SOLAR OVERSEAS MAURITIUS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

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FOR THE YEAR ENDED MARCH 31, 2018

MANAGEMENT AND ADMINISTRATION

		Date of appointment	Date of resignation
DIRECTORS:	Virrsing Ramdeny	21-Aug-09	-
	Koossoom Newoor	21-Aug-09	-
	Satyanarayan Nuwal	2-Sep-09	1-Nov-17
	Desmond Pillay	9-Jun-15	-
	Milind Bhalchandra Deshmukh	26-Aug-15	-
	Suresh Menon	1-Nov-17	-

SECRETARY:

Associated Consultants Ltd
Level 3, GFin Tower
42 Hotel Street, Cybercity
Ebene, 72201
Mauritius

REGISTERED OFFICE:

Level 3, GFin Tower
42 Hotel Street, Cybercity
Ebene, 72201
Mauritius

with effect from 30 November 2017

AUDITORS:

BIT Associates
Chartered Certified Accountants & Registered Auditors
1 E Ground Floor, Buswell Avenue,
St Jean Road,
Quatre Bornes,
Mauritius

FOR THE YEAR ENDED MARCH 31, 2018

DIRECTORS' REPORT

The directors are pleased to present their annual report and audited financial statements of Solar Overseas Mauritius Limited for the year ended 31 March 2018.

PRINCIPAL ACTIVITY

The principal activity of the Company is international trading, provision of management and administrative services and investment holding activities.

RESULTS AND DIVIDENDS

The Company's profit for the year ended 31 March 2018 is **USD 1,653,612** (2017: Profit of USD512,893).

The directors do not recommend the payment of a dividend for the year 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.

AUDITORS

The auditors, BIT Associates, have indicated their willingness to continue in office and will be automatically re-appointed at the next Annual Meeting.

By Order of the Board

KNewoon

SECRETARY

Date: 30 JUL 2018

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

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, 2018 all such returns as are required for a company under the Companies Act 2001.

....

For and on behalf of Associated Consultants Ltd
Company Secretary

Date: 30 JUL 2018

Bit ASSOCIATES

Chartered Certified Accountants

1E Ground Floor, Buswell Avenue, St Jean Road, Quatre Bornes. Republic of Mauritius
Tel: 466 0559 - 466 0659 - Fax : 466 0533
Email : bit@intnet.mu

SOLAR OVERSEAS MAURITIUS LIMITED

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of SOLAR OVERSEAS MAURITIUS LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of SOLAR OVERSEAS MAURITIUS LIMITED (the Company), on pages 4 to 24 which comprise the statement of financial position as at March 31, 2018, and the statement of profit or loss and other 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 financial statements on pages 4 to 24 give a true and fair view of the financial position of the Company as at March 31, 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

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 International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

As explained in Note 3(m), the financial statements include investments in companies which are not listed or quoted. In the absence of readily determinable fair values, the investments have been stated at cost. Because of the inherent uncertainty of the valuation of these investments, the actual proceeds from disposal of such investments could differ from these estimated valuations and such differences could be material.

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SOLAR OVERSEAS MAURITIUS LIMITED

INDEPENDENT AUDITOR'S REPORT (Continued)
To the Shareholders of SOLAR OVERSEAS MAURITIUS LIMITED

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have 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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SOLAR OVERSEAS MAURITIUS LIMITED

INDEPENDENT AUDITOR'S REPORT (Continued)
To the Shareholders of SOLAR OVERSEAS MAURITIUS LIMITED

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 judgment 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 directors.
- Conclude on the appropriateness of directors' 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.

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SOLAR OVERSEAS MAURITIUS LIMITED

INDEPENDENT AUDITOR'S REPORT (Continued)
To the Shareholders of SOLAR OVERSEAS MAURITIUS LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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.

