

**VEEDOL UK LTD**

**Special purpose consolidated financial statements**

**For the year ended 31 March 2022**

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**Veedol UK Limited (consolidated)**

**Special purpose financial information for the year ended 31 March 2022**

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May 19, 2022

**Board Resolution**

Approval of the special purpose financial statements of VEEDOL UK LTD for the year ended March 31, 2022.

The management of VEEDOL UK LTD (the "Company") have reviewed and approved the special purpose consolidated financial statements which comprise of the special purpose statement of financial position, the special purpose statement of profit or loss and other comprehensive income, the special purpose statement of cash flows, and the notes to the special purpose financial statements including a summary of significant accounting policies for the year ended March 31, 2022. The following resolution was passed:

"RESOLVED THAT the management approved the special purpose consolidated financial statements of VEEDOL UK LTD for the financial year ended March 31, 2022."

"RESOLVED FURTHER that the directors be and are hereby authorised to sign, execute and authenticate the special purpose financial statements of the Company on behalf of the management of the Company."

"RESOLVED THAT the management approved to reappoint Hewson & Howson chartered accountants as the auditors for the ensuing year March 31, 2023."



Veedol UK Limited



Director

Signed for and on behalf of the Board of Directors

**Independent Auditor's Report on Special Purpose Financial Information Prepared for Consolidation Purposes**

**To the Shareholders of Veedol UK Limited (consolidated)**

**Report on Special Purpose Financial Information**

As requested in the engagement letter dated April 25, 2022, we have audited, for purposes of group consolidated financial statements of Tide Water Oil Co (India) Ltd (the "Parent Company"), the accompanying special purpose financial information of Veedol UK Limited (the "Company") as of March 31, 2022.

**Management's Responsibility for the Special Purpose Financial Information**

Management is responsible for the preparation and fair presentation of the special purpose financial information in accordance with the management accounting policies as followed by the Parent Company, and for such internal control as management determines is necessary to enable the preparation of the special purpose financial information that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial information, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

This special purpose financial information has been prepared solely to enable Tide Water Oil Co (India) Ltd to prepare its consolidated financial statements.

**Auditor's Responsibility**

Our responsibility is to express an opinion on this special purpose financial information based on our audit. We conducted our audit in accordance with International Standards on Auditing. International Standards on Auditing require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the special purpose financial information is free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial information. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the special purpose financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the special purpose financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used

**Ian J. Hewson BA (Hons) ACA    Andrew Howson BSc (Hons) ACA**

Registered to carry on audit work in the UK and Ireland and regulated for a range of investment business activities by The Institute of Chartered Accountants in England and Wales

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**Independent Auditor's Report on Special Purpose Financial Information Prepared for Consolidation Purposes (Continued)**

**To the Shareholders of Veedol UK Limited (consolidated) (Continued)**

**Report on Special Purpose Financial Information (Continued)**

and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the special purpose financial information.

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

**Opinion**

In our opinion, the accompanying special purpose financial information of Veedol UK Limited (consolidated) as of March 31, 2022 and for the year then ended has been prepared, in all material respects, in accordance with the management accounting policies as followed by the Parent Company.

**Key Audit Matters**

**Extract from our Audit Report to the Members of Veedol UK Limited included with the Group Strategic Report, Report of the Directors and consolidated financial statements for the Year ended 31 March 2022, prepared in accordance with ISAs (UK) and filed in the United Kingdom.**

As a result of performing the above, we identified non-compliance with Health & Safety Law, the recoverability of trade debtors and the inventory valuation as key audit matters related to the potential risk of misstatement in the financial statements. In order to mitigate the risk identified of trade debtor recoverability our procedures included, but were not limited to, direct confirmation of year end debtor balances with customers, credit checks on customers with significant year end balances and testing of post year end receipts. With regards to the stock valuation we performed testing on the year end stock list with specific focus given to obtaining assurance over existence, valuation and future sale prospects.

Our procedures to respond to other risks identified included the following

- \* reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- \* enquiring of management concerning actual and potential litigation and claims;
- \* reading minutes of meetings of those charged with governance;
- \* obtaining an understanding of the basis of recognition or non-recognition of provisions through discussions with management;
- \* in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the

**Independent Auditor's Report on Special Purpose Financial Information Prepared for Consolidation Purposes (Continued)**

**To the Shareholders of Veedol UK Limited (consolidated) (Continued)**

**Report on Special Purpose Financial Information (Continued)**

judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

**Completion of extract**

**Restriction on Use and Distribution**

This special purpose financial information has been prepared for purposes of providing information to Tide Water Oil Co (India) Ltd to enable it to prepare the consolidated financial statements to the group. The financial information may, therefore, not be suitable for another purpose. This report is intended solely for Tide Water Oil Co (India) Ltd and should not be used by (or distributed to) other parties.

