

**AUSTRALIAN EXPLOSIVE TECHNOLOGIES
GROUP PTY LTD
ACN 142 081 598**

FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2017

AUSTRALIAN EXPLOSIVE TECHNOLOGIES GROUP PTY LTD
ACN 142 081 598

FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2017

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AUSTRALIAN EXPLOSIVE TECHNOLOGIES GROUP PTY LTD
ACN 142 081 598

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 31 March 2017.

Directors

The names of the directors in office at anytime during or since the end of the year are:

Ian Taylor Smith
Suresh Menon (appointed 8 July 2016)
Manish Nuwal (appointed 8 July 2016)
Vetkav Ramesh Subramanian (appointed 8 July 2016)

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

Review of Operations

The loss of the company for the financial year after providing for income tax amounted to \$121875.17

A review of the operations of the company during the financial year and the results of those operations are as follows:

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

Principal Activities

The principal activities of the company during the financial year were:

Explosive importation and sales

Events Subsequent to the End of the Reporting Period

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.

Likely Developments and Expected Results of Operations

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 Regulation

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

Dividends

No dividends have been paid or declared since the start of the financial year.

AUSTRALIAN EXPLOSIVE TECHNOLOGIES GROUP PTY LTD
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DIRECTORS' REPORT

Going Concern

Notwithstanding the deficiency of net assets, the financial report has been prepared on a going concern basis as the directors have received a guarantee of continued financial support and the directors believe that such financial support will continue to be made available.

Dividends

No dividends have been paid or declared since the start of the financial year.

Options

No options over unissued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnification of Officers

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 the company.

Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

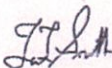
The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is attached to this financial report.

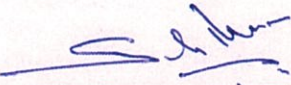
Signed in accordance with a resolution of the board of directors:

Director



Ian Taylor Smith

Director



Suresh Menon

28 May 2017

AUSTRALIAN EXPLOSIVE TECHNOLOGIES GROUP PTY LTD
AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF
AUSTRALIAN EXPLOSIVE TECHNOLOGIES GROUP PTY LTD

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2017 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

CLARKE AND BROWNRIGG
Chartered Accountants
Dated

CR CLARKE
Partner and registered auditor number 5024
2017 8 Angas Street, Kent Town SA 5067

AUSTRALIAN EXPLOSIVE TECHNOLOGIES GROUP PTY LTD
ACN 142 081 598

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 \$	2016 \$
Employee benefits expense		(44,372.00)	-
Finance costs	2	(40.96)	-
Other expenses		<u>(77,462.21)</u>	<u>(18,142.21)</u>
Profit (loss) before income tax	2	(121,875.17)	(18,142.21)
Income tax expense		<u>-</u>	<u>-</u>
Profit (loss) for the year		<u>(121,875.17)</u>	<u>(18,142.21)</u>
Profit (loss) attributable to members of the company		<u>(121,875.17)</u>	<u>(18,142.21)</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN EXPLOSIVE TECHNOLOGIES GROUP PTY LTD
ACN 142 081 598

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 \$	2016 \$
Profit (loss) for the year		(121,875.17)	(18,142.21)
Other comprehensive income		<u>0</u>	<u>0</u>
Total other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(121,875.17)</u>	<u>(18,142.21)</u>
Total comprehensive income attributable to members of the company		<u>(121,875.17)</u>	<u>(18,142.21)</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN EXPLOSIVE TECHNOLOGIES GROUP PTY LTD
ACN 142 081 598

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	211,027.70	1,470.50
Trade and other receivables	4	<u>3,222.84</u>	<u>587.62</u>
TOTAL CURRENT ASSETS		<u>214,250.54</u>	<u>2,058.12</u>
NON-CURRENT ASSETS			
Property, plant and equipment	5	39,014.50	-
Intangible assets	6	<u>-</u>	<u>2,740.00</u>
TOTAL NON-CURRENT ASSETS		<u>39,014.50</u>	<u>2,740.00</u>
TOTAL ASSETS		<u><u>253,265.04</u></u>	<u><u>4,798.12</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	<u>137,039.21</u>	<u>125,031.12</u>
TOTAL CURRENT LIABILITIES		<u>137,039.21</u>	<u>125,031.12</u>
TOTAL LIABILITIES		<u>137,039.21</u>	<u>125,031.12</u>
NET ASSETS (LIABILITIES)		<u><u>116,225.83</u></u>	<u><u>(120,233.00)</u></u>
EQUITY			
Issued capital	8	5.58	2.00
Reserves	9	358,330.42	-
Retained earnings (accumulated losses)		<u>(242,110.17)</u>	<u>(120,235.00)</u>
TOTAL EQUITY (DEFICIT)		<u><u>116,225.83</u></u>	<u><u>(120,233.00)</u></u>

The accompanying notes form part of these financial statements.

