

TRIVENI TURBINES DMCC

Dubai – United Arab Emirates

Financial Statements and

Independent Auditor's Report

For the period from December 29, 2014 to March 31, 2016

**Triveni Turbines DMCC
Dubai – United Arab Emirates**

**Financial Statements and Independent Auditor's Report
For the period from December 29, 2014 to March 31, 2016**

Table of Contents

	Page
Company Information	1
Directors' Report	2
Independent Auditor's Report	3-4
Statement of Financial Position	5
Statement of Comprehensive Income	6
Statement of Changes in Shareholder's Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9-17

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. 4502-023, 45th Floor,
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Bank:

Noor Bank



Independent Auditor's Report

To

The Shareholder

Triveni Turbines DMCC

Dubai – United Arab Emirates

We have audited the accompanying financial statements of **Triveni Turbines DMCC (the "Company")** which comprise the statement of financial position as at March 31, 2016 and statement of comprehensive income, statement of changes in shareholder's equity and statement of cash flows for the period from December 29, 2014 (since inception) to March 31, 2016 and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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Independent Auditor's Report (continued)

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 financial statements present fairly, in all material respects, the financial position of **Triveni Turbines DMCC** as at March 31, 2016 and its financial performance and cash flows for the period from December 29, 2014 (since inception) to March 31, 2016 in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

Also, in our opinion, proper books of accounts are maintained by the Company. We have obtained all the information and explanations, which we considered necessary for the purpose of our audit. According to the information available to us, there were no contraventions of the Dubai Multi Commodities Centre DMCC Company Regulations, 2003 and its amendments and the U.A.E. Federal Law No. 2 of 2015 on Commercial Companies or the applicable provisions of the U.A.E. Federal Commercial Companies Law No. 8 of 1984 and the provisions of the memorandum and articles of association of the Company, which might have a material effect on the financial position of the Company or on the results of its operations.

Dubai

May 09, 2016

Ref: DXB/194/NM/316393

JAXA CHARTERED ACCOUNTANTS

Reg. No. 442



Triveni Turbines DMCC
Dubai – United Arab Emirates

Statement of Financial Position as at March 31, 2016
(In US Dollars)


	Note	<u>2016</u>
Assets		
Non-current assets		

Current assets		
Trade and other receivables	3	154,831
Cash and cash equivalents	4	<u>95,213</u>
Total current assets		<u>250,044</u>
Total assets		<u>250,044</u>
Equity and Liabilities		
Equity		
Share capital	1	190,736
Accumulated deficit		<u>(67,570)</u>
Total equity		<u>123,166</u>
Non-current liabilities		
Provision for employees' end of service benefits	5	<u>31,629</u>
Total non-current liabilities		<u>31,629</u>
Current liabilities		
Trade and other payables	6	<u>95,249</u>
Total current liabilities		<u>95,249</u>
Total liabilities		<u>126,878</u>
Total equity and liabilities		<u>250,044</u>

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

The report of the independent auditor is set forth on pages 3 to 4.

The financial statements on pages 5 to 17 were approved by the shareholder on May 09, 2016 and signed on its behalf by:


Johnathan Stephen Leevyn Isabel
Director




Nina Angela Sooranna-Auchoybur
Director


Triveni Turbines DMCC
Dubai – United Arab Emirates


Statement of Comprehensive Income
For the period from December 29, 2014 to March 31, 2016
(In US Dollars)

	<u>Note</u>	<u>For the period from December 29, 2014 to March 31, 2016</u>
Revenue from operations	7	743,647
General and administrative expenses	8	<u>(247,051)</u>
Profit before managerial remuneration		496,596
Managerial remuneration	9	<u>(564,166)</u>
Loss for the period		(67,570)
Other comprehensive income		<u>-</u>
Total comprehensive income for the period		<u>(67,570)</u>

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

The report of the independent auditor is set forth on pages 3 to 4.


Johnathan Stephen Leevyn Isabel
Director


Nina Angela Sooranna-Auchoybur
Director



Triveni Turbines DMCC
Dubai – United Arab Emirates

Statement of Changes in Shareholder's Equity
For the period from December 29, 2014 to March 31, 2016
(In US Dollars)

	<u>Share capital</u>	<u>Accumulated deficit</u>	<u>Total</u>
Capital introduced	190,736	-	190,736
Loss for the period	<u>-</u>	<u>(67,570)</u>	<u>(67,570)</u>
Balance as at March 31, 2016	<u>190,736</u>	<u>(67,570)</u>	<u>123,166</u>

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

The report of the independent auditor is set forth on pages 3 to 4.

**Triveni Turbines DMCC
Dubai – United Arab Emirates**

**Statement of Cash Flows
For the period from December 29, 2014 to March 31, 2016
(In US Dollars)**

	<u>For the period from December 29, 2014 to March 31, 2016</u>
Cash flows from operating activities	
Loss for the period	(67,570)
<i>Adjustments for:</i>	
Provision for employees' end of service benefits	<u>31,629</u>
Operating cash flows before movements in working capital	(35,941)
Trade and other receivables	(154,831)
Trade and other payables	<u>95,249</u>
Net cash used in operating activities	<u>(95,523)</u>
Cash flows from investing activities	<u>-</u>
Cash flows from financing activities	
Capital introduced	<u>190,736</u>
Net cash generated from financing activities	<u>190,736</u>
Net increase in cash and cash equivalents	95,213
Cash and cash equivalents at the beginning of the period	<u>-</u>
Cash and cash equivalents at the end of the period	<u><u>95,213</u></u>

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 3 to 4.

Triveni Turbines DMCC
Dubai – United Arab Emirates

Notes to the Financial Statements
For the period from December 29, 2014 to March 31, 2016

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. 4502-023, 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, 2016 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.

2. Significant accounting policies

2.1 Statement of compliance

The 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 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.

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

Triveni Turbines DMCC
Dubai – United Arab Emirates

Notes to the Financial Statements (continued)
For the period from December 29, 2014 to March 31, 2016

2. Significant accounting policies (continued)

2.3 Revenue recognition

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

Other income

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

2.4 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.

2.5 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

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.

Cash and cash equivalents

Cash and cash equivalents consist of balance with the bank in current accounts.

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.

Triveni Turbines DMCC
Dubai – United Arab Emirates

Notes to the Financial Statements (continued)
For the period from December 29, 2014 to March 31, 2016

2. Significant accounting policies (continued)

2.5 Financial assets (continued)

Impairment of financial assets (continued)

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.

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.

Triveni Turbines DMCC
Dubai – United Arab Emirates

Notes to the Financial Statements (continued)
For the period from December 29, 2014 to March 31, 2016

2. Significant accounting policies (continued)

2.5 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.

2.6 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’. 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 – United Arab Emirates

Notes to the Financial Statements (continued)
For the period from December 29, 2014 to March 31, 2016

2. Significant accounting policies (continued)

2.7 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.

2.8 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.

2.9 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for financial statements after April 01, 2015 and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company, except for IFRS 9: *Financial Instruments* which could change the classification and measurement of financial assets. The Company does not plan to adopt this standard early and the extent of the impact has not been determined.

3. Trade and other receivables

	<u>March 31, 2016</u>
	<u>USD</u>
Due from related party (Note: 9)	137,699
Prepayments	11,208
Deposits	4,646
Advances	1,278
	<u>154,831</u>

4. Cash and cash equivalents

	<u>March 31, 2016</u>
	<u>USD</u>
Bank balances: in current accounts	<u>95,213</u>

5. Provision for employees' end of service benefits

	<u>March 31, 2016</u>
	<u>USD</u>
Charged for the period	<u>31,629</u>

Triveni Turbines DMCC
Dubai – United Arab Emirates

Notes to the Financial Statements (continued)
For the period from December 29, 2014 to March 31, 2016

	<u>March 31, 2016</u>
	<u>USD</u>
6. Trade and other payables	
Staff payables	43,696
Accrued expenses	<u>51,553</u>
	<u>95,249</u>
7. Revenue from operations	
	<u>For the period from</u>
	<u>December 29, 2014 to</u>
	<u>March 31, 2016</u>
	<u>USD</u>
Revenue from trading	-
Other operating income	<u>743,647</u>
	<u>743,647</u>
8. General and administrative expenses	
	<u>For the period from</u>
	<u>December 29, 2014 to</u>
	<u>March 31, 2016</u>
	<u>USD</u>
Employee cost	20,608
Rent	7,971
Travelling and conveyance	168,071
Legal, license and professional fees	43,112
Communication	4,381
Others	<u>2,908</u>
	<u>247,051</u>

9. Related party

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.

Triveni Turbines DMCC
Dubai – United Arab Emirates

Notes to the Financial Statements (continued)
For the period from December 29, 2014 to March 31, 2016

9. Related party (continued)

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

	<u>March 31, 2016</u>
	<u>USD</u>
M/s. Triveni Turbines Europe Private Limited, U.K.	<u>137,699</u>

During the period the Company entered into the following transactions with related party:

	<u>For the period from</u> <u>December 29, 2014 to</u> <u>March 31, 2016</u>
	<u>USD</u>
<u>Marketing supporting services (for power generation equipments)</u>	
Reimbursement claims	652,500
Other operating income	<u>91,147</u>

Compensation of key management personnel

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

	<u>For the period from</u> <u>December 29, 2014 to</u> <u>March 31, 2016</u>
	<u>USD</u>
Salary and short term benefits	<u>564,166</u>

10. Contingent liabilities and commitments

Except the ongoing business commitments, which are in the normal course of business, there has been no known contingent liability or capital commitments on the Company as at the end of the reporting period.

11. Financial instruments

Fair value

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

Triveni Turbines DMCC
Dubai – United Arab Emirates

Notes to the Financial Statements (continued)
For the period from December 29, 2014 to March 31, 2016

11. 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:

	<u>March 31, 2016</u>
	<u>USD</u>
Deposits	4,646
Advances	1,278
Due from related party	137,699
Bank balances	<u>95,213</u>

Deposits, advances and related party balances are held with reputable parties.

The credit risk on bank balances is limited because the counterparty is a bank 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 are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in USD or AED to which USD is pegged.

c) Interest rate risk

The Company does not have any interest bearing assets and liabilities as at the end of the reporting period and hence the Company is not exposed to any interest rate risk as at the end of the reporting period.

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.

Triveni Turbines DMCC
Dubai – United Arab Emirates

Notes to the Financial Statements (continued)
For the period from December 29, 2014 to March 31, 2016

11. Financial instruments (continued)

Risk management (continued)

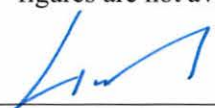
d) Liquidity risk (continued)

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.


	<u>March 31, 2016</u>
	<u>USD</u>
Trade and other payables	<u>95,249</u>

12. Comparative figures

This being the first financial statements prepared since inception of the Company, comparative figures are not available.



Johnathan Stephen Leevyn Isabel
Director



Nina Angela Sooranna-Auchoybur
Director