Ian Hewson

For and on behalf of Hewson & Howson chartered accountants

Ian Hewson – senior statutory auditor

Date 19 May 2022

**VEEDOL UK LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31STMARCH,2022**

(All amounts in GBP, unless otherwise stated)			
	Note	As at 31st March,2022	As at 31st March, 2021
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	3.1	3,380,131.00	3,586,380.38
Capital Work-In-progress	3.2	264,159.00	264,159.15
Right-of-Use Assets	3.3	61,266.00	91,442.00
Intangible Assets	3.4	-	-
<b>Total Non-current Assets</b>		<b>3,685,556.00</b>	<b>3,941,981.53</b>
<b>Current Assets</b>			
Inventories	5	3,797,161.00	2,297,961.00
Financial Assets			
i. Trade Receivables	6	5,294,266.00	3,373,706.11
ii. Cash and Cash Equivalents	7	44,260.00	75,900.81
Other Current Assets	4	145,005.00	162,150.25
<b>Total Current Assets</b>		<b>9,280,692.00</b>	<b>5,909,718.17</b>
<b>TOTAL ASSETS</b>		<b>12,966,248.00</b>	<b>9,851,699.70</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	8	37,895.00	37,895.00
Other Equity	9	6,548,832.00	5,524,051.18
<b>TOTAL EQUITY</b>		<b>6,586,727.00</b>	<b>5,561,946.18</b>
<b>LIABILITIES</b>			
<b>Non-current Liabilities</b>			
Financial Liabilities			
i. Lease Liabilities	10 27	3,429.00	44,577.87
Deferred Tax Liabilities (Net)	13 25	120,121.00	117,009.01
<b>Total Non-current Liabilities</b>		<b>123,550.00</b>	<b>161,586.88</b>
<b>Current Liabilities</b>			
Financial Liabilities			
i. Borrowings	11 27	1,332,252.00	773,372.00
ii. Trade Payables	12	4,195,363.00	2,976,529.70
iii Lease Liabilities	10 27	41,149.00	41,148.84
Current Tax Liabilities (Net)	15	441,969.00	300,921.00
Other Current Liabilities	14	245,238.00	36,195.10
<b>Total Current Liabilities</b>		<b>6,255,971.00</b>	<b>4,128,166.64</b>
<b>TOTAL LIABILITIES</b>		<b>6,379,521.00</b>	<b>4,289,753.52</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,966,248.00</b>	<b>9,851,699.70</b>

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

For and on behalf of the Board of Directors of  
Veedol UK Limited

Veedol UK Limited

Director

Director

## VEEDOL UK LIMITED

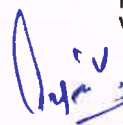
## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in GBP, unless otherwise stated)			
Particulars	Note	For the year ended 31st March 2022	For the year ended 31st March 2021
Revenue from Operations	16	22,422,853.00	15,352,429.00
Other Income	17	407,003.00	315,383.84
<b>Total Income</b>	<b>28</b>	<b>22,829,856.00</b>	<b>15,667,812.84</b>
<b>Expenses</b>			
Cost of Materials Consumed	18	16,179,621.00	10,029,701.00
Changes in Inventories of Finished Goods	19	(1,445,081.00)	(88,669.00)
Employee Benefits Expense	20	1,805,449.00	1,370,335.00
Finance Costs	21	18,094.00	16,753.75
Depreciation and Amortisation Expense	22	391,829.00	337,617.93
Other Expenses	23	2,794,480.00	1,653,719.47
<b>Total Expenses</b>		<b>19,744,392.00</b>	<b>13,319,458.15</b>
<b>Profit before Tax</b>		<b>3,085,464.00</b>	<b>2,348,354.49</b>
Income Tax Expense			
Current Tax	24	636,509.00	470,921.00
Deferred Tax	24 25	3,112.00	25,003.85
<b>Profit for the Year</b>		<b>2,445,843.00</b>	<b>1,852,429.64</b>
<b>Total Other Comprehensive Income for the Year, Net of Tax</b>			-
<b>Total Comprehensive Income for the Year</b>		<b>2,445,843.00</b>	<b>1,852,429.64</b>

The accompanying Notes form an integral part of the Consolidated Statement of Profit and Loss.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For and on behalf of the Board of Directors of  
Veedol UK Limited



Director



Director



**VEEDOL UK LIMITED**  
**Special Purpose Statement of Cash Flows for the year ended 31 March 2022**

Particulars		As at 31st March 2022	As at 31st March 2021
<b>A. Cash flow from operating activities</b>			
Profit before tax from			
Continuing operations		3,085,464.00	2,347,043.00
Discontinued operations		-	-
Adjustments for:			
Depreciation and amortisation expense		391,829.00	327,213.00
Finance cost		18,094.00	16,082.00
Net loss on disposal property, plant and equipment		-	(23,026.00)
Interest income classified as investing cash flows		-	(223.00)
Increase in inventories		(1,499,200.00)	(98,717.00)
(Increase)/decrease in trade receivables		(1,903,415.00)	(665,677.00)
(Increase)/decrease in Trade payables		1,427,876.00	130,066.00
<b>Operating profit before changes in operating assets and liabilities</b>		<b>1,520,648.00</b>	<b>2,032,761.00</b>
<b>Cash generated from operations</b>		<b>1,520,648.00</b>	<b>2,032,761.00</b>
Income taxes paid		(485,481.00)	(114,755.00)
<b>Net cash flow from operations</b>		<b>1,025,167.00</b>	<b>1,918,006.00</b>
<b>B. Cash flow from investing activities</b>			
Payments from Acquisition of Property, Plant and equipment and intangible assets		(135,402.00)	(1,200,555.00)
Proceeds from disposal of Property, Plant and equipment and intangible assets		-	25,016.00
Interest received		-	223.00
<b>Net cash flow from / (used in) investing activities</b>		<b>(135,402.00)</b>	<b>(1,175,316.00)</b>
<b>C. Cash flow from financing activities</b>			
Interest paid		(16,755.00)	(13,978.00)
Principle elements of lease payments		(41,149.00)	(41,150.00)
Interest elements of lease payments		(1,339.00)	(2,104.00)
Proceeds from / Repayment of borrowings		558,880.00	(16,366.00)
Dividends paid		(1,421,063.00)	(672,637.00)
<b>Net cash used in financing activities</b>		<b>(921,426.00)</b>	<b>(746,235.00)</b>
<b>Net decrease in cash and cash equivalents (A+B+C+D)</b>		<b>(31,641.00)</b>	<b>(3,545.00)</b>
<b>Cash and cash equivalents at the beginning of the year (Refer Notes 7)</b>		<b>75,901.00</b>	<b>79,446.00</b>
<b>Cash and cash equivalents at the end of the year (Refer Notes 7)</b>		<b>44,260.00</b>	<b>75,901.00</b>
<b>Non-cash financing activities</b>			
Acquisition of Right-of-use assets			

