

# FINANCIAL STATEMENTS

## **Jindal Saw USA, LLC** **Standalone Financial Statements**

**For the Years Ended March 31, 2022 and  
March 31, 2021**  
**Along with Report of Independent Auditor**

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

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**Jindal Saw USA, LLC**  
**Standalone Financial Statements**  
**For the Years Ended March 31, 2022 and March 31, 2021**

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### INDEPENDENT AUDITOR'S REPORT

To,  
The Board of Managers,  
Jindal Saw USA, LLC  
Baytown, Texas

#### QUALIFIED OPINION

We have audited the accompanying financial statements of Jindal Saw USA, LLC and Subsidiaries ("the Company"), which comprise the balance sheets as of March 31, 2022 and 2021, the related statements of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, except for the possible effects of not consolidating 100% owned subsidiary, as the matter described in the Basis for Qualified Opinion paragraph of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Jindal Saw USA, LLC 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 FOR QUALIFIED OPINION

As described in Note 2 of these financial statements, which are for Jindal Saw USA, LLC standalone financial statements, the company reports its investment in Drill Pipe International LLC, a 100% owned subsidiary on the cost method of accounting. These financial statements do not consolidate the financial position or results of operations from its subsidiary in accordance with Generally Accepted Accounting Principles accepted in the United States of America and are not intended to be a full presentation under generally accepted accounting principles. In our opinion, disclosure of this information is required by the accounting principles generally accepted in the United States of America.

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 Jindal Saw USA, LLC 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 qualified 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 Jindal Saw USA, LLC ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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## **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 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 Jindal Saw USA, 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 Jindal Saw USA, 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 28, 2022

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# **FINANCIAL STATEMENTS**

**Jindal Saw USA, LLC**

**Balance Sheet**

**As of March 31, 2022 and March 31, 2021**

Particulars	As of March 31, 2022	As of March 31, 2021
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 101,804	\$ 51,517
Accounts Receivables:		
Trade Receivables (Net of provision for doubtful accounts \$ 370,173 and \$ 370,173 as of March 31, 2022 and March 31, 2021, respectively)	2,152,704	1,942,877
Intercompany Receivables	5,569,881	18,344,032
Intercompany Receivables - Interest	5,525	5,525
Other Receivables	1,447,742	264,540
Inventories	8,761,581	8,045,481
Prepaid Expense	437,411	265,689
Prepaid Taxes	114,363	114,368
Loans and Advances	1,138,764	8,531,279
Deferred Tax Asset	1,226,921	2,288,087
<b>Total Current Assets</b>	<b>20,956,696</b>	<b>39,853,395</b>
<b>Non-Current Assets</b>		
Investment in Share Capital of Drill Pipe International, LLC	7,464,769	7,464,769
Investment in Share Capital of Jindal Pipe USA Inc.	15,000	15,000
<b>Total Non-Current Assets</b>	<b>7,479,769</b>	<b>7,479,769</b>
<b>Property, Plant &amp; Equipment, (Gross)</b>	75,020,759	85,374,920
Less: Accumulated Depreciation	(27,156,313)	(27,282,428)
<b>Property, Plant &amp; Equipment, (Net)</b>	<b>47,864,446</b>	<b>58,092,492</b>
<b>Total Assets</b>	<b>\$ 76,300,911</b>	<b>\$ 105,425,656</b>

