SOLAR OVERSEAS SINGAPORE PTE. LTD.
(Incorporated in the Republic of Singapore)
Company Registration Number: 2009-21467-N

DIRECTORS' STATEMENT
AND
AUDITED FINANCIAL STATEMENTS

31 MARCH 2018

SPN ASSOCIATES PAC
Chartered Accountants of Singapore
1 North Bridge Road, #07-09 High Street Centre, Singapore 179094
Tel: + 65- 6338 9175 | Fax + 65- 6338 9174 |Email address : audit@spn.com.sg

SOLAR OVERSEAS SINGAPORE PTE. LTD.
(Incorporated in the Republic of Singapore)
Company Registration Number: 2009-21467-N

FINANCIAL STATEMENTS – 31 MARCH 2018

SOLAR OVERSEAS SINGAPORE PTE. LTD.
(Incorporated in the Republic of Singapore)
Company Registration Number: 2009-21467-N

Directors' Statement
For the financial year ended 31 March 2018

The Directors are pleased to present their statement to the members together with the audited financial statements of Solar Overseas Singapore Pte Ltd (the "Company") for the financial year ended 31 March 2018.

1 Opinion of the directors

In the opinion of the directors,

(i) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and the financial performance, changes in equity and cash flows for the year ended on that date; and

(ii) At the date of the statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due as the ultimate holding company has confirmed its intent to provide continuing financial support.

2 Directors

Menon Suresh
Meenachi D/O Velu Krishnasamy

3 Arrangements to enable director to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

4 Directors' interests in shares and debentures

According to the register of directors' shareholdings none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the company or its related companies except as follows:

5 Share Options

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

6 Auditor

SPN ASSOCIATES PAC has expressed its willingness to accept re-appointment as auditor.

The Board

Menon Suresh	Meenachi D/O Velu Krishnasamy
Director	Director

Singapore.
02 JUL 2018

SPN ASSOCIATES PAC

Chartered Accountants of Singapore
Company Registration Number: 201618513M

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

SOLAR OVERSEAS SINGAPORE PTE. LTD.

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying financial statements of **Solar Overseas Singapore Pte. Ltd.** ("the Company") are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

What we have audited

The financial statements of the Company comprise:

- the statement of financial position as at 31 March 2018;
- the statement of comprehensive income for the year ended 31 March 2018;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We wish to draw your attention to note no. 16 to the financial statements and highlight that the Company had incurred a total comprehensive loss of US$ 30,813 for the financial year ended 31 March 2018 (2017: US$ 376,329) and the Company's total liabilities exceeded its total assets by US$ 9,600 (2017: 445,027) as of 31 March 2018. The holding company has undertaken to support the company financially in meeting its liabilities as and when they fall due. The validity of the going concern assumption on which the financial statements are prepared depends on the continued operational existence for the foreseeable future and the continued financial support from the holding company. Adjustments would have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the Statement of Financial Position. In addition, the Company may have to provide for further liabilities that might arise. Our report is not qualified in respect of this matter.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

SOLAR OVERSEAS SINGAPORE PTE. LTD.

Report on the Audit of the Financial Statements (Cont'd)

Independence

We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement 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 and will 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 Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

SOLAR OVERSEAS SINGAPORE PTE. LTD.

Report on the Audit of the Financial Statements (Cont'd)

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs 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 SSAs, we exercise professional judgement and maintain professional scepticism 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 management.

- Conclude on the appropriateness of management's 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.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

SOLAR OVERSEAS SINGAPORE PTE. LTD.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Patel Anand Rameshchandra.

