

SOLAR OVERSEAS MAURITIUS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

CONTENTS	PAGES
MANAGEMENT AND ADMINISTRATION	1
DIRECTORS' REPORT	2
CERTIFICATE FROM THE SECRETARY	2(a)
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS	3
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	5
STATEMENT OF CHANGES IN EQUITY	6
STATEMENT OF CASH FLOW	7
NOTES TO THE FINANCIAL STATEMENTS	8 - 19

FOR THE YEAR ENDED MARCH 31, 2017

MANAGEMENT AND ADMINISTRATION

		Date of appointment	Date of resignation
DIRECTORS:	Virrsing Ramdeny	21-Aug-09	-
	Koosoom Newoor	21-Aug-09	-
	Satyanarayan Nuwal	2-Sep-09	-
	Desmond Pillay	9-Jun-15	-
	Milind Bhalchandra Deshmukh	26-Aug-15	-

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

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

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, 2017

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 2017.

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 2017 is **USD 512,893** (2016: Profit of USD136,748).

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;
- 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.

By Order of the Board

K. Newson

SECRETARY

Date: 10 AUG 2017

**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, 2017 all such returns as are required for a company under the Companies Act 2001.

K. Newson

.....
For and on behalf of Associated Consultants Ltd
Company Secretary

Date: 10 AUG 2017

SOLAR OVERSEAS MAURITIUS LIMITED**INDEPENDENT AUDITOR'S REPORT**

To the Shareholders of SOLAR OVERSEAS MAURITIUS LIMITED

Report on the audit of the Financial Statements

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.

Opinion

We have audited the financial statements of SOLAR OVERSEAS MAURITIUS LIMITED (the Company), on pages 4 to 19 which comprise the statement of financial position as at March 31, 2017, 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 19 give a true and fair view of the financial position of the Company as at March 31, 2017, 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.

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.

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.

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.

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.

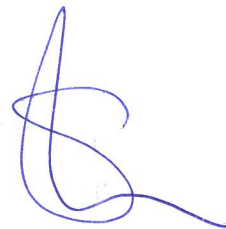
We have obtained all information and explanations we have required.

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



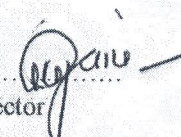
DWARKA SOOCHIT, FCCA, FCMA, CGMA
Licensed by FRC

Date: 10 AUG 2017

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2017

<u>ASSETS</u>	<u>Note</u>	<u>2017</u> <u>USD</u>	<u>2016</u> <u>USD</u>
Non-current assets			
Investment in subsidiaries	7	11,551,482	11,499,309
Advances and application monies	8	564,999	549,339
Loan and advances	9	24,970,129	11,991,532
		<u>37,086,610</u>	<u>24,040,180</u>
Current assets			
Accounts receivable	10	4,248,325	2,867,609
Cash and cash equivalents	11	106,151	2,266,444
		<u>4,354,476</u>	<u>5,134,053</u>
TOTAL ASSETS		<u>41,441,086</u>	<u>29,174,233</u>
<u>EQUITY AND LIABILITIES</u>			
Capital and reserves			
Share capital	12	8,500,000	8,500,000
Revenue reserve		2,803,117	2,290,224
Shareholder's interest		<u>11,303,117</u>	<u>10,790,224</u>
Non-current liabilities			
Borrowings	13(a)	24,460,322	15,700,000
		<u>24,460,322</u>	<u>15,700,000</u>
Current liabilities			
Borrowings	13(b)	5,000,000	2,440,762
Accounts payable	14	656,630	239,024
Current tax liabilities	15	21,017	4,223
		<u>5,677,647</u>	<u>2,684,009</u>
TOTAL EQUITY AND LIABILITIES		<u>41,441,086</u>	<u>29,174,233</u>

Approved by the Board of Directors on 1.0 AUG 2017

S.N.N. 
Director


Director

The notes on pages 8 to 19 form an integral part of these financial statements.

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2017**

	<u>Note</u>	<u>2017</u> <u>USD</u>	<u>2016</u> <u>USD</u>
INCOME			
Interest income		1,613,576	834,877
Commission income		28,817	114,183
Other income		703,692	403,050
		<u>2,346,085</u>	<u>1,352,110</u>
OPERATING EXPENSES			
Administrative expenses		453,716	664,872
Bank and other Charges		238,446	259,663
Accounting and Audit fees		5,200	5,200
		<u>697,362</u>	<u>929,735</u>
FINANCE COST			
Interest expense		947,657	281,404
Profit before taxation		701,066	140,971
Taxation	15	(21,017)	(4,223)
		<u>680,049</u>	<u>136,748</u>
Other comprehensive loss			
Impairment of investment		(628)	-
Provision for doubtful debt		(166,528)	-
		<u>(167,156)</u>	<u>-</u>
Total comprehensive profit for the year		<u><u>512,893</u></u>	<u><u>136,748</u></u>

The notes on pages 8 to 19 form an integral part of these financial statements.

