FINANCIAL STATEMENTS

Adani Solar USA Inc.

Consolidated Financial Statements

For the Years Ended March 31, 2023 and March 31, 2022

Along with the Report of the Independent Auditor

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Adani Solar USA Inc.

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For the Years Ended March 31, 2023 and March 31, 2022

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Independent Auditors' Report

To,
The Board of Directors
Adani Solar USA Inc. and its subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of Adani Solar USA Inc. and subsidiaries (the Company), which comprise the consolidated balance sheet as of March 31, 2023, and the related statement of comprehensive income, changes in stockholders' equity, and cash flow for the year then ended and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of March 31, 2023 and the results of its operations and its cash flow for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The consolidated financial statements of the Company for the year ended March 31, 2022 were audited by another auditor, who expressed an unmodified opinion on those statements for the year ended March 31, 2022.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Company's ability to continue as a going concern for within one year after the date that the consolidated financial statements are issued or available to be issued.

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Auditor's responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Rakesh Jain, CPA PC

Rakesh Jain, CPA PC
Certified Public Accountants
Houston, TX
Date: April 27, 2023

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FINANCIAL STATEMENTS

ADANI SOLAR USA INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET MARCH 31, 2023 AND 2022

Particulars	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	$ 93,554	$ 1,354,896
Accounts receivable, net	-	272,408
Other current asset	278,481	30,372
Total current assets	**372,035**	**1,657,676**
Non-current assets		
Equipment and improvements	-	30,379
Solar energy system in progress	-	4,038,211
Total non-current assets	**-**	**4,068,590**
Total assets	**372,035**	**5,726,266**
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable	981,540	2,479,798
Accrued expenses	-	43,903
Notes payable, related party	33,509,472	28,147,783
Other payables	-	120,000
Total current liabilities	**34,491,012**	**30,791,484**
Total non-current liabilities	**-**	**-**
Total liabilities	**34,491,012**	**30,791,484**
Stockholders' deficit	**(34,118,977)**	**(25,065,219)**
Total liabilities and stockholders' deficit	**372,035**	**5,726,266**

The accompanying notes are an integral part of this statement

ADANI SOLAR USA INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2023 AND 2022

Particulars	2023	2022
Operating revenues	$ 60,000	$ 1,226,599
Cost of revenues	458,489	1,715,789
Gross (loss)/Profit	**(398,489)**	**(489,190)**
Operating expenses		
Salary and benefits	2,698,354	2,649,218
Other operating expense	330,098	1,287,449
Depreciation	14,881	29,040
Write off and settlement	5,618,361	-
Total operating expenses	**8,661,694**	**3,965,707**
Operating Loss	**(9,060,183)**	**(4,454,897)**
Other income/(expense), net	-	-
Net loss before income taxes	**(9,060,183)**	**(4,454,897)**
Provision for taxes		
Current tax expense	-	-
Net loss	**(9,060,183)**	**(4,454,897)**

The accompanying notes are an integral part of this statement

ADANI SOLAR USA INC. AND SUBSIDIARIES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2023 AND 2022

Particulars	Common Stock ($)	Retained Loss ($)	Total equity
Balance as at March 31, 2021	**10,000**	**(20,613,479)**	**(20,610,322)**
Net Loss	-	(4,454,897)	(4,454,897)
Balance as at March 31, 2022	**10,000**	**(25,068,794)**	**(25,065,219)**
Net Loss	-	(9,060,183)	(9,053,757)
Balance as at March 31, 2023	**10,000**	**(34,128,977)**	**(34,118,977)**

The accompanying notes are an integral part of this statement

ADANI SOLAR USA INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2023 and 2022

		2023		2022
Operating activities:				
Net Income	**$**	(9,060,183)	**$**	(4,454,897)
Adjustments to reconcile net loss to net cash generated from operating activities:				
Depreciation		14,881		29,040
Write off of solar energy system		4,044,637		-
Changes in operating assets and liabilities:				
(Increase)/decrease in account receivables		272,408		6,595,859
(Increase)/ decrease in other and non-current assets		(248,109)		30,372
Increase/(decrease) in accounts payable		(1,542,161)		(7,053,875)
Increase/(decrease) in other liabilities		(120,000)		(559,590)
Net cash (used in)/ generated from operating activities		**(6,638,527)**		**(5,429,936)**
Investing activities:				
Proceeds from sale of assets		15,496		218,731
Net cash generated from/(used in) investing activities		**15,498**		**218,731**
Financing activities:				
Notes payable, related party, net		5,361,689		789,537
Net cash (used in)/generated from financing activities		**5,361,689**		**789,537**
Net (decrease)/increase in cash and cash equivalents		**(1,261,342)**		(4,421,668)
Cash and cash equivalents at the beginning of the year		**1,354,896**		5,776,564
Cash and cash equivalents at the end of the year		**93,554**		**1,354,896**
Supplemental Disclosure				
Non Cash investing activities:		-		-

