the manual signature of the Trustee.

(16) ABBREVIATIONS . Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

(17) CUSIP NUMBERS . Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Notes, and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption, and reliance may be placed only on the other identification numbers placed thereon.

(18) GOVERNING LAW. THE LAW OF THE STATE OF NEW YORK WILL GOVERN AND BE USED TO CONSTRUE THE INDENTURE, THIS NOTE AND THE NOTE GUARANTEES.

The Company will furnish to any Holder upon written request and without charge a copy of the Indenture. Requests may be made to:

Azure Power Energy Ltd
AAA Global Services Ltd
1 st Floor, The Exchange
18 Cybercity, Ebene
Mauritius
Attention: Eric Ng Yim On

ASSIGNMENT FORM

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to: _____

(Insert assignee's legal name)

_____

(Insert assignee's soc. sec. or tax I.D. no.)

_____

_____

_____

_____

(Print or type assignee's name, address and zip code)

and irrevocably appoint _____
to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Date: _____

Your Signature: _____

(Sign exactly as your name appears on the face of this Note)

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

Option of Holder to Elect Purchase

If you want to elect to have this Note purchased by the Company pursuant to Section 4.10 or 4.16 of the Indenture, check the appropriate box below:

☐ Section 4.10 ☐ Section 4.16

If you want to elect to have only part of the Note purchased by the Company pursuant to Section 4.10 or Section 4.16 of the Indenture, state the amount you elect to have purchased:

$ _____

Date: _____

Your Signature: _____

(Sign exactly as your name appears on the face of this Note)

Tax Identification No.: _____

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE

The following exchanges of a part of this Global Note for an interest in another Global Note or for a Definitive Note, or exchanges of a part of another Global Note or Definitive Note for an interest in this Global Note, have been made:

Date of Exchange	Amount of decrease in Principal Amount [at maturity] * * of this Global Note	Amount of increase in Principal Amount [at maturity] of this Global Note	Principal Amount [at maturity] of this Global Note following such decrease (or increase)	Signature of authorized officer of Trustee or Custodian

This schedule should be included only if the Note is issued in global form .

** [Footnote to be added for discount notes]

EXHIBIT B

FORM OF CERTIFICATE OF TRANSFER

[*Company address block*]

[*Registrar address block*]

Re: 5.50% Senior Notes due 2022 of Azure Power Energy Ltd

Reference is hereby made to the Indenture, dated as of August 3, 2017 (the " *Indenture* "), among Azure Power Energy Ltd, a company with limited liability incorporated under the laws of Mauritius, Azure Power Global Limited, a public company with limited liability incorporated under the laws of Mauritius (the " *Parent* ") and Citicorp International Limited, as trustee (the " *Trustee* "), notes collateral agent and common collateral agent.

_____ , (the " *Transferor* ") owns and proposes to transfer the Note[s] or interest in such Note[s] specified in Annex A hereto, in the principal amount of $ _____ in such Note[s] or interests (the " *Transfer* "), to _____ (the " *Transferee* "), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. ☐ **Check if Transferee will take delivery of a beneficial interest in the 144A Global Note or a 144A Definitive Note pursuant to Rule 144A .** The Transfer is being effected pursuant to and in accordance with Rule 144A under the Securities Act of 1933, as amended (the " *Securities Act* "), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Note is being transferred to a Person that the Transferor reasonably believes is purchasing the beneficial interest or Definitive Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A, and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Global Note and/or the 144A Definitive Note and in the Indenture and the Securities Act.

2. ☐ **Check if Transferee will take delivery of a beneficial interest in the 144A Global Note, or a 144A Definitive Note pursuant to Regulation S .** The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a Person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act and, (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act.

3. ☐☐ **Check and complete if Transferee will take delivery of a beneficial interest in a 144A Definitive Note pursuant to any provision of the Securities Act other than Rule 144A** The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in 144A Global Notes and 144A Definitive Notes and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a) ☐ such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act;

or

(b) ☐ such Transfer is being effected to the Company or a subsidiary thereof;

or

(c) ☐ such Transfer is being effected pursuant to an effective registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act;

4. ☐☐ **Check if Transferee will take delivery of a beneficial interest in an Unrestricted Global Note or of an Unrestricted Definitive Note .**

(a) ☐ **Check if Transfer is pursuant to Rule 144** . (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required on order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Global Notes, on 144A Definitive Notes and in the Indenture.

(b) ☐ **Check if Transfer is Pursuant to Regulation S** . (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required on order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Global Notes, on 144A Definitive Notes and in the Indenture.

(c) ☐ **Check if Transfer is Pursuant to Other Exemption** . (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Global Notes or 144A Definitive Notes and in the Indenture.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

[Insert Name of Transferor]

By: _____
Name:
Title:

Dated: _____

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b)]

(a) ☐ a beneficial interest in the 144A Global Note (CUSIP _____); or

(b) ☐ a 144A Definitive Note.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

(a) ☐ a beneficial interest in the:

(i) ☐ 144A Global Note (CUSIP_____); or

(ii) ☐ Unrestricted Global Note (CUSIP _____); or

(b) ☐ a 144A Definitive Note; or

(c) ☐ an Unrestricted Definitive Note,

in accordance with the terms of the Indenture.

EXHIBIT C

FORM OF CERTIFICATE OF EXCHANGE

[*Company address block*]

[*Registrar address block*]

Re: 5.50% Senior Note due 2022 of Azure Power Energy Ltd

Reference is hereby made to the Indenture, dated as of August 3, 2017 (the " *Indenture* "), among Azure Power Energy Ltd, a company with limited liability incorporated under the laws of Mauritius, Azure Power Global Limited, a public company with limited liability incorporated under the laws of Mauritius (the " *Parent* ") and Citicorp International Limited, as trustee (the " *Trustee* "), notes collateral agent and common collateral agent.

_____, (the " *Owner* ") owns and proposes to exchange the Note[s] or interest in such Note[s] specified herein, in the principal amount of $ _____in such Note[s] or interests (the " *Exchange* "). In connection with the Exchange, the Owner hereby certifies that:

1. **Exchange of 144A Definitive Notes or Beneficial Interests in a 144A Global Note for Unrestricted Definitive Notes or Beneficial Interests in an Unrestricted Global Note**

(a) ☐ Check if Exchange is from beneficial interest in a 144A Global Note to beneficial interest in an Unrestricted Global Note . In connection with the Exchange of the Owner's beneficial interest in a 144A Global Note for a beneficial interest in an Unrestricted Global Note in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Notes and pursuant to and in accordance with the Securities Act of 1933, as amended (the " *Securities Act* "), (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(b) ☐ Check if Exchange is from beneficial interest in a 144A Global Note to Unrestricted Definitive Note . In connection with the Exchange of the Owner's beneficial interest in a 144A Global Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the 144A Global Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(c) ☐ Check if Exchange is from 144A Definitive Note to beneficial interest in an Unrestricted Global Note . In connection with the Owner's Exchange of a 144A Definitive Note for a beneficial interest in an Unrestricted Global Note, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(d) ☐ **Check if Exchange is from 144A Definitive Note to Unrestricted Definitive Note** . In connection with the Owner's Exchange of a 144A Definitive Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Unrestricted Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to 144A Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

2. **Exchange of 144A Notes or Beneficial Interests in 144A Global Notes for 144A Definitive Notes or Beneficial Interests in 144A Global Notes**

(a) ☐ **Check if Exchange is from beneficial interest in a 144A Global Note to 144A Definitive Note.** In connection with the Exchange of the Owner's beneficial interest in a 144A Global Note for a 144A Definitive Note with an equal principal amount, the Owner hereby certifies that the 144A Definitive Note is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the 144A Definitive Note issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Definitive Note and in the Indenture and the Securities Act.

(b) ☐ **Check if Exchange is from 144A Definitive Note to beneficial interest in a 144A Global Note** . In connection with the Exchange of the Owner's 144A Definitive Note for a beneficial interest in the 144A Global Note, with an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the 144A Global Notes and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant 144A Global Note and in the Indenture and the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

[Insert Name of Transferor]

By: _____
Name:
Title:

Dated: _____

EXHIBIT D

FORM OF SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE (this " *Supplemental Indenture* "), dated as of _____, 20__, among Azure Power Energy Ltd, a public company with limited liability incorporated under the laws of Mauritius, Azure Power Global Limited, a public company with limited liability incorporated under the laws of Mauritius (the " *Parent* "), _____ (the " *New Guarantor* ") and Citicorp International Limited, as trustee (the " *Trustee* "), notes collateral agent (the " *Notes Collateral Agent* ") and common collateral agent (the " *Common Collateral Agent* ").

W I T N E S S E T H:

WHEREAS the Company, the Trustee and each of the parties described above are parties to an Indenture, dated as of August 3, 2017, as amended (as amended, supplemented, waived or otherwise modified, the " *Indenture* "), providing for the issuance of the Company's 5.50% Senior Notes due 2022;

WHEREAS, pursuant to Section 9.03 of the Indenture, each New Guarantor is required to execute a supplemental indenture;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the New Guarantor, the Company, the Trustee and the other parties hereto mutually covenant and agree for the equal and ratable benefit of the Holders as follows:

1. Definitions. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Indenture.

2. Agreement to Guarantee. Pursuant to, and subject to the provisions of, Article 11 of the Indenture, [each][the] New Guarantor (which term includes each other New Guarantor that hereinafter guarantees the Notes pursuant to the terms of the Indenture) hereby fully and unconditionally guarantees, jointly and severally with the Parent and each other New Guarantor, to each Holder and to the Trustee to the extent set forth in the Indenture and subject to the provisions thereof (a) the full and punctual payment when due, whether at Stated Maturity, by acceleration, by redemption or otherwise, of all payment obligations of the Company under the Indenture (including obligations to the Trustee) and the Notes, whether for payment of principal of, or interest, premium or Additional Amounts, if any, on, the Notes and all other monetary obligations of the Company under the Indenture and the Notes within applicable grace period and (b) the full and punctual performance within applicable grace periods of all other obligations of the Company whether for fees, expenses, indemnification or otherwise under the Indenture and the Notes (all the foregoing being hereinafter collectively called the "Guaranteed Obligations"). [Each][The] New Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from such New Guarantor and that such New Guarantor[s] will remain bound under Article 11 of the Indenture, notwithstanding any extension or renewal of any Guaranteed Obligation.

The Guaranteed Obligations of [each][the] New Guarantor to the Holders and to the Trustee, Paying Agent, Transfer Agent and Registrar pursuant to the Indenture as supplemented hereby, are expressly set forth in Article 11 of the Indenture and reference is hereby made to the Indenture for the precise terms of the Note Guarantee.

[*Relevant limitations imposed by local law analogous to Section 11.02 of the Indenture to be inserted, if and as applicable*].

3. Ratification of Indenture: Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and each Holder, by accepting the Notes whether heretofore or hereafter authenticated and delivered (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee, Paying Agent, Transfer Agent and Registrar, on behalf of such Holder, to take such action as may be necessary or appropriate to effectuate the subordination as provided in the Indenture and (c) appoints the Trustee attorney-in-fact of such Holder for such purpose; *provided, however* , that [the][each] New Guarantor shall be released from all its obligations with respect to this Guarantee in accordance with the terms of the Indenture, including Section 11.09 of the Indenture and upon any defeasance of the Notes in accordance with Article 8 of the Indenture.

4. Governing Law. This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York.

5. Trustee Makes No Representation. The Trustee, Paying Agent, Transfer Agent and Registrar makes no representation as to the validity or sufficiency of this Supplemental Indenture. The recitals of fact contained herein shall be treated as statements of the other parties hereto and not the Trustee, Paying Agent, Transfer Agent and Registrar.

6. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

7. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction thereof.

Dated: _____, 20__

[____]
as New Guarantor

By: _____
Name:
Title:

Azure Power Energy Ltd
as Company

By: _____
Name:
Title:

Azure Power Global Limited
as Parent

By: _____
Name:
Title:

Citicorp International Limited,
as Trustee, Notes Collateral Agent and Common Collateral Agent

By: _____
Name:
Title:

EXHIBIT E

FORM OF AGENT APPOINTMENT LETTER

Dated: [●]

CITIBANK, N.A., LONDON BRANCH
c/o Citibank, N.A., Dublin Branch
1 North Wall Quay
Ireland

Re: 5.50% Senior Notes due 2022 of Azure Power Energy Ltd

Reference is hereby made to the Indenture dated as of August 3, 2017 (as amended, modified or supplemented from time to time, the " *Indenture* ") among Azure Power Energy Ltd, a company with limited liability incorporated under the laws of Mauritius (the " *Company* "), Azure Power Global Limited, a public company with limited liability incorporated under the laws of Mauritius (the " *Parent* ") and Citicorp International Limited as trustee, notes collateral agent and common collateral agent. Unless otherwise defined herein, terms used herein are used as defined in the Indenture.

The Company hereby appoints Citibank, N.A., London Branch as the paying agent, transfer agent and registrar (the " *Agent* ") with respect to the Notes and the Agent hereby accepts such appointment. By accepting such appointment, the Agent agrees to be bound by and to perform the services with respect to itself set forth in the Indenture and the Notes, as well as the following terms and conditions to all of which the Company agrees and to all of which the rights of the Holders from time to time shall be subject:

(a) The Company, no later than 5:00 p.m. (London time) one Business Day immediately preceding each date on which a payment in respect of the Notes becomes due, shall (i) transfer (or cause to be transferred) to the Agent in the currency of United States of America immediately available funds such amount as may be required for the purposes of such payment and (ii) notify the Agent of such transfer. The Company, no later than 5:00 p.m. (London time) on the second Business Day immediately preceding each date on which any payment in respect of the Notes becomes due, shall confirm such payment, or procure confirmation, by a tested telex or authenticated SWIFT message from the bank making such payment to the Agent. The Agent shall not be bound to make payment until funds in such amount as may be required for the purpose of such payment have been received from the Company.

(b) The Agent shall be entitled to the compensation to be agreed in writing upon with the Company, for all services rendered by it under the Indenture, and the Company agrees promptly to pay such compensation and to reimburse the Agent for its out-of-pocket expenses (including fees and expenses of counsel) properly incurred by it in connection with the services rendered by it hereunder and under the Indenture. The Company hereby agrees to indemnify the Agent and its officers, directors, agents, employees and representatives for, and to hold it harmless against, any loss, liability or expense (including properly incurred fees and expenses of counsel) incurred without gross negligence or willful misconduct on its part arising out of or in connection with its acting as the Agent hereunder and under the Indenture. The obligations of the Company under this paragraph (b) shall survive the payment of the Notes, the termination or expiry of the Indenture or this letter and the resignation or removal of the Agent. Under no circumstances will the Agent be liable to the Company or any other party to this letter or the Indenture for any special, indirect, punitive, consequential loss or damage of any kind (inter alia, being loss of business, goodwill, opportunity or profit), whether or not foreseeable, even if actually aware of or advised of the possibility of such loss or damage and regardless of the form of action.

(c) In acting under the Indenture and in connection with the Notes, the Agent is acting solely as agent of the Company and does not assume fiduciary duty or any other obligation towards or relationship of agency or trust for or with any of the owners or holders of the Notes, except that all funds held by the Agent for the payment of principal interest or other amounts (including Additional Amounts) on the Notes shall, subject to the provisions of the Indenture, be held by the Agent and applied as set forth in the Indenture and in the Notes, but need not be segregated from other funds held by the Agent, except as required by law. The Agent shall not be liable to account for interest on money paid to it pursuant to any of the provisions of the Indenture or the Notes. Any funds held by the Agent are not subject to the UK Financial Conduct Authority Client Money Rules.

(d) The Agent may consult with counsel or other professional advisors satisfactory to it and any advice or written opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it under the Indenture in good faith and in accordance with such advice or opinion.

