

Dear Sirs,

We have audited the accompanying Ind AS consolidated financial information of Steiner AG, (“the Company”) and its subsidiaries, associates and joint ventures (hereinafter collectively referred to as the “Group”), which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management’s Responsibility for the Consolidated Financial Statements

The Holding Company’s Board of Directors is responsible for the preparation of the Ind AS consolidated financial information in terms of the requirements of the Companies Act, 2013 (“the Act”) that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group including its associates and joint ventures, in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors/management of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS consolidated financial information that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Steiner AG prepares its consolidated financial information in accordance with the Swiss GAAP FER Accounting Manual. The Ind AS consolidated financial information is prepared based on reconciling items from Swiss GAAP FER Accounting Manual to Ind AS. These specified forms have been prepared for the sole purpose of inclusion into the consolidated financial statements of Hindustan Construction Company and do not purport to be full financial statements in accordance with Ind AS.

Auditor’s responsibility

Our responsibility is to express an opinion on the consolidated financial statements in accordance with the Swiss GAAP FER Accounting Manual and the reconciling items from Swiss GAAP FER Accounting Manual to Ind AS consolidated financial information, for the purpose of inclusion in the consolidation of HCC.

We conducted our audit in accordance with International Standards on Auditing (“ISA”). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS consolidated financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial information. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company’s preparation of the consolidated financial information that give

a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial information.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on this Ind AS consolidated financial information.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, associates and joint ventures as noted below, the consolidated financial statements according to Swiss GAAP FER Accounting Manual and the reconciling items from Swiss GAAP FER Accounting Manual to Ind AS consolidated financial information are free from any material misstatements.

Material uncertainty related to going concern

We draw attention to note "Going Concern" of the Ind AS consolidated financial information describing various elements that the company is currently facing, which indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Group to continue as a going concern.

Restriction of Use

This report is intended solely for the use of Walker Chandio & Co LLP in connection with the audit of the consolidated financial statements of Hindustan Construction Company Limited and should not be used for any other purposes.

Ernst & Young Ltd

Licensed audit expert
(Auditor in charge)

Licensed audit expert

Place: Zurich, Switzerland

Date: 25 May 2020

Enclosures

- ▶ Financial Report of the Steiner-Group Ind AS (Consolidated Balance Sheet, Consolidated Profit and Loss Statement, Consolidated Cash Flow Statement and Notes to the Consolidated Financial Statements) as per 31 March 2020

Steiner Group

**Consolidated Financial Statements
Indian Accounting Standards (IND AS)**

as per 31 March 2020

Confidential

Steiner AG		CHF Million	
Consolidated Balance Sheet			
Particulars	Note No.	31/03/2020	31/03/2019
1	2	3	4
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	1	5.70	6.46
(b) Right of use Assets		35.05	-
(c) Investment Property	1	0.30	0.30
(d) Intangible Assets	1	8.45	7.97
(e) Financial Assets			
(i) Investments	2	2.06	2.20
(ii) Loans	3	9.97	7.07
(f) Deferred Tax Assets (net)		4.80	3.66
Total Non-Current Assets		66.34	27.66
(2) Current Assets			
(a) Inventories	4	68.02	71.40
(b) Financial Assets			
(v) Contract Assets - receivable from projects	5	187.47	192.18
(ii) Investments	6	-	-
(iii) Trade Receivables	7	6.48	4.82
(iv) Cash and Cash equivalents	8	83.34	90.81
(v) Others	9	78.56	63.31
(c) Current Tax Assets (Net)	10	1.65	1.28
Total Current Assets		425.53	423.80
Total Assets		491.86	451.46
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	11	49.00	40.00
(b) Other Equity	12		
Reserves & Surplus		4.26	4.88
Treasury Shares		(9.00)	-
Other Reserves		15.79	6.54
Equity attributable to equity holders of the parent		11.04	11.42
Non-controlling interests		-	(0.08)
Total Equity		60.04	51.34
LIABILITIES			
(1) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	10.50	30.00
(b) Provisions	14	23.05	21.97
(d) Finance Lease Liabilities		34.96	-
(e) Other Non-Current Liabilities	15	0.75	0.78
Total Non-Current Liabilities		69.27	52.75
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	4.67	12.55
(ii) Trade payables	17	136.74	137.09
(iii) Contract Liabilities - prepayment from projects	18	141.61	131.81
(iv) Other financial liabilities (other than those specified in item (c))	19	-	0.74
(b) Other Current Liabilities	20	66.90	55.07
(c) Provisions	21	12.63	10.10
Total Current Liabilities		362.55	347.37
Total Equity and Liabilities		491.86	451.46

Due to rounding, the numbers presented throughout this document do not necessarily correspond exactly with the totals.

STATEMENT OF CHANGE IN EQUITY

Steiner AG

Statement of Change in Equity

CHF Million

NOTE 10

A Equity Share Capital as at 31/03/2020

Balance at beginning of reporting period	Changes in Equity Share Capital during the Year	Balance at end of reporting period
40.00	9.00	49.00

NOTE 11

B Other Equity

	Share Application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Treasury Shares	Revaluation Surplus	Exchange differences on transacting the financial statements of a foreign operation	Total	Non-Controlling Interest	Total Equity
			Capital Surplus	Securities Premium	Other Reserves (pl. specify nature)	Retained Earnings (Profit & Loss)						
Balance at beginning of the reporting period (01.04.2018)	-	-	-	8.60	-	6.71	-	-	(2.01)	13.30	(0.07)	13.23
Any Other change (to be specified) 01.04.2018	-	-	-	-	-	(22.91)	-	-	-	(22.91)	-	(22.91)
Profit & Loss for the year	-	-	-	-	-	24.93	-	-	(0.06)	24.87	(0.01)	24.86
Total Comprehensive Income for the year - Fair Valuation-Investments	-	-	-	-	-	(0.01)	-	-	-	(0.01)	-	(0.01)
Total Comprehensive Income for the year - Actuarial valuation of Pension benefits	-	-	-	-	-	(3.82)	-	-	-	(3.82)	-	(3.82)
Balance at end of the reporting period (31.03.2019)	-	-	-	8.60	-	4.90	-	-	(2.07)	11.43	(0.08)	11.35

	Share Application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Treasury Shares	Revaluation Surplus	Exchange differences on transacting the financial statements of a foreign operation	Total	Non-Controlling Interest	Total Equity
			Capital Surplus	Securities Premium	Other Reserves (pl.specify nature)	Retained Earnings (Profit & Loss)						
Balance at beginning of the reporting period (01.04.2019)	-	-	-	8.60	-	4.9	-	-	(2.07)	11.43	(0.08)	11.35
Any Other change (issue of additional shares: Note 1 below)	-	-	-	10.40	-	-	(9.00)	-	-	1.40	0.08	1.48
Profit & Loss for the year	-	-	-	-	-	(0.73)	-	-	(1.14)	(1.87)	-	(1.87)
Total Comprehensive Income for the year - Fair Valuation-Investments	-	-	-	-	-	(0.08)	-	-	-	(0.08)	-	(0.08)
Total Comprehensive Income for the year - Actuarial valuation of Pension benefits	-	-	-	-	-	0.21	-	-	-	0.21	-	0.21
Balance at end of the reporting period (31.03.2020)	-	-	-	19.00	-	4.3	(9.00)	-	(3.21)	11.09	-	11.1

Due to rounding, the numbers presented throughout this document do not necessarily correspond exactly with the totals.

Note: 1

In April-2019, Long term loans of CHF 20.0 mill. was converted into Share Capital of CHF 9.0 mill. and difference on conversion of CHF 11.0 mill. (less related expenses of CHF 0.6 mill.) was transferred to Capital Surplus

Later, Treasury Shares for CHF 9.0 mill. was purchased.

