

SA/V/47P&R

Audit Report

To Price Waterhouse Chartered Accountants LLP, Tide Water Oil Co. (India) Limited Group Audit Team

1. As requested in your Group Audit Instructions ("Instructions") dated April 2, 2023, we have audited the accompanying special purpose consolidated financial statements for Veedol UK Limited (the "Company") expressed in GBP as of March 31, 2023 and for the year then ended. This special purpose financial statements has been prepared solely to enable Tide Water Oil Co. (India) Limited to prepare consolidated financial statements and not to report on the Company as a separate entity. This special purpose financial statements is the responsibility of the Company's Management. Our responsibility is to express an opinion on this special purpose financial statements based on our audit.

Management's Responsibility for the Special Purpose Financial Statements

2. The Company's Management is responsible for the preparation and presentation of these special purpose financial statements in accordance with policies and instructions contained in Tide Water Oil Co. (India) Limited Group's disclosed accounting policies as contained in the Instructions for the financial year ended March 31, 2023. This responsibility includes the design, implementation and maintenance of internal financial controls relevant to the preparation and presentation of the special purpose financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. This special purpose financial information has been prepared solely to enable Tide Water Oil Co. (India) Limited to prepare its consolidated financial statements.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these special purpose financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the special purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial controls relevant to the Company's preparation and fair presentation of the special purpose 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 financial controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the special purpose financial statements.

5. As requested by you, we planned and performed our audit using the materiality level specified in your Instructions, which is different than the materiality level that we would have used had we been designing the audit to express an opinion on the special purpose financial statements of the component alone.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Basis for Opinion

7. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the Auditor's Responsibilities. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

8. In our opinion, the accompanying special purpose financial statements for the Company as of March 31, 2023 and for the year then ended has been prepared, in all material respects, to give the information required to be shown in accordance with the policies and instructions contained in the Tide Water Oil Co. (India) Limited Group's accounting policies which were provided by Price Waterhouse Chartered Accountants LLP as Appendix J to the Instructions.

Report on Other Legal and Regulatory Requirements

9. We also report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid special purpose financial statements.
 - (b) In our opinion, proper books of account as required by law maintained by the Company have been kept so far as it appears from our examination of those books and records of the Company.
 - (c) The financial information dealt with by this Report are in agreement with the relevant books of account maintained by the Company including relevant records relating to the preparation of the special purpose financial statements.
 - (d) In our opinion and to the best of our information and according to the explanations given to us:



- (i) There were no pending litigations as at March 31, 2023 which would impact the financial position of the Company.
- (ii) The Company did not have any material foreseeable losses on long-term contracts including derivative contracts as at March 31, 2023.

Restriction of use

10. This report is intended solely for the use of Price Waterhouse Chartered Accountants LLP – Tide Water Oil Co. (India) Limited Group Audit Team in connection with the audit of the consolidated financial statements of Tide Water Oil Co. (India) Limited and should not be used by any other person or for any other purpose. We do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Place: Kolkata
Date: 23.05.2023



For L. B. Jha & Co.
Chartered Accountants
Firm Registration No: 301088E

A handwritten signature in black ink, appearing to be "D. N. Roy".

(D. N. Roy)
Partner
(Membership Number: 300389)
UDIN: 23300389BGWCHZ6456

VEEDOL UK LTD
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2023

(All amounts in GBP, unless otherwise stated)

	Note	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
Non-current Assets			
Property, Plant and Equipment	3.1	3,911,786	3,360,131
Right to use	3.2	-	61,266
Capital Work-in-progress	3.3	-	264,159
Total Non-current Assets		3,911,786	3,685,556
Current Assets			
Inventories	4	3,350,373	3,797,161
Financial Assets			
i. Trade Receivables	5	5,992,728	5,294,266
ii. Cash and Cash Equivalents	6	807,917	44,260
Other Current Assets	7	117,081	145,005
Total Current Assets		10,268,098	9,280,692
TOTAL ASSETS		14,179,883	12,966,248
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	8	37,895	37,895
Other Equity	9	9,142,779	6,548,832
Inter Branch Current Account			
TOTAL EQUITY		9,180,674	6,586,727
LIABILITIES			
Non-current Liabilities			
Financial Liabilities			
Lease Liability	10	-	3,429
Deferred Tax Liabilities (Net)	11	236,636	120,121
Total Non-current Liabilities		236,636	123,550
Current Liabilities			
Financial Liabilities			
i. Borrowings	12	-	1,332,252
ii. Trade Payables	13	3,444,176	4,195,363
iii Lease liability	10	3,429	41,149
iv Other Financial Liabilities	14	164,000	-
Current Tax Liabilities (Net)	15	491,458	441,969
Other Current Liabilities	16	659,510	245,238
Total Current Liabilities		4,762,573	6,255,971
TOTAL LIABILITIES		4,999,209	6,379,521
TOTAL EQUITY AND LIABILITIES		14,179,883	12,966,248

The accompanying Notes form an integral part of the standalone Balance Sheet.
This is the standalone Balance Sheet referred to in our report of even date.