For and on behalf of the Board of Directors of  
Veedol UK Limited

Director

Director

## **Veedol UK Limited (consolidated)**

**Notes to Special Purpose Financial Statements as at and for the year ended 31st March, 2022**

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### **1(a) Status and activity**

Veedol UK Limited (consolidated) ("the company") is a private company, limited by shares, registered in England and Wales.

The principal activities of the company was that of the manufacture and sale of products to the automotive aftermarket.

The principal place of business of the company is located at Unit 29, Goldthorpe Industrial Park, Goldthorpe, Rotherham, South Yorkshire, United Kingdom.

The Parent Company of the Company is Tide Water Oil Co. (India) Limited ("the Parent"), a company registered in India.

The Special Purpose Financial Statements for the year ended March 31, 2022 were authorised for issue by the Board of Directors on May 19, 2022.

These special purpose financial statements are presented in £ sterling.

### **1(b) First time adoption of management accounting policy as followed by the Parent Company**

The Company's financial statements for the year ended March 31, 2022 are its first financial statements prepared in accordance with management accounting policy as followed by the Parent Company. For all periods up to and including the year ended March 31, 2021, the Company prepared its financial statements in accordance with locally followed accounting policies in the United Kingdom.

The Company's transition date is April 1, 2020. Accordingly, the Company has prepared its opening statement of financial position in accordance with management accounting policy as followed by the Parent Company at that date together with the comparative period data for the year ended March 31, 2021.

### **2 Significant accounting policies**

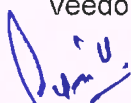
The significant accounting policies adopted by the Company as followed by Parent Company are as follows:

#### ***Property, Plant and Equipment***

Furniture, fixtures and equipment is initially stated at cost, less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of replacing a part of furniture, fixtures and equipment is recognised in the carrying amount of the items if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The routine servicing of the furniture, fixtures and equipment is recognised in special purpose statement of financial position.

Veedol UK Limited



Director



## **Veedol UK Limited (consolidated)**

Notes to Special Purpose Financial Statements as at and for the year ended 31st March, 2022 (Continued)

### **2 Significant accounting policies (Continued)**

An item of furniture, fixtures and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of items of furniture, fixtures and equipment is determined as the difference between the sales proceeds and the carrying value of the assets and it is recognised in special purpose statement of financial position.

#### **Depreciation**

Depreciation is provided consistently on a systematic basis so as to write off the cost of furniture, fixtures and equipment over their estimated useful lives as follows:

Freehold property	- In accordance with the property
Plant & machinery	- Straight line between 1 and 15 years
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- at varying rates on cost

#### **Intangible Assets**

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

#### **Softwares**

Softwares for internal use, which is primarily acquired from third-party vendors is capitalised. Subsequent costs associated with maintaining such softwares are recognised as expense as incurred. Cost of softwares include.

#### **Amortisation Method and Period**

Softwares are amortised on a pro-rata basis using the straight-line method over their estimated useful life of 3-4 years, from the date they are available for use. Amortisation method and useful lives are reviewed periodically including at each financial year end license fees and cost of implementation/system integration services, where applicable.

#### **Financial assets**

The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

#### **Amortised cost**

Veedol UK Limited



Director



**Veedol UK Limited (consolidated)****Notes to Special Purpose Financial Statements as at and for the year ended 31st March, 2022 (Continued)**

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These assets arise principally from the provision of services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition of issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. The Company applies the simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging.

Veedol UK Limited



Director



**2 Significant accounting policies (Continued)**

***Financial assets (Continued)***

From time to time, the Company elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in special purpose statement of financial position.

Impairment provisions for other financial assets are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those, where credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Lifetime expected credit losses represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month expected credit losses represent the portion of lifetime expected credit losses that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Company's financial assets measured at amortised cost comprises trade receivables, cash & cash equivalents, other financial assets, and other current assets in the special purpose statement of financial position.

***Fair value through other comprehensive income (FVTOCI)***

These financial assets are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Debt securities whose objective is achieved by holding securities in order to collect contractual cash flows and having the intention to sell the debt securities before maturity are carried at fair value through other comprehensive income. The contractual terms of the debt securities gives rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment provisions for these debt instruments are also recognised based on a forward-looking expected credit loss model, similar to amortised cost financial assets. The loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the special purpose statement of financial position.

The Company does not have any investments or financial assets which are designated at fair value through other comprehensive income.