Steiner AG			
Consolidated Statement of Profit and Loss		<i>CHF Million</i>	
Particulars	Note No.	01.04.2019 - 31.03.2020	01.04.2018 - 31.03.2019
I Revenue from contract with customers	20	749.04	827.54
II Other Income	21	7.72	2.99
III			
Total Income (I+II)		756.76	830.52
IV EXPENSES			
Cost of materials consumed		629.46	685.96
Change in Inventories of finished goods, Stock-in-Trade and Work-in-progress		7.57	5.96
Employee benefits expense	22	77.08	84.19
Finance Costs	23	2.32	3.61
Depreciation - lease assets		3.59	-
Depreciation and Amortization expense		1.89	1.79
Other expenses	24	23.24	28.07
Total expenses (IV)		745.15	809.57
V Profit / (Loss) before exceptional items and tax (III-IV)		11.61	20.95
VI Exceptional Items	20	(13.70)	-
VII Profit / (Loss) before tax (V-VI)		(2.09)	20.95
VIII Tax expense :			
(1) Current tax		-	(0.35)
(2) deferred tax		1.19	3.11
IX Profit / (Loss) for the period from continuing operations (VII - VIII)		(0.89)	23.71
X Share of Profit / (Loss) of Associates		0.17	1.21
XI Less: (Profit) / Loss Transferred to Minority Shareholders		-	0.01
XII Profit/(loss) for the period (IX+X+XI)		(0.73)	24.93
XIII Other Comprehensive Income	25		
A (i) Items that will not be reclassified to profit or loss		0.14	(3.83)
B (i) Items that will be reclassified to profit or loss		(1.14)	(0.05)
XIV Total Comprehensive Income for the period (XII + XIII) (Comprising Profit/(loss) and Other Comprehensive Income for the period)		(1.73)	21.05
Atributable to Shareholders of Steiner AG		(1.73)	21.05
Atributable to Minority Shareholders		-	-
XV Earnings per Equity share (for continuing operation)			
(1) Basic		(18.20)	623.17
(2) Diluted		(18.20)	623.17
XVI Earnings per Equity share (for discontinued & continuing operations)			
(1) Basic		(18.20)	623.17
(2) Diluted		(18.20)	623.17

STEINER AG		
Condensed Consolidated Statement of Cash Flows for the period		<i>CHF Million</i>
Particulars	01.04.2019 - 31.03.2020	01.04.2018 - 31.03.2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before tax	(2.09)	20.95
<i>Adjustments for :</i>		
Depreciation / Lease Amortisation	5.56	1.78
Increase (+) / release (-) of provisions	(6.18)	(10.78)
Financial expenses	2.64	3.69
Financial income	(0.52)	(0.34)
Changes in pension assets/liabilities	0.99	0.89
	2.49	(4.75)
Operating cash flow before working capital changes	0.40	16.21
<i>Adjustments for :</i>		
Trade receivables	(1.69)	2.96
Receivables on projects	2.81	(21.94)
Prepayments on projects	9.13	(51.09)
Prepayments and accruals of subcontractor project costs	(13.54)	22.46
Change in Inventories (change in real estate projects)	0.66	2.65
Other accounts receivable and prepaid expenses	(3.46)	1.99
Trade payables	12.12	15.20
Other current liabilities and accruals	9.93	15.96
Cash Generated from operations	16.36	(4.75)
Direct Taxes paid / received	(0.37)	(1.19)
NET CASH FLOW IN OPERATING ACTIVITIES	15.99	(5.94)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investments in property, plant and equipment (note 1)	(0.66)	(0.74)
Proceeds from sales of Subsidiary Company	1.45	-
Investments in intangible assets	(1.00)	(3.66)
Investments in financial assets	(0.95)	(0.39)
Repayments of financial assets	-	0.18
Investments in associates, joint ventures	(0.00)	(3.60)
Dividends received	0.30	1.75
Interest received	0.28	0.32
NET CASH FROM INVESTING ACTIVITIES	(0.58)	(6.14)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Purchase of treasury shares and repayment of borrowing	(9.00)	-
Cashflow due to capital increase by conversion of loan into equity (Pl. refer note 1 below Cash-Flow reconciliation)	(0.60)	-
Repayment of current borrowings	(7.88)	(0.18)
Repayment of lease liabilities	(3.68)	-
Cashflow from non-current borrowings	0.50	-
Interest paid	(1.47)	(4.26)
NET CASH FROM FINANCING ACTIVITIES	(22.13)	(4.44)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(6.72)	(16.52)
CASH AND CASH EQUIVALENTS AS AT 01.04.2019 / 01.04.2018 (OPENING BAL.)	90.81	107.32
Unrealised foreign exchange gain/(loss) - cash and cash equivalents	(0.75)	0.02
CASH AND CASH EQUIVALENTS AS AT 31.03.2020 / 31.03.2019 (CLOSING BAL.)	83.34	90.81

Reconciliation - opening and closing Financial Assets and Liabilities

CHF Million

	31/03/2019	Cash Flows	Non Cash changes			31/03/2020
			Acquisition/ Conversion	Foreign Currency movement	Fair Value changes	
Long Term Borrowings - Related party	30.00	-	(20.00)	-	-	10.00
Short Term Borrowings - Bank	-	-	0.50	-	-	0.50
Short Term Borrowings	12.55	(7.88)	-	-	-	4.67
Total Liabilities from Financing activities	42.55					15.17

Note 1 (Cash-Flow)

Purchase of treasury shares and repayment of borrowing (Note 1 below)	31/03/2020
Proceeds from issuance of Shares	9.00
Proceeds from issuance of Shares - Capital Surplus	10.40
Repayment of non-current borrowing	(20.00)
Purchase of Treasury Shares	(9.00)
Total in Cash-Flow	(9.60)

Notes to Condensed Consolidated Financial Statements

CHF Million

Details to Condensed Consolidated Balance Sheet

	31-Mar-20	31-Mar-19		
NON-CURRENT ASSETS				
1 Property, Plant and Equipment - PI see separate enclosure	5.70	6.46		
1 Investment Property	0.30	0.30		
1 Other Intangible Assets - PI see separate enclosure	8.45	7.97		
2 Investments - Non Current				
a Investments in Equity Instruments				
(a) Investment in Associate Companies (unquoted)				
(i) Evostate AG - 300 shares of CHF 1000 each, fully paid (PY 30 shares)	0.45	0.48		
(ii) MCR Managing Corp- 30 shares of CHF 1000 each (same in PY)	0.16	0.47		
(iii) Projektentwicklungsges. Parking AG Basel 850 shares of CHF 1000 each (same in PY)	1.14	0.93		
(b) Other Investments (unquoted):				
(i) Radio- und Fernsehgenossenschaft Zürich-Schaffhausen 1 Share of CHF 50 each (same in PY)	0.00 *	0.00 *		
(ii) Opernhaus Zürich AG 10 Equity Shares of CHF 900.00 each, fully paid (same in PY)	0.00	0.01		
(iii) Genossenschaft Theater für den Kt. Zürich 1 Share of CHF 300 each (same in PY)	0.00 *	0.00 *		
(iv) Betriebsges. Kongresshaus Zürich AG 30 Equity Shares of CHF 1'000.00 each, fully paid (same in PY)	0.04	0.04		
(v) MTZ Medizinisches Therapiezentrum Heilbad St. Moritz AG 50 Equity Shares of CHF 1'000.00 each, fully paid (same in PY)	0.05	0.05		
(c) Other Investments (quoted):				
(i) Mobimo Holding AG 720 Equity Shares of CHF 29.00 each, fully paid (same in PY)	0.19	0.17		
(ii) MCH Group AG 2'100 Equity Shares of CHF 10.00 each, fully paid (same in PY)	0.03	0.04		
	2.06	2.19		
Total	2.06	2.19		
<u>Disclosures:</u>	Market value	Book value	Market value	Book value
i aggregate amount of quoted investments	0.22	0.22	0.21	0.21
ii aggregate amount of unquoted investments,		1.84		1.98
iii aggregate provision for diminution in value of investments,		-		

