STEEL NETWORK (HOLDINGS) PTE. LTD.
(Incorporated in Republic of Singapore)
(Reg. No. 201324866 N)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

STEEL NETWORK (HOLDINGS) PTE.LTD.
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

The directors are pleased to present their statement to the member together with the audited financial statements of Steel Network (Holdings) Pte. Ltd. (the Company) for the financial year ended 31 March 2020.

Opinion of the directors,

In the opinion of the directors,

(a) 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 2020 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

SRINIVAS SUKUMAR
ILAYA ARUNACHALAM SHANMUGASAMY BALAMURUGAN
KALASEGARAN S/O GENKATHARAN

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of 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.

Directors' interests in shares or debentures

According to the Register of Directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the directors of the Company who held office at the end of the financial year has no interest in the shares or debentures of the Company or its related corporations, except as stated below:

	Shares of Rs.10/- each	
Names of Directors	**At the beginning of the year**	**At the end of the year**
SHARES IN HOLDING COMPANY		
SHANKARA BUILDING PRODUCTS LIMITED f.k.a SHANKARA INFRASTRUCTURE MATERIALS LIMITED		
SRINIVAS SUKUMAR	**12,522,434**	**12,569,287**

Mr. Srinivas Sukumar, who by virtue of his interest of not less than 20% of the issued share capital of the holding company, is deemed to have an interest in whole of the share capital of the Company.

Share options

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

There were no shares 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 options at the end of the financial year.

Auditor

MGI N Rajan Associates has expressed its willingness to accept re-appointment as auditor

On behalf of the Board of Directors

Kalasegaran S/O Genkatharan
Director

Srinivas Sukumar
Director

Date: 28 SEP 2020

INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STEEL NETWORK (HOLDINGS) PTE. LTD.

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Steel Network (Holdings) Pte. Ltd. (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in Basis for Qualified opinion paragraph, the accompanying financial statements 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 2020 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Qualified Opinion

As stated in Note 8 for "Share Capital ", the Company vide EGM dated 30 December 2019 resolved to reduce the issued share capital in two tranches from US$2,000,000 divided into 2,000,000 ordinary shares to USD 1,555,919 divided into 1,555,919 ordinary shares in Tranche 1 and further to US$47,640 divided into 47,640 ordinary shares in Tranche 2. While the said reduction of capital in two tranches was listed separately in the papers filed with ACRA, the reduction of share capital for both the tranches has been approved by Accounting and Regulatory authority on 6th March 2020. The return of excess capital to its shareholder amounting to US$1,330,000, pursuant to the second tranche, was made by company, post the balance sheet date, on 7th April 2020. The accounting records of the company as on 31st March 2020 does not reflect the capital reduction done in second tranche and to this extent amount due to holding company has been understated and the corresponding amount is overstated in the total equity, in the statement of financial position.

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibiltes for the Audit of the Financial Statements section of our report. We are independent of the Compay in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirments 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement (Set out on pages 2 to 3)

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

10, JALAN BESAR #10-12, SIM LIM TOWER, SINGAPORE 208787.
TEL: (065) 6293 8089/6293 8370 / 6293 8047 / 6293 0732 FAX: (065) 6293 5756 Email: soma@nra.com.sg Web: www.nra.com.sg

G. Natarajan, P.S. Somasekharan, D. Govindaraj

Other Information (Cont'd)

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 materally 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.

As described in the Basis for Qualified Opinion section, the Company has not recorded the second tranche of capital reduction amounting to US$1,330,000, which leads to overstatement of equity of US$1,330,000 and understatement of liability by the same amount and hence except for these effects, we have nothing to report.

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. Reasonable assurance is a high level 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STEEL NETWORK (HOLDINGS) PTE. LTD. (Continued)

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

- 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.

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.

MGI N Rajan Ass

MGI N RAJAN ASSOCIATES
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS

Singapore

Date: 28 SEP 2020

STEEL NETWORK (HOLDINGS) PTE.LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF FINANCIAL POSTION
AS AT 31 MARCH 2020

	Note	2020 US$	2019 US$
Assets			
Non-current assets			
Investment in subsidiary	4	-	1,537,957
		-	**1,537,957**
Current assets			
Cash and cash equivalents	5	1,389,648	-
Amount due from holding company	7	-	426,503
		1,389,648	**426,503**
Total assets		**1,389,648**	**1,964,460**
Liabilities and equity			
Current liabilities			
Other payables	6	11,438	9,586
Amount due to holding company	7	23,635	-
Total liabilities		**35,073**	**9,586**
Equity			
Share capital	8	1,555,919	2,000,000
Accumulated (losses)		(201,344)	(45,126)
		1,354,575	**1,954,874**
Total equity and liabilities		**1,389,648**	**1,964,460**

(The annexed notes form an integral part of and should read in conjunction with these financial statements.)