Veedol UK Limited



Director





**2 Significant accounting policies (Continued)**

***Financial assets (Continued)***

***Fair value through profit or loss (FVTPL)***

By default, all other financial assets not classified as amortised cost or FVTOCI are measured subsequently at fair value through profit or loss. These financial assets are carried in the special purpose statement of financial position at fair value with changes in fair value recognised in special purpose statement of financial position in the finance income or expense line. The Company does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

***Amortised cost and effective interest method***

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income over the relevant period.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

***Significant increase in credit risk***

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

Veedol UK Limited



Director



**2 Significant accounting policies (Continued)**

**Financial assets (Continued)**

- An actual or expected significant deterioration in the operating results of the debtor;
- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are more than 90 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default;
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations. The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

**Definition of default**

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Veedol UK Limited



Director



**2 Significant accounting policies (Continued)**

**Financial assets (Continued)**

**Credit-impaired financial assets**

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event;
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for that financial asset because of financial difficulties.

**Write-off**

The Company writes off a financial asset when there is information indicating that the receivables is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the receivables has been placed under liquidation or has entered into bankruptcy proceedings or in the case of trade receivables, when the amounts are long overdue, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

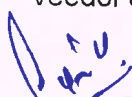
**Derecognition of financial asset**

The Company derecognises a financial asset when, and only when:

- The contractual rights to the cash flows from the financial asset expire; or
- It transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognised as a separate asset in the special purpose statement of financial position.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Veedol UK Limited



Director





**2 Significant accounting policies (Continued)**

***Financial liabilities***

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

***Fair value through profit or loss***

These are carried in the special purpose statement of financial position at fair value with changes in fair value recognised in special purpose statement of financial position. The Company does not have any liabilities which are to be designated as financial liabilities at fair value through profit or loss.

***Other financial liabilities***

Other financial liabilities include accruals and other payables, due to related parties, lease liabilities and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

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

***Provision for employees' end of service benefits***

Provision is made for employees' end of service benefits on the basis prescribed in United Kingdom employment law, for the accumulated period of service at the date of special purpose statement of financial position.

***Leases***

The Company accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use and asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- (a) There is an identified asset;
- (b) The Company obtains substantially all the economic benefits from use of the asset; and
- (c) The Company has the right to direct use of the asset.

The Company considers whether the supplier has substantive substitution rights. If the supplier does have those rights the contract is not identified as giving rise to a lease.

In determining whether the Company obtains substantially all the economic benefits from use of the asset, the Company considers only the economic benefits that arise from use of the asset, not those incidental to legal ownership or other potential benefits.

Veedol UK Limited



Director



**2 Significant accounting policies (Continued)**

***Leases (Continued)***

In determining whether the Company has the right to direct use of the asset, the Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Company applies other applicable management accounting policy as followed by the Parent Company.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used.

Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonable certain to assess that option;
- any penalties payable for termination the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

veedol UK Limited



Director



**2 Significant accounting policies (Continued)**

***Leases (Continued)***

When the Company revises its estimate of the term of any lease (because, for example it reassesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right of use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

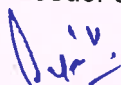
- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiation increases the scope of the lease (whether that is an extension of the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and the right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in the special purpose statement of profit or loss and other comprehensive income. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

***Provisions***

Provisions are recognised when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are recognised after considering the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are determined by discounting the expected future cash flows that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the special purpose statement of profit or loss and other comprehensive income when the changes arise.

Veedol UK Limited



Director



**2 Significant accounting policies (Continued)**

***Share capital***

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's ordinary shares are classified as equity instruments.

***Revenue recognition***

***Performance obligations and timing of revenue recognition***

The Company's revenue is derived from the sale of lubricants and greases. The revenue from the sale of lubricants and greases is recognised at a point in time when control has been transferred to the customer. This is generally once a legal binding contract exists, any right to return have expired, the goods has been delivered in accordance with the contract, a price has been agreed or can be established and there is probability of collection.

***Identification of the contract***

A contract is an agreement between two or more parties that establishes enforceable rights and obligations and determines that enforceability is a question of law. The Company enters written agreements only. An agreement must be signed by both parties within a reporting period to be able to recognise revenue in that period. Revenue resulting from an agreement signed at a later point in time is recognised in the period in which the agreement was signed.

Revenue from an agreement which grants the customer the right to terminate with no resulting materially disadvantageous payments, is only recognised in the period that is not subject to the termination right.

***Identification of contractual obligations***

Contracts with customers often include various goods. The goods are usually to be treated as separate contractual performance obligations. The relevant portion of the contractual price is recognised separately.

***Determining the transaction price***

Most of the Company's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

***Allocating amounts to performance obligations***

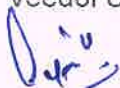
For most contracts, there is a fixed unit price for each performance obligation specified in the contract. Therefore, there is no judgment involved in allocating the contract price to performance obligation for such contracts.

***Value added tax (VAT)***

Value added tax (VAT) asset/liability is recognised in the special purpose financial statements of the Company based on the requirements of regulations as defined by United Kingdom H M Revenue & Customs.

Expenses and assets are recognised net of the amount of value added tax except:

Veedol UK Limited



Director



**2 Significant accounting policies (Continued)**

**Value added tax (VAT) (Continued)**

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognised as a part of the acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of value added tax included.

The net amount of value added tax recoverable from the taxation authority is included as a part of receivables in the special purpose financial statements.