The accompanying notes are an integral part of this statement

ADANI SOLAR USA INC. AND SUBSIDIARIES
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

Note 1: Organization and Nature of Operations

Adani Solar USA Inc. (the Company) was formed as a corporation in the state of Delaware on August 9th, 2018. The Company develops, constructs and operates solar-powered electric generation entities that will produce and sell electricity in various states on a wholesale basis. As of March 31st, 2023, the Company has ownership in the following corporations and limited liability companies which have been consolidated in these financial statements. The summary below includes information about the subsidiaries/project level companies which these entities operate:

Entity Name	Registration State	Purpose
Adani Solar USA LLC	Delaware	Conduct in-house greenfield solar project development
Oakwood Construction Services Inc.	Delaware	Provide EPC services to solar projects

Going Concern: The financial statements have been prepared on going concern basis even after the stockholder's deficit as at March 31, 2023 and current liabilities exceeds current assets, basis the support letter for funding provided by the ultimate parent Company in the group and have the wherewithal and positive intent to do so.

Note 2: Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of Company and its wholly owned subsidiaries. All significant intercompany accounts and transactions are eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

The Company recognizes the revenue pertaining to the Engineering, Procurement and Construction (EPC) services provided for the solar projects over the period of time as and when services are provided. The Company currently does not have revenues based upon the output delivered at the rates specified under the PPA. The Company has adopted ASC 606 from April 1, 2019 using modified using the modified retrospective method. The Company has identified and implemented appropriate minor changes to the business policies, processes, and controls to support the adoption, recognition and disclosures under the new standard. As part of this evaluation, the Company has identified EPC services as main stream of revenue and concluded that the adoption of new standard does not have major impact on the revenue recognition of the group. The performance obligation of the Company are not distinct. The retention amounts withhold by the customer are mainly as a security for completion of contract by the Company and are not considered as financing component under the new revenue standard.

Cash and Cash Equivalents
For purposes of the statement of cash flows, the Company considers all unrestricted highly-liquid investments with original maturities of three months or less from their purchase date to be cash equivalents. The cash held by the Company is only available for the Company- related uses and distribution of such cash to its members is restricted by the terms of the Operating Agreement. The Company maintains its cash in bank deposits and investment accounts which, at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. As of March 31, 2023 the Company has no assets classified as cash equivalents.

Accounts Receivable
Accounts receivable are recorded at net realizable value. The Company provides provisions for uncollectible accounts receivable based upon factors surrounding the credit risk and activity of specific customers, historical trends and other information. The amounts of recording are based on the contracted prices or estimated receipts. There are no allowance for uncollectible accounts was considered necessary as at March 31, 2023.

Solar energy systems
Solar energy systems will be recorded at cost and depreciated on a Modified Accelerated Cost recovery system over their estimated useful lives of 35 years. Expenditures for major additions, improvements and project development are capitalized, while maintenance and repairs are charged to expense as incurred. Upon disposal or sale, the cost of assets disposed of and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is charged or credited to operations.

Valuation and recoverability of long lived assets (solar energy systems)
The Company periodically evaluates the carrying value of property and equipment, if and when events and circumstances warrant such a review. The carrying value of property and equipment is considered impaired when its anticipated undiscounted cash flows are less than its carrying value. A loss is then recognized based on the amount by which the carrying value exceeds the fair value of the assets. The Company will evaluate the recoverability of these assets whenever events or changes in circumstances indicate the carrying value of the assets may not be recoverable. The Company has not recognized any impairment losses on any of its property and equipment from inception through March 31, 2023 because none of our projects are operational.

Equipment and improvements:
Equipment and improvements are stated at cost, net of accumulated depreciation and amortization. Minor repairs and maintenance are charged to operations as incurred. All property and equipment are depreciated in a straight-line basis over the estimated useful lives of the assets or the term of the related lease, whichever is shorter. Estimates of useful lives are as follows:

Leasehold improvements:	Lesser of remaining term or useful life
Equipment:	3-10 years

Fair Value Consideration

Adani Solar USA Inc. uses the fair value to measure certain financial and non-financial assets and liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value hierarchy established and prioritized fair value measurements into three levels based on the nature of the inputs.

The hierarchy gives the highest priority to inputs based on market data from independent sources (observable inputs-Level1) and the lowest priority to a reporting entity's internal assumptions based upon the best information available when external market data is limited or unavailable (unobservable inputs -Level 3).

The fair value option allows entities to choose at specified election dates, to measure eligible financial assets and financial liabilities at fair value that are not otherwise required to be measured at fair value. If an organization elects the fair value option for an eligible item, changes in that item's fair value in subsequent reporting periods must be recognized in current earnings. Adani Solar USA Inc., did not elect the fair value option for the measurement of any eligible assets or liabilities.

Adani Solar USA Inc., financial instruments (primarily cash and cash equivalents & receivables) are carried in the accompanying statement of financial position at amounts, which reasonably approximate fair value.