Note: * represents amount less than CHF 5'000

		31-Mar-20		31-Mar-19	
3 Loans - Non Current					
(a) Security Deposits					
(i) Secured - considered good		-		-	
(ii) Unsecured - considered good		5.39		5.53	
(iii) Doubtful		-		-	
(b) Loans and Advances to related parties					
(i) Secured - considered good		-		-	
(ii) Unsecured - considered good (loan to associate & JVs)		4.58		1.55	
(iii) Doubtful		-		-	
Total		9.97		7.07	
<u>CURRENT ASSETS</u>					
4 Inventories					
a Land - held as Stock-in-trade		34.27		61.45	
b Work In Progress		33.70		9.91	
c Finished Units		0.04		0.04	
Less: Advances Received / Other Recoveries		-		0.00	
		68.02		71.40	
5 Contract Assets - Receivables from projects, net					
Costs incurred and profits / losses recognised	4,800.16		4,101.56		
less progress payments from clients	(4,612.69)	187.47	(3,909.37)	192.19	
Total		187.47		192.19	
<p>Receivables from projects, net as well as prepayments on projects, net, as per 31 Mar, 2020 contain unconfirmed claims of CHF 6.5 Mill. (previous year CHF 17.4 Mill.) and amendments / variations of CHF 18.9 Mill. (previous year CHF 12.6 Mill), whose recoverability, however, from today's point of view, is estimated to be highly probable by the management. Depending on the outcome of negotiations and final settlements with clients and subcontractors the expected results from these projects can improve or deteriorate.</p> <p>Projects, where there is a contractual condition linking billing to client directly with billing from sub-contractors, the accruals of sub-contractor costs have been netted against POC Receivables, in Balance Sheet</p>					
6 Current Investments					
a Investments in Mutual Funds (Liquid Funds);		-		-	
		-		-	
Total		-		-	
<u>Disclosures:</u>					
i aggregate amount of quoted investments		Market value	Book value	Market value	Book value
		-	-	-	-

	31-Mar-20	31-Mar-19
7 Trade Receivables - Current		
a Secured, considered good	-	-
Unsecured, considered good	0.94	0.94
Doubtful		
Gross amount	1.30	1.30
less allowance for doubtful debts	<u>(0.39)</u>	<u>(0.39)</u>
	<u>0.91</u>	<u>0.91</u>
	1.85	1.85
b Unsecured, considered good	4.63	2.96
Doubtful	<u>-</u>	<u>-</u>
	<u>4.63</u>	<u>2.96</u>
Total	<u>6.48</u>	<u>4.82</u>
8 Cash and bank balance		
a Cash and Cash Equivalent		
i Balances with Banks		
- freely available	22.20	18.84
- only available for payments of specific projects	<u>60.23</u>	<u>70.66</u>
	82.43	89.50
ii Cheques on hand	-	-
iii Cash in hand	0.01	0.03
b Bank Deposits more than 3 months less than 12 months	<u>0.90</u>	<u>1.29</u>
Total	<u>83.34</u>	<u>90.81</u>
9 Other Current Assets		
(i) WIR-Cheques	0.37	0.38
(ii) Prepaid expenses	68.78	56.31
(iii) Other Receivables		
Social security receivable	(0.01)	1.14
Withholding tax receivable	0.00	0.00
VAT-Receivables	-	2.19
Other receivables - third and group	<u>9.43</u>	<u>3.31</u>
Total	<u>78.56</u>	<u>63.31</u>
10 Current Tax Assets (Net)		
Income tax receivables	1.65	1.28
Total	<u>1.65</u>	<u>1.28</u>

	31-Mar-20	31-Mar-19
<u>EQUITY</u>		
11 Share Capital		
a Authorised Share Capital:		
49,000 Equity Shares of CHF 1,000 each	49.00	40.00
(previous year 40,000 Equity Shares of CHF 1,000 each)		
b Issued, Subscribed and fully paid:		
49,000 Equity Shares of CHF 1,000 each	49.00	40.00
(previous year 40,000 Equity Shares of CHF 1,000 each)		
<i>Note: All Equity Shares fully paid up.</i>		
c Number of Shares outstanding as on 01.04.2019 / 01.04.2018:	40,000	40,000
Further issue during the period	9,000	-
Reduction during the period	(9,000)	-
Number of Shares outstanding as on 31.03.2020 / 31.03.2019	40,000	40,000
d Holding of Share Capital:		
Shares held by HCC Mauritius Enterprises Ltd.- Holding Company	26,400	26,400
Shares held by HCC Mauritius Investment Ltd.- Holding Company	13,600	13,600
	40,000	40,000
e Shareholding of more than 5%:		
HCC Mauritius Enterprises Ltd - 66%. Number of Shares held	26,400	26,400
HCC Mauritius Investment Ltd - 34%. Number of Shares held	13,600	13,600
	40,000	40,000
f Information for 5 years immediately preceding date of Balance Sheet		
i. Aggregate number and class of Shares allotted as fully paid up, pursuant to contracts, without payment being received in Cash.	n/a	n/a
ii. Aggregate number and class of Shares allotted as fully paid up, by way of Bonus Shares.	n/a	n/a
iii. Aggregate number and class of shares bought back	9,000	n/a
g Rights to shares		
<p>The Company has only one class of equity shares having a par of value of CHF 1'000 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in CHF. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the no. of equity shares held by the shareholder.</p>		
12 Other Equity (after Minority Interest) - PI refer Change in Equity Statement	11.1	11.35
<u>NON-CURRENT LIABILITIES</u>		
13 (I) Borrowings : Secured		
(II) Borrowings: Unsecured		
a Loans and advances from related parties	10.00	30.00
b Loan from Bank (covid 19)	0.50	-
Total	10.50	30.00
<p>The subordinated loan of CHF 20.0 Mill. granted by Mr. Peter Steiner was converted into Share Capital of CHF 9.0 Mill. in April 2019 and difference on conversion of CHF 11.0 Mill was transferred to Capital Surplus.</p> <p>In 2019/20, interest was not paid on the loan (rate in previous year 5.75%). In 2010/11, HCC Mauritius Enterprises Ltd granted a loan of CHF 10.0 Mill. which is only subordinated to banks. The lender HCC Mauritius Enterprises Ltd was replaced (with the same amount and the same conditions) in January 2014 with the lender HCC Mauritius Investment Ltd. In 2018/19 the interest rate is 1.20% (previous year 1.20%).</p>		

	31-Mar-20	31-Mar-19
14 Provisions - Long Term		
a Provision for Employee benefits (including employee jubilee benefits)	14.89	14.16
b Warranty provisions	8.16	7.81
Total	<u>23.05</u>	<u>21.97</u>
15 Other Non-Current Liabilities		
a Provision for Administration costs - Pension Fund	0.75	0.78
	<u>0.75</u>	<u>0.78</u>
<u>CURRENT LIABILITIES</u>		
16 (I) Borrowings - Secured		
a Loans repayable on demand		
- From Banks	4.67	12.55
Total	<u>4.67</u>	<u>12.55</u>
<u>Details of Securities as per 31.03.2020</u>		
i Secured by first charge by way of a mortgage on land in favour of Neue Aargauer Bank (Project "BASF Wädenswil", CHF 4.7 Mill.)		
Total	<u>4.67</u>	<u>12.55</u>