**Foreign currencies**

Transactions entered into by the Company in a currency other than the currency of the primary economic environment in which it operates ("its functional currency") is recorded at ruling rates when the transaction occurs. Foreign currency monetary assets and liabilities are translated at the rates prevailing at the reporting date. Exchange difference arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the profit or loss.

**Contingent liabilities**

Contingent liabilities are a possible obligation that arise from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company, or a present obligation that arises from past events where it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the special purpose financial statements.

**2 Explanation of transition to management accounting policy as followed by the Parent Company**

As stated in Note 2, these are Company's first financial statements prepared in accordance with management accounting policy as followed by the Parent Company.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2022 and the comparative information presented in these financial statements for the year ended March 31, 2021.

In preparing the opening statement of financial position, the Company has adjusted the amounts previously reported in financial statements prepared in accordance with Locally followed accounting policies in the UK.

An explanation of how the transition from locally followed accounting policies in the UK to management accounting policy as followed by the Parent Company has affected the Company's financial position, financial performance and cash flows is set out in the notes below.

Veedol UK Limited



Director





**2 Significant accounting policies (Continued)**

Below is the summary made to convert the company's financial statements prepared under locally followed accounting policies in the United Kingdom to the financial statements prepared under management accounting policy as followed by the Parent Company.

**Adoption of financial instruments accounting policies as followed by the Parent Company - Financial Instruments**

The Company adopted financial instruments accounting policies as followed by the Parent Company with a transition date of April 1, 2020 which has replaced locally managed financial instruments accounting policies. The Company has adopted the standard retrospectively. The adoption of financial instruments accounting policies as followed by the Parent Company did not result in adjustments due to classification and measurement since the Company's financial assets comprise of trade and other receivables and due from related parties which have now been classified as amortised cost instruments. The accounting treatment for this category of financial assets remain the same. Similarly, the financial liabilities of the Company continue to be recognised at amortised cost.

The Company applied expected credit loss model when calculating impairment losses on its financial assets measure at amortised costs (such as trade and other receivables). In applying financial instruments accounting policies as followed by the Parent Company the Company considered the probability of a default occurring over the contractual life of its trade receivables on initial recognition of those assets. This has not resulted into any adjustments to the financial statements and comparatives.

**Adoption of revenue accounting policies as followed by the Parent Company**

The Company has applied the standard retrospectively. Based on the management's assessment, the application of revenue accounting policies as followed by the Parent Company did not result into adjustments of revenues as at March 31, 2021 and April 1, 2020 since the accounting treatment adopted by the Company is in line with the requirements of revenue accounting policies as followed by the Parent Company.

**Adoption of lease accounting policies as followed by the Parent Company**

The Company assessed all contracts existing at April 1, 2020 to determine whether a contract contains a lease based upon the conditions in place as at April 1, 2020. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at April 1, 2020. Right of use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before April 1, 2020. The lease payments associated with leases for which the lease term ends within 12 months of the date of transition to management accounting policy as followed by the Parent Company and leases for which the underlying asset is of low value have been recognised as an expense on either a straight-line basis over the lease term or another systematic basis. This has not resulted into any adjustments to the financial statements and comparatives.

Veedol UK Limited



Director

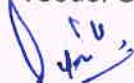


## VEEDOL UK LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in GBP, unless otherwise stated)		
	As at 31st March, 2022	As at 31st March, 2021
<b>NOTE 3.1</b>		
<b>PROPERTY PLANT and EQUIPMENT</b>		
Gross Block	5,831,974.00	5,696,672.20
Less: Accumulated Depreciation	2,471,843.00	2,110,291.82
<b>Net Block</b>	<b>3,360,131.00</b>	<b>3,586,380.38</b>
<b>NOTE 3.2</b>		
<b>CAPITAL WORK IN PROGRESS</b>		
Carrying Amount	264,159.00	264,159.15
	<b>264,159.00</b>	<b>264,159.15</b>
<b>NOTE 3.3</b>		
<b>RIGHT-OF-USE ASSETS</b>		
Gross Block	228,605.00	228,605.00
Less: Accumulated Depreciation	167,339.00	137,163.00
<b>Net Block</b>	<b>61,266.00</b>	<b>91,442.00</b>
<b>NOTE 3.4</b>		
<b>OTHER INTANGIBLE ASSETS</b>		
Gross Block	92,303.00	92,303.00
Less: Accumulated Depreciation	92,303.00	92,303.00
<b>Net Block</b>	<b>-</b>	<b>-</b>
<b>NOTE 4</b>		
<b>OTHER ASSETS</b>		
Current		
Unsecured, Considered Good		
Balances with Government Authorities	600.00	1,911.00
Prepaid Expenses	144,405.00	160,239.25
	<b>145,005.00</b>	<b>162,150.25</b>
<b>NOTE 5</b>		
<b>INVENTORIES</b>		
At Lower of Cost and Net Realisable Value		
Raw Materials	622,771.00	568,852.00
Finished Goods	3,174,390.00	1,729,309.00
	<b>3,797,161.00</b>	<b>2,297,961.00</b>
<b>NOTE 6</b>		
<b>TRADE RECEIVABLES</b>		
Secured	64,856.00	103,961.80
Unsecured, Considered Good #		
From Related Parties		
- Veedol International DMCC	108,133.00	32,971.84
From Others	5,121,277.00	3,236,772.67
Unsecured, Considered Doubtful	152,646.40	346,021.40
	<b>5,446,912.40</b>	<b>3,719,727.51</b>
Less: Provision for Doubtful Debts	152,646.40	346,021.40
	<b>5,294,266.00</b>	<b>3,373,706.11</b>
<b>NOTE 7</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Balances with Banks		
- In Current Accounts	42,632.00	75,382.00
Cash on Hand	1,628.00	518.81
	<b>44,260.00</b>	<b>75,900.81</b>