STEEL NETWORK (HOLDINGS) PTE.LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 US$	2019 US$
Other income			
Accruals written back		9,586	-
Expenses			
Operating expenses		165,804	2,976
Loss before tax		(156,218)	(2,976)
Tax expense	10	-	-
Loss for the year, representing total comprehensive loss for the year		(156,218)	(2,976)

(The annexed notes form an integral part of and should read in conjunction with these financial statements.)

STEEL NETWORK (HOLDINGS) PTE.LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Share capital	Accumulated (losses)	Total
	US$	US$	US$
At 31 March 2018 and 1 April 2018	**2,000,000**	**(42,150)**	**1,957,850**
Effect of adoption of FRS 109 and FRS 115	-	-	-
At 1 April 2018	**2,000,000**	**(42,150)**	**1,957,850**
(Loss) for the year, representing total comprehensive income for the year	-	(2,976)	(2,976)
At 31 March 2019 and 1 April 2019	**2,000,000**	**(45,126)**	**1,954,874**
Effect of adoption of FRS 116	-	-	-
At 1 April 2019	**2,000,000**	**(45,126)**	**1,954,874**
(Loss) for the year, representing total comprehensive income for the year	-	(156,218)	(156,218)
Transactions with owners, recognised directly in equity:			
Capital reduction (Note 8)	(444,081)	-	(444,081)
At 31 March 2020	**1,555,919**	**(201,344)**	**1,354,575**

(The annexed notes form an integral part of and should read in conjunction with these financial statements.)

STEEL NETWORK (HOLDINGS) PTE.LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 US$	2019 US$
Cash flows from operating activities			
(Loss) before tax		(156,218)	(2,976)
Adjustments			
Accruals written back		(9,586)	-
Loss on sale of investment in subsidiary	4	148,309	-
Operating (loss) before changes in working capital		**(17,495)**	**(2,976)**
Increase / (Decrease) in other payables		11,438	(3,814)
Decrease in amount due from holding company		-	7,037
Increase in amount due to holding company		6,057	
Net cash flows from operating activities		**-**	**247**
Cash flows from investing activities			
Proceeds from sale of investment in subsidiary	4	1,389,648	-
Net cash flows from investing activities		1,389,648	-
Net change in cash and cash equivalents		1,389,648	247
Cash and cash equivalents at beginning of year		-	(247)
Cash and cash equivalents at end of the year	5	1,389,648	-

(The annexed notes form an integral part of and should read in conjunction with these financial statements.)

These notes form an integral part and should be read in conjuction with the accompanying financial statements.

1. GENERAL

STEEL NETWORK (HOLDINGS) PTE. LTD. (the "Company") is incorporated and domiciled in Singapore with its registered office & principal place of business at no. 10 Jalan Besar, #10-12 Sim Lim Tower, Singapore – 208787.

The principal activities of the Company are that of wholesale of matels and metal ores except general hardware manufacture, distribution of roofing sheets, steel pipes and general hardware , whole sale trade including general importers and exporters.

However the Company has not done any business and remained dormant during the financial year.

The immediate and ultimate holding Company is Shankara Building Products Limited formarly known as Shankara Infrastructure Materials Limited, a company incorporated in India.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been drawn up in accordance with 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 United States dollar (US$), which is the Company's functional currency.

2.2 Adoptions of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 January 2019. These standards did not have any material effect on the financial performance or position of the Company.

2.3 Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are issued but not yet effective for annual periods beginning on or after 1 January 2020, and have not been applied in preparing these financial statements. The Company does not plan to early adopt these standards.

The following Standards, which are relevant to the Company new / revised FRSs, INT FRSs and amendments to FRS that are relevant to the Company, that have been issued but not effective are as follows.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D...

2.3 Standards issued but not yet effective cont'd...

Description	Effective for annual periods beginning on or after
Amendments to References to the Conceptual Framework in FRS Standards	1 January 2020
Amendments to FRS 1 and FRS 8 Definition of Material	1 January 2020

The directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application.

2.4 Foreign currency transactions and balances

Transactions in foreign currency are measured in the functional currency of the Company and are 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 are translated 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 as at the dates of the initial transactions. Non–monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

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

2.5 Financial instruments

a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Company only has debt instruments at amortised cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D...

2.5 Financial instruments cont'd...

a) Financial assets cont'd...