Other matter

This report is made solely to the members of SOLAR OVERSEAS MAURITIUS LIMITED (the "Company"), as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with, or interests in, the Company, other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

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

Bit Associates

BIT ASSOCIATES
Chartered Certified Accountants
& Registered Auditors

Quatre Bornes,
Mauritius

DWARKA SOOCHIT, FCCA, FCMA, CGMA
Licensed by FRC

Date: 30 JUL 2018

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2018

	Note	2018	2017
ASSETS		USD	USD
Non-current assets			
Investment in subsidiaries	7	12,128,121	11,551,482
Advances and application monies	8	-	564,999
Loan and advances	9(a)	9,700,107	24,970,129
		21,828,228	37,086,610
Current assets			
Loan and advances	9(b)	14,914,001	-
Accounts receivable	10	5,280,973	4,248,325
Cash and cash equivalents	11	318,529	106,151
		20,513,503	4,354,476
TOTAL ASSETS		42,341,731	41,441,086
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	12	8,500,000	8,500,000
Revenue reserve		4,456,729	2,803,117
Shareholder's interest		12,956,729	11,303,117
Non-current liabilities			
Borrowings	13	28,960,766	24,460,322
		28,960,766	24,460,322
Current liabilities			
Borrowings	13	-	5,000,000
Accounts payable	14	411,310	656,630
Current tax liabilities	15	12,926	21,017
		424,236	5,677,647
TOTAL EQUITY AND LIABILITIES		42,341,731	41,441,086

Approved by the Board of Directors on 30 JUL 2018

Director

Director

The notes on pages 8 to 24 form an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2018

	Note	2018 USD	2017 USD
INCOME			
Interest income		1,730,784	1,613,576
Commission income		4,062	28,817
Other income		1,708,390	703,692
		3,443,236	2,346,085
OPERATING EXPENSES			
Administrative expenses		599,785	453,716
Bank and other charges		155,446	238,446
Accounting and audit fees		5,200	5,200
		760,431	697,362
FINANCE COST			
Interest expense		1,149,752	947,657
Profit before taxation		1,533,053	701,066
Taxation	15	(45,969)	(21,017)
		1,487,084	680,049
Other comprehensive income/(loss)			
Impairment of investment		-	(628)
Provision for doubtful debt		-	(166,528)
Reversal of provision for doubtful debt		166,528	-
		166,528	(167,156)
Total comprehensive profit for the year		**1,653,612**	**512,893**

The notes on pages 8 to 24 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2018

	Ordinary Share Capital	Retained Earnings	Total
	USD	USD	USD
Balance at April 1, 2016	8,500,000	2,290,224	10,790,224
Profit for the year	-	512,893	512,893
Balance at March 31, 2017	**8,500,000**	**2,803,117**	**11,303,117**
Profit for the year	-	1,653,612	1,653,612
Balance at March 31, 2018	**8,500,000**	**4,456,729**	**12,956,729**

The notes on pages 8 to 24 form an integral part of these financial statements.

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2018

	Notes	2018 USD	2017 USD
Operating activities			
Cash used in operations	16(a)	199,328	(260,396)
Net cash used in operating activities		199,328	(260,396)
Investing activities			
Purchase of investments		(11,650)	(68,461)
Loans & Advances		13,959,731	(14,264,158)
Repayment of loans & advances		(13,270,829)	1,237,636
Interest received		1,350,872	387,933
Net cash flow from investing activities		2,028,124	(12,707,050)
Taxation			
Tax paid		(54,060)	(4,223)
		(54,060)	(4,223)
Financing activities			
Loan received		23,749,500	11,319,560
Repayment of loan		(24,416,156)	-
Interest paid		(1,294,358)	(508,184)
Net cash flow from financing activities		(1,961,014)	10,811,376
Net cash and cash equivalents		212,378	(2,160,293)
Movements in cash and cash equivalents			
Cash and cash equivalents at beginning of the year		106,151	2,266,444
Cash and cash equivalents at end of the year	16(b)	318,529	106,151
Net cash and cash equivalents		212,378	(2,160,293)

The notes on pages 8 to 24 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

1. CORPORATE INFORMATION

Solar Overseas Mauritius 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 international trading, provision of management and administrative services and investment holding activities.

