TRIVENI TURBINES DMCC

Dubai – United Arab Emirates

Separate Financial Statements and

Independent Auditor's Report

For the year ended March 31, 2020

Triveni Turbines DMCC
Dubai – United Arab Emirates

Separate Financial Statements and Independent Auditor's Report
For the year ended March 31, 2020

Table of Contents

Company Information: Triveni Turbines DMCC

Legal Status:
Free zone company with limited liability registered with Dubai Multi Commodities Centre Authority, Dubai, United Arab Emirates

Date of Incorporation:
December 21, 2014, license issued on December 29, 2014

Activities:
Trading in power generation, transmission and distribution equipment

Directors:
Mr. Dhruv Manmohan Sawhney
Ms. Nina Angela Sooranna Auchoybur
Mr. Johnathan Stephen Leevyn Isabel

Business Address:
Unit No. 4502-016,
Mazaya Business Avenue BB2,
Plot No. JLTE-PH2-BB2,
Jumeirah Lakes Towers,
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Banks:
Bangkok Bank
Noor Bank
Standard Chartered Bank

Triveni Turbines DMCC
Dubai – United Arab Emirates

Directors' Report

The Board of Directors has pleasure in presenting their report and the audited separate financial statements for the year ended March 31, 2020.

Business review:

The Company has achieved revenue from operations of **USD 3,792,126/-** (P.Y: USD 3,199,381/-). The profit for the year is **USD 1,090,822/-** (P.Y: USD 751,515/-). Management is making all efforts and is confident of better performance for the upcoming financial year.

Events after the reporting period:

There are no significant events after the reporting period.

Auditors:

The separate financial statements have been audited by Jaxa Chartered Accountants, who retire and, being eligible, offer themselves for reappointment.

Acknowledgements:

The Board of Directors would like to express their gratitude and appreciation to shareholder, banks, clients, business partners, regulatory and government authorities and staff whose continued support has been a source of great strength and encouragement.

For the Board of Directors

Dhruv Manmohan Sawhney
Director

Nina Angela Sooranna-Auchoybur
Director

May 06, 2020

TRIVENI TURBINES DMCC
DUBAI - U.A.E.

Independent Auditor's Report

To The Shareholder of
Triveni Turbines DMCC
Dubai – United Arab Emirates

Opinion

We have audited the separate financial statements of **Triveni Turbines DMCC (the "Company")**, which comprise the separate statement of financial position as at March 31, 2020, and the separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *auditor's responsibilities for the audit of the separate financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the separate financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the separate financial statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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Auditor's responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Report on other legal and regulatory requirements

As required by the U.A.E. Federal Law No. 2 of 2015, we report that:

1. we have obtained all the information we considered necessary for the purpose of our audit;
2. the separate financial statements of the Company have been prepared and comply, in all material respects, with the applicable provisions of the U.A.E. Federal Law No. 2 of 2015;
3. the Company has maintained proper books of account and records of the Company are in agreement with it;
4. the Company has investments in shares in subsidiary as detailed under note 5;
5. the financial information included in the *directors' report* is consistent with the Company's books of account;
6. note 15 reflects the disclosures relating to related party transactions and the terms under which they were conducted;
7. based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during financial year ended March 31, 2020 any of the applicable provisions of the U.A.E. Federal Law No. 2 of 2015 or its Memorandum and Articles of Association and Dubai Multi Commodities Centre DMCC Company Regulations, 2003 and its amendments which would materially affect its activities or its financial position as at March 31, 2020.

JAXA CHARTERED ACCOUNTANTS

Reg. No. 442

جاكسا محاسبون قانونيون
P.O. BOX : 92363
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JAXA CHARTERED ACCOUNTANTS

Dubai

May 06, 2020

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Triveni Turbines DMCC
Dubai – United Arab Emirates

Separate Statement of Financial Position as at March 31, 2020
(In US Dollars)