For L B Jha & Co.
Chartered Accountants
FRN: 301088E

D. N. Roy, FCA
Partner
M.No.: 300389
UDIN:



Place: Kolkata
Date:

23 MAY 2023

For and On behalf of Board of Directors of
Veedol UK Ltd
Veedol UK Limited

[Signature]

[Signature]
Director

VEEDOL UK LTD

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(All amounts in GBP, unless otherwise stated)

Particulars	Note	For the year ended 31.03.2023	For the year ended 31.03.2022
Revenue from Operations	17	27,948,689	22,422,853
Other Income	18	353,921	407,003
Total Income		28,302,610	22,829,856
Expenses			
Cost of Materials Consumed	19	15,472,019	16,179,621
Purchases of Stock-in-Trade	20	408,692	-
Changes in Inventories of Finished Goods	21	1,877,170	(1,445,081)
Employee Benefits Expense	22	2,076,917	1,805,449
Finance Costs	23	13,867	18,094
Depreciation and Amortisation Expense	24	453,607	391,829
Other Expenses	25	2,567,352	2,794,480
Total Expenses		22,869,624	19,744,392
Profit before Tax		5,432,986	3,085,464
Income Tax Expense			
Current Tax	34	941,459	636,509
Deferred Tax		116,515	3,112
Profit for the Year		4,375,012	2,445,843
Other Comprehensive Income			
Total Comprehensive Income for the Year		4,375,012	2,445,843
Earnings per equity share (for discontinued & continuing operations)			
(1) Basic	26	115.45	64.54
(2) Diluted		115.45	64.54

For L B Jha & Co.
Chartered Accountants
FRN: 301088E

D. N. Roy, FCA
Partner
M.No.: 300389
UDIN:



Place: Kolkata
Date:

23 MAY 2023

For and On behalf of Board of Directors of
Veedol UK Ltd

Veedol UK Limited

Director

Director

VEEDOL UK LTD

Statement of Changes in Equity for Year Ended 31st March 2023					
Equity Share Capital					
Particulars					Amount
As at 1st April,2021					37,895.00
Increase/(Decrease) In Equity Share Capital					-
As at 31st March,2022					37,895.00
Increase/(Decrease) In Equity Share Capital					-
As at 31st March 2023					37,895.00
Other Equity					
Particulars	Reserves and Surplus			Total	
	Securities Premium	Revaluation Reserve	Retained Earnings		
As at 1st April,2021	5,605	142,406	5,376,041	5,524,052	
Profit for the year			2,445,843	2,445,843	
Transfer from Revaluation Reserve to Retained Earnings		(10,484)	10,484	-	
Dividends paid			(1,421,063)	(1,421,063)	
As at 31st March,2022	5,605	131,922	6,411,305	6,548,832	
Profit for the year			4,375,012	4,375,012	
Transfer from Revaluation Reserve to Retained Earnings		(10,484)	10,484	-	
Dividends paid			(1,781,065)	(1,781,065)	
As at 31st March,2023	5,605	121,438	9,015,736	9,142,779	

For L B Jha & Co.
Chartered Accountants
FRN: 301088E

D. N. Roy, FCA
Partner
M.No.: 300389
UDIN:



For and On behalf of Board of Directors of
Veedol UK Ltd

Veedol UK Limited

Director

Place: Kolkata

Date: 23 MAY 2023

VEEDOL UK LTD

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
A. Cash flow from operating activities		
Profit before tax	5,432,986	3,085,464
Adjustments for:		
Depreciation and amortisation expense	453,607	391,829
Finance cost	13,867	18,094
Net profit on disposal property, plant and equipment	(23,850)	-
Interest income classified as investing cash flows	-	-
Operating Profit before Changes in Operating Assets and Liabilities	5,876,610	3,495,387
Changes in Operating Assets and Liabilities:		
(Increase)/decrease in inventories	446,788	(1,499,200)
(Increase)/decrease in trade receivables	(698,462)	(1,920,560)
(Increase)/decrease in other current assets	27,924	17,145
Increase/(decrease) in Trade payables	(751,187)	1,218,833
Increase/(decrease) in Other Financial Liabilities	164,000	
Increase/(decrease) in Other Current Liabilities	414,272	209,043
Cash generated from operations	5,479,946	1,520,649
Income taxes paid	(891,970)	(495,462)
Net Cash Flow From Operating Activities	4,587,976	1,025,187
B. Cash Flow from Investing Activities		
Payments from Acquisition of Property, Plant and equipment	(679,837)	(135,402)
Proceeds from disposal of Property, Plant and equipment and intangible assets	23,850	-
Interest received	-	-
Net Cash used in Investing Activities	(655,987)	(135,402)
C. Cash Flow from Financing Activities		
Interest paid	(12,962)	(16,755)
Principle elements of lease payments	(41,149)	(41,149)
Interest elements of lease payments	(905)	(1,339)
Proceeds from/ Repayment of borrowings	(1,332,252)	558,880
Dividends paid	(1,781,065)	(1,421,063)
Net Cash Used in Financing Activities	(3,168,333)	(921,426)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	763,657	(31,641)
Cash and cash equivalents at the beginning of the year (Refer Notes 7)	44,260	75,901
Cash and cash equivalents at the end of the year (Refer Notes 7)	807,917	44,260
	763,657	(31,641)

The accompanying Notes form part of financial statements

For L B Jha & Co.
Chartered Accountants
FRN: 301088E

D.N. Roy, FCA
Partner
M.No.: 300389
UDIN:



Place: Kolkata
Date:

23 MAY 2023

For and On behalf of Board of Directors of
Veedol UK Ltd

Veedol UK Limited

Director
Director

VEEDOL UK LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

1. Company Background

Veedol UK Ltd is a public limited company, incorporated and domiciled in United Kingdom. The registered office of the Company is located at 29, Goldthorpe Industrial Estate, Goldthorpe Rotherham, England.

The Company is mainly engaged in the business of manufacturing and marketing of lubricants.