The address of its registered office is Level 3, GFin Tower, 42 Hotel Street, Cybercity, Ebene 72201, Mauritius.

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

2.1 Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2017.

Amendments to IAS 7 Disclosure Initiative

The Company has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes.

The application of these amendments has had no impact on the Company's financial statements.

Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The Company has applied these amendments for the first time in the current year. The amendments clarify how an entity should evaluate whether there will be sufficient future taxable profits against which it can utilise a deductible temporary difference.

The application of these amendments has had no impact on the Company's financial statements as the Company already assesses the sufficiency of future taxable profits in a way that is consistent with these amendments.

Annual Improvements to IFRSs 2014-2016 Cycle

The Company has applied the amendments to IFRS 12 included in the Annual Improvements to IFRSs 2014-2016 Cycle for the first time in the current year. The other amendments included in this package are not yet mandatorily effective and they have not been early adopted by the Company.

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

2.1 Amendments to IFRSs that are mandatorily effective for the current year (continued)

Annual Improvements to IFRSs 2014-2016 Cycle (continued)

IFRS 12 states that an entity need not provide summarised financial information for interests in subsidiaries, associates or joint ventures that are classified (or included in a disposal group that is classified) as held for sale. The amendments clarify that this is the only concession from the disclosure requirements of IFRS 12 for such interests.

The application of these amendments has had no effect on the Company's financial statements.

2.2 New and Revised IFRSs issued but not yet effective

As at the date of these financial statements, the following new and revised IFRSs that are relevant to the Company's operations have been issued but are not yet effective:

Description	Effective for annual periods beginning on or after
IFRS 9 - Financial Instruments	1 January 2018
IFRS 15 - Revenue from Contracts with Customers (and the related Clarifications)	1 January 2018
IFRS 16 - Leases	1 January 2019
Amendments to IFRS 2 - Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined
Amendments to IAS 40 - Transfers of Investment Property	1 January 2018
Amendments to IFRSs - Annual Improvements to IFRS Standards 2014-2016 Cycle	1 January 2018
IFRIC 22 - Foreign Currency Transactions and Advance Consideration	1 January 2018

Except as disclosed below, the directors of the Company expect the adoption of the other standards above will have no material financial impact on the financial statements in the period of initial application.

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

2.2 New and Revised IFRSs issued but not yet effective (continued)

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

The Company is currently assessing the impact of IFRS 9 and plans to adopt the new standards on the required effective date.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

In April 2016, the IASB issued Clarifications to IFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

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

2.2 New and Revised IFRSs issued but not yet effective (continued)

IFRS 16 Leases

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related interpretations when it becomes effective.

IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows; whereas under the IFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by IFRS 16.

The directors of the Company do not anticipate that the application of IFRS 16 will have a significant impact on the amounts recognised in the Company's financial statements.

Annual Improvements to IFRSs 2014 – 2016 Cycle

The Annual Improvements include amendments to IFRS 1 and IAS 28 which are not yet mandatorily effective for the Company.

Both the amendments to IFRS 1 and IAS 28 are effective for annual periods beginning on or after 1 January 2018. The directors of the Company do not anticipate that the application of the amendments in the future will have any impact on the Company's financial statements as the Company is neither a first-time adopter of IFRS nor a venturecapital organisation. Furthermore, the Company does not have any associate or joint venture that is an investment entity.

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

2.2 New and Revised IFRSs issued but not yet effective (continued)

IFRIC 22 Foreign Currency Transactions and Advance Consideration

IFRIC 22 addresses how to determine the 'date of transaction' for the purpose of determining the exchange rate to use on initial recognition of an asset, expense or income, when consideration for that item has been paid or received in advance in a foreign currency which resulted in the recognition of a non-monetary asset or non-monetary liability (e.g. a non-refundable deposit or deferred revenue).

The Interpretation specifies that the date of transaction is the date on which the entity initially recognises the nonmonetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the Interpretation requires an entity to determine the date of transaction for each payment or receipt of advance consideration.