*See accompanying notes to financial statements*

**Jindal Saw USA, LLC**

**Balance Sheet**

**As of March 31, 2022 and March 31, 2021**

Particulars	As of March 31, 2022	As of March 31, 2021
<b>Liabilities and Members' Equity</b>		
<b>Current Liabilities</b>		
Account Payable - Trade	\$ 4,151,641	\$ 10,223,460
Account Payable Trade - Inter Company	40,689	644,294
Current Portion of Long Term Loan	350,000	951,251
Line of Credit	-	20,000,000
Short Term Borrowings	2,133,630	1,417,963
Accrued Expenses	115,946	82,324
Advance from Customers	226,306	559,905
Other Current Liabilities	12,066	480,077
<b>Total Current Liabilities</b>	<b>7,030,278</b>	<b>34,359,274</b>
<b>Long-Term Debt, Net of Current Portions :</b>		
Long Term Loan	4,666,666	5,016,667
Long Term Loan - Intercompany	6,516,642	6,516,642
Interest Payable - Intercompany	2,228,166	2,228,166
<b>Total Long-Term Debt</b>	<b>13,411,474</b>	<b>13,761,475</b>
<b>Other Non Current Liabilities</b>		
Deferred Tax Liability	1,518,449	2,774,815
Other Financial Liabilities	511,213	-
<b>Total Liabilities</b>	<b>22,471,414</b>	<b>50,895,564</b>
<b>Members' Equity</b>		
Members' Equity	53,829,497	54,530,092
<b>Total Members' Equity</b>	<b>53,829,497</b>	<b>54,530,092</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$ 76,300,911</b>	<b>\$ 105,425,656</b>

*See accompanying notes to financial statements*

**Jindal Saw USA, LLC**  
**Statement of Income from Operations**  
**For the Year Ended March 31, 2022 and March 31, 2021**

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
<b>Net Sales</b>	\$ 13,861,227	\$ 24,555,876
Cost of Sales - Materials, Labor and Other Costs	9,964,371	23,913,150
<b>Gross Profit</b>	<b>3,896,856</b>	<b>642,726</b>
<b>Selling, General and Administrative Expenses</b>		
Selling, General and Administrative Expenses	2,873,542	3,182,082
Finance Charges	1,194	9,594
Depreciation Expense	2,420,143	2,539,303
<b>Total Selling, General and Administrative Expenses</b>	<b>5,294,879</b>	<b>5,730,979</b>
<b>Operating Income/ (Expenses):</b>	<b>(1,398,023)</b>	<b>(5,088,253)</b>
<b>Other Income/ (Expenses):</b>		
Other Income	-	28,857
Other Income - Profit on Sale of Fixed Assets	835,883	-
Interest Expense	(333,654)	(378,472)
Interest Income	-	10,100
<b>Total Other Income (Expenses), Net</b>	<b>502,229</b>	<b>(339,515)</b>
<b>Income Before Income Taxes</b>	<b>(895,794)</b>	<b>(5,427,768)</b>
<b>Income Taxes</b>		
Income Tax - Prior Period Tax Adjustment	(38,987)	(73,414)
Deferred Tax Expense/(Benefit)	(156,212)	(1,447,562)
<b>Total Income Taxes</b>	<b>(195,199)</b>	<b>(1,520,976)</b>
<b>Net Income (Loss)</b>	<b>\$ (700,595)</b>	<b>\$ (3,906,792)</b>

*See accompanying notes to financial statements*

**Jindal Saw USA, LLC**  
**Statement of Changes in Members' Equity**  
**For the year ended March 31, 2022 and March 31, 2021**

Particulars	Member's Stated Capital Account	Additional Capital Contributed	Net Income for the Period / Year	Retained Earnings	Total Members' Equity
<b>Balance as of March 31, 2020</b>	\$ 10,000,000	\$ 5,000,000	-	\$ 43,436,884	\$ 58,436,884
Profit and loss for the year ended March 31, 2021	-	-	(3,906,792)	-	(3,906,792)
Adjustment	-	-	3,906,792	(3,906,792)	-
<b>Balance as of March 31, 2021</b>	<b>10,000,000</b>	<b>5,000,000</b>	<b>-</b>	<b>39,530,092</b>	<b>54,530,092</b>
Profit and loss for the Year ended March 31, 2022	-	-	(700,595)	-	(700,595)
<b>Balance as of March 31, 2022</b>	<b>\$ 10,000,000</b>	<b>\$ 5,000,000</b>	<b>(700,595)</b>	<b>\$ 39,530,092</b>	<b>\$ 53,829,497</b>

