

FINANCIAL STATEMENTS

Drill Pipe International, LLC **Standalone 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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Drill Pipe International, LLC
Standalone Financial Statements
For the Years Ended March 31, 2023 and March 31, 2022

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INDEPENDENT AUDITOR'S REPORT

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

OPINION

We have audited the accompanying financial statements of Drill Pipe International, LLC and Subsidiaries ("the Company"), which comprise the balance sheets as of March 31, 2023 and 2022, the related statements of income, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Drill Pipe International, LLC as of March 31, 2023 and 2022, 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 FOR OPINION

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Drill Pipe International, LLC 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.

RESPONSIBILITIES OF MANAGEMENT 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, and for 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.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's

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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 generally accepted auditing standards 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, including omissions, 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 Drill Pipe International, LLC 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Drill Pipe International, LLC 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

For Rakesh Jain, CPA PC

Rakesh Jain

Certified Public Accountant

Place: Houston, TX

Date: April 25, 2023

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FINANCIAL STATEMENTS

Drill Pipe International, LLC
Balance Sheet
As of March 31, 2023 and March 31, 2022

Particulars	As of March 31, 2023	As of March 31, 2022
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 383,085	\$ 90,871
Accounts Receivables:		
Trade Receivables (Net of provision for doubtful accounts \$3,244,143 and \$3,244,143 as of March 31, 2023 and March 31, 2022 respectively)	1,042,823	210,315
Trade Receivables Intercompany	332,339	3,451
Inventories	5,639,230	5,911,310
Advances and Deposits	226,446	35,088
Total Current Assets	7,623,923	6,251,035
Total Assets	\$ 7,623,923	\$ 6,251,035

See accompanying notes to financial statements

Drill Pipe International, LLC
Balance Sheet
As of March 31, 2023 and March 31, 2022

Particulars	As of March 31, 2023	As of March 31, 2022
Current Liabilities		
Accounts Payable- Trade	\$ 799,061	\$ 317,289
Accounts Payable- Intercompany	1,363,598	4,828,181
Interest Payable- Intercompany	5,525	5,525
Advance from Customers	3,104,757	723,482
Advance from Customers- Intercompany	693,731	12,791
Other Current Liability	42,558	25,179
Total Current Liabilities	6,009,230	5,912,447
Total Liabilities	6,009,230	5,912,447
Members' Equity		
Members' Equity	1,614,693	338,588
Total Members' Equity	1,614,693	338,588
Total Liabilities and Members' Equity	\$ 7,623,923	\$ 6,251,035

See accompanying notes to financial statements

Drill Pipe International, LLC
Statement of Income from Operations
For the Year Ended March 31, 2023 and March 31, 2022

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Gross Sales	\$ 8,082,878	\$ 2,092,440
Cost of sales - materials, labor and other costs	6,710,095	1,785,349
Gross Profit	1,372,783	307,091
Selling, General and Administrative Expenses		
Selling, General and Administrative Expenses	96,358	161,745
Finance Charges	53	135
Total Selling, General and Administrative Expenses	96,411	161,880
Operating Income (Expenses):	1,276,372	145,211
Other Income (Expenses):		
Interest Expense	(267)	-
Total Other Income (Expenses) (Net)	(267)	-
Income Before Income Taxes	1,276,105	145,211
Income Taxes		
Income Tax Benefit/(Expense)	-	-
Income Tax Benefit/(Expense) - Prior Year Adjustment	-	-
Deferred Tax Benefit/(Expense)	-	-
Total Income Taxes	-	-
Net Income (Loss)	\$ 1,276,105	\$ 145,211

See accompanying notes to financial statements

Drill Pipe International, LLC
Statement of Changes in Members' Equity
For the Year Ended March 31, 2023 and March 31, 2022

Particulars	Members' Stated Capital Account	Additional Capital Contributed	Net Income for the Period / Year	Retained Earnings	Total Members' Equity
Balance as of March 31, 2021	\$ 7,464,769	-	-	\$ (7,271,393)	\$ 193,377
Profit and loss for the year ended March 31, 2022 Adjustment	-	-	145,211 (145,211)	145,211	145,211 -
Balance as of March 31, 2022	7,464,769	-	-	(7,126,182)	338,588
Profit and loss for the year ended March 31, 2023	-	-	1,276,105		1,276,105
Balance as of March 31, 2023	\$ 7,464,769	-	\$ 1,276,105	\$ (7,126,182)	\$ 1,614,693

See accompanying notes to financial statements

Drill Pipe International, LLC
Statement of Cash Flows
For the Year Ended March 31, 2023 and March 31, 2022

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2022
Cash Flows From Operating Activities:		
Net income	\$ 1,276,105	\$ 145,211
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	(832,507)	67,335
(Increase)/decrease in trade receivables - Intercompany	(328,888)	485,917
(Increase)/decrease in inventories	272,080	232,180
(Increase)/decrease in Advances and deposits	(191,359)	(18,792)
Increase/(decrease) in account payable - trade	481,772	77,543
Increase/(decrease) in account payable - inter company	(3,464,583)	(911,193)
Increase/(decrease) in advance from customers	2,381,274	(120,526)
Increase/(decrease) in advance from customers- Intercompany	680,940	12,791
Increase/(decrease) in other current liability	17,380	-
Net cash provided (used) by operating activities	292,214	(29,534)
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	292,214	(29,534)
Cash and cash equivalents at the beginning of the year	90,871	120,405
Cash and cash equivalents at the end of the year	\$ 383,085	\$ 90,871
Supplemental Cash Flow Information		
Federal income taxes paid	-	-
Interest paid		

See accompanying notes to financial statements

Drill Pipe International, LLC**Notes to Financial Statements****For the Year Ended March 31, 2023 and March 31, 2022****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 a Foreign Limited Liability Company in the state of Texas to transact business). The Company manufactures downhole tools for the water well, construction, mining, environmental, gas, oil, and utility construction industries, for customers located throughout the world.

