

**TRIVENI TURBINES DMCC**

Dubai – United Arab Emirates

Separate Financial Statements and

Independent Auditor's Report

For the year ended March 31, 2019

Triveni Turbines DMCC  
Dubai – United Arab Emirates

Separate Financial Statements and Independent Auditor's Report  
For the year ended March 31, 2019

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**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, 2019.

#### Business review:

The Company has achieved revenue from operations of **USD 3,199,381/-** (P.Y: USD 2,266,260/-). The profit for the year is **USD 751,515/-** (P.Y: USD 41,090/-). 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.

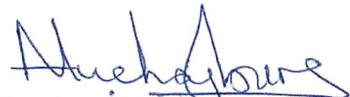
#### Acknowledgements:

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

April 30, 2019



## 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, 2019, 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, 2019, 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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## Independent Auditor's Report (continued)

### *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.

**Independent Auditor's Report (continued)**

**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, 2019 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, 2019.

Dubai

April 30, 2019

Ref: DXB/161/NM/319290

**JAXA CHARTERED ACCOUNTANTS**

Reg. No. 442



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Triveni Turbines DMCC  
Dubai – United Arab Emirates

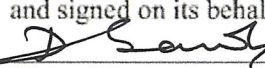
Separate Statement of Financial Position as at March 31, 2019  
(In US Dollars)

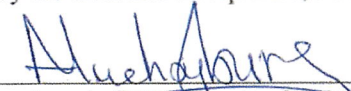
	Note	2019	2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipments	4	3,094	4,827
Investment in subsidiary	5	<u>50,008</u>	<u>50,008</u>
<b>Total non-current assets</b>		<u>53,102</u>	<u>54,835</u>
<b>Current assets</b>			
Inventory	6	4,400	-
Trade and other receivables	7	708,715	383,222
Cash and cash equivalents	8	<u>649,205</u>	<u>143,893</u>
<b>Total current assets</b>		<u>1,362,320</u>	<u>527,115</u>
<b>Total assets</b>		<u>1,415,422</u>	<u>581,950</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	1	190,736	190,736
Retained earnings		<u>803,427</u>	<u>51,912</u>
<b>Total equity</b>		<u>994,163</u>	<u>242,648</u>
<b>Non-current liabilities</b>			
Provision for employees' end of service benefits	9	<u>122,593</u>	<u>91,150</u>
<b>Total non-current liabilities</b>		<u>122,593</u>	<u>91,150</u>
<b>Current liabilities</b>			
Trade and other payables	10	<u>298,666</u>	<u>248,152</u>
<b>Total current liabilities</b>		<u>298,666</u>	<u>248,152</u>
<b>Total liabilities</b>		<u>421,259</u>	<u>339,302</u>
<b>Total equity and liabilities</b>		<u>1,415,422</u>	<u>581,950</u>

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 27 were approved by the directors on April 30, 2019 and signed on its behalf by:

  
Dhruv Manmohan Sawhney  
Director

  
Nina Angela Sooranna-Auchoybur  
Director





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

**Separate Statement of Comprehensive Income**  
**For the year ended March 31, 2019**  
**(In US Dollars)**

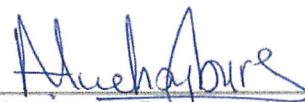
	Note	<u>2019</u>	<u>2018</u>
Revenue from operations	11	3,199,381	2,266,260
Cost of trading revenue	12	( 977,321)	( 597,832)
Other income	13	1,296	-
General and administrative expenses	14	( 839,145)	( 1,029,059)
Depreciation	4	<u>( 2,692)</u>	<u>( 2,230)</u>
<b>Profit before managerial remuneration</b>		<b>1,381,519</b>	<b>637,139</b>
Managerial remuneration	15	<u>( 630,004)</u>	<u>( 596,049)</u>
<b>Profit for the year</b>		<b>751,515</b>	<b>41,090</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<u><b>751,515</b></u>	<u><b>41,090</b></u>

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*



Triveni Turbines DMCC  
Dubai – United Arab Emirates

Separate Statement of Changes in Equity  
For the year ended March 31, 2019  
(In US Dollars)

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Balance as at March 31, 2017	190,736	10,822	201,558
Profit for the year	-	41,090	41,090
<b>Balance as at March 31, 2018</b>	<b>190,736</b>	<b>51,912</b>	<b>242,648</b>
Profit for the year	-	751,515	751,515
<b>Balance as at March 31, 2019</b>	<b>190,736</b>	<b>803,427</b>	<b>994,163</b>

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, 2019  
(In US Dollars)

	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities</b>		
Profit for the year	751,515	41,090
<i>Adjustments for:</i>		
Depreciation	2,692	2,230
Interest on fixed deposits	( 551)	-
Provision for employees' end of service benefits	<u>31,443</u>	<u>30,226</u>
<b>Operating cash flows before movements in working capital</b>	<b>785,099</b>	<b>73,546</b>
Inventory	( 4,400)	-
Trade and other receivables	( 325,493)	( 179,169)
Trade and other payables	<u>50,514</u>	<u>67,333</u>
<b>Operating cash flows after movements in working capital</b>	<b>505,720</b>	<b>( 38,290)</b>
Employees' end of service benefits paid	-	( 3,396)
<b>Net cash generated from/(used in) operating activities</b>	<u><b>505,720</b></u>	<u><b>( 41,686)</b></u>
<b>Cash flows from investing activities</b>		
Acquisition of property and equipments	( 959)	( 2,013)
Acquisition of investment in subsidiary	-	( 50,008)
Fixed deposits (Note: 8)	( 105,161)	-
Interest on fixed deposits	<u>551</u>	<u>-</u>
<b>Net cash used in investing activities</b>	<u><b>( 105,569)</b></u>	<u><b>( 52,021)</b></u>
<b>Cash flows from financing activities</b>	<u><b>-</b></u>	<u><b>-</b></u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>400,151</b>	<b>( 93,707)</b>
Cash and cash equivalents at the beginning of the year (Note: 8.2)	<u>143,893</u>	<u>237,600</u>
<b>Cash and cash equivalents at the end of the year (Note: 8.2)</b>	<u><b>544,044</b></u>	<u><b>143,893</b></u>

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**

**Notes to the Separate Financial Statements**  
**For the year ended March 31, 2019**

**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, 2019 are as follows:

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

**Activities**

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

The Company is having representative offices in Indonesia and Thailand and the legal and other operational expenses of these representative offices are included in these separate financial statements. The Company also had representative office in Vietnam which was closed down on September 25, 2018.

**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.



Notes to the Separate Financial Statements (continued)  
For the year ended March 31, 2019

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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 Revenue recognition

The Company has adopted IFRS 15: *Revenue from Contracts with Customers* using the cumulative effect method (without practical expedients) with the effect of initially applying this standard recognized at the date of initial application (i.e., January 01, 2018). Accordingly, the information presented for 2017 has not been restated – i.e., it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations. Additionally, the disclosure requirements in IFRS 15 have not generally been applied to comparative information as the impact is immaterial.

IFRS 15 outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across IAS 18: *Revenue*, IAS 11: *Construction Contracts* and related interpretations. It establishes a new five-step model that will apply to revenue arising from contracts with customers.

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.



Notes to the Separate Financial Statements (continued)  
For the year ended March 31, 2019

2. Significant accounting policies (continued)

**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 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.

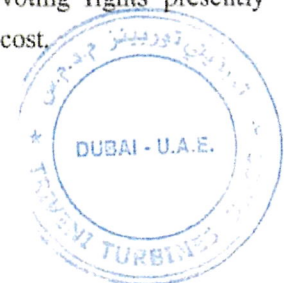
Depreciation is charged to the profit or loss on a straight line basis over the estimated remaining useful lives of property and equipments. The estimated useful lives are as follows:

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.

**2.6 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)**

**2.7 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.

**2.8 Inventory**

Inventory is stated at the lower of cost or net realizable value. Cost comprises direct materials and, wherever applicable, direct 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.

**2.9 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.



2. Significant accounting policies (continued)

2.9 Financial assets (continued)

Loans and receivables (continued)

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 parties

Due from related parties are stated at their 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.

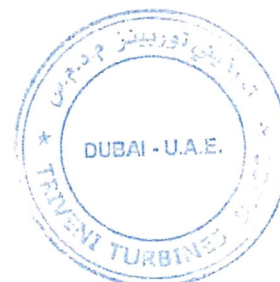
Impairment of financial assets

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.

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.





Triveni Turbines DMCC  
Dubai – United Arab Emirates

Notes to the Separate Financial Statements (continued)  
For the year ended March 31, 2019

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2. Significant accounting policies (continued)

2.9 Financial assets (continued)

Impairment of financial assets (continued)

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.

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. Significant accounting policies (continued)

**2.10 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.

**2.11 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.

**2.12 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.



Notes to the Separate Financial Statements (continued)  
For the year ended March 31, 2019

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2. Significant accounting policies (continued)

**2.13 New standards and interpretations not yet adopted**

A number of new standards, amendments to standards and interpretations are not yet effective for separate financial statements after January 01, 2019 and have not been applied in preparing these separate financial statements. None of these are expected to have a significant effect on the separate financial statements of the Company, except for IFRS 16: *Leases*. The Company is currently assessing the impact of this standard, which will be adopted to the extent applicable to the Company from January 01, 2019.

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.

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.



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

*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.

Allowance for doubtful debts

Management has estimated the recoverability of trade receivables and has considered the allowance required for doubtful debts based on the current economic environment and past default history.



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Notes to the Separate Financial Statements (continued)  
For the year ended March 31, 2019

4. Property and equipments

	<u>Computer and accessories</u> USD	<u>Office equipments</u> USD	<u>Total</u> USD
<b>Cost</b>			
As at March 31, 2017	5,013	332	5,345
Additions	<u>1,271</u>	<u>742</u>	<u>2,013</u>
<b>As at March 31, 2018</b>	<b>6,284</b>	<b>1,074</b>	<b>7,358</b>
Additions	<u>959</u>	<u>-</u>	<u>959</u>
<b>As at March 31, 2019</b>	<b><u>7,243</u></b>	<b><u>1,074</u></b>	<b><u>8,317</u></b>
<b>Depreciation</b>			
As at March 31, 2017	246	55	301
For the year	<u>1,983</u>	<u>247</u>	<u>2,230</u>
<b>As at March 31, 2018</b>	<b>2,229</b>	<b>302</b>	<b>2,531</b>
For the year	<u>2,331</u>	<u>361</u>	<u>2,692</u>
<b>As at March 31, 2019</b>	<b><u>4,560</u></b>	<b><u>663</u></b>	<b><u>5,223</u></b>
<b>Net book value</b>			
<b>As at March 31, 2019</b>	<b><u>2,683</u></b>	<b><u>411</u></b>	<b><u>3,094</u></b>
As at March 31, 2018	<u>4,055</u>	<u>772</u>	<u>4,827</u>

5. Investment in subsidiary

	<u>March 31,</u>	
	<u>2019</u>	<u>2018</u>
	<u>USD</u>	<u>USD</u>
Balance at the beginning of the year	50,008	-
Additions during the year	<u>-</u>	<u>50,008</u>
	<b><u>50,008</u></b>	<b><u>50,008</u></b>

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.



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Notes to the Separate Financial Statements (continued)  
For the year ended March 31, 2019

6. Inventory

	<u>March 31,</u>	
	<u>2019</u>	<u>2018</u>
	<u>USD</u>	<u>USD</u>
Inventory	<u>4,400</u>	<u>-</u>

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

	<u>March 31,</u>	
	<u>2019</u>	<u>2018</u>
	<u>USD</u>	<u>USD</u>
Trade receivables	67,835	105,632
Due from related parties (Note: 15)	589,143	235,809
Prepayments	25,569	23,060
Deposits	15,527	13,962
Staff receivables	5,952	503
Advances	4,221	4,256
VAT receivable	468	-
	<u>708,715</u>	<u>383,222</u>

*Ageing of trade receivables*

	<u>March 31,</u>	
	<u>2019</u>	<u>2018</u>
	<u>USD</u>	<u>USD</u>
0 to 30 days	42,610	105,155
31 to 90 days	20,529	477
Above 90 days	4,696	-
	<u>67,835</u>	<u>105,632</u>

*Geographical analysis of trade receivables*

	<u>March 31,</u>	
	<u>2019</u>	<u>2018</u>
	<u>USD</u>	<u>USD</u>
Outside United Arab Emirates	<u>67,835</u>	<u>105,632</u>



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Notes to the Separate Financial Statements (continued)  
For the year ended March 31, 2019

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, 2019 five customers comprised 100% of gross trade receivables (March 31, 2018 four 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

	<u>March 31,</u>	
	<u>2019</u>	<u>2018</u>
	<u>USD</u>	<u>USD</u>
Bank balances: in current accounts	544,044	143,893
: fixed deposits	<u>105,161</u>	<u>-</u>
	<u>649,205</u>	<u>143,893</u>

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:

	<u>March 31,</u>	
	<u>2019</u>	<u>2018</u>
	<u>USD</u>	<u>USD</u>
Bank balances	649,205	143,893
Less: fixed deposits	<u>(105,161)</u>	<u>-</u>
<b>Cash and cash equivalents</b>	<u>544,044</u>	<u>143,893</u>

9. Provision for employees' end of service benefits

	<u>March 31,</u>	
	<u>2019</u>	<u>2018</u>
	<u>USD</u>	<u>USD</u>
Balance at the beginning of the year	91,150	64,320
Charged for the year	31,443	30,226
Paid during the year	<u>-</u>	<u>(3,396)</u>
	<u>122,593</u>	<u>91,150</u>



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Notes to the Separate Financial Statements (continued)  
For the year ended March 31, 2019

10. Trade and other payables

	<u>March 31,</u>	
	<u>2019</u>	<u>2018</u>
	<u>USD</u>	<u>USD</u>
Advance from customers	190,921	127,466
Staff payables	54,496	75,239
Accrued expenses	46,436	44,826
Due to related party (Note: 15)	6,813	-
VAT payable	-	621
	<u>298,666</u>	<u>248,152</u>

11. Revenue from operations

	<u>Year ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
	<u>USD</u>	<u>USD</u>
Revenue from trading	1,318,799	720,353
Reimbursement claims (Note: 15)	915,000	870,000
Other operating income (Note: 15)	<u>965,582</u>	<u>675,907</u>
	<u>3,199,381</u>	<u>2,266,260</u>

12. Cost of trading revenue

	<u>Year ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
	<u>USD</u>	<u>USD</u>
Purchases	977,967	597,832
Less: inventory at the end of the year	<u>(4,400)</u>	-
Cost of goods sold	973,567	-
Other direct expenses	<u>3,754</u>	-
	<u>977,321</u>	<u>597,832</u>

13. Other income

	<u>Year ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
	<u>USD</u>	<u>USD</u>
Interest on fixed deposits	551	-
Others	<u>745</u>	-
	<u>1,296</u>	-





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Notes to the Separate Financial Statements (continued)  
For the year ended March 31, 2019

14. General and administrative expenses

	<u>Year ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
	<u>USD</u>	<u>USD</u>
Employee cost	336,131	499,130
Rent	46,091	72,819
Travelling and conveyance	288,124	331,698
Legal, license and professional fees	81,006	105,156
Business promotion	40,071	-
Bank charges	17,219	10,600
Exchange loss	13,383	1,768
Communication	2,070	2,779
Others	<u>15,050</u>	<u>5,109</u>
	<u>839,145</u>	<u>1,029,059</u>

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 parties at the end of the reporting period comprise of:*

	<u>March 31,</u>	
	<u>2019</u>	<u>2018</u>
	<u>USD</u>	<u>USD</u>
M/s. Triveni Turbines Limited, India (ultimate holding company)	589,143	-
M/s. Triveni Turbines Europe Private Limited, U.K. (holding company)	-	235,809
	<u>589,143</u>	<u>235,809</u>

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

	<u>March 31,</u>	
	<u>2019</u>	<u>2018</u>
	<u>USD</u>	<u>USD</u>
M/s. Triveni Turbines Africa (PTY) LTD, South Africa	<u>6,813</u>	-



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Notes to the Separate Financial Statements (continued)  
For the year ended March 31, 2019

15. Related parties (continued)

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

	<u>Year ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
	<u>USD</u>	<u>USD</u>
Purchases	845,085	568,661
<i>Marketing support services (for power generation equipments)</i>		
Reimbursement claims	915,000	870,000
Other operating income	965,582	675,907
Business promotion expenses	<u>32,571</u>	<u>-</u>

*Compensation of key management personnel*

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

	<u>Year ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
	<u>USD</u>	<u>USD</u>
Salary and short term benefits	<u>630,004</u>	<u>596,049</u>

16. Contingent liabilities and commitments

	<u>March 31,</u>	
	<u>2019</u>	<u>2018</u>
	<u>USD</u>	<u>USD</u>
Bank guarantees	<u>95,100</u>	<u>-</u>

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.



Triveni Turbines DMCC  
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Notes to the Separate Financial Statements (continued)  
For the year ended March 31, 2019

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:

	<u>March 31,</u>	
	<u>2019</u>	<u>2018</u>
	<u>USD</u>	<u>USD</u>
Trade receivables	67,835	105,632
Deposits	15,527	13,962
Advances	10,173	4,759
VAT receivable	468	-
Due from related parties	589,143	235,809
Bank balances	<u>649,205</u>	<u>143,893</u>

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:

	<u>Amount in</u>		<u>Amount in</u>	
	<u>Foreign currency</u>		<u>Functional currency</u>	
	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>
Currency	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
1. Bank balances				
THB	<u>638,683</u>	741,015	<u>20,216</u>	<u>23,807</u>



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Notes to the Separate Financial Statements (continued)  
For the year ended March 31, 2019

17. Financial instruments (continued)

Risk management (continued)

b) Currency risk (continued)

2. Trade and other payables	<u>Amount in</u> <u>Foreign currency</u>		<u>Amount in</u> <u>Functional currency</u>	
	<u>March 31,</u> <u>2019</u>	<u>March 31,</u> <u>2018</u>	<u>March 31,</u> <u>2019</u>	<u>March 31,</u> <u>2018</u>
Currency				
IDR	5,852,880	-	411	-
THB	<u>56,140</u>	-	<u>1,777</u>	-
			<u>2,188</u>	-

3. Summary	<u>Amount in</u> <u>Functional currency</u>	
	<u>March 31,</u> <u>2019</u>	<u>March 31,</u> <u>2018</u>
Bank balances	20,216	23,807
Trade and other payables	( <u>2,188</u> )	-
	<u>18,028</u>	<u>23,807</u>

A 10% increase in functional currency rates to the foreign currency can result in an exchange gain of USD 1,803/- as at March 31, 2019 (March 31, 2018: USD 2,381/-) and a 10% decrease can result in an exchange loss of USD 1,803/- as at March 31, 2019 (March 31, 2018: USD 2,381/-).

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.

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.



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Notes to the Separate Financial Statements (continued)  
For the year ended March 31, 2019

17. 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,</u>	
	<u>2019</u>	<u>2018</u>
	<u>USD</u>	<u>USD</u>
Due to related party	6,813	-
Trade and other payables	<u>291,853</u>	<u>248,152</u>

18. Comparative figures

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



Dhruv Manmohan Sawhney  
Director



Nina Angela Sookanna-Auchoybur  
Director