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

	Ordinary Share Capital <u>USD</u>	Retained Earnings <u>USD</u>	Total <u>USD</u>
Balance at April 1, 2015	8,500,000	2,153,476	10,653,476
Profit for the year	-	136,748	136,748
Balance at March 31, 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

The notes on pages 8 to 19 form an integral part of these financial statements.

**STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2017**

	<u>Notes</u>	<u>2017</u> <u>USD</u>	<u>2016</u> <u>USD</u>
Operating activities			
Cash used in operations	16(a)	(260,396)	(125,566)
Net cash used in operating activities		<u>(260,396)</u>	<u>(125,566)</u>
Investing activities			
Purchase of investments		(68,461)	(1,045,061)
Loans & Advances		(14,264,158)	(3,933,124)
Repayment of loans & advances		1,237,636	-
Interest received		387,933	50,637
Net cash flow from investing activities		<u>(12,707,050)</u>	<u>(4,927,548)</u>
Taxation			
Tax paid		(4,223)	(12,374)
		<u>(4,223)</u>	<u>(12,374)</u>
Financing activities			
Loan received		11,319,560	7,289,094
Interest paid		(508,184)	(80,847)
Net cash flow from financing activities		<u>10,811,376</u>	<u>7,208,247</u>
Net cash and cash equivalents		<u>(2,160,293)</u>	<u>2,142,759</u>
Movements in cash and cash equivalents			
Cash and cash equivalents at beginning of the year		2,266,444	123,685
Cash and cash equivalents at end of the year	16(b)	106,151	2,266,444
Net cash and cash equivalents		<u>(2,160,293)</u>	<u>2,142,759</u>

The notes on pages 8 to 19 form an integral part of these financial statements.

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

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 Suite G12, St. James Court, St. Denis Street, Port Louis, Mauritius.

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

2.1 New and revised IFRSs affecting amounts reported and/or disclosures in the financial statements

(a) Adoption of New and Revised IFRSs

During the current financial year, there are no new and revised IFRSs that are relevant to the Company's operations and mandatory for annual period beginning on 1 January 2015 and accordingly, there is no financial impact on the financial position of the Company.

(b) 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:

	Effective for annual periods beginning on or after
IFRS 9, Financial Instruments	1/Jan/2018
IFRS 15, Revenue from Contracts with Customers	1/Jan/2018
Amendment to IAS 1, Presentation of Financial Statements: Disclosure Initiative	1/Jan/2016
Amendment to IAS 7, Statement of Cash Flows	1/Jan/2017
Amendment to IAS 12, Income taxes – Recognition of deferred tax assets for unrealised losses	1/Jan/2017
Improvement to IFRSs (2014) • IFRS 7, Financial Instruments: Disclosure	1/Jan/2016

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

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

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.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(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.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(v) 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.

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

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, Indonesia 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	24,970,129
Accounts receivable	4,248,325
Cash and cash equivalents	106,151
	<u>29,324,605</u>

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

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 2017 and 31 March 2016 is summarised hereunder:

	Less than one year	More than one year	Total
	USD	USD	USD
<u>At 31 March 2017</u>			
Amount due to related parties	-	4,138,100	4,138,100
Other borrowings	5,000,000	20,322,222	25,322,222
Accruals	656,630	-	656,630
<u>At 31 March 2016</u>			
Amount due to related parties	240,762	2,600,000	2,840,762
Other borrowings	2,200,000	13,100,000	15,300,000
Accruals	239,024	-	239,024

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.

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

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 liability, 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 2017 and 31 March 2016:

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<u>At 31 March 2017</u>				
- Equity securities	-	-	11,551,482	11,551,482
	-	-	11,551,482	11,551,482
<u>At 31 March 2016</u>				
- Equity securities	-	-	11,499,309	11,499,309
	-	-	11,499,309	11,499,309

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

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, 2017**

7. INVESTMENT IN SUBSIDIARIES	2017	2016
	USD	USD
At April 01,	11,499,309	10,469,309
Capital contribution	52,801	1,030,000
Investment impaired	(628)	-
At March 31,	11,551,482	11,499,309

Details of investments are as follows:

Name of Company	Country of Incorporation	Percentage holding	Capital Contribution	
			2017 USD	2016 USD
Solar Overseas Netherlands Coöperatie U.A	Netherlands	100%	11,547,771	11,494,970
Solar Overseas Singapore Pte. Ltd	Singapore	100%	3,611	3,611
Solar Industrias Moçambique Limitada	Mozambique	94%	-	628
Solar Industries Africa Limited	Mauritius	100%	100	100
			11,551,482	11,499,309

During the year, investment amounting to USD628 in Solar Industrias Moçambique Limitada was impaired.

