

**SOLAR INDUSTRIES AFRICA LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2016**

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**FOR THE YEAR ENDED MARCH 31, 2016**

**MANAGEMENT AND ADMINISTRATION**

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		Date of appointment	Date of resignation
<b>DIRECTORS:</b>	Virrsing Ramdeny	4-Jun-14	-
	Koosoom Newoor	4-Jun-14	-

**SECRETARY:** Associated Consultants Ltd  
Suite G12 St. James Court  
St. Denis Street, Port Louis  
Mauritius

**REGISTERED OFFICE:** Suite G12 St. James Court  
St. Denis Street, Port Louis  
Mauritius

**AUDITOR** Dwarka SOOCHIT, FCCA, FCMA, CGMA  
La Forge Avenue,  
Palma Road  
Quatre Bornes  
Mauritius.

**FOR THE YEAR ENDED MARCH 31, 2016**

**DIRECTORS' REPORT**

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The directors are pleased to present their annual report and audited financial statements of Solar Industries Africa Limited for the year ended 31 March 2016.

**PRINCIPAL ACTIVITY**

The principal activity of the Company is to hold investments

**RESULTS AND DIVIDENDS**

The Company's loss for the year ended 31 March 2016 is **USD12,515** (2015: Loss of USD10,148).

The directors do not recommend the payment of a dividend for the period under review.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed and complied with, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritian Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITOR**

The auditor, Dwarka Soochit, FCCA, FCMA, CGMA., has indicated his willingness to continue in office and will be automatically re-appointed at the next Annual Meeting.

**By Order of the Board**

*K. Newman*  
**SECRETARY**

Date: 10 JUN 2016

**CERTIFICATE FROM THE SECRETARY  
UNDER SECTION 166(d) OF THE COMPANIES ACT 2001**

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We certify that, to the best of our knowledge and belief, the Company has filed with The Registrar of Companies, during the financial year ended March 31, 2016 all such returns as are required for a company under the Companies Act 2001.

*K. Kewon*

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For and on behalf of Associated Consultants Ltd  
Company Secretary

Date: 10 JUN 2016



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

This report is made solely to the members of Solar Industries Africa Limited (the "Company"), as a body, in accordance with the Companies Act 2001. My audit work has been undertaken so that I might state to the Company's members those matters I am required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for my audit work, for this report, or for opinions I have formed.

**Report on the Financial Statements**

I have audited the financial statements of Solar Industries Africa Limited on pages 4 to 18 which comprise the statement of financial position at March 31, 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

*Directors' Responsibility for the Financial Statements*

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditors' Responsibility*

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

*Emphasis of matter*

As discussed in Note 14 to the financial statements, the company has a net capital deficiency that raises substantial doubt about the company's ability to continue as a going concern. The financial statements have been drawn up on a going concern basis on the assumption that adequate facilities will be made available by the shareholders.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (CONT'D)***Opinion*

Subject to the above, in my opinion, the financial statements on pages 4 to 18 give a true and fair view of the financial position of the Company at March 31, 2016 and of its financial performance, changes in equity and its cash flow for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001, in as far as applicable to companies holding a Category 1 Global Business Licence.

**Report on Other Legal and Regulatory Requirements**

I have no relationship with or interests in the Company, other than in my capacity as auditors, tax and business advisers and dealings in the ordinary course of business.

I have obtained all information and explanations I have required.

In my opinion, proper accounting records have been kept by the Company as far as it appears from my examination of those records.

**Dwarka SOOCHIT F.C.C.A, F.C.M.A, C.G.M.A**

Certified Accountant

Licensed by FRC

La Forge Avenue,

Palma Road

Quatre Bornes

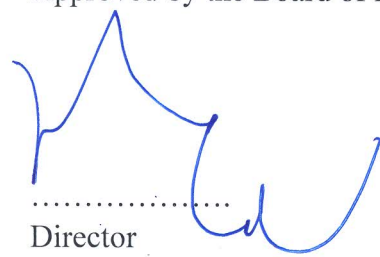
Mauritius.


Date:- 10 JUN 2016

## STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2016

<u>ASSETS</u>		<u>31-Mar-16</u>	<u>31-Mar-15</u>
		USD	USD
<b>Non-current assets</b>			
Advances and application monies	5	63,300	55,239
		<u>63,300</u>	<u>55,239</u>
<b>Current assets</b>			
Cash and cash equivalent	6	7,097	4,702
		<u>7,097</u>	<u>4,702</u>
<b>TOTAL ASSETS</b>		<u><u>70,397</u></u>	<u><u>59,941</u></u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Capital and reserves</b>			
Share capital	7	100	100
Revenue deficit		(22,663)	(10,148)
Shareholder's interest		<u>(22,563)</u>	<u>(10,048)</u>
<b>Non-current liabilities</b>			
Advances and share application monies	8	83,100	68,039
		<u>83,100</u>	<u>68,039</u>
<b>Current liabilities</b>			
Accounts payable	9	9,860	1,950
		<u>9,860</u>	<u>1,950</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>70,397</u></u>	<u><u>59,941</u></u>

Approved by the Board of Directors on .....1.0 JUN 2016.....