(e) The Agent shall give the Trustee written notice of any failure by the Company (or by any other obligor on the Notes or the Guarantors) to make any payment of the principal, or premium or interest on, the Notes and any other payments to be made on behalf of the Company under the Indenture, when the same shall be due and payable and at any time during the continuance of any such failure the Agent will pay any such sums so held in trust by it to the Trustee.

(f) The Agent shall be fully protected and shall incur no liability for or in respect of any action taken or omitted to be taken or thing suffered by it in reliance upon any Note, notice, direction, consent, certificate, affidavit, statement or other paper or document reasonably believed by it to be genuine and to have been presented or signed by the proper party or parties. In the event that the Agent shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from the Company or any other person which, in its opinion, conflict with its rights or obligations under this Agreement, it shall be entitled to refrain from taking any action until it is directed in writing by a final order or judgment of a court of competent jurisdiction. The Agents shall be entitled to refrain from taking any actions, without liability, if conflicting, unclear or equivocal instruction or direction are received or in order to comply with the Applicable Law. The Agents shall not be liable for errors in judgment made in good faith.

(g) The Agent and any of its Affiliates, in its individual capacity or any other capacity, may become the owner of, or acquire any interest in, any Notes or other obligations of the Company with the same rights that it would have if it were not the Agent and may engage or be interested in any financial or other transaction with the Company, and may act on, or as depository, Trustee or agent for, any committee or body of Holders or other obligations of the Company, as freely as if it were not the Agent and that the Agent and its Affiliates shall not be under any obligation to monitor any conflicts of interest, if any, which may arise between each of themselves and such other parties.

(h) The Agent shall not be under any liability for interest on any monies received by it pursuant to any of the provisions of the Indenture or the Notes.

(i) The Agent shall be obligated to perform such duties and only such duties as are specifically set forth in the Indenture and hereunder, and no implied duties or obligation shall be read against the Agent. The Agent shall not be under any obligation to take any action under the Indenture or hereunder which may tend to involve it in any expense or liability, the payment of which within a reasonable time is not, in its opinion, assured to it. The Agent shall have no obligation to expend its own funds or otherwise incur any financial liability in the performance of its obligations hereunder or under the Indenture.

(j) The Agent may at any time resign by giving written notice of its resignation but without giving any reason to the Company and the Trustee and specifying the date on which its resignation shall become effective; *provided that* such date shall be at least 60 days after the date on which such notice is given unless the Company agrees to accept shorter notice. Upon receiving such notice of resignation, if required by the Indenture, the Company shall promptly appoint a successor agent by written instrument substantially in the form hereof in triplicate signed on behalf of the Company, one copy of which shall be delivered to the resigning Agent, one copy to the successor agent and one copy to the Trustee. Upon the effectiveness of the appointment of a successor Agent, the resigning Agent shall have no further obligations under this letter or the Indenture.

Such resignation shall become effective upon the earlier of (i) the effective date of such resignation and (ii) the acceptance of appointment by the successor agent, as provided below. The Company may, at any time and for any reason, remove the Agent and appoint a successor agent, by written instrument in triplicate signed on behalf of the Company, one copy of which shall be delivered to the Agent being removed, one copy to the successor agent and one copy to the Trustee. Any removal of the Agent and any appointment of a successor agent shall become effective upon acceptance of appointment by the successor agent. Upon its resignation or removal, the Agent shall be entitled to the payment by the Company of its compensation for the services rendered hereunder and to the reimbursement of all out-of-pocket expenses properly incurred in connection with the services rendered by it hereunder.

(k) The Company shall remove the Agent and appoint a successor paying agent if the Agent shall (i) become incapable of acting, (ii) be adjudged bankrupt or insolvent, (iii) commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, (iv) consent to, or shall have had entered against it a court order for, any such relief or to the appointment of or taking possession by any such official in any involuntary case or other proceedings commenced against it, (v) make a general assignment for the benefit of creditors or (vi) fail generally to pay its debts as they become due.

(l) Any successor agent appointed as provided herein shall execute and deliver to its predecessor and to the Company and the Trustee an instrument accepting such appointment (which may be in the form of an acceptance signature to the letter of the Company appointing such agent) and thereupon such successor agent, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as Agent and such predecessor shall pay over to such successor agent all monies or other property at the time held by it hereunder.

Notwithstanding the above, the Company agrees with the Agent that if no successor to such Agent has been appointed by the Company after 30 days from the notice of resignation or removal, such retiring Agent may, on behalf of and at the expense of the Company, itself appoint a successor Agent or the retiring Agent or the Company, or petition any court of competent jurisdiction for appointment of, as its successor Agent.

(m) The Agent shall at all times be a responsible financial institution which is authorized by law to exercise its respective powers and duties hereunder and under the Indenture.

(n) Notwithstanding any other provision of this letter, in acting under the Indenture and this letter and in connection with the Notes, the Agent shall be entitled to make a deduction or withholding from any

payment which it makes under the Indenture and the Notes for or on account of any Tax if and only to the extent so required by Applicable Law, in which event such Agent shall make such payment after such withholding or deduction has been made and shall account to the relevant Authority for the amount so withheld or deducted. The Agent will use reasonable efforts to cooperate with the Company and the Guarantors to enable them to provide the Tax receipts or other evidence of payments referred to in Section 2.13 of the Indenture. The Agent shall be entitled to make payments net of any Taxes or other sums required by any Applicable Law to be withheld or deducted. If such a withholding or deduction is so required, the Agent will not pay an additional amount in respect of that withholding or deduction.

(o) The Agent shall treat all information relating to the Company as confidential, but (unless consent is prohibited by law) the Company consents to the transfer and disclosure by the Agent of any information relating to the Company and the Guarantors to and between branches, subsidiaries, representative offices and affiliates of the Trustee, for confidential use in connection with the provision of any service under this letter and the Indenture. The Agent and any of its branch, subsidiary, representative office or affiliate may transfer and disclose any such information as required by any law, court regulator or legal process; *provided that* the Agent shall give the Company prompt written notice of such request so that the Company may seek a protective order or other remedy protecting such confidential information from disclosure so long as the provision of such notice is not contrary to applicable law.

(p) The Company hereby irrevocably waives, in favor of the Agent, any conflict of interest which may arise by virtue of the Agent acting in various capacities under the Indenture and this letter or for other customers of the Agent. The Company acknowledges that the Agent and its Affiliates (together, the " *Agent Parties* ") may have interests in, or may be providing or may in the future provide financial or other services to other parties with interests which the Company may regard as conflicting with its interests and may possess information (whether or not material to the Company) other than as a result of the Agent acting as Agent hereunder, that the Agent may not be entitled to share with the Company. The Agent will not disclose confidential information obtained from the Company (without its consent) to any of the Agent's other customers nor will it use on the Company's behalf any confidential information obtained from any other customer. Without prejudice to the foregoing, the Company agrees that the Agent Parties may deal (whether for its own or its customers' account) in, or advise on, securities of any party and that such dealing or giving of advice, will not constitute a conflict of interest for the purposes of the Indenture and this letter.

(q) The Agent may act through its attorneys, delegates and agents and will not be responsible for the misconduct or negligence of any attorney, delegate or agent appointed with due care by it hereunder or for supervising or monitoring the act or proceedings of such attorney, delegate or agent.

(r) In no event shall the Agent be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; or failure of any money transmission or SWIFT system, any laws, ordinances, regulations or the like which restrict or prohibit the performance of the obligations contemplated by this letter.

(s) The Agent is not obliged to do or omit to do anything which in its reasonable opinion, would or may be illegal or would constitute a breach of any law, rule, regulation, or any decree, order or judgment of any court, or practice, request, direction, notice, announcement or similar action (whether or not having the force of law) of any relevant government, government agency, regulatory authority, stock exchange or self-regulatory organization to which the Agent is subject.

(t) The Agent shall, on demand by the Trustee by notice in writing given to the Agent and the Company at any time after an Event of Default has occurred, until notified by the Trustee to contrary, to the extent permitted by applicable law, deliver all monies, documents and records held by the Agent in respect of the Notes to the Trustee or as the Trustee shall direct in such notice or subsequently, *provided that* this paragraph shall not apply to any documents or records which the Agent is obliged not to release by any law or regulation to which it is subject. The Agent shall not be deemed to have notice of any Event of Default, unless notified in writing of the same.

(u) The Agent shall, on demand by the Trustee by notice in writing given to them and the Company at any time after the Event of Default or Default has occurred, until notified by the Trustee to the contrary, as far as permitted by applicable law to act thereafter as agents of the Trustee under the Indenture and the Notes and to act solely in accordance with the Trustee's directions, deliver up all Certificates and all monies, documents and records held by the Agent in respect of the Notes to the Trustee or as the Trustee shall direct in such notice or subsequently, *provided that* this paragraph (i) shall not apply to any documents or records which the Agent or the relevant agent is obliged not to release by any law or regulation to which it is subject.

(v) The obligations hereunder of the Agent with respect to its duties as paying agent, transfer agent and registrar shall be several, not joint.

(w) Any notice or communication to the Agent shall be in the English language and will be deemed given when sent by facsimile transmission, with transmission confirmed. Any notice to the Agent will be effective only upon receipt. The notice or communication should be addressed to the Agent at:

CITIBANK, N.A., LONDON BRANCH
c/o Citibank, N.A., Dublin Branch
One North Wall Quay
Dublin 1
Attention: Agency & Trust

With a copy to:

CITICORP INTERNATIONAL LIMITED
39/F, Champion Tower
3 Garden Road
Central, Hong Kong

Attention: Agency & Trust

Any notice to the Company or the Trustee shall be given as set forth in the Indenture.

(x) Any corporation into which the Agent may be merged or converted or any corporation with which the Agent may be consolidated or any corporation resulting from any merger, conversion or consolidation to which the Agent shall be a party or any corporation succeeding to the business of the Agent shall be the successor to the Agent hereunder (provided that such corporation shall be qualified as aforesaid) without the execution or filing of any document or any further act on the part of any of the parties hereto.

(y) Any amendment, supplement or waiver under Sections 9.01 and 9.02 of the Indenture that adversely affects the Agent shall not affect the rights, powers, obligations, duties or immunities of the Agent unless the Agent has consented thereto.

(z) The Indenture, the Notes and this letter, together with the fee proposal agreed between Citicorp International Limited and the Company, contain the whole agreement between the parties relating to the subject matter of the Indenture and this letter and supersede any previous written or oral agreement between the parties in relation to the matters dealt with in the Indenture and this letter.

(aa) The Company and the Guarantors agree that the provisions of Sections 13.07 and 13.14 of the Indenture shall apply hereto, mutatis mutandis.

(bb) This letter may be executed in counterparts, each of which shall be an original which together shall constitute one and same instrument.

(cc) Mutual Undertaking Regarding Information Reporting and Collection Obligations. Each party herein shall, within ten business days of a written request by another party, supply to that other party such forms, documentation and other information relating to it, its operations, or the Notes as that other party reasonably requests for the purposes of that other party's compliance with Applicable Law and shall notify the relevant other party reasonably promptly in the event that it becomes aware that any of the forms, documentation or other information provided by such party is (or becomes) inaccurate in any material respect; provided, however, that no party shall be required to provide any forms, documentation or other information pursuant to this paragraph to the extent that: (i) any such form, documentation or other information (or the information required to be provided on such form or documentation) is not reasonably available to such party and cannot be obtained by such party using reasonable efforts; or (ii) doing so would or might in the reasonable opinion of such party constitute a breach of any: (a) Applicable Law; (b) fiduciary duty; or (c) duty of confidentiality.

(dd) Notice of Possible Withholding Under FATCA. The Company and the Guarantors shall notify the Agent in the event that the Company or the Guarantors determine that any payment to be made by the Agent under any Notes is a payment which could be subject to FATCA Withholding if such payment were made to a recipient that is generally unable to receive payments free from FATCA Withholding, and the extent to which the relevant payment is so treated; provided, however, that the Company and the Guarantors' obligation under this paragraph shall apply only to the extent that such payments are so treated by virtue of characteristics of the Company and the Guarantors, the Notes, or both.

(ee) Company and the Guarantors' Right to Redirect. In the event that the Company or the Guarantors determine in its sole discretion that withholding for or on account of any Tax will be required by Applicable Law in connection with any payment due to any of the Agent on any Notes, then the Company and the Guarantors will be entitled to redirect or reorganize any such payment in any way that it sees fit in order that the payment may be made without such deductions or withholding provided that, any such redirected or reorganized payment is made through a recognized institution of international standing and otherwise made in accordance with this letter. The Company and the Guarantors will promptly notify the Agent and the Trustee of any such redirection or reorganization.

(ff) Notwithstanding anything else herein contained, the Agent may refrain without liability from doing anything that would or might in its opinion be contrary to any law of any state or jurisdiction (including but not limited to Hong Kong, the United States of America or any jurisdiction forming a part of it and England & Wales) or any directive or regulation of any agency of any such state or jurisdiction and may without liability do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.

(gg) Definitions. For the purposes of paragraphs (n), (cc), (dd), (ee) and (gg) the defined terms used herein shall have the following meaning:

"Applicable Law" means any law or regulation including, but not limited to: (i) any statute or regulation; (ii) any rule or practice of any Authority by which any party is bound or with which it is accustomed to comply; (iii) any agreement between any Authorities; and (iv) any customary agreement between any Authority and any party.

"Authority" means any competent regulatory, prosecuting, Tax or governmental authority in any jurisdiction.

"Code" means the U.S. Internal Revenue Code of 1986, as amended.

"FATCA Withholding" means any withholding or deduction required pursuant to an agreement described in section 1471(b) of the Code, or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

"Tax" means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Authority having power to tax.

Azure Power Energy Ltd

By:

Name:
Title: Director

Agreed and accepted:

CITIBANK, N.A., LONDON BRANCH
As Paying Agent and Transfer Agent

By:
Name:
Title:

CITIBANK, N.A., LONDON BRANCH
As Registrar

By:
Name:
Title:

Acknowledged by:
CITICORP INTERNATIONAL LIMITED
As Trustee

By:

Name:
Title:

EXHIBIT F-1

Form of Company Authorization Certificate

I, [Name], [Title] of Azure Power Energy Ltd acting on behalf of Azure Power Energy Ltd, hereby certify that:

(A) the persons listed below are (i) Authorized Officers of the Company for purposes of the Indenture dated as of August 3, 2017 (as amended, modified or supplemented from time to time, the " **Indenture** ") among Azure Power Energy Ltd, a company with limited liability incorporated under the laws of Mauritius (the " **Company** "), Azure Power Global Limited, a public company with limited liability incorporated under the laws of Mauritius and Citicorp International Limited as trustee, notes collateral agent and common collateral agent, (ii) duly elected or appointed, qualified and acting as the holder of the respective office or offices set forth opposite his name and (iii) the duly authorized person who executed or will execute the Indenture, the Collateral Documents and the Notes (as defined in the Indenture) by his manual signature or signature in scanned format delivered through email and was at the time of such execution, duly elected or appointed, qualified and acting as the holder of the office set forth opposite his name;

(B) each signature appearing below is the person's genuine signature; and

(C) attached hereto as Schedule I is a true, correct and complete specimen of the certificates representing the Notes (with the Note Guarantee (as defined in the Indenture) endorsed thereon); and

(D) such individuals have the authority to provide written direction/confirmation and receive callbacks at the phone number(s) noted below in connection with the 5.50% Senior Notes due 2022 of the Company.

SCHEDULE I

Authorized Officers:

Name	Title	Specimen Signature	Telephone Number

IN WITNESS WHEREOF , I have hereunto signed my name.