	Note	2020	2019
Assets			
Non-current assets			
Property and equipments	4	**629**	3,094
Investment in subsidiary	5	**50,008**	50,008
Total non-current assets		**50,637**	53,102
Current assets			
Inventory	6	-	4,400
Trade and other receivables	7	**1,193,519**	708,715
Cash and cash equivalents	8	**1,553,096**	649,205
Total current assets		**2,746,615**	1,362,320
Total assets		**2,797,252**	1,415,422
Equity and Liabilities			
Equity			
Share capital	1	**190,736**	190,736
Retained earnings		**1,894,249**	803,427
Total equity		**2,084,985**	994,163
Non-current liabilities			
Provision for employees' end of service benefits	9	**149,116**	122,593
Total non-current liabilities		**149,116**	122,593
Current liabilities			
Trade and other payables	10	**563,151**	298,666
Total current liabilities		**563,151**	298,666
Total liabilities		**712,267**	421,259
Total equity and liabilities		**2,797,252**	1,415,422

The accompanying notes form an integral part of these separate financial statements.
The report of the independent auditor is set forth on pages 3 to 5.

The separate financial statements on pages 6 to 29 were approved by the directors on May 06, 2020 and signed on its behalf by:

Dhruv Manmohan Sawhney
Director

Nina Angela Sobranna-Auchoybur
Director

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TRIVENI TURBINES DMCC

Triveni Turbines DMCC
Dubai – United Arab Emirates

Separate Statement of Comprehensive Income
For the year ended March 31, 2020
(In US Dollars)

	Note	2020	2019
Revenue from operations	11	**3,792,126**	3,199,381
Cost of trading revenue	12	**(1,363,670)**	(977,321)
Other income	13	**4,053**	1,296
General and administrative expenses	14	**(707,851)**	(839,145)
Depreciation	4	**(2,465)**	(2,692)
Profit before managerial remuneration		**1,722,193**	1,381,519
Managerial remuneration	15	**(631,371)**	(630,004)
Profit for the year		**1,090,822**	751,515
Other comprehensive income		**-**	-
Total comprehensive income for the year		**1,090,822**	751,515

The accompanying notes form an integral part of these separate financial statements.

The report of the independent auditor is set forth on pages 3 to 5.

Dhruv Manmohan Sawhney
Director

Nina Angela Sooranna-Auchoybur
Director

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Triveni Turbines DMCC
Dubai – United Arab Emirates

Separate Statement of Changes in Equity
For the year ended March 31, 2020
(In US Dollars)

	Share capital	Retained earnings	Total
Balance as at March 31, 2018	190.736	51,912	242,648
Profit for the year	-	751,515	751,515
Balance as at March 31, 2019	**190.736**	**803,427**	**994,163**
Profit for the year	-	1,090,822	1,090,822
Balance as at March 31, 2020	**190.736**	**1,894,249**	**2,084,985**

The accompanying notes form an integral part of these separate financial statements.

The report of the independent auditor is set forth on pages 3 to 5.

Triveni Turbines DMCC
Dubai – United Arab Emirates

Separate Statement of Cash Flows
For the year ended March 31, 2020
(In US Dollars)

	2020	2019
Cash flows from operating activities		
Profit for the year	1,090,822	751,515
Adjustments for:		
Depreciation	2,465	2,692
Interest on fixed deposits	(4,053)	(551)
Provision for employees' end of service benefits	32,555	31,443
Operating cash flows before movements in working capital	1,121,789	785,099
Inventory	4,400	(4,400)
Trade and other receivables	(484,804)	(325,493)
Trade and other payables	264,485	50,514
Operating cash flows after movements in working capital	905,870	505,720
Employees' end of service benefits paid	(6,032)	-
Net cash generated from operating activities	899,838	505,720
Cash flows from investing activities		
Acquisition of property and equipments	-	(959)
Fixed deposits (Note: 8)	(219,188)	(105,161)
Interest on fixed deposits	4,053	551
Net cash used in investing activities	(215,135)	(105,569)
Cash flows from financing activities	-	-
Net increase in cash and cash equivalents	684,703	400,151
Cash and cash equivalents at the beginning of the year (Note: 8.2)	544,044	143,893
Cash and cash equivalents at the end of the year (Note: 8.2)	1,228,747	544,044

The accompanying notes form an integral part of these separate financial statements.

The report of the independent auditor is set forth on pages 3 to 5.

