

# **Solar Mining Services Pty Ltd**

**ACN 142 081 598**

**Financial Statements**

**For the Year Ended 31 March 2024**

## **Contents**

**For the Year Ended 31 March 2024**

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## **Directors' Report**

**31 March 2024**

The directors present their report on Solar Mining Services Pty Ltd for the financial year ended 31 March 2024.

### **1. General information**

#### **Information on directors**

The names, qualifications, experience and special responsibilities of each person who has been a director during the year and to the date of this report are:

Suresh Menon (resigned 28 June 2023)

Manish Nuwal

Peter Ian Richards

Vetkav Ramesh Subramanian

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

#### **Principal activities**

The principal activity of Solar Mining Services Pty Ltd during the financial year was importation of explosives to be used in the mining sector and developing on ground capability to service this market.

No significant changes in the nature of the Company's activity occurred during the financial year.

### **2. Operating results and review of operations for the year**

#### **Operating results**

The profit of the Company after providing for income tax amounted to \$ 547,841 (2023: loss of \$ 941,157).

#### **Dividends paid or recommended**

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

#### **Review of operations**

A review of the operations of the Company during the financial year and the results of those operations show that the Company has continued in its pursuit to be a major player in the Australia mining explosives market.

### **3. Other items**

#### **Significant changes in state of affairs**

There have been no significant changes in the state of affairs of the Company during the year.

#### **Events after the reporting date**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

**Solar Mining Services Pty Ltd**  
**ACN 142 081 598**

**Directors' Report**  
**31 March 2024**

**3. Other items (continued)**

**Future developments and results**

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

**Environmental issues**

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

**Indemnification and insurance of officers and auditors**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Solar Mining Services Pty Ltd.

**Auditor's independence declaration**

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 March 2024 has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

DocuSigned by:  
  
Director: .....  
8402D14534ED412.....  
Peter Ian Richards

Dated May 16, 2024



**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

To the directors of Solar Mining Services Pty Ltd,

As lead auditor for the audit of Solar Mining Services Pty Ltd for the year ended 31 March 2024, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

**In.Corp Audit & Assurance Pty Ltd**  
**ABN 14 129 769 151**

Level 1  
6-10 O'Connell Street  
SYDNEY NSW 2000

Suite 11, Level 1  
4 Ventnor Avenue  
WEST PERTH WA 6005

GPO BOX 542  
SYDNEY NSW 2001

T +61 2 8999 1199  
E [team@incorpadvisory.au](mailto:team@incorpadvisory.au)  
W [incorpadvisory.au](http://incorpadvisory.au)

**In.Corp Audit & Assurance Pty Ltd**

**Daniel Dalla**  
Director

**16 May 2024**

**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Year Ended 31 March 2024**

		<b>2024</b>	<b>2023</b>
		<b>\$</b>	<b>\$</b>
Revenue	4	<b>28,726,005</b>	23,093,181
Other income	4	<b>404,211</b>	534,444
Cost of sales		<b>(23,247,811)</b>	(18,347,812)
Depreciation and amortisation		<b>(183,740)</b>	(229,364)
Employee benefits expense		<b>(1,927,605)</b>	(476,746)
Finance expenses		<b>(551,696)</b>	(247,290)
Foreign exchange loss		<b>(244,767)</b>	(2,688,495)
Other expenses		<b>(2,242,415)</b>	(2,895,701)
<b>Profit/(Loss) before income tax</b>		<b>732,182</b>	(1,257,783)
Income tax (expense)/benefit	5	<b>(184,341)</b>	316,626
<b>Profit/(Loss) for the year</b>		<b>547,841</b>	(941,157)
		-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>547,841</b>	(941,157)

The accompanying notes form part of these financial statements.