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of the standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

(i) Compliance with Indian Accounting Standards (Ind AS)

The consolidated financial statements comply in all material respects with Ind AS notified under Section 133 of the Companies Act, 2013 [Companies (Indian Accounting Standards) Rules 2015] and other provisions of the Act.

(ii) Historical Cost Convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that are measured at fair value.

(iii) Current Versus Non-current Classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

a) expected to be realised or intended to be sold or consumed in the normal operating cycle,

b) held primarily for the purpose of trading,



VEEDOL UK LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

- c) expected to be realised within twelve months after the reporting period, or
- d) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- a) it is expected to be settled in the normal operating cycle,
- b) it is held primarily for the purpose of trading,
- c) it is due to be settled within twelve months after the reporting period, or
- d) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

2.2 Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation Method, Estimated Useful Lives and Residual Values

Depreciation is calculated on a pro-rata basis using the straight-line method to allocate their cost, net of their estimated residual values, over their estimated useful lives in accordance with Schedule II to the Act, except in respect of certain laboratory equipments. Each component of an item of property, plant and equipment with a cost that is significant in relation to the cost of that item is depreciated separately if its useful life differs from the other components of the item.



Estimated useful lives of the property, plant and equipment as estimated by the management are as follows:

Buildings	-	25 Years
Plant and Equipment	-	4 to 5 Years
Furniture and Fixtures	-	4 Years
Motor Vehicles	-	3 Years

The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within 'Other Income'/'Other Expenses'.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as 'Capital Advances' under other non-current assets and the cost of property, plant and equipment not ready to use are disclosed under 'Capital Work-in-progress'.

2.3 Intangible Assets

Intangible assets have a finite useful life and are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Software

Software for internal use, which is primarily acquired from third-party vendors is capitalised. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of software include license fees and cost of implementation/system integration services, where applicable.

Amortisation Method and Period

Software are amortised on a pro-rata basis using the straight-line method over their estimated useful life of 3 years, from the date they



are available for use. Amortisation method and useful lives are reviewed periodically including at each financial year end.

2.4 Impairment of Non-financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

2.5 Inventories

Inventories are stated at the lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Cost of inventories comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.6 Leases

As a Lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another



systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk, for leases held by the Company, which does not have recent third-party financing and make adjustments specific to the lease e.g. term, country, etc.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

Payments associated with short-term leases of offices, depots and storage tanks and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

2.7 Trade Receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at



amortised cost using the effective interest method, less provision for impairment.

2.8 Cash and Cash Equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.9 Trade Payables and Other Financial Liabilities

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Other financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

2.10 Revenue Recognition

Sale of Products

The Company manufactures and sells Lubricant Oils, Greases and car care products. Sales are recognised when control of the products has been transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped or delivered to the specific location as the case may be, the risks of loss have been transferred, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied. No element



of financing is deemed present as the sales are made with a credit term which is consistent with market practice.

Revenue from these sales is recognised based on the terms of the contract, net of estimated schemes outflows. Accumulated experience is used to estimate and provide for the liability of scheme outflows, using the most likely method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

2.11 Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

2.12 Foreign Currency Transactions and Translation

(i) Functional and Presentation Currency

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The consolidated financial statements are presented in GBP which is the Company's functional and presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at



the year-end exchange rates. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs, if any, are presented in the Statement of Profit and Loss, within 'Finance Costs'. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within 'Other Income' / 'Other Expenses'.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2.13 Employee Benefits

(i) Short-term Employee Benefits

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The obligations are presented under 'Provisions' (current) in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.



2.14 Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities



VEEDOL UK LTD

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR
THE YEAR ENDED 31ST MARCH, 2023**

attributable to temporary differences, unused tax credits and to unused tax losses.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences, tax credits and losses.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.



Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.15 Provisions and Contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

2.16 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.17 Earnings Per Share

(i) Basic Earnings Per Share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year excluding treasury shares.

(ii) Diluted Earnings Per Share



Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.18

Critical Estimates and Judgements

The preparation of the standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these standalone financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the standalone financial statements.

• Impairment of Trade Receivables

The risk of uncollectibility of trade receivables is primarily estimated based on prior experience with, and the past due status of, doubtful debtors, based on factors that include ability to pay, bankruptcy and payment history. The assumptions and estimates applied for determining the provision for impairment are reviewed periodically.



• **Estimation of Expected Useful Lives of Property, Plant and Equipment — Notes 2.2 and 3.1**

Management reviews its estimate of the useful lives of property, plant and equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment.

• **Contingencies — Note 2.15**

Legal proceedings covering some of the matters are pending against the Company. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. The cases and claims against the Company often raise difficult and complex factual and legal issues that are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular case/claim, the jurisdiction and the differences in applicable law. In the normal course of business, the Company consults with legal counsel and other experts on matters related to litigations. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

• **Fair Value Measurements**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.