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognized in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

De-recognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received (and, where applicable, any cumulative gain or loss that has been recognised in other comprehensive income) is recognised in profit or loss.

b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

2.6 Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D...

2.6 Impairment of financial assets cont'd...

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward- looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.7 Subsidiaries

A subsidiary is an investee that is controlled by the Company. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidisries are accounted for at cost less impairment losses.

By virtue of Para 4 of FRS 110 the subsidiary's results have not been consolidated as the Company is itself a fully owned subsidiary of another company Shankara Building Products Ltd. (formarly known as Shankara Infrastructure materials Ltd.) a company, incorporated in India which publishes the consolidated financial statements. The address of the holding company is at G-2, Farah Winsford, 133, Infantry Road, Bangalore-560001, India.

2.8 Impairment of non-financial assets

The Company assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognized in profit or loss.

A previously recognized impairment loss 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 recognized. Is that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized previously. Such reversal is recognized in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONT'D

2.9 Taxes

a) Current income tax

Current income 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 authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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 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 the end of each reporting period and reduced to the extent that it is no longer probable that sufficient 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 the end of each reporting period 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 in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

c) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONT'D

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and are subject to an insignificant risk of changes in value.

2.11 Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) 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 the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.12 Related party

A Party is considered to be related to the Company if:-

a) A person or a close member of that person's family is related to the Company if that person:

   (i) Has control or joint control over the Company;
   (ii) Has significant influence over the Company; or
   (iii) Is a member of the key management personnel of the Company or of parent of the Company.

b) An entity is related to the Company if any of the following conditions applies:

   (iv) The entity and the Company are members of the same Company (which means that each parent, subsidiary and fellow subsidiary is related to the others)
   (v) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Company of which the other entity is a member)
   (vi) Both entities are joint venture of the same third party
   (vii) One entity is a joint venture of a third entity and the other entity is an associate of the third Entity
   (viii) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
   (ix) The entity is controlled or jointly controlled by a person identified in (a)
   (x) 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)
   (xi) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONT'D

2.13 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods. However no estimates and assumptions are made during the financial year.

The management is of the opinion that there are no significant judgments made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.1 Judgements made in applying accounting policies

Determination of functional currency

In determining the functional currency of the Company, judgment is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Provision for expected credit losses of trade and other receivables

The Company uses a provision matrix to calculate ECLs for other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES CONT'D...

3.2 Key sources of estimation uncertainty cont'd...

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The carrying amount of the Company's amount due from holding company as at 31 March 2020 was US$NIL (2019: US$426,503).

4. INVESTMENT IN SUBSIDIARY

	2020 US$	2019 US$
Unquoted equity shares, at cost as at 1 April	1,537,957	1,537,957
Sale of Investment	(1,389,648)	-
Loss on Sale of Investment	(148,309)	-
Unquoted equity shares, at cost as at 31 March	-	1,537,957

During the financial year, on 25 April 2019, the Board of Directors of the Company approved a proposal to dispose its entire stake (i.e., 199,920 shares) in its wholly owned subsidiary Centurywells Roofing India Private Limited to Shankara Building Products Limited (Ultimate holding company). The said disposal was approved by the Board of Directors at a value of INR498.05 per equity share (based on the valuation report dated 14th September 2019). Accordingly the total amount for sale of shares is US$1,389,648 (INR 99,570,165).

5. CASH AND CASH EQUIVALENTS

	2020 US$	2019 US$
Cash at bank	1,389,648	-

6. OTHER PAYABLES

	2020 US$	2019 US$
Accruals	11,438	9,586
	11,438	**9,586**

7. AMOUNT DUE TO HOLDING COMPANY

	US$
As at 1 April 2019 - Amount due from holding company	(426,503)
Expenses paid by holding company (Note 14)	6,057
Reduction of capital (Note 8)	444.081
As at 31 March 2020 - Amount due to holding company	**23,635**

7. AMOUNT DUE TO HOLDING COMPANY CONT'D...

Amount due to holding company represents amount payable to holding company on reduction of issued and paid up share capital of the Company, described in Note 8. It is interest-free, unsecured and is repayable on demand.

8. SHARE CAPITAL

	2020 US$	2019 US$
1,555,919 (2019: 2,000,000) issued and fully paid ordinary shares	1,555,919	2,000,000

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 restrictions. The ordinary shares have no par value.

The Company vide EGM dated 30 December 2019 resolved to reduce the issued share capital from US$2,000,000 divided into 2,000,000 ordinary shares to US$1,555,919 divided into 1,555,919 ordinary shares in first tranche by by way of crediting US$444,081 to amount due from holding company.