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Triveni Turbines DMCC
Dubai – United Arab Emirates

Notes to the Separate Financial Statements
For the year ended March 31, 2020

1. Legal status and operations

Triveni Turbines DMCC (the "Company"), free zone company with limited liability, is registered with Dubai Multi Commodities Centre Authority, Dubai, United Arab Emirates under the license no: DMCC-096338 issued on December 29, 2014.

The registered address of the Company is Unit No. 4502-016, Mazaya Business Avenue BB2, Plot No. JLTE-PH2-BB2, Jumeirah Lakes Towers, P. O. Box: 393509, Dubai, United Arab Emirates.

Authorized, issued and fully paid up share capital of the Company is **AED 700,000/-** divided into 700 shares of AED 1,000/- each.

The details of the shareholder as at March 31, 2020 are as follows:

Sl. No.	Name	Nationality	Shares	Amount AED	%
1	M/s. Triveni Turbines Europe Private Limited	U.K.	700	700,000	100
	Total		**700**	**700,000**	**100**

Activities

The Company has a license for trading in power generation, transmission and distribution equipment.

The Company is having representative office in Thailand and the legal and other operational expenses of this representative office are included in these separate financial statements. The Company also had representative office in Indonesia which was closed down on September 04, 2019.

2. Significant accounting policies

2.1 Statement of compliance

The separate financial statements have been prepared in accordance with International Financial Reporting Standards including International Accounting Standards and Interpretations, issued or adopted by the International Accounting Standards Board (IASB) and applicable provisions of U.A.E. laws.

2.2 Basis of preparation

The separate financial statements have been prepared on the historical cost basis, except for financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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2. Significant accounting policies (continued)

2.2 Basis of preparation (continued)

These separate financial statements are presented in US Dollar (USD), which is the functional currency of the Company.

Separate financial statements of the Company

The Company has a subsidiary *viz,* M/s. Triveni Turbines Africa Proprietary Limited, South Africa in which the Company holds 100% of the share capital.

The management decided to use the exemption from consolidation of subsidiary since consolidation will be done in the ultimate holding company and hence these financial statements are presented as separate financial statements.

2.3 Change in accounting policy for leases

IFRS 16 'Leases' replaces IAS 17 'Leases' along with three Interpretations (IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC 15 'Operating Leases-Incentives' and SIC 27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease').

The adoption of this new Standard has resulted in the Company recognizing a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective approach. Prior periods have not been restated.

For contracts in place at the date of initial application, the Company has elected to apply the definition of a lease from IAS 17 and IFRIC 4 and has not applied IFRS 16 to arrangements that were previously not identified as lease under IAS 17 and IFRIC 4.

The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of IFRS 16, being April 01, 2019. At this date, the Company has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

2. Significant accounting policies (continued)

2.3 Change in accounting policy for leases (continued)

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months the Company has applied the optional exemptions to not recognize right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under IAS 17 immediately before the date of initial application.

2.4 Revenue recognition

The Company recognizes revenue based on the five step model as set out in IFRS 15: *Revenue from Contracts with Customers*. Revenue is measured based on the consideration specified in a contract with a customer. Revenue is recognized when the Company transfers control over a product or service to a customer.

When the Company satisfies a performance obligation by delivering the promised goods or services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized, this gives rise to a contract liability.

All revenue is measured at the fair value of the consideration receivable, excluding discounts and rebates.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and effective interest rate applicable.

Other income

Other income is credited to income at the time of effecting the transaction.

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TRIVENI TURBINES DMCC

2. Significant accounting policies (continued)

2.5 Foreign currencies

Transactions denominated in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are converted into US Dollar at the rates of exchange prevailing at the end of the reporting period and gain or loss arising thereon was charged to profit or loss. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated.

2.6 Property and equipments

Property and equipments are carried at cost, less accumulated depreciation and identified impairment loss, if any. Cost includes expenditure that is directly attributable to the acquisition of property and equipments.

Subsequent costs are included in the asset's carrying amount or recognized 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. All other repairs and maintenance expenses are charged to the profit or loss in the period in which they are incurred.