VEEDOL UK LTD

Note 3

3.10 PROPERTY, PLANT AND EQUIPMENT

Figures as per March 2023(FY 2022-23)

Description	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION			NET CARRYING AMOUNT	
	As at 01/04/22	Additions	Deductions	As at 31/03/23	As at 01/04/22	Depreciation for the year	Adjustment on Disposal	As at 31/03/23
Plant & Machinery	1,886,538	599,340	32,000	2,453,878.31	1,350,715	146,024	32,000	989,139.31
Freehold Land & Building	3,607,180	281,288		3,888,468.00	876,606	174,439		2,837,423.02
Furniture & Fittings	211,023	15,610	131,430	95,202.69	169,841	23,615	131,430	33,176.37
Motor Vehicles	127,233	47,758	21,650	153,341.00	74,681	48,263	21,650	52,046.99
TOTAL	5,831,974	943,996	185,080	6,590,890	2,471,843	392,341	185,080	3,911,786

Figures as per March 2022(FY 2021-22)

Description	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION			NET CARRYING AMOUNT	
	As at 01/04/21	Additions	Deductions	As at 31/03/22	As at 01/04/21	Depreciation for the year	Adjustment on Disposal	As at 31/03/22
Plant & Machinery	1,809,444	77,094	-	1,886,538	1,199,812	150,903		535,823
Freehold Land & Building	3,563,016	44,164		3,607,180	725,934	150,672		2,730,574
Furniture & Fittings	196,879	14,144		211,023	148,566	21,275		41,182
Motor Vehicles	127,233	-	-	127,233	35,878	38,803		52,552
TOTAL	5,696,572	135,402	-	5,831,974	2,110,190	361,653	-	3,360,131



Note 3

3.2 RIGHT -OF-USE-ASSETS

Figures as per March 2023(FY 2022-23)

Description	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION			NET CARRYING AMOUNT	
	As at 01/04/22	Additions	Deductions	As at 31/03/23	As at 01/04/22	Depreciation for the year	Adjustment on Disposal	As at 31/03/23
Right of Use Assets	228,605	-	-	228,605.00	167,339	61,266	-	228,605
Total	228,605	-	-	228,605.00	167,339	61,266	-	228,605
								61,266
								61,266

Figures as per March 2022(FY 2021-22)

Description	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION			NET CARRYING AMOUNT	
	As at 01/04/21	Additions	Deductions	As at 31/03/22	As at 01/04/21	Depreciation for the year	Adjustment on Disposal	As at 31/03/22
Right of Use Assets	228,605	-	-	228,605	137,163	30,176	-	167,339
Total	228,605	-	-	228,605	137,163	30,176	-	167,339
								61,266
								91,442

Note 3

3.3 CAPITAL WORK -IN- PROGRESS

Particulars	As at 31st March 2023	As at 31st March 2022
Capital Work in Progress	-	264,159.00



VEEDOL UK LTD

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

(All amounts in GBP, unless otherwise stated)

	As at 31st March, 2023	As at 31st March, 2022
NOTE 3.1		
NON CURRENT ASSET		
PROPERTY PLANT and EQUIPMENT		
Gross Block	6,590,890	5,831,974
Less-Depreciation	2,679,104	2,471,843
Net Block	3,911,786	3,360,131
NOTE 3.2		
Right to Use		
Gross Block	228,605	228,605
Less-Depreciation	228,605	167,339
Net Block	-	61,266
NOTE 3.3		
CAPITAL WORK IN PROGRESS		
Carrying Amount End of Quarter	-	264,159
	-	264,159
Note 7		
OTHER CURRENT ASSETS		
Unsecured, Considered Good		
Balances with Government Authorities	-	600
Prepaid Expenses	117,081	144,405
	117,081	145,005
Note 4		
INVENTORIES		
- At Lower of Cost and Net Realisable Value		
Raw Materials	2,053,153	622,771
Finished Goods	1,095,625	3,174,390
Stock in Trade	201,594	
	3,350,373	3,797,161



VEEDOL UK LTD

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

(All amounts in GBP, unless otherwise stated)

	As at 31st March, 2023	As at 31st March, 2022
Note 5		
TRADE RECEIVABLES		
Trade Receivables Considered Good - Secured	-	64,856
Trade Receivables Considered Good - Unsecured	-	-
From Related Party		
- Veedol International DMCC	54,672	108,133
From Others	5,938,056	5,121,277
Trade Receivables - Credit Impaired	64,225	152,646
	6,056,953	5,446,912
Less: Loss Allowance	64,225	152,646
	5,992,728	5,294,266
Note 6		
CASH AND CASH EQUIVALENTS		
Balances with Banks		
- In Current Accounts	807,248	42,632
Cash on Hand	668	1,628
	807,917	44,260



VEEDOL UK LTD

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

(All amounts in GBP, unless otherwise stated)

	As at 31st March, 2023	As at 31st March, 2022
NOTE 8		
EQUITY SHARE CAPITAL		
Issued, Subscribed and Paid-up:		
37,895 Equity Shares of 1 GBP each fully paid	37,895	37,895
	37,895	37,895
Equity Share Capital		
Issued, Subscribed and Paid-up		
37895 Equity shares of 1GBP each fully paid up (Previous year		
37895 Equity shares of 1GBP each fully paid up)		
a) Terms and rights attached to Equity shares		
The Company has one class of Equity shares having a par value of 1 GBP per share (Previous year 1GBP per share) .		
Shareholders are eligible for one vote per share held.		
b) Details of Equity shares held by Shareholders holding more than 5% of the aggregate shares in the Company	Number	Holding
Tide Water Oil Co (I) Ltd	37,895	1
c) Details of Equity shares held by Promoters of the Company	Number	Holding
Tide Water Oil Co (I) Ltd	37,895	1
Note 9		
OTHER EQUITY		
RESERVES AND SURPLUS		
Securities Premium Account		
Opening Balance	5,605	5,605
Closing Balance	5,605	5,605
Revaluation Reserve:		
Balance as per last Accounts	131,922	142,406
Less: Transferred to Profit and Loss Account	10,484	10,484
	121,438	131,922
Retained Earnings		
Opening Balance	6,411,305	5,376,041
Profit for the Year	4,375,012	2,445,843
Dividend Paid	(1,781,065)	(1,421,063)
Add: Transferred from Revaluation Reserve	10,484	10,484
Closing Balance	9,015,736	6,411,305
	9,142,779	6,548,832