## **Statement of Financial Position**

**As At 31 March 2024**

	Note	2024 \$	2023 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	1,770,586	1,085,586
Trade and other receivables	7	1,411,750	1,469,263
Inventories	8	6,844,316	3,152,180
Derivative financial instruments		348,404	-
<b>TOTAL CURRENT ASSETS</b>		<b>10,375,056</b>	5,707,029
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	7	19,611	17,286
Plant and property development	9	28,256,061	26,914,746
Deferred tax assets	18	1,053,977	1,212,143
<b>TOTAL NON-CURRENT ASSETS</b>		<b>29,329,649</b>	28,144,175
		<b>39,704,705</b>	33,851,204
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	15,269,469	6,033,474
Lease liabilities	10	73,500	103,114
Borrowings	12	2,201,407	2,869,440
Employee entitlements	13	218,475	190,319
Other liabilities	14	15,389	699,038
<b>TOTAL CURRENT LIABILITIES</b>		<b>17,778,240</b>	9,895,385
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	10	1,731,617	1,636,273
Borrowings	12	12,029,590	14,623,601
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>13,761,207</b>	16,259,874
<b>TOTAL LIABILITIES</b>		<b>31,539,447</b>	26,155,259
<b>NET ASSETS</b>		<b>8,165,258</b>	7,695,945
<b>EQUITY</b>			
Issued capital	15	146	146
Reserves		14,274,173	14,352,701
Retained earnings		(6,109,061)	(6,656,902)
<b>TOTAL EQUITY</b>		<b>8,165,258</b>	7,695,945

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

For the Year Ended 31 March 2024

2024

	Issued Capital	Accumulated Losses	Share Premium Reserve	Hedging Reserve	Total
	\$	\$	\$	\$	\$
<b>Balance 1 April 2023</b>	146	(6,656,902)	14,352,701	-	7,695,945
Profit for the year	-	547,841	-	-	547,841
<b>Transactions with owners in their capacity as owners</b>					
Deferred loss on hedges	-	-	-	(78,528)	(78,528)
<b>Balance at 31 March 2024</b>	<b>146</b>	<b>(6,109,061)</b>	<b>14,352,701</b>	<b>(78,528)</b>	<b>8,165,258</b>

2023

	Issued Capital	Accumulated Losses	Share Premium Reserve	Hedging Reserve	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 April 2022</b>	74	(5,715,745)	7,215,013	-	1,499,342
Loss for the year	-	(941,157)	-	-	(941,157)
<b>Transactions with owners in their capacity as owners</b>					
Issue of shares	72	-	7,137,688	-	7,137,760
<b>Balance at 31 March 2023</b>	<b>146</b>	<b>(6,656,902)</b>	<b>14,352,701</b>	<b>-</b>	<b>7,695,945</b>

The accompanying notes form part of these financial statements.



**Statement of Cash Flows**  
For the Year Ended 31 March 2024

	2024	2023
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	31,527,422	27,016,799
Payments to suppliers and employees	(25,189,898)	(24,368,067)
Interest paid	(1,445,865)	(813,687)
	<hr/>	<hr/>
Net cash provided by/(used in) operating activities	22 4,891,659	1,835,045
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of plant and equipment	945,000	110,000
Purchase of plant and equipment	(1,369,857)	(6,195,370)
	<hr/>	<hr/>
Net cash provided by/(used in) investing activities	(424,857)	(6,085,370)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of shares	-	7,137,760
Proceeds from borrowings	-	10,043,041
Proceeds from (repayment of) shareholder loan	(3,462,044)	(12,667,658)
Repayment of lease liabilities	(118,108)	(111,349)
	<hr/>	<hr/>
Net cash provided by/(used in) financing activities	(3,580,152)	4,401,794
Effects of exchange rate changes on cash and cash equivalents	(201,650)	-
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents held	685,000	151,469
	<hr/>	<hr/>
Cash and cash equivalents at end of financial year	6 1,770,586	1,085,586

The accompanying notes form part of these financial statements.