	31-Mar-20	31-Mar-19
17 Trade Payables - Current		
a Group Companies and related parties	0.47	(0.92)
b Accrual of subcontractor invoices according to POC-Method	60.48	74.02
c Accrued liabilities	<u>75.79</u>	<u>63.99</u>
	<u>136.74</u>	<u>137.09</u>
18 Contract Liabilities - prepayment from projects		
a Third Parties	<u>141.61</u>	<u>131.81</u>
	<u>141.61</u>	<u>131.81</u>
19 Other Financial Liabilities		
a Interest accrued but not due on borrowings	-	0.74
	<u>-</u>	<u>0.74</u>
20 Other Current Liabilities		
a Interest accrued but not due on borrowings	-	-
b Interest accrued and due on borrowings	-	-
c Prepayments on projects, net		
Costs incurred and profits / losses recognised and received	4,755.20	3,996.24
less progress/revenue from clients (netted)	<u>(4,693.49)</u>	<u>(3,943.65)</u>
d Income tax payables	-	-
e VAT Payable	2.68	-
f Other current liabilities	<u>2.51</u>	<u>2.49</u>
Total	<u>66.90</u>	<u>55.07</u>
<p>Accrual of subcontractor invoices according to POC-Method as per 31 Mar, 2020 contain claims from and to subcontractors. Thereof as per 31 Mar, 2020 CHF 17.4 Mill (previous year CHF 15.6 Mill.) are uncertain and were recognized in favor of Steiner, whose recoverability, however, from today's point of view, is estimated to be highly probable by the management. Depending on the outcome of negotiations and final settlements with clients and subcontractors the expected results from these projects can improve or deteriorate.</p>		
21 Provisions - Short Term		
a Provision for employee benefits	0.41	0.41
b Warranty and Risk provisions	11.59	8.84
c Non-income tax provisions	-	0.21
d Provision for Income Tax	-	-
e Other Provisions (incl.admin.costs pension funds)	<u>0.64</u>	<u>0.64</u>
Total	<u>12.63</u>	<u>10.10</u>
Contingent Liabilities and commitments		
(to the extent not provided for)		
i Contingent Liabilities		
a Claims against the Company not acknowledged as Debt	29.05	23.96
b Guarantees issued by Banks and Insurance companies for projects	269.89	280.20
c Other money for which Company is contingently liable	<u>-</u>	<u>-</u>
	<u>298.94</u>	<u>304.16</u>

Note 1 : Property, Plant and Equipment

CHF Million

Particulars	Light Vehicles	Furniture and Office Equipments	Computers	Total	Intangible Assets		Investment Property (Land Reserve)
					Computer Software	Total	
Gross block							
As at 31 Mar 2019	0.14	19.32	1.80	21.26	12.54	33.80	0.30
Additions	-	0.68	-	0.68	1.00	1.68	-
Addition on account Exchange fluctuation	-	-	-	-	-	-	-
Deductions/ disposals	-	(0.05)	-	(0.05)	-	(0.05)	-
As at 31 Mar 2020	0.14	19.95	1.80	21.89	13.54	35.43	0.30
Accumulated depreciation / amortisation and impairment losses							
As at 31 Mar 2019	0.14	12.87	1.80	14.81	4.57	19.38	-
Depreciation/ amortisation charge	-	1.37	-	1.37	0.52	1.89	-
Add currency fluctuation	-	-	-	-	-	-	-
Accumulated depreciation/ amortisation on disposals	-	-	-	-	-	-	-
As at 31 Mar 2020	0.14	14.24	1.80	16.18	5.09	21.27	-
Net block							
As at 31 Mar 2019	-	6.45	-	6.45	7.97	14.42	0.30
As at 31 Mar 2020	-	5.71	-	5.71	8.45	14.16	0.30

Notes to the Condensed Consolidated Financial Statements
Details to the Condensed Consolidated Income Statement
CHF Million

	01.04.2019 - 31.03.2020	01.04.2018 - 31.03.2019
20 Revenue		
a Contract Revenue from Projects	735.34	827.54
c. Exceptional items: shown separately Project claims previously included in revenue, now written off based on court decision.	13.70	-
	<u>749.04</u>	<u>827.54</u>
21 Other Income		
a Interest Income	0.12	0.10
b Dividend Income from long term investments	0.07	0.07
c Other Non-operating income	7.54	2.82
	<u>7.72</u>	<u>2.99</u>
22 Employee Benefits Expense		
i Salaries and Wages	68.09	70.79
ii Social security	6.29	6.61
iii Contributions to pension funds	2.70	6.79
	<u>77.08</u>	<u>84.19</u>
23 Finance Costs		
a Interest expense	0.57	1.33
b Other borrowing costs	1.28	2.28
c Interest expenses - Lease	0.47	-
	<u>2.32</u>	<u>3.61</u>
24 Other expenses		
a Insurance	0.67	0.74
b Professional	2.29	1.21
c Auditor's remuneration :		
Audit fees	0.52	0.41
Taxation Matters	-	0.13
d Provision for doubtful debts	(0.22)	-
e Operating leases and rent	1.51	5.64
f Recruitment costs and Other personnel expenses	3.54	2.48
g Selling and distribution expenses	0.54	0.76
h Stationery and Postage	0.25	0.26
i Administration expense	4.57	5.75
j Maintenance and repair	2.09	1.97
k Directors' sitting fees	0.88	1.03
l Other operating expenses	6.63	7.78
m Applicable net gain/loss on foreign currency transactions	(0.03)	(0.10)
	<u>23.24</u>	<u>28.07</u>
25 Other Comprehensive Income (OCI)		
A (i) Items that will not be reclassified to profit or loss		
(a) Remeasurement of defined benefit plans-actuarial valuation(Net of DTA)	0.21	(3.82)
(b) Gain/(loss) on fair value of equity instruments	(0.08)	(0.01)
B (i) Items that will be reclassified to profit or loss		
(a) Exchange difference in translating the financial statements of a foreign operation	(1.14)	(0.05)
	<u>(1.01)</u>	<u>(3.88)</u>
Disclosure IND AS 116		
a. Depreciation on Leased Asset : 01.04.2019 to 31.03.2020	3.59	} NA
b. Short Term Leases & Leases where asset is of low value	1.60	
c. Income from Sub leases	NIL	
d. Additions to the lease in current period	NIL	
e. Gain / (Loss) on sale & leaseback transactions	NIL	
f. Carrying amount of Lease Asset/Class of Lease Asset.	35.05	

(Note: IND AS 116 is adopted w.e.f. 01.04.2019, hence previous period figs not given in all cases of Lease information as per IND AS 116)

Notes to the Consolidated Financial Statements

Criteria for preparation of consolidated financial statements

1 Steiner AG has prepared the consolidated financial statements to provide the financial information of its activities along with its Subsidiaries as a single entity. They are collectively referred as "Group" herein.

The consolidated financial statements are prepared by :

- i) Consolidating its accounts with financial statements of its Subsidiaries.
- ii) Applying the equity method of accounting for its investee companies in which it holds between 20 and 50 percent of the equity share capital. Joint operations are included using proportionate-consolidation as per revised IND AS 111.
- iii) Foreign subsidiaries financials are prepared in compliance with the local laws and applicable accounting standards, necessary adjustments for differences in the accounting policies wherever applicable have been made in the consolidated financial statements.
- iv) Financial Statements of overseas non-integral operations are translated as under
 - i) Assets and Liabilities at the rate prevailing at the end of the year
 - ii) Revenues and expenses, including depreciations and amortisation at yearly average exchange rate prevailing during the yearExchange differences arising on translation of non-integral foreign operations are accumulated in the foreign currency translation reserve account until the disposal.

2 Method of Consolidation

The consolidated financial statements have been prepared by the Company in accordance with the requirements of IND Accounting Standard (IND AS) 110 - "Consolidated Financial Statements" , IND Accounting Standard (IND AS) 28 - "Accounting for Investments in Associates " and IND Accounting Standard (IND AS) 111 - "Joint Arrangements".

The period-end balances and the common transactions with the Subsidiaries are eliminated in full. Because of comparability, due to some reclasses in the balance sheet and P/L, the previous year figures were presented accordingly. Due to rounding, the numbers do not necessarily correspond exactly with the totals

Significant Accounting Policies and Notes

1. Basis of Accounting and use of Estimates

All estimates and assumptions are re-evaluated on an on-going basis and are based on historical experience as well as expectations regarding future events which appear reasonable under the given circumstances.

IND AS 116 for accounting of Leases, which is effective for periods on or after 01.04.2019 was adopted during the financial year. Only long term Lease rental contracts have been considered for the purpose.

Modified retrospective method has been adopted by the Company for implementation of IND AS 116.