Dated: _____

AZURE POWER ENERGY LTD

By: _____

Name:

Title:

EXHIBIT F-2

Form of Guarantor Authorization Certificate

I, [Name], [Title] of [_____], acting on behalf of _____(the "Guarantor"), hereby certify that:

(A) the persons listed below are (i) Authorized Officers of the Guarantor for purposes of the Indenture dated as of August 3, 2017 (as amended, modified or supplemented from time to time, the " **Indenture** ") among Azure Power Energy Ltd, a company with limited liability incorporated under the laws of Mauritius (the " **Company** "), Azure Power Global Limited, a public company with limited liability incorporated under the laws of Mauritius and Citicorp International Limited as trustee, notes collateral agent and common collateral agent, (ii) duly elected or appointed, qualified and acting as the holder of the respective office or offices set forth opposite his name and (iii) the duly authorized person who executed or will execute the Indenture and the Note Guarantee (as defined in the Indenture) endorsed on the Notes by his manual signature or signature in scanned format delivered through email and was at the time of such execution, duly elected or appointed, qualified and acting as the holder of the office set forth opposite his name;

(B) each signature appearing below is the person's genuine signature; and

(C) attached hereto as Schedule I is a true, correct and complete specimen of the certificates representing the Notes (with the Note Guarantee (as defined in the Indenture) endorsed thereon)

SCHEDULE I

Authorized Officers:

Name	Title	Specimen Signature

IN WITNESS WHEREOF , I have hereunto signed my name.

Dated: _____

Guarantor

By: _____
Name:
Title:

EXHIBIT G

TRANSFER NOTICE

[●], 20[●]

Standard Chartered Bank (Mauritius) Limited
[●]
Fax: [TBC]
Attention: [TBC]

Dear Sirs,

Please pay the following amount from the Escrow Account no. [●] pursuant to Section 4.28 (a) or 4.28(b) of the Indenture dated August 3, 2017 as amended from time to time between Azure Power Energy Ltd, Azure Power Global Limited and Citicorp International Limited as Trustee, Notes Collateral Agent and Common Collateral Agent, to the account specified below:

U.S. dollar equivalent	US$[●]
Value date	[●]
Correspondent Bank	[●]
Correspondent Bank Swift Code	[●]
Beneficiary Bank	[●]
Swift Code	[●]
Beneficiary Account Number	[●]
Beneficiary Account Name	[●]
Payment Reference	[●]

Yours faithfully,

Authorized Signatory
Citicorp International Limited

Authorized Signatory
Citicorp International Limited

EXHIBIT H

NOTE HOLDERS REPRESENTATIVE APPOINTMENT LETTER

Dated: [•], 2017

[●]

Attention: [●]

Re: US$500,000,000 of 5.50 % Senior Notes due 2022 of Azure Power Energy Ltd

Reference is hereby made to the Indenture dated as of August 3, 2017 (as amended, modified or supplemented from time to time, the " ***Indenture*** ") among Azure Power Energy Ltd, a public company with limited liability incorporated under the laws of Mauritius (the " ***Company*** "), Azure Power Global Limited, a public company with limited liability incorporated under the laws of Mauritius and Citicorp International Limited as trustee (the " **Trustee** "). Terms used herein are used as defined in the Indenture.

The Company hereby appoints [•], of [•] to act as the Note Holders Representative, pursuant to the present Note Holders Representative Appointment Letter and to act as such with respect to the Notes pursuant to the Mauritius Companies Act 2001 (the " ***Representative*** ") and the Representative hereby accepts such appointment. By accepting such appointment, the Representative agrees to be bound by and to perform the duties with respect to itself set forth in the Mauritius Companies Act and the Notes, as well as the following terms and conditions to all of which the Company agrees and to all of which the rights of the holders from time to time of the Notes shall be subject:

(a) The Representative shall be entitled to the compensation to be agreed in writing upon with the Company, for all services rendered by it under the Indenture, and the Company agrees promptly to pay such compensation and to reimburse the Representative for its properly incurred out-of-pocket expenses (including fees and expenses of counsel) incurred by it in connection with the services rendered by it hereunder and under the Indenture.

(b) The Company hereby agrees to indemnify the Representative and its officers, directors, agents, employees and representatives for, and to hold it harmless against, any loss, liability or expense (including properly incurred fees and expenses of counsel) incurred without gross negligence or willful misconduct on its part arising out of or in connection with its acting as the Representative hereunder and under the Indenture. The obligations of the Company under this paragraph (b) shall survive the payment of the Notes, the termination or expiry of the Indenture or this letter and the resignation or removal of the Representative. Under no circumstances will the Representative be liable to the Company or any other party to this letter or the Indenture for any special, indirect, punitive, consequential loss or damage of any kind (inter alia, being loss of business, goodwill, opportunity or profit), whether or not foreseeable, subject to the Representative having taken due care and reasonable steps for mitigating or minimizing the special, indirect, punitive, consequential loss or damage arising out of a forseeable event.

(c) In acting under the Indenture and in connection with the Notes, the Representative is acting solely as Representative and does not assume any obligation towards or relationship of agency or trust for or with any of the owners or holders of the Notes other than provided in the Indenture.

(d) The Representative may consult with counsel or other professional advisors satisfactory to it and any advice or written opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it under the Indenture in good faith and in accordance with such advice or opinion. The Representative shall be under an obligation to inform the Company of such advice or written opinion of such counsel and must mutually agree with the Company on the course of action to be taken.

(e) The Representative shall be fully protected and shall incur no liability for or in respect of any action taken or omitted to be taken or thing suffered by it in reliance upon any Note, notice, direction, consent, certificate, affidavit, statement or other paper or document reasonably believed by it to be genuine and to have been presented or signed by the proper party or parties. In the event that the Representative shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from the Company or any other person which, in its opinion, conflict with its rights or obligations under this Agreement, it shall be entitled to refrain from taking any action until it is directed in writing by a final order or judgment of a court of competent jurisdiction.

(f) The Representative shall be obligated to perform such duties and only such duties as are specifically set forth in the Mauritius Companies Act and hereunder, and no implied duties or obligation shall be read against the Representative. The Representative shall not be under any obligation to take any action under the Indenture or hereunder which may tend to involve it in any expense or liability, the payment of which within a reasonable time is not, in its opinion, assured to it. The Representative shall have no obligation to expend its own funds or otherwise incur any financial liability in the performance of its obligations hereunder or under the Indenture.

(g) The Representative may at any time resign by giving written notice of its resignation to the Company and the Trustee and specifying the date on which its resignation shall become effective; *provided that* such date shall be at least 60 days after the date on which such notice is given unless the Company agrees to accept shorter notice. Upon receiving such notice of resignation, the Company shall promptly appoint a successor Representative by written instrument substantially in the form hereof in triplicate signed on behalf of the Company, one copy of which shall be delivered to the resigning Representative, one copy to the successor Representative and one copy to the Trustee.

Such resignation shall become effective upon the earlier of (i) the effective date of such resignation and (ii) the acceptance of appointment by the successor Representative, as provided below. The Company may, at any time and for any reason, remove the Representative and appoint a successor Representative, by written instrument in triplicate signed on behalf of the Company, one copy of which shall be delivered to the Representative being removed, one copy to the successor Representative and one copy to the Trustee. Any removal of the Representative and any appointment of a successor Representative shall become effective upon acceptance of appointment by the successor Representative. Upon its resignation or removal, the Representative shall be entitled to the payment by the Company of its compensation for the services rendered hereunder and to the reimbursement of all properly incurred out-of-pocket expenses incurred in connection with the services rendered by it hereunder.

(h) The Company shall remove the Representative and appoint a successor paying Representative if the Representative (i) shall become incapable of acting, (ii) shall be adjudged bankrupt or insolvent, (iii) shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, (iv) shall consent to, or shall have had entered against it a

court order for, any such relief or to the appointment of or taking possession by any such official in any involuntary case or other proceedings commenced against it, (v) shall make a general assignment for the benefit of creditors or (vi) shall fail generally to pay its debts as they become due.

(i) Any successor Representative appointed as provided herein shall execute and deliver to its predecessor and to the Company and the Trustee an instrument accepting such appointment (which may be in the form of an acceptance signature to the letter of the Company appointing such Representative) and thereupon such successor Representative , without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as Representative and such predecessor shall pay over to such successor Representative all monies or other property at the time held by it hereunder.

Notwithstanding the above, the Company agrees with the Representative that if, no successor to such Representative has been appointed by the Company after 30 days from the notice of resignation or removal, such retiring Representative may, on behalf of and at the expense of the Company, itself appoint a successor Representative or the retiring Representative or the Company, or petition any court of competent jurisdiction for appointment of, as its successor Representative.

(j) The Representative shall treat all information relating to the Company as confidential, but (unless consent is prohibited by law) the Company consents to the transfer and disclosure by the Representative of any information relating to the Company to and between branches, subsidiaries, representative offices, affiliates of the Trustee, for confidential use in connection with the provision of any service under this letter and the Indenture. The Representative and any of its branch, subsidiary, representative office or affiliate may transfer and disclose any such information as required by any law, court regulator or legal process; *provided that* the Representative shall give the Company prompt written notice of such request so that the Company may seek a protective order or other remedy protecting such confidential information from disclosure so long as the provision of such notice is not contrary to applicable law.

(k) The Company hereby irrevocably waives, in favor of the Representative, any conflict of interest which may arise by virtue of the Representative acting in various capacities under the Indenture and this letter or for other clients of the Representative. The Company acknowledges that the Representative and its Affiliates (together, the " ***Representative Parties*** ") may have interests in, or may be providing or may in the future provide other services to other parties with interests which the Company may regard as conflicting with its interests and may possess information (whether or not material to the Company) other than as a result of the Representative acting as Representative hereunder, that the Representative may not be entitled to share with the Company. The Representative will not disclose confidential information obtained from the Company (without its consent) to any of the Representative's other customers nor will it use on the Company's behalf any confidential information obtained from any other customer. Without prejudice to the foregoing, the Company agrees that the Representative Parties may deal (whether for its own or its customers' account) in, or advise on, securities of any party and that such dealing or giving of advice, will not constitute a conflict of interest for the purposes of the Indenture and this letter.

(l) The Representative may act through its attorneys, delegates and representatives and will not be responsible for the misconduct or negligence of any attorney, delegate or representative appointed with due care by it hereunder or for supervising the act or proceedings of such attorney, delegate or representative.

(m) In no event shall the Representative be responsible or liable for any failure or delay in the performance of its obligations hereunder because of circumstances beyond its control, including, without limitation, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, rebellion, embargo, civil commotion or the like which restrict or prohibit the performance of the obligations hereunder, and other causes beyond its control whether or not of the same class or kind as specifically named above subject to the Representative having exercised due care and reasonable measures to minimize or mitigate the effects of such circumstances.

(n) The Representative is not obliged to do or omit to do anything which in its reasonable opinion, would or may be illegal or would constitute a breach of any law, rule, regulation, or any decree, order or judgment of any court, or practice, request, direction, notice, announcement or similar action (whether or not having the force of law) of any relevant government, government agency, regulatory authority, stock exchange or self-regulatory organization to which the Representative is subject.

(o) The Representative shall, on demand by the Trustee by notice in writing given to them and the Company at any time after an Event of Default has occurred, until notified by the Trustee to the contrary, as far as permitted by applicable law:

(i) act thereafter as Representative of the Trustee under the Indenture and the Notes mutatis mutandis on the terms provided in this letter (save for necessary consequential amendments and the Trustee's liability under any provision hereof for the indemnification, remuneration and all other expenses of the Representative shall be limited to the amounts for the time being held by the Trustee in respect of the Notes on the trusts of the Indenture and after application of such sums in accordance with the Indenture in satisfaction of payment of sums, other than referred to in this paragraph (i) and thereafter hold all Certificates and moneys, documents and records held by them in respect of the Notes to the order of the Trustee.

(ii)Any notice or communication to the Representative will be deemed given when sent by facsimile transmission, with transmission confirmed. Any notice to the Representative will be effective only upon receipt. The notice or communication should be addressed to the Representative at:

Representative

[•]

Attention: [•]

With a copy to:
The Trustee

Citicorp International Limited
39/F, Champion Tower3 Garden Road
Central Hong Kong

Facsimile no.: +852 2323 0279

Attention: Agency & Trust

Any notice to the Company or the Trustee shall be given as set forth in the Indenture.

(p) Any amendment, supplement or waiver under the Indenture that adversely affects the Representative shall not affect the rights, powers, obligations, duties or immunities of the Representative unless the Representative has consented thereto.

(q) The Indenture, the Notes and this letter, together with fee proposal dated as at the date hereof between the Representative and the Company, contain the whole agreement between the parties relating to the subject matter of the Indenture and this letter and supersede any previous written or oral agreement between the parties in relation to the matters dealt with in the Indenture and this letter.

(r) This letter may be executed in counterparts, each of which shall be an original which together shall constitute one and same instrument.

The agreement set forth in this letter shall be construed in accordance with and governed by the laws of the law of Mauritius.

AZURE POWER ENERGY LTD

Name:
Title: Director

Agreed and accepted:

Representative

Name:
Title:

Acknowledged by:

Citicorp International Limited

Trustee
Name:
Title:

EXHIBIT I

FORM OF OPINION

[●], 201[7][8]

Citicorp International Limited, as Trustee and Notes Collateral Trustee
[●]

Azure Power Energy Ltd, as Issuer
[●]

Ladies and Gentlemen:

We have been engaged by Azure Power Energy Ltd, a company with limited liability incorporated under the laws of Mauritius (the " Issuer "), to provide certain opinions in connection with the Issuer's offering of US$500,000,000 in aggregate principal amount of its 5.50% senior notes due 2022 (the " Notes "). The Notes are governed by the Indenture (the " Indenture "), dated as of August 3, 2017, among the Issuer, Azure Power Global Limited and Citicorp International Limited, as trustee. This opinion letter is furnished pursuant to Section 4.14 of the Indenture. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Indenture.

In arriving at the opinions expressed below we have reviewed the following documents:

(a) an executed copy of the Indenture;

(b) the definitive documentation for the Rupee Debt;

(c) the Currency Hedging Agreements included in the Required Hedging Arrangements (the " Currency Hedges ");

(d) the schedules and confirmations for the Currency Hedges;

(e) the term sheets for the Currency Hedges;

(f) the U.S. Dollar cash flows with respect to the Notes; and

(g) the cash flows with respect to the Rupee Debt.

In rendering the opinions expressed below, we have assumed the authenticity of all documents submitted to us as originals and the conformity to the originals of all documents submitted to us as copies. In addition, we have assumed and have not verified the accuracy as to factual matters of each document we have reviewed.

Based on the foregoing, it is our opinion that:

1. The Currency Hedging Agreements included in the Required Hedging Arrangements comprise (a) a coupon swap on the interest payments due under the Notes on each Interest Payment Date to fully protect the Issuer against any depreciation in the Indian Rupee to U.S. Dollar occurring after the date of each Incurrence of Original Rupee Debt, and (b) a call spread option on the principal amount of the Notes that will (i) fully protect the Issuer against any depreciation in the Indian Rupee occurring after the date of each Incurrence of Original Rupee Debt if the Indian Rupee to U.S. Dollar spot rate is between the current spot rate in effect on the date of such Incurrence and 90, and (ii) partially protect the Issuer (by receiving the same fixed payment) against any depreciation in the Indian Rupee occurring after the date of each Incurrence of Original Rupee Debt if the Indian Rupee to U.S. Dollar spot rate is above 90, in each case on the payment of principal due under the Notes at maturity.

2. The Issuer has sufficient contracted cash flows to satisfy all scheduled payment obligations under the Notes and the Required Hedging Arrangements.

We are furnishing this letter to you in connection with the issuance of the Notes. This letter is not to be relied on by or furnished to any other person or used, circulated, quoted or otherwise referred to for any other purpose. We assume no obligation to advise you, or to make any investigations, as to any factual matters arising subsequent to the date hereof that might affect the opinions expressed herein.