Depreciation is charged to the profit or loss on a straight line basis over the estimated remaining useful lives of property and equipments. The estimated useful lives are as follows:

Computer and accessories	:	3 years
Office equipments	:	3 years

The gain or loss arising on the disposal or retirement of an item of property and equipments is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the profit or loss.

2.7 Investment in subsidiary

A subsidiary is an entity which is controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights presently exercisable are taken into account. Investment in subsidiary is stated at cost.

2. Significant accounting policies (continued)

2.8 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.9 Leases

As described in Note 2.3, the Company has applied IFRS 16 using the modified retrospective approach.

The Company as a lessee

For any new contracts entered into on or after January 01, 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as "a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration".

Measurement and recognition of leases as a lessee

For each lease, the Company recognizes a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

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2. Significant accounting policies (continued)

2.9 Leases (continued)

Measurement and recognition of leases as a lessee (continued)

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Operating leases

All other leases are treated as operating leases. Where the Company is a lessee, payments on operating lease agreements are recognized as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

2.10 Inventory

Inventory is stated at the lower of cost or net realizable value. Cost comprises direct materials and, wherever applicable, directs labour costs and those overheads that have been incurred in bringing the inventory to its present location and condition. Net realizable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

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TRIVENI TURBINES DMCC

2. Significant accounting policies (continued)

2.11 Financial assets

The Company has the following financial assets: 'trade and other receivables excluding prepayments' and 'cash and cash equivalents'. The classification depends on the nature of the financial asset and is determined at the time of initial recognition.

Loans and receivables

Trade receivables are carried at original invoice amount less allowance made for impairment of these receivables. A provision for impairment of trade receivables is established where there is objective evidence that the Company will not be able to collect all amounts due according to the terms of receivables.

Other receivables are stated at their nominal value. Allowance for impairment is made against loans and receivables when their recovery is in doubt. Loans and receivables are written off only when all possible courses of action to achieve recovery have proved unsuccessful.

Due from related party

Due from related party is stated at its nominal value and is included in trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents include balance with the banks in current accounts and deposits held with the banks (excluding deposits held under lien) with original maturities of three months or less.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer counterparty;
- breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter bankruptcy or financial re-organization;
- the disappearance of an active market for that financial asset because of causes which are financial and non-financial.

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2. Significant accounting policies (continued)

2.11 Financial assets (continued)

Impairment of financial assets (continued)

For certain categories of financial assets such as trade receivables that are assessed as not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

For the financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the assets at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

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2. Significant accounting policies (continued)

2.11 Financial assets (continued)

De-recognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset.

2.12 Equity instruments and financial liabilities

Equity instruments and financial liabilities of the Company are classified according to the substance of the contractual arrangements entered into and the definitions of an equity instrument and a financial liability.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the asset of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue cost.

Financial liabilities

Financial liabilities consist of 'provision for employees' end of service benefits' and 'trade and other payables'. Trade and other payables include due to related party also. Financial liabilities, including bank borrowings are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expenses recognized on an effective yield basis, except for the short-term payables when the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

De-recognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or has expired.

TRIVENI TURBINES DMCC
DUBAI - U.A.E.

2. Significant accounting policies (continued)

2.13 Provision for employees' end of service benefits

Provision for employees' end of service benefits is accounted as required by the U.A.E. Labour Law for accumulated period of service at the end of the reporting period and is disclosed as a non – current liability.

2.14 Provisions

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

2.15 New standards and interpretations not yet adopted

Certain new accounting standards, amendments to standards and interpretations have been published that are not mandatory for December 31, 2019 reporting periods and have not been early adopted by the Company. These are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

3. Critical accounting judgment and key sources of estimation uncertainty

Critical judgments in applying the Company's accounting policies

In the process of applying the Company's accounting policies, which are described in note 2 to the separate financial statements, management has made the following judgments that have the most significant effect on the amounts recognized in the separate financial statements (apart from those involving estimations, which are dealt below):

Satisfaction of performance obligations

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognizing revenue as per IFRS 15: *Revenue from Contracts with Customers.* The Company has assessed that based on the contracts entered into with customers the Company does not create an asset with an alternative use to the Company and usually has an enforceable right to payment for performance completed to date. In these circumstances the Company recognizes revenue over time. Where this is not the case revenue is recognized at a point in time.