Veedol UK Limited



Director



VEEDOL UK LIMITED  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in GBP, unless otherwise stated)		
	As at 31st March, 2022	As at 31st March, 2021
<b>NOTE 8</b>		
<b>EQUITY SHARE CAPITAL</b>		
Issued, Subscribed and Paid-up:		
37895 Equity Shares of 1 GBP/- each fully paid	37,895.00	37,895.00
	37,895.00	37,895.00
<b>NOTE 9</b>		
<b>OTHER EQUITY</b>		
<b>RESERVES AND SURPLUS</b>		
Securities Premium Account		
Opening Balance	5,605.00	5,605.00
Closing Balance	5,605.00	5,605.00
Revaluation Reserve		
Balance as per last Accounts	142,406.00	152,890.00
Less: Transferred to Profit and Loss Account	10,484.00	10,484.00
	131,922.00	142,406.00
Retained Earnings		
Opening Balance	5,376,041.00	4,185,763.54
Profit for the period	2,445,843.00	1,852,429.64
Dividend paid	(1,421,063.00)	(672,637.00)
Add: Transferred from Revaluation Reserve	10,484.00	10,484.00
Closing Balance	6,411,305.00	5,376,040.18
	6,548,832.00	5,524,051.18
<b>NOTE 10</b>		
<b>LEASE LIABILITIES</b>		
<b>A. Non Current</b>		
Lease Liabilities	3,429.00	44,577.87
	3,429.00	44,577.87
<b>B. Current</b>		
Lease Liabilities	41,149.00	41,148.84
	41,149.00	41,148.84
<b>NOTE 11</b>		
<b>BORROWINGS</b>		
<b>Current</b>		
Bank Borrowings	1,332,252.00	773,372.00
	1,332,252.00	773,372.00
<b>NOTE 12</b>		
<b>TRADE PAYABLES</b>		
Due to Related Parties		
- Veedol International Limited	40,171.00	15,676.48
- Tide Water Oil Co. (India) Limited	-	37,957.90
Others		
i) Creditors for Supplies & Services	4,155,192.00	2,794,145.32
ii) Creditors for Accrued Wages & Salaries	-	128,750.00
	4,195,363.00	2,976,529.70
<b>Note 13</b>		
<b>DEFERRED TAX LIABILITIES (NET)</b>		
Deferred Tax Liabilities	117,009.00	92,005.16
Property, Plant and Equipment / Intangible Assets / Investment Properties	3,112.00	25,003.85
Deferred Employee Cost		
Gross Deferred Tax Liabilities	120,121.00	117,009.01
Deferred Tax Assets		
Provision for Employee Benefits		
Provision for Doubtful Debts		
Dismantling of Assets		
Gross Deferred Tax Assets	-	-
Deferred Tax Liabilities (Net)	120,121.00	117,009.01
<b>Note 14</b>		
<b>OTHER CURRENT LIABILITIES</b>		
<b>A. Non Current</b>		
Advance from Customers		
Other Liabilities (Duties, Taxes, etc.)		
<b>Current</b>		
Advance from customer		
Other Liabilities (Duties, Taxes etc.)	245,238.00	36,195.10
	245,238.00	36,195.10
<b>NOTE 15</b>		
<b>CURRENT TAX LIABILITIES</b>		
Provision for Taxation	441,969.00	300,921.00
	441,969.00	300,921.00

veedol UK Limited



Director





VEEDOL UK LIMITED  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in GBP, unless otherwise stated)		
	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>Note 16</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of Goods		
-from sale of products	-	-
-from sale of services	-	-
-other operating revenues	-	-
Other than Related Parties	21,686,756.00	14,948,377.00
Related Parties		
- Veedol International DMCC	736,097.00	404,052.00
	<b>22,422,853.00</b>	<b>15,352,429.00</b>
<b>Note 17</b>		
<b>OTHER INCOME</b>		
Other Non-operating Income		
Provision for Doubtful Debts Written Back	193,375.00	60,000.00
Management Fees (Autosol)	211,052.00	188,208.36
Miscellaneous Income	2,576.00	87,175.28
	<b>407,003.00</b>	<b>315,383.64</b>
<b>Note 18</b>		
<b>COST OF MATERIALS CONSUMED</b>		
Raw Materials (including Packing Materials)		
Opening Stock	568,652.00	558,604.00
Raw Materials		
Containers, etc.	16,183,726.00	8,561,267.52
Direct expenses		
Tide water Oil	50,014.00	73,723.48
Add: Purchased during the Year		
Raw Materials	16,233,740.00	614,955.00
Containers, etc.		
Less: Closing Stock	622,771.00	789,803.00
	<b>16,179,621.00</b>	<b>10,039,749.00</b>
<b>Note:</b>		
Purchases from Tide Water Oil Co. (India) Limited (Related Party) during the current period - GBP 37,958 (Previous period: GBP 568652)		
<b>Note 19</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
Opening Stock	1,729,309.00	1,640,640.00
Closing Stock	3,174,390.00	1,729,309.00
	<b>(1,445,081.00)</b>	<b>(88,669.00)</b>
<b>Note 20</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages and Bonus	1,584,226.00	1,222,913.00
Contribution to Provident and Other Funds	33,752.00	27,364.00
Employee Retirement Benefits	187,471.00	120,058.00
Staff Welfare Expenses		
Effect of Employee Cost	<b>1,805,449.00</b>	<b>1,370,335.00</b>
<b>Note 21</b>		
<b>FINANCE COSTS</b>		
Interest Expense on Financial Liabilities at Amortised Cost - Security Deposits	18,094.00	16,753.75
Applicable net gain/loss on foreign currency transactions and translations		
	<b>18,094.00</b>	<b>16,753.75</b>
<b>Note 22</b>		
<b>DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation on Property, Plant and Equipment	361,653.00	281,491.06
Depreciation on Right-of-Use Asset	30,176.00	56,126.87
	<b>391,829.00</b>	<b>337,617.93</b>