None of [●] or any of its officers, employees or agents shall be liable to the Holders, any beneficial owners of the Notes, the Trustee, the Notes Collateral Agent or any other person, including for any loss (whether a loss of profit, loss of opportunity or consequential loss), cost, expense or any other damage suffered by any such person, for any errors in calculations or determinations made by it hereunder, or any failure to make, or delay in making, any calculations or determinations (irrespective of whether such error, failure or delay affects any other calculations or determinations made hereunder) or otherwise in acting as Determination Agent. The foregoing does not affect the obligations of the Issuer and [●] pursuant to their separate engagement letter related to the services [●] is providing as Determination Agent.

Very truly yours,

[●]

By: _____

EXHIBIT J

INTERCREDITOR AGREEMENT

[*To be attached*]

Intercreditor Agreement

by and among

Citicorp International Limited
Indenture Trustee

The Super Senior Hedging Providers Listed in Part A of Schedule 1 Hereto

Citicorp International Limited
Common Collateral Agent

Azure Power Energy Ltd
Issuer

and

Azure Power Global Limited
Chargor

Dated [●], 2017

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This Intercreditor Agreement (as supplemented and amended from time to time, this " **Agreement** "), dated as of [●], 2017, by and among:

(1) **Citicorp International Limited** as trustee for the Noteholders under the Indenture (the " **Indenture Trustee** ");

(2) The Super Senior Hedging Providers listed in Part A of Schedule 1 hereto;

(3) **Citicorp International Limited** as common collateral agent for the benefit of the Indenture Trustee (for itself and the benefit of the Noteholders) and the other Secured Parties (the " **Common Collateral Agent** ");

(4) **Azure Power Energy Ltd** (the " **Issuer** "); and

(5) **Azure Power Global Limited** as the chargor (the " **Chargor** ") under the Fixed Charge Agreement or other Shared Secured Documents.

Whereas:

(A) The Issuer, the Chargor and the Indenture Trustee have entered into the Indenture and the Issuer has entered into the Super Senior Hedging Agreements.

(B) The Issuer may from time to time incur additional Permitted Pari Passu Secured Indebtedness in accordance with the terms of the Indenture.

(C) The Chargor has charged the Pari Passu Collateral to the Common Collateral Agent to provide a Security Interest for the Note Obligations, the Super Senior Hedging Obligations and any other Permitted Pari Passu Secured Obligations.

(D) The execution of this Agreement is authorized under the Indenture.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants contained herein and for other good and valuable consideration, the parties hereto agree as follows:

1. **Definitions**

1.1 In this Agreement (including the recitals):

" **1992 ISDA Master Agreement** " means the Master Agreement (Multicurrency – Cross Border) as published by the International Swaps and Derivatives Association, Inc.

" **2002 ISDA Master Agreement** " means the 2002 Master Agreement as published by the International Swaps and Derivatives Association, Inc.

" **Additional Notes** " has the meaning given to such term in the Indenture.

" **Agent** " has the meaning given to such term in the Indenture and any similar agents for Permitted Pari Passu Secured Indebtedness.

" **Close-Out Netting** " means:

(a) in respect of a Super Senior Hedging Agreement based on a 1992 ISDA Master Agreement, any step involved in determining the amount payable in respect of an Early Termination Date (as defined in the 1992 ISDA Master Agreement) under section 6(e) of the 1992 ISDA Master Agreement before the application of any subsequent set-off (as defined in the 1992 ISDA Master Agreement);

(b) in respect of a Super Senior Hedging Agreement based on a 2002 ISDA Master Agreement, any step involved in determining an Early Termination Amount (as defined in the 2002 ISDA Master Agreement) under section 6(e) of the 2002 ISDA Master Agreement; and

(c) in respect of a Super Senior Hedging Agreement not based on an ISDA Master Agreement, any step involved on a termination of the transactions under that Super Senior Hedging Agreement pursuant to any provision of that Super Senior Hedging Agreement which has a similar effect to either provision referenced in paragraph (a) and paragraph (b) above.

" **Business Day** " means any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in The City of New York, London, Mauritius or India are authorized by law or governmental regulation to close.

" **Defaulting Hedging Provider** " means any Hedging Provider in respect of which an Event of Default (as defined in the relevant Hedging Agreement) in relation to which such Hedging Provider is the Defaulting Party (as defined in the relevant Hedging Agreement) occurs.

" **Enforcement Notice** " means any enforcement notice to be delivered by the Common Collateral Agent to the Issuer and the Chargor to the effect that the Pari Passu Collateral has become enforceable as a result of the occurrence of an Event of Default that is continuing.

" **Event of Default** " has the meaning given to such term in any applicable Secured Party Document, *provided* that in respect of any Hedging Agreement based on a 1992 ISDA Master Agreement or 2002 ISDA Master Agreement, such term shall also include the occurrence or designation of an Early Termination Date with respect to all transactions thereunder resulting from any Termination Event as such term is defined in such Hedging Agreement. For the avoidance of doubt, the foregoing reference to a Termination Event under this definition shall not imply or be construed that a default or event of default has occurred under any agreement.

" **Fixed Charge Agreement** " means the Fixed Charge Agreement dated August 3, 2017 between the Chargor and the Common Collateral Agent in respect of the share capital of the Issuer.

" **Hedging Agreements** " means the hedging agreements entered into by the Issuer and the Hedging Providers (including any Hedging Providers acceding thereto) (as may be amended, supplemented or superseded from time to time) for the purpose of protecting the Issuer from fluctuations in currency exchange rates, interest rates or commodity prices and not for speculation.

" **Hedging Obligation** " means, as of any date of determination, the aggregate of (i) the net amount payable to any or all of the Hedging Providers in connection with Hedging Agreements where the transactions under such Hedging Agreements have been closed out on or before such date of determination and the net amount calculated in accordance with the relevant Hedging Agreements and (ii) the net amounts that would be payable to any or all of the Hedging Providers in connection with Hedging Agreements if the transactions under such Hedging Agreements were closed out or terminated on such date of determination and such net amount calculated in accordance with the relevant Hedging Agreements; provided that if such aggregate net amount is a negative number the Hedging Obligation of the Hedging Providers will be zero.

" **Hedging Providers** " means the persons identified in Schedule 1 hereto as having entered into Hedging Agreements (including, for the avoidance of doubt, the Super Senior Hedging Providers).

" **Indenture** " means the indenture dated as of August 3, 2017 relating to the Notes, as amended, restated, supplemented or otherwise modified from time to time.

" **ISDA Master Agreement** " means a 1992 ISDA Master Agreement or a 2002 ISDA Master Agreement, as applicable.

“ **Liabilities** ” means all present and future moneys, debts, liabilities and obligations due at any time by the Issuer to any Secured Party under the Secured Party Documents, both actual and contingent.

“ **Majority Secured Parties** ” means the Secured Parties which have provided a written instruction or instructions to the Common Collateral Agent hereunder and collectively represent more than 50% of the aggregate of the Note Obligations, the Hedging Obligations and any other Permitted Pari Passu Secured Obligations outstanding at such time, calculated based on the Common Collateral Agent’s spot rate of exchange for the purchase of the applicable currencies in U.S. Dollars in the London foreign exchange market at or about 11:00 a.m. (London time) on the date of determination.

“ **Majority Super Senior Hedging Providers** ” means the Super Senior Hedging Providers which have provided a written instruction or instructions to the Common Collateral Agent hereunder and collectively represent more than 50% of the aggregate Super Senior Hedging Obligations outstanding at such time, calculated in accordance with the Super Senior Hedging Agreements on the date of determination.

“ **Note Documents** ” means the Indenture and the Notes and such other agreements, instruments and certificates executed and delivered (or issued) by the Issuer or any Note Guarantor pursuant to the foregoing documents.

“ **Note Obligations** ” means all present and future obligations, contingent or otherwise, of the Issuer to the Indenture Trustee and the holders of the Notes arising under or pursuant to the Note Documents, including any interest, fees and expenses accruing after the initiation of any insolvency proceeding (irrespective of whether such interest, fees and expenses are allowed as a claim in such proceeding).

“ **Notes** ” means the Issuer’s $500,000,000 5.50% Senior Notes due 2022 and any Additional Notes.

“ **Note Guarantee** ” has the meaning given to it in the Indenture.

“ **Noteholders** ” means the Holders (as such term is defined in the Indenture).

“ **Payment Netting** ” means:

(a) in respect of a Super Senior Hedging Agreement based on an ISDA Master Agreement, netting under section 2(c) of the relevant ISDA Master Agreement; and

(b) in respect of a Super Senior Hedging Agreement not based on an ISDA Master Agreement, netting pursuant to any provision of that Super Senior Hedging Agreement which has a similar effect to the provision referenced in paragraph (a) above

“ **Pari Passu Collateral** ” means all assets charged, or purported to be charged, by the Issuer and the Chargor to the Common Collateral Agent under the Shared Security Documents, including proceeds thereof.

“ **Payment** ” means any payment, repayment, prepayment, redemption, defeasance or discharge of any principal, interest or other amount on or in respect of any of the Liabilities (or other liabilities or obligations).

“ **Permitted Pari Passu Secured Indebtedness** ” means any “ **Permitted Pari Passu Secured Indebtedness** ” as defined under and incurred in compliance with the terms of the Indenture.

“ **Permitted Pari Passu Secured Indebtedness Documents** ” means all agreements governing or evidencing Permitted Pari Passu Secured Indebtedness.

“ **Permitted Pari Passu Secured Obligations** ” means all present and future obligations, contingent or otherwise, of the Issuer to any holder of the Permitted Pari Passu Secured Indebtedness, that has (or the agent or representative thereof has) become a party hereto in its capacity as a Secured Party, arising under or pursuant to the Secured Party Documents to which such Permitted Pari Passu Secured Indebtedness relates, including any interest, fees and expenses accruing after the initiation of any insolvency proceeding (irrespective of whether such interest, fees and expenses are allowed as a claim in such proceeding).

“ **Person** ” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

“ **proceeds** ” has the meaning given to such term set forth in Article 9 of the New York Uniform Commercial Code.

“ **Secured Parties** ” means, collectively, the Indenture Trustee for the benefit of the Noteholders, the Super Senior Hedging Providers and any holder (or any representative or agent thereof) of any other Permitted Pari Passu Secured Indebtedness that has been identified in Schedule 1 hereto and become a party to this Agreement pursuant to Section 8 hereof on behalf of itself or, as the case may be, holder(s) of Permitted Pari Passu Secured Indebtedness.

“ **Secured Party Documents** ” means the Note Documents, the Super Senior Hedging Agreements and the other Permitted Pari Passu Secured Indebtedness Documents.

“ **Security Enforcement Objective** ” means maximizing, so far as is consistent with prompt and expeditious realization of value from enforcement of the Shared Security Interest, and in a manner consistent with the provisions of this Agreement, including, in particular, the order of application of proceeds set forth in Section 5 hereof, the recovery by the Super Senior Hedging Providers, the Noteholders and the holders of other Permitted Pari Passu Secured Indebtedness.

“ **Security Enforcement Principles** ” means the principles set forth in Schedule 2 hereto.

“ **Security Interest** ” means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or any agreement to create any mortgage, pledge, security interest, lien, charge, easement or encumbrance of any kind).

“ **Shared Security Documents** ” means the Fixed Charge Agreement and any other document executed from time to time evidencing the Shared Security Interest, in each case as such may be amended, supplemented or modified from time to time.

“ **Shared Security Interest** ” means the Security Interest in favor of the Common Collateral Agent as agent for the Secured Parties created, or purported to be created, pursuant to the Shared Security Documents.

“ **Super Senior Hedging Agreements** ” means the Hedging Agreements entered into by the Issuer for the purpose of protecting it from fluctuations in currency exchange rates or interest rates related to the Notes or Permitted Pari Passu Secured Indebtedness.

“ **Super Senior Hedging Providers** ” means the Hedging Providers that have entered into Super Senior Hedging Agreements.

“ **Super Senior Hedging Obligations** ” means the Hedging Obligations of the Super Senior Hedging Providers under the Super Senior Hedging Agreements.

1.2 A reference in this Agreement to any party or person shall be construed so as to include its successors in title, permitted assigns and permitted transferees, including in the case of the Issuer, any successor to the Issuer under the Indenture.

1.3 Section, clause and schedule headings are for ease of reference only.

2. **Pari Passu Security**

2.1 Notwithstanding (a) the time, order or method of attachment or perfection of any Security Interests, the time or order of filing of financing statements (or similar filings in any applicable jurisdiction), or the giving of or failure to give notice of the acquisition or expected acquisition of purchase money or other Security Interest, (b) the manner in which the Shared Security Interest is acquired, whether by grant, statute or operation of law, subrogation or otherwise, (c) the fact that the Pari Passu Collateral or Shared Security Interest (or any portion thereof) is otherwise subordinated, voided, avoided, invalidated or lapsed and (d) any applicable law or any provision to the contrary in any Secured Party Document and the Shared Security Documents with respect to the Pari Passu Collateral and all proceeds of the Pari Passu Collateral, each Secured Party agrees that (i) the Security Interest of each Secured Party in the Pari Passu Collateral ranks and shall rank equally in priority with the Security Interest of the other Secured Parties in the Pari Passu Collateral and (ii) the Note Obligations, the Hedging Obligations and any other Permitted Pari Passu Secured Obligations rank and shall rank *pari passu* among themselves.

2.2 The agreements as to the priority of the Security Interest of each Secured Party in and to the Pari Passu Collateral provided for herein shall not be deemed to subordinate or otherwise affect in any respect the Security Interest securing any other indebtedness (which, for the avoidance of doubt, does not include any Note Obligations, Super Senior Hedging Obligations or other Permitted Pari Passu Secured Obligations) of the Issuer or the Chargor.

2.3 Each Secured Party agrees that it will not attack, contest or bring (or voluntarily join in) any action for the purpose of contesting the validity, perfection, priority or enforceability of the Security Interest of any other Secured Party or finance or urge any other Person to do so; *provided* that any Secured Party may enforce its rights and privileges hereunder without being deemed to have violated this provision. Any provision contained in this Agreement to the contrary notwithstanding, the terms and conditions of this Agreement shall not apply to any property or asset (including properties or assets (or proceeds thereof) that do not constitute Pari Passu Collateral) as to which one Secured Party has a Security Interest and as to which the other Secured Parties do not have a Security Interest.

3. **Appointment of the Common Collateral Agent**

3.1 Each Secured Party hereby irrevocably appoints and authorizes the Common Collateral Agent to act as its collateral agent under and in connection with the Shared Security Documents and this Agreement in accordance with laws of the State of New York or the law of another applicable jurisdiction, as the case may be, and authorizes the Common Collateral Agent to enter on its behalf and on behalf of the Noteholders (in the case of the Indenture Trustee), the Super Senior Hedging Providers and, if applicable, the holders of any other Permitted Pari Passu Secured Indebtedness to which such Secured Party relates, into the Shared Security Documents.

3.2 The Common Collateral Agent agrees and acknowledges that it shall hold the Pari Passu Collateral and any Security Interest thereon for the equal and ratable benefit of all Secured Parties in accordance with the terms of the Shared Security Documents and subject to the terms and conditions of this Agreement, including, in particular, the order of application of proceeds set forth in Section 5 hereof. Each of the Secured Parties agrees and acknowledges that the Shared Security Documents shall be subject to the terms and conditions of this Agreement in all circumstances, and further agrees that it shall pay all proceeds received or realized by it in relation to the Pari Passu Collateral granted in favor of it under the Shared Security Documents and any Security Interest thereon to the Common Collateral Agent for application and distribution in accordance with Section 5 hereof.

3.3 The Common Collateral Agent shall be entitled, in acting as common collateral agent for the Secured Parties, to all of the rights, powers and privileges, and the benefit of the limitations and exculpations, as set out in the Shared Security Documents or in accordance with applicable laws and regulations.