See accompanying notes to financial statements

**Jindal Saw USA, LLC**  
**Statement of Cash Flows**  
**For the year ended March 31, 2022 and March 31, 2021**

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
<b>Cash Flows From Operating Activities:</b>		
Net income	\$ (700,595)	\$ (3,906,792)
Adjustments to reconcile net income to net cash used in operating activities:		
Add: Depreciation	2,420,143	2,539,303
Changes in operating assets and liabilities:		
(Increase)/decrease in trade receivables	(209,827)	786,201
(Increase)/decrease in intercompany receivables	12,774,151	(8,039,680)
(Increase)/decrease in other receivables	(1,183,201)	-
(Increase)/decrease in inventories	(716,100)	13,225,201
(Increase)/decrease in prepaid expenses and deposits	(171,722)	(18,806)
(Increase)/decrease in Prepaid Taxes	5	-
(Increase)/decrease in Loans and advances	7,392,516	(6,467,450)
(Increase)/decrease in Deferred Taxes	1,061,166	(1,061,166)
Increase/(decrease) in account payable - trade	(6,071,820)	6,837,969
Increase/(decrease) in account payable - trade (inter company)	(603,605)	580,942
Increase/(decrease) in intercompany loan payable	-	-
Increase/(decrease) in deferred tax liability	(1,256,365)	(386,396)
Increase/(decrease) in other financial liability	511,213	-
Increase/(decrease) in line of credit	(20,000,000)	8,250,000
Increase/(decrease) in overdrawn checks	715,667	700,308
Increase/(decrease) in current portion of note payable to banks	(601,251)	(1,081,453)
Increase/(Decrease) in accrued expenses	33,620	(20,015)
Increase/(Decrease) in provision for taxes	-	(963,013)
Increase/(Decrease) in advance from customers	(333,599)	538,234
Increase/(Decrease) in other current liabilities	(468,011)	1,666
<b>Net cash provided/(used) by operating activities</b>	<b>(7,407,615)</b>	<b>11,515,053</b>
<b>Cash Flows from Investing Activities:</b>		
Net Change in Fixed assets	7,807,903	(10,529,998)
<b>Net cash used in investing activities:</b>	<b>7,807,903</b>	<b>(10,529,998)</b>
<b>Cash Flows from Financing Activities:</b>		
Increase/(Decrease) in Loan to Jindal Pipe USA Inc.	-	-
Increase/(Decrease) in Long term loan	(350,001)	(973,205)
<b>Net cash used in financing activities:</b>	<b>(350,001)</b>	<b>(973,205)</b>
Net Increase/(decrease) in cash and cash equivalents	50,287	11,850
Cash and cash equivalents at the beginning of year	51,517	39,667
<b>Cash and cash equivalents at the end of period</b>	<b>\$ 101,804</b>	<b>\$ 51,517</b>
<b>Supplemental Cash Flow Information</b>		
Federal income taxes provision	-	-
Interest provided	\$ (333,654)	\$ (378,472)

See accompanying notes to financial statements

**Notes to Financial Statements****For the Year Ended March 31, 2022 and Year Ended March 31, 2021****Note 1 – Organization and Operations**

Jindal Saw USA, LLC (the "Company") is a Texas Limited Liability Company, which was incorporated in year 2007. The Company is a single member LLC which is 100% owned by S.V. Trading Ltd. a Saint Kitts & Nevis corporation, which is indirectly owned by Jindal Saw Ltd., India. The operations consist of steel pipe double jointing and pipe coating facilities for steel up to 48 inches in diameter in Baytown Texas. The pipe processed is not owned by the Company but is processed for the customer based on specification required.

The Company made a profit before tax as given below:

<b>Particulars</b>	<b>As of March 31, 2022</b>	<b>As of March 31, 2021</b>
Net profit / loss before tax	\$ (895,794)	\$ (5,427,768)
<b>Total</b>	<b>\$ (895,794)</b>	<b>\$ (5,427,768)</b>

On May 22, 2014, the company acquired 100% interest in Drill Pipe International, LLC (a Minnesota limited liability company) and registered in the state of Texas as foreign corporation to transact business in Texas, which is in the business of drill pipe production and selling in Minnesota and Texas States.