2. Revenue from Total and General Contracting

Long-term contracts for the construction of third-party real-estate are accounted for using the percentage of completion (POC) method, whereby external and internal costs and estimated profits are taken into account. The degree of completion is determined on the basis of the work performed on the construction site. The different executed activities of the project are measured based on available units (e.g. m, m², m³, kg) in comparison to the total quantities needed for the completion (surveys of the work performed-method).

With the application of the surveys of the work performed-method, the difference between contract costs incurred and contract cost recognised (billed) is accrued in prepaid expenses respectively accruals.

Contract costs are recognized as an expense in the period in which they are incurred. Contracts and groups of contracts for which the degree of completion or the outcome cannot be reliably estimated are capitalized only to the extent of the amount of the contract costs that are highly probable to be recoverable. Anticipated losses from construction contracts are covered in full by valuation allowances. In accounting for contracts in progress, contractual revenue comprises the contractually agreed revenue and amendments / variations and claims that have been confirmed by the customer or for which payment is considered highly probable.

In the case of TC/GC work on own properties, only costs (including own work and interest incurred, excluding profit share) which have actually been incurred until the transfer of the risks and rewards to the customer are capitalized.

3. Revenue from real estate development

Revenue from the sale of real estate projects is realized on the transfer of title or the transfer of material risks and rewards to the purchaser.

Real Estate Investor Projects are accounted for as construction contracts based on percentage of completion (POC). Accordingly revenue and the gains of development is recognised along the construction of the building.

The separate sale of project development rights and plans is accounted for as sale and the revenue and gains are realised at the time of the transfer of risks and rewards.

Real Estate Development projects with multiple buyers (i.e. condominium projects) are accounted for according to the specific guidance note of IND AS. E.g. revenue is only recognised if the POC is above 25% maximum to the extent of revenue based on cost-to-cost method.

4. Financial expenses/capitalised interest

Interest expense is recognized directly in the income statement as an expense for the period to which it relates. Interest expense which is directly attributable to real estate or TC/GC-projects is capitalized as a part of the construction cost. Thereby the interest expense actually incurred is capitalized, as borrowing takes place for each individual project.

5. Financial Assets

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

6. Receivables/Liabilities from Projects

Customer contracts in progress are shown as an asset in the balance sheet under "Receivables from projects, net", or as a the liabilities side under "Liabilities from projects, net". If the prepayments received from customers exceed the project receivables, these are shown under liabilities; otherwise, these are shown under assets.

These positions comprise the total contract costs incurred (actual and accrued), including a share of the profit, less customer prepayments and allowances for expected losses.

7. Real estate projects

Real estate projects are valued based on the lower of the construction cost and the sale price until the project is handed over to the purchaser by means of the transfer of title or the transfer of material risks and rewards. Borrowing costs relating to real estate projects with duration of more than one year are capitalized over the entire duration of the project if the development costs are allowed for capitalization. Payments by customers for a specific project are offset against the construction cost as the customers have generally already notarially signed the purchase contract. Undeveloped land (inc. development costs) and finished units which are held for sale are valued at the lower of construction costs and net selling price.

8. Property, plant and equipment

IT, furnishings, tenant fit-out and equipment as well as motor vehicles are recognized in the balance sheet at acquisition cost less accumulated depreciation and any allowances necessary due to impairment. Depreciation is on a straight line basis over the estimated useful life. Depreciation rates are between 5% (for certain elements of tenant fit-out) and 33%.

9. Investments

Investments in associates in which the Steiner-Group exercises significant influence, but does not have control (generally 20% to 50% of the voting rights), are recognized in the consolidated financial statements using the equity method. As per revised IND AS 111, Joint operations are consolidated using proportionate consolidation.

Under the equity method, investments in associates are recognized in the balance sheet at cost and subsequently adjusted to reflect the changes in the Group's share of the net assets of the associate. Any goodwill connected with the associate is included in the carrying amount of the investment and not depreciated. The income statement includes the Group's share in the income of the associate. Changes recognized directly in the equity of the associate are recognized by the Group in proportion to its investment and reported under the statement of changes in equity as appropriate. Gains and losses from transactions between the Group and associates are eliminated according to the share in the investment in the associate.

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investment. Current investment are carried in the financial statements at lower of cost or fair value determined on an individual investment basis. Non-current Investments are carried at cost, provisions for diminution in value is made to recognise a decline other than temporary in the value of the investments.

10. Post-employment benefits plan

Based on their characteristics, the post-employment benefit plans of the Steiner-Group qualify as defined benefit plans under IND AS 19. The projected unit credit method is used for the calculation of the net present value of the defined benefit obligation (or 'DBO'). For the purposes of determining the DBO, this method takes account of the years served to date, with an additional unit being added to the DBO each year.

For active plan participants, the defined benefit obligation is thus equal to the net present value of the post-employment defined benefits, taking into account future salary and pension increases as well as the rate of employee turnover. For retirees, the defined benefit obligation is equal to the net present value of current pensions, taking into account future pension increases.

The total defined benefit obligations are compared to the fair value of the plan assets. Any surplus is recognised as an asset up to the benefit of the Group. Any shortfall is reported in the balance sheet as a liability. Actuarial gains and losses are accounted through Other Comprehensive Income Statement (OCI).

11. Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank, postal giro and cash in hand as well as any time deposits with a maturity of less than three months. These are stated at nominal value.

12. Earning per share

Basic and diluted earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders and weighted average number of equity shares outstanding during the period.

There are no differences between basic and diluted earning per share since there is no dilutive potential.

13. Deferred taxes

Deferred taxes are accounted using the Balance Sheet approach, which focus on temporary differences at the reporting date between the tax bases of assets and liabilities. Deferred tax is measured using the applicable local tax rates.

Available loss carry forwards and tax credits are only recognized as deferred tax assets to the extent that it is virtually certain that there will be sufficient future taxable profit against which the loss or credit carry forwards can be utilized. The Company reassesses the non-recognized loss carry forwards and reviews the carrying amounts of the deferred tax assets each year at the balance sheet date.

14. Provisions

The measurement of provisions is based on the best possible estimate, taking into account related risks and uncertainties. The provisions are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

15. Contingent Liabilities

Possible obligations for which an outflow of resource is considered unlikely are not recognized in the balance sheet. However, contingent liabilities are disclosed in the notes at each balance sheet date.

16. Segment Reporting

The Company has a single segment namely "Building Construction". Therefore, the Company's business does not fall under different business segments as defined by IND AS 108 - "Operating Segments".

17. List of Subsidiaries considered for Consolidation

Name of Subsidiary	Country of incorporation	% Holding	Relationship
Steiner Promotions et Participations SA, Geneva	Switzerland	100%	Subsidiary
Manufakt8048 AG, Zürich(subsidiary of Steiner Promotions)	Switzerland	100%	Subsidiary of subsidiary
VM + ST AG, Zürich	Switzerland	100%	Subsidiary
Steiner (Deutschland) GmbH, Paderborn	Germany	100%	Subsidiary
Steiner Léman SAS, Archamps	France	100%	Subsidiary
Steiner India Ltd., Mumbai	India	100%	Subsidiary

Name of Associates	Country of incorporation	% Holding	Relationship
Evostate AG, Zurich	Switzerland	30%	Associates
Evostate Immobilien AG (subsidiary of Evostate AG)	Switzerland	30%	Subsidiary of Associate
MCR Managing Corporate Real Estate AG, Zurich	Switzerland	30%	Associates
Projektentwicklungsgesellschaft Parking Kunstmuseum Basel AG, Basel	Switzerland	38.6%	Associates

Name of Joint Operations & Joint Venture

ARGE Prime Tower, Zurich	Switzerland	45%	Joint operations
Werkarena Basel AG	Switzerland	50%	Joint venture

18. a. Deferred Tax Asset is comprised as follows:

	<i>CHF Million</i>	
	<u>31/03/2020</u>	<u>31/03/2019</u>
Deferred Tax Asset (Liability) on Pension Liability, doubtful debts	2.28	2.12
Deferred Tax Asset on tax loss	3.37	1.55
DTL on Pension Holiday contribution (SAG)	(0.84)	
Total Net Asset	4.80	3.66

NOTE : Deferred tax asset recognised on unabsorbed losses by Steiner AG is expected to be adjusted against future taxable income during the time limit under the applicable Income Tax Law.