3.4 As of the date hereof, this Agreement is entered into by the Indenture Trustee, the Super Senior Hedging Providers, the Common Collateral Agent, the Issuer and the Chargor pursuant to section 4.26 (*Intercreditor Agreement*) of the Indenture.

3.5 The Chargor shall deliver all original share certificates, transfer forms and all other perfection documents to the Common Collateral Agent on or prior to the date hereof under the Shared Security Documents and the Common Collateral Agent shall hold such documents subject to the terms of this Agreement.

3.6 Any Secured Party who is holding any perfection document shall deliver such perfection document to the Common Collateral Agent to hold such perfection documents for the benefit of all Secured Parties.

3.7 For the limited purpose of perfecting the Security Interests of the Secured Parties in those types or items of the Pari Passu Collateral, if any, in which a Security Interest may only be perfected by possession or control, any Secured Party that is in possession or control of such Pari Passu Collateral agrees that if it elects to relinquish possession or control of such Pari Passu Collateral, it shall deliver possession or control thereof to the Common Collateral Agent; *provided* that, no Secured Party shall be required to deliver any such Pari Passu Collateral or take any other action referred to in this Section to the extent that such action would contravene any law, order or other legal requirements, and in the event of a controversy or dispute, such Secured Party may interplead any item of Pari Passu Collateral in any court of competent jurisdiction.

4. **Enforcement; Written Instructions**

4.1 Only the Common Collateral Agent (or any delegate, receiver or other Person appointed by the Common Collateral Agent in accordance with the Shared Security Documents) shall be entitled to act, or otherwise refrain from acting, in connection with, or enforce, the Shared Security Interest on behalf of the Secured Parties pursuant to the terms of the applicable Shared Security Document and this Agreement.

4.2 Each Secured Party agrees that, in relation to any instruction given by it to the Common Collateral Agent to take action in relation to depositing or maintaining any Pari Passu Collateral subject to a Shared Security Interest or any other action in respect of such Pari Passu Collateral, any Secured Party may provide to the Common Collateral Agent written instructions signed by an authorized person of such Secured Party; *provided, however, that* upon receipt of any such written instruction from any Secured Party, the Common Collateral Agent shall as soon as reasonably practicable inform the Issuer and the Chargor and the other Secured Parties accordingly (including providing a copy of such instruction).

4.3 Upon the occurrence and during the continuance of an Event of Default, any Secured Party may, to the extent permitted or not restricted under the applicable Secured Party Document, notify in writing the Common Collateral Agent of the occurrence of such Event of Default and may instruct in writing the Common Collateral Agent to (i) enforce the Pari Passu Collateral and (ii) deliver an Enforcement Notice to the Issuer and the Chargor (such instructions, the " **Enforcement Instructions** "); *provided, however* , that in the case of the Super Senior Hedging Providers, the Enforcement Instructions shall be given by or on behalf of the Majority Super Senior Hedging Providers. Upon receipt of an Enforcement Instruction, the Common Collateral Agent shall act unilaterally to enforce on or against the Shared Security Interest subject to Sections 4.4, 4.5, 4.7 and 9 hereof and the Security Enforcement Principles; *provided, however, that* upon receipt of an Enforcement Instruction, the Common Collateral Agent shall as soon as reasonably practicable inform the Issuer, the Chargor and the other Secured Parties accordingly (including providing a copy of such Enforcement Instruction and such Enforcement Notice).

4.4 Notwithstanding any provision herein to the contrary but subject to Section 9 hereof and the Security Enforcement Principles in all circumstances, if the Common Collateral Agent identifies a conflict:

(a) between Secured Parties' interests in connection with any Enforcement Instructions; or

(b) in the event that more than one of the Secured Parties issues Enforcement Instructions, between those Enforcement Instructions,

and the Common Collateral Agent believes in its sole and absolute discretion that the interests of the Secured Parties would be in conflict upon the exercise of those Enforcement Instructions, or that compliance with an Enforcement Instruction would cause the Common Collateral Agent to contravene another Enforcement Instruction or the Security Enforcement Principles, the Common Collateral Agent shall notify each Secured Party in writing not more than ten (10) Business Days after it becomes aware of such conflict that the Common Collateral Agent considers such a conflict exists and the Common Collateral Agent is not obligated to take any action if it identifies such conflict; *provided that* , the Common Collateral Agent shall act in accordance with such Enforcement Instructions to the extent that such Enforcement Instructions do not conflict with each other and further *provided that* the Common Collateral Agent shall act in accordance with Section 9 hereof and the Security Enforcement Principles.

4.5 Notwithstanding anything to the contrary contained in this Agreement but subject to Section 9 hereof and the Security Enforcement Principles in all circumstances, if the Common Collateral Agent shall receive any instruction from any Secured Party with respect to any act or action (including failure to act) in connection with this Agreement or the Shared Security Documents, the Common Collateral Agent shall be entitled to refrain from such act or taking such action unless and until it shall have received written instruction from any Secured Party and to the extent requested, indemnification and/or security and/or pre-funding to its satisfaction in respect of actions to be taken, and the Common Collateral Agent shall not incur liability to any Secured Party, any Noteholder or any holder of Permitted Pari Passu Secured Indebtedness or any other Person by reason of so refraining. Without limiting the foregoing, no party hereto shall have any right of action whatsoever against the Common Collateral Agent and the Common Collateral Agent shall incur no liability to any party hereto as a result of the Common Collateral Agent acting or refraining from acting hereunder in accordance with the instructions of the Secured Parties (*provided* that the Common Collateral Agent believes in good faith such instructions comply with the Security Enforcement Principles) or under any Shared Security Document as provided for therein.

4.6 The Common Collateral Agent shall be entitled to seek directions as to the exercise or non-exercise of any of its rights, powers, or discretions from the instructing Secured Party and to seek clarification of any instruction previously given, and the Common Collateral Agent shall be entitled to refrain from acting in the absence of any, or any clear, written instructions.

4.7 The Common Collateral Agent may refrain from acting unless and until (a) clearly instructed in writing by a Secured Party as to whether or not any right, power or discretion is to be exercised and, if it is to be exercised, as to the manner in which it should be exercised and (b) it has received security and/or indemnity and/or pre-funding satisfactory to it.

4.8 The Common Collateral Agent shall be fully protected and not liable if it complies with any instructions of the Secured Party as the case may be with respect to any Enforcement Instruction in accordance with the provisions of this Section and the Security Enforcement Principles.

4.9 The Common Collateral Agent shall not be responsible to any Secured Party for any failure to enforce or to maximize the proceeds of any enforcement in respect of any Enforcement Instruction, provided that it believes in good faith that it complies with the Security Enforcement Principles.

4.10 Each Secured Party agrees to certify to the Common Collateral Agent, (x) upon reasonable request of the Common Collateral Agent and (y) at any time when an instruction is provided by a Secured Party to the Common Collateral Agent hereunder, the outstanding principal amount of, as the case may be, the Notes or the Permitted Pari Passu Secured Indebtedness to which such Secured Party relates.

4.11 The Common Collateral Agent shall at all times have regard to the general interests of the Secured Parties as a class but shall not have regard to any interests arising from circumstances particular to any holder (whatever their number) as regards the exercise and performance of all powers, authorities, duties, discretions and obligations of the Common Collateral Agent in respect of the Pari Passu Collateral or the rights or benefits which are comprised in the Pari Passu Collateral (except where expressly provided otherwise). Prior to receiving any Enforcement Notice from any Secured Party, the Common Collateral Agent shall be under no obligation to take any steps to call in or to enforce the Pari Passu Collateral and shall not be liable for any liability, damages, cost, loss or expense (including legal fees) and any value added tax thereon arising from any omissions on its part to take any such steps.

4.12 The Common Collateral Agent shall not be responsible and/or liable for the priority of the Pari Passu Collateral on enforcement.

5. **Distribution of Proceeds and Release**

Following the delivery of an Enforcement Instruction, the Issuer may not make any Payment in respect of any Liabilities except from the proceeds from any sale, collection, liquidation or enforcement of the Pari Passu Collateral, which shall be distributed by the Common Collateral Agent in accordance with the terms hereof and subject to the conditions of the relevant Shared Security Document, *provided* that the Payments prohibited by this Section 5 shall remain owing by the Issuer to the extent not paid. Notwithstanding any provision of this Agreement to the contrary, such proceeds shall be applied as follows:

(a) *first* , to the Indenture Trustee, the Common Collateral Agent, the Agents and, to the extent applicable, any representative of holders of any Permitted Pari Passu Secured Indebtedness, to the extent necessary to reimburse the Indenture Trustee, the Common Collateral Agent, the Agents and any such representative for any unpaid fees, costs and expenses incurred in connection with the collection or distribution of such amounts held or realized or in connection with expenses incurred in enforcing its remedies under the Shared Security Documents and preserving the Pari Passu Collateral and all amounts for which the Indenture Trustee, the Common Collateral Agent, the Agents and any such representative are entitled to indemnification under the Shared Security Documents and this Agreement;

(b) *second* , on a *pro rata* and *pari passu* basis to the Super Senior Hedging Providers (other than any Defaulting Hedging Providers) under Super Senior Hedging Obligations;

(c) *third* , to the Indenture Trustee for the benefit of Noteholders and, to the extent applicable, holders of any Permitted Pari Passu Secured Indebtedness (or their representative) (other than the Super Senior Hedging Providers and any Defaulting Hedging Providers) on a *pro rata* and *pari passu* basis;

(d) *fourth* , to any Defaulting Hedging Providers on a *pro rata* and *pari passu* basis; and

(e) *fifth* , any surplus remaining after such payments will be paid to the Issuer or whomever may be lawfully entitled thereto.

Each party hereto agrees that any proceeds of the Pari Passu Collateral received or recovered by it in violation of the priorities set forth above and the other provisions of this Agreement shall be segregated and held in trust and promptly paid over to the Common Collateral Agent, in the same form as received, with any necessary endorsements, for application in accordance with the priorities set forth above.

Each Secured Party expressly authorizes and instructs the Common Collateral Agent to execute any and all documents (including releases) with respect to the Pari Passu Collateral and the rights of each of the Secured Parties with respect thereto as contemplated by and in accordance with the provisions of this Agreement and the Shared Security Documents.

6. **Resignation and Replacement of Common Collateral Agent**

6.1 Resignation

The Common Collateral Agent may resign without giving any reason at any time by sixty (60) calendar days' prior written notice of resignation to each Secured Party, the Issuer and the Chargor.

6.2 Removal

(a) The Common Collateral Agent may be removed by sixty (60) days' prior written notice of removal to the Common Collateral Agent from the Majority Secured Parties, with a copy thereof to the Issuer and the Chargor.

(b) If the Common Collateral Agent has resigned or has been removed by or on behalf of the Secured Parties, the Secured Parties (in consultation with the Issuer and Chargor (so long as no Event of Default has occurred and is continuing)) shall appoint a successor Common Collateral Agent and give notice of such successor Common Collateral Agent to the retiring Common Collateral Agent, the Issuer and the Chargor within thirty (30) calendar days of giving the foregoing notice of removal to the Common Collateral Agent or of receiving the foregoing notice of resignation from the retiring Common Collateral Agent.

(c) If a successor Common Collateral Agent has not been appointed, or has not accepted such appointment, within thirty (30) calendar days after the retiring Common Collateral Agent resigns or is removed, the retiring Common Collateral Agent may, at the expense of the Issuer, and with notice to the Issuer and the Chargor, appoint a successor Common Collateral Agent or any one of the Secured Parties or the retiring Common Collateral Agent may apply to a court of competent jurisdiction for the appointment of a successor Common Collateral Agent or for other appropriate relief.

6.3 Effectiveness

A resignation or removal of the Common Collateral Agent and appointment of a successor Common Collateral Agent will become effective only upon:

(a) the successor Common Collateral Agent's acceptance of appointment as provided in this Section 6; and

(b) the execution of all documents that are necessary to substitute the successor Common Collateral Agent hereunder pursuant to Section 6.4 hereof and under each of the Shared Security Documents.

6.4 Transfer of rights and interests

Upon delivery by the successor Common Collateral Agent of a written acceptance of its appointment to the retiring Common Collateral Agent and each Secured Party, and upon the

execution of all documents that are necessary to substitute the successor Common Collateral Agent hereunder and under each of the Shared Security Documents:

(a) the retiring Common Collateral Agent will at the expense of the Issuer and the Chargor transfer and assign all property and documents held by it as Common Collateral Agent to the successor Common Collateral Agent, subject to the Shared Security Interest;

(b) the resignation or removal of the retiring Common Collateral Agent will become effective; and

(c) the successor Common Collateral Agent will have all the rights, powers and duties of the retired Common Collateral Agent under this Agreement and the Shared Security Documents and the retiring Common Collateral Agent shall have no further duties, responsibilities or obligations hereunder.

6.5 Failure to appoint successor Common Collateral Agent

Without prejudice to the Common Collateral Agent's rights under Section 9 hereof in the event that:

(a) the Common Collateral Agent has given notice of its resignation pursuant to Section 6.1 hereof, or any Secured Party has given notice to the Common Collateral Agent of its removal pursuant to Section 6.2 hereof; and

(b) a successor Common Collateral Agent has not been appointed or has not accepted its appointment, or the requirements of Sections 6.3 and 6.4 hereof relating to the transfer of the rights and interests of the Common Collateral Agent to the successor Common Collateral Agent have not been satisfied, in each case within thirty (30) calendar days of the date of delivery of such notice,

the Common Collateral Agent may, at its option, refuse to comply with any claims or demands, including without limitation, any Enforcement Instruction, and refuse to take any other action hereunder; *provided, however, that* the Common Collateral Agent shall inform each Secured Party, the Issuer and the Chargor in writing of its decision, and in any such event, the Common Collateral Agent shall not be liable in any way or to any person for its failure or refusal to act if the circumstances set out in this Section 6.5 occur, and the Common Collateral Agent shall be entitled to continue to so refuse to act and refrain from acting until the matters referred to in paragraph (b) above have been satisfied.

7. **Super Senior Hedging Obligations**

7.1 No payment may be made to a Super Senior Hedging Provider by (or on behalf of) the Issuer or the Common Collateral Agent if any scheduled payment due from that Super Senior Hedging Provider to the Issuer under a Super Senior Hedging Agreement is due and unpaid unless the scheduled payment due from that Super Senior Hedging Provider to the Issuer under a Super Senior Hedging Agreement based on a 1992 ISDA Master Agreement or 2002 ISDA Master Agreement is being withheld pursuant to the provisions of section 2(a)(iii) of such Super Senior Hedging Agreement.

7.2 Failure by the Issuer to make a payment to a Super Senior Hedging Provider which results solely from the operation of Section 7.1 hereof shall, without prejudice to Section 7.3 hereof, not result in a default, potential event of default, event of default or termination event (however described) by or in respect of the Issuer under that Super Senior Hedging Agreement.

7.3 The Issuer shall not be released from liability for failing to make any payment under the terms of any Super Senior Hedging Agreement by the operation of Section 7.1 hereof even if its obligation to make that payment is restricted at any time by Section 7.1 hereof.

7.4 If, on termination of any transaction under any Super Senior Hedging Agreement occurring after the acceleration of the Notes or any Permitted Pari Passu Secured Indebtedness or the delivery of any Enforcement Instruction, a settlement amount or other amount (following the application of any Close-Out Netting or Payment Netting in respect of that Super Senior Hedging Agreement) falls due from a Super Senior Hedging Provider to the Issuer, then that amount shall be paid by that Super Senior Hedging Provider to the Common Collateral Agent, treated as the proceeds of enforcement of the Shared Security Interest and applied in accordance with the terms of this Agreement. The payment of such amount by the Super Senior Hedging Provider to the Common Collateral Agent in accordance with this Section 7.4 shall discharge the Super Senior Hedging Provider's obligation to pay such amount to the Issuer.

