

**TRIVENI TURBINES DMCC**

Dubai – United Arab Emirates

Financial Statements and  
Independent Auditor's Report  
For the year ended March 31, 2018

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

**Financial Statements and Independent Auditor's Report**  
**For the year ended March 31, 2018**

**Table of Contents**

---

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Directors' Report</b>	<b>2</b>
<b>Independent Auditor's Report</b>	<b>3-5</b>
<b>Statement of Financial Position</b>	<b>6</b>
<b>Statement of Comprehensive Income</b>	<b>7</b>
<b>Statement of Changes in Equity</b>	<b>8</b>
<b>Statement of Cash Flows</b>	<b>9</b>
<b>Notes to the Financial Statements</b>	<b>10-24</b>

**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. 4502-014 & 015,  
Mazaya Business Avenue BB2,  
Plot No. JLTE-PH2-BB2,  
Jumeirah Lakes Towers,  
P. O. Box: 393509,  
Dubai, U.A.E.  
Tel : + 971 4 5670752  
Fax: + 971 4 4328232

**Banks:**

Bangkok Bank  
Noor Bank  
Standard Chartered Bank

**Directors' Report**

The Board of Directors has pleasure in presenting their report and the audited financial statements for the year ended March 31, 2018.

**Business review:**

The Company has achieved revenue from operations of **USD 2,266,260/-** (P.Y: USD 1,322,844/-). The profit for the year is **USD 41,090/-** (P.Y: USD 78,392/-). 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.

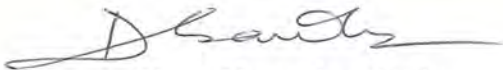
**Auditors:**

The 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*



**Johnathan Stephen Leevyn Isabel**  
*Director*

April 30, 2018



## Independent Auditor's Report

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

### *Opinion*

We have audited the financial statements of **Triveni Turbines DMCC (the “Company”)**, which comprise the statement of financial position as at March 31, 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2018, 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 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 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 financial statements*

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

In preparing the 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.

## Independent Auditor's Report (continued)

### *Auditor's responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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 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 made investments in shares in subsidiary as detailed under note 5 during the financial year;
5. the financial information included in the *directors' report* is consistent with the Company's books of account;
6. note 13 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, 2018 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, 2018.

Dubai

April 30, 2018

Ref: DXB/173/NM/318313

JAXA CHARTERED ACCOUNTANTS

Reg. No. 442



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

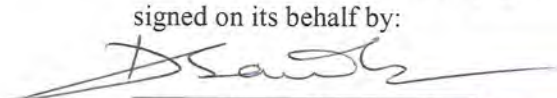
**Statement of Financial Position as at March 31, 2018**  
**(In US Dollars)**

	Note	<u>2018</u>	<u>2017</u>
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipments	4	4,827	5,044
Investment in subsidiary	5	<u>50,008</u>	<u>-</u>
<b>Total non-current assets</b>		<u>54,835</u>	<u>5,044</u>
<b>Current assets</b>			
Trade and other receivables	6	383,222	204,053
Cash and cash equivalents	7	<u>143,893</u>	<u>237,600</u>
<b>Total current assets</b>		<u>527,115</u>	<u>441,653</u>
<b>Total assets</b>		<u>581,950</u>	<u>446,697</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	1	190,736	190,736
Retained earnings		<u>51,912</u>	<u>10,822</u>
<b>Total equity</b>		<u>242,648</u>	<u>201,558</u>
<b>Non-current liabilities</b>			
Provision for employees' end of service benefits	8	<u>91,150</u>	<u>64,320</u>
<b>Total non-current liabilities</b>		<u>91,150</u>	<u>64,320</u>
<b>Current liabilities</b>			
Trade and other payables	9	<u>248,152</u>	<u>180,819</u>
<b>Total current liabilities</b>		<u>248,152</u>	<u>180,819</u>
<b>Total liabilities</b>		<u>339,302</u>	<u>245,139</u>
<b>Total equity and liabilities</b>		<u>581,950</u>	<u>446,697</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 5.

