

Veedol International B.V.
Amsterdam

BALANCE SHEET AS AT 31 MARCH 2017
After proposal result appropriation

	31 March 2017		31 March 2016	
	€	€	€	€
ASSETS				
Fixed assets				
<u>Tangible fixed assets</u>		442		578
<u>Financial fixed assets</u>		466.187		164.451
Current assets				
<u>Stock and work in progress</u>		106.411		211.233
<u>Receivables</u>				
Trade debtors	35.202		91.999	
Receivables from group companies	-		175.861	
Taxes and social security premiums	19.579		65.287	
Other receivables and accrued assets	59.730		184.511	
		114.511		517.658
<u>Cash at bank and in hand</u>		34.527		42.295
		<u>722.078</u>		<u>936.215</u>

Veedol International B.V.
Amsterdam

LIABILITIES

Shareholders' equity

	31 March 2017	31 March 2016
	€	€
Share capital	2.800.000	1.800.000
General reserve	<u>-5.645.435</u>	<u>-4.314.184</u>
	-2.845.435	-2.514.184

Short-term liabilities

Amounts owed to credit institutions	3.207.293	3.199.063
Trade creditors	119.506	136.182
Liabilities to group companies	149.404	89.873
Taxes and social security premiums	4.121	8.042
Other liabilities and accrued expenses	<u>87.189</u>	<u>17.239</u>
	3.567.513	3.450.399

722.078

936.215

Veedol International B.V.
Amsterdam

STATEMENT OF INCOME AND EXPENSES FOR THE PERIOD 01-04-16 UNTIL 31-03-17

	1-4-2016 / 31-3-2017		1-4-2015 / 31-3-2016	
	€	€	€	€
Net Turnover	690.154		616.501	
Cost of sales	<u>-613.338</u>		<u>-525.600</u>	
Gross margin		78.816		90.901
Wages and salaries	183.277		426.341	
Social security charges	21.742		43.361	
Other staff expenses	171.309		286.890	
Depreciation of tangible fixed assets	136		102	
Other operating expenses	<u>186.997</u>		<u>366.340</u>	
Total operating expenses		<u>563.461</u>		<u>1.123.034</u>
Operating result		-486.645		-1.032.133
Interest and similar expenses		<u>-80.570</u>		<u>-60.181</u>
Result from operational activities before taxation		-567.215		-1.092.314
Tax on ordinary activities		-		-
		<u>-567.215</u>		<u>-1.092.314</u>
Share in result from participations		<u>-764.036</u>		<u>-1.340.830</u>
Net result after taxes		<u><u>-1.331.251</u></u>		<u><u>-2.433.144</u></u>

Veedol International B.V.
Amsterdam

NOTES TO THE FINANCIAL STATEMENTS

Entity information

Registered address and registration number trade register

The registered and actual address of Veedol International B.V. is Kabelweg 21, 1014 BA in Amsterdam Nederland. Veedol International B.V. is registered at the trade register under number 57181659.

General notes

Description of the most important activities of the entity

The activities of Veedol International B.V. consists primarily of trading oil to the fullest extent of the term.

Going concern

Disclosure of going concern

The management is aware of the fact that, due to losses in the start-up phase of the company, the shareholders equity has decreased to a negative amount of € 2.845.435. This could raise concerns about the ability of the company to meet the obligations and to continue the activities. The management is positive about the future opportunities, and the company is supported by the shareholders through the guarantees that they provide. Given the possibilities the management observes, together with the support of the shareholders, the management feels confident that there it is justified to report the financial statements under a going concern basis.

Consolidation

Description of the exemption of consolidation

The company owns a 100%-participation in Veedol Deutschland GmbH, located in Hamburg (Germany).

The financial statements of the company are not consolidated in accordance to article 407 lid 2a Titel 9 BW2.

Estimates

Disclosure of estimates

When preparing the financial statements, the directors, according to the general principles, make several estimates and assumptions that help determine the amounts in the financial statements. The actual results may deviate from the estimates made.

General accounting principles

Foreign currency translation

Foreign currency translation

Items included in the financial statements of Veedol International B.V. are valued with due regard for the currency in the economic environment in which the corporation carries out most of its activities (the functional currency). The financial statements are denominated in euros; this is both the functional currency and presentation currency of Veedol International B.V.

Foreign currency translation for the balance sheet

Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date. Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the income statement.

Veedol International B.V.
Amsterdam

Accounting policies for the balance sheet

Financial assets

Participations in non-consolidated entities are valued at net asset value.

Inventories

Finished goods are stated at the lower cost, determined between the actual cost or lower net realizable value. All damaged or substandard materials and obsolete, redundant or slow moving inventories are written down to their estimated net realisable values.