DUBAI - U.A.E.
TRIVENI TURBINES DMCC

3. Critical accounting judgment and key sources of estimation uncertainty (continued)

Critical judgments in applying the Company's accounting policies *(continued)*

Leases

Management applies judgment in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the Company obtains ownership of the asset at the end of the lease term.

Employees' end of service benefits

The Company provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period, calculated under the provisions of the Labour Law and is payable upon resignation or termination of the employee. The expected costs of these benefits are accrued over the period of employment.

Key estimates applied in preparing the separate financial statements

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Property and equipments

The cost of property and equipments is depreciated over the estimated useful life of the assets. The estimated life is based on expected usage of the asset and expected physical wear and tear, which depends on operational factors. Management has not considered any residual value as it is deemed immaterial.

Allowance for slow moving inventory

Inventory is stated at the lower of cost (on a first-in, first-out basis) or market value, and is reduced by allowances for slow-moving, excess and obsolete inventory. Estimate for slow-moving, excess and obsolete inventory are based on the review of on-hand inventory compared to their estimated future usage and demand for products. If actual future usage and demand for products are less favorable than those projected by the management, additional inventory write-downs may be required.

DUBAI - U.A.E.
TRIVENI TURBINES DMCC

3. Critical accounting judgment and key sources of estimation uncertainty (continued)

***Key estimates applied in preparing the financial statements** (continued)*

Impairment of financial assets

Management has estimated the recoverability of financial assets and has considered the impairment based on the current economic environment and past default history.

4. Property and equipments

	Computer and accessories USD	Office equipments USD	Total USD
Cost			
As at March 31, 2018	6,284	1,074	7,358
Additions	959	-	959
As at March 31, 2019	**7,243**	**1,074**	**8,317**
Additions	-	-	-
As at March 31, 2020	7,243	1,074	8,317
Depreciation			
As at March 31, 2018	2,229	302	2,531
For the year	2,331	361	2,692
As at March 31, 2019	**4,560**	**663**	**5,223**
For the year	2,161	304	2,465
As at March 31, 2020	**6,721**	**967**	**7,688**
Net book value			
As at March 31, 2020	**522**	**107**	**629**
As at March 31, 2019	2,683	411	3,094

5. Investment in subsidiary

	March 31, 2020 USD	March 31, 2019 USD
Balance at the beginning of the year	**50,008**	50,008

The Company holds 614740 shares in M/s. Triveni Turbines Africa Proprietary Limited, South Africa for USD 50,008/- and the holding as at the end of the reporting period is 100%.

Investment in subsidiary is stated at cost.

DUBAI - U.A.E.
TRIVENI TURBINES D.M.C.C.

6. Inventory

	March 31,	
	2020	2019
	USD	USD
Inventory	**-**	4,400

- Inventory is physically verified and certified by the management and confirmed as good for sale in the ordinary course of business. Management believes that no provision is required for obsolescence.

7. Trade and other receivables

	March 31,	
	2020	2019
	USD	USD
Trade receivables	**497,650**	67,835
Due from related party (Note: 15)	**664,917**	589,143
Prepayments	**18,428**	25,569
Deposits	**6,862**	15,527
Advances	**3,220**	4,221
VAT receivable	**2,442**	468
Staff receivables	**-**	5,952
	1,193,519	708,715

Ageing of trade receivables	March 31,	
	2020	2019
	USD	USD
0 to 30 days	**317,100**	42,610
31 to 90 days	**-**	20,529
Above 90 days	**180,550**	4,696
	497,650	67,835

Geographical analysis of trade receivables	March 31,	
	2020	2019
	USD	USD
Outside United Arab Emirates	**497,650**	67,835

7. Trade and other receivables (continued)

In determining the recoverability of trade receivables, the Company considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the end of the reporting period. As at March 31, 2020 three customers comprised 100% of gross trade receivables (March 31, 2019 five customer comprised 100%). Management believes that this concentration of credit risk is mitigated since the outstanding balances are due mainly from customers with whom there have been good relationships with a track record of regular payment.