Impairment of other tangible assets

Long-lived tangible assets including equipment and improvements are tested for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable. Impairmentloss is recorded when the book value of such assets exceeds the estimated future undiscounted cash flows attributable to the asset. During the year ended March 31, 2023, the Company has not recorded any impairment of tangible assets.

Note 3: Concentration of credit risk

The Company grants credit to its clients in the normal course of business. Accounts receivable are primarily from construction contracts. The Company performs ongoing credit evaluations of its customers' financial conditions.

Note 4: Asset Acquisitions

During the year ended March 31, 2023 and the year ended March 31, 2022 the Company has not acquired any Company and projects.

Note 5: Maintenance Agreements and Operating Leases

The Company has engaged in multiple discussions with several third parties to perform routine maintenance after COD on the Company's solar energy systems which renew annually. As of year, ended March 31, 2023, the Company has no expense expensed related to the maintenance programs.

As of March 31, 2023, the Company has no right to use land under operating leases options that give the Company the right to engage the landowners with long-term lease contracts.

The Company had leases two offices premise, one of which has been subleased until last year. During the year the leases have been terminated and no current lease agreements are live.

Note 6: Income Taxes

Federal Income Tax

The company is a C corporation filing Form 1120 annually for tax purposes. Profits are not being passed through to owners; hence tax is paid at the company's level. Accordingly, a provision for federal income tax is warranted, however, no provision for federal income tax has been made since the company incurred losses during the current year.

State Income Tax

The company is incorporated in Delaware where the state Income tax is applicable @ 8.7%.
For the year ended March 31, 2023, no provision for state income tax has been made since the company incurred losses during the current year.

Deferred tax assets and liabilities are determined based on the differences between the financial statements and the tax basis of assets and liabilities. Realization of the future tax benefits related to the net deferred tax assets is dependent on many factors including the Company's ability to generate taxable income. Management believes that, at a minimum, it is more likely than not that future taxable income will be sufficient to realize the recorded assets.

The Company has recorded a deferred tax asset related to its net operating loss carryforwards, which are expected to reduce future taxable income. The company has assessed the likelihood of realizing the deferred tax assets and determined that it is more likely than not that a portion of the assets will not be realized. Therefore, a valuation allowance has been created to account for 100% of the deferred tax assets to its expected realizable value.

The impact of the valuation allowance on the Company's financial statements is as follows:

As of March 31, 2023, the net deferred tax asset was reduced by $ 12,312,616 due to the valuation allowance.

During the year deferred taxes has been calculated as follows:

Particulars	As of March 31, 2023	As of March 31, 2022
Deferred Tax Assets / (Liabilities):		
Deferred Tax Assets/ (Liabilities)	$ 12,312,616	$ Nil
Less: Valuation Allowance	(12,312,616)	-
Total Deferred Tax Assets / (Liabilities)	**$ Nil**	**$ Nil**

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Deferred Tax (Benefits)/ Expense	$ 12,312,616	$ Nil
Less: Valuation Allowance	(12,312,616)	-
Total	**$ Nil**	**$ Nil**

Note 7: Related Party Transactions

The Company's operations have been supported by loans from parent companies. These loans are noninterest bearing and do not carry a defined repayment term and are due on demand. The details of these related party loans as of March 31, 2023 are as follows:

Company Name	Business Partner Name	Outstanding as at March 31, 2023 (In US$)	Outstanding as at March 31, 2023 (In US$)
ADANI SOLAR USA INC	ADANI GLOBAL PTE LTD	25,147,500	20,947,500
ADANI SOLAR USA INC	ADANI GREEN ENERGY PTE LTD	-	250,000
ADANI SOLAR USA INC	ADANI NORTH AMERICA INC	4,238,289	2,826,600
ADANI SOLAR USA LLC	ADANI NORTH AMERICA INC	4,123,683	4,123,683
	TOTAL	**33,509,472**	**28,147,783**

Note 8: Hartsel Project

Hartsel Solar LLC, a 100% subsidiary of Adani Solar USA, Inc. had entered into a power purchase agreement (PPA) with Public Service Company of Colorado based in Denver, Colorado on December 31, 2018, and to develop, design, construct, interconnect, own, operate and maintain the facility for the power purchase. Adani Solar USA Inc. (ASU) entered into an agreement with DESRI Hartsel Solar LLC on May 8, 2020, to sale the membership interest ASU has in Hartsel Solar LLC.

In the year 2022 Hartsel Solar's request for the permit to build the facility was rejected by the county office dueto environment-related issues which were beyond the control of the management of Adani Solar USA Inc or Hartsel Solar LLC. However, the PPA with Public Service Company of Colorado was still active and parties were inthe midst of discussions in the year 2022. Further in July 2022, a settlement agreement was entered to discontinue the Solar project and settlement was agreed at USD 1.5 million. Accordingly, the carrying value of the solar asset in progress was written off in the current year 2023.

Note 9: Subsequent Events

The Company has evaluated subsequent events through the date of the financial statements till the date financial statements were made available for issuance on April 27, 2023. The Company is not aware of any subsequent events that would require recognition or disclosure in the financial statements.