Receivables

Receivables are recorded at fair value and then valued at amortised cost, net of allowances for doubtful accounts, determined individually. On initial recognition the fair value and the amortised cost equal the face value.

Cash and cash equivalents

Unless otherwise noted, the liquid assets are, available for disposal by the company or group.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Accounting policies for the income statement

Accounting principles for determining the result

The result for the year is the difference between net turnover and all related costs. The costs are determined according to the stated accounting policies.

Profits are realised in the year when the corresponding turnover is realised. Losses are recognised for the year in which it will be reasonable to estimate their existence.

Revenue recognition

Net turnover represents amounts invoiced for goods and services supplied during the financial year, net of discounts and value added taxes.

Result after tax

Corporate tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profits calculated according to the financial statements and profits calculated for taxation purposes.

Veedol International B.V.
Amsterdam

NOTES TO THE BALANCE SHEET

Fixed assets

	<u>31-03-2017</u>	<u>31-03-2016</u>
	€	€
<u>Tangible fixed assets</u>		
Other fixed assets	<u>442</u>	<u>578</u>
<u>Financial fixed assets</u>		
Participations in group companies	<u>466.187</u>	<u>164.451</u>

This concerns a 100% participation in the associated company Veedol Deutschland GmbH, located in Hamburg (Germany). The investment is valued at historical costs.

Current assets

	<u>31-03-2017</u>	<u>31-03-2016</u>
	€	€
<u>Stock and work in progress</u>		
Finished products	60.213	145.517
Packaging items	<u>46.198</u>	<u>65.716</u>
	<u>106.411</u>	<u>211.233</u>

Trade debtors

Trade debtor Veedol International Limited	-	7.968
Other trade debtors	<u>35.202</u>	<u>84.031</u>
	<u>35.202</u>	<u>91.999</u>

An allowance for doubtful debts is not considered necessary.

Receivables from group companies

Current account Veedol Deutschland GmbH	-	<u>175.861</u>
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Taxes and social security premiums

Value added tax	<u>19.579</u>	<u>65.287</u>
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Other receivables and accrued assets

To charge to Veedol group companies	58.636	170.336
Prepaid rent	1.094	1.094
Insurance premium	-	3.770
Other receivables	-	6.030
Other items	-	3.281
	<u>59.730</u>	<u>184.511</u>

Veedol International B.V.
Amsterdam

	<u>31-03-2017</u>	<u>31-03-2016</u>
	€	€
<u>Cash at bank and in hand</u>		
Citibank N.A.	<u>34.527</u>	<u>42.295</u>

Shareholders' equity

Movements in equity were as follows:

	Share capital	General re- serve	Total
	€	€	€
Balance as at 1 April 2016	1.800.000	-4.314.184	-2.514.184
Appropriated of result	-	-1.331.251	-1.331.251
Share issue	1.000.000	-	1.000.000
Balance as at 31 March 2017	<u>2.800.000</u>	<u>-5.645.435</u>	<u>-2.845.435</u>

Ultimate Parent Company

Tide Water Oil Company (India) Limited at Kolkata, is the ultimate parent company of the group of which Veedol International B.V. is a member.

The authorised share capital consists of € 2.800.000 divided into 2.800.000 ordinary shares at par value of € 1 per share. The issued and paid-up capital consists of 2.800.000 shares.

On March 24, 2017 there has been issued 1.000.000 shares, each having a nominal value of € 1, to the share capital.

Short-term liabilities

	<u>31-03-2017</u>	<u>31-03-2016</u>
	€	€
<u>Amounts owed to credit institutions</u>		
Loan Citibank	2.200.000	2.200.000
HSBC, current account	<u>1.007.293</u>	<u>999.063</u>
	<u>3.207.293</u>	<u>3.199.063</u>

The credit facility of HSBC of € 1.000.000 has been granted in March 2015. The duration is indefinite. The loan agreement contains a provision that Tide Water Oil (India) Limited fully guarantees the loan.

	<u>31-03-2017</u>	<u>31-03-2016</u>
	€	€
<u>Trade creditors</u>		
Trade creditor Veedol International Limited	49.295	45.439
Other trade creditors	<u>70.211</u>	<u>90.743</u>
	<u>119.506</u>	<u>136.182</u>

Veedol International B.V.
Amsterdam

	<u>31-03-2017</u>	<u>31-03-2016</u>
	€	€
<u>Liabilities to group companies</u>		
Current account Veedol Dubai	<u>149.404</u>	<u>89.873</u>
No agreements concerning the current account were made in 2016/2017.		
<u>Other liabilities and accrued expenses</u>		
Prepayments trade debtor Veedol International Limited	39.563	-
Interest loans banks	20.000	17.239
Prepayments other trade debtors	19.109	-
Miscellaneous accruals and deferred income	8.517	-
	<u>87.189</u>	<u>17.239</u>

Off-balance-sheet rights, obligations and arrangements

Lease obligations

The company has contractual building lease obligations. The lease obligation amounts to € 18.000 a year (ending October 31, 2018).