8. Cash and cash equivalents

8.1 Bank balances

	March 31,	
	2020	2019
	USD	USD
Bank balances: in current accounts	**1,228,747**	544,044
: fixed deposits	**324,349**	105,161
	1,553,096	649,205

Deposits with the banks earn interest at prevailing bank deposit rates. Short term deposits are made for a period up to one year. Deposits with the banks are held under lien against the guarantees issued by the banks.

8.2 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise:

	March 31,	
	2020	2019
	USD	USD
Bank balances	**1,553,096**	649,205
Less: fixed deposits	**(324,349)**	(105,161)
Cash and cash equivalents	**1,228,747**	544,044

9. Provision for employees' end of service benefits

	March 31,	
	2020	2019
	USD	USD
Balance at the beginning of the year	**122,593**	91,150
Charged for the year	**32,555**	31,443
Paid during the year	**(6,032)**	-
	149,116	122,593

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DUBAI - U.A.E.
TRIVENI TURBINES DMCC

10. Trade and other payables

	March 31,	
	2020	2019
	USD	USD
Advance from customers	**425,154**	190,921
Accrued expenses	**83,740**	46,436
Staff payables	**54,257**	54,496
Due to related party (Note: 15)	**-**	6,813
	563,151	298,666

11. Revenue from operations

	Year ended March 31,	
	2020	2019
	USD	USD
Revenue from trading	**1,629,147**	1,318,799
Reimbursement claims (Note: 15)	**960,000**	915,000
Other operating income (Note: 15)	**1,202,979**	965,582
	3,792,126	3,199,381

12. Cost of trading revenue

	Year ended March 31,	
	2020	2019
	USD	USD
Inventory at the beginning of the year	**4,400**	-
Purchases	**1,359,270**	977,967
Less: inventory at the end of the year	**-**	(4,400)
Cost of goods sold	**1,363,670**	973,567
Other direct expenses	**-**	3,754
	1,363,670	977,321

13. Other income

	Year ended March 31,	
	2020	2019
	USD	USD
Interest on fixed deposits	**4,053**	551
Others	**-**	745
	4,053	1,296

14. General and administrative expenses

	Year ended March 31,	
	2020	2019
	USD	USD
Employee cost	**293,691**	336,131
Rent	**34,390**	52,833
Travelling and conveyance	**170,665**	288,124
Business promotion	**111,374**	40,071
Legal, license and professional fees	**74,778**	81,006
Bank charges	**13,771**	17,219
Exchange loss	**2,372**	13,383
Communication	**992**	2,070
Others	**5,818**	8,308
	707,851	839,145

15. Related parties

The Company, in the ordinary course of business, entered into a variety of transactions at agreed terms and conditions, with companies, entities or individuals that fall within the definition of related party as contained in International Accounting Standard No. 24: *Related Party Disclosures*. Related parties comprise the Company's shareholder, directors and entities related to them, companies under common ownership and/or common management and control, their partners and key management personnel.

Due from related party at the end of the reporting period comprise of:

	March 31,	
	2020	2019
	USD	USD
M/s. Triveni Turbines Limited, India (ultimate holding company)	**664,917**	589,143

Due to related party at the end of the reporting period comprise of:

	March 31,	
	2020	2019
	USD	USD
M/s. Triveni Turbines Africa (PTY) LTD, South Africa	**-**	6,813

DUBAI - U.A.E.
TRIVENI TURBINES DMCC

15. Related parties (continued)

During the year the Company entered into the following transactions with related parties:

	Year ended March 31,	
	2020	2019
	USD	USD
Purchases	**1,359,270**	845,085
Marketing support services (for power generation equipments)		
Reimbursement claims	**960,000**	915,000
Other operating income	**1,202,979**	965,582
Business promotion expenses	**60,224**	32,571

Compensation of key management personnel

The remuneration of members of key management during the year was as follows:

	Year ended March 31,	
	2020	2019
	USD	USD
Salary and short term benefits	**631,371**	630,004

16. Contingent liabilities and commitments

	March 31,	
	2020	2019
	USD	USD
Bank guarantees	**-**	95,100

The bank guarantees were secured by lien over the fixed deposits with the banks as given under Note: 8.