The Interpretation is effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. Entities can apply the Interpretation either retrospectively or prospectively. Specific transition provisions apply to prospective application.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

(a) Basis of preparation

The financial statements have been prepared under the Historical Cost Convention adjusted to fair value where applicable, and in accordance with International Financial Reporting Standards (IFRS).

The functional and presentation currency of the financial statements are US Dollar (USD) rounded to the nearest US Dollar.

The preparation of financial statements in accordance with IFRSs requires the directors and management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual could differ from the related accounting estimates.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (continued)

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 estimates 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.

(b) Impairment

At each Statement of Financial Position date, 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). 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. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

(c) Revenue recognition

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below.

Interest income - on a time-proportion basis using the effective interest method. When a receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised either as cash is collected or on a cost - recovery basis as conditions warrant.

Interest income is shown gross of withholding taxes.

(d) Expense recognition

Expenses are accounted for in the statement of comprehensive income on an accrual basis.

(e) 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.

(f) Related Parties

For the purpose of the financial statements, parties are considered as related to the company if they have the ability, directly or indirectly, to control the company or exercise significant influence over the company in making financial and operating decisions or vice versa or where the Company is subject to common control. Related parties may be individuals or other entities.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing on the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

(h) Investment in Subsidiaries

Subsidiaries are entities over which the Company has the power to govern the financial and operating policies generally accompanying shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable and convertible are considered when assessing whether the Company controls another entity.

Investments in subsidiary undertakings are shown at fair value in the Company's accounts. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the recoverable amount of the investment is less than its carrying amount, the investment is written down immediately to its recoverable amount and the impairment loss is recognised as an expense in the statement of comprehensive income.

On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

(i) Share capital

Ordinary shares are classified as equity.

(j) Financial instruments

The company's accounting policies in respect of the main financial instruments are set out below:

(i) Accounts Payable

Payables are stated at their nominal value.

(ii) Borrowings

Borrowings are recorded at the proceeds received.

(iii) Cash and cash equivalents

Cash and cash equivalents include cash in hand , deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less.

(iv) Accounts Receivable

Accounts receivable are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Financial instruments (continued)

(v) Loans and advances

Loans and advances are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

(vi) Equity instruments

Equity instruments are recorded at the proceeds received, net of direct issue costs.

(k) Comparative figures

Comparative figures have been restated whenever necessary to conform with changes in presentation or in accounting policies.

(l) Income tax

The tax expense for the year comprises current and deferred tax. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets on accumulated tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(m) Investments

The financial statements include investments in companies which are not listed or quoted. In the absence of readily determinable fair values, the investments have been stated at cost. Because of the inherent uncertainty of the valuation of these investments, the actual proceeds from disposal of such investments could differ from these estimated valuations and such differences could be material.

4. FINANCIAL RISK FACTORS

4.1 The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. This note presents information about the Company's exposure to each of the said risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate measures and controls and to monitor risks and adherence to limits. Risks management policies and systems are reviewed regularly to reflect changes in market conditions and in the Company's activities.

The Company's exposure to the various types of risks associated to its activity and financial instruments is detailed below.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Foreign exchange risk is the risk that the fair value of future cash flows of financial instrument will fluctuate because of changes in foreign exchange rate. The Company is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from investments that the Company has made in Singapore and Netherlands, whose net assets are exposed to foreign currency translation risk.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company has no significant exposure to interest rate risk

Price Risk

Equity price risk is the risk of unfavourable changes in fair values of equities as the result of changes in the value of individual shares. The Company has no exposure to price risk at year end.

Credit Risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. With respect to credit arising from financial assets which comprise of investment, trade and other receivables and cash and cash equivalents, the Company's exposure arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets at the reporting date. The table below summarises the exposure to credit risk:

	USD
Loan and advances	24,614,108
Accounts receivable	5,280,973
Cash and cash equivalents	318,529
	30,213,610

4. FINANCIAL RISK FACTORS (CONT'D)

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. The Company aims at maintaining flexibility in funding by keeping committed credit lines available.