## **Notes to the Financial Statements**

### **For the Year Ended 31 March 2024**

The financial report covers Solar Mining Services Pty Ltd as an individual entity. Solar Mining Services Pty Ltd is a for-profit Company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of Solar Mining Services Pty Ltd is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

#### **1 Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

#### **2 Material Accounting Policy Information**

##### **(a) Revenue and other income**

###### **Revenue from contracts with customers**

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

###### **Other income**

Other income is recognised on an accruals basis when the Company is entitled to it.

##### **(b) Inventories**

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

## Notes to the Financial Statements

### For the Year Ended 31 March 2024

#### 2 Material Accounting Policy Information (continued)

##### (c) Plant and property development

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

##### Property developments

Property developments comprise costs incurred whilst working towards the construction and operation of production facilities. Costs include consultants', surveyors and builders fee. Manufacturing has not commenced at either location and no depreciation has been provided. Depreciation will be provided when the respective development is finished and ready for use.

##### Plant and equipment

Plant and equipment are measured using the cost model.

##### Depreciation

Plant and property development is depreciated on a straight-line basis over the asset's useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Motor Vehicles	8%
Office Equipment	5 to 33%
Computer Equipment	20 to 33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

##### (d) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### Financial assets

All recognised financial assets are subsequently measured in their entirety at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

## **Notes to the Financial Statements**

### **For the Year Ended 31 March 2024**

#### **2 Material Accounting Policy Information (continued)**

##### **(d) Financial instruments (continued)**

###### **Financial assets (continued)**

###### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less allowance for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

###### *Impairment of financial assets*

Impairment of financial assets measured at amortised cost is recognised on expected credit loss (ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

## Notes to the Financial Statements

### For the Year Ended 31 March 2024

#### 2 Material Accounting Policy Information (continued)

##### (d) Financial instruments (continued)

###### Financial assets (continued)

###### *Financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

###### Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

###### Hedge accounting

The Company chooses to apply hedge accounting for certain derivatives held which meet the following criteria:

- at the inception of the hedge there is formal designation and documentation of the hedging relationship and the Company's risk management objective and strategy for undertaking the hedge;
- the hedge relationship meets all of the hedge effectiveness requirements including that an economic relationship exists between the hedged item and the hedging instrument, credit risk does not dominate the fair value changes; and
- the hedge ratio is designated based on actual quantities of the hedged item and hedging instrument.

###### Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI - hedge reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item from the inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

##### (e) Going concern

The financial statements show a deficiency in net current assets of \$7,403,184 (2023: \$4,188,356). The financial report has been prepared on a going concern basis. This basis has been adopted as the Company has received a guarantee of continuing financial support from Solar Overseas Mauritius Limited to allow the Company to meet its liabilities and it is the belief of the directors that such financial support will continue to be made available.

No adjustments have been made to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

## **Notes to the Financial Statements**

**For the Year Ended 31 March 2024**

### **2 Material Accounting Policy Information (continued)**

#### **(f) Adoption of new and revised accounting standards**

The Company has adopted all standards which became effective for the first time at 31 March 2024, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

#### **(g) New Accounting Standards and Interpretations**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have not early adopted these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the Company.

### **3 Critical Accounting Estimates and Judgments**

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### **Key estimates - impairment of plant and equipment**

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

#### **Key estimates - receivables**

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment allowance is included for any receivable where the entire balance is not considered collectible. The impairment allowance is based on the best information at the reporting date.

#### **Key estimates - inventory**

Each item on inventory is reviewed on an annual basis to determine whether it is being carried at higher than its net realisable value. During the year, management have written down inventory based on best estimate of the net realisable value, although until the time that inventory is sold or disposed, this is an estimate.

#### **Key judgments - taxes**

##### *Deferred tax assets*

Determining income tax provisions involves judgment on the tax treatment of certain transactions. Deferred tax is recognised on tax losses not yet used and on temporary differences where it is probable that there will be taxable revenue against which these can be offset. Management has made judgments as to the probability of future taxable revenues being generated against which tax losses will be available for offset based on budgets, current and future expected economic conditions.

