DocuSign Envelope ID: DA22E249-34D1-4245-9E4E-D858E315DEFC

Financial Statements and Independent Auditor's Report

Adani Solar USA Inc.
March 31, 2022 and March 31 2021

DocuSign Envelope ID: DA22E249-34D1-4245-9E4E-D858E315DEFC

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1
Balance Sheets	4
Statement of Comprehensive Income	5
Statement of Changes in Shareholder Equity	6
Statement of Cash Flows	7
Notes to Financial Statements	8-14

DocuSign Envelope ID: DA22E249-34D1-4245-9E4E-D858E315DEFC

Independent Auditors' Report

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

Opinion

We have audited the accompanying consolidated financial statements of Adani Solar USA Inc. and subsidiaries (the Company), which comprise the consolidated balance sheets as of March 31, 2022 and 2021, and the related statements of comprehensive income, changes in stockholders' equity, and cash flows for the years 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, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audits 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to Note 8 where-in management has discussed the impairment of Hartsel solar project and is confident of the recoverable value and accordingly no impairment has been recorded as at March 31, 2022.

Our opinion is not modified in respect of this matter.

Registered Address: 4512 Legacy Drive Unit 100, Plano, Texas 75024
Phone: (469)-702-1272 | Fax: (888)-482-0280| info@sudhirpaicpa.com

DocuSign Envelope ID: DA22E249-34D1-4245-9E4E-D858E315DEFC

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.

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.

Registered Address: 4512 Legacy Drive Unit 100, Plano, Texas 75024
Phone: (469)-702-1272 | Fax: (888)-482-0280| info@sudhirpaicpa.com

DocuSign Envelope ID: DA22E249-34D1-4245-9E4E-D858E315DEFC

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

DocuSigned by:
Sudhir Pai
A483284E73ED44B...

Sudhir Pai CPA, PLLC
Certified Public Accountants
Plano, TX
Date: April 28, 2022

Registered Address: 4512 Legacy Drive Unit 100, Plano, Texas 75024
Phone: (469)-702-1272 | Fax: (888)-482-0280| info@sudhirpaicpa.com

DocuSign Envelope ID: DA22E249-34D1-4245-9E4E-D858E315DEFC

ADANI SOLAR USA INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET MARCH 31, 2022 AND 2021

Particulars	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,354,896	$ 5,776,546
Accounts receivable, net	272,408	6,868,267
Other current asset	30,372	-
Total current assets	**1,657,676**	**12,634,813**
Non-current assets		
Capitalized project costs	-	194,146
Equipment and improvements	30,379	60,327
Solar energy system in progress	4,038,211	4,098,958
Total non-current assets	**4,068,590**	**4,353,431**
Total assets	**5,726,266**	**16,988,244**
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable	2,479,798	9,536,160
Accrued expenses	43,904	53,103
Retention Money	-	651,058
Notes payable, related party	28,147,783	27,358,246
Other payables	120,000	-
Total current liabilities	**30,791,485**	**37,598,567**
Total non-current liabilities	**-**	**-**
Total liabilities	**30,791,484**	**37,598,567**
Stockholders' deficit	**(25,065,219)**	**(20,610,323)**
Total liabilities and stockholders' deficit	**5,726,266**	**16,988,244**

The accompanying notes are an integral part of this statement

DS
SP

DocuSign Envelope ID: DA22E249-34D1-4245-9E4E-D858E315DEFC

ADANI SOLAR USA INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2022 AND 2021

Particulars	2022	2021
Operating revenues	$ 1,226,599	$ 47,181,474
Cost of revenues	1,715,789	42,841,834
Gross (loss)/Profit	**(489,190)**	**4,339,640**
Operating expenses		
Salary and benefits	2,649,218	2,304,126
Other operating expense	1,287,449	682,786
Loss on sale of asset	-	9,674,249
Depreciation	29,040	29,220
Total operating expenses	**3,965,707**	**12,690,381**
Operating Loss	**(4,454,897)**	**(8,350,741)**
Other income/(expense), net	-	100,555
Net loss before income taxes	**(4,454,897)**	**(8,250,186)**
Provision for taxes		
Current tax expense	-	-
Net loss	**(4,454,897)**	**(8,250,186)**

The accompanying notes are an integral part of this statement

DS
SP

DocuSign Envelope ID: DA22E249-34D1-4245-9E4E-D858E315DEFC

ADANI SOLAR USA INC. AND SUBSIDIARIES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2021 AND 2019