Subsequent events

The management considers to restructure the activities of Veedol International B.V.

Appropriation of result

The management of the company proposes to appropriate the result as follows:

The loss for the period 1 April 2016 until 31 March 2017 in the amount of € 1.331.251 will be deducted from in full to the other reserves.

This proposal needs to be determined by the General Meeting, but has already been processed in anticipation in the annual accounts 1 April 2016 until 31 March 2017 for the company.

NOTES TO THE STATEMENT OF INCOME AND EXPENSES

	1-4-2016 / 31-3-2017	1-4-2015 / 31-3-2016
	€	€
Net Turnover		
Net turnover	690.154	616.501
Cost of sales		
Cost of sales	613.338	525.600
Wages and salaries		
Gross wages and salaries	164.564	364.887
30% regulation	32.213	61.454
	196.777	426.341
Applied wages and salaries	-13.500	-
	183.277	426.341
Average number of employees		
1-4-2016 / 31-3-2017		
	Amount	2,00
Average number of employees		
1-4-2015 / 31-3-2016		
	Amount	4,00
Average number of employees		
	1-4-2016 / 31-3-2017	1-4-2015 / 31-3-2016
	€	€
Social security charges		
Social security charges	21.742	43.361
Other staff expenses		
Third party services	145.266	244.332
Travel expenses	17.597	28.749
General expense allowance	8.446	9.393
Staff recruitment costs	-	4.416
	171.309	286.890
Depreciation of tangible fixed assets		
Other fixed assets	136	102

Veedol International B.V.
Amsterdam

	1-4-2016 / 31-3-2017 €	1-4-2015 / 31-3-2016 €
Other operating expenses		
Housing expenses	23.463	18.717
Selling expenses	120.577	232.954
Car expenses	11.583	51.942
Office expenses	19.116	28.510
General expenses	12.258	34.217
	<u>186.997</u>	<u>366.340</u>
<u>Housing expenses</u>		
Rent expenses and service costs	18.000	17.239
Cleaning expenses	1.833	1.478
Other housing expenses	3.630	-
	<u>23.463</u>	<u>18.717</u>
<u>Selling expenses</u>		
Costs exploitation/sales Turkey	76.100	121.197
Royalty's charged Veedol International Limited	34.005	31.384
Advertising expenses	10.472	52.589
Depreciation development corpus Firatlar Petrol Turkey	-	26.500
Other selling expenses	-	1.284
	<u>120.577</u>	<u>232.954</u>
<u>Car expenses</u>		
Operational lease cars	9.452	44.171
Fuel expenses	2.092	4.045
Other car expenses	39	3.726
	<u>11.583</u>	<u>51.942</u>
<u>Office expenses</u>		
Telephone and fax expenses	6.955	8.623
Automation expenses	5.923	5.038
Telephone expenses	4.036	6.602
Postage expenses	1.698	4.005
Office supplies	504	4.242
	<u>19.116</u>	<u>28.510</u>
<u>General expenses</u>		
Accounting costs	7.639	22.565
Advisory costs	3.850	5.156
Other general expenses	769	6.496
	<u>12.258</u>	<u>34.217</u>
Interest and similar expenses		
Interest tax authorities	-	331
Bank interest and charges	76.178	56.099
Other interest expenses	4.392	3.751
	<u>80.570</u>	<u>60.181</u>

Veedol International B.V.
Amsterdam

<u>1-4-2016 /</u>	<u>1-4-2015 /</u>
<u>31-3-2017</u>	<u>31-3-2016</u>
€	€

Bank interest and charges

Interest and costs loans Citibank N.A.
 Bank charges guarantee Tide Water Oil (India) Limited
 Bank interest and charges
 Closing commission credit facility

47.682	25.693
20.369	18.984
8.127	6.422
-	5.000
<u>76.178</u>	<u>56.099</u>

Other interest expenses

Exchange differences

<u>4.392</u>	<u>3.751</u>
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Share in result from participations

Result from Veedol Deutschland GmbH 2015
 Result from Veedol Deutschland GmbH 2016, Q1
 Result from Veedol Deutschland GmbH 2016-2017

-	-1.135.123
-	-205.707
<u>-764.036</u>	<u>-</u>
<u>-764.036</u>	<u>-1.340.830</u>