AUSTRALIAN EXPLOSIVE TECHNOLOGIES GROUP PTY LTD

ACN: 142081598

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

Note	Share Capital		Retained Earnings (accumulated losses)	Revaluation Surplus	Reserves			Total
	Ordinary	Parity paid ordinary shares			Financial Assets Reserve	Share Premium Reserve		
Dividends paid or provided for	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total transactions with owners and other transfers	3.58	-	0.00	-	-	-	358,330.42	358,334.00
Balance at 31 March 2017	5.58	-	-242,110.17	-	-	-	358,330.42	116,225.83

The accompanying notes form part of these financial statements.

AUSTRALIAN EXPLOSIVE TECHNOLOGIES GROUP PTY LTD
ACN: 142081598
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

	2017	2016
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	-	-
Payments to suppliers and employees	(109,721)	(18,447)
Dividends received	-	-
Interest received	-	-
Finance costs	(41)	-
Income tax paid	-	-
Net cash provided by/(used in) operating activities	<u>(109,762)</u>	<u>(18,447)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	-	-
Proceeds from sale of investments	-	-
Purchase of property, plant and equipment	(39,015)	-
Purchase of investments	-	-
Dividends received from equity accounted investments	-	-
Loan payments made to related parties	-	-
Loan repayments received from related parties	-	-
Net cash provided by/(used in) investing activities	<u>(39,015)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	358,334	-
Loans from related parties - proceeds from borrowings	-	17,824
Repayment of borrowings	-	-
Dividends paid	-	-
Net cash provided by/(used in) financing activities	<u>358,334</u>	<u>17,824</u>
Net increase/(decrease) in cash held	<u>209,558</u>	<u>(623)</u>
Cash at beginning of financial year	1,471	2,094
Cash at end of financial year	<u>3</u> <u>211,028</u>	<u>1,471</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN EXPLOSIVE TECHNOLOGIES GROUP PTY LTD
ACN 142 081 598

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Australian Explosive Technologies Group Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 31 May 2017 by the directors of the company.

Basis of Preparation

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Corporations Act 2001*. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes.

(a) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income). The company does not recognise deferred tax assets or liabilities at the present time due to the company being in the early stages of operations.

Current income tax expense charged to profit or loss is the tax payable on taxable income and is measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

(b) Property, Plant and Equipment

Property, plant and equipment comprises the Leigh Creek Detonator assembly plant development at cost. The development is in the design stage and costs include survey and architect fees. The development has not reached the construction stage yet and no depreciation has been provided. Depreciation will be provided when the development is complete and ready for use.

AUSTRALIAN EXPLOSIVE TECHNOLOGIES GROUP PTY LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

(c) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(d) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

AUSTRALIAN EXPLOSIVE TECHNOLOGIES GROUP PTY LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

	2017	2016
	\$	\$
2. PROFIT (LOSS) FOR THE YEAR		
Profit (loss) from continuing operations includes the following specific expenses:		
Expenses:		
Interest expense on financial liabilities not at fair value through profit or loss:		
External	40.96	-
	<hr/>	<hr/>
Total finance costs	40.96	-
	<hr/>	<hr/>
Net loss on disposal of non-current assets:		
Investments	-	282.50
Employee benefits expense:		
Superannuation contributions – employees	2820.00	-
	<hr/>	<hr/>
3. CASH AND CASH EQUIVALENTS		
Cash on hand	2.00	2.00
Cash at bank	-	863.82
Cash at bank – Australia and New Zealand Banking Group Limited	201114.24	604.68
Cash at bank – Australia and New Zealand Banking Group Limited Project Account	9911.46	-
	<hr/>	<hr/>
	211027.70	1470.50
	=====	=====
4. TRADE AND OTHER RECEIVABLES		
CURRENT		
Goods and services tax	3222.84	587.62
	<hr/>	<hr/>
	=====	=====