  
 .....  
 Director

  
 .....  
 Director

The notes on pages 8 to 18 form an integral part of these financial statements.



**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED MARCH 31, 2016**

	<u>Notes</u>	<u>31-Mar-16</u> USD	<u>31-Mar-15</u> USD
<b>INCOME</b>			
Interest received		6	2
		<u>6</u>	<u>2</u>
<b>EXPENSES</b>			
Administrative expenses		8,460	7,850
Bank and other Charges		611	350
Accounting and Audit fees		3,450	1,950
		<u>12,521</u>	<u>10,150</u>
<b>Loss before taxation</b>		(12,515)	(10,148)
Taxation	10	-	-
		<u>(12,515)</u>	<u>(10,148)</u>
<b>Other comprehensive income/(loss)</b>		-	-
<b>Total comprehensive loss for the year/period</b>		<u>(12,515)</u>	<u>(10,148)</u>

The notes on pages 8 to 18 form an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED MARCH 31, 2016**

	Ordinary Share Capital	Retained Earnings	Total
	USD	USD	USD
Balance at June 4, 2014	-	-	-
Issue of shares	100	-	100
Loss for the period	-	(10,148)	(10,148)
<b>Balance at March 31, 2015</b>	<b>100</b>	<b>(10,148)</b>	<b>(10,048)</b>
Loss for the year	-	(12,515)	(12,515)
<b>Balance at March 31, 2016</b>	<b>100</b>	<b>(22,663)</b>	<b>(22,563)</b>

The notes on pages 8 to 18 form an integral part of these financial statements.



**STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED MARCH 31, 2016**

	<u>Notes</u>	<u>2016</u> <u>USD</u>	<u>2015</u> <u>USD</u>
<b>Operating Activities</b>			
Cash generated from operations	11(a)	(4,605)	(8,198)
Net cash generated from operating activities		<u>(4,605)</u>	<u>(8,198)</u>
<b>Investing Activities</b>			
Advances and application monies		(8,061)	(55,239)
Net cash flow from investing activities		<u>(8,061)</u>	<u>(55,239)</u>
<b>Financing Activities</b>			
Issue of share		-	100
Advance and share application monies		15,061	-
Loan received		-	68,039
Net cash flow from financing activities		<u>15,061</u>	<u>68,139</u>
<b>Increase in cash and cash equivalents</b>		<u>2,395</u>	<u>4,702</u>
<b>Movements in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of the year	11(b)	4,702	-
Cash and cash equivalents at end of the year		7,097	4,702
<b>Net cash and cash equivalents</b>		<u>2,395</u>	<u>4,702</u>

The notes on pages 8 to 18 form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016**

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**1. CORPORATE INFORMATION**

Solar Industries Africa Limited is a limited liability company incorporated and domiciled in Mauritius and has been granted a Category 1 Global Licence under the Financial Services Act, 2007.

The Company is engaged in investment holding activities.

The address of its registered office is Suite G12, St. James Court, St. Denis Street, Port Louis, Mauritius.

**2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)**

**2.1 Amendments to IFRSs and the new Interpretation that are mandatorily effective for the current year**

In the current year, the Company has applied a number of amendments to IFRSs and a new Interpretation issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2014.

▪ *Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities*

The Company has applied the amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of ‘currently has a legally enforceable right of set-off’ and ‘simultaneous realisation and settlement’.

The amendments have been applied retrospectively. As the Company does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the Company’s financial statements. The Company has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments has had no impact on the amounts recognised in the Company’s financial statements.

▪ *Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets*

The Company has applied the amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets for the first time in the current year. The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by IFRS 13 Fair Value Measurements.

The application of these amendments has had no material impact on the disclosures in the Company’s financial statements.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016**

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**2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (continued)**

**2.1 Amendments to IFRSs and the new Interpretation that are mandatorily effective for the current year (continued)**

■ *Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting*

The Company has applied the amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting for the first time in the current year. The amendments to IAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

The amendments have been applied retrospectively. As the Company does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognised in the Company's financial statements.