VEEDOL UK LTD

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

(All amounts in GBP, unless otherwise stated)

	As at 31st March, 2023	As at 31st March, 2022
Note 10		
A. Non Current		
Lease Liabilities	-	3,429
	-	3,429
B. Current		
Lease Liabilities	3,429	41,149
	3,429	41,149
Note 14		
OTHER FINANCIAL LIABILITIES		
Current		
Payable to Employees	164,000	-
	164,000	-
Note 11		
DEFERRED TAX LIABILITIES (NET)		
Opening Deferred Tax Liabilities	120,121	117,009
Property, Plant and Equipment	116,515	3,112
Closing Deferred Tax Liabilities	236,636	120,121
Note 12		
BORROWINGS		
B. Current		
Bank Borrowings @	-	1,332,252
	-	1,332,252
Note 13		
TRADE PAYABLES		
Dues to Related Parties		
- Veedol International Limited	122	40,171
- Veedol International DMCC	-	-
Dues to Others	3,444,054	4,155,192
	3,444,176	4,195,363
NOTE 15		
CURRENT TAX LIABILITIES		
Provision for taxation	491,458	441,969
	491,458	441,969
Note 16		
OTHER CURRENT LIABILITIES		
Current		
Other Liabilities (Payroll Taxes)	44,947	
Other Liabilities (Vat Duties)	614,563	
Other Liabilities (Duties, Taxes etc.)		245,238
	659,510	245,238



VEEDOL UK LTD

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

(All amounts in GBP, unless otherwise stated)

	For the year ended 31.03.2023	For the year ended 31.03.2022
Note 17		
REVENUE FROM OPERATIONS		
Sale of Goods	-	-
-from sale of products	-	-
Other than Related Parties	27,626,777	21,686,756
Related Parties		
- Veedol International DMCC	321,912	736,097
Revenue from Continuing Operations	27,948,689	22,422,853
Reconciliation of Revenue Recognised with Contract Price		
Contract Price	30,448,188	23,267,674
Less: Adjustments for Rebate Schemes and Discounts	2,499,499	844,821
Revenue from Continuing Operations	27,948,689	22,422,853
Note 18		
OTHER INCOME		
Other Non-operating Income		
Liabilities No Longer Required Written Back	45,944	-
Provision for Doubtful Debts Written Back	152,646	193,375
Net Gain on Disposal of Property Plant and Equipment	23,850	-
Gain on Foreign Exchange	-	2,576
Miscellaneous Income	131,481	211,052
	353,921	407,003
Note 19		
COST OF MATERIALS CONSUMED		
Raw Materials (including Packing Materials)		
Opening Stock	622,771	568,652
Add: Purchased during the Year		
From Related Parties	29,633	50,014
From Others	16,872,768	16,183,726
Less: Closing Stock	(2,053,153)	(622,771)
	15,472,019	16,179,621
Note 20		
PURCHASES OF STOCK IN TRADE		
Purchases of Stock in trade	408,692	-
	408,692	-
Note 21		
CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN TRADE		
Opening Stock		
Finished Goods	3,174,390	1,729,309
Stock-in Trade		
Closing Stock		
Finished Goods	1,095,625	3,174,390
Stock-in Trade	201,594	
	1,877,170	(1,445,081)
	1,877,170	(1,445,081)
Note 22		
EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	1,808,293	1,584,226
Contribution to Provident and Other Funds	37,116	33,752
Employee Retirement Benefits	207,243	187,471
Staff Welfare Expenses	24,266	
Effect of Employee Cost	2,076,917	1,805,449
Note 23		
FINANCE COSTS		
Interest Expense on Financial Liabilities at Amortised Cost		
Lease Liabilities (Refer Note 27)	905	1,339
Other Finance Cost	12,962	16,755
	13,867	18,094
Note 24		
DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on Property, Plant and Equipment(Refer Note 3.1)	392,341	361,653
Depreciation on on Right-of-Use Asset(Refer Note 3.2)	61,266	30,176
	453,607	391,829



VEEDOL UK LTD

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

(All amounts in GBP, unless otherwise stated)

	For the year ended 31.03.2023	For the year ended 31.03.2022
NOTE 25 OTHER EXPENSES		
Repairs- Buildings	4,078	-
Repairs- Machinery	293,812	189,440
Rent	-	5,881
Rates and Taxes	29,492	64,064
Consumption Of Stores and Spare Parts	9,217	-
Commission	448,431	335,968
Power and Fuel	83,695	62,237
Insurance	79,161	76,363
Freight and Cartage	959,057	693,945
Travelling and Conveyance	72,006	38,344
Advertising Expenses	20,628	26,647
Selling and Marketing Expenses	-	844,821
Provision For Doubtful Debts	64,225	-
Bad debt written off	49,546	-
Net Loss on Foreign Exchange Transactions and Translations	35,989	-
Royalty	-	-
- Veedol International Limited	35,342	76,934
- Others	37,670	9,990
Miscellaneous Expenses	285,521	357,846
Payment to Auditors (As Auditor)	-	-
Audit Fees	59,482	12,000
	2,567,352	2,794,480
BREAK UP SHEET OF MISCELLANEOUS EXP		
Printing and Stationery	4,665	5,045
Telephone / Fax Charges	3,817	4,818
Miscellaneous Expenses	3,664	75,587
Professional Charges	153,878	17,850
Subscription	18,721	-
Security Service Charges	4,284	-
ERP Expenses	58,054	10,755
Legal Fees	-	226,314
Literature & Brochures	2,616	-
Workwear	7,757	-
Recruitment	16,330	-
Bank Charges - DD/PO and others	11,735	17,477
	285,521	357,846
	-	-