The financial statements on pages 6 to 24 were approved by the directors on April 30, 2018 and signed on its behalf by:



**Dhruv Manmohan Sawhney**  
*Director*

**Johnathan Stephen Leevyn Isabel**  
*Director*



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

**Statement of Comprehensive Income**  
**For the year ended March 31, 2018**  
**(In US Dollars)**

	<u>Note</u>	<u>2018</u>	<u>2017</u>
Revenue from operations	10	2,266,260	1,322,844
Cost of trading revenue	11	( 597,832)	( 59,902)
General and administrative expenses	12	( 1,029,059)	( 588,200)
Depreciation	4	( 2,230)	( 301)
<b>Profit before managerial remuneration</b>		<b>637,139</b>	<b>674,441</b>
Managerial remuneration	13	( 596,049)	( 596,049)
<b>Profit for the year</b>		<b>41,090</b>	<b>78,392</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b><u>41,090</u></b>	<b><u>78,392</u></b>

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

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



**Dhruv Manmohan Sawhney**  
*Director*



**Johnathan Stephen Leevyn Isabel**  
*Director*



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

**Statement of Changes in Equity  
For the year ended March 31, 2018  
(In US Dollars)**

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Balance as at March 31, 2016	190,736	( 67,570)	123,166
Profit for the year	<u>-</u>	<u>78,392</u>	<u>78,392</u>
<b>Balance as at March 31, 2017</b>	<b>190,736</b>	<b>10,822</b>	<b>201,558</b>
Profit for the year	<u>-</u>	<u>41,090</u>	<u>41,090</u>
<b>Balance as at March 31, 2018</b>	<b><u>190,736</u></b>	<b><u>51,912</u></b>	<b><u>242,648</u></b>

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

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

**Statement of Cash Flows**  
**For the year ended March 31, 2018**  
**(In US Dollars)**

	<u>2018</u>	<u>2017</u>
<b>Cash flows from operating activities</b>		
Profit for the year	41,090	78,392
<i>Adjustments for:</i>		
Depreciation	2,230	301
Provision for employees' end of service benefits	<u>30,226</u>	<u>32,691</u>
<b>Operating cash flows before movements in working capital</b>	<b>73,546</b>	111,384
Trade and other receivables	( 179,169)	( 49,222)
Trade and other payables	<u>67,333</u>	<u>85,570</u>
<b>Operating cash flows after movements in working capital</b>	<b>( 38,290)</b>	147,732
Employees' end of service benefits paid	<u>( 3,396)</u>	-
<b>Net cash (used in)/generated from operating activities</b>	<b>( 41,686)</b>	<u>147,732</u>
 <b>Cash flows from investing activities</b>		
Acquisition of property and equipments	( 2,013)	( 5,345)
Acquisition of investment in subsidiary	<u>( 50,008)</u>	-
<b>Net cash used in investing activities</b>	<b>( 52,021)</b>	<u>( 5,345)</u>
 <b>Cash flows from financing activities</b>	<u>-</u>	<u>-</u>
 <b>Net (decrease)/increase in cash and cash equivalents</b>	<b>( 93,707)</b>	142,387
Cash and cash equivalents at the beginning of the year	<u>237,600</u>	<u>95,213</u>
<b>Cash and cash equivalents at the end of the year</b>	<b><u>143,893</u></b>	<b><u>237,600</u></b>

The accompanying notes form an integral part of these 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 Financial Statements**  
**For the year ended March 31, 2018**

**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. 4502-014 & 015, 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, 2018 are as follows:

<b>Sl. No.</b>	<b>Name</b>	<b>Nationality</b>	<b>Shares</b>	<b>Amount AED</b>	<b>%</b>
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, Thailand and Vietnam and the legal and other operational expenses of these representative offices are included in these financial statements.

**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.

Notes to the Financial Statements (continued)  
For the year ended March 31, 2018

---

**2. Significant accounting policies (continued)**

**2.2 Basis of preparation (continued)**

*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**

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

Sale of goods is recognized when goods are delivered and title has been passed.

**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 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.

Notes to the Financial Statements (continued)  
For the year ended March 31, 2018

---

**2. Significant accounting policies (continued)**

**2.5 Property and equipments (continued)**

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.

**2.7 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.

**2. Significant accounting policies (continued)**

**2.7 Impairment of non-financial assets (continued)**

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 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 consist of balance with the banks 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.

2. Significant accounting policies (continued)

2.8 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.



**2. Significant accounting policies (continued)**

**2.8 Financial assets (continued)**

Impairment of financial assets (continued)

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.