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2024**

**4 Revenue and Other Income**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Sales revenue	<b>28,726,005</b>	23,093,181
	<b>28,726,005</b>	23,093,181
Other income	<b>404,211</b>	534,444
	<b>404,211</b>	534,444

**5 Income Tax Benefit**

Reconciliation of income tax to accounting profit:

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2023: 25%)	<b>183,046</b>	(314,446)
Tax effect of:		
- other non-allowable/non-assessable items	<b>1,295</b>	(2,180)
Income tax benefit/(expense)	<b>184,341</b>	(316,626)

**6 Cash and Cash Equivalents**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and in hand	<b>1,770,586</b>	1,085,586
	<b>1,770,586</b>	1,085,586

**7 Trade and Other Receivables**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Current		
Trade receivables	<b>905,250</b>	1,344,682
Allowance for impairment	<b>(3,972)</b>	(1,359)
	<b>901,278</b>	1,343,323
Receivable from related parties	<b>5,530</b>	1,130
GST receivable	<b>316,200</b>	-
Other receivables	<b>188,742</b>	124,810
	<b>1,411,750</b>	1,469,263

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2024**

**7 Trade and Other Receivables (continued)**

	<b>2024</b>	<b>2023</b>
	\$	\$
Non-Current		
Other receivables	19,611	17,286
	<u>19,611</u>	<u>17,286</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

**8 Inventories**

	<b>2024</b>	<b>2023</b>
	\$	\$
Current		
At cost:		
Consumables	54,117	54,117
Finished goods	6,790,199	3,098,063
	<u>6,844,316</u>	<u>3,152,180</u>

**9 Plant and property development**

	<b>2024</b>	<b>2023</b>
	\$	\$
Property Developments		
At cost	26,443,744	24,770,375
	<u>26,443,744</u>	<u>24,770,375</u>
Plant and equipment		
At cost	117,566	626,743
Accumulated depreciation	(41,050)	(220,482)
	<u>76,516</u>	406,261
Motor vehicles		
At cost	174,031	218,293
Accumulated depreciation	(55,475)	(60,873)
	<u>118,556</u>	157,420
Right-of-Use asset		
At cost	2,179,459	1,995,621
Accumulated depreciation	(562,214)	(414,931)
	<u>1,617,245</u>	<u>1,580,690</u>
	<u>28,256,061</u>	<u>26,914,746</u>



## Notes to the Financial Statements

### For the Year Ended 31 March 2024

#### 9 Plant and property development (continued)

##### Movements in carrying amounts of plant and property development

Movement in the carrying amounts for each class of plant and property development between the beginning and the end of the current financial year:

	Property Developments	Plant and Equipment	Motor Vehicles	Right-of-U se Asset	Total
	\$	\$	\$	\$	\$
<b>Year ended 31 March 2024</b>					
Balance at the beginning of year	24,770,375	406,261	157,420	1,580,690	26,914,746
Additions	2,261,161	2,865	-	183,837	2,447,863
Transfers	(587,792)	587,792	-	-	-
Disposals	-	(898,752)	(24,056)	-	(922,808)
Depreciation expense	-	(21,650)	(14,808)	(147,282)	(183,740)
<b>Balance at the end of the year</b>	<b>26,443,744</b>	<b>76,516</b>	<b>118,556</b>	<b>1,617,245</b>	<b>28,256,061</b>

	Property Developments	Plant and Equipment	Motor Vehicles	Right-of-U se Asset	Total
	\$	\$	\$	\$	\$
<b>Year ended 31 March 2023</b>					
Balance at the beginning of year	18,270,140	403,540	111,924	1,825,907	20,611,511
Additions	6,615,591	84,363	61,815	-	6,761,769
Disposals	(115,356)	-	-	(113,814)	(229,170)
Depreciation expenses	-	(81,642)	(16,319)	(131,403)	(229,364)
<b>Balance at the end of the year</b>	<b>24,770,375</b>	<b>406,261</b>	<b>157,420</b>	<b>1,580,690</b>	<b>26,914,746</b>