SPN Associates PAC

SPN Associates PAC
Public Accountants and
Chartered Accountants

Singapore,
02 JUL 2018

SOLAR OVERSEAS SINGAPORE PTE. LTD.
(Incorporated in the Republic of Singapore)
Company Registration Number: 2009-21467-N

Statement of Financial Position
As at 31 March 2018

	Notes	2018 US$	2017 US$
ASSETS			
Non-Current Assets			
Investment in subsidiary	4	328,906	328,906
		328,906	328,906
Current Asset			
Cash and cash equivalents	5	2,530	6,813
Other receivables	6	12,994	12,994
		15,524	19,807
Total Assets		344,430	348,713
EQUITY AND LIABILITY			
Equity Attributable to owners			
Share capital	7	469,851	3,611
Accumulated losses		(479,451)	(448,638)
Shareholders' Equity		(9,600)	(445,027)
Current Liability			
Other payables	8	354,030	793,740
Total Liability		354,030	793,740
Total Equity And Liability		344,430	348,713

The accompanying notes form an integral part of these financial statements

SOLAR OVERSEAS SINGAPORE PTE. LTD.
(Incorporated in the Republic of Singapore)
Company Registration Number: 2009-21467-N

Statement of Comprehensive Income
For the year ended 31 March 2018

	Notes	**2018** **US$**	**2017** **US$**
Revenue		-	-
Other income	9.1	6	708
Other expenses	9.2	(30,819)	(63,931)
Loss on disposal of associate company		-	(313,106)
Loss Before Tax		(30,813)	(376,329)
Income tax expense	10	-	-
Loss For The Year		(30,813)	(376,329)
Other comprehensive income		-	-
Total Comprehensive (Loss) For The Year		(30,813)	(376,329)

The accompanying notes form an integral part of these financial statements

SOLAR OVERSEAS SINGAPORE PTE. LTD.
(Incorporated in the Republic of Singapore)
Company Registration Number: 2009-21467-N

Statement of Changes in Equity
For the year ended 31 March 2018

	Share capital US$	Accumulated losses US$	Total US$
Balance at 1 April 2016	3,611	(72,309)	(68,698)
Total comprehensive loss for the year	-	(376,329)	(376,329)
Balance at 31 March 2017	3,611	(448,638)	(445,027)
Balance at 1 April 2017	3,611	(448,638)	(445,027)
Total comprehensive loss for the year	-	(30,813)	(30,813)
Issue of shares during the year	466,240	-	466,240
Balance at 31 March 2018	469,851	(479,451)	(9,600)

The accompanying notes form an integral part of these financial statements

Statement of Cash Flows
For the year ended 31 March 2018

	Notes	2018 US$	2017 US$
Cash flows from operating activities			
Loss before tax		(30,813)	(376,329)
Adjustments			
Loss in disposal of associate company		-	313,106
Allowance for Impairment		-	40,080
Amount due to related party written off		-	5,915
Increase/(decrease) in other payables		(439,710)	1,873
Net cash used in operating activities		(470,523)	(15,355)
Cash flows from investing activity			
Investment made in subsidiary		-	(277,748)
Net cash used in investing activity		-	(277,748)
Cash flows from financing activity			
Increase in share capital		466,240	-
Advances from related party		-	299,916
Net cash from financing activity		466,240	299,916
Net increase in cash and cash equivalents		(4,283)	6,813
Cash and cash equivalents at beginning of the year		6,813	-
Cash and cash equivalents at end of the year	5	2,530	6,813

The accompanying notes form an integral part of these financial statements

1 CORPORATE INFORMATION

Solar Overseas Singapore Pte. Ltd. (the "Company") is a limited liability company incorporated in Republic of Singapore. The immediate holding company is Solar Overseas Mauritius Limited incorporated in Mauritius and the ultimate holding company is Solar Industries India Limited incorporated in India.

The registered office of the Company is located at 1 North Bridge Road, #07-10 High Street Centre, Singapore 179094.

The main principal activities of the Company are that of general wholesale trade (including general importers and exporters) trading, import and export of ammonium nitrate and other investment holding company. The company did not carry out any trade activities during the financial year.