■ *IFRIC 21 Levies*

The Company has applied IFRIC 21 Levies for the first time in the current year. IFRIC 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

IFRIC 21 has been applied retrospectively. The application of this Interpretation has had no material impact on the disclosures or on the amounts recognised in the Company's financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016**

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**2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (continued)**

**2.2 New and revised IFRSs in issue but not yet effective**

The Company has not applied the following new and revised IFRSs and IAS that have been issued but are not yet effective:

- Amendments to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - Amendments resulting from September 2014 Annual Improvements to IFRSs

*Effective for annual periods beginning on or after 1 January 2016*

- Amendments to IFRS 9 Financial Instruments - Final version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition

*Effective for annual periods beginning on or after 1 January 2018.*

- Amendments to IFRS 12 Disclosure of Interests in Other Entities - Amendments regarding the application of the consolidation

*Effective for annual periods beginning on or after 1 January 2016.*

- Amendments to IFRS 15 Revenue from Contracts with Customers - Amendments to defer the effective date to 1 January 2018.

*Effective for annual periods beginning on or after 1 January 2018.*

- Amendments to IAS 1 Presentation of Financial Statements - Amendments resulting the disclosure initiative.

*Effective for annual periods beginning on or after 1 January 2016.*

- Amendments to IAS 16 Property, Plant and Equipment - Amendments regarding the clarification of acceptable methods of depreciation and amortisation.

*Effective for annual periods beginning on or after 1 January 2016.*

- Amendments to IAS 16 Property, Plant and Equipment - Amendments bringing bearer plants into the scope of IAS 16

*Effective for annual periods beginning on or after 1 January 2016.*

- Amendments to IAS 27 Separate Financial Statements (as amended in 2011) - Amendments reinstating the equity method option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements

*Effective for annual periods beginning on or after 1 January 2016.*



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016**

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**2.2 New and revised IFRSs and IASs in issue but not yet effective (continued)**

- Amendments to IAS 28 Investments in Associates and Joint Ventures - Amendments regarding the application of the consolidation exception.  
*Effective for annual periods beginning on or after 1 January 2016.*
- Amendments to IAS 28 Investments in Associates and Joint Ventures - Amendments deferring the effective date of September 2014 amendments.  
*Effective for annual periods is immediately.*
- Amendments to IAS 28 Investments in Associates and Joint Ventures - Amendments regarding the clarification of acceptable methods of depreciation and amortisation.  
*Effective for annual periods beginning on or after 1 January 2016.*

The directors anticipate that the application of these Standards and Interpretations on the above effective dates in future periods will have no material impact on the financial statements of the Company.

**3. SIGNIFICANT ACCOUNTING POLICIES***(a) Statement of compliance*

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) including International Accounting Standards (IAS) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC) issued by the International Accounting Standards Board (IASB).

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting period and the reported amounts of revenues and expenses during the reporting date. Actual results could differ from those estimates.

*(b) Basis of preparation*

The financial statements have been prepared under the historical cost convention. The preparation of financial statements in accordance with IFRS requires the directors to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. The financial statements are prepared in USD.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016**

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)***(c) Revenue recognition*

Recognition, as defined in the IASB Framework, means incorporating an item that meets the definition of revenue (above) in the income statement when it meets the following criteria:

it is probable that any future economic benefit associated with the item of revenue will flow to the entity, and the amount of revenue can be measured with reliability.

*(d) Taxation*

Income tax expense represents the sum of the tax currently payable and deferred tax.

*(e) Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years but it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

*(f) Deferred taxation*

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all deductible temporary differences and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

*(g) Provisions*

Provisions are recognised when the company has a present or constructive obligation as a result of past events which it is probable will result in an outflow of economic benefits that can be reasonably estimated.

*(h) Related parties*

Related parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016**

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**3. SIGNIFICANT ACCOUNTING POLICIES***(i) Financial instruments*

Financial instruments carried on the statement of financial position includes accounts receivable, payable and loan from shareholder. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

*(j) Ordinary share capital*

Ordinary shares are classified as equity.

*(k) Borrowings*

Borrowings are recorded at the proceeds received.

*(l) Accounts payable*

Accounts payable are stated at their nominal value.

*(m) Impairment of 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 of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's net selling price and value in use.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016**

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**4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the period of the revision and future periods if the revision affects both current and future periods.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**4.1 Key sources of estimation uncertainty**

With regards to the nature of the Company's business there were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016**

**5. ADVANCES AND APPLICATION MONIES**

	<u>2016</u>	<u>2015</u>
	<u>USD</u>	<u>USD</u>
Advances for Australian project	63,300	55,239
	<u>63,300</u>	<u>55,239</u>

**6. CASH AND CASH EQUIVALENT**

	<u>2016</u>	<u>2015</u>
	<u>USD</u>	<u>USD</u>
Cash at bank	7,097	4,702
	<u>7,097</u>	<u>4,702</u>

**7. SHARE CAPITAL**

	Issued and fully paid	
	<u>2016</u>	<u>2015</u>
	<u>USD</u>	<u>USD</u>
1 Ordinary Share	100	100
<b>At March 31,</b>	<u>100</u>	<u>100</u>

*Voting rights*

Each ordinary share shall entitle its holder to receive notice of, and to attend and vote at any meeting of the company.