7.5 For the avoidance of doubt, in the event of any inconsistency between the provisions of the Super Senior Hedging Agreement and this Section 7, this Section 7 will prevail.

8. **Accession of Holders of Permitted Pari Passu Secured Indebtedness**

Without prejudice to any provision of the Secured Party Documents, the Issuer may not incur Permitted Pari Passu Secured Indebtedness (other than Additional Notes or other indebtedness in respect of which the holders or their representative is already a party to this Agreement) and the Chargor may not create Security Interests on the Pari Passu Collateral unless the holder(s) (or a representative on its or their behalf) of such Permitted Pari Passu Secured Indebtedness agree(s) to become a party hereto pursuant to a supplement hereto substantially in the form of Exhibit A and the Common Collateral Agent is satisfied with its internal compliance procedures (including but not limited to Know Your Client checks) in respect of such additional party acceding to this Agreement. Upon (a) the due execution and delivery of such supplement by each such holder (or its representative) and (b) the satisfaction of any and all conditions under the Secured Party Documents to the incurrence of such Permitted Pari Passu Secured Indebtedness by the Issuer or the Chargor, such holder (or its representative) shall become a Secured Party (and a Super Senior Hedging Provider, if applicable) bound by the provisions hereof and Schedule 1 hereto shall be deemed to be amended to incorporate the particulars of such holder (or its representative) set forth in Annex A to such supplement. Without prejudice to any other provisions of this Agreement, this Section 8 shall not oblige any successor, assign or transferee under the Indenture to execute a supplement hereto. The Issuer shall promptly deliver to the Common Collateral Agent an updated Schedule 1 hereto reflecting such particulars.

9. **Dispute**

9.1 In the event of any disagreement between any Secured Parties or between a Secured Party and the Majority Secured Parties, or if the Common Collateral Agent believes at its sole and absolute discretion that any conflict has arisen:

(a) between such Secured Parties' interests in connection with any instructions given by any Secured Party; or

(b) in the event that each of the Secured Parties issues any instructions with respect to the same or a similar subject, between those instructions,

any Secured Party or the Common Collateral Agent may deliver a notice to the other Secured Parties and the Common Collateral Agent, as applicable, and the delivery of such notice shall commence a 30 calendar day consultation period during which time the Secured Parties shall consult with each other in good faith with a view to coordinating the proposed instructions and keep the Common Collateral Agent informed of such consultation and coordination efforts. If consultation has taken place for at least 30 calendar days, there shall be no further obligation to consult and, the Common Collateral Agent may act in accordance with the instructions of the Majority Secured Parties, which shall be binding on all Secured Parties; *provided that* such

instructions comply with the Security Enforcement Principles; *provided further that* if no such instructions from the Majority Secured Parties are available, the Common Collateral Agent may, at its option, refuse to comply with any claims or demands, and refuse to take any other action hereunder, so long as such disagreement or conflict continues; *provided further that* if the Common Collateral Agent receives conflicting instructions as to whether or not to enforce the Shared Security Interest, the instructions that direct the Common Collateral Agent to enforce the Shared Security Interest shall prevail subject, in the case of Super Senior Hedging Providers, that any such instruction have come from the Majority Super Senior Hedging Providers; *provided, however, that* the Common Collateral Agent shall inform such Secured Parties in writing of its decision, and in any such event, the Common Collateral Agent shall not be liable in any way or to any person for its failure or refusal to act if the circumstances set out in this Section 9.1 occur, and the Common Collateral Agent shall be entitled to continue to so refuse to act and refrain from acting until (i) the rights of all parties having or claiming an interest in the Shared Security Interest shall have been fully and finally adjudicated by a court of competent jurisdiction or the disagreement or, as the case may be, the conflict shall have been resolved by agreement between the Secured Parties (and the Secured Parties shall consult with one another in good faith for at least 30 calendar days with a view to resolving the disagreement or, as the case may be, the conflict), and (ii) the Common Collateral Agent shall, in the case of adjudication by a court of competent jurisdiction, have received a final order, judgment or decree by such court of competent jurisdiction, which order, judgment or decree is not subject to appeal, and in the case of resolution of differences by agreement, have received a notice in writing signed by an authorized person of each of the Secured Parties setting forth in detail the agreement. The Common Collateral Agent shall have the option, after 30 calendar days' notice to the other parties of its intention to do so, to file an action in interpleader requiring the parties hereto to answer and litigate any claims and rights among themselves. The costs and expenses (including attorneys' fees and expenses) properly incurred by the Common Collateral Agent in connection with such proceeding shall be paid by, and be the obligation of, the Issuer, and the Common Collateral Agent shall have the right to pay or reimburse itself for the prior payment of such fees and expenses from the Shared Security Interest.

9.2 The Common Collateral Agent may consult with legal counsel and/or professional advisors of its selection in the event of any dispute or question as to the meaning or construction of any of the provisions hereof or its duties hereunder, and shall incur no liability and shall be fully protected in acting in accordance with the opinion and instructions of such counsel. The Issuer agrees to reimburse the Common Collateral Agent on demand for all legal fees, disbursements and expenses properly incurred by the Common Collateral Agent in so consulting with legal counsel and the Common Collateral Agent shall have the right to pay or reimburse itself for the prior payment of such fees, disbursements and expenses from the Shared Security Interest.

9.3 The parties hereto agree that any instructions given by any Secured Party to the Common Collateral Agent hereunder or any document executed in connection therewith shall in all circumstances be subject to this Section 9.

9.4 The rights of the Common Collateral Agent under this Section 9 are cumulative of all other rights which it may have by law or otherwise.

10. Representations and Warranties

Each Secured Party, the Issuer and the Chargor, each individually, hereby represents and warrants that (i) this Agreement has been duly authorized, executed and delivered on its behalf by a person thereunto duly and validly authorized and constitutes its legal, valid and binding obligation, enforceable in accordance with its terms and (ii) the execution and delivery of, and the performance of its obligations under, this Agreement do not violate any law or regulation applicable to it.

11. **Successor Agent by Consolidation, Merger, Conversion or Transfer**

If the Common Collateral Agent consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business or assets to, another corporation or national banking association, the resulting, surviving or transferee corporation or national banking association without any further act will be the successor Common Collateral Agent with the same effect as if the successor Common Collateral Agent had been named the Common Collateral Agent.

12. **Change of Indenture Trustee or Other Secured Parties**

12.1 The Indenture Trustee may assign and transfer all of its rights and obligations hereunder to a replacement Indenture Trustee, or may resign or be removed, in accordance with the Indenture; *provided that* the Indenture Trustee shall give prompt notice to the other parties to this Agreement of such assignment, transfer, resignation or removal. Upon such assignment transfer, resignation or removal taking effect in accordance with the terms of the Indenture the replacement Indenture Trustee shall be, and be deemed to be, acting as trustee for each of the Noteholders (as well as for itself) for the purposes of this Agreement in place of the old Indenture Trustee.

12.2 Each of the other Secured Parties may assign and transfer all of its respective rights and obligations hereunder to a replacement Secured Party, or may resign or be removed, in accordance with the relevant Permitted Pari Passu Secured Indebtedness Document; *provided that* such Secured Party shall give prompt notice to the other parties to this Agreement of such assignment, transfer, resignation or removal. Upon such assignment, transfer, resignation or removal taking effect in accordance with the terms of the relevant Permitted Pari Passu Secured Indebtedness Document, the replacement Secured Party shall be, and be deemed to be, acting as the Secured Party for the purposes of this Agreement in place of the old Secured Party.

13. **Indemnification**

13.1 The Issuer agrees to be responsible for and will indemnify the Common Collateral Agent or any predecessor Common Collateral Agent and their agents, employees, officers and directors for, and hold it harmless against any loss or liability or properly incurred expense incurred by it without gross negligence or wilful default on its part arising out of or in connection with the acceptance or administration of this Agreement and its duties under this Agreement, including (i) the properly incurred costs and expenses of defending itself against any claim or liability and of complying with any process served upon it or any of its officers in connection with the exercise or performance of any of its powers or duties under this Agreement and (ii) the reasonable compensation and properly incurred expenses and disbursements of the Common Collateral Agent's agents and counsel and other persons not regularly within the Common Collateral Agent's employ. This Section 13 shall survive the resignation or removal of the Common Collateral Agent and the termination of this Agreement.

13.2 References to the Common Collateral Agent in this Section 13 shall include any person selected by the Common Collateral Agent with due care to whom the Common Collateral Agent properly delegates any power, authority, duty or obligation under and in accordance with this Agreement.

14. **Limitation on Liability**

14.1 The Common Collateral Agent shall not be liable to any person (including without limitation the Issuer, the Chargor and the Secured Parties) for any action taken or omitted or for any loss or injury resulting from its actions or its performance or lack of performance of its duties hereunder in the absence of gross negligence or wilful default on its part. The Common Collateral Agent is authorized to act, and shall not be liable for acting, in reliance upon any

judgment, order, instruction, notice, certification, demand, consent, authorization, receipt, power of attorney or other writing delivered to it by any other party without being required to determine the authenticity or validity thereof, the correctness of any fact stated therein, the propriety or validity of the service thereof, or the jurisdiction of the court issuing any judgement or order. The Common Collateral Agent may act in reliance upon any signature believed by it to be genuine and may assume that such person has been properly authorized to do so. The Common Collateral Agent shall not be liable (i) for any indirect, consequential, punitive or special damages (including loss of business, goodwill, opportunity or profit), regardless of the form of action and whether or not (a) any such damages arise directly or indirectly, (b) any such damages were foreseeable or contemplated or the possibility of which was advised or known to the Common Collateral Agent or (c) the claim for such damages is made in negligence, breach of contract or otherwise or (ii) for the acts or omissions of any nominees, correspondents, designees, agents, delegates, subagents or subcustodians selected by the Common Collateral Agent with due care.

14.2 The Common Collateral Agent shall not be liable to account for interest on money paid to it by the Issuer.

14.3 The Common Collateral Agent is not responsible for and will make no investigation as to the title, ownership, value, sufficiency or existence of any of the assets which are the subject of the Pari Passu Collateral.

14.4 The Common Collateral Agent is not required to be the registered holder of title to any assets comprising the Pari Passu Collateral prior to enforcement.

14.5 The Common Collateral Agent is not responsible for and will make no investigation as to the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations given or required in connection with any of the Pari Passu Collateral.

14.6 The Common Collateral Agent shall be entitled to call for and rely on any certificate of any party hereto as to any matter on which the Common Collateral Agent requires to be satisfied. The Common Collateral Agent shall not be liable for acting or not acting (or relying) on such information in good faith.

14.7 This Section 14 shall survive the resignation or removal of the Common Collateral Agent and the termination of this Agreement

15. **Notices; Electronic Communication**

15.1 Any communication to be made under or in connection with this Agreement shall be made in English, in writing and, unless otherwise stated, may be made by fax, electronic transmission or letter. The address, email address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each party for any communication or document to be made or delivered under or in connection with this Agreement is identified with its name below (or any substitute address, email address or fax number or department or officer as the party may notify to the other parties by not less than five Business Days' notice).

15.2 Any electronic communication made between the parties hereto will be effective only when actually received in readable form.

16. **Miscellaneous**

16.1 The Common Collateral Agent may use professional advisers in connection with this Agreement.

16.2 The Common Collateral Agent shall only be obligated to perform duties set out in this Agreement and the Shared Security Documents and no implied covenants or obligations shall be read into this Agreement.

16.3 The Common Collateral Agent may acquire an interest in the Notes or any Permitted Pari Passu Secured Indebtedness or be involved in any other transaction with the Issuer and/or the Chargor.

16.4 The Issuer will, to the extent not otherwise reimbursed under Section 16.5 hereof, within 30 calendar days of demand by the Common Collateral Agent, pay or discharge all out-of-pocket costs, charges, liabilities and expenses properly incurred by the Common Collateral Agent in the preparation and execution of this Agreement and the performance of its functions under, and in any manner in relation to, this Agreement and the Shared Security Documents, including but not limited to, out-of-pocket expenses properly incurred seeking appropriate legal or financial advice to discharge its duties, legal and travelling expenses and any stamp, documentary or other taxes or duties paid or payable by the Common Collateral Agent in connection with any action or legal proceedings brought or contemplated by the Common Collateral Agent against the Issuer to enforce any provision of this Agreement or the Shared Security Documents. Such costs, charges, liabilities and expenses will (i) in the case of payments made by the Common Collateral Agent before such demand, carry interest from the date of demand at the rate of two per cent, per annum above the Common Collateral Agent's cost of funds determined by the Common Collateral Agent on the date on which the Common Collateral Agent made such payments; and (ii) in other cases, carry interest at such rate from 30 calendar days after the date of the demand or (where the demand specifies that payment is to be made on an earlier date) from such earlier date. This Section 16.4 shall survive the resignation or removal of the Common Collateral Agent and the termination of this Agreement.

16.5 The Issuer shall pay the Common Collateral Agent such fees, costs and expenses as separately agreed upon in writing between the Issuer and the Common Collateral Agent. If the Common Collateral Agent receives any Enforcement Instructions and is required to perform duties that are not expressly contemplated under this Agreement, or if the Common Collateral Agent is requested to undertake duties which are of an exceptional nature or otherwise outside the scope of the Common Collateral Agent's normal duties under this Agreement, the Issuer will pay such additional remuneration as they may agree (and which may be calculated by reference to the Common Collateral Agent's normal hourly rate in place from time to time) or, failing such agreement as to any of the matters in this Section 16.5, as determined by an independent financial institution (acting as an expert and not as an arbitrator) selected by the Common Collateral Agent and, prior to the occurrence of an Event of Default that is continuing, also approved by the Issuer. The properly incurred expenses involved in such nomination and the financial institution's reasonable fees will be paid by the Issuer. The determination of such financial institution will be conclusive and binding on the Issuer, the Common Collateral Agent and the Secured Parties. This Section 16.5 shall survive the resignation or removal of the Common Collateral Agent and the termination of this Agreement.

16.6 In case any term or provision of this Agreement conflicts with the terms or provisions of any Shared Security Documents, the terms and provisions of this Agreement shall govern.

16.7 The Common Collateral Agent is not required to monitor the performance (financial or otherwise) of the Issuer, or the Issuer's performance of, or failure to perform, the obligations, duties and covenants set forth in the Secured Party Documents or the Shared Security Documents, and shall bear no responsibility for, or liability in connection with, the Secured Party's failure to perfect a security interest in the Pari Passu Collateral.

16.8 The Common Collateral Agent is not responsible for payment of any taxes or stamp duty as a result of (a) it holding any assets subject to a Security Interest or (b) it enforcing any Security Interest held by it.

16.9 The Common Collateral Agent is not responsible for making any deductions or withholdings in respect of taxes or other governmental charges in respect of any amounts paid by the Common Collateral Agent from the proceeds of any enforcement of the Shared Security Interest.

16.10 The Common Collateral Agent is not responsible for the creditworthiness, financial and business condition or solvency of the Issuer, the Chargor or any other party providing any Pari Passu Collateral.

16.11 The Common Collateral Agent shall not be deemed to have knowledge or notice of the occurrence of any Event of Default unless the Common Collateral Agent has received written notice from a Secured Party which has specified the same.

