

FINANCIAL STATEMENTS

Drill Pipe International, LLC **Financial Statements**

For the Year Ended March 31, 2021 and March 31, 2020
Along with Report of Independent Auditor

Rakesh Jain, CPA PC
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Drill Pipe International, LLC

FINANCIAL STATEMENTS

For the Year Ended March 31, 2021 and March 31, 2020

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REPORT OF INDEPENDENT AUDITOR

To
The Board of Managers,
Drill Pipe International, LLC
Baytown, Texas

We have audited the accompanying financial statements of Drill Pipe International, LLC, a Minnesota Limited Liability Corporation (a single member LLC owned by Jindal Saw USA, LLC) and registered as Foreign Limited Liability Company in the state of Texas to transact business, which comprise of balance sheet as of March 31, 2021 and 2020, and the related statement of operations, changes in member's capital and cash flow for the year then ended and related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financials referred to in the first paragraph present fairly, in all material respects, the financial position of Drill Pipe International, LLC as of March 31, 2021 and 2020 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Rakesh Jain, CPA PC

Rakesh Jain, CPA
Rakesh Jain, CPA PC
Certified Public Accountant

Place: Houston, TX
Date: May 13, 2021

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FINANCIAL STATEMENTS

Drill Pipe International, LLC**Balance Sheet****As of March 31, 2021 and March 31, 2020**

Particulars	As of March 31, 2021	As of March 31, 2020
Assets		
Current Assets		
Cash and cash equivalents	\$ 120,405	\$ 34,629
Accounts receivables:		
Trade receivables (Net of provision for doubtful accounts \$3,244,143)	277,649	321,329
Trade receivables intercompany	489,367	155,135
Inventories	6,143,490	7,581,909
Advances and deposits	16,295	162,737
Total current assets	7,047,206	8,255,739
Total Assets	\$ 7,047,206	\$ 8,255,739

See notes to financial statements

Drill Pipe International, LLC
Balance Sheet
As of March 31, 2021 and March 31, 2020

Particulars	As of March 31, 2021	As of March 31, 2020
Liabilities and Member's Interest		
Current Liabilities		
Accounts payable- Trade	\$ 239,746	\$ 232,215
Accounts payable- Intercompany	5,739,374	5,619,736
Interest payable- Intercompany	5,525	5,525
Advance from customers	844,008	1,017,021
Other current liability	25,179	25,179
Accrued expenses	-	12,275
Total Current Liabilities	6,853,832	6,911,951
Total Liabilities	6,853,832	6,911,951
Membership Interest		
Membership interest	193,374	1,343,788
Total member's interest	193,374	1,343,788
Total Liabilities and Member's Interest	\$ 7,047,206	\$ 8,255,739

See notes to financial statements

Drill Pipe International, LLC
Statement of Income from Operations
For the Year Ended March 31, 2021 and March 31, 2020

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Sales	\$ 2,067,884	\$ 7,132,697
Cost of sales - materials, labor and other costs	3,171,124	5,697,312
Gross Profit	(1,103,240)	1,435,385
Selling, general and administrative expenses		
Selling, general and administrative expenses	47,051	178,737
Finance charges	122	230
Total selling, general and administrative expenses	47,173	178,967
Operating Income (Expenses):	(1,150,413)	1,256,418
Other Income (Expenses):		
Other income	-	-
Interest expense	-	-
Total Other Income (Expenses), net	-	-
Income before income taxes	(1,150,413)	1,256,418
Income Taxes		
Income tax benefit/(expense)	-	-
Income tax benefit/(expense) - Prior year adjustment	-	-
Deferred tax benefit/(expense)	-	-
Total Income Taxes	-	-
Net Income (Loss)	\$ (1,150,413)	\$ 1,256,418

See notes to financial statements

Drill Pipe International, LLC
Statement of Changes in Membership Interest
For the Year Ended March 31, 2021 and March 31, 2020

Particulars	Member's Stated Capital Account	Additional Capital Contributed	Retained Earnings	Total Membership Interest
Balance as of March 31, 2019	\$ 7,464,769	\$ -	\$ (7,377,400)	\$ 87,369
Profit and loss for the year ended March 31, 2020			1,256,418	1,256,418
Balance as of March 31, 2020	7,464,769	-	(6,120,982)	1,343,787
Profit and loss for the year ended March 31, 2021			(1,150,413)	(1,150,413)
Balance as of March 31, 2021	\$ 7,464,769	\$ -	\$ (7,271,395)	\$ 193,374

See notes to financial statements

Drill Pipe International, LLC
Statement of Cash Flows
For the Year Ended March 31, 2021 and March 31, 2020