The Company engages in business activities which involve various risks, and future success is dependent upon a number of factors which include, among others, generating sufficient revenues, the market demand and price for the company's products, the price of raw materials and obtaining the necessary funds.

**Note 2 – Significant Accounting Policies**

The financial statements are prepared under accounting principles generally accepted in the United States of America ("GAAP"), except that the subsidiary of the Company is recorded on the cost basis and not consolidated in these financial statements. The following notes describe the significant accounting policies:

**2.1 Principles of Consolidation**

The consolidated financial statements of Jindal Saw USA, LLC include the financial statements of the Company and its entire controlled subsidiary. All significant intercompany balances and transactions have been eliminated in consolidation. The Company did not have Variable Interest Entities ("VIE") as of March 31, 2022.

A VIE is an entity where less than 100% interest is owned, and through a series of tests, an owner is shown to have control over that entity and would be required to consolidate that entity. The subsidiary of Jindal Saw USA, LLC is wholly owned and requires consolidation.

**2.2 Reclassification of Prior Year Amounts**

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations.

**2.3 Cash and Cash Equivalents**

The Company considers deposits that can be redeemed on demand and investments that have original maturities of less than three months when purchased to be cash equivalents. The Company maintains its cash in bank accounts with quality financial institutions that may at times exceed federally insured limits. To date, the Company has not experienced any losses in such accounts. All the accounts are insured by the Federal Deposit Insurance Corporation on aggregate balances up to \$ 250,000.

**2.4 Use of Estimates in Financial Statements**

The preparation of financial statements, in conformity with the Generally Accepted Accounting Principles (GAAP) used in the United States of America, requires management to make estimates and assumptions that

## Notes to Financial Statements

## For the Year Ended March 31, 2022 and Year Ended March 31, 2021

affects 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 reported period. Significant estimates include estimated future life in determining current depreciation rates under the depreciation method, estimated amounts for uncollectible accounts receivables and the estimated present value of the Company's note payable to seller. Actual results could differ from those estimates.

**2.5 Revenue Recognition**

Revenue is recognized generally when the pipe double jointing or coating processes has been completed and accepted by the customer. The revenue is recognized when the following has been satisfied:

1. The Company has completed the processes and the customer has inspected and accepted the pipe;
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; and
5. The costs incurred, or to be incurred in respect of the transaction, can be measured reliably.

**2.6 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. The Company's receivables are mainly receivables from trade receivables.

Management believes that the total accounts receivables are as follows:

Particulars	As of March 31, 2022	As of March 31, 2021
Allowance for doubtful accounts	\$ 370,173	\$ 370,173
<b>Total</b>	<b>\$ 370,173</b>	<b>\$ 370,173</b>

**2.7 Inventories**

Inventories consist of raw materials, consumables, small tools, such as coating powder and paint used in the operations and is valued at the lower of cost or market value 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.

Inventory consists of the following:

Particulars	As of March 31, 2022	As of March 31, 2021
Raw Material	\$ 1,848,086	\$ 1,751,021
Stores & Spares	5,916,377	5,166,329
Loose Tools and others	172,802	160,715
Capital Items	516,091	375,722
Finished Goods	306,362	306,362
Good in transit	1,863	285,332
<b>Total</b>	<b>\$ 8,761,581</b>	<b>\$ 8,045,481</b>

**Notes to Financial Statements**

**For the Year Ended March 31, 2022 and Year Ended March 31, 2021**

**2.8 Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost less accumulated depreciation. Depreciation is calculated over the estimated useful lives of the assets using the straight-line method; however, land is not depreciated.

The Company uses straight-line depreciation method for machinery and equipment in manufacturing and processing operations and for certain other manufacturing equipment. Expenditure for renewals and improvements are capitalized; repairs and maintenance are charged to expense as incurred.

The Company reviews property and equipment for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be fully recoverable. Based on year assessments of reliability of its long-term assets and the analysis of undiscounted cash flows for its long-term assets, no impairment of long-term assets needs to be recognized by the company.