The financial statements were authorised for issue by the Board of Directors on the date of the Statement by Directors.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (FRS). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in US Dollars (USD or US$) and all values are rounded to the nearest one dollar.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102, leasing transactions that are within the scope of FRS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 or value in use in FRS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Adoption of new and revised standards

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous financial year. In the current financial year, the company has adopted all the new and revised FRSs and Interpretations to FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2017. The adoption of these new or revised FRSs and INT FRSs did not result in changes to the company's accounting policies and had no material effect on the amounts reported for the current or prior years.

At the reporting date, the Company had not adopted the following FRSs that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
FRS 109 Financial Instruments	1 Jan 2018
Amendment to FRS 115: Clarifications to FRS 115 Revenue from Contracts with customer	1 Jan 2018

Except for FRS 115, the directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2.3 Foreign Currency

The financial statements are presented in United States Dollars, which is the currency of the primary economic environment in which the entity operates, i.e. the functional currency.

Foreign Currency Transactions
Transactions in foreign currencies are measured in the functional currency of the Company and recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the closing rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the transaction dates. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Investment In Subsidiaries

A subsidiary is an entity that is controlled by the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities accompanying a shareholding of more than one half of the voting rights or the ability to appoint or remove the majority of the members of the Board of Directors or to cast the majority of votes at meetings of the Board of Directors. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the company controls another entity.

In the company's own separate financial statements, an investment in a subsidiary is stated at cost adjusted for any value in the contingent consideration less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The net book value of a subsidiary is not necessarily indicative of the amounts that would be realised in a current market exchange.

2.5 Investment in an Associate

An associate is an entity, not being a subsidiary or a joint venture, in which the Company has significant influence. An associate is equity accounted for from the date the Company obtains significant influence until the date the Company ceases to have significant influence over the associate.

The company's investment in an associate is accounted for using the equity method. Under the equity method, the investment in an associate is carried in the statement of financial position at cost plus post-acquisition changes in the Company's share of net assets of the associate. Goodwill relating to associate is included in the carrying amount of the investment and is neither amortised nor tested individually for impairment. Any excess of the Company's share of the net fair value of the associate's identifiable asset, liabilities and contingent liabilities over the cost of the investment is included as income in the determination of the Company's share of results of the associate in the period in which the investment is acquired.

The profit or loss reflects the share of the results of operations of the associate. Where there has been a change recognised in other comprehensive income by the associate, the Company recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associate is prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

Upon loss of significant influence over the associate, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Financial Assets

Financial assets are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

Financial Assets at Fair Value through Profit or Loss
Financial assets at fair value through profit or loss are financial assets classified as held for trading or are designated as such upon initial recognition. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivative financial instruments are also classified as held for trading unless they are designated as effective hedging instruments. Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value and changes therein are recognised in profit or loss.

Loans and Receivables
Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

2.7 Other Receivables

Amounts due from related parties is classified and accounted for as loans and receivables. The accounting policy for this category of financial assets is stated in Note 6.

Further details on the accounting policy for impairment of financial assets are stated in Note 14.

2.8 Cash and Cash Equivalents

Cash and cash equivalents comprise cash with banks, that are readily convertible to known amounts of cash and that are subject to insignificant risk of change in value.

Cash and cash equivalents carried in the statement of financial position are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Impairment of Financial Assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

Assets Carried at Amortised Cost
If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Assets Carried at Cost
If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2.10 Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provision of the financial instrument. The Company determines the classification of tis financial liabilities at initial recognition.

All financial liabilities are initially recognised at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable costs.

Subsequent measurement
The measurement of financial liabilities depends on their classification as follows:

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Financial Liabilities *(Cont'd)*

Subsequent measurement (Cont'd)

- *Financial liabilities at fair value through profit or loss*
  Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

  Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

  The Company has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

- *Other financial liabilities*
  After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

2.11 Derecognition of Financial Assets and Liabilities

Financial assets
A financial asset (or, where applicable a part of a financial asset or part of a Company of similar financial assets) is derecognised when:

- The Company transfers the contractual rights to receive the cash flows of the financial asset; or
- The Company has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Derecognition of Financial Assets and Liabilities *(Cont'd)*

Financial Liabilities
A financial liability is derecognised when the obligation under the liability is extinguished.