AUSTRALIAN EXPLOSIVE TECHNOLOGIES GROUP PTY LTD
ACN 142 081 598

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

	2017	2016
	\$	\$
5. PROPERTY, PLANT AND EQUIPMENT		
Leigh Creek development at cost	39014.50	-
	=====	
6. INTANGIBLE ASSETS		
Formation expenses at cost	2740.00	2740.00
Less written off	(2740.00)	-
	-----	-----
	-	2740.00
	=====	=====
7. TRADE AND OTHER PAYABLES		
CURRENT		
Amounts payable	12008.09	-
Amounts payable to other entities:		
AET Investments Pty Ltd	1500.00	1500.00
Althorpe Investments Unit Trust	-	44703.50
C & I Smith Pty Ltd	50703.50	51703.50
Mrs B A Pearce	4234.00	4234.00
The Clement Petroleum Trust	3000.00	3000.00
The Ferrum Trust	48703.50	4000.00
Loans:		
R J Pearce	1.00	1.00
C & I T Smith	15590.12	14590.12
I T Smith	1299.00	1299.00
	-----	-----
	137039.21	125031.12
	=====	=====
8. ISSUED CAPITAL		
558334 fully paid ordinary shares of 0.00001 each.		
200,000 fully paid ordinary shares of 0.00001 each	5.58	2.00
(31 March 2016).	=====	=====
9. Share Premium Reserve:		
This reserve records the premium paid on the issue of ordinary fully paid shares.		

AUSTRALIAN EXPLOSIVE TECHNOLOGIES GROUP PTY LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

	2017	2016
	\$	\$
The following is an analysis of this reserve:		
Premium paid on the issue of 358334 ordinary fully paid shares on 12 September 2016	358330.42	-
	=====	=====

10. COMPANY DETAILS

The registered office of the company is:
 Australian Explosive Technologies Group Pty Ltd
 Unit 1, 7 Greenhill Road
 Wayville SA 5034

The parent entity of the company is:
 Solar Overseas Singapore Pte. Ltd.

The ultimate parent entity of the company is:
 Solar Industries India Limited

The principle activities of the company during the financial year were:
 Explosive importation and sales

11. CASH FLOW INFORMATION

	2017	2016
	\$	\$
Reconciliation of Cash Flows from Operating Activities with		
Loss after Income Tax		
Loss after income tax	(121875)	(18142)
Non-cash flows in loss:		
· write-off investment	-	2
· write-off non-recoverable amount	-	281
· write-off intangible assets	2740	-
Changes in assets and liabilities:		
· (increase) in GST recoverable	(2635)	(588)
· increase in payables	12008	-
	-----	-----
	(109762)	(18447)
	=====	=====

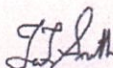
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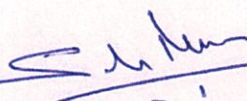
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Australian Explosive Technologies Group Pty Ltd, the directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 2 to 15, are in accordance with the *Corporations Act 2001* and:
 - a. comply with mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001*; and
 - b. give a true and fair view of the company's financial position as at 31 March 2017 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
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.

Director 
.....
Ian Taylor Smith

Director 
.....
Suresh Menon

Dated this 28th day of May 2017.

AUSTRALIAN EXPLOSIVE TECHNOLOGIES GROUP PTY LTD

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIAN EXPLOSIVE TECHNOLOGIES GROUP PTY LTD**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Explosive Technologies Group Pty Ltd (the company), which comprises the statement of financial position as at 31 March 2017 and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Australian Explosive Technologies Group Pty Ltd is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 31 March 2017 and of its financial performance for the year then ended; and
- (ii) complying with applicable Australian Accounting Standards to the extent described in Note 1, 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 and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is 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 relating 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.

AUSTRALIAN EXPLOSIVE TECHNOLOGIES GROUP PTY LTD

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIAN EXPLOSIVE TECHNOLOGIES GROUP PTY LTD**

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 the 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, 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 the directors.
- Conclude on the appropriateness of the 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 report 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 report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

CLARKE AND BROWNRIGG
Chartered Accountants
Dated

CR CLARKE
Partner and registered auditor number 5024
2017 8 Angas Street, Kent Town SA 5067