**2.9 Federal Income Taxes**

The Company has elected to be taxed as a corporation under the Federal tax laws. The company records income taxes pursuant to the liability method. Deferred tax assets and liabilities are recorded based upon differences between the financial statement and tax bases of assets and liabilities and the available tax carry forwards. A deferred tax valuation allowance is recorded to state deferred tax assets at the estimated net realizable value.

**2.10 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 three customers that individually contributed in excess of 10% of total company sales for the quarter and nine months ended March 31, 2022.

Particulars	For the year Ended March 31, 2022	For the Year Ended March 31, 2021
Number of customers	4	4
Sales	5,640,010	19,399,142
Total Sales	13,861,227	24,555,876
Percentage of total revenue contributed	41%	79%

**2.11 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 is subject to leveling under fair value hierarchy as required by ASC 820 Fair Value Measurements.

Notes to Financial Statements

For the Year Ended March 31, 2022 and Year Ended March 31, 2021

**Note 3 - Line of Credit**

On March 15, 2019, the Company had entered into a Revolving Line of Credit Agreement with Bank of America, that provides flexible line of credit based on the needs and flow of operations of the Company. During the availability year, the Company may repay principal amounts and reborrow them. As of March 31, 2022, the outstanding balance of the line of credit facility was NIL as it was which fully paid off in January 2022.

The obligations under the agreement with the Bank, is secured by The Company as well as the guarantor. Both the parties (i.e. The Company and the guarantor) will secure the obligation through collaterals as listed below:

1. Equipment and fixtures,
2. Inventory and receivables
3. Patents, trademarks, and other general intangibles.

**Repayment Terms**

The Company shall pay interest, as on the last day of each month thereafter, until payment in full of all principal outstanding under this facility. The amount of each interest payment shall be the amount of accrued interest on the Line of Credit as of the interest payment date or such earlier accrual date as indicated on the billing statement for such interest payment. The interest rate per year will be equal to lesser of:

1. Maximum lawful rate of interest, or
2. LIBOR Daily floating rate plus 2.75 percent.

**Note 4 – Property, Plant and Equipment**

The Property, Plant and Equipment have been recorded at cost. The Property, Plant and Equipment as of March 31, 2021 and March 31, 2022 are as follows:

Particulars	Balance as of April 01, 2021	Additions during the period	Retirements during the period	Balance as of March 31, 2022	Useful Life (in Years)
Land	\$ 5,866,150	\$ 293,780	\$ -	\$ 6,159,930	
Building	23,108,079	13,487,102	-	36,595,181	20 to 40
Plant & Machinery	26,230,021	-	(5,110,375)	21,119,646	15
Electric Installations	4,207,932	-	-	4,207,932	15
Office Equipment	154,530	-	-	154,530	15
Computer and Network	179,171	-	-	179,171	3
Furniture & Fixtures	353,631	9,613	-	363,243	3 to 5
Vehicles	1,045,176	-	-	1,045,176	5 to 15
Capital WIP	24,230,230	6,245,426	(25,279,707)	5,195,949	
<b>Property, plant, and equipment, gross</b>	<b>\$ 85,374,920</b>	<b>\$ 20,035,922</b>	<b>\$ (30,390,082)</b>	<b>\$ 75,020,759</b>	
Less: Accumulated Depreciation	(27,282,428)	(2,420,143)	2,546,258	(27,156,313)	
<b>Property, plant and equipment, net</b>	<b>\$ 58,092,492</b>			<b>\$ 47,864,446</b>	

Notes to Financial Statements

For the Year Ended March 31, 2022 and Year Ended March 31, 2021

Depreciation expense is as follows:

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Depreciation Expense	\$ 2,420,143	\$ 2,539,303
<b>Total</b>	<b>\$ 2,420,143</b>	<b>\$ 2,539,303</b>

**Note 5 - Debt**

The Company's debt constitutes following vehicle, real estate, and equipment loan from Bank of America:

Particulars	Balance as of April 1, 2021	Additions during the period	Repayments during the period	Balance as of March 31, 2022	Average Rate of Interest
BOA Equipment Loan – I	\$ 337,926	\$ -	\$ 337,926	\$ -	3.23%
BOA Equipment Loan – II	263,325	-	263,325	-	3.53%
BOA Real Estate Loan	5,366,667	-	350,000	5,016,667	5.73%
Loan from S.V. Trading Ltd.	6,516,642	-	-	6,516,642	
<b>Total Debt (Current + Non-Current)</b>	<b>\$ 12,484,560</b>	<b>\$ -</b>	<b>\$ 951,251</b>	<b>\$ 11,533,309</b>	

Repayment schedule is as follows:

Particulars	F.Y. 2022-23	F.Y. 2023-24	F.Y. 2024-25	Thereafter
BOA Real Estate Loan	\$ 350,000	\$ 350,000	\$ 350,000	\$ 3,966,667

**Bifurcation of Debt into Current and Non-Current**

Particulars	Balance as of March 31, 2022	Balance as of March 31, 2021
Current Portion of Long Term Loan	\$ 350,000	\$ 951,251
Non-Current Portion of Long Term Loan	11,183,309	11,533,309
<b>Total</b>	<b>\$ 11,533,309</b>	<b>\$ 12,484,560</b>

**Note 6 - Intercompany, Related Party and Affiliates Disclosure Information**

During the period, the Company has transactions with related parties including companies affiliated through common ownership of the member who owns the Company. The Company has transactions mainly with S.V. Trading Ltd., Jindal Saw Ltd., India, Jindal Saw Gulf Ltd, World Transload & Logistics, LLC and its subsidiary, Drill Pipe International, LLC and Jindal Tubular USA LLC.

**Jindal Saw USA, LLC****Notes to Financial Statements****For the Year Ended March 31, 2022 and Year Ended March 31, 2021****Intercompany trade receivables**

<b>Particulars</b>	<b>As of March 31, 2022</b>	<b>As of March 31, 2021</b>
Receivables from Drill Pipe International, LLC	\$ 4,590,103	\$ 5,563,017
Receivables from Jindal Tubular USA LLC	-	193,000
Drill Pipe International, LLC - interest receivable on loan	5,525	5,525
Receivables from Jindal Saw Ltd., India	103,895	48,238
Receivable from Jindal Pipe USA Inc.	875,883	12,539,777

**Intercompany Trade Payables**

<b>Particulars</b>	<b>As of March 31, 2022</b>	<b>As of March 31, 2021</b>
Loans from S.V. Trading Limited	\$ 6,516,642	\$ 6,516,642
Accounts payable Drill Pipe International, LLC	1,151	1,151
Accounts payable trade – Jindal Saw Ltd New Delhi	39,538	643,143
Interest payable to S.V. Trading Ltd.	\$ 2,228,166	\$ 2,228,166

**Intercompany Advances**

<b>Particulars</b>	<b>As of March 31, 2022</b>	<b>As of March 31, 2021</b>
Advance from Jindal Pipe USA Inc.	\$ -	\$ 485,867

**Investment in Subsidiary**

<b>Particulars</b>	<b>As of March 31, 2022</b>	<b>As of March 31, 2021</b>
Investment in Drill Pipe International, LLC	\$ 7,464,769	\$ 7,464,769
Investment in Jindal Pipe USA Inc.	15,000	15,000
Investment from S.V. Trading Limited	\$ 15,000,000	\$ 15,000,000

**Intercompany Transactions**

<b>Particulars</b>	<b>As of March 31, 2022</b>	<b>As of March 31, 2021</b>
Sale to Jindal Saw Ltd	\$ -	\$ 847,207
Purchases from Jindal Saw Ltd., India	57,901	1,956,161
Asset sale to Drill Pipe International, LLC	4,301,740	-