18. b. Tax Expense:

Income tax expense	Year ended 31.03.20	Year ended 31.03.19
<i>Current tax</i>		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	0.35
Total current tax expense / (income)	-	0.35
<i>Deferred Tax</i>		
Decrease (increase) in deferred tax assets	(2.50)	(1.71)
(Decrease) increase in deferred tax liabilities	1.31	(1.40)
Total deferred tax expense / (income)	(1.19)	(3.11)

Reconciliation - Tax Expenses

Earnings / (Loss) before taxes of continued operations	(1.92)	22.16
Earnings / (Loss) before taxes of continued operations	-	-
Total earnings before taxes	(1.92)	22.16
Expected tax rate	17.3%	20%
Expected tax expense	(0.33)	4.43
Unrecognized losses from the current financial year	0.40	0.70
Utilization of unrecognized loss carryforwards from prior years	(0.00)	(1.98)
Capitalization of tax losses	-	-
Non taxable expenses / income	(1.15)	(6.10)
Other effects (incl.DTA / DTL - OCI & Profit & Loss a/c)	(0.11)	0.19
Total actual income taxes (expenses)	1.19	2.76

19. Warranty provisions:

CHF Million

After the handover of the building there is a warranty liability, which lasts between 2 and 10 years, depending on the building and its components. During construction the warranty provision is recorded based on past experience and, in general, remains unchanged during construction. Actual warranty costs are recorded against the warranty provision of projects in warranty phase (pool approach). As per closing date, future warranty costs are estimated and if needed the warranty provisions are increased or released. The subsequent major cash flows of remaining provisions will take place over next five years.

	<i>CHF Million</i>	
	<u>31/03/2020</u>	<u>31/03/2019</u>
Short term warranty provisions at the beginning of the period	2.67	3.65
Long term warranty provisions at the beginning of the period	7.81	10.03
Total warranty provisions at the beginning of the period	10.48	13.68
Additions	10.20	7.79
Use	(10.12)	(6.98)
Release	(0.94)	(4.01)
Total warranty provisions at the end of the period	9.62	10.48
thereof Short term warranty provisions at the end of the period	1.45	2.67
thereof Long term warranty provisions at the end of the period	8.16	7.81

20. Provisions

in CHF Mill.	Balance 31/03/2019	Increase	Release	Utilisation	Fx.Diff.	Balance 31/03/2020
Analysis by risk groups						
Warranty provisions	10.5	10.2	-0.9	-10.1	0.0	9.6
Risk provisions	6.1	9.2	0.0	-5.2	0.0	10.1
Other provisions (short term)	1.4	0.0	-0.2	-0.3	0.0	0.9
Total provisions	17.9	19.4	-1.1	-15.6	0.0	20.6
of which total short-term provisions	10.1					12.6
Expected maturity within 2 - 5 years	1.8					5.7
Expected maturity over 5 years	6.0					2.5
of which total non-current provisions	7.8					8.2

in CHF Mill.	Balance 31/03/2018	Increase	Release	Utilisation	Fx.Diff.	Balance 31/03/2019
Analysis by risk groups						
Warranty provisions	13.7	7.8	-4.0	-7.0	0.0	10.5
Risk provisions	7.6	7.4	-5.9	-3.0	0.0	6.1
Other provisions	1.5	0.2	-0.1	-0.1	0.0	1.4
Total provisions	22.8	15.4	-10.0	-10.1	0.0	17.9
of which total short-term provisions	12.7					10.1
Expected maturity within 2 - 5 years	1.2					1.8
Expected maturity over 5 years	8.9					6.0
of which total non-current provisions	10.0					7.8

21. Disclosure relating to Employee Benefits - IND AS 19

Steiner Foundation

The objective of the Steiner Foundation is to pay voluntary benefits to relieve the economic consequences of old age, death and disability and, in cases of particular hardship, the consequences of sickness, accident or unemployment. It can make contributions or payments to the Steiner-Group Switzerland Pension Plan.

	<u>31/03/2020</u>	<u>31/03/2019</u>
A Expenses recognised during the year		
Current Service Cost	6.02	5.74
Interest Cost	0.06	0.02
Administration expenses	0.67	0.54
Employers contributions made	(5.67)	(5.50)
	<u>1.07</u>	<u>0.80</u>
Expenses recognised in the P&L Account		
Actuarial (gains) and losses	(0.27)	4.78
	<u>(0.27)</u>	<u>4.78</u>
Defined benefit cost recognised in OCI		
	<u>(0.27)</u>	<u>4.78</u>
B Net Liability recognised in the Balance Sheet		
Present value of obligation	7.66	6.99
Add : provision for separated employees	3.73	3.61
Total	<u>11.39</u>	<u>10.60</u>
	2.80	2.77
Add: Liability for Steiner Germany		
Total Pension Liability	<u>14.19</u>	<u>13.37</u>
C Change in present value of obligation		
Present value of obligation at the beginning of the year	157.01	151.50
Current Service cost	6.02	5.74
Interest Cost	1.10	1.19
Contribution by plan participants	4.97	4.84
Benefits paid	(14.10)	(10.26)
Net Actuarial gain/(loss) recognised during the year	6.60	3.99
Plan amendment	0.13	-
Present value of obligation at the end of the year	<u>161.72</u>	<u>157.01</u>
	106.80	103.6
<i>whereof due to active member</i>		
<i>whereof due to pensioners</i>	54.90	53.4
D Actuarial assumptions :		
i Discount rate (beginning of the period)	0.70%	0.80%
ii Salary escalation rate over long term	0.50%	0.50%
iii Mortality rate	BVG 2015 (GT)	BVG 2015 (GT)
iv Turnover rates	BVG 2015	BVG 2015
v Retirement rates	65(M) / 64(F)	65(M) / 64(F)
E Overview of Plan Assets		
Pension Fund (Pensionskasse der Steiner AG)		
Assets in insurance contracts	115.92	113.42
Additional assets in pension fund	34.54	33.10
Liabilities and deferrals	(0.14)	(0.10)
Total plan assets in pension fund	<u>150.32</u>	<u>146.42</u>
F Sensitivities (change in DBO)		
Discount rate +0.1%	(2.43)	(2.28)
Discount rate -0.1%	2.49	2.33
Salary increase rate +0.5%	1.82	1.74
Salary increase rate -0.5%	(1.72)	(1.65)

22. Interests in Joint Arrangements

As per Ind AS 111 - Joint Arrangements, investment in Joint Arrangement is classified as either Joint Operation or Joint Venture. The classification depends on the contractual rights and obligations of each investor rather than legal structure of the Joint Arrangement. The Company classifies its Joint Arrangements as Joint operations or Joint ventures.

The Company recognises its direct right to assets, liabilities, revenue and expenses of Joint Operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Sensitivity Analysis

Interest

The operating profits and cash flows of the Steiner-Group are exposed to interest rate risk due to fluctuations in interest rates on the capital market. Interest rate risk affects in particular the financial investments and the current and non-current borrowings (information on these items is given in the notes). Changes in interest rate risk are supervised on an ongoing basis.