Except the above, there has been no other known contingent liability or capital commitments on the Company as at the end of reporting period.

17. Financial instruments

Fair value

The fair value of the Company's financial instruments is not materially different from their carrying amounts in the separate statement of financial position.

Risk management

The main risks arising from the Company's financial instruments are credit risk, currency risk, interest rate risk and liquidity risk.

DUBAI - U.A.E.
TRIVENI TURBINES DMCC

17. Financial instruments (continued)

Risk management (continued)

a) Credit risk

The Company's exposure to credit risk at the end of the reporting period is indicated by the carrying amounts of its financial assets, net of any applicable allowance for losses. The Company is exposed to credit risk on its financial assets as follows:

	March 31, 2020	March 31, 2019
	USD	USD
Trade receivables	**497,650**	67,835
Deposits	**6,862**	15,527
Advances	**3,220**	10,173
VAT receivable	**2,442**	468
Due from related party	**664,917**	589,143
Bank balances	**1,553,096**	649,205

The Company usually undertakes transactions with reputable customers and has established credit limits for its customers on periodic reviews it carries out for this purpose. The Company provides an allowance for impairment at the end of each reporting period that represents its estimate of incurred losses in respect of trade receivables. Deposits, advances and related party balances are held with reputable parties.

VAT receivable represents the amount receivable from the Federal Tax Authority, U.A.E.

The credit risk on bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

b) Currency risk

The Company's currency risk relates to the exposure to the fluctuations in the foreign currency rates. There is no significant impact on the USD as the AED is pegged to the USD. As at the end of the reporting period, the Company's foreign currency risk comprises of the following:

1. Trade and other receivables	**Amount in Foreign currency** March 31, 2020	**Amount in Foreign currency** March 31, 2019	**Amount in Functional currency** March 31, 2020	**Amount in Functional currency** March 31, 2019
Currency				
THB	**59,508**	-	**1,823**	-

DUBAI - U.A.E.
TRIVENI TURBINES D.M.C.C.

17. Financial instruments (continued)

Risk management (continued)

b) Currency risk (continued)

2. Bank balances	Amount in Foreign currency		Amount in Functional currency	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
Currency				
THB	**619,374**	638,683	**18,954**	20,216

3. Trade and other payables	Amount in Foreign currency		Amount in Functional currency	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
Currency				
INR	**62,671**	-	**837**	-
IDR	-	5,852,880	-	411
THB	-	56,140	-	1,777
			837	2,188

4. Summary	Amount in Functional currency	
	March 31, 2020	March 31, 2019
Trade and other receivables	**1,823**	-
Bank balances	**18,954**	20,216
Trade and other payables	**(837)**	(2,188)
	19,940	18,028

A 10% increase in functional currency rates to the foreign currency can result in an exchange gain of **USD 1,994/-** as at March 31, 2020 (March 31, 2019: USD 1,803/-) and a 10% decrease can result in an exchange loss of **USD 1,994/-** as at March 31, 2020 (March 31, 2019: USD 1,803/-).

c) Interest rate risk

Fixed deposits are subject to fixed interest rates at levels generally obtained in the U.A.E. and are therefore exposed to fair value interest rate risk. Reasonably possible changes to the interest rates at the end of the reporting period are unlikely to have a significant impact on profit or equity.

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TRIVENI TURBINES DMCC

17. Financial instruments (continued)

Risk management (continued)

d) Liquidity risk

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with its short term financial liabilities at maturity date.

The Company manages the liquidity risk through risk management framework for the Company's short, medium and long term funding and liquidity management requirements by maintaining adequate reserves, sufficient cash and cash equivalent to ensure funds are available to meet its commitments for liabilities as they fall due.

The table below analyses the Company's remaining contractual maturity for its short term financial liabilities based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	March 31,	
	2020	2019
	USD	USD
Due to related party	-	6,813
Trade and other payables	563,151	298,666

18. Comparative figures

Certain amounts for the previous year were reclassified to conform to current year presentation.

Dhruv Manmohan Sawhney
Director

Nina Angela Sooranna-Auchoybur
Director

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