**Notes to Financial Statements**

**For the Year Ended March 31, 2022 and Year Ended March 31, 2021**

Job work processing income from Drill Pipe International, LLC	414,229	150,723
Labor, utilities, and other expense reimbursement by Drill Pipe International, LLC	208,431	330,652
Sale of services to Jindal Tubular USA, LLC	331,718	-
Sale/service of expenses reimbursement - Jindal Saw Ltd	136,646	
Reimbursement of salary & wages expense from Jindal Tubular USA, LLC	-	1,621,461
Interest on Loan - Jindal Pipe USA Inc.	-	483,553
CWIP Transferred to Jindal Pipe USA Inc.	11,782,992	-
Reimbursement of salary & wages expense from Jindal Pipe USA Inc.	11,539,230	6,633,596
Sale / service to Helical Anchors	18,317	-
Sale / service to Tube Technologies, Inc.	120,978	200
Sale / service to Bhuj Polymers Pvt. Ltd	71,389	-
Sale / service to Jindal Pipe USA	-	14,031,126
Loan given during the year to Jindal Pipe USA Inc.	20,000,000	-
Loan recovered during the year from Jindal Pipe USA Inc.	\$ 20,000,000	\$ -

**Note 7 – Commitments and Contingencies**

**7.1 Operating Leases**

Rental expense under operating leases totaled \$ NIL for the year ended March 31, 2022. The Company had two equipment rental agreements as of March 31, 2021 which are operating leases. The rental agreements are short-term and cancellable and are not capital leases.

**7.2 Contingencies**

The company is subject to certain disputes and claims, which has arisen in the ordinary course of business. These actions, when ultimately concluded and determined, will not, in the opinion of management, have a material adverse effect on the financial position or results of operations of the company.

## Notes to Financial Statements

For the Year Ended March 31, 2022 and Year Ended March 31, 2021

**Note 8 – Income Taxes**

The company has elected to file as a Corporation for federal tax purposes along with Drill Pipe International, LLC (100% subsidiary) on consolidated basis. The calculation of provision for taxes and deferred tax has been made on consolidated basis as well. The Company's deferred tax liabilities and deferred tax assets at December 31, 2021 and March 31, 2021 are as follows:

Particulars	As of March 31, 2022	As of March 31, 2021
<b>Current deferred tax assets related to:</b>		
Interest not currently deductible	\$ 467,915	\$ 467,915
Others	759,006	759,006
NOL Carried Forward	-	1,061,166
<b>Total current deferred tax assets / (liability)</b>	<b>\$ 1,226,921</b>	<b>\$ 2,288,087</b>
<b>Non-Current deferred tax liability related to:</b>		
Tax depreciation greater than financial	(1,518,449)	(2,774,815)
<b>Total non-current deferred tax asset / (liability)</b>	<b>(1,518,449)</b>	<b>(2,774,815)</b>
<b>Total Deferred tax assets / (liability)</b>	<b>\$ (291,528)</b>	<b>\$ (486,728)</b>

The Company has a loss of \$ 700,595 for the year ended March 31, 2022, therefore, no provision for current income tax is required. The company's 100% subsidiary has profit of \$ 145,211 for the year ended March 31, 2022.

**Note 9 – Note on Covid - 19**

The Company's operations may be affected by the 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 has resulted in an 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 10 – Going Concern**

The Company's financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company engages in business activities that involve various risks, and future success is dependent upon a number of factors including, among others, generating sufficient revenues, the market demand and price for the Company's products, the price of raw materials and the availability of required working capital. The Company incurred a net loss of \$ 700,595 and \$ 3,906,792 during the year ended on March 31, 2022, and March 31, 2021 respectively.

The Company has adopted a plan to increase volumes by increasing its market share, thereby reducing unit cost through greater absorption of fixed costs over increased volume. Further, the company plans to reduce its cost by improving quality and other cost control initiatives.

The Company is a subsidiary of S.V. Trading Limited. The Company will ensure that it has sufficient liquidity and is adequately capitalized if there is a support required by it, from time to time.

The financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

**Note 11 – 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 28, 2022 which is the date the financial statements were available to be issued.