16.12 Notwithstanding anything to the contrary in this Agreement, the Secured Party Documents and the Shared Security Documents, the Common Collateral Agent shall not in any event be liable for any loss or damage, or any failure or delay in the performance of its obligations hereunder if it is prevented from so performing its obligations by any reason which is beyond the control of the Common Collateral Agent, including, but not limited to, by any existing or future law or regulation, any existing or future act of governmental authority, act of God, flood, war whether declared or undeclared, terrorism, riot, rebellion, civil commotion, strike, lockout, other industrial action, general failure of electricity or other energy or utility supply, aircraft collision, technical failure, accidental or mechanical or electrical breakdown, computer failure or failure of any money transmission system or any event where, in the reasonable opinion of the Common Collateral Agent, performance of any duty or obligation under or pursuant to this Agreement would or may be illegal or would result in the Common Collateral Agent being in breach of any law, rule, regulation, or any decree, order or judgment of any court, or practice, request, direction, notice, announcement or similar action (whether or not having the force of law) of any relevant government, government agency, regulatory authority, stock exchange or self-regulatory organization to which the Common Collateral Agent is subject.

16.13 The Common Collateral Agent shall be regarded as acting through its agency division which shall be treated as a separate division from any other of its departments or divisions. If any information is received by another department or division of the Common Collateral Agent, unless the Common Collateral Agent has written notice of such information, it shall be treated as confidential to that other department or division and the Common Collateral Agent shall not be deemed to have notice of it.

16.14 The Common Collateral Agent will treat information provided hereunder as confidential, but (unless consent is prohibited by law) each of the Issuer and the Chargor hereby consents to the transfer and disclosure by the Common Collateral Agent of any information relating to it provided hereunder to and between branches, subsidiaries, representative offices, affiliates and agents of the Common Collateral Agent and third parties, in each case selected by the Common Collateral Agent with due care, wherever situated, for confidential use (including in connection with the provision of any service and for data processing, statistical and risk analysis purposes). The Common Collateral Agent and any branch, subsidiary, representative office, affiliate, agent or third party may transfer and disclose any such information as required by any applicable law, regulatory authority or legal process.

16.15 The Common Collateral Agent is entitled to delegate instead of acting personally and is entitled to appoint attorneys and agents selected by it with due care and the Common Collateral Agent shall not be responsible for the acts or omissions of delegates, attorneys or agents appointed with due care by it hereunder or for monitoring or supervising such delegates', attorneys' or agents' actions.

16.16 The Common Collateral Agent is not obliged to do or omit to do anything which in its opinion would or may be illegal, or would constitute a breach of any law, rule, regulation, or any decree, order or judgment of any court, or practice, request, direction, notice, announcement or similar

action (whether or not having the force of law) of any relevant government, government agency, regulatory authority, stock exchange or self-regulatory organization to which the Common Collateral Agent is subject.

16.17 The Common Collateral Agent shall not be responsible for the registration, filing, protection or perfection of any Security Interest granted by or pursuant to this Agreement or any Shared Security Document, and shall not be responsible for ensuring that necessary registration, filing, protection or perfection are carried out to ensure that Security Interests capable of being registered, filed against, protected or perfected are so registered, filed against, protected or perfected.

16.18 The Common Collateral Agent and its officers, directors, employees, attorneys and agents selected by it with due care shall have no responsibility to make any investigation in relation to:

(a) the execution, genuineness, legality, validity, effectiveness, enforceability, adequacy, accuracy, sufficiency or completeness of any Shared Security Documents or any other document;

(b) the collectability of amounts payable under any Shared Security Documents or the observance by the Issuer or the Chargor or any other relevant party of its obligations under any Shared Security Document or any other document;

(c) any determination or calculation made (or deemed made) by or on behalf of any person pursuant to any Shared Security Document or any Secured Party Document;

(d) any accounts, books, records or files maintained by the Issuer, the Chargor, any Secured Party or any other party or in relation to any of the Pari Passu Collateral;

(e) the scope or accuracy of any recitals, representations, warranties or statements made by or on behalf of the Issuer, the Chargor, any Secured Party or any relevant party (other than itself) in, or incorporated by reference into the Shared Security Documents, any Secured Party Document or any other documents entered into in connection with or pursuant to this Agreement or the Shared Security Documents; and

(f) the existence of any other Security Interest affecting any asset secured under the Shared Security Documents.

16.19 In addition to the trusts, powers, authorities and discretions conferred on the Common Collateral Agent by applicable law, the Common Collateral Agent shall have the following powers, authorities and discretions:

(a) the Common Collateral Agent shall have sole and absolute discretion as to the exercise or performance or non-exercise or non-performance of each of the powers, authorities, duties, discretions and obligations under the Shared Security Documents and each of the other documents to which it a party or conferred on it by operation of law and the exercise or performance or non-exercise or non-performance of those powers, authorities, duties, discretions and obligations shall, as between itself and the other Secured Parties, be conclusive and binding on the other Secured Parties, in each case except as expressly provided otherwise in the Shared Security Documents or the other documents to which it is a party or unless otherwise instructed by a Secured Party;

(b) the Common Collateral Agent, as between itself and the other Secured Parties, shall have full power to determine all questions arising in relation to any of the provisions of the Shared Security Documents and the Pari Passu Collateral and every such determination shall, as between itself and the other Secured Parties, be conclusive, in each case except as expressly provided otherwise in the Shared Security Documents or the other documents to which it is a party or unless otherwise instructed by a Secured Party;

(c) any consent given by the Common Collateral Agent for the purposes of the Shared Security Documents, or any of the other documents may be given on such terms and subject to such conditions (if any) as the Common Collateral Agent in its discretion considers appropriate and the Common Collateral Agent may subsequently ratify anything for which its prior consent was required but not obtained, in each case except as expressly provided otherwise in the Shared Security Documents or the other documents to which it is a party or unless otherwise instructed by a Secured Party. Without prejudice to the generality of the foregoing, if a document specifies that the Common Collateral Agent is required to give its consent to any event, matter or thing or take such action if certain specified conditions are met, the Common Collateral Agent shall give its consent to that event, matter or thing or take such action upon it being satisfied, in its discretion, that those specified conditions have been met, in each case except as expressly provided otherwise in the Shared Security Documents or the other documents to which it is a party or unless otherwise instructed by a Secured Party;

(d) where it is necessary or desirable for any purpose in connection with the Shared Security Documents for the Common Collateral Agent to convert any sum held by it (or whether stipulated in any document presented to it) or for any other reason from one currency to another, the sum shall (unless otherwise provided in the Shared Security Documents or the Secured Party Documents or required by law) be converted at such rate or rates, in accordance with such method and as at such date for the determination of such rate of exchange, as may be specified by the Common Collateral Agent in its absolute discretion but acting reasonably and having regard to current rates of exchange, if available. Any rate, method and date so specified shall be binding on the Secured Parties, the Issuer and the Chargor; and

(e) the Common Collateral Agent may at the expense of the Issuer and the Chargor (without double charging), make arrangements which it considers appropriate with any affiliate of the Common Collateral Agent for the safe custody of the Secured Party Documents.

16.20 Nothing will oblige the Common Collateral Agent to satisfy any know your customer requirement in relation to the identity of any person on behalf of any Secured Party or any Agent (as defined under any Secured Party Document).

16.21 The Common Collateral Agent is not obliged to review or check the accuracy or completeness of any document it forwards to another party and it may assume that such documents are correct and genuine.

16.22 The Common Collateral Agent is not liable for any delay (or any related consequences) in crediting an account with an amount required under the Secured Party Documents to be paid by the Common Collateral Agent if the Common Collateral Agent has without gross negligence or willful default taken all reasonable steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognized clearing or settlement system used by the Common Collateral Agent for that purpose.

16.23 Subject to Sections 4.4 and 9 hereof, in performing its duties and obligations as Common Collateral Agent and in exercising any rights, powers or discretions granted to it under this Agreement, the Common Collateral Agent shall act solely on the written instructions of the Secured Parties, and the Common Collateral Agent shall incur no liability to any party (including but not limited to the Issuer, the Chargor and the Secured Parties) for any action it takes, or refrains from taking, on the instructions of the Secured Parties.

16.24 Notwithstanding anything else herein contained, the Common Collateral Agent may refrain, without liability, from doing anything that would or might in its opinion be contrary to any law of any state or jurisdiction (including but not limited to Hong Kong, Mauritius, the United States of America or any jurisdiction forming a part of it and England & Wales) or any directive or regulation of any agency of any such state or jurisdiction and may without liability do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.

16.25 The Common Collateral Agent shall not be under any obligation to insure any assets comprising the Pari Passu Collateral, and shall not be responsible for any loss that may be suffered by any person (including but not limited to the Issuer, the Chargor and the Secured Parties) as a result of, or the inadequacy of, any such insurance.

16.26 The Common Collateral Agent is not responsible for the creditworthiness or solvency of the Issuer or the Chargor.

17. **Corporate Actions**

The Common Collateral Agent does not, and shall not be deemed to, assume any responsibility to monitor any corporate actions affecting the Shared Security Interest. The Common Collateral Agent shall have no responsibility and shall not be liable for ascertaining or acting upon any calls, conversions, exchange offers, tenders, interest rate changes, or similar matters relating to the Shared Security Interest unless the Common Collateral Agent shall have received written and timely notice of the same. The Common Collateral Agent does not, and shall not be deemed to, assume any responsibility or incur any liability for any act or omission to act with respect to any discretionary corporate action affecting the Shared Security Interest. In the event the Common Collateral Agent receives notice of any discretionary corporate action in respect of the Shared Security Interest, the Common Collateral Agent shall promptly notify each Secured Party and request written instructions from the Secured Parties in respect of discretionary corporate actions and shall use commercially reasonable efforts to act upon such instructions. In the absence of such instructions, the Common Collateral Agent shall not be obligated to take any action in respect of the discretionary corporate action affecting the Shared Security Interest.

18. **Termination**

This Agreement shall terminate upon the earlier to occur of (i) the distribution of all assets subject to a Shared Security Interest, and (ii) the Common Collateral Agent's receipt of (A) a joint written instruction signed by each Secured Party advising the Common Collateral Agent that this Agreement has terminated and instructing the Common Collateral Agent either to discharge the Shared Security Interest or to distribute the Pari Passu Collateral to the Indenture Trustee or another Secured Party as provided for therein, or (B) a written confirmation from each Secured Party confirming that no amounts remain outstanding under the relevant Secured Party Document.

19. **Amendment**

Any amendment of this Agreement (other than the accession of any Secured Party on behalf of holders of Permitted Pari Passu Secured Indebtedness pursuant to Section 8 hereof) shall be binding only if evidenced by a document in writing signed by each of the parties hereto. Notwithstanding the foregoing, any amendment of this Agreement to remove any Secured Party upon the satisfaction and discharge, defeasance or other satisfaction in full of all obligations of the Issuer or the Chargor secured by the Pari Passu Collateral under the Secured Party Documents to which such Secured Party is party shall be binding if evidenced by a document in writing signed by such Secured Party and acknowledged by the Common Collateral Agent.

20. **Governing Law; Consent to Jurisdiction; Waiver of Immunities; Waiver of Jury Trial**

20.1 This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

20.2 Each of the parties hereto hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of any New York State or United States Federal court sitting in the Borough of Manhattan, the City of New York over any suit, action or proceeding arising out of or relating to this Agreement or any transactions contemplated hereby. Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in such a court and any claim that any such suit, action or proceeding brought in such a court has been brought in an convenient forum. To the extent that any party hereto, has or hereafter may acquire any sovereign or other immunity from jurisdiction of any court or from any legal process with respect of itself or its property, such a party hereto irrevocably waives such immunity in respect of its obligations hereunder. The parties hereto agree that any judgment in any such suit, action or proceeding, brought in such a court shall be conclusive and binding upon the parties hereto, and, to the extent permitted by applicable law, may be enforced in any court to the jurisdiction of which any of the parties hereto, is subject by a suit upon such judgment or in any manner provided by law, provided that service of process is effected upon the parties hereto, in the manner specified in the following subclause or as otherwise permitted by applicable law.

20.3 During the term of this Agreement, each of the Issuer, the Chargor and the Secured Parties will at all times maintain an authorized agent in the City of New York, upon whom process may be served in any legal action or proceeding arising out of or relating to this Agreement (each, a " **Process Agent** "). Service of process upon such agent and written notice of such service mailed or delivered to the Issuer, the Chargor or the applicable Secured Party, as the case may be, shall to the fullest extent permitted by applicable law be deemed in every respect effective service of process upon the Issuer, the Chargor or the applicable Secured Party, as the case may be, in any such legal action or proceeding. Each of the Issuer, the Chargor and the Secured Parties hereby agree to take any and all action as may be necessary to maintain the designation and appointment of an agent in full force and effect until the termination of this Agreement. The name and address of the Process Agent of each of the Issuer and the Chargor are set forth with its name below (or the name and address of any substitute Process Agent of any such party may be notified by such party to the other parties by not less than five Business Days' notice).

20.4 The parties hereto hereby irrevocably waive, to the fullest extent permitted by applicable law, any requirement or other provision of law, rule, regulation or practice which requires or otherwise establishes as a condition to the institution, prosecution or completion of any suit, action or proceeding (including appeals) arising out of or relating to this Agreement.

20.5 EACH PARTY HERETO WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT.

21. **Counterparts; Signatures**

This Agreement may be executed in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same agreement. Facsimile, or electronic transmission of, signatures on counterparts of this Agreement shall be deemed original signatures with all rights accruing thereto.

22. **Severability**

The invalidity, illegality or unenforceability of any provision of this Agreement shall in no way affect the validity, legality or enforceability of any other provision. If any provision of this Agreement is held to be unenforceable as a matter of law, the other provisions shall not be affected thereby and shall remain in full force and effect.

23. **Conflict**

Each of the parties hereto irrevocably waives in favor of Citicorp International Limited any conflict of interest which may arise by virtue of Citicorp International Limited acting in various capacities under this Agreement, the Note Documents and the Shared Security Documents. Each of the parties hereto recognizes that the Common Collateral Agent (acting individually and not in the capacity as the Common Collateral Agent) and its affiliates may engage in transactions and/or business adverse to the parties hereto or in which parties adverse to the parties hereto may have interests. Nothing in this Agreement shall (i) preclude the Common Collateral Agent (acting individually and not in the capacity as the Common Collateral Agent) and any of its affiliates from engaging in such transactions or business, or (ii) obligate the Common Collateral Agent or any of its affiliates to (A) disclose such transactions and/or business to the parties hereto, or (B) account for any profit made or payment received in, or as a part of, such transactions and/or business. Nothing herein shall be deemed to (i) give rise to a partnership or joint venture, or (ii) establish a fiduciary or similar relationship, among the parties hereto and the Common Collateral Agent. Citicorp International Limited hereby confirms that in its capacity as the Common Collateral Agent it is acting under this Agreement as security agent for the Indenture Trustee for the benefit of the Noteholders, the Super Senior Hedging Providers and any holder of any other Permitted Pari Passu Secured Indebtedness who becomes a party to this Agreement pursuant to Section 8 hereof, in respect of the assets subject to the Shared Security Interest and solely in accordance with the terms and conditions set forth in this Agreement.

24. **Exclusive Benefit**

Except as specifically set forth in this Agreement, this Agreement is for the exclusive benefit of the parties hereto and their respective successors and permitted assigns hereunder, and shall not be deemed to give, either expressly or implicitly, any legal or equitable right, remedy, or claim to any other entity or person whatsoever.