Veedol UK Limited



Director



VEEDOL UK LIMITED  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH,2022

(All amounts in GBP, unless otherwise stated)		
	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>NOTE 23</b>		
<b>OTHER EXPENSES</b>		
Repairs- Machinery		
Rent	189,440.00	152,366.00
Rates and Taxes	5,881.00	827.75
Commission	64,084.00	65,909.00
Power and Fuel	335,968.00	278,471.00
Insurance	62,237.00	52,943.00
Freight and Cartage	76,363.00	71,001.00
Travelling and Conveyance	693,945.00	541,770.00
Advertising Expenses	38,344.00	30,808.00
Selling and Marketing Expenses	26,647.00	34,289.00
Provision For Doubtful Debts	844,821.00	
Bad Debt Written off		49,343.18
Net Loss on Foreign Exchange Transactions and Translations		
Royalty		3,469.81
- Veedol International Ltd		
- Others	76,934.00	
Miscellaneous Expenses	9,990.00	
Payment to Auditors (As Auditor)	357,846.00	362,521.73
- Audit Fees		
	12,000.00	10,000.00
	<b>2,794,480.00</b>	<b>1,653,719.47</b>
<b>BREAK UP OF MISCELLANEOUS EXPENSES</b>		
Office Expenses		
Printing and Stationery		35,000.00
Postage and Telegram		
Telephone / Fax Charges	5,045.00	5,322.00
Miscellaneous Expenses	4,818.00	4,346.00
Professional Charges	75,587.00	24,226.51
Subscription	17,850.00	207,895.00
Security Service Charges		18,456.47
BOOKS AND PERIODICALS		36,335.02
ERP Expenses		7,707.00
Legal Fees	10,755.00	
Rounding off Difference in HR	226,314.00	
Bank Charges - DD/PO and others		2.05
	17,477.00	23,231.68
	<b>357,846.00</b>	<b>362,521.73</b>

**NOTE 24**

**INCOME TAX EXPENSE**

**(a) Income tax expense recognised in Profit or Loss**

**Current tax**

Current tax on Profits for the year

Adjustment for current tax of earlier years

Total current tax expense

Year ended  
31 March 2022  
£

Year ended  
31 March 2021  
£

636,509

470,921

636,509

470,921

**Deferred tax**

Origination / (Reversal) of temporary differences

Adjustment for change in tax rate

Total deferred tax expense / benefit

3,112

25,004

3,112

25,004

Total income tax expense recognised in Profit or Loss

639,621

495,925

**(b) Numerical reconciliation of Income tax expense to Prima Facie tax payable**

Profit before income tax expense

Enacted statutory income tax rate in United Kingdom applicable to the company

Computed expected income tax expense

3,085,464

2,348,355

19%

19%

586,238

446,187

**Adjustments:**

Deferred tax movement

Disallowed expenses

Excess of depreciation over capital allowances

Losses carried forward

3,112

25,004

19,000

33,328

-2057

-

24,104

-

Total income tax expense

639,621

495,295

The applicable UK statutory income tax rate for the year ended 31 March 2022 was 19% (previous year 19%).

Veedol UK Limited

Director

**VEEDOL UK LIMITED**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022**

**NOTE 25**

**DEFERRED TAX ASSETS / LIABILITIES**

Movement in deferred tax (assets) / liabilities

Particulars	Property plant & equipment
<b>As at 1 April 2021</b>	<b>92,005</b>
Charged / (credited) To profit & loss	25,004
<b>As at 31 March 2021</b>	<b>117,009</b>
Charged / (credited) To profit & loss account	3,112
<b>As at 31 March 2022</b>	<b>120,121</b>

**NOTE 26**

**RELATED PARTY DISCLOSURES**

**A. List of related parties**

**Name of related party**

**Nature of related party**

(i) Entities having significant influence over the company  
Tidewater India

Parent company

(ii) Entities where control exists

**(iii) Key management personnel (KMP)**

Rajendra Nath Ghosal  
Praveen Kadie  
Sunil Vaidya  
James Garry Holland

Managing Director  
Director  
Director  
Chief Executive Officer and Directors (Granville)

(iv) Additional KMP

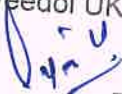
(v) Post employment benefit plans / other benefit plans

**(vi) Others with whom transactions have taken place during the year**

Veedol International Limited  
Gemma Holland  
Garry Holland  
Veedol Deutschland GMBH  
Veedol International DMCC  
Veedol International Americas Inc

Wholly owned subsidiary of Tidewater  
Wife of Granville CEO and Director, James Holland  
Father of Granville CEO and Director, James Holland  
Wholly owned subsidiary of Tidewater  
Wholly owned subsidiary of Tidewater  
Wholly owned subsidiary of Veedol International

Veedol UK Limited



Director



## VEEDOL UK LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

NOTE 26 (contin.)