For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised or impaired, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

2.12 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made to the amount of the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

2.13 Offsetting Arrangements

Financial assets and financial liabilities are offset and the net presented in the statement of financial position when the company has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

2.14 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

2.15 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when the payment is made. Revenue is measured at the fair value of the consideration received or receivable excluding discounts, rebates and goods and services taxes or other sales taxes. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Dividend Income
Dividend income is recognised when the Company's right to receive payment is established.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Income Tax

Current tax
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised in other comprehensive income.

Deferred tax
Deferred income tax is recognised on all temporary differences which are the differences between the carrying amount of an asset or liability in the statement of financial position and its tax base except when the deferred income tax arises from the initial recognition of an assets or liability that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax liabilities are recognised for all taxable temporary differences; and deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the assets are realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Except for investment properties measured using the fair value model, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.17 Related Party

A related party is a person or entity that is related to the Company and includes:

(a) A person or a close member of that person's family which is related to a reporting entity if that person:

i. has control or joint control over the reporting entity;
ii. has significant influence over the reporting entity; or
iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Related Party (Cont'd)

(b) An entity which is related to a reporting entity if any of the following conditions apply:

i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).has significant influence over the reporting entity; or
iii. Both entities are joint ventures of the same third party
iv. One entity is a joint venture of a third entity and the other entity is an associate of the third party
v. The entity is a post-employment benefit plant for the benefit of employees of either the reporting entity or any related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
vi. The entity is controlled or jointly controlled by a person identified in (a).
vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to exercise judgements and requires the use of estimates and assumptions. These judgements affect the application of the Company's accounting policies. The use of estimates and assumptions affect the reported amounts of assets, liabilities, income and expenses and disclosures made. They are assessed on an on-going basis and are based on experience and other relevant factors, including expectation of future events that are believed to be reasonable under the circumstances.

3.1 Judgements Made in Applying Accounting Policies

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Fair value of financial instruments
Where the fair value of financial instruments recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgement is required to establish fair values. The judgements include considerations of liquidity and model inputs regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates.

3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS CONT'D

3.1 Judgements Made in Applying Accounting Policies *(Cont'd)*

Determination of functional currency
Foreign currency transactions are measured in the functional currency of the Company. In determining the functional currency of the Company, judgment is required to determine the currency that mainly influences sale prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currency of the Company is determined based on management's assessment of the economic environment in which it operates and the process of determining sales prices.

3.2 Keys Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of financial and non-financial assets

Investment in an associate
The Company assesses at each reporting date whether there is any objective evidence that the investment in an associate is impaired. Where there is objective evidence of impairment, the recoverable amount is estimated based on the higher of the value-in-use and the fair value less costs to sell. Estimating the value in use requires the Company to make an estimate of the expected future cash flows from an associate and also to choose a suitable discount rate in order to calculate the present value of those cash flows which reflects the risk profile of the investee and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. A reasonable change in assumptions about these factors would not significantly affect the recoverable amount of the investees. The carrying amounts of the investment in an associate have been disclosed in the statement of financial position.

Investment in subsidiary
A subsidiary is an entity over which the company has the power to govern the financial and operating policies so as to obtain benefits from its activities. Investment in subsidiary is shown at cost and provision is only made where, in the opinion of the directors, there is a permanent diminution or impairment in value. Where there has been a permanent diminution or impairment in value of an investment, it is recognized as an expense in the period in which the diminution is identified.

Impairment of loans and receivables
The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

4 INVESTMENT IN SUBSIDIARY

	2018 US$	2017 US$
Unquoted investment at cost at the beginning of the financial year	328,906	40,080
Additions during the year	-	328,906
Impairment during the year	-	(40,080)
Unquoted equity investment cost at the end of financial year	328,906	328,906

	Country of Incorporation	% of Ownership Interest 2018	2017
Solar Mining Services Pty Ltd	Australia	76%	76%

During the financial year ending 31 March 2018, The subsidiary company changed its name from Australian Explosive Technologies Group Pty Ltd to Solar Mining Services Pty Ltd on 20 November 2017. The company has decided to enter into the bulk explosives market, which is substantially different from the trading activity undertaken over the last year. Bulk explosive involves fixed and mobile equipment as well as significant regulatory and customer compliance. All the above is considered in a one to two year timeframe. The company has also started engaging with key customers pursuing opportunities for establishing bulk emulsion explosive facilities. The company has developed a strategic plan for moving the business and has started recruiting for some key roles.