25. **Language**

Any notice given under or in connection with this Agreement must be in English. All other documents provided under or in connection with this Agreement must be:

(a) in English; or

(b) if not in English, and if so required by the Common Collateral Agent, accompanied by a certified English translation at the Chargor's cost and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

[*THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK*]

Citicorp International Limited
as Indenture Trustee

By: _____
Name: [●]
Title: [●]

Address: [●]
Fax: [●]
Attention: [●]

Name and address of Process Agent:
[●]
Attention: [●]

Citicorp International Limited
as Common Collateral Agent

By: _____
Name: [●]
Title: [●]

Address: [●]
Fax: [●]
Attention: [●]

Name and address of Process Agent:
[●]
Attention: [●]

[●]
as Super Senior Hedging Provider

By: _____
Name: [●]
Title: [●]

Address: [●]
Fax: [●]
Attention: [●]

Name and address of Process Agent:
[●]
Attention: [●]

Azure Power Energy Ltd
as Issuer

By: _____
Name: [●]
Title: [●]

Address: [●]
Fax: [●]
Attention: [●]

Name and address of Process Agent:
[●]
Attention: [●]

Azure Power Global Limited
as Chargor

By: _____
Name: [●]
Title: [●]

Address: [●]
Fax: [●]
Attention: [●]

Name and address of Process Agent:
[●]
Attention: [●]

Schedule 1

Holders of Permitted Pari Passu Secured Indebtedness

Part A: Super Senior Hedging Provider

Holder	Description of Permitted Pari Passu Secured Indebtedness
[●]	[●]
[●]	[●]
[●]	[●]
[●]	[●]
[●]	[●]
[●]	[●]

Part B: Holders of other Permitted Pari Passu Secured Indebtedness

Holder	Description of Permitted Pari Passu Secured Indebtedness

Schedule 2

Security Enforcement Principles

1. The primary and overriding aim of any enforcement of the Shared Security Interest shall be to achieve the Security Enforcement Objective.

2. Without prejudice to the Security Enforcement Objective, all or substantially all of the proceeds of any enforcement of the Shared Security Interest received by the Common Collateral Agent shall be in cash or cash equivalent investments.

3. Any enforcement of the Shared Security Interest must be prompt and expeditious, it being acknowledged that, subject to the other provisions of this Agreement, the time frame for the realization of value from any such enforcement will be determined by the Majority Secured Parties, provided that it is consistent with the Security Enforcement Objective.

4. On any proposed enforcement of the Shared Security Interest other than by way of public auction, the Common Collateral Agent shall obtain an opinion from a Financial Adviser:

   (i) on the optimal method of enforcing the Shared Security Interest so as to achieve the Security Enforcement Principles and maximize the recovery of such enforcement;

   (ii) that the proceeds received from such enforcement are fair from a financial point of view after taking into account all relevant circumstances; and

   (iii) that such enforcement is otherwise in accordance with the Security Enforcement Objective.

   For these purposes, " **Financial Adviser** " means an independent, reputable and internationally recognized investment bank, firm of accountants or other professional firm which is regularly engaged in providing valuations of companies similar or comparable to the Issuer.

5. Such opinion will, except in the case of manifest error, be conclusive evidence that the Security Enforcement Objective has been met.

Exhibit A

Form of Supplement to Intercreditor Agreement

SUPPLEMENT TO INTERCREDITOR AGREEMENT, dated as of [●], made by [●], as [agent/trustee/hedging provider] (the " **New Secured Party** ") [for and on behalf of the finance parties under the facility agreement dated [●]]/[for and on behalf of itself and the noteholders under an indenture dated [●]]/[under the hedging agreement dated [●]] (the " **New Finance Document** ") pursuant to the Intercreditor Agreement dated as of [●], 2017 (as may be amended, restated or supplemented from time to time, the " **Intercreditor Agreement** "), among Azure Power Energy Ltd (the " **Issuer** "), Azure Power Global Limited (the " **Chargor** "), Citicorp International Limited, as Indenture Trustee, [●] [and [●]], as Super Senior Hedging Provider[s], and Citicorp International Limited, as Common Collateral Agent. Unless otherwise defined herein, capitalized terms used and not defined herein shall have the meanings given to them in the Intercreditor Agreement.

For purposes of this Supplement, " **New Secured Obligations** " means all present and future obligations, contingent or otherwise, of the Issuer [and [●]] arising under or pursuant to the New Finance Document, including any interest, fees and expenses accruing after the initiation of any insolvency proceeding (irrespective of whether such interest, fees and expenses are allowed as a claim in such proceeding).

For good and valid consideration, the sufficiency of which hereby is acknowledged, the New Secured Party hereby agrees as follows:

(a) It shall be a Secured Party [and a Super Senior Hedging Provider] for all purposes under the Intercreditor Agreement and the documents executed in connection therewith, and, as such, shall be deemed to be a Secured Party [and a Super Senior Hedging Provider] for such purposes;

(b) It shall (i) be bound by all covenants, agreements, acknowledgments and other terms and provisions applicable to it as a Secured Party [and a Super Senior Hedging Provider] pursuant to the Intercreditor Agreement and the documents executed in connection therewith to the same extent, and in the same manner, as if it (in its capacity as a Secured Party [and a Super Senior Hedging Provider]) were a direct party thereto, (ii) perform all obligations required of it pursuant to the Intercreditor Agreement and such other documents executed in connection therewith and (iii) be entitled to the benefits of a Secured Party [and a Super Senior Hedging Provider] under the Intercreditor Agreement and the documents executed in connection therewith;

(c) The New Secured Obligations shall constitute Permitted Pari Passu Secured Indebtedness [and Super Senior Hedging Obligations] for purposes of the Intercreditor Agreement;

(d) Notwithstanding (i) the time, order or method of attachment or perfection of any Security Interest, the time or order of filing of financing statements (or similar filings in any applicable jurisdiction), or the giving of or failure to give notice of the acquisition or expected acquisition of purchase money or other Security Interest, (ii) the manner in which the Shared Security Interest is acquired, whether by grant, statute or operation of law, subrogation or otherwise, (iii) the fact that the Pari Passu Collateral or Shared Security Interest (or any portion thereof) is otherwise subordinated, voided, avoided, invalidated or lapsed and (iv) any applicable law or any provision to the contrary in any Secured Party Document and the Shared Security Documents with respect to the Pari Passu Collateral and all proceeds of the Pari Passu Collateral, the New Secured Party agrees that (x) the Security Interest of the New Secured Party in the Pari Passu Collateral ranks and shall rank equally in priority with the Shared Security Interest of the other Secured Parties in the Pari Passu Collateral

and (y) the Note Obligations, the Hedging Obligations, the New Secured Obligations and any other Permitted Pari Passu Secured Obligations, the holder (or representative or agent thereof) of which is a party to the Intercreditor Agreement pursuant to Section 8 thereof from time to time, rank and shall *pari passu* among themselves.

The New Secured Party hereby represents that it is a holder of Permitted Pari Passu Secured Indebtedness or a trustee or agent for or on behalf of the holders of any Permitted Pari Passu Secured Indebtedness and has the authority to execute and deliver this Supplement on behalf of itself or the holders of such Permitted Pari Passu Secured Indebtedness.

The New Secured Party hereby acknowledges that it has received and reviewed an executed copy of the Intercreditor Agreement (including, without limitation, all amendments, restatement, supplements and other modifications thereto) and each of the documents referred to therein (including, without limitation, all amendments, supplements and other modifications thereto).

Upon the effectiveness of this Supplement, Schedule 1 to the Intercreditor Agreement shall be deemed to be amended to incorporate the particulars of the New Secured Party set forth in Annex A hereto.

This Supplement shall become effective upon the delivery by the New Secured Party to the Common Collateral Agent, each other Secured Party, the Issuer and the Chargor of a counterpart hereof duly executed by the New Secured Party. This Supplement may be executed in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same agreement. Facsimile, or electronic transmission of, signatures on counterparts of this Supplement shall be deemed original signatures with all rights accruing thereto.

The address for notices to the New Secured Party, and the name and address of its Process Agent, is set forth on the signature pages hereof.

THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. THE NEW SECURED PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE NON EXCLUSIVE JURISDICTION OF ANY NEW YORK STATE OR UNITED STATES FEDERAL COURT SITTING IN THE BOROUGH OF MANHATTAN. THE CITY OF NEW YORK OVER ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENT OR THE INTERCREDITOR AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY OR THEREBY. THE NEW SECURED PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN CONVENIENT FORUM.

[**Name of New Secured Party]**
[as [agent/trustee/hedging provider]]

Name:
Title:

Address:
Fax:
Attention:

Name and address of Process Agent:

Accepted and Agreed:

Citicorp International Limited
as Common Collateral Agent

Name:
Title:

Azure Power Energy Ltd
as Issuer

Name:
Title:

Azure Power Global Limited
as Chargor

Name:
Title:

Annex A

Particulars of New Secured Party

Holder	Description of Permitted Pari Passu Secured Indebtedness

EXHIBIT K

FORM OF OFFICER'S CERTIFICATE

[●], 20[●]

[Notes Collateral Agent]
[●]
Fax: [●]
Attention: [●]

Dear Sirs,

Please pay the following amount from the Escrow Account no. [●] pursuant to Section 4.28(b)(1) of the Indenture dated August 3, 2017 as amended from time to time between Azure Power Energy Ltd, Azure Power Global Limited and Citicorp International Limited as Trustee, Notes Collateral Agent and Common Collateral Agent, to the account specified below:

Subscription Amount	INR[●]
U.S. Dollar Equivalent	US$[●]
Value date	[●]
Name of Issuer(s) of Rupee Debt	[●]
Correspondent Bank	[●]
Correspondent Bank Swift Code	[●]
Beneficiary Bank	[●]
Swift Code	[●]
Beneficiary Account Number	[●]
Beneficiary Account Name	[●]
Payment Reference	[●]

Yours faithfully,

Authorized Signatory
Azure Power Energy Ltd

EXHIBIT L

FORM OF OFFICER'S CERTIFICATE

[●], 20[●]

[Trustee and Notes Collateral Agent]
[●]
Fax: [●]
Attention: [●]

Dear Sirs,

Pursuant to Section 4.28(b)(2) of the Indenture dated August 3, 2017 as amended from time to time between Azure Power Energy Ltd, Azure Power Global Limited and Citicorp International Limited as Trustee, Notes Collateral Agent and Common Collateral Agent, we hereby instruct you to terminate the Escrow Account, the details of which are provided below, and provide us with a written declaration within five Business Days of receipt of this letter that the Notes Collateral Document is hereby cancelled and terminated. All capitalized terms used herein shall have the same meanings ascribed to it in the Indenture.

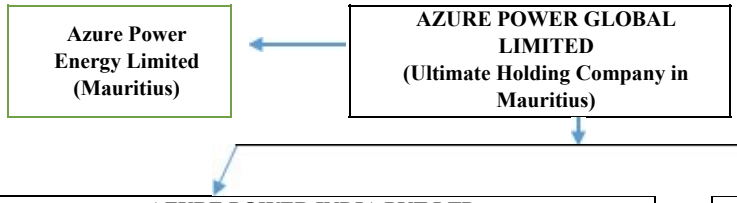
Beneficiary Bank	[●]
Swift Code	[●]
Beneficiary Account Number	[●]
Beneficiary Account Name	[●]

Yours faithfully,

Authorized Signatory
Azure Power Energy Ltd

Exhibit 8.1

Azure Power Global Limited's group structure as on March 31, 2018



AZURE POWER INDIA PVT LTD (Holding Company in India)
Azure Power (Punjab) Private Limited (India)
Azure Power (Rajasthan) Private Limited (India)
Azure Power (Haryana) Private Limited (India)
Azure Solar Private Limited (India)
Azure Sun Energy Private Limited (India)
Azure Urja Private Limited (India)
Azure Surya Private Limited (India)
Azure Power (Karnataka) Private Limited (India)
Azure Solar Solutions Private Limited (India)
Azure Power Infrastructure Private Ltd (India)
Azure Sunlight Private Limited (India)
Azure Sunrise Private Limited (India)
Azure Sunshine Private Limited (India)
Azure Power (Raj.) Pvt. Ltd. (India)
Azure Photovoltaic Pvt. Ltd. (India)
Azure Renewable Energy Pvt. Ltd. (India)
Azure Clean Energy Pvt. Ltd. (India)
Azure Green Tech Private Limited (India)
Azure Power Earth Private Limited (India)
Azure Power Eris Private Limited (India)
Azure Power Mars Private Limited (India)
Azure Power Mercury Private Limited (India)
Azure Power Pluto Private Limited (India)
Azure Power Saturn Private Limited (India)
Azure Power Jupiter Private Limited (India)
Azure Power Makemake Private Limited (India)
Azure Power Uranus Private Limited (India)
Azure Power Venus Private Limited (India)
Azure Power Thirty Three Private Limited (India)
Azure Power Thirty Four Private Limited (India)
Azure Power Thirty Five Private Limited (India)
Azure Power Thirty Six Private Limited (India)
Azure Power Thirty Seven Private Limited (India)
Azure Power Thirty Eight Private Limited (India)
Azure Power Thirty Nine Private Limited (India)
Azure Power Forty Private Limited (India)
Azure Power Forty One Private Limited (India)
Azure Power Forty Two Private Limited (India)
Azure Power Forty Three Private Limited (India)
Azure Power Forty Four Private Limited (India)
Azure Power Forty Five Private Limited (India)
Azure Power Forty Six Private Limited (India)
Azure Power Forty Seven Private Limited (India)
Azure Power Forty Eight Private Limited (India)
Azure Power Forty Nine Private Limited (India)
Azure Power Fifty Private Limited (India)
Azure Power US INC (USA)
Aster Power INC (USA)
Azure Power Maple Private Limited (India) ↓ Azure Power Green Private Limited (India)

AZURE POWER ROOFTOP PVT LTD (Holding Company in India)
Azure Power Rooftop (GenCo.) Pvt Ltd. (India)
Azure Power Rooftop One Pvt Ltd. (India)
Azure Power Rooftop Two Pvt Ltd. (India)
Azure Power Rooftop Three Pvt Ltd. (India)
Azure Power Rooftop Four Pvt Ltd. (India)
Azure Power Rooftop Five Pvt Ltd. (India)
Azure Power Rooftop Six Pvt Ltd. (India)
Azure Power Rooftop Seven Pvt Ltd. (India)
Azure Power Rooftop Eight Pvt Ltd. (India)
Azure Power Rooftop Nine Pvt Ltd. (India)
Azure Power Rooftop Ten Pvt Ltd. (India)
Azure Power Rooftop Eleven Pvt Ltd. (India)
Azure Power Rooftop Twelve Pvt Ltd. (India)
Azure Power One Pvt Ltd (India)

Exhibit 12.1

Certification by the Principal Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Inderpreet Singh Wadhwa, certify that:

1. I have reviewed this annual report on Form 20-F of Azure Power Global Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: June 15, 2018

By: /s/ Inderpreet Singh Wadhwa
Name: Inderpreet Singh Wadhwa
Title: Chairman of the Board of Directors
and Chief Executive Officer

Exhibit 12.2

Certification by the Principal Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Sushil Bhagat, certify that:

1. I have reviewed this annual report on Form 20-F of Azure Power Global Limited:

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: June 15, 2018

By: /s/ Sushil Bhagat
Name: Sushil Bhagat
Title: Chief Financial Officer

Exhibit 13.1

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Azure Power Global Limited (the "Company") on Form 20-F for the fiscal year ended March 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Inderpreet Singh Wadhwa, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C.§ 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 15, 2018

By: /s/ Inderpreet Singh Wadhwa
Name: Inderpreet Singh Wadhwa
Title: Chairman of the Board of Directors and Chief Executive Officer

Exhibit 13.2

CERTIFICATION BY THE CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Azure Power Global Limited (the "Company") on Form 20-F for the fiscal year ended March 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Sushil Bhagat, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C.§ 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 15, 2018

By: /s/ Sushil Bhagat
Name: Sushil Bhagat
Title: Chief Financial Officer

Exhibit 15.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-217352 and 333-222331) and the Registration Statement on Form F-3 (No 333-222171) of Azure Power Global Limited of our report dated June 15, 2018, with respect to the consolidated financial statements of Azure Power Global Limited included in this Annual Report (Form 20-F) of Azure Power Global Limited for the year ended March 31, 2018.

/s/ Ernst & Young Associates LLP

Gurugram, India
June 15, 2018