VEEDOL UK LTD**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR
THE YEAR ENDED 31ST MARCH, 2023****Note 26:-Earnings per Equity Share**

Particulars	As at 31st March, 2023	As at 31st March 2022
A. Basic		
i. Number of equity shares at the beginning of the year	37,895	37,895
ii. Number of equity shares at the end of the year	37,895	37,895
iii. Weighted average number of equity shares outstanding during the year	37,895	37,895
iv. Face value of each Equity share	1	1
v. Profit after Tax available for Equity shareholders	43,75,012	24,45,843
vi. Earning per Equity share	115.45	64.54
B. Diluted		
i. Dilutive potential Equity shares		
ii. Earnings per Equity Share	115.45	64.54



VEEDOL UK LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023
Note 27 : LEASES

Particulars	Year ended 31ST MARCH, 2023	Year ended 31ST MARCH, 2022
The Company as Lessee The Company leases offices. Rental contracts are typically made for fixed periods of 11 months to 3 years, but may have extension options as described below. (i) Amounts recognised in the Consolidated Statement of Profit and Loss Other Expenses Interest expense (included in finance costs) (Refer Note 23) Expense relating to short-term leases (included in other expenses) Expense relating to variable leases (included in other expenses) Total Cash Outflow for Leases (other than short term & variable leases) for the year ended 31ST MARCH, 2023 was 41149 GBP (Previous year: Rs.41149 GBP).	905	1,339 5,881
(ii) Extension and Termination options Extension and Termination options are included in a number of office and depot leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in The Company's operations. The majority of extension and termination options held are exercisable on mutual consent between The Company and the respective lessor.		

Note 28
DEBT RECONCILIATION

This section sets out an analysis of debt and the movements in debt during the year.

Particulars	Year ended 31ST MARCH, 2023	Year ended 31ST MARCH, 2022
Borrowings	-	13,32,252
Lease Liabilities	3,429	44,578
Total	3,429	13,76,830



VEEDOL UK LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	Year ended 31ST MARCH, 2023	Year ended 31ST MARCH, 2022
Debt at the Beginning of the Year	13,76,830	8,59,099
Cash Flows (Net)	(13,73,401)	5,17,731
Lease Liabilities Recognised during the Year (Net of Termination, etc.)		
Interest Expense	13,867	18,094
Interest Paid	(13,867)	(18,094)
Debt at the End of the Year	3,429	13,76,830

Note 29
RELATED PARTY
DISCLOSURES
A. List of Related Parties

Name of Related Parties	Nature of Relationship
James Holland	Director
Gemma Holland	Wife of Director James Holland
Garry Holland	Father of Director James Holland

B. Particulars of Transactions with Related Parties (other than KMP) during the Year

SI No.	Nature of Transactions	Year ended 31ST MARCH, 2023	Year ended 31STMARCH, 2022
		Other Related Parties	Other Related Parties
1	In respect of Marketing Services Gemma Holland	26,750	17,500
2	In respect of Consultancy Services Garry Holland	39,300	39,000



VEEDOL UK LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023
C. Transactions with Key Management Personnel during the Year and Balances Outstanding at Year-end

Particulars	Year Ended 31 st March 2023	Year Ended 31 st March 2022
Remuneration to Key Management Personnel		
Directors Remuneration-James Holland	125250	26500
Contribution to Defined Contribution Plans		
Directors Pension		
Contribution to money purchase schemes	3,555	795

Note 30
DISCLOSURES RELATED TO FINANCIAL INSTRUMENTS

Financial Instruments by
Category

	Note No.	As at 31ST MARCH, 2023		As at 31ST MARCH, 2022	
		FVOCI	Amortised Cost	FVOCI	Amortised Cost
Financial Assets					
Investments (Equity Instruments)					
Loans					
Trade Receivables	5		59,92,728		52,94,266
Cash and Cash Equivalents	6		8,07,917		44,260
Other Bank Balances					
Other Financial Assets					
Total Financial Assets		-	68,00,644	-	53,38,526
Financial Liabilities					
Lease Liabilities	10		3,429		44,578
Borrowings	12		-		13,32,252
Trade Payables	13		34,44,176		41,95,363
Other Financial Liabilities	14		1,64,000		-
Total Financial Liabilities		-	36,11,605	-	55,72,193



VEEDOL UK LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

The Company has made an irrevocable election at date of transition to recognise changes in fair value of investments in equity securities which are not held for trading through OCI rather than profit or loss as the management believes that presenting fair value gains and losses relating to these investments in the Statement of Profit and Loss may not be indicative of the performance of the Company.

Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, The Company has classified its financial instruments into the three levels prescribed under Ind AS. An explanation of each level follows below.

Level 1

Quoted prices in an active market (level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2

Valuation techniques with observable inputs (level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3

Valuation techniques with significant unobservable inputs (level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This level of hierarchy includes Holding Company's investments in equity shares which are unquoted or for which quoted prices are not available at the reporting dates.

Technique Used to Determine Fair Value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.