The maturity profile of the financial liabilities as at 31 March 2018 and 31 March 2017 is summarised hereunder:

	Less than one year	More than one year	Total
At 31 March 2018	USD	USD	USD
Amount due to related parties	-	8,211,266	8,211,266
Other borrowings	-	20,749,500	20,749,500
Accruals	424,236	-	424,236
At 31 March 2017			
Amount due to related parties	-	4,138,100	4,138,100
Other borrowings	5,000,000	20,322,222	25,322,222
Accruals	677,647	-	677,647

4.2 Capital risk management

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

4.3 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the financial reporting date. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at end of financial reporting period.

4. FINANCIAL RISK FACTORS (CONT'D)

4.4 Fair value Hierarchy

The Company adopted the amendment to IFRS 7, effective 1 January 2009. This requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1:- Quoted prices (unadjusted) in active markets for identical assets or liability
- Level 2:- Inputs other than quoted prices included within level 1 that are observable for the asset or liablity, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3: -Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The following table presents the Company's assets measured as fair values at 31 March 2018 and 31 March 2017:

	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
At 31 March 2018				
- Equity securities	-	-	12,128,121	12,128,121
	-	-	12,128,121	12,128,121
At 31 March 2017				
- Equity securities	-	-	11,551,482	11,551,482
	-	-	11,551,482	11,551,482

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in accordance with IFRS requires the directors and management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

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.

6. CONSOLIDATED FINANCIAL STATEMENTS

The Company has contributed fully towards the funding of Solar Overseas Netherlands Cooperatie U.A as well as owning 100% of the issued Share Capital of Solar Overseas Singapore Pte Ltd and Solar Industries Africa Limited. These entities are considered to be subsidiary undertakings. The Company is not required to present consolidated financial statements as the Company's debt or equity are not traded in a public market nor does it intend to issue any class of instruments in any public market. Further, the Company is itself a wholly-owned subsidiary of another entity and its other owners, including those not otherwise entitled to vote, have been informed about, and do not object to, the Company not presenting consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

7. INVESTMENT IN SUBSIDIARIES

	2018	2017
	USD	USD
At April 01,	**11,551,482**	11,499,309
Capital contribution	**576,639**	52,801
Investment impaired	-	(628)
At March 31,	**12,128,121**	11,551,482

Details of investments are as follows:

Name of Company	Country of Incorporation	Percentage holding	Capital Contribution 2018	Capital Contribution 2017
			USD	USD
Solar Overseas Netherlands Coöperatie U.A	Netherlands	100%	**11,547,771**	11,547,771
Solar Overseas Singapore Pte. Ltd	Singapore	100%	**469,850**	3,611
Solar Industries Africa Limited	Mauritius	100%	**110,500**	100
			12,128,121	11,551,482

The investments in the above Companies have been stated at cost

8. ADVANCES AND APPLICATION MONIES

	2018	2017
	USD	USD
Solar Overseas Singapore Pte. Ltd	-	466,239
Solar Industries Africa Limited	-	98,760
	-	564,999

9. LOAN AND ADVANCES

	2018	2017
	USD	USD
(a) Non-current		
Advances to related parties	**9,063,107**	24,333,129
Other advances	**637,000**	637,000
	9,700,107	24,970,129
(b) Current		
Advances to related parties	**14,914,001**	-
	14,914,001	-

10. ACCOUNTS RECEIVABLE

	2018	2017
	USD	USD
Interest receivable	**3,368,548**	3,231,817
Prepayments	**10,000**	72,500
Other receivables	**1,902,425**	944,008
	5,280,973	4,248,325

The carrying amount of accounts receivable approximate their fair value.

11. CASH AND CASH EQUIVALENTS

	2018	2017
	USD	USD
Cash at bank	**318,529**	106,151

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

12. SHARE CAPITAL

	Issued and fully paid	
	2018	**2017**
	USD	**USD**
85,000 Ordinary Shares	**8,500,000**	8,500,000
At March 31,	**8,500,000**	8,500,000

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.