RELATED PARTY DISCLOSURES (contin.)

## B. Particulars of Transactions with Related Parties

Nature of Transaction	Year ended 31 March 2022			Year ended 31 March 2021		
	Significant Influence	Control Exists	Other	Significant Influence	Control Exists	Other
Consultancy Services Charged						
Veedol International			60,864			13,211
Veedol Deutschland GmbH			12,572			25,484
Consultancy Services Expensed						
Gary Holland			39,000			39,000
Marketing services						
Gemma Holland			17,500			18,500
Royalties payable						
Veedol International			24,747			14,700
Materials charged						
Veedol International DMCC			756,616			411,748
Travel Expenses						
Tridewater India	189			2,969		
Balances owed out at year end						
Veedol International			14,056			7,811
Balances owed in at year end						
Veedol International DMCC			108,306			32,972

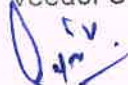
## NOTE 27

DEBT RECONCILIATION

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

Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21
Bank borrowings	1,332,252	773,372
Lease liabilities	44,578	85,727
Total	<u>1,376,830</u>	<u>859,099</u>
Debt at beginning of year	889,099	916,614
Cash flows (net)	617,731	57,515
Debt at end of year	<u>1,376,830</u>	<u>869,099</u>

Veedol UK Limited



Director



VEEDOL UK LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

NOTE 28

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 from external customers broken down by the location of the customers is shown below:

	Year ended 31-Mar-22	Year ended 31-Mar-21
Automotive products		
United kingdom	18,198,254	11,914,840
Europe	1,086,576	1,640,386
Rest of the World	3,138,023	1,797,223
	22,422,853	15,352,429
Management Charges		
United kingdom	407,003	315,383
Total	22,829,856	15,667,812

(i) All non current assets of the company are located in the United Kingdom.

(ii) No customer individually accounted for more than 10% of the revenues from external customers during the years ended 31 March 2022 and 31 March 2021.

Signatories to Note 1 to 28

For and on behalf of the Board of Directors of  
Veedol UK Limited

Director

Director

**VEEDOL INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022**

**Note 27**

**FINANCIAL RISK MANAGEMENT**

The Company's activities expose it to market risk, liquidity risk and credit risk.

In order to minimise effects of the identified risks, 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.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
<b>Credit Risk</b>	Cash Equivalents with Banks, Trade receivables, financial assets measured at amortised cost	Ageing analysis and credit analysis	Credit limits and letters of credit
<b>Liquidity Risk</b>	Financial Liabilities	Cash flow forecasts	Credit facilities
<b>Market Risk - Foreign Exchange</b>	Recognised Financial Assets and Liabilities not denominated in £ sterling	Cash flow forecasts	Monitoring of currency movements
<b>Market Risk - Commodity Prices</b>	Variable Commodity Prices	Price trend	Price monitoring, sourcing policies

**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 out 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 42.

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 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 by 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, 2022 and 31st March, 2021.

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

<b>Particulars</b>	<b>Year ended 31-Mar-22</b>	<b>Year ended 31-Mar-21</b>
Provision for Doubtful Debts as at the Beginning of the Year	346,021.40	356,417.31
Provided during the Year		
Written back during the Year	254,465.17	10,395.91
Provision for Doubtful Debts as at the End of the Year	91,556.23	346,021.40

**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 group's liquidity position on the basis of expected cash flow.

The Company has access to the following undrawn borrowing facilities at the end of the reporting period:

<b>Particulars</b>	<b>Year ended 31-Mar-22</b>	<b>Year ended 31-Mar-21</b>
Bank Overdraft	667,747	726,627
Letter of Credit	-	-

Bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

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 2022:**

<b>Contractual maturities</b>	<b>Within 1 Year</b>	<b>Between 1 to 3 Above 3 Years</b>	<b>Total</b>
Trade Payables	3,518,254		3,518,254
Lease Liabilities	41,149	3,429	44,578
Other Financial Liabilities	922,347		922,347
Financial Guarantee Contracts	1,332,252		1,332,252
Letter of Comfort			-
<b>Total</b>	<b>5,814,002</b>	<b>3,429</b>	<b>5,817,431</b>

**Maturity of Financial Liabilities as at 31st March 2021:**

<b>Contractual maturities</b>	<b>Within 1 Year</b>	<b>Between 1 to 3 Above 3 Years</b>	<b>Total</b>
Trade Payables	2,378,789		2,378,789
Lease Liabilities	41,149	44,578	85,727
Other Financial Liabilities	633,936		633,936
Financial Guarantee Contracts	773,372		773,372

Veedol UK Limited

Director

VEEDOL INTERNATIONAL LIMITED  
Letter of Comfort  
Total

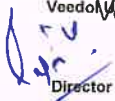
3,827,246

44,578

3,871,824

Signatories to Note 1 to 27

For and on behalf of the Board of Directors of  
Veedol UK Limited

  
Director

Director