VEEDOL UK LTD**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023****Note 31****FINANCIAL RISK MANAGEMENT**

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimize effects of the above, various arrangements are entered into by the Company. The following table explains the sources of risk and how The Company manages the risk in its financial statements.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash Equivalents with Banks, Trade Receivables, Financial Assets measured at Amortised Cost	Ageing analysis and credit analysis	Credit limits and letters of credit
Liquidity Risk	Borrowings and Financial Liabilities	Cash flow forecasts	Credit facilities
Market Risk – Foreign Exchange	Recognised Financial Assets and Liabilities not denominated in Indian Rupee (INR)	Cash flow forecasts	Monitoring of currency movements
Market Risk – Interest Rate	Borrowings	Cash flow forecasts	Monitoring of interest rate movements

(A) Credit Risk

The Company takes on exposure to credit risk, which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash equivalents with banks, investments carried at amortised cost, deposit with banks as well as credit exposure to customers and other parties. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 30.

Customer credit risk is managed by The Company through established policy and procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing. The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation. Trade receivables are consisting of a large number of customers. Where credit risk is high, trade receivables are backed by security deposits.

The Company uses specific identification method in determining the allowances for credit losses of trade receivables considering historical



VEEDOL UK LTD**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR
THE YEAR ENDED 31ST MARCH, 2023**

credit loss experience and is adjusted for forward looking information. Receivables are deemed to be past due or impaired with reference to The Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions.

Credit risk from balances with banks, deposits, etc. is managed by The Company's finance department. Investments of surplus funds are made only with approved counterparties in accordance with The Company's policy. None of The Company's cash equivalents with banks, deposits, investments and other receivables were past due or impaired as at 31ST MARCH, 2023 and 31ST MARCH, 2022.

Reconciliation of provisions for doubtful debts has been provided as under:

Particulars	Year ended 31ST MARCH, 2023	Year ended 31ST MARCH, 2022
Provision for Doubtful Debts as at the Beginning of the Year	1,52,646	346021
Provided during the Year	64,225	86353
Written Back during the Year	(1,52,646)	(2,79,728)
Provision for Doubtful Debts as at the End of the Year	64,225	152646

(B) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent risk liquidity management implies maintaining sufficient cash and cash equivalents and the availability of committed credit facilities to meet obligations when due.

Management monitors rolling forecasts of The Company's liquidity position on the basis of expected cash flow. The Holding Company has access to the following undrawn borrowing facilities at the end of the reporting period:



VEEDOL UK LTD**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Fund Based - Bank Overdraft, Cash Credit, etc.	20,00,000.00	6,67,748.00
Non Fund Based - Letter of Credit, Bank Guarantee, etc.		

The following table gives the contractual discounted cash flows following due within the time brackets as given below.

Maturity of Financial Liabilities as at 31ST MARCH, 2023:				
Contractual Maturities	Up to 1 Year	Between 1 to 3 Years	Above 3 Years	Total
Trade Payables	34,44,176			34,44,176
Borrowings	-			-
Lease Liabilities	3,429			3,429
Other Financial Liabilities	1,64,000			1,64,000
Total	36,11,605	-	-	36,11,605
Maturity of Financial Liabilities as at 31ST MARCH, 2022:				
Contractual Maturities	Up to 1 Year	Between 1 to 3 Years	Above 3 Years	Total
Trade Payables	41,95,363			41,95,363
Borrowings	13,32,252			13,32,252
Lease Liabilities	41,149	3,429		44,578
Other Financial Liabilities	-			-
Total	55,68,764	3,429		55,72,193

(C) Market Risk**(i) Foreign Currency Risk**

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with regard to USD. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the entity's



VEEDOL UK LTD**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023**

functional currency (GBP). As per the risk management policy, the gross currency movements are continually monitored. However, as the total exposure through currency risk directly is not material, generally forward contracts are not entered into on a regular basis.

a) The Company's exposure to foreign currency risk (unhedged) at the end of the reporting year expressed in GBP:-

Particulars	As at 31ST MARCH, 2023			As at 31ST MARCH, 2022		
	USD	EURO	GBP	USD	EURO	GBP
Financial Assets:						
Cash and Cash Equivalents	57597	569		37843	4,789.00	
Trade Receivables				142357	114825	
Other Financial Assets						
Other Assets						
Financial Liabilities:						
Trade Payables	77840	933142		1,04,565	4,91,933	
Net Exposure to Foreign Currency Risk (Assets - Liabilities)	(20,243)	(9,32,573)		75,635	(3,72,319)	

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market interest rates relates primarily to The Company's debt interest obligation. Further, The Company engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings. The management also maintains a portfolio mix of floating and fixed rate debt.

The Company's fixed rate borrowings, lease liabilities and investments in term deposits with bank are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

(a) Interest Rate Risk Exposure

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The exposure of the Company's debt (i.e. borrowings and lease liabilities) to interest rate changes at the end of the reporting year are as follows:

Particulars	As at 31ST MARCH, 2023	As at 31ST MARCH, 2022
Variable Rate Debt		13,32,252
Fixed Rate Debt	3,429	
Total Debt	3,429	13,32,252

As at the end of the reporting date, The Company had the following variable rate debt outstanding:

Particulars	As at 31ST MARCH, 2023			As at 31ST MARCH, 2022		
	Weighted Average Interest Rate (%)	Balance	% of Total Debt	Weighted Average Interest Rate (%)	Balance	% of Total Debt
Bank Overdraft	0.00%	-	NA	1.59%	13,32,252	100%

Note-32

The ageing of capital work in progress, trade receivable and trade payables of FY 2022-23 made as per revised Schedule III presentation as follows:-

AGEING OF CAPITAL WORK -IN-PROGRESS

Particulars	AMOUNTS IN CAPITAL WORK-IN-PROGRESS				
	As at 31st March 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-				-
Total	-	-	-	-	-
Particulars	AMOUNTS IN CAPITAL WORK-IN-PROGRESS				
	As at 31st March, 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2,64,159	-			2,64,159
Total	2,64,159	-	-	-	2,64,159