As of March 31, 2023 and March 31, 2022, Company's Net profit and Net worth are as follows:

Particulars	As of March 31, 2023	As of March 31, 2022
Net Profit/(Loss)	\$ 1,276,105	\$ 145,211
Net Worth	\$ 1,614,693	\$ 338,588

Note 2 – Summary of Significant Accounting Policies

The 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 in Financial Statements

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 period. Significant estimates include the value of mineral reserves. Actual results could differ from those estimates.

Revenues and expenses are incurred during the reported period. 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 the seller. Actual results could differ from those estimates.

2.2 Revenue Recognition

Revenue is recognized generally when the drill pipe has been sold to the 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 Year Ended March 31, 2023 and March 31, 2022

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. All the accounts are insured by the Federal Deposit Insurance Corporation on aggregate balances up to \$ 250,000.

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, 2023 and March 31, 2022, Inventory consisted of the following:

Particulars	As of March 31, 2023	As of March 31, 2022
Raw material	\$ 2,424,639	\$ 2,882,731
Stores and spares	434,408	399,381
Finished goods	2,780,183	2,629,198
Total	\$ 5,639,230	\$ 5,911,310

2.6 Property, Plant, and Equipment

The company does not own any fixed assets; however, it uses the fixed assets 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 Year Ended March 31, 2023 and March 31, 2022****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.

The Company had sales to two customers that individually contributed in excess of 10% of total company sales for the year ended March 31, 2023.

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Number of Customers	2	5
Sales of the above 2 customers	\$ 6,468,867	\$ 1,950,953
Total Sales	\$ 8,082,878	\$ 2,092,440
Percentage of total revenue contributed	80%	93%

Note 3 – Debt

The company does not have any short-term or long-term debt as of March 31, 2023.

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

Intercompany balances relate to loans 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, 2023 and March 31, 2022:

4.1 Intercompany transactions with Jindal Saw Limited, India

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Raw Material Purchase	\$ 910,494	\$ 335,705
Reimbursement of expenses	60	-
Sales to Jindal Saw Limited, India	4,939,060	500,009
Advance Received from Jindal Saw Ltd. But Material Not Supplied	680,940	-
Sale of Fixed Asset	\$ -	\$ 4,301,740

Drill Pipe International, LLC**Notes to Financial Statements****For the Year Ended March 31, 2023 and March 31, 2022****4.2 Intercompany transactions with Jindal Saw USA, LLC**

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Job work processing charges to Jindal Saw USA, LLC	\$ 402,960	\$ 414,229
Fixed Assets Purchased	-	4,301,740
Expenses/Labour Paid (Reimbursement) to Jindal Saw USA, LLC	289,400	174,621
Reimbursement of expenses to Jindal Saw USA, LLC	\$ -	\$ 33,810

4.3 Intercompany transactions with Tube Technologies Inc.

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Sales to Tube Technologies, Inc.	\$ 98,601	\$ 42,808
Purchase from Tube Technologies, Inc.	\$ 11,962	\$ -

4.4 Intercompany transactions with Helical

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Sales to Helical Anchors, Inc.	\$ -	\$ 10,011

4.5 Intercompany Payables

Particulars	As of March 31, 2023	As of March 31, 2022
Jindal Saw USA, LLC Accounts Payable	\$ 636,318	\$ 4,590,103
Tube Technologies, Inc.	11,962	-
Jindal Saw Limited - India Accounts Payable	715,318	238,078
Jindal Saw USA, LLC Loan, and Interest Payable	\$ 5,525	\$ 5,525

Drill Pipe International, LLC
Notes to Financial Statements

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

4.6 Intercompany Receivables

Particulars	As of March 31, 2023	As of March 31, 2022
Jindal Saw USA, LLC	\$ 1,151	\$ 1,151
Jindal Saw Limited – India	260,490	
Tube Technologies, Inc.	\$ 70,698	\$ 2,300

4.7 Advance from Customers

Particulars	As of March 31, 2023	As of March 31, 2022
Jindal Saw Limited – India	\$ 693,731	\$ 12,791

4.8 Investment from Subsidiary

Particulars	As of March 31, 2023	As of March 31, 2022
Investment from Jindal Saw USA, LLC	\$ 7,464,769	\$ 7,464,769

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, the financial charge of SV Trading investments, other charges, and the margin of Jindal Saw USA, LLC.

Note 6 – Income Taxes

The Company's deferred tax liabilities and deferred tax assets at March 31 2023 and March 31, 2022, are considered at the 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 – 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 April 25, 2023, which is the date the financial statements were available to be issued.