Particulars	Common Stock ($)	Retained Loss ($)	Total equity
Balance as at March 31, 2020	**10,000**	**(12,363,293)**	**(12,353,293)**
Net loss on Sale of Sigurd released on sale	-	(6,843)	(6,843)
Net Loss	-	(8,250,186)	(8,250,186)
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)**

The accompanying notes are an integral part of this statement

DS
SP

DocuSign Envelope ID: DA22E249-34D1-4245-9E4E-D858E315DEFC

ADANI SOLAR USA INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2022 and 2021

	2022	2021
Operating activities:		
Net Loss	$ (4,454,897)	$ (8,250,186)
Adjustments to reconcile net loss to net cash generated from operating activities:		
Depreciation	29,040	29,220
Loss on sale of membership interest	-	9,674,249
Changes in operating assets and liabilities:		
(Increase)/decrease in account receivables	6,595,859	2,628,416
(Increase)/ decrease in other and non-current assets	30,372	50,000
Increase/(decrease) in accounts payable	(7,053,875)	4,670,022
Increase/(decrease) in other liabilities	(576,435)	(3,594,132)
Net cash (used in)/ generated from operating activities	**(5,429,936)**	**5,207,589**
Investing activities:		
Capital expenditures, net of release to Income Statement on sale of project	-	2,476,099
Proceeds from sale of assets	218,731	6,964,679
Net cash generated from/(used in) investing activities	**218,731**	**9,440,778**
Financing activities:		
Notes payable, related party, net	789,537	(10,987,005)
Net cash (used in)/generated from financing activities	**789,537**	**(10,987,005)**
Net (decrease)/increase in cash and cash equivalents	(4,421,668)	3,661,362
Cash and cash equivalents at the beginning of the year	5,776,564	2,115,184
Cash and cash equivalents at the end of the year	**1,354,896**	**5,776,546**
Supplemental Disclosure		
Non Cash investing activities:	-	-

The accompanying notes are an integral part of this statement

DS SP

DocuSign Envelope ID: DA22E249-34D1-4245-9E4E-D858E315DEFC

ADANI SOLAR USA INC. AND SUBSIDIARIES
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 AND PERIOD ENDED 2021

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, 2022, 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:

Project Entity Name	Project Location	Megawatt Capacity (DC)	Operation Date
Hartsel Solar LLC	Colorado	100	Q4,2022
Sigurd Solar LLC	Utah	112	Sold off in May 2021

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, 2022 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.

DS SP

DocuSign Envelope ID: DA22E249-34D1-4245-9E4E-D858E315DEFC

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, 2022 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, 2022. During the year group has written off USD 792,000 as bad debts for the year ended March 31, 2022.

Other current assets
This consists of lease options.

Project assets
These consists of post-acquisition interconnection cost.

Intangibles
Contracted projects acquired from third parties and initial interconnection costs, see Note 4.

Capitalized project costs
Cost related to capitalizable professional fees including legal, engineering, and brokerage services.

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, 2022 because none of our projects are operational.

DS
SP

DocuSign Envelope ID: DA22E249-34D1-4245-9E4E-D858E315DEFC

Solar energy systems in process

The Company has entered into various agreements to develop and construct solar energy systems for its subsidiaries. Solar energy systems in process represent revenues, costs and capitalized costs incurred related to solar energy systems that are expected to be placed in service in fiscal 2021 to 2022. Costs capitalized to date and approximate estimated future costs to complete the solar energy system projects as of March 31, 2022 are as follows:

Projects in Process	Project Location	Megawatt Capacity (DC)	Targeted Commercial Operation Date	Estimated Total Cost to Complete
Sigurd Solar LLC	Utah	112	Q2, 2022	$125 Million
Hartsel Solar LLC	Colorado	100	Q4, 2022	$110 Million

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

Income Taxes
The Company intends to file consolidated tax returns for federal purposes, and in states where permitted. Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes. The Company recognizes deferred tax liabilities and deferred tax assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax liabilities and deferred tax assets are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

The Company evaluates the carrying value of deferred tax assets to determine if we will be able to generate enough future taxable income to realize them. In doing so, both positive and negative evidence related to likelihood of realization are given weightage.

The Company periodically evaluates whether there are any uncertain tax positions requiring accounting recognition in the financial statements. Based on this evaluation, the Company has determined that there are no material uncertain tax positions requiring recognition or disclosure for the year ended March 31 2022.

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. Impairment loss 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, 2022, the Company has not recorded any impairment of tangible assets.