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COMPLETION SCHEDULE FOR CAPITAL WORK-IN- PROGRESS WHOSE COMPLETION IS OVERDUE AS COMPARED TO ITS ORIGINAL PLAN					
Particulars	TO BE COMPLETED IN				
	As at 31st March 2023				
	Less than 1 year	1-2 year s	2-3 year s	More than 3 years	Total
Projects in progress:					
Project A	-				-
Project B					
Total	-	-	-	-	-

Particulars	TO BE COMPLETED IN				
	As at 31st March,2022				
	Less than 1 year	1-2 year s	2-3 year s	More than 3 years	Total
Projects in progress:					
Project A	86,570				86,570
Project B	1,77,589				1,77,589
Total	2,64,159	-	-	-	2,64,159



VEEDOL UK LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023
Ageing of Trade Receivables

Particulars	As at 31st March 2023								
	Outstanding for following periods from due date						Not yet due	Unbilled Revenue	Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Sub-Total			
Trade Receivables									
Undisputed – considered good	17,500	-				17,500	59,75,228		59,92,728
Undisputed – credit impaired	50,651	13,574				64,225			64,225
Total Trade Receivables	68,151	13,574	-	-	-	81,725	59,75,228	-	60,56,953

Particulars	As at 31 st March,2022								
	Outstanding for following periods from due date						Not yet due	Unbilled Revenue	Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Sub-Total			
Trade Receivables									
Undisputed – considered good	-					-	52,94,266		52,94,266
Undisputed – credit impaired	1,52,646			-		1,52,646			1,52,646
Total Trade Receivables	1,52,646	-	-	-	-	1,52,646	52,94,266	-	54,46,912



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023
Ageing of Trade Payables

Particulars	As at 31st March 2023							
	Outstanding for following periods from due date					Not Yet Due	Unbilled Trade Payable	Total
	Less than 1 year	1 - 2 years	2-3 years	More than 3 years	Sub-Total			
Trade payables								
Undisputed dues - Others	17,852				17,852	27,68,005	6,58,319	34,44,176
Total Trade Payable	17,852	-	-	-	17,852	27,68,005	6,58,319	34,44,176

Particulars	As at 31st March 2022							
	Outstanding for following periods from due date					Not Yet Due	Unbilled Trade Payable	Total
	Less than 1 year	1 - 2 years	2-3 years	More than 3 years	Sub-Total			
Trade payables								
Undisputed dues - Others					-	36,29,254	5,66,109	41,95,363
Total Trade Payable	-	-	-	-	-	36,29,254	5,66,109	41,95,363

Note-33
CAPITAL MANAGEMENT
(A) Risk Management

The Company's objectives when managing capital are to:

- (a) Safeguard their ability to continue as a going concern
- (b) Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, The Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

No changes were made to the objectives, policies or processes for managing capital during the year ended 31st MARCH, 2022.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	Year ended 31ST MARCH, 2023	Year ended 31ST MARCH, 2022
<u>Dividend Declared and Paid during the Year</u>		
Final dividend for the previous year of GBP8/-per fully paid share with face value of GBP1/-- each	3,03,160	6,82,100
Interim dividends for the current year of GBP39/-- per fully paid share with face value of GBP1/- each	14,77,905	7,38,963
<u>Proposed Dividend not Recognised as at the reporting date</u>		
In addition to the above dividend, since year-end the Board of Directors of the Holding Company at its meeting held on 30th May, 2023 has recommended the payment of a final dividend of Rs. 15/- per fully paid share with face value of Rs. 2/- each (Previous Year: Rs. 200/- per fully paid share with face value of Rs. 5/- each). This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.		

NOTE 34
INCOME TAX EXPENSES

Particulars	Amount in GBP
Profit before tax	55,20,594
Add Back :	
Depreciation	4,53,606
Less:	
Profit on asset disposal	(23,850)
Structures Buildings Allowance	(63,469)
Special Rate Pool	(3,362)
General Pool	(16,498)



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Annual Investment Allowance (Super Deduction)	(9,11,975)
Taxable Profit	49,55,046
Profits chargeable to corporation tax	9,41,459
<u>Deferred Tax Calculation</u>	
NBV of Assets Per Accounts	39,11,786
Less NBV of non-qualifying assets	(28,37,423)
NBV of qualifying assets	10,74,363
WDV of qualifying assets	1,27,816
Excess of NBV over WDV	9,46,547
Taxable at 25%	2,36,637
Deferred Tax charge for the FY 22-23	1,16,515

Note 35**SEGMENT INFORMATION-**

The group's reportable business segment consists of a single segment of automotive products in terms of Ind AS 108.

Entity wide disclosures

(1) The group is domiciled in the United Kingdom. The amount of its revenue



VEEDOL UK LTD**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR
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- (2) from external customers broken down by the location of the customers is shown below :

Particulars	Year ended 31st March,2023	Year ended 31st March,2022
UK	2,46,97,543	1,81,98,254
Europe	11,52,743	10,86,576
Rest of the world	20,98,403	31,38,023
Total	2,79,48,689	2,24,22,853

Note 36**CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS**

The group does not have any Contingent Liabilities and Capital Commitments as on 31st March,2023.

For L B Jha & Co.
Chartered Accountants
FRN: 301088E



D. N. Roy, FCA
Partner
M.No.: 300389
UDIN:



For and On behalf of Board of Directors of
Veedol UK Ltd

Veedol UK Limited

Director

Director

Place: Kolkata

23 MAY 2023