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash Flows From Operating Activities:		
Net income	\$ (1,150,413)	\$ 1,256,418
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred tax expense/(benefit)		
Changes in operating assets and liabilities:		
(Increase)/decrease in trade receivables	43,680	904,193
(Increase)/decrease in trade receivables - Intercompany	(334,233)	(20,114)
(Increase)/decrease in inventories	1,438,419	1,384,477
(Increase)/decrease in Advances and deposits	146,441	(103,318)
Increase/(decrease) in account payable - trade	7,532	32,803
Increase/(decrease) in account payable - inter company	119,638	(2,213,295)
Increase/(decrease) in interest payable- inter company	-	-
Increase/(decrease) in advance from customers	(173,013)	(1,796,424)
Increase/(decrease) in other current liability	(12,275)	12,274
Net cash provided (used) by operating activities	85,776	(542,986)
Cash Flows from Investing Activities:		
Capital work in progress	-	-
Net cash used in investing activities:	-	-
Cash Flows from Financing Activities:		
Additional equity	-	-
Net cash used in financing activities:	-	-
Net Increase/(decrease) in cash and cash equivalents	85,776	(542,986)
Cash and cash equivalents at the beginning of year	34,629	577,615
Cash and cash equivalents at the end of year	\$ 120,405	\$ 34,629
Supplemental Cash Flow Information		
Federal income taxes paid	-	-
Interest paid		

See notes to financial statements

Drill Pipe International, LLC**Notes to Financial Statements****For the Years Ended March 31, 2021 and March 31, 2020****Note 1 – Organization and Operations**

Drill Pipe International, LLC (the "Company") is a single member LLC (a Minnesota limited liability company), and wholly owned subsidiary of Jindal Saw USA, LLC (a Texas limited liability Company and registered as Foreign Limited Liability Company in the state of Texas to transact business). The Company manufactures down hole tools for the water well, construction, mining, environmental, gas, oil and utility construction industries, to customers located throughout the world.

As of March 31, 2021 and March 31, 2020, Company's Net profit and Net worth are as follows:

Particulars	As of March 31, 2021	As of March 31, 2020
Net Profit/(Loss)	\$ (1,150,413)	\$ 1,256,418
Net Worth	\$ 193,374	\$ 1,343,788

Note 2 – Summary of Significant Accounting Policies

The Interim financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) used in the United States of America. The following notes describe the significant accounting policies.

2.1 Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Significant estimates include the value of mineral reserves. Actual results could differ from those estimates.

Revenues and expenses are incurred during the reported year. Significant estimates include estimated future life in determining current depreciation rates under the depreciation method, estimated amounts for uncollectible account receivables and the estimated present value of the Company's note payable to seller. Actual results could differ from those estimates.

2.2 Revenue Recognition

Revenue is recognized generally when the drill pipe has been sold to customer. The revenue is recognized when the following has been satisfied:

- 1) The Company has transferred to the buyer the significant risks and rewards of ownership of the goods.
- 2) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- 3) The amount of revenue can be measured reliably.
- 4) It is probable that the economic benefits associated with the transaction will flow to the Company and the amount is collectible.
- 5) The costs incurred, or to be incurred in respect of the transaction, can be measured reliably.

Drill Pipe International, LLC**Notes to Financial Statements****For the Years Ended March 31, 2021 and March 31, 2020****2.3 Cash and Cash Equivalents**

Cash equivalents include time deposits, certificates of deposits, sweep account and all highly-liquid debt instruments with original maturities of three months or less.

2.4 Allowance for Doubtful Accounts

Bad debts are provided by using the allowance method based upon historical experience and management's evaluation of outstanding accounts receivable at the balance sheet date for receivables that may not be fully collectible. Management's evaluation also includes potential non-payment due to product claims by customers.

2.5 Inventories

Inventories consist of raw materials, consumables; small tools used in the operations and are valued at the lower of cost or market using the first in first out cost method. Costs consist of price paid for the inventory plus costs incurred in bringing the products to present locations.

As of March 31, 2021 & and March 31, 2020, Inventory consisted of the following:

Particulars	As of March 31, 2021	As of March 31, 2020
Raw material	\$ 3,425,011	\$ 4,570,320
Stores and spares	329,685	369,228
Finished goods	2,388,794	2,642,361
Total	\$ 6,143,490	\$ 7,581,909

2.6 Property, Plant and Equipment

The company does not own any fixed assets; however, it uses fixed asset of Jindal Saw USA, LLC in order to manufacture drill pipes.

2.7 Federal Income Taxes

For federal income tax purposes, the Company is a disregarded entity and files its return as a member of the consolidated return of Jindal Saw USA, LLC. During the year ended March 31, 2017, the company changed its accounting policy for tax calculation, as the result of change in the tax calculation will be made on consolidated basis in the books of holding company (Jindal Saw USA, LLC) instead of separate entity basis as it was prepared up to year ended on March 31, 2016.