The directors estimate that the fair value of the investments to be not less than USD11,551,482 as at the statement of financial position date.

8. ADVANCES AND APPLICATION MONIES	2017	2016
	USD	USD
Solar Overseas Singapore Pte. Ltd	466,239	466,239
Solar Industries Africa Limited	98,760	83,100
	564,999	549,339

9. LOAN AND ADVANCES	2017	2016
	USD	USD
Advances to related parties	24,333,129	11,354,532
Other advances	637,000	637,000
	24,970,129	11,991,532

10. ACCOUNTS RECEIVABLE	2017	2016
	USD	USD
Interest receivable	3,231,817	1,958,249
Prepayments	72,500	188,307
Other receivables	944,008	721,053
	4,248,325	2,867,609

The carrying amount of accounts receivable approximate their fair value.

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

11. CASH AND CASH EQUIVALENTS	2017	2016
	USD	USD
Cash at bank	106,151	2,266,444

12. SHARE CAPITAL	Issued and fully paid	
	2017	2016
	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	2017	2016
	USD	USD
(a) Non-Current		
Bank Loans		
DBS Bank Ltd	13,000,000	10,000,000
HDFC Bank Ltd	7,322,222	3,100,000
Shareholder's loan - interest bearing loan	4,138,100	2,600,000
	24,460,322	15,700,000
(b) Current		
Bank Loan		
ICICI Bank Ltd	5,000,000	2,200,000
Shareholder's loan - interest free loan	-	240,762
	5,000,000	2,440,762

Interest bearing 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.

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

14. ACCOUNTS PAYABLE	2017	2016
	USD	USD
Interest payable	640,030	200,557
Creditor - advance payment received	-	28,817
Other payable and accruals	16,600	9,650
	656,630	239,024

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:

	2017	2016
	USD	USD
Profit before tax	701,066	140,971
Less: exempt income	(515)	(215)
Chargeable income	700,551	140,756
Tax calculated at a rate of 15%	105,083	21,114
Foreign tax credit	(84,066)	(16,891)
Balance after tax credit	21,017	4,223
Less: Advance payment	-	-
Tax payable	21,017	4,223

16. NOTES TO THE STATEMENT OF CASH FLOW

(a) Cash generated from operations

Reconciliation of profit before taxation to cash generated from operations:

	2017	2016
	USD	USD
Profit before taxation	701,066	140,971
Adjustments for:		
Interest income	(1,613,576)	(834,877)
Interest expense	947,657	281,404
Provision for doubtful debt	(166,528)	
Changes in working capital:		
- Other receivables	(107,148)	262,569
- Other payables	(21,867)	24,367
Cash generated from operations	(260,396)	(125,566)

(b) Cash and Cash Equivalents

	2017	2016
	USD	USD
Cash at bank	106,151	2,266,444

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

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:-

	<u>Financial Assets</u>		<u>Financial Liabilities</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
EURO	21,954,998	21,356,929	-	-
Singapore Dollars	779,990	488,657	-	-
Indonesian Rupiah	-	-	-	-
New Mozambique Metical	-	628	-	-
US Dollars	18,706,098	7,328,019	30,137,969	18,384,009
	<u>41,441,086</u>	<u>29,174,233</u>	<u>30,137,969</u>	<u>18,384,009</u>

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 2017, the transactions with related parties are as follows:

<u>Related Parties</u>	<u>Relationship</u>	<u>Nature of Operations</u>	<u>Volume of Transactions</u>	<u>Balance at 31.03.2017</u>
			<u>USD</u>	<u>USD</u>
Solar Overseas Netherlands Coöperatie U.A.	Subsidiary Company	Loans & Advances	248,182	7,686,318
Solar Overseas Singapore Pte Ltd	Subsidiary Company	Loans & Advances	291,300	310,107
Nigachem Nigeria Limited	Step down subsidiary	Loans & Advances	4,826	1,406,051
Solar Explochem Zambia Ltd	Step down subsidiary	Loans & Advances	802,075	1,197,925
Solar Industries India Limited	Holding Company	Borrowings	1,297,338	4,138,100

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.