The table below illustrates how sensitive profit before taxes and capitalized real estate projects (regarding project financing) are to a potential movement in the interest rate, assuming all other variables remain constant. Movements in the interest rate associated with project financing which has been capitalized for real estate projects have a delayed impact on profit before taxes and equity.

in CHF Mill.		2019/20	2018/19
Increase in interest rate by 15 basic points (0.15%)	Effect on profit before tax	0.09	0.08
Increase in interest rate by 10 basic points (0.10%)	Effect on profit before tax	0.06	0.06

Foreign exchange risk

Steiner-Group is primarily active in Switzerland. Foreign exchange risks arise from fluctuations in value between the Euro and Indian Rupees against the CHF. However, most transactions by the subsidiaries in Germany and India are executed in the functional currency. There is also a foreign exchange risk on non-current intra-group loans and on the share of investment, although these movements in the exchange rate are recognized directly as comprehensive income. Foreign exchange risk is constantly monitored and hedged as required, for example, by means of forward exchange contracts.

The table below illustrates how sensitive profit before taxes and equity are to a potential movement of the Euro and Indian Rupees (INR), assuming all other variables remain constant.

in CHF Mill.		2019/20	2018/19
Increase of EUR by 5%	Effect on profit before tax	0.05	0.04
	Effect on Equity	0.63	0.65
Reduction of EUR by 5%	Effect on profit before tax	(0.05)	(0.04)
	Effect on Equity	(0.63)	(0.65)

in CHF Mill.		2019/20	2018/19
Increase of INR by 5%	Effect on profit before tax	0.05	0.12
	Effect on Equity	0.64	0.62
Reduction of INR by 5%	Effect on profit before tax	(0.05)	(0.12)
	Effect on Equity	(0.64)	(0.62)

Credit risk

Credit risk relates in particular to trade receivables (customers) and trade payables (suppliers) from current projects. In view of the customer portfolio of the Steiner-Group, there is no significant concentration of risk. At Group level, there is also no significant dependence on sub-contractors. There is, however, a counterparty risk from the bankruptcy of sub-contractors. With respect to counterparty risk (creditworthiness and default risk), the Group has implemented a credit risk management procedure, together with a related allowance policy, whereby project management and the Controlling department review open positions on an ongoing basis and recognize impairments as appropriate. When granting loans to third parties (for example to project companies or to third parties), collateral in the form of borrower's notes is usually requested.

The maximum credit risk corresponds to the carrying amounts recognized in the balance sheet and the notes.

Liquidity risk

Liquidity is controlled and managed on an ongoing basis both at Group level and project level. The aim in TC/GC-projects is always to finance construction costs, own work and profit shares by means of prepayments from customers.

Capital management

Target in the capital management is to show a reasonable consolidated equity (incl. subordinated and shareholders loans).

Equity is managed by the reported profit, dividend payments and capital increases or reductions. Steiner-Group defines capital as reported equity including minorities and shareholder loans.

Investment properties/land reserves

Investment property is property held to earn rentals and for capital appreciation rather than for sale in the ordinary course of business. This also includes property that is being constructed or developed for future use as investment property as well as land reserves held for a currently undetermined future use. The valuation at the time of initial recognition is based on acquisition costs, including directly attributable transaction costs. After the initial recognition, the fair value model is applied. Changes in market value are taken to the income statement considering deferred taxes.

Disclosure in accordance with Accounting Standard - 18 "Related Party Transactions".

A Names of Related Parties & Nature of Relationship

<u>Names of Related Parties</u>	<u>Nature of Relationship</u>
1 ARGE Prime Tower, Zürich	Joint Operations
2 Evostate AG, Zürich	Associate
3 MCR Managing Corp. Real Estate AG, Tolochenaz	Associate
4 Projektentwicklungsges. Parking Kunstmuseum AG, Basel	Associate
5 Stiftung der Steiner AG (Steiner pension foundation)	Related party
6 Werkarena Basel AG	Joint Venture

B Key Management Personnel

- i) Ajit Gulabchand, Chairman
- ii) Karsten Hell, CEO
- iii) Ajay Sirohi, CFO
- iv) Michael Schiltknecht, Head RED
- v) Julia Cvitanic, General Counsel and Company Secretary

C Transactions with Related parties

CHF Million

	01.04.2019 - 31.03.2020	01.04.2018 - 31.03.2019
Total of salaries and wages including bonuses and directors' fees paid out to the Board of Directors and Group Management	3.02	2.88
Contributions to post-employment benefit plans	0.21	0.29
Total compensation paid to the Board of Directors and Group Management	3.23	3.17

Assets:	Relation	Name	31/03/2020	31/03/2019	
	Related parties	Highbar Tech.Ltd	2.08	2.96	Capitalized costs in Property, Plant and Equipment
	Related parties	HCC (Steiner India)	0.36	-	Security deposits - project
	Shareholder	HCC Mauritius	0.19	0.18	Management Fees
Liabilities:					
	Related parties	HCC	0.50	0.10	Trade payables
	Shareholders	HCC Mauritius	10.00	10.00	Subordinated loan
	Related parties	P.Steiner	-	20.00	Subordinated loan
	Shareholder	HCC Mauritius	0.60	0.56	Accrued interests and Fees
Expense from:					
	Related parties	P.Steiner	-	(0.87)	Interest on subordinated loan
	Shareholders	HCC Mauritius	(0.12)	(0.12)	Interest on subordinated loan
	Related parties	Highbar Tech.	(0.41)	(0.60)	Other operating expenses
	Shareholders	HCC Mauritius	(2.50)	(2.50)	Other operating expenses

Earnings per share (EPS):

		<u>31/03/2020</u>	<u>31/03/2019</u>
Basic & Diluted EPS			
A	Profit computation for basic earnings per share of CHF 1000 each		
	Net Profit as per profit & loss account available for Equity Share holders	(CHF) (728,189)	9,475,876
B	Weighted average number of Equity shares for EPS computation	(Nos.) 40,000	40,000
C	EPS (weighted average)		
	Basic & Diluted EPS (not annualised)	(CHF) (18.20)	236.90

Going Concern

The World Health Organization has officially declared the spread of the coronavirus (COVID-19) a pandemic as of 12 March 2020. On 19 March 2020, the federal council of Switzerland consequently decided on a partial lockdown. Steiner as a construction company mainly operates in Switzerland with an international supply chain and is therefore part of the Swiss and global construction industry dealing with the challenges the virus poses for everyone involved.

Like many other companies Steiner budgeted different scenarios to determine the impact of the lockdown on its operations including revenues, cash flows, liquidity and equity. As of the reporting date the impact of COVID-19 cannot finally be assessed.

Additionally, Steiner maintains a bank facility with a syndicate mainly with the objective to provide guarantees for its construction projects expiring 31 August 2020. The facility agreement sets forth covenants related to minimum equity, minimum EBIT margin and minimum liquidity. As of 31 March 2020, the covenants related to minimum equity as well as EBIT margin are in breach but the banks waived all financial covenants except minimum liquidity under the existing facility agreement (minimum equity, EBIT margin and minimum liquidity) for 31 March 2020 and for the remaining term of the agreement (i.e. until 31 August 2020). Management is in discussion with the banks in order to agree on a prolongation of the syndicated revolving guarantee facility agreement. However, as of the date of this report, a final and legally enacted agreement is not in place.