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2024**

**10 Leases**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Current Lease liabilities	<b>73,500</b>	103,114
	<b>73,500</b>	<b>103,114</b>
Non-Current Lease liabilities	<b>1,731,617</b>	1,636,273
	<b>1,731,617</b>	<b>1,636,273</b>

**11 Trade and Other Payables**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Current		
Trade payables	<b>102,915</b>	61,495
GST payable	-	212,808
Interest payable	-	26,913
Other payables	<b>126,000</b>	156,601
Payable to related party - Solar Industries India Ltd	<b>15,040,554</b>	5,575,657
	<b>15,269,469</b>	<b>6,033,474</b>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

## Notes to the Financial Statements

### For the Year Ended 31 March 2024

#### 12 Borrowings

	2024	2023
	\$	\$
Current		
Secured liabilities:		
Bank loan	2,201,407	2,869,440
	<u>2,201,407</u>	<u>2,869,440</u>
Non-Current		
Unsecured liabilities:		
Loan from Solar Overseas Mauritius Ltd	7,650,000	7,450,000
Secured liabilities:		
Bank loan	4,379,590	7,173,601
	<u>12,029,590</u>	<u>14,623,601</u>

The bank loans are secured by a charge over the Company's moveable fixed assets and over its current assets. The loans are also guaranteed by the ultimate parent company, Solar Industries India Ltd.

The current bank loan is due for repayment within 12 months of drawdown.

The non-current bank loan is due for repayment within 5 years from date of drawdown with the first repayment due 15 months from initial drawdown.

The loan facilities have covenants in relation to EBITDA, debt to equity of both the Company and the Guarantor.

#### 13 Employee Entitlements

	2024	2023
	\$	\$
Current		
Annual leave	218,475	190,319
	<u>218,475</u>	<u>190,319</u>

#### 14 Other Liabilities

	2024	2023
	\$	\$
Current		
Payable for capital goods	4,543	159,538
Advance from customers	240	-
Advances from customer for capital goods	-	539,500
Other payables	10,606	-
	<u>15,389</u>	<u>699,038</u>

## Notes to the Financial Statements

### For the Year Ended 31 March 2024

#### 15 Issued Capital

	2024	2023
	\$	\$
14,552,847 (2023: 14,552,847) Ordinary shares	146	146
	<u>146</u>	<u>146</u>

#### Ordinary shares

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

#### Capital Management

The key objectives of the Company when managing capital is to safeguard its ability to continue as a going concern and maintain optimal benefits to stakeholders. The Company defines capital as its equity and net debt.

There has been no change to capital risk management policies during the year.

The Company manages its capital structure and makes funding decisions based on the prevailing economic environment and has a number of tools available to manage capital risk.

#### 16 Reserves

##### Share premium reserve

The share premium reserve records the premium on the issue of ordinary fully paid shares.

#### 17 Contracted Commitments

	2024	2023
	\$	\$
Contracted commitments for:		
Plant & Equipment	-	61,536
	<u>-</u>	<u>61,536</u>

**Notes to the Financial Statements**  
For the Year Ended 31 March 2024

**18 Tax assets and liabilities**

	Opening Balance	Charged to Income	Closing Balance
	\$	\$	\$
<b>Deferred tax assets</b>			
Deferred tax assets attributable to tax losses	860,858	311,611	1,172,469
Other	34,661	5,013	39,674
<b>Balance at 31 March 2023</b>	<u>895,519</u>	<u>316,624</u>	<u>1,212,143</u>
Deferred tax assets attributable to tax losses	<b>1,172,469</b>	<b>(165,460)</b>	<b>1,007,009</b>
Other	<b>39,674</b>	<b>7,294</b>	<b>46,968</b>
<b>Balance at 31 March 2024</b>	<u><u>1,212,143</u></u>	<u><u>(158,166)</u></u>	<u><u>1,053,977</u></u>