13. BORROWINGS

	2018	**2017**
	USD	**USD**
(a) **Non-Current**		
Bank Loans	**20,749,500**	20,322,222
Shareholder's loan	**8,211,266**	4,138,100
	28,960,766	24,460,322
(b) **Current**		
Bank Loan	-	5,000,000
	-	5,000,000

Loan from shareholder bears interest of 12% per annum and is repayable within a period of two years from date of receipt of loan which can be extended for a further period of two years by giving written notice to the Borrower.

14. ACCOUNTS PAYABLE

	2018	**2017**
	USD	**USD**
Interest payable	**401,485**	640,030
Other payable and accruals	**9,825**	16,600
	411,310	656,630

The carrying amounts of payables approximate their fair value.

15. 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.

The Computation of the tax liability are as follows:	2018 USD	2017 USD
Profit before tax	**1,533,053**	701,066
Less: exempt income	**(742)**	(515)
Chargeable income	**1,532,311**	700,551
Tax calculated at a rate of 15%	**229,847**	105,083
Foreign tax credit	**(183,878)**	(84,066)
Balance after tax credit	**45,969**	21,017
Less: Advance payment	**(33,043)**	-
Tax payable	**12,926**	21,017

16. NOTES TO THE STATEMENT OF CASH FLOW

	2018 USD	2017 USD
(a) Cash generated from operations		
Reconciliation of profit before taxation to cash generated from operations:		
Profit before taxation	**1,533,053**	701,066
Adjustments for:		
Interest income	**(1,730,784)**	(1,613,576)
Interest expense	**1,149,752**	947,657
Provision for doubtful debt	-	(166,528)
Bad debts recovered	**166,528**	-
Changes in working capital:		
- Other receivables	**(912,446)**	(107,148)
- Other payables	**(6,775)**	(21,867)
Cash generated from operations	**199,328**	(260,396)

(b) Cash and Cash Equivalents	2018 USD	2017 USD
Cash at bank	**318,529**	106,151

17. FINANCIAL RISK FACTORS

The company is exposed to foreign exchange risk. The currency profile of the company's financial assets and liabilities are as follows:-

	Financial Assets		Financial Liabilities	
	2018	**2017**	**2018**	**2017**
	USD	**USD**	**USD**	**USD**
EURO	**25,019,958**	21,954,998	-	-
Singapore Dollars	**794,957**	779,990	-	-
US Dollars	**16,526,816**	18,706,098	**29,385,002**	30,137,969
	42,341,731	41,441,086	**29,385,002**	30,137,969

18. 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 year ended 31 March 2018, the transactions with related parties are as follows:

Related Parties	Relationship	Nature of Operations	Volume of Transactions USD	Balance at 31.03.2018 USD
Solar Overseas Netherlands Coöperatie U.A.	Subsidiary Company	Loans & Advances	3,294,182	10,980,500
Solar Overseas Singapore Pte Ltd	Subsidiary Company	Loans & Advances	15,000	325,107
Nigachem Nigeria Limited	Step down subsidiary	Loans & Advances	237,450	1,643,501
Solar Explochem Zambia Ltd	Step down subsidiary	Loans & Advances	100,000	1,250,000
Solar Patlayici Maddeler Sanayi A.S	Step down subsidiary	Loans & Advances	4,600,000	400,000
Solar Mining Services SA	Step down subsidiary	Loans & Advances	2,457,653	6,323,000
Solar Mining Services Pty Limited	Step down subsidiary	Loans & Advances	2,290,000	2,290,000
Solar Industries Africa Limited	Subsidiary Company	Loans & Advances	765,000	765,000
Solar Industries India Limited	Holding Company	Borrowings	3,973,166	8,211,266

19. HOLDING COMPANY

The Company is controlled by Solar Industries India Ltd , a Company listed on the Bombay Stock Exchange which owns 100% of the Company's share capital.