Consolidated financial statements
These financial statements are the separate financial statements of Solar Overseas Singapore Pte Ltd. The company does not prepare consolidated financial statements as the company is a wholly-owned subsidiary of Solar Industries India Limited, a company with its country of incorporation and principal place of business in India, which produces consolidated financial statements available for public use at the registered office.

5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise the following:

	2018 US$	2017 US$
Cash at bank	2,530	6,813

6 OTHER RECEIVABLES

	2018 US$	2017 US$
Amount due from director	33	33
Amount due from related parties	12,961	12,961
	12,994	12,994

The amount due from related parties (non-trade) is interest free, unsecured and repayable on demand.

7 SHARE CAPITAL

	2018		2017	
Ordinary Shares	No. of shares	US$	No. of shares	US$
Issued and fully paid				
At the beginning of the year	5,000	3,611	5,000	3,611
Issued and fully paid	466,240	466,240	-	-
At the end of the year	471,240	469,851	5,000	3,611

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. All shares rank equally with regards to the Company's residual assets.

On 1 November 2017, the Company issued 466,240 ordinary shares for a total consideration of US$466,240 for cash to provide funds for the expansion of the Group's operations. The newly issued shares rank pari passu in all respects with the previously issued shares.

8 OTHER PAYABLES

	2018 US$	2017 US$
Accruals	3,800	4,408
Amount due to holding company - non-trade	350,230	784,909
Amount due to ultimate holding company - non-trade	-	4,423
	354,030	793,740

The non-trade amount due to holding company is interest bearing at 5% per annum, unsecured and with no fixed terms of repayment.

9 OTHER INCOME AND OTHER EXPENSES

9.1 Other income

	2018 US$	2017 US$
Interest Income	6	3
Gain on foreign exchange	-	705
Total Other Income	6	708

9 OTHER INCOME AND OTHER EXPENSES (CONT'D)

9.2 Other expenses

	2018 US$	2017 US$
Accounting fee	-	715
Audit fees	3,800	3,362
Bank charges	471	108
Forex Loss	738	-
Impairment losses on investment in subsidiary	-	40,080
Amount due from related party written off	-	5,915
Interest on loan	15,823	9,299
Printing postage and stationery	-	345
Professional fee	9,987	2,644
Registered address charges	-	221
Secretarial fee	-	884
Tax fee	-	358
	30,819	63,931

10 INCOME TAX EXPENSE

Major components of income tax expense for the financial year ended 31 March were:

	2018 US$	2017 US$
Current income tax expense	-	-

The reconciliation of the taxation and the product of accounting profit multiplied by the applicable tax rate are as follows

	2018 US$	2017 US$
Loss before tax	(30,813)	(376,329)
Tax calculated using Singapore tax rate of 17%	(5,238)	(63,976)
Tax effect of:		
Non-deductible items	5,238	63,976
	-	-

No deferred tax assets have been recognized in respect of the tax loss carried forward due to the unpredictability of future profit streams.

11 RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related parties at terms agreed between the parties:

	2018 US$	2017 US$
Advances to director	-	33
Advances due from related party written off	-	5,915
Issue of Shares to Holding company	466,240	-
Investment in subsidiary	-	328,906

Amount due from director, Amount due from related parties, Amount due to ultimate holding company and Investment in subsidiary are unsecured, interest free and repayable on demand.

Amount due to holding company is interest bearing at 5% per annum, unsecured and with no fixed terms of repayment.