**19 Auditors' Remuneration**

	2024	2023
	\$	\$
Remuneration of the auditor, In.Corp Audit & Assurance Pty Ltd, for:		
- auditing of the financial report	15,000	12,500
- other assurance services	8,500	8,200
- taxation and compliance services provided by related practice	28,018	27,700
	<u><u>51,518</u></u>	<u><u>48,400</u></u>

**20 Contingencies**

In the opinion of the Directors, the Company did not have any contingencies at 31 March 2024 (31 March 2023: None).

## Notes to the Financial Statements

### For the Year Ended 31 March 2024

#### 21 Related Parties

The following transactions occurred with related parties:

	2024	2023
	\$	\$
<b>Solar Overseas Mauritius Limited</b>		
Loan - Principal (net repayment)	-	(8,489,769)
Loan - Interest	457,528	757,537
<b>Solar Industries India Limited</b>		
Inventory Purchases	26,075,964	5,564,636
Other expenses	-	78,664
Other income	1,034	1,130

#### 22 Cash Flow Information

##### Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2024	2023
	\$	\$
Profit for the year	547,841	(941,157)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	183,740	229,364
- net (gain)/loss on disposal of plant and equipment	(22,191)	5,356
- foreign exchange losses	166,239	2,688,495
- capitalised borrowing costs included as operating cashflows	(894,169)	(566,399)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	55,188	393,601
- (increase)/decrease in inventories	(3,692,136)	4,232,358
- increase/(decrease) in trade and other payables	8,360,825	(3,885,078)
- increase/(decrease) in income taxes	158,166	(316,624)
- increase/(decrease) in employee entitlements	28,156	(4,871)
Cashflows from operations	<u>4,891,659</u>	<u>1,835,045</u>

#### 23 Statutory Information

The registered office and principal place of business of the company is:

Solar Mining Services Pty Ltd  
3577 Henry Parkes Way  
BOGAN GATE NSW 2876

## Solar Mining Services Pty Ltd

### Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 20, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards - Simplified Disclosures; and
  - b. give a true and fair view of the financial position as at 31 March 2024 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

DocuSigned by:  
*Peter Richards*  
8402D14534ED412...

Director .....

Dated May 16, 2024

**SOLAR MINING SERVICES PTY LTD  
INDEPENDENT AUDITOR'S REPORT**

To the members of Solar Mining Services Pty Ltd

**Opinion**

We have audited the financial report of Solar Mining Services Pty Ltd (“the Company”), which comprises the statement of financial position as at 31 March 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company, is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the company's financial position as at 31 March 2024 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (“the Code”) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**In.Corp Audit & Assurance Pty Ltd  
ABN 14 129 769 151**

Level 1  
6-10 O'Connell Street  
SYDNEY NSW 2000

Suite 11, Level 1  
4 Ventnor Avenue  
WEST PERTH WA 6005

GPO BOX 542  
SYDNEY NSW 2001

T +61 2 8999 1199  
E [team@incorpadvisory.au](mailto:team@incorpadvisory.au)  
W [incorpadvisory.au](http://incorpadvisory.au)



**SOLAR MINING SERVICES PTY LTD**  
**INDEPENDENT AUDITOR'S REPORT (continued)**

**Other Information**

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 March 2024, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report 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 the Directors for the Financial Report**

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

In preparing the financial report, 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 director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**SOLAR MINING SERVICES PTY LTD**

**INDEPENDENT AUDITOR'S REPORT (continued)**

**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 Australian Auditing Standards 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

[https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

We communicate with the directors regarding, amongst 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**In.Corp Audit & Assurance Pty Ltd**



**Daniel Dalla**  
Director

16 May 2024