*Rights relating to dividends*

Each ordinary share shall entitle its holder the right of an equal share in dividends as authorised by the board.

*Rights relating to repayment of capital*

Upon winding-up, each ordinary share shall entitle its holder the right to an equal share in the distribution of the surplus assets of the company.

**8. BORROWINGS**

	<u>2016</u>	<u>2015</u>
	<u>USD</u>	<u>USD</u>
Shareholders' loan	83,100	68,039
	<u>83,100</u>	<u>68,039</u>

These loans are from related parties and are interest free, unsecured and with no fixed date of repayment

**9. ACCOUNTS PAYABLE**

	<u>2016</u>	<u>2015</u>
	<u>USD</u>	<u>USD</u>
Other payables and accruals	9,860	1,950
	<u>9,860</u>	<u>1,950</u>

The carrying amounts of other payables approximate their fair value.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016**

**10. TAXATION**

The Company is liable to income tax in Mauritius on its chargeable income at 15%. It is, however, entitled to a tax credit equivalent to the higher of the actual foreign tax suffered and 80% of the Mauritius tax on its foreign source income. For the year ended 31 March 2016, the Company has an accumulated tax loss of USD22,663 (2015: USD 10,148) and is therefore not liable to tax.

<b>11. NOTES TO THE STATEMENT OF CASH FLOW</b>	<b>2016</b>	<b>2015</b>
	<b>USD</b>	<b>USD</b>
<b>(a) Cash generated from operations</b>		
Reconciliation of profit before taxation to cash generated from operations:		
Profit before taxation	(12,515)	(10,148)
Adjustments for:		
Changes in working capital:		
- Accounts Payable	7,910	1,950
Cash generated from operations	<u>(4,605)</u>	<u>(8,198)</u>
<b>(b) Cash and Cash Equivalents</b>	<b>2016</b>	<b>2015</b>
	<b>USD</b>	<b>USD</b>
Cash at bank	<u>7,097</u>	<u>4,702</u>

**12. FINANCIAL INSTRUMENTS**

*Capital risk management*

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of stated capital and accumulated losses.

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow interest rate risk and other price risk), credit risk and liquidity risk.

*(a) Market risk*

*(i) Foreign exchange risk*

<b>Categories of financial instruments</b>	<b>2016</b>	<b>2015</b>
	<b>USD</b>	<b>USD</b>
<i>Financial assets</i>	-	-
<i>Financial liabilities</i>		
Payables	<u>9,860</u>	<u>1,950</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016**

**12. FINANCIAL INSTRUMENTS (CONT'D)**

(a) *Market risk (cont'd)*

(i) *Foreign exchange risk (cont'd)*

*Foreign currency risk management*

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to Australian Dollars (AUD). Foreign exchange risk arises from investments that the Company holds in India, whose net assets are exposed to foreign currency translation risk.

*Currency profile*

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	2016		2015	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	USD	USD	USD	USD
Australian Dollars	63,300	-	55,239	-
US Dollars	7,097	92,960	4,702	69,989
	<b>70,397</b>	<b>92,960</b>	<b>59,941</b>	<b>69,989</b>

(ii) *Interest rate risk management*

As the Company has no significant interest-bearing assets, the Company's operating cash flows are substantially independent of the changes in market interest rates.

(iii) *Price risk*

The Company is not faced with any price risk.

(b) *Credit risk*

The Company has no significant concentration of credit risk.

(c) *Liquidity risk*

Liquidity risk is the risk that the Company is unable to meet its payment obligations, associated with its financial liabilities, when they fall due.

Prudent liquidity risk management implies maintaining sufficient cash. In addition, the Company has access to its shareholders for its financing needs.

(d) *Fair value estimation*

The carrying values for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016**

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**13. RELATED PARTY TRANSACTIONS**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions or if they are subject to common control.

For the period ended 31 March 2016, the transactions with related parties are as follows:

Related Parties	Relationship	Nature of Operations	Volume of Transactions	Balance at 31.03.2016
Solar Overseas Mauritius Limited	Holding Company	Advances	USD15,061	USD83,100

**14. LIQUIDITY AND CAPITAL RESOURCES**

At March 31, 2016, the Company had assets of USD70,397 {2015: Assets of USD59,941}; liabilities of USD92,960 {2015: liabilities of USD69,989}; and net liabilities of USD22,563 at March 31, 2016 {2015: Net liabilities for USD10,048}.

The continuation of the company's activities is dependent on the continued support of the shareholders.

The financial statements have been drawn up on a going concern basis which assumes that adequate facilities will be made available by the shareholders.

**15. HOLDING COMPANY**

The Company is controlled by Solar Overseas Mauritius Limited, a Company incorporated in Mauritius.