12 FINANCIAL RISK MANAGEMENT

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risk. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The main risks faced by the Company are credit and liquidity risks that arise in the normal course of business.

12.1 Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risks arises primarily from other receivables. For other financial assets (including cash and cash equivalents), the Company minimizes credit risks by dealing exclusively counter parties with high credit rating.

The Company's objective is to seek continual revenue growth while minimizing losses incurred due to increased credit risk exposure. The Company trades only with recognized and creditworthy third parties.

It is the Company's policy that all customers who wish to trade on credit terms undergo credit verification procedures. In addition, receivable balances are monitored on an on-going basis to minimize the Company's exposure to bad debts.

There is no other significant concentration of credit risk.

The maximum exposure to credit risk for the Company is as follows:

12 FINANCIAL RISK MANAGEMENT (CONT'D)

12.1 Credit risk (cont'd)

Financial assets that are neither past due nor impaired
Other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with company. Cash and cash equivalents are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

12.2 Liquidity risk

The Company's financing activities are managed by maintaining an adequate level of cash and cash equivalents to finance the Company's operations. Bank borrowing is a preferred source of financing to ensure continuity of funding. The Company also ensures availability of bank credit lines to address any short-term funding requirement. The Company's surplus funds are also managed centrally by placing them with reputable financial institutions on varying maturities.

The table below summarizes the maturity profile of the Company's financial liabilities at reporting date on contractual undiscounted payments.

		Contractual cash flows (including interest payments)			
	Carrying amount $	**Total** $	**Within 1 year** $	**Within 1 to 5 years** $	**More than 5 years** $
2018					
Trade and other payables	354,030	354,030	354,030	-	-
	354,030	354,030	354,030	-	-
2017					
Trade and other payables	793,740	793,740	793,740	-	-
	793,740	793,740	793,740	-	-

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, other receivables and other payables
The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

13 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

Unquoted investments
For unquoted investments, it is not practicable to determine the fair values because of the lack of quoted market prices and the assumptions used in valuation models to value these investments cannot be reasonably determined. Unquoted investments are therefore, stated at cost.

14 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2018 US$	2017 US$
Financial assets		
Investment in subsidiary (Note 5)	328,906	328,906
Other receivables (Note 6)	12,994	12,994
Total loans and receivables	341,900	341,900
Financial liabilities		
Accruals (Note 8)	3,800	4,408
Amount due to holding company	350,230	784,909
Amount due to ultimate holding company	-	4,423
Total financial liabilities measured at amortised cost	354,030	793,740

15 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes In economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2018 and 31 March 2017.

The Company is not subject to any externally imposed capital requirements. The Company's overall strategy remains unchanged from 2016.

16 GOING CONCERN

The company had incurred a total comprehensive loss of US$30,813 for the financial year ended 31 March 2018 (2017: US$376,329) and the company's total liabilities exceeded its total assets by US$9,600 as of 31 March 2018 (2017: US$445,027). The holding company has undertaken to support the company assumption on which the financial statements are prepared depends on the continued operational existence for the foreseeable future and the continued financial support from the holding company.

SOLAR OVERSEAS SINGAPORE PTE. LTD.
(Incorporated in the Republic of Singapore)
Company Registration Number: 2009-21467-N

Detailed Income Statement
For the year ended 31 March 2018

	2018 US$	2017 US$
Other income		
Interest Income	6	3
Forex exchange gain/(loss)	-	705
	6	708
Less: Operating expenses		
Loss on disposal of investment in associate	-	313,106
	-	313,106
Other expenses		
Accounting fee	-	715
Audit fees	3,800	3,362
Bank charges	471	108
Forex Loss	738	-
Impairment losses on investment in subsidiary	-	40,080
Amount due from related party written off	-	5,915
Interest on loan	15,823	9,299
Printing postage and stationery	-	345
Professional fee	9,987	2,644
Registered address charges	-	221
Secretarial fee	-	884
Tax fee	-	358
	30,819	63,931
Loss Before Tax	(30,813)	(376,329)