DS SP

DocuSign Envelope ID: DA22E249-34D1-4245-9E4E-D858E315DEFC

Recent Accounting pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases. The new standard establishes a right-of-use (ROU) model that requires a lessee to record ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. A modified retrospective transition approach is required for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. Lessees and lessors are required to disclose qualitative and quantitative information about leasing arrangements to enable a user of the financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. The Company is expecting this standard will have a material effect on our consolidated balance sheets and the Company continues to evaluate the full impact of the new standard as well as its impact on business processes, system and internal controls. The Company expects to adopt this standard effective year ending March 31, 2023.

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, 2022 and the year ended March 31, 2021 the Company has not acquired any Company and projects.

DS
SP

DocuSign Envelope ID: DA22E249-34D1-4245-9E4E-D858E315DEFC

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, 2022, the Company has no expense expensed related to the maintenance programs.

As of March 31, 2022, 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 currently leases two offices premise, one of which has been subleased.

The estimated future rental commitment as of March 31, 2022 under the two office leases are as follows:

2022	$ 101,538
2023	104,345
Total	**$ 205,883**

Note 6: Income Taxes

Income tax provision: The components of the income tax expense/(benefit) for the year ended March 31, 2022and March 31, 2021 are as under:

Current tax expense (benefit)	**March 31, 2022 (In US$)**	**March 31, 2021 (In US$)**
Federal	-	-
State and local	-	-
Foreign	-	-
Total Current tax expense (benefit)	-	-
Deferred tax expense (benefit)		
Federal	-	-
State and local	-	-
Foreign	-	-
Total deferred tax expense (benefit)	-	-
Total tax expense (benefit)	-	-

The Company has not recognized the deferred tax asset on the loss of US$ 25.0 million for March 31, 2022 and have created 100% valuation allowance against the same considering the losses in past as well. The Company will reassess the position at each year end.

DS
SP

DocuSign Envelope ID: DA22E249-34D1-4245-9E4E-D858E315DEFC

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, 2022 are as follows:

Company Name	Business Partner Name	Outstanding as at March 31, 2022 (In US$)	Outstanding as at March 31, 2021 (In US$)
ADANI SOLAR USA INC	ADANI GLOBAL PTE LTD	20,947,500	20,947,500
ADANI SOLAR USA INC	ADANI GREEN ENERGY PTE LTD	250,000	250,000
ADANI SOLAR USA INC	ADANI NORTH AMERICA INC	2,826,600	2,037,063
ADANI SOLAR USA LLC	ADANI NORTH AMERICA INC	4,123,683	4,123,683
	TOTAL	**28,147,783**	**27,358,246**

Note 8: Hartsel Project

Hartsel Solar LLC, a 100% subsidiary of Adani Solar USA, Inc. has 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 2021 Hartsel Solar's request for the permit to build the facility was rejected by the county office due to environment related issues which were beyond the control of management of Adani Solar USA Inc or Hartsel Solar LLC. However, the PPA with Public Service Company of Colorado is still active and parties are in the midst of discussions. Based on the various oral discussions which management is having with multiple parties, management is confident of the recoverable value of the Hartsel project and accordingly no impairment has been recorded as at March 31, 2022.

DS
SP

DocuSign Envelope ID: DA22E249-34D1-4245-9E4E-D858E315DEFC

Note 9: Sale of Membership Interest in Sigurd Solar LLC

Sigurd group is the wholly owned subsidiaries of Adani Solar USA Inc. During the year, membership in the Sigurd group (Including the ongoing project) was sold 100% to DESRI Sigurd Development LLC for US$ 6.965 million (After adjustment of closing cost). Accordingly, the Company has deconsolidated the Sigurd group as at March 31, 2021 and recognized the resultant loss in the income statement. The transaction got completed on May 4, 2020 on receipt of from DESRI. Below is the calculation of loss accounted in the books:

Particulars	Amount in US$
Assets in Sigurd as at May 4, 2020 (Includes Capital Work in Progress)	16,638,928
Less: Liabilities in Sigurd	-
Net Assets in Sigurd as at May 4, 2020	16,638,928
Less: Sales proceeds on sale	6,964,679
Resultant loss	9,674,249
Less: intercompany elimination profit until May 4 2020	-
Resultant loss (Net of intercompany elimination profit until May 4, 2020)	9,674,249

Note 10: Covid-19 Impact on the Company

On January 30, 2021, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2021, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Company's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2022.

However, the Company believes that the revenues of the Company are from solar projects which are considered as essential business and critical infrastructure projects at this point in time.

Note 11: 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 28, 2022. The Company is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

DS
SP