**2.9 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.

Notes to the Financial Statements (continued)  
For the year ended March 31, 2018

---

2. Significant accounting policies (continued)

**2.9 Equity instruments and financial liabilities (continued)**

Financial liabilities (continued)

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.

**2.10 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.

**2.11 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.

**2.12 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, 2017 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. 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 financial statements, management has made the following judgments that have the most significant effect on the amounts recognized in the financial statements (apart from those involving estimations, which are dealt below):

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

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

Revenue recognition

Management considered the detailed criteria for the recognition of revenue from sale of goods as set out in IAS 18: *Revenue*. Management has judged that revenue has been recognized only when the outcome of the transactions involving the sale of goods can be estimated reliably. In making this judgment, management considers that the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

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 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 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.

Triveni Turbines DMCC  
Dubai – United Arab Emirates

Notes to the Financial Statements (continued)  
For the year ended March 31, 2018

4. Property and equipments

	<u>Computer and accessories</u> <u>USD</u>	<u>Office equipments</u> <u>USD</u>	<u>Total</u> <u>USD</u>
<b>Cost</b>			
As at March 31, 2016	-	-	-
Additions	<u>5,013</u>	<u>332</u>	<u>5,345</u>
<b>As at March 31, 2017</b>	<b>5,013</b>	<b>332</b>	<b>5,345</b>
Additions	<u>1,271</u>	<u>742</u>	<u>2,013</u>
<b>As at March 31, 2018</b>	<b><u>6,284</u></b>	<b><u>1,074</u></b>	<b><u>7,358</u></b>
<b>Depreciation</b>			
As at March 31, 2016	-	-	-
For the year	<u>246</u>	<u>55</u>	<u>301</u>
<b>As at March 31, 2017</b>	<b>246</b>	<b>55</b>	<b>301</b>
For the year	<u>1,983</u>	<u>247</u>	<u>2,230</u>
<b>As at March 31, 2018</b>	<b><u>2,229</u></b>	<b><u>302</u></b>	<b><u>2,531</u></b>
<b>Net book value</b>			
<b>As at March 31, 2018</b>	<b><u>4,055</u></b>	<b><u>772</u></b>	<b><u>4,827</u></b>
As at March 31, 2017	<u>4,767</u>	<u>277</u>	<u>5,044</u>

5. Investment in subsidiary

	<u>March 31,</u>	
	<u>2018</u>	<u>2017</u>
	<u>USD</u>	<u>USD</u>
Additions during the year	<u>50,008</u>	<u>-</u>

During the year, the Company has acquired 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.

Triveni Turbines DMCC  
Dubai – United Arab Emirates

Notes to the Financial Statements (continued)  
For the year ended March 31, 2018

6. Trade and other receivables

	<u>March 31,</u>	
	<u>2018</u>	<u>2017</u>
	<u>USD</u>	<u>USD</u>
Trade receivables	105,632	48,522
Due from related party (Note: 13)	235,809	119,921
Prepayments	23,060	19,825
Deposits	13,962	10,385
Advances	4,256	381
Staff receivables	503	5,019
	<u>383,222</u>	<u>204,053</u>

*Ageing of trade receivables*

	<u>March 31,</u>	
	<u>2018</u>	<u>2017</u>
	<u>USD</u>	<u>USD</u>
0 to 30 days	105,155	48,522
31 to 90 days	477	-
	<u>105,632</u>	<u>48,522</u>

*Geographical analysis of trade receivables*

	<u>March 31,</u>	
	<u>2018</u>	<u>2017</u>
	<u>USD</u>	<u>USD</u>
Outside United Arab Emirates	<u>105,632</u>	<u>48,522</u>

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, 2018 four customers comprised 100% of gross trade receivables (March 31, 2017 one 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.