The three points above

- consequences of COVID-19 including
- uncertainties in relation to the budget and liquidity planning and
- the pending renewal of the syndicated revolving guarantee facility agreement

present a material uncertainty that cast significant doubt about the entity to continue as going concern, if one or a combination of them materializes

The board of directors (BoD) and management assume that the company will overcome these uncertainties, will come to an agreement with the bank syndicate and that recoverability of unsigned change orders and claims is highly probable. The BoD and management believe that Steiner is well established and that the assumption of Steiner to continue as a going concern is appropriate

Interest in Subsidiaries, Associates and joint Operations

Subsidiaries		% of Ownership interest held by the group*		% of Ownership interest held by non controlling interests		Principal activities
		31/03/2020	31/03/2019	31/03/2020	31/03/2019	
Name of the entity	Country of Incorporation					
Steiner Promotions et Participations SA, Tolochenaz	Switzerland	100.0%	100.0%	0.0%	0.0%	Real Estate Development
Manufakt 8048 AG (subsidiary of Steiner Promotions)	Switzerland	100.0%	100.0%	0.0%	0.0%	Real Estate Development
Eurohotel SA, Genf	Switzerland	0.0%	95.0%	0.0%	5.0%	Real Estate Development
VM + ST AG, Zürich	Switzerland	100.0%	100.0%	0.0%	0.0%	Real Estate Development
Steiner (Deutschland) GmbH, Paderborn	Germany	100.0%	100.0%	0.0%	0.0%	Real Estate Development
Steiner Léman SAS, Archamps	France	100.0%	100.0%	0.0%	0.0%	Real Estate Development
Steiner India Ltd, Mumbai	India	100.0%	100.0%	0.0%	0.0%	Real Estate Construction
<i>Eurohotel SA, sold during the FY 2019/20</i>						

Joint Operations/Joint ventures		% of Ownership interest held by the group*		Name of the Ventures' Partners	Principal activities
		31/03/2020	31/03/2019		
Name of the entity	Nature of Entity				
ARGE Prime Tower	Consortium ("ARGE")	45.0%	45.0%	Losinger Marazzi	Real Estate Construction
Werkarena Basel AG	Joint Venture	50.0%	-	P.A Real Estate AG	Real Estate Development

Associates		% of Ownership interest held by the group*		Carrying Amount (CHF Million)		Principal activities
		31/03/2020	31/03/2019	31/03/2020	31/03/2019	
Name of the entity	Country of Incorporation					
Evostate AG	Switzerland	30.0%	30.0%	0.0	0.0	Holding Co - Real Estate business
Evostate Immobilien AG	Switzerland	30.0%	30.0%	0.5	0.5	Real Estate Development
MCR Managing Corp. Real Estate	Switzerland	30.0%	30.0%	0.2	0.5	Real Estate Development
Projektentwicklungsges. Parking Kunstmuseum AG	Switzerland	38.6%	38.6%	1.1	0.9	Real Estate Development
Note 1 : Accounting method : Equity Accounting for all Associates						

Notes to the consolidated financial statements for the year ended March 31, 2020

Fair Value Measurements

Classification of financial instruments	CHF Million	
	As at 31.03.2020	As at 31.03.2019
Particulars		
Financial Assets		
At Amortised Cost		
Investments	1.84	1.98
Trade Receivables	6.48	4.82
Loans given	9.97	7.07
Cash and Cash equivalents	83.34	90.81
Other receivables and prepaid	78.56	63.31
At Fair Value through Profit & Loss (Quoted investments)	0.22	0.21
Total of Financial Assets	180.42	168.21
Financial Liabilities		
At Amortised Cost		
Borrowings	15.17	42.55
Trade payables related party	0.47 -	0.92
Trade payables others	277.88	269.83
Interest on borrowings	-	0.74
Total of Financial Liabilities	293.52	312.20

Note 30 - Fair Value Hierarchy :

(a) Fair value hierarchy - Recurring fair value measurements

Particulars	As at	As at
	31.03.2020	31.03.2019
Financial Assets		
At Fair Value through Profit & Loss		
<u>Level - 1</u>	0.22	0.21
Total of Financial Assets	0.22	0.21

(b) Fair value hierarchy - Assets and liabilities which are measured at amortised cost for which fair values are disclosed

Particulars	As at	As at
	31.03.2020	31.03.2019
Financial Assets		
<u>Level - 3</u>		
Investments	1.84	1.98
Trade Receivables	6.48	4.82
Loans given	9.97	7.07
Cash and Cash equivalents	83.34	90.81
Other receivables and prepaid	78.56	63.31
Total of Financial Assets	180.19	168.00
Financial Liabilities		
<u>Level - 3</u>		
Borrowings	15.17	42.55
Trade payables related party	0.47 -	0.92
Trade payables others	277.88	269.83
Interest on borrowings	-	0.74
Total of Financial Liabilities	293.52	312.20

Recognised fair value measurements

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Statement containing silent features of the financial statement of Subsidiaries

													<i>In CHF Million</i>	
Sr. No	2. Name of the subsidiary	3. Reporting period	4. Reporting currency /Exchange rate	5. Share capital	6. Reserves & surplus	7. Total assets	8. Total Liabilities	9. Investments	10. Turnover	11. Profit before taxation	12. Provision for taxation	13. Deferred Tax	13. Profit after taxation	14. Proposed Dividend
1	Eurohotel	01.04.2019 to 31.03.2020	CHF	-	-	-	-	-	-	-	-	-	-	-
2	VM&ST	01.04.2019 to 31.03.2020	CHF	1.00	0.01	1.02	0.01	0.00	0.00	-0.01	0.00	0.00	-0.01	0.00
3	SPP (incl Manufakt)	01.04.2019 to 31.03.2020	CHF	3.00	1.58	53.36	48.77	0.00	0.00	2.64	0.00	-0.40	2.25	0.00
4	Steiner Germany	01.04.2019 to 31.03.2020	CHF	10.82	(2.74)	11.64	3.56	0.00	0.00	0.01	0.00	0.00	0.01	0.00
5	Steiner Léman	01.04.2019 to 31.03.2020	CHF	0.24	(0.21)	0.08	0.05	0.00	0.00	-0.01	0.00	0.00	-0.01	0.00
6	Steiner India	01.04.2019 to 31.03.2020	CHF	1.91	(5.77)	13.21	17.07	0.00	5.56	-0.87	0.00	0.00	-0.87	0.00
1	Evostate (incl. Evost.Immob)	01.04.2019 to 31.03.2020	CHF	0.20	1.93	15.05	12.92	0.00	0.00	-0.13	0.00	0.00	-0.13	0.00
2	MCR	01.04.2019 to 31.03.2020	CHF	0.10	0.45	1.00	0.45	0.00	0.00	-0.04	0.02	0.00	-0.02	0.00
3	Parking, Basel	01.04.2019 to 31.03.2020	CHF	2.20	0.75	2.97	0.02	0.00	0.00	0.55	0.00	0.00	0.54	0.00

Note 1 All entities have been considered in reporting currency - CHF

Note 2 Eurohotel has been sold during the FY 2019/20

Cl.rate euro	1.058
Cl.rate INR	0.013

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

CHF Million

Name of Associates	Evostate AG and Evostate Immob.	MCR Corp.	Parking, AG Basel
1. Latest audited Balance Sheet Date	31-Mar-20	31-Mar-20	31-Mar-20
2. Shares of Associate/Joint Ventures held by the company at the year end.			
-No.	300	30	850
-Amount of Investment in Associates/Joint Venture	0.45	0.16	1.14
-Extend of Holding %	30.00%	30.00%	38.64%
3. Description of how there is significant influence	Significant Influence over Share Capital	Significant Influence over Share Capital	Significant Influence over Share Capital
4. Reason why the associate/joint venture is not consolidated.	Consolidated	Consolidated	Consolidated
5. Networth attributable to Shareholders as per latest audited Balance Sheet	1.48	0.54	2.95
6. Profit / Loss for the year			
i. Considered in Consolidation	(0.13)	(0.02)	0.54
i. Not Considered in Consolidation	-	-	-

Name of Entity	Net assets (Total assets - Total Liabilities)		Share in profit or loss	
	Amount	As % of consolidated Net Asset	Amount	As % of consolidated Profit or Loss
Consolidated	60.05		(1.73)	
Parent Company				
Steiner AG	76.59	127.55%	(4.02)	231.58%
Subsidiaries				
Eurohotel	-	0.00%	-	0.00%
VM&ST	1.02	1.69%	(0.01)	0.29%
SPP (incl. Manufaktur)	4.58	7.63%	2.25	-129.43%
Steiner Germany	8.08	13.46%	0.01	-0.32%
Steiner Léman	0.03	0.05%	(0.01)	0.82%
Steiner India	(3.86)	-6.43%	(0.87)	50.08%
Associates				
Evostate (incl. Evostate Immob.)	2.13	3.54%	(0.13)	7.38%
MCR	0.55	0.91%	(0.02)	1.21%
Parking, Basel	2.95	4.91%	0.54	-31.30%