2.8 Fair Value

Financial Accounting Standards Board ("FASB") Accounting Standard Codification ("ASC") 825, Financial Instruments, requires the disclosure of the fair value of financial instruments, as defined. Substantially all of the Company's financial assets and liabilities are either valued at market or estimated fair value, or because of their short-term nature, approximate fair value. None of the company's assets or liabilities are subject to levelling under fair value hierarchy as required by ASC 820 Fair Value Measurements.

Drill Pipe International, LLC**Notes to Financial Statements****For the Years Ended March 31, 2021 and March 31, 2020****2.9 Concentration of Credit Risk**

Financial instruments which potentially subject the Company to a concentration of credit risk consist principally of cash and accounts receivable. The Company maintains cash balances at financial institutions which may at times be in excess of federally insured levels. The Company has not incurred losses related to these balances to date.

Other than related party revenue, the Company has four customers which represent 27%, 25%, 17% and 13% of the Company's total revenue for the year ended March 31, 2021. For the year ended March 31, 2020, the company had five customers which represent 46%, 10%, 6%, 5% and 4% of total revenue.

Note 3 – Debt

Company does not have any short term or long-term debt as of March 31, 2021

Note 4 – Intercompany, Related Party and Affiliates Disclosure Information (payables)

Intercompany balances relate to loan and other transactions between the Company and its parent Company, Jindal Saw USA, LLC and its ultimate parent company, Jindal Saw Limited. The Company purchases its raw material Ready to Well ("RTW") pipes from Jindal Saw India and tool joint raw material from Jindal Saw USA, LLC.

Following are the details of intercompany transactions during the year ended March 31, 2021 and 2020:

4.1 Intercompany transactions with Jindal Saw USA, LLC

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Job work processing charges to Jindal Saw USA, LLC	\$ -	\$ 932,306
Reimbursement of expenses to Jindal Saw USA, LLC	330,652	818,457
Raw Material Purchase from Jindal Saw USA, LLC	\$ 150,723	\$ 16,813

4.2 Intercompany transactions with Jindal Saw Limited, India

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Raw Material Purchase	\$ 206,120	\$ 1,095,306
Sales to Jindal Saw Limited, India	567,606	-
Expenses	\$ -	\$ 23,185

Drill Pipe International, LLC**Notes to Financial Statements****For the Years Ended March 31, 2021 and March 31, 2020****4.3 Intercompany transactions with Tube Technologies Inc. and Helical Anchors Inc.**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sales to Helical Anchors, Inc.	\$ -	\$ 41,688
Sales to Tube Technologies, Inc.	152,277	169,228
Purchases from Tube Technologies, Inc.	-	-
Subcontracting charges to Tube Technologies, Inc.	-	109,343
Expenses	\$ -	\$ 4,780

4.4 Intercompany Payables

Particulars	As of March 31, 2021	As of March 31, 2020
Jindal Saw USA, LLC Accounts Payable	\$ 5,563,017	\$ 5,325,285
Jindal Saw Limited – India Accounts Payable	176,357	294,452
Jindal Saw USA, LLC Loan and Interest Payable	5,525	5,525
Tube Technologies, Inc.	\$ -	\$ -

4.5 Intercompany Receivables

Particulars	As of March 31, 2021	As of March 31, 2020
Jindal Saw USA, LLC	\$ 1,151	\$ 1,151
Jindal Saw Limited – India	452,784	-
Tube Technologies, Inc.	35,432	139,021
Helical Anchors, Inc.	\$ -	\$ 14,963

Note 5 – Other Allocation Expenses

The expenses charged in Drill Pipe International, LLC as allocation expense represents charges by Jindal Saw USA, LLC for manufacturing drill pipe as subcontracting jobs. These expenses include, proportionate depreciation on property, plant and equipment, financial charge of SV Trading investments, other charges and margin of Jindal Saw USA, LLC.

Note 6 – Income Taxes

The Company's deferred tax liabilities and deferred tax assets at March 31, 2021 and March 31, 2020 are considered at consolidated level.

Note 7 – Commitments and Contingencies

The contingent considerations are current liabilities which include, accounts payables and advances received from the customers at the time of acquisitions.

Note 8 – Note on Covid – 19

The Company's operations may be affected by the recent and outgoing outbreak of the coronavirus disease 2019 (COVID 19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the Company's financial position, operations and cash flows. Possible effects may include, but are not limited to, disruption to the Company's revenues and a decline in the value of its goodwill.

Note 9 – Subsequent Events

Management evaluates events occurring subsequent to the date of the balance sheet in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through May 13, 2021 which is the date the financial statements were available to be issued.