7. Cash and cash equivalents

	<u>March 31,</u>	
	<u>2018</u>	<u>2017</u>
	<u>USD</u>	<u>USD</u>
Bank balances: in current accounts	<u>143,893</u>	<u>237,600</u>

Triveni Turbines DMCC  
Dubai – United Arab Emirates

Notes to the Financial Statements (continued)  
For the year ended March 31, 2018

8. Provision for employees' end of service benefits

	<u>March 31,</u>	
	<u>2018</u>	<u>2017</u>
	<u>USD</u>	<u>USD</u>
Balance at the beginning of the year	64,320	31,629
Charged for the year	30,226	32,691
Paid during the year	( 3,396)	-
	<u>91,150</u>	<u>64,320</u>

9. Trade and other payables

	<u>March 31,</u>	
	<u>2018</u>	<u>2017</u>
	<u>USD</u>	<u>USD</u>
Advance from customers	127,466	-
Staff payables	75,239	93,144
Accrued expenses	44,826	28,798
VAT payable	621	-
Due to related party (Note: 13)	-	58,877
	<u>248,152</u>	<u>180,819</u>

10. Revenue from operations

	<u>Year ended March 31,</u>	
	<u>2018</u>	<u>2017</u>
	<u>USD</u>	<u>USD</u>
Revenue from trading	720,353	69,252
Reimbursement claims (Note: 13)	870,000	870,000
Other operating income (Note: 13)	675,907	383,592
	<u>2,266,260</u>	<u>1,322,844</u>

11. Cost of trading revenue

	<u>Year ended March 31,</u>	
	<u>2018</u>	<u>2017</u>
	<u>USD</u>	<u>USD</u>
Purchases	597,832	58,877
Other direct expenses	-	1,025
	<u>597,832</u>	<u>59,902</u>

Triveni Turbines DMCC  
Dubai – United Arab Emirates

Notes to the Financial Statements (continued)  
For the year ended March 31, 2018

12. General and administrative expenses

	<u>Year ended March 31,</u>	
	<u>2018</u>	<u>2017</u>
	<u>USD</u>	<u>USD</u>
Employee cost	499,130	236,656
Rent	72,819	42,221
Travelling and conveyance	331,698	232,330
Legal, license and professional fees	105,156	71,623
Communication	2,779	1,223
Others	17,477	4,147
	<u>1,029,059</u>	<u>588,200</u>

13. 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:*

	<u>March 31,</u>	
	<u>2018</u>	<u>2017</u>
	<u>USD</u>	<u>USD</u>
M/s. Triveni Turbines Europe Private Limited, U.K. (holding company)	<u>235,809</u>	<u>119,921</u>

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

	<u>March 31,</u>	
	<u>2018</u>	<u>2017</u>
	<u>USD</u>	<u>USD</u>
M/s. Triveni Turbines Limited, India (ultimate holding company)	<u>-</u>	<u>58,877</u>

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

**Notes to the Financial Statements (continued)**  
**For the year ended March 31, 2018**

**13. Related parties (continued)**

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

	<u>Year ended March 31,</u>	
	<u>2018</u>	<u>2017</u>
	<u>USD</u>	<u>USD</u>
Purchases	568,661	58,877
<i><u>Marketing support services (for power generation equipments)</u></i>		
Reimbursement claims	870,000	870,000
Other operating income	<u>675,907</u>	<u>383,592</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>2018</u>	<u>2017</u>
	<u>USD</u>	<u>USD</u>
Salary and short term benefits	<u>596,049</u>	<u>596,049</u>

**14. 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.

**15. 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.

**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:



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

**Notes to the Financial Statements (continued)**  
**For the year ended March 31, 2018**

**15. Financial instruments (continued)**

**Risk management (continued)**

**a) Credit risk (continued)**

	<b>March 31,</b>	
	<b>2018</b>	<b>2017</b>
	<b>USD</b>	<b>USD</b>
Trade receivables	105,632	48,522
Deposits	13,962	10,385
Advances	4,759	5,400
Due from related party	235,809	119,921
Bank balances	<u>143,893</u>	<u>237,600</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.

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:

	<b>Amount in</b>		<b>Amount in</b>	
	<b>Foreign currency</b>		<b>Functional currency</b>	
	<b>March 31,</b>	<b>March 31,</b>	<b>March 31,</b>	<b>March 31,</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Bank balances</b>				
<b>Currency</b>				
THB	<u>741,015</u>	<u>-</u>	<u>23,807</u>	<u>-</u>

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

Notes to the Financial Statements (continued)  
For the year ended March 31, 2018

15. Financial instruments (continued)

Risk management (continued)

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.

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>2018</u>	<u>2017</u>
	<u>USD</u>	<u>USD</u>
Trade and other payables	<u>248,152</u>	<u>180,819</u>

16. Comparative figures

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



**Dhruv Manmohan Sawhney**  
Director



**Johnathan Stephen Leevyn Isabel**  
Director