It was further resolved at the EGM dated 30 December 2019, that the issued share capital of the company be reduced from US$1,555,919 divided into 1,555,919 ordinary shares to US$47,640 divided into 47,640 ordinary shares in second tranche. Such reduction being effected by way of return of the unused capital to the shareholders by way of reduction of 1,508,279 ordinary shares at a discount of US$0.8818 per share by way of cash of US$1,330,000 and US$178,279 against the accumulated losses as at the date of reduction.

The Reduction of share capital has been approved by Accounting and Regulatory authority and transaction completed on 6th March 2020.

The effect of second tranche of capital reduction is effected in the books subsequent to the year end, on 7 April 2020, at the instance of repayment to holding company.

9. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development by issuing or redeeming equity and debts instruments when necessary.

The board of directors monitors its capital based on net debt and total capital. Net debt calculated as borrowings plus trade and other payables less cash and bank deposits. Total capital is calculated as equity plus net debt.

The Company is not subject to any externally imposed capital requirements.

	2020 US$	2019 US$
Net debt	-	9,586
Total equity	1,354,575	1,954,874
Total capital	**1,354,575**	**1,964,460**
Gearing ratio	**-**	**0.48%**

10. TAX EXPENSE

No provision for tax has been made in the current year as the Company remained dormant since its incorporation.

11. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk).

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash at bank) the Company minimizes credit risk by dealing exclusively with high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has no trade receivables as at 31 March 2019 and 31 March 2020

Exposure of credit risk

The Company has no significant concentration of credit risk at the end of the reporting period. As the Company is dormant at the end of the reporting period, it has no third parties receivables.

Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The table below analyses the maturity profile of the Company's financial assets and liabilities based on contractual undiscounted repayment obligations.

11. FINANCIAL RISK MANAGEMENT CONT'D...

	2020		
Financial assets	**Contractual amount/carrying amount US$**	**One year or less US$**	**Two to five years US$**
Cash and cash equivalents	1,389,648	1,389,648	-
Total undiscounted financial assets	1,389,648	1,389,648	
Financial liabilities			
Other payables	11,438	11,438	-
Amount due to holding company	23,635	23,635	-
Total undiscounted financial liabilities	35,073	35,073	-
Total net undiscounted financial assets	1,354,575	1,354,575	-

	2019		
Financial assets	**Contractual amount/carrying amount US$**	**One year or less US$**	**Two to five years US$**
Amount due from holding company	426,503	426,503	-
Total undiscounted financial assets	**426,503**	**426,503**	-
Financial liabilities			
Other payables	9,586	9,586	-
Total undiscounted financial liabilities	**9,586**	**9,586**	-
Total net undiscounted financial assets	**416,917**	**416,917**	-

12. FAIR VALUES

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.

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 amd Other payables (including amount due from holding company and amount due to holding company):

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

13. FINANCIAL INSTRUMENT BY CATEGORY

At the reporting date, the aggregate carrying amounts of financial assets and financial liabilities at amortised cost were as follows:

	2020 US$	2019 US$
Financial assets at amortised cost		
Cash and cash equivalents	1,389,648	
Amount due from holding company	-	426,503
Total financial assets measured at amoritsed cost	**1,389,648**	**426,503**
Financials liabilities at amortised cost		
Other payables	11,438	9,586
	23,635	
Total financial liabilities at amortised cost	**35,073**	**9,586**

14. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial year.

	2020 US$	2019 US$
Expenses paid by holding company	6,057	7,037

15. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2020 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on the date of the Directors' Statement.

16. EVENT AFTER REPORTING PERIOD

Since January 2020, the outbreak of Novel Coronavirus ("COVID-19") has impacted the global business environment. Up to the date of these financial statements, COVID-19 has not resulted in material impact to the Company. The Company will continue to monitor the development of COVID-19 and react actively to its impact on the financial position and operating results of the Company.

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STEEL NETWORK (HOLDINGS) PTE.LTD.
(Incorporated in the Republic of Singapore)

(This does not part form of audited financial statements)

DETAILED PROFIT AND LOSS ACCOUNT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	2020	2019
	US$	US$
Other Income		
Accruals written back	**9,586**	-
Operating Expenses		
Audit fees	2,089	1,844
Bank charges	-	(247)
Filing charges	155	553
Director fees	8,897	-
Professional fees	5,500	-
Registered office fees	300	310
Loss on sale of investment in subsidiary	148,309	-
Secretarial fees	-	221
Tax fees	554	295
	165,804	**2,976**
(Loss) for the year